



THE KINGSBURY
COLOMBO · SRI LANKA

THE
KINGSBURY

TIMELESS RESILIENCE

ANNUAL REPORT 2023/24

TIMELESS RESILIENCE

At The Kingsbury, our journey is etched with the indomitable spirit of resilience, a quality that has shaped our promise of Timeless luxury.


Through the ebb and flow of time, our resolve remains unyielding, standing as a beacon of strength in the face of adversity. With an optimistic year on record, we seized opportunities for growth, adapting and innovating to meet the evolving needs of our discerning clientele.

As we reflect on our journey, we take pride in the timeless elegance and unparalleled service that define The Kingsbury experience. Our team has exemplified unwavering dedication, demonstrating resilience in every interaction and commitment to exceeding expectations. As we stand on the threshold of a new year, we are guided by the timeless resilience that defines us, and the timeless allure that is The Kingsbury.

CONTENTS


Overview

About this Report	03
About Us	05
Value Creation Highlights	07

 03 – 08

Leadership

Reflections from the Chairman	10
Managing Director's Review	12
Board of Directors	15

 09 – 16


Operating Landscape and Value Creation

Value Creation Model	18
Stakeholder Dynamics	20
Operating Environment	23
Material Matters	25

 17 – 26

Management Discussion and Analysis

Financial Capital	28
Manufactured Capital	30
Human Capital	32
Intellectual Capital	37
Social and Relationship Capital	39
Natural Capital	42
Way Forward	44

 27 – 44

Governance and Risk Management

Corporate Governance	46
Risk Management	64
Annual Report of the Board of Directors on the Affairs of the Company	70
Statement of Directors' Responsibilities	74
Related Party Transactions Review Committee Report	75
Remuneration Committee Report	76
Nominations and Governance Committee Report	77
Audit Committee Report	79
Statement by the Senior Independent Director	81

 45 – 81


Financial Statements

Independent Auditors' Report	85
Statement of Profit or Loss	88
Statement of Comprehensive Income	89
Statement of Financial Position	90
Statement of Changes in Equity	91
Statement of Cash Flow	92
Notes to the Financial Statements	93

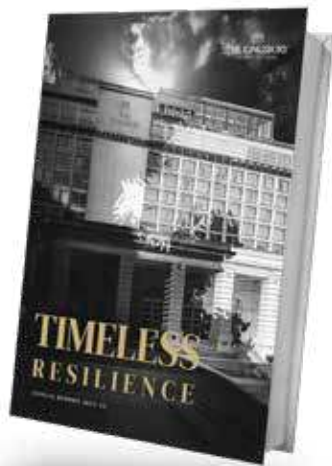
 82 – 129

Supplementary Information

Information to Shareholders	131
Ten Year Financial Summary	133
Corporate Structure	135
Notice of Meeting	138
Form of Proxy	139

 130 – 140

ABOUT THIS REPORT



We are proud to present to you, our second Integrated Annual Report (the Report) for the financial year ended 31st March 2024. This is in line with our continued commitment to present clear, concise yet comprehensive reporting across the Hayleys Leisure Sector including at The Kingsbury PLC. We firmly believe that our timely adoption of the International Integrated Reporting (IR) Framework issued by the Value Reporting Foundation would provide sufficient and detailed information to all our stakeholders.

Reporting boundary and scope

The Report covers operations of The Kingsbury PLC for the period from 01st April 2023 to 31st March 2024. We adopt an annual reporting cycle for both financial and non-financial reporting. This Report builds on the previous year's report for the period ended 31st March 2023. There are no restatements of non-financial information reported in the prior year unless otherwise stated.

Reporting Principles

We have adopted the following local and international reporting frameworks/guidelines and external assurance in ensuring the quality and Integrity of our reporting.

Financial Statements and Related Disclosures

- ⦿ Sri Lanka Accounting Standards issued by the Institute of Chartered Accountants of Sri Lanka
- ⦿ Companies Act No. 07 of 2007 (as amended)
- ⦿ Listing Rules of the Colombo Stock Exchange
- ⦿ Independent Auditors' Report by Messrs. Ernst and Young

Integrated Reporting

- ⦿ Integrated Reporting Framework of the Value Creation Foundation
- ⦿ United Nation's Sustainability Development Goals

Corporate Governance

- ⦿ Companies Act No. 07 of 2007 (as amended)
- ⦿ Listing Rules of the Colombo Stock Exchange
- ⦿ Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka
- ⦿ Code of Best practice on Related Party Transactions issued by the Securities & Exchange Commission

Materiality

Materiality Information presented in this Report has been collated based on the principle of materiality. Material topics are those which have or could potentially impact the Company's ability to create value over the short, medium and long-term.

Materiality serves as a cornerstone in our annual report, guiding our focus on disclosing information that could impact stakeholders' decision-making. We adhere to rigorous standards to determine materiality, considering both quantitative thresholds and qualitative significance. By prioritising material information, we ensure transparency, relevance, and reliability in our reporting, empowering stakeholders with the insights they need to make informed decisions about our company.

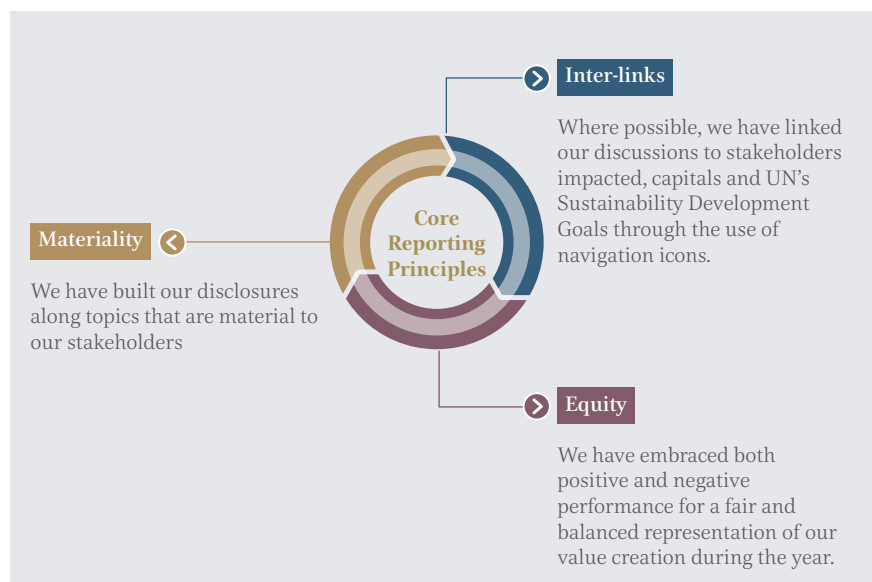
Further analysis on material topics are found in pages 25 to 26 of this Report.

Forward-looking statements

Forward-looking statements within this annual report involve risks, uncertainties, and assumptions that may cause actual results to differ materially from those expressed or implied by such statements. These statements typically include projections, expectations, and forecasts regarding future events, trends, and opportunities based on current assessments and assumptions. While we believe these statements are reasonable, they are subject to various factors and uncertainties that could cause actual results to differ materially from those anticipated.

These factors include but are not limited to changes in market conditions, regulatory environments, and competitive landscapes. Accordingly, stakeholders should exercise caution when relying on forward-looking statements and are

ABOUT THIS REPORT



encouraged to review our filings with relevant regulatory authorities for a comprehensive understanding of the risks and uncertainties that could affect our future performance and prospects. The Company makes no commitment to revise or update any forward-looking statements to reflect events or circumstances occurring or existing after the date of any forward-looking statements.

Way forward in our annual reporting

As we forge ahead in enhanced financial and non-financial reporting, we intend to obtain external assurance on same in the coming years. We will also enhance the adoption of frameworks and guidelines that are available locally and internationally which will enhance the quality and integrity of our disclosures.

Online accessibility of our Report



A PDF version of this Report is accessible on our corporate website



A PDF version of this Report is accessible on the Colombo Stock Exchange website



Feedback

We welcome your feedback on how we can enhance the relevance and reader-friendliness of our Report.

Please contact

Ravindra Dissanayake
Head of Finance

Level 27, East Tower, World Trade Center, Colombo 01

Email: ravindra.d@hayleysleisure.com



Icon Guide

Capitals as defined in the <IR> framework

Financial Capital



Manufactured Capital



Social & Relationship Capital



Intellectual Capital



Human Capital



Natural Capital



Our key stakeholders

Customers



Employees



Business Partners



Government & Regulators



Communities



Shareholders



ABOUT US

The Kingsbury is where luxury meets Sri Lankan hospitality in the heart of Colombo's bustling city centre. As a premier five-star hotel in the business capital, we pride ourselves in offering an unparalleled experience of elegance, comfort, and sophistication. Nestled amidst the vibrant streets of Colombo, The Kingsbury is an iconic landmark, showcasing a harmonious blend of modern architecture and timeless charm situated strategically between the Central Bank of Sri Lanka and the Colombo Port City.



**Prime location in
Sri Lanka's capital**



**Aggregate rooms
229**



**Food and Beverage
Outlets
12**



**Tranquil Waters
Wellness Retreat
Oasis**



**Weddings
and Events**

**We will always be an exciting
and innovative company
who will create raving fans
and not simply satisfied
customers.**

What defines us



Our Purpose Statement

Curating happiness



Vision

To be the most preferred leisure
service provider in Sri Lanka



ABOUT US

Sector Promise

We will always be an exciting and innovative company who will create raving fans and not simply satisfied customers

Strength of the Hayleys Group

Group controls 59.48% of the Company

Our commitment to ESG

Guided by Hayleys PLC's, "The Hayleys Life code", which sets out the Group's 2030 environmental, social and governance aspirations, roadmap and action plan

Our Values

- ⊙ Never say NO
- ⊙ Get it right the first time, all the time
- ⊙ Innovative culture
- ⊙ Take care of our employees and their families
- ⊙ Truly sustainable

Our Team

Our team comprises of 802 individuals

Financial Statistics

- ⊙ Revenue Rs. 5,267 Mn
- ⊙ PBT Rs. 255 Mn
- ⊙ PAT Rs. 264 Mn
- ⊙ Total assets Rs. 5,822 Mn



Progress made in Hayleys Lifecode targets

- ⊙ 23% reduction in kWh per occupied room
- ⊙ 8% reduction in water withdrawal
- ⊙ 14,530 training hours conducted for employees

Hayleys life code Is the companies code of ethics and business principles guided by the following frameworks:

The Code of Best Practice on Corporate Governance issued by The Institute of Chartered Accountants of Sri Lanka 2017

NGRS (National Green Reporting System) Standards issued by Ministry of Environment

Ten Principles of the United Nations Global Compact

Integrated Reporting Framework issued by the International Integrated Reporting Council






GRI Standards issued by the Global Reporting Initiative

UN Global Compact CEO Water Mandate

VALUE CREATION HIGHLIGHTS

For the financial year ended 31st March	2024	2023	Change %
Financial Capital			
Revenue and Profits Rs'000			
Revenue	5,266,787	3,817,614	38%
EBITDA	719,892	158,390	355%
Results from operating activities	552,343	(39,473)	1,499%
Profit/(loss) before tax (PBT)	254,653	(404,852)	163%
Profit/ (loss) after tax (PAT)	264,085	(552,473)	148%
Profitability Ratios %			
Gross profit/(loss) margin	47	37	27%
Operating profit/(loss) margin	11	(1)	1,114%
Net profit/(loss)margin	5	(15)	135%
Return on assets (ROA)	4	(9)	148%
Return on Capital employed (ROCE)	10	(1)	1,166%
Financial Position LKR '000			
Total Assets	5,822,351	4,443,253	31%
Total Debts	1,971,391	2,244,640	12%
Balance Sheet Performance Ratios %			
Gearing	59.34	84.11	29%
Debt/ Equity	1.46	5.29	72%
Equity Asset Ratio	0.23	0.10	130%
Current Ratio (times)	0.53	0.30	77%
Quick Asset Ratio (times)	0.41	0.23	78%
Interest Cover (times)	2.37	0.11	2,055%
Market /Shareholders Information			
No of shares in issue	484,000	484,000	-
Market Value per share Rs	10.80	9.90	9%
Market capitalisation Rs'000	5,227,200	4,791,600	9%
Net Asset per share Rs	2.79	0.88	217%
Dividend per share Rs	-	-	-
Dividend pay out %	-	-	-
Dividend yield %	-	-	-
Earning per share (basic) Rs	0.55	(1.14)	148%
Price Earning Ratio (times)	19.79	(8.68)	328%

VALUE CREATION HIGHLIGHTS

For the financial year ended 31st March	2024	2023	Change %
Manufactured Capital 			
Property, plant & equipment - Rs. '000	4,497,314	3,631,703	24%
No of Rooms	229	229	-
No of outlets	9	8	1
Capital expenditure - Rs. '000	137,209	94,137	46%
Human Capital 			
Total employees	802	720	(10%)
Economic value added per employee - Rs. '000	6,567	5,302	19%
Training hours per employee	17.72	4.1	77%
Retention rate	75	59	22%
Intellectual Capital 			
Brand rating (Trip Advisor)	4.5	4.5	
Number of awards won	2	1	1
Number of processes carrying international/local certifications	3	3	
Social & Relationship Capital 			
Investments in CSR activities - Rs. '000	118,610	51,672	56%
Number of beneficiaries	3,208	2,880	10%
Natural Capital 			
Carbon footprint - tCO ₂ e	7,511	5,811	(23%)
Electricity consumption - kWh per Occupied Room Night	112.88	147.50	23%
Water consumption - m ³ per Occupied Room Night	1.85	2.93	37%

Timeless Know-how

The triumphs of our organisation hinge largely on our trailblazing leaders who bring a wealth of knowledge and expertise to the table, and who navigate choppy waters with creativity, perseverance and an exceptional sense of conviction in our success.



Leadership

Reflections from the Chairman 10 | Managing Director's Review 12 |
Board of Directors 15

REFLECTIONS FROM THE CHAIRMAN



The Kingsbury is strategically positioned to capitalise on the evolving economic landscape. We remain committed to agility, responsiveness, and leveraging our core competencies to continue thriving and delivering value to our stakeholders in a dynamic global market.

Dear Stakeholders,

It is my pleasure to present to you the Integrated Annual Report and Audited Accounts of The Kingsbury PLC. The past year that was one of profound growth and transformation for The Kingsbury, underscored by our relentless commitment to excellence and a pioneering spirit. Amidst an economic climate beset by turbulence - including the pandemic and economic crisis - our resolve has never wavered. Thanks to strategic foresight, efficient execution, and the dedication of our talented team, we have not merely weathered the storm; we have thrived and emerged with renewed vigour.

Operating Landscape

Tourism continues to serve as a pivotal bridge between cultures and economies, fostering understanding and driving substantial economic growth globally. With the easing of travel restrictions and a resurgence in demand, the global tourism market is poised for recovery. Projections by the United Nations World Tourism Organisation (UNWTO) forecast international tourism to reach pre-pandemic levels in 2024, with over 1.3 billion international tourists recorded

in 2023. Further, UNWTO reports do indicate that South Asia's tourism sector is on track for a strong recovery in 2024, reaching 87% of pre-pandemic levels. The Asian markets and destinations are expected to make significant progress by the end of the year, as countries such as Sri Lanka are gaining traction as destinations of appeal to foreign tourists.

Economic Overview

The Sri Lankan economy and the tourism sector in particular have faced significant and consistent disruptions due to the prolonged series of adverse events, which reshaped market dynamics across the country.

Despite these adversities, there are emerging signs of optimism. The economy is showing signs of gradual recovery, underpinned by fiscal stimulus measures and policy reforms, aligned with the IMF programme. According to reports from the Central Bank of Sri Lanka, the economic outlook for 2024 remains positive, expected to be driven by post-crisis recovery of consumer demand, stable macro-economic fundamentals and increased investments.

The government has extended its assistance to the industry through marketing campaigns, infrastructure projects, and incentives for tourism businesses. A notable initiative is the reinstatement of Minimum Room Rates (MRR) in Colombo which has benefitted city hotels including The Kingsbury, improving the revenue on accommodation during the period when the policy was in effect. This policy change, along with our passionate commitment to excellence, has aptly positioned us to seize new opportunities.

As we look forward, The Kingsbury is strategically positioned to capitalise on the evolving economic landscape. We remain committed to agility, responsiveness, and leveraging our core competencies to continue thriving and delivering value to our stakeholders in a dynamic global market.

Financial Performance

Despite the challenging operating environment, The Kingsbury achieved commendable revenue growth, with total revenue reaching Rs. 5.27Bn, an increase of 38%. We reported a net profit of Rs. 264

Mn., exceeding expectations following losses for the past four years.

This performance reflects the effectiveness of our strategic initiatives and the agility of our business model, which have allowed us to adapt seamlessly to evolving market conditions and deliver shareholder value. Our rigorous approach to cost management in the form of effective measures and optimised resource allocation, has enhanced resilience against potential risks. Liquidity levels also improved considerably this year, which in turn has supported our financial stability and capacity to respond to market opportunities.

In a strategic move to expand our footprint, the company inaugurated its first café named the NOSH at the economic epicentre of Colombo, the World Trade Center. This new venture has made a notable contribution to our revenue growth, underscoring our commitment to growth, diversification and innovation in key business areas.

Regulatory Compliance

As of 1st April 2024, The Kingsbury is in compliance with requirements of that date of the Listing Rules of the Colombo Stock Exchange including section 9 which was revised with effect from 01st October 2023, in addition to the Companies Act No. 07 of 2007 and other applicable laws and regulations.

Our ESG Commitment

The Kingsbury is dedicated to maintaining strong corporate governance principles and practices, ensuring integrity, transparency and accountability in all we do. This commitment is pivotal for building trust with our stakeholders and is supported by a diverse and skilled Board of Directors. Our comprehensive risk management framework, which includes risk identification, assessment, monitoring, and mitigation, is guided by a

culture of prudent risk-taking and ethical behaviour.

Our dedication to sustainability and corporate social responsibility remains a cornerstone of our identity; we recognise their importance in securing our long-term success and relevance. In recognition of our duty to the environment, our communities, and future generations. Our initiatives focus on reducing our carbon footprint, promoting diversity and inclusion, and supporting local communities to foster both social and environmental benefits alongside financial returns. We are committed to sustainable tourism practices that minimise negative impacts and maximise benefits for host communities, emphasising conservation of natural resources, protection of cultural heritage and promotion of responsible travel.

Looking Forward

Sri Lanka's reputation as a prime destination for MICE tourism continues to grow, supported by its strategic location and excellent facilities suitable for business travellers and event organisers. Positioned at the core of Colombo's Central Business District, The Kingsbury is perfectly equipped to meet the expanding demands of the business tourism sector, especially with its proximity to key landmarks like the World Trade Center and Colombo Port City further strengthens its position. We are well poised to capitalise on these opportunities and drive future growth.

Appreciation

I extend my appreciations to the members of the Board for their unstinted support and good counsel during the year.

I note with sadness the demise of Mr. Johann Wijesinghe during the year. Mr. Wijesinghe was a valued member of the Board; his input and expertise to the company throughout his years of service is greatly appreciated.

The Board bade farewell to Mr. Jan Van Twest and I would like to extend our heartfelt gratitude for his invaluable contributions. We also extend a warm welcome to industry veteran Mr. Ranil De Silva who joins us as a new Independent Non-Executive Director.

I take this opportunity to express my sincere appreciation to Mr. Rohan Karr, the Managing Director of the Hayleys Leisure Sector, for his outstanding leadership in steering the company towards excellence.

I would also like to place on record my deep appreciation of all our staff for the hard work and the indispensable value they bring to The Kingsbury. From the frontline staff to those working tirelessly behind the scenes, every member of our team has played a crucial role in propelling our progress through their dedication.

To our guests, I express my earnest appreciation for their continued patronage and invite them to keep visiting the Hotel to enjoy our brand of hospitality. I would also like to thank our business partners, whose unwavering support is vital to our ongoing innovation and commitment to excellence.

I look forward to the opportunities that the coming year holds. United by our shared values and driven by a collective spirit, we are poised to reach new heights of success.

Thank you for your steadfast support and commitment to our shared vision.



Mohan Pandithage
Executive Chairman

07 May 2024

MANAGING DIRECTOR'S REVIEW



The financial year 2023/24 marked a pivotal turnaround for The Kingsbury, with a profit after tax of LKR 264 million following cumulative losses of LKR 2.1 billion over the preceding four financial years

Dear Shareholders and stakeholders,

The Kingsbury PLC navigated a challenging yet rewarding landscape in the 12 months ending 31st March 2024, marked by significant operational and financial achievements amidst complex challenges. The Kingsbury adapted to these changing dynamics and consistently delivered exceptional performance by innovating our service offering to provide guests with enriching and unforgettable experiences.

Market Overview:

2023 was a year of resurgence for global tourism, with demand surging across markets. An estimated 1.3 billion travellers represented a 34% increase from 2022, according to the UNWTO World Tourism Barometer. This upward trajectory is anticipated to drive the sector back to pre-pandemic levels by 2024, making it a pivotal time for the tourism industry to capitalise on new opportunities.

In the year 2023, tourist arrivals to Sri Lanka surpassed the 1.4 million mark, signalling a tangible revival after several years of severe hardship. This has

propelled tourism earnings beyond USD 2 billion, marking an impressive 82% surge from the preceding year, underscoring the inherent potential of the sector.

In the first quarter of 2024, the tourism industry recorded over USD 1 billion in earnings - a 103% increase from the previous year. This performance reflects renewed confidence in the sector's growth potential. Sri Lanka's strategic goal is to attract 2.3 million visitors and generate over USD 4 billion revenue in 2024. This ambitious target positions us well to leverage emerging opportunities in the market.

As tourism has picked up, so has the room inventory in the luxury City hotel segment, where we are positioned. New entrants, including international brands, have added a total new inventory of 1,875 keys to Colombo's accommodation during the last few years. This influx of high-end options will intensify competition to attract both leisure and corporate travellers seeking luxurious stays in Colombo.

The Sri Lanka tourism market is well-positioned for growth, targeting niche markets. At the Kingsbury we are well aligned to maximise these opportunities, continually enhancing our offerings to meet the diverse needs of global travellers.

I remain confident in the long-term growth prospects and resilience of Sri Lanka's tourism sector, and The Kingsbury's ability to significantly contribute to its continued prosperity

Navigating the Operating Environment

The financial year 2023/24 marked a pivotal turnaround for The Kingsbury, with a profit after tax of LKR 264 million following cumulative losses of LKR 2.1 billion over the preceding four financial years. This remarkable recovery underscores our strategic initiatives, stringent cost management, and enhanced revenue streams.

The past years tested our adaptability among shifting market dynamics, evolving regulatory frameworks, and new tax structures. Thanks to our dedicated team, we not only navigated these challenges but

also identified new growth opportunities. Our focus on customer satisfaction, operational agility, and innovation has strengthened our position as a leading city hotel in Colombo, enhancing our service offerings and ensuring guest loyalty.

Our endeavours transcend mere accommodation; we embrace a multiplicity of guests, and cater to a diverse array of segments. From the cosmopolitan allure of the city-centric Colombo market to discerning corporates seeking venues for events, and from local patrons seeking culinary delights to couples embarking on matrimonial journeys, our commitment to excellence is highlighted across all spheres.

Revenue is therefore made up of contributions from international tourist accommodation, corporate events, MICE tourism, weddings and restaurants. In fact, 67% of revenue at the Kingsbury is generated through the exclusive array of restaurants and bars within its food and beverage sector. Our innovative dining and entertainment options, complemented by strategic promotional initiatives, have played a pivotal role in attracting a significant number of guests.

Throughout the year, we've curated a plethora of promotions and events tailored to meet the diverse preferences of our guests. Our offerings include enticing staycation packages and delectable dining promotions, often in collaboration with banking partners. Additionally, our extensive range of wedding and banquet packages has been meticulously designed to cater to the unique needs and preferences of our discerning guests.

Furthermore, we have embraced the spirit of various festivals, including Christmas, Easter, and New Year, by offering a plethora of festive treats and culinary delights. From sumptuous carvery roasts to specially curated seasonal à la

carte menus and gala dinner buffets to elegant eight-course dinners, our culinary offerings have consistently delighted the taste buds of Colombo's food enthusiasts. Throughout the year, The Kingsbury also hosted a range of promotional activities to celebrate cultures. These included themed dining promotions such as the Indian food festival and 'Camino a México' night, a celebration of Mexican artistry and cuisine.

The year also saw a significant revolution in our operational landscape. The Kingsbury embarked on the implementation of SAP S/4 HANA in 2024. This cutting-edge enterprise resource planning (ERP) system stands as a testament to our relentless pursuit of operational excellence and represents a monumental leap in business process optimisation.

The seamless integration of the Financial Accounting (FI) and Controlling (CO) modules within a brief span of three months serves as an impressive testament to the project's unparalleled efficiency and efficacy. This transformative initiative not only streamlines our financial operations but also empowers us with real-time insights, facilitating informed decision-making and propelling us towards sustained growth and success. I would like to thank the project team for their dedication in completing the project in such a short timeframe.

Through our commitment to strategic growth, operational excellence, and customer satisfaction, The Kingsbury stands resolute and poised to seize emerging opportunities, thereby perpetuating its trajectory of financial success and market leadership.

Financial Performance:

The Kingsbury navigated a dynamic hospitality landscape with resilience and adaptability, maximising stakeholder

value. Strategic pricing, enhanced guest experiences, and rising market demand all propelled robust revenue growth across our diverse revenue streams; accommodation, dining, events, and more. Despite cost pressures, diligent cost control and data-driven initiatives such as dynamic pricing ensured profitability without compromising high service quality and guest satisfaction.

The Kingsbury reported an impressive revenue growth of 38% Year-on-Year and by generating a net profit of Rs. 264 million, a stark contrast to the previous year's net loss of 552 million. This level of performance has increased earnings per share by 148% compared to last year. Additionally, the Current Asset Ratio has improved by 77%, which has contributed to a 29% improvement in gearing over last year.

This financial transformation serves as a testament to our unwavering commitment to innovation, operational excellence, and dedication to customer satisfaction. These pillars fortify our position for sustained success in the hospitality industry.

Environmental, Social, and Governance (ESG):

At The Kingsbury, corporate governance is integral to our operations, ensuring that we are transparent, accountable and compliant with all laws and regulatory requirements. Our environment, social and governance mechanism is designed to support stringent risk management.

We actively seek to minimise our environmental footprint through comprehensive energy conservation, water management, and waste reduction programmes, all aimed at supporting a circular economy.

Energy consumption for the year under review per occupied room decreased by 44% compared to the previous year.

MANAGING DIRECTOR'S REVIEW

Local sourcing which stands at 88% of the total registered suppliers not only supports local producers and reduces transportation emissions but enhances the experiences of our guests, employees, and the broader community. This approach is fundamental to ensuring a sustainable future for Colombo and further afield.

During the year, the hotel transitioned to biodegradable packaging for bath amenities and launched a plastic hangers recycling initiative as part of our sustainability efforts to reduce plastic usage, furthermore the "Skip the Straw" campaign launched this year, resulted in reduction of straw purchases by 25%.

The Kingsbury, Colombo, commemorated Earth Day by organising a tree-planting event emphasising the hotel's commitment to sustainability and raising environmental awareness within the community.

Amidst significant industry upheaval triggered by an exodus of skilled talent following the economic downturn, the Hayleys Leisure Training Academy (HLTA) emerged as a beacon of hope, bridging critical talent gaps through continuous reskilling and upskilling initiatives. Over the past year, HLTA conducted 470 walk-in interviews during its open day, selecting 60 promising candidates. These graduates found fulfilling career paths within The Kingsbury and other hotels within the group. Beyond individual success stories, this initiative serves as a catalyst for community upliftment, offering pathways to employment and economic independence for individuals from disadvantaged backgrounds, thereby enriching lives and fostering societal progress.

Moreover, in December 2023, Hayleys Leisure sponsored 20 cataract surgeries as part of a Hayleys project in support of HelpAge Sri Lanka's Give the Gift of Sight

initiative. Through this noble undertaking, we reaffirm our unwavering commitment to community welfare.

People and Culture:

Our workforce stands as the cornerstone of our success, embodying passion, creativity, and unwavering dedication. We nurture this invaluable asset through continuous training and development, ensuring their professional growth aligns seamlessly with our strategic objectives. Fostering a culture of innovation, accountability, and collaboration empowers our team members to surmount challenges and anticipate the evolving needs of our guests, thereby delivering bespoke service experiences of exceptional quality.

Our steadfast commitment to talent development extends far beyond immediate operational requirements; it represents a long-term investment in nurturing future leaders. We firmly believe that by cultivating an environment where our employees can thrive, we not only elevate our service standards but also nurture a resilient workforce capable of driving sustained growth and innovation within the hospitality sector. Throughout the fiscal year 2023/24, we proudly promoted a total of 186 individuals, with 74 ascending to Executive-level positions and 112 to Non-Executive roles. This comprehensive approach to people management underscores our commitment to remaining competitive and consistently delivering exceptional value to our stakeholders.

Looking to the Future:

The economic forecast for the hospitality sector shines with promise. Encouraging trends in tourism, coupled with ongoing infrastructure enhancements, and a resurgence in both corporate and leisure travel, serve as the foundation of our optimism. At The Kingsbury, we stand poised to harness these opportunities,

leveraging our strengths to navigate the intricacies of an evolving tourism landscape.

Acknowledgment:

I wish to extend my heartfelt appreciation to our Chairman, Mr. Mohan Pandithage, and the Board of Directors for their support at all times.

I am immensely grateful to my exceptional team whose boundless enthusiasm and unwavering commitment are the bedrock of our accomplishments.

To our esteemed guests and stakeholders, we acknowledge and wholeheartedly appreciate your continued trust and support. Your unwavering belief in us is an enduring source of inspiration as we strive to set new standards in the hospitality sector.

Together, we are not merely shaping a brand; we are crafting memorable experiences that encapsulate the true essence of Sri Lankan hospitality. In pursuit of our mission of 'Curating Happiness', we remain dedicated to delivering moments of joy and fulfilment to all who grace our doors.



Rohan Karr
Managing Director

07 May 2024

BOARD OF DIRECTORS

Mohan Pandithage

Chairman and Chief Executive

(Appointed on 23rd April 2010)

Mr. Mohan Pandithage currently serves as the Chairman and Chief Executive of Hayleys PLC, a position he has held since his appointment in July 2009.

As an accomplished industry veteran and respected leader in the field of transportation and logistics, he was honoured with the prestigious 'Best Shipping Personality' Award by the Institute of Chartered Shipbrokers, in recognition of his outstanding contributions to the industry. Additionally, he was presented with a Lifetime Achievement Award by the Seatrade-Sri Lanka Ports, Trade and Logistics (SLPTL). He was the first Sri Lankan to be awarded the Pinnacle Lifetime Award by the Chartered Institute of Logistics and Transport (CILT). He was also inducted as a 'Legend of Logistics' by the Sri Lanka Logistics and Freight Forwarding Association, in acknowledgement of his invaluable services to Sri Lanka's logistics industry.

Mr. Pandithage serves as Honorary Consul of the United Mexican States (Mexico) to Sri Lanka. He is a Fellow of the Chartered Institute of Logistics and Transport (UK) and a Member of the Advisory Council of the Ceylon Association of Shipping Agents (CASA). He also serves as a Council Member of the Employers' Federation of Ceylon.

As an Executive Chairman of multiple companies within the Hayleys Group, Mr. Pandithage possesses extensive leadership experience across a broad spectrum of industries. Presently, he holds the position of Executive Chairman at Dipped Products PLC, Haycarb PLC, Hayleys Fibre PLC, Talawakelle Tea Estates PLC, Kelani Valley Plantations PLC, Horana Plantations PLC, Alumex PLC, Hayleys Fabric PLC, Singer (Sri Lanka) PLC and Hayleys Leisure PLC.

Rohan Karunaratne (Karr)

Managing Director

(Appointed on 01st June 2019)

Mr. Rohan Karr serves as the Managing Director of the Hayleys Leisure sector which includes The Kingsbury PLC, Hayleys Leisure PLC and its subsidiaries Amaya Resorts & Spas.

Mr. Karr holds a Masters in Hospitality and Business Studies from the United Kingdom and is a veteran in the hospitality industry with over 40 years' experience. He has held senior positions such as Executive Vice President / Sector Head / General Manager at leading hotels in both Sri Lanka and in United Kingdom (UK). He has also served as Regional Director - Revenue Management of Marriott Hotels for Whitbread Hotel Company - UK, as General Manager of Bristol Marriott Hotel - UK and Marriott Marble Arch - London UK before his return to Sri Lanka. He was instrumental in revitalising standards for the entire domestic hospitality sector through his groundbreaking work as Executive Vice President of John Keells Holdings, overlooking the Cinnamon City Hotels and Resorts chain and as Head of Brand Development for Cinnamon.

Sarath Ganegoda

Non-Executive Director

(Appointed on 22nd April 2010)

Mr. Sarath Ganegoda rejoined Hayleys PLC in March 2007. He was appointed to the Group Management Committee in July 2007 and appointed to the Board in September 2009.

Mr. Ganegoda is a Fellow Member of Institute of Chartered Accountants of Sri Lanka and Member of Institute of Certified Management Accountants of Australia. He holds an MBA from the Postgraduate Institute of Management, University of Sri Jayewardenepura.

Mr. Ganegoda worked for the Hayleys Group between 1987 and 2002, ultimately as an Executive Director. He subsequently, held several senior management positions

in large private sector entities in Sri Lanka and overseas. He has responsibility for the Strategic Business Development Unit, Group Information Technology of Hayleys PLC and was appointed as the Deputy Chairman of Alumex PLC in October 2020.

Mr. Ganegoda serves on the Boards of Dipped Products PLC, Haycarb PLC, Hayleys Fabric PLC, Hayleys Fibre PLC, Kelani Valley Plantations PLC, Singer (Sri Lanka) PLC, Hayleys Leisure PLC and Horana Plantations PLC.

Niranjana Deva Adithya

Independent, Non-Executive Director

(Appointed on 16th February 2009)

Mr. Niranjana Deva Adithya DL FRSA, Member of Parliament (1992-1997) and MEP - Member of European Parliament (1999-2019) was the first post-war Asian born Conservative Member of the British House of Commons and served in Government as the Parliamentary Private Secretary to the Scottish Office.

Mr. Deva Adithya was elected as the first Asian-born British Member of the European Parliament, representing over 08 million British people in Berkshire, Hampshire, Buckinghamshire, Oxfordshire, Surrey, Sussex and Kent for 20 years. He has served for 35 years as Her Majesty's Deputy Lieutenant for the Lord Lieutenancy of London representing The Queen. He was the Vice President of the International Development Committee for 15 years overseeing the Euro 25 billion European Aid Budget.

Mr. Deva Adithya is the Publisher and President of the Global Media Platform Home - Commonwealth Union.

Mr. Deva Adithya was the Chairman of the European Union (EU) Korean Peninsula Delegation working towards a lasting peace with North Korea, Chairman of the EU China, EU Bangladesh, EU Indonesia, EU Myanmar and EU India Friendship Groups in The EU Parliament and was nominated by his political group ECR to be the President of the European

BOARD OF DIRECTORS

Parliament and was the Chairman of the EU Delegation to the United Nations General Assembly.

For his Tsunami Relief work, Mr. Deva Adithya was made a Chevalier of the Catholic Church and Vishwa Keerthi Sri Lanka Abhimani by the Buddhist Clergy of Sri Lanka.

Ramani Ponnambalam

Independent, Non-Executive Director
(Appointed on 30th July 2010)

Ms. Ramani Ponnambalam has held several Senior Management positions in large private sector entities. She served as the Chairperson of Alliance Finance Company PLC, as a Director of McLaren Holdings Ltd & GAC Shipping Ltd. She has also been in roles of international and local business development and negotiation.

Ms. Ponnambalam currently serves as a Director of Hayleys Leisure PLC, Macbertan Holdings (Pvt) Ltd and Pidilite Lanka (Pvt) Ltd. She is presently the Managing Director of Macbertan (Pvt) Ltd. Ms. Ponnambalam was appointed as a Founder Member of the Commonwealth Business Women's Leadership Group (Sri Lanka) on 13th November 2013. She also currently serves as Jt. Head of Governance Pillar of the Women's Chamber of Industry & Commerce.

Isabel Jamaldeen

Independent, Non-Executive Director
(Appointed on 15th March 2017)

Ms. Isabel Jamaldeen has a very strong background in the hospitality industry with a Diploma in Hotel Operations and Management from Glion Hotel School in Switzerland. She holds a Bachelor of Business from Victoria University of Technology in Melbourne, Australia as well as an MBA from the International University of Applied Sciences in Bad Honnef, Germany.

Ms. Jamaldeen has extensive experience in the hospitality industry, previously leading all corporate events for Bloomberg

in London. Her main focus was the planning and execution of high profile events for leaders in politics and finance. Prior to Bloomberg, Ms. Jamaldeen worked as an events manager for Mint, one of London's most renowned events and catering businesses, focusing on high-profile events in and around London.

Ms. Jamaldeen has a track record of working in various departments of leading hotels throughout Europe. There she developed extensive knowledge of the overall operational aspects of the hotel business.

Ms. Jamaldeen is the founder of Gem Atelier London, an online jewellery business that mainly sells to the European market. She has also developed an exclusive jewellery business focusing on bespoke pieces for high profile clients. Ms. Jamaldeen is the Managing Director of W15, a collection of high-end boutique hotels around the island.

Timothy Speldewinde

Independent, Non-Executive Director
(Appointed on 01st July 2022)

Mr. Timothy Speldewinde is a Fellow Member of the Institute of Chartered Accountants of Sri Lanka and a Fellow Member of the Chartered Institute of Management Accountants, UK. He possesses wide experience in managing local as well as international facilities and has been an integral member of the MAS Group for over 26 years.

Mr. Speldewinde is a director of Hayleys PLC, Horana Plantations PLC, Wealth Trust Securities Limited and Contemporary Ceylon (Pvt) Ltd. He serves as the Chairman of the Audit Committees of Horana Plantations PLC and Wealth Trust Securities Limited. He is a Consultant to the Board of MAS Holdings (Pvt) Ltd. He was the former CEO of Stretchline Holdings headquartered in Hong Kong, with manufacturing facilities in Sri Lanka and overseas.

Brindhiini Perera

Non-Executive Director

(Appointed on 19th October 2022)

Ms. Brindhiini Perera has earned a Masters in Mechanical Engineering from Imperial College London. Her studies included comprehensive coverage of subjects such as Manufacturing Technology and Management, Entrepreneurship, Corporate Finance, Statistics, and Mathematics.

Ms. Perera serves as a Non-Executive Director in several companies listed on the Colombo Stock Exchange which are Haycarb PLC, Dipped Products PLC, Hayleys Leisure PLC, Singer (Sri Lanka) PLC, Vallibel One PLC, Royal Ceramics Lanka PLC, Lanka Tiles PLC, Lanka Walltiles PLC, and The Fortress Resorts PLC. She also serves on the Board of Eurocarb Products Ltd (UK), Delmege Limited, Otwo Biscuit (Private) Limited, The Canbury Biscuit Company Limited, Manatee Clothing Company (Pvt) Ltd and Dhammika & Priscilla Perera Foundation.

Ranil De Silva

Independent, Non-Executive Director
(Appointed on 3rd January 2024)

Mr. Ranil De Silva is an Associate Member of the Chartered Accountants of Sri Lanka, a Member of the Chartered Institute of Marketing UK and the Chartered Institute of Management Accountants UK.

Mr. De Silva has served as the Joint Managing Director of Aitken Spence Hotel Management (Pvt) Ltd., and as the Managing Director of the Hemas Hotel Sector. An alumnus of Ernst & Young, he has wide experience locally and overseas in diverse industries.

Mr. De Silva also serves as an Independent, Non-Executive Director on the Boards of Singer Finance PLC, Hayleys Leisure PLC, Alumex PLC, The Autodrome PLC, Lanka Shipping & Logistics (Pvt) Ltd., Central Industries PLC and Allion Technologies (Pvt) Ltd.

Timeless Motivation

In a constantly changing world, we pride ourselves on our transformational acumen, while we continue to take steps to enhance value creation across the board. With the determination to seize new opportunities for growth, we strategise to achieve excellence.



Operating Landscape and Value Creation












Value Creation Model 18 | Stakeholder Dynamics 20 |
Operating Environment 23 | Material Matters 25

VALUE CREATION MODEL

The model below highlights how we generated value to our stakeholders based on the six capitals prescribed by the Integrated Reporting Frameworks

CAPITAL INPUTS	
	Financial capital Total equity: Rs.1,351 Mn Total debt: Rs. 1,971 Mn page 28
	Manufactured capital Property, plant and equipment Rs. 4,497 Mn page 30
	Human capital Total employee base: 802 Collective skills and experience page 32
	Intellectual capital Strength of The KB Innovation in creating unique customer experiences Organisational tacit knowledge page 37
	Social & relationship capital 548 suppliers Relationship with local communities page 39
	Natural capital Electricity consumption 6,484,511 kWh Water consumption 106,018 M³ page 42



OUTPUTS	OUTCOMES	STAKEHOLDERS IMPACTED
<p>Total revenue Rs. 5,267 Mn</p> <p>EBITDA Rs. 720 Mn</p>	<p>Earnings per share Rs. 0.55</p> <p>Share price movement 9%</p>	<p>Shareholders</p> <p>Employees</p>  
<p>Upgrades to properties</p>	<p>Capital expenditure Rs. 137 Mn</p>	<p>Customers</p> <p>Employees</p>  
<p>Investment in training & development Rs. 2.3 Mn</p>	<p>Salaries and benefits to employees Rs. 1,009 Mn</p> <p>Attrition rate 25% Employees</p>	<p>Employees</p> 
<p>Our brand rating as per Trip Adviser 4.5/5</p>	<p>20% Employees having over 10 years of industry experience</p>	<p>Employees</p> <p>Customers</p> <p>Shareholders</p>   
<p>Community Benefited 3,208</p>	<p>Investment in community empowerment initiatives Rs. 118 Mn</p>	<p>Customers</p> <p>Communities</p>  
<p>Carbon footprint 7,511 tCo2 e</p>	<p>Reduction in water consumption By 8%</p>	<p>Communities</p> 

STAKEHOLDER DYNAMICS

Stakeholder Engagement

Stakeholder engagement is the process of building relationships and fostering communication with individuals and groups with an interest in our activities. Effective stakeholder engagement is

essential to understand and address the needs, concerns, and expectations of various parties such as investors, employees, customers, suppliers, communities, and regulators.

We value stakeholder input and our engagement platforms aim to ensure all stakeholder needs are addressed to the best extent possible.



Shareholders



Customers



Employees



Business Partners



Government





Community





Stakeholder Engagement Model



Effective stakeholder engagement is of strategic importance to build trust, manage risks, enhance reputation, and create long-term value for the concerned stakeholders. By fostering open and collaborative relationships with stakeholders, we strive to drive innovation, resilience, and sustainable growth in an increasingly interconnected and complex business environment.

Stakeholder group	Profile/ Extended target groups	How we engaged them	Key concerns during the period	How we responded
 Shareholders	<ul style="list-style-type: none"> » 4,657 public shareholders representing 189,582,800 of total shares » Prospective Investors » Investment Analysts / » Stock Brokers and traders » Media 	<ul style="list-style-type: none"> » Annual General Meetings » Extra-ordinary General Meetings » Investor meetings on needs basis » Periodic publication s: <ul style="list-style-type: none"> a. Annual report (print and online version) b. Quarterly financial statements c. Announcements made to CSE. » Corporate websites of The Kingsbury PLC and our parent company Hayleys PLC <p>https://www.thekingsburyhotel.com</p> <p>https://www.hayleys.com/leisure</p>	<ul style="list-style-type: none"> » Political and economic challenges » Continuity of business operations » Shareholder Returns » Governance and risk management framework » Competency of the Board » Integration of ESG aspects 	<ul style="list-style-type: none"> » Realignment of strategy » Strengthening Governance framework and our Risk Management Framework
 Customers	<ul style="list-style-type: none"> » 95,773 Local and International guests 	<ul style="list-style-type: none"> » Customer interactions at our properties » feedback on social media » Feedback received via channel partners » Corporate websites » Customer satisfaction surveys » Brochures, itineraries, magazines and other publications 	<ul style="list-style-type: none"> » Quality of product and service delivery » Increase in prices due to inflation and taxes » Safety and privacy » Integration of sound ESG practices 	<ul style="list-style-type: none"> » Pricing strategy closely connected with enhanced value for money » Realignment of processes and resources to ensure guest comfort and minimise cost » Continued commitment to ESG

STAKEHOLDER DYNAMICS

Stakeholder group	Profile/ Extended target groups	How we engaged them	Key concerns during the period	How we responded
 Employees	<ul style="list-style-type: none"> » 802 staff members » 14% of female staff members 	<ul style="list-style-type: none"> » Training and development initiatives » Staff recognition » Staff meetings » Grievance handling mechanism » Employee volunteerism for CSR » Recreational activities » Newsletters, intranet, closed/ open social media groups 	<ul style="list-style-type: none"> » Job security » Training and development prospects » Career advancement prospects » Diversity and inclusion » Work life balance 	<ul style="list-style-type: none"> » Zero layoffs, no pay reductions or benefits reduction » Salaries on par with market rates » economic hardship allowance » Investment in Training » Policies to include diversity and balanced representation.
 Business Partners	<ul style="list-style-type: none"> » 548 suppliers » 5 online travel agents » 300 destination management companies 	<ul style="list-style-type: none"> » Interactions through physical or virtual meetings » Site Visits » Contractual agreements » Periodic seminars, workshops/ forums 	<ul style="list-style-type: none"> » Undisrupted business relationships » Payment terms » Fair pricing » Professionalism » Revised terms and conditions in response to the external challenges 	<ul style="list-style-type: none"> » Strengthened relationships business partners » Mutual support » Fair pricing
 Government	<ul style="list-style-type: none"> » Government and related bodies such as; SLTDA - Sri Lanka Tourism Development Authority SLTPB - Sri Lanka Tourism Promotion Bureau 	<ul style="list-style-type: none"> » Engagement with Government agencies and counter parts » Timely reporting to relevant regulatory authorities » Payment of taxes 	<ul style="list-style-type: none"> » Recovery of the tourism sector » Job security of the tourism sector » Contribution to fiscal revenue through timely and accurate tax payments » Environmental preservation 	<ul style="list-style-type: none"> » Timely payment of corporate taxes » Continuous collaboration SLTDA and other tourism bodies locally and globally. » Active dialogue with Government in deciding Sri Lanka's tourism strategy
 Community	<ul style="list-style-type: none"> » The communities we serve 	<ul style="list-style-type: none"> » Meetings with Beneficiaries of our corporate social responsibility (CSR) endeavours » Publications on our CSR initiatives 	<ul style="list-style-type: none"> » Contribution towards those going through financial hardships » Employment opportunities » Collaboration for climate change initiatives 	<ul style="list-style-type: none"> » CSR activities » Conceptualisation and implementation of CSR initiatives with high beneficiary impact

OPERATING ENVIRONMENT



Global Tourism

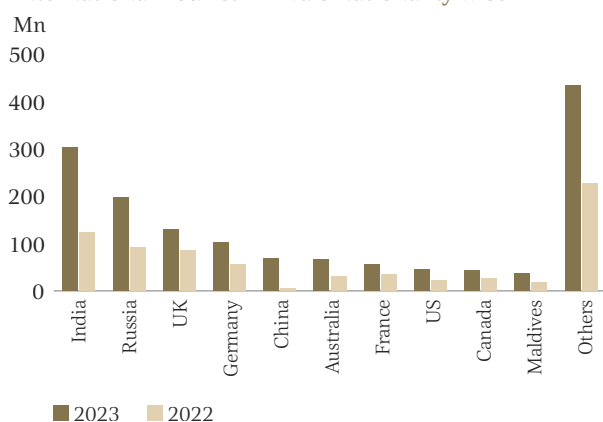
- An estimated 1,286 million international tourists
- International tourism recovered 88% of pre-pandemic levels in 2023, supported by strong pent-up demand.
- Middle East -122% above pre pandemic
- Europe 94% of pre-pandemic
- Africa 96%
- Americas 90%.
- Asia and the Pacific reached 65%



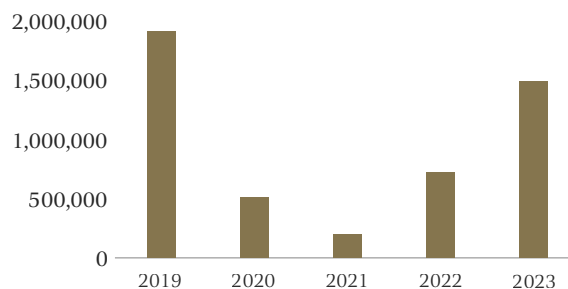
Sri Lanka Tourism

- Total tourist arrivals during calendar year (CY) 2023- 1,487,303
- Total tourist arrivals Jan - Mar 2024 - 635,784
- Total tourism revenue 2023- USD 2,068
- Total tourism revenue Jan - Mar 2024 USD 1,026

International Tourist Arrivals Nationality wise



Sri Lanka Tourism Industry



The lankan tourism industry is on the path to recovery , with 1.4 Mn tourist arrivals recorded for the year a 103% increase compared to 2022. Tourism revenue recorded USD 2 Bn in revenue for the 2023 calender year. The tourism revenue exceeded USD 1Bn alone just for the 1st quarter of 2024.

The top 3 source markets for the year were India, the Russian Federation, the United Kingdom respectively, contributing to ~ 42 % of tourist arrivals to the country.

OPERATING ENVIRONMENT

Macro-economic challenges	Impact on the Tourism sector
Economic Stability	Sri Lanka's economy has faced challenges such as high public debt, inflation, and fluctuations in exchange rates. Economic instability can affect consumer spending patterns and investor confidence, directly impacting the hotel sector.
Political Instability	Political instability, changes in government policies, political unrest, and security concerns, can deter tourists and investors from visiting and investing in the country
Infrastructure Development	Inadequate infrastructure, including transportation, roads, and utilities, can hinder the growth of the sector. Poor infrastructure can affect the overall tourist experience and limit the ability of hotels to attract guests.
Regulatory Environment	Complex and inconsistent regulations related to, taxation, licensing, and labour laws can create challenges for the industry. Uncertainty and bureaucratic hurdles may discourage investment and expansion in the sector.
Skills Shortage	The hotel industry requires a skilled workforce to deliver high-quality services. However, there may be a shortage of skilled workers in areas such as hospitality management, culinary arts, and customer service, which can impact the sector's efficiency and competitiveness.
Intense Competition	Sri Lanka's hotel sector faces competition from other tourist destinations as well as within the country. Several new players in the market with international brands such as ITC, Sheraton, Shangri-La within the Colombo hotel landscape can significantly affect the Kingsbury's competition. We strive to continuously upgrade our facilities and offer value additions through adopting innovative marketing strategies.
Environmental Sustainability	Environmental concerns, such as waste management, water conservation, and carbon emissions, are becoming increasingly important in the tourism industry. We commit to implement sustainable practices to minimise environmental impact and meet expectations of our customers and the communities we serve.

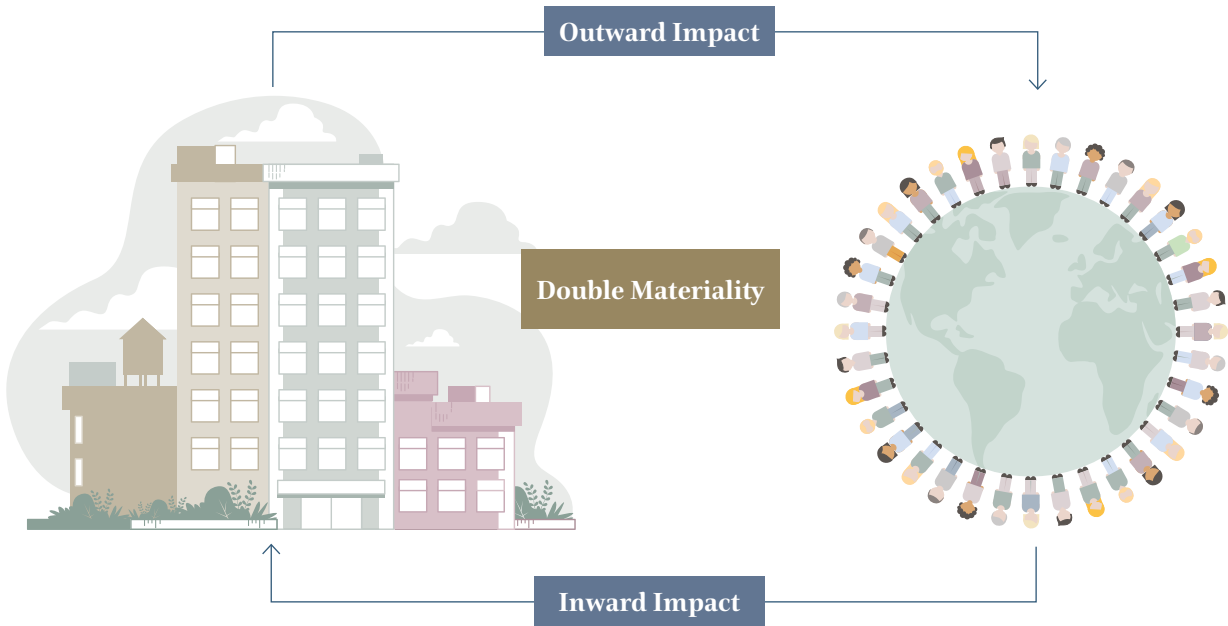
MATERIAL MATTERS

Double Materiality

At Hayleys, in our ESG and sustainability reporting we have incorporated double materiality. This concept is the union of impact materiality and financial

materiality. This acknowledges risks and opportunities from both financial and non-financial perspectives. This concept requires companies to disclose not only

how sustainability issues affect them, but also how their operations and activities affect the environment and society at large as shown below.



Economic

- » Commodity prices
- » Energy cost
- » Foreign exchange impacts
- » Market presence



Environment

- » Biodiversity
- » Climate change adaptation
- » Ecological impacts
- » Emissions & Air quality
- » Energy consumption
- » Materials
- » Waste
- » Water and effluents



Social

- » Diversity, non-discrimination and equal opportunity
- » Employment
- » Skill migration
- » Training and education

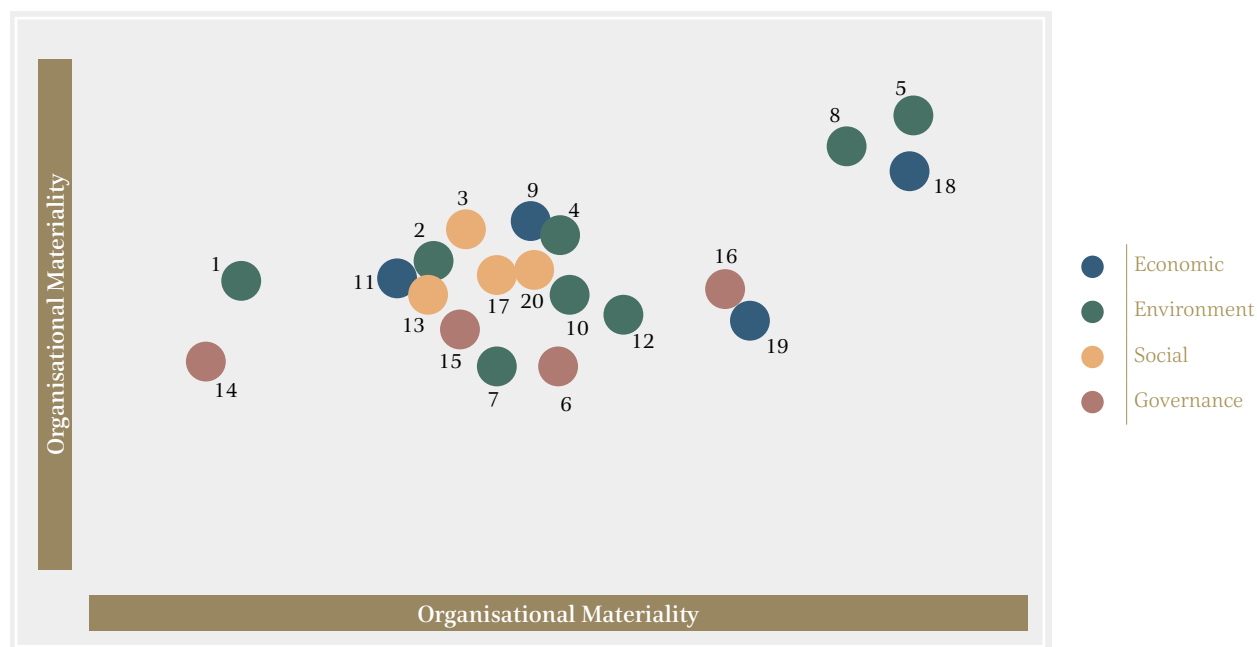


Governance

- » Customer privacy
- » Fraud, ethics and anti-corruption
- » Government policy
- » Regulations and compliance

MATERIAL MATTERS

Organisational and stakeholder Materiality impact



	Topic	Category	GRI reference
1	Water and effluents	Environment	303
2	Energy consumption	Environment	302
3	Employment	Social	401
4	Ecological impacts	Environment	Non-GRI
5	Climate change adaptation	Environment	Non-GRI
6	Regulations and compliance	Governance	2-27
7	Biodiversity	Environment	304
8	Emissions & Air quality	Environment	305
9	Market presence	Economic	202
10	Materials	Environment	301
11	Energy cost	Economic	Non-GRI
12	Waste	Environment	306
13	Customer privacy	Governance	418
14	Diversity, non-discrimination and equal opportunity	Social	405
15	Government policy	Governance	Non-GRI
16	Fraud, ethics and anti-corruption	Governance	205
17	Skill migration	Social	Non-GRI
18	Foreign exchange impacts	Economic	Non-GRI
19	Commodity prices	Economic	Non-GRI
20	Training and education	Social	404

Timeless Vision

We present an in-depth look at our functions and operations facilitated by our management to sustain and expand growth, value creation and relevancy, for the purpose of gaining an understanding of the company's performance, plans and practices.



Management Discussion and Analysis

Financial Capital 28 | Manufactured Capital 30 | Human Capital 32 | Intellectual Capital 37 |
Social and Relationship Capital 39 | Natural Capital 42 | Way Forward 44

FINANCIAL CAPITAL



We demonstrated resilience and financial strength during the year. Despite market volatility and economic fluctuations, we achieved Rs. 1,449 Mn increase in revenue by 38% compared to 2022/23.

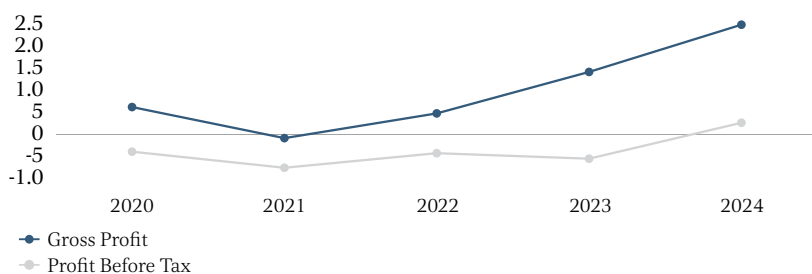
Efficient revenue management practices and targeted marketing contributed towards this growth. Additionally, prudent cost control measures ensured optimal utilisation of resources and sustained profitability. Our strong financial position provides a solid foundation for future investments and expansion opportunities.

Financial Performance

Revenue Rs Mn	2024	2023	YOY change
Revenue	5,267	3,818	38%
Cost of sales	(2,774)	(2,398)	16%
Gross profit	2,492	1,419	76%
Profit before tax	255	(405)	163%

5 year GP and PBT trend

Rs.Bn



Our financial capital

Shareholder funds in form of equity
Borrowed funds in form of debt

Highlights from the year

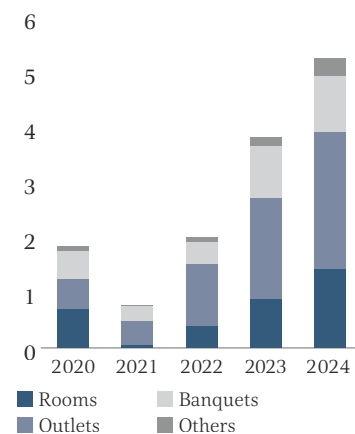
Revenue generated of Rs. 5,267 Mn
Total equity of Rs. 1,351 Mn

Contribution to Our Value Creation Process

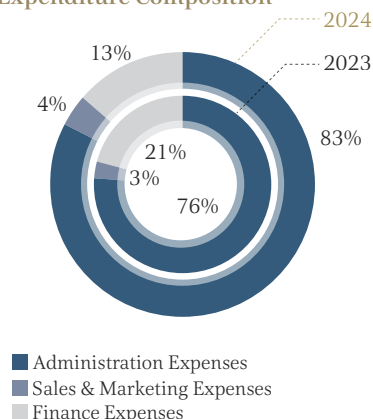
Enables day to day operations and working capital management through sound liquidity
Funds business growth and expansion

5 year segmental revenue distribution

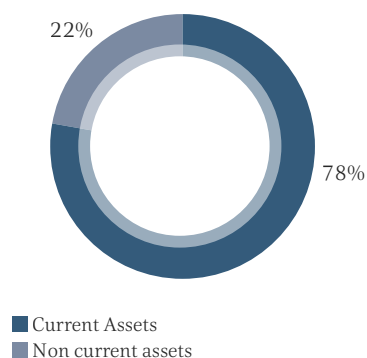
Rs.Mn



Expenditure Composition



Asset composition



Expenditure Rs Mn	2024	2023	YOY change
Administrative expenses	1,869	1,412	(32%)
Marketing expenses	85	54	(57%)
Finance expense	304	384	21%

Profitability Rs Mn	2024	2023	YOY change
Profit/(Loss) before tax	255	(405)	163%
Net Profit/(Loss) after tax	264	(552)	148%

Assets Rs Mn	2024	2023	YOY change
Total Assets	5,822	4,443	31%
Non Current Assets	4,529	3,660	24%
- Property Plant and Equipment	4,497	3,632	24%
- Other Non-current assets	32	28	13%
Current Assets	1,293	783	65%
- Inventories	170	168	1%
- Trade & other receivables	871	375	132%
- Other current assets	252	241	5%

Balance Sheet funding Rs Mn	2024	2023	YOY change
Total Equity	1,351	424	219%
Non current liabilities	2,010	1,393	44%
Interest bearing loans and borrowings	1,260	919	37%
Deferred tax liabilities	620	365	70%
Other non current liabilities	130	109	19%
Current liabilities	2,461	2,626	(6%)
Trade and other payables	1,612	1,166	38%
Other current liabilities	138	134	3%
Interest bearing loans and borrowings	410	1,086	(62%)
Bank overdrafts	301	240	25%

Times	2024	2023	YOY change
Current Ratio (times)	0.53	0.30	77%
Quick Asset Ratio (times)	0.41	0.23	78%

Cash flows Rs Mn	2024	2023	YOY change
Net Cash generated from operating activities	378	121	212%
Net cash generated from / (used in) investing activities	(120)	(112)	7%
Net cash generated from financing activities	(310)	176	(277%)
Net increase / (decrease) in cash and cash equivalents	(81)	192	(142%)

MANUFACTURED CAPITAL



The property is centrally located and spans across 04 Acres of land within walking distance to the central business district and transport hubs in Colombo.

Our commitment to offer an unparalleled guest experience is reflected in our continuous investment in the physical infrastructure and amenities. These enhancements have positioned our hotel as a premier destination for both business and leisure travellers in Colombo. Furthermore, investments in conference facilities and event spaces have strengthened our appeal as a venue for meetings, conferences, and social gatherings as well.

The Kingsbury Property

Located in the heart of Colombo, overlooking the Indian Ocean and the Port City, The Kingsbury PLC provides a perfect blend of convenience and activity.

The property is situated at No 48, Janadhipathi Mawatha, Colombo 01 spanning across 04 Acres of land within walking distance to the central business district and transport hubs in Colombo. Centrally located for

Our Manufactured Capital

The tangible assets we own and utilise in our operations. This includes the infrastructure, equipment, and technology.

Highlights from the year

Rs. 4,497 Mn in PPE
Rs. 137 Mn invested in capital expenditure

Facilities to offer

- ⦿ Superior, Deluxe, Premium, Executive rooms, Suites and The Presidential Suite
- ⦿ Restaurants and bars
- ⦿ Venues for weddings, meetings and conferences
- ⦿ Swimming pool
- ⦿ Fitness Centre
- ⦿ Spa

Contribution to Our Value Creation Process

Our manufactured capital contributes significantly to drive both guest satisfaction and operational efficiency.

shopping, entertainment, and business, the hotel presents a wide range of accommodation options, signature dining experiences, banqueting and meeting facilities as one of Colombo's 5-star city hotels.

Capital Investments During the Year

With the economy showing strong signs of recovery and the tourism sector regaining its vibrancy, As a buffering strategy, the investments made to strengthen our operational foundation and ensure we are well-positioned for continued success in the years ahead

IT Systems and Digital Infrastructure

The Kingsbury PLC has been pioneers to function on the cloud version of Opera & Symphony which has largely enhanced efficiency in property management.

We offer a number of customer touch-points and digital platforms such as online room reservations, online cuisine ordering through The Kingsbury Indulgence and QR codes for scanning menus and placing orders. Additionally acceptance of foreign currency via UPI to allure are customer base

E-Guest Onboarding Process

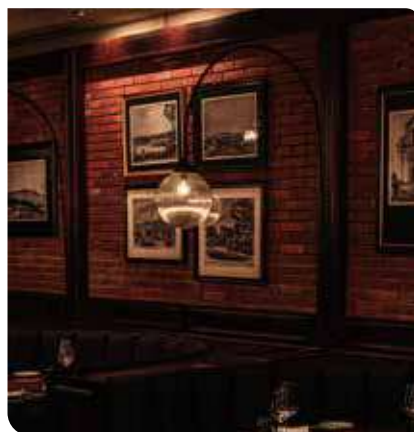
Our Guest Check-In is now transformed into a seamless, entirely digital experience. This innovative approach prioritises guests' convenience while upholding the highest standards of data security and our system fully complies with the Global Data Protection Regulations (GDPR)

Materials Control Version 18.x upgrade

MC version upgrade facilitates the entire end to end procurement management process with integrated enhancements of authorised approval levels, email alerts and also creating a paperless work environment as directed by the ESG Life Code.

SAP S4 HANA – Finance & Controlling Module implementation

The hotel successfully implemented SAP S4 HANA Finance & Controlling Module to streamline its finance operations. It offers the benefits of consolidating financial and managerial transactions and acceleration of financial closure



process to provide instant financial insights in order to facilitate decision making.

Additionally, it ventured into a pioneering collaboration with Hatton National Bank Sri Lanka to co-opt its payment function with banks' payment gateway, marking a significant milestone in the hospitality industry's technological advancement. This integration facilitates seamless exchange of financial information between the property's internal system, SAP S4 HANA and external financial systems, ensuring real-time

data synchronisation facilitating the enhancement of accuracy as well as operational efficiency.

Remarkably, the SAP S4 HANA integration was successfully completed within a mere 3-month timeframe, encompassing 6 entities of the Hayleys Leisure sector.

Our contribution to SDGs



HUMAN CAPITAL





We believe that a diverse workforce enriches our company culture and contributes to our overall success.

The success of our hotel is dependent upon the dedication and professionalism of our talented workforce. We prioritise investing on our employees through comprehensive training programs, skill development initiatives, and career advancement opportunities. Our diverse team of hospitality professionals embodies the spirit of Sri Lankan hospitality, providing personalised service and creating memorable experiences for our guests. Employee engagement initiatives, such as recognition programs, foster a positive work culture and contribute to high levels of guest satisfaction.

Our Human Capital
Our valued team members, their skills, experience and expertise
Highlights from the year
Staff retention rate 75%
Economic value added to employees 1,009 Mn

Our Team Profile

2024	
	
86% Male	14% Female

Contribution to Our Value Creation Process
Delivering our brand promise, creating unique experiences for guests and build innovation culture

Nationality	
797 Local	5 Foreign

Gender Diversity

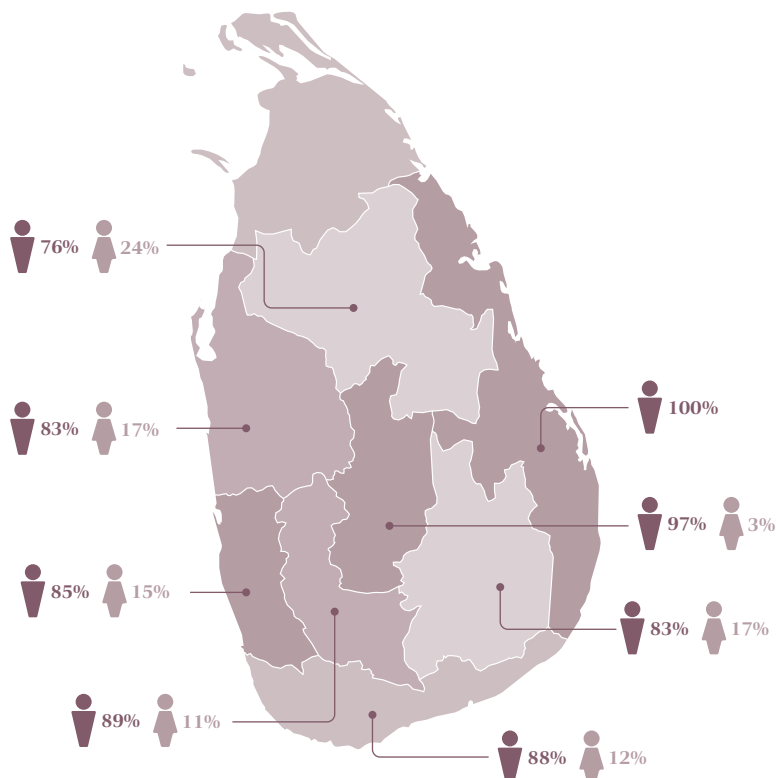
We are committed to fostering gender diversity throughout our organisation, from recruitment, performance evaluations, rewards, and recognition to career advancement opportunities. The most qualified candidates are selected for roles based solely on their qualifications, experience, and competence, without any gender bias.

Female representation at The Kingsbury continues to increase across all employee grades. We are proud to have women in leadership positions across various functions within the company.

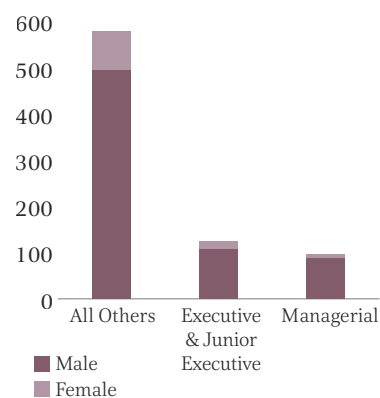
We believe that a diverse workforce enriches our company culture and contributes to our overall success.

	Male	Female
Western	500	85
Uva	10	2
Southern	43	6
Sabaragamuwa	32	4
North Western	29	6
North Central	13	4
Northern	-	-
Central	57	2
Eastern	4	-

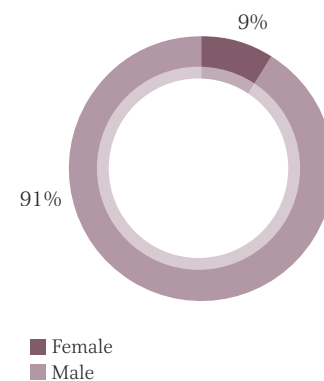
Regional Wise Gender Distribution



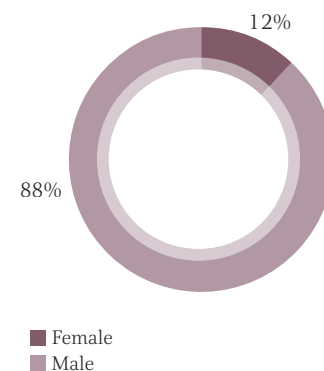
Employee Categorisation



Managment Team Gender Composition

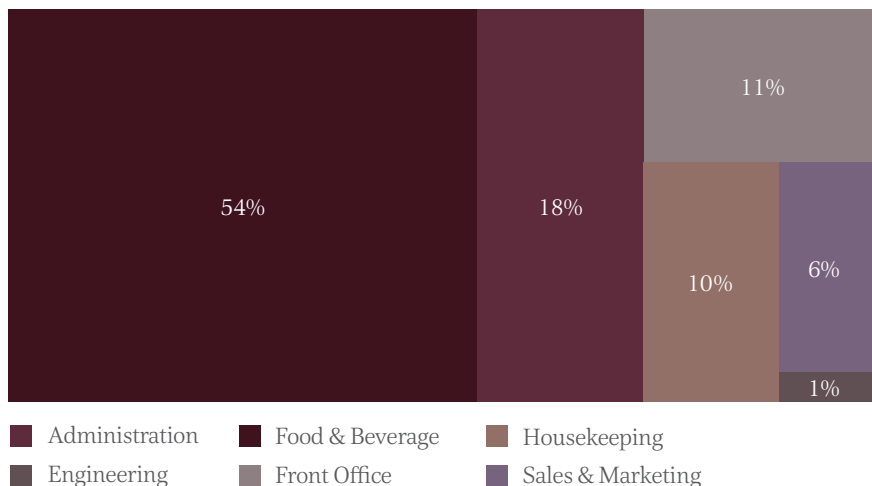


Staff Retention



HUMAN CAPITAL

Departmental Female Representation



Attrition and New Recruitments

Attrition was a key challenge for the entire leisure sector with the rapid increase in skilled emigration stemming from the economic crisis. The emergence of new international hotel chains in the country also led to staff moving to competitor hotels. At The Kingsbury the attrition rate for the year was 25%.

Training and Development

T&D	2024
Investment in Rs. Mn	2.3
Training hours	14,530
Training hours - per employee	18.12
Training hours - Per male	1.77
Training hours - Per female	1.33

Training Hours



Training Programmes held during the year:

The Company continued to upskill its employees through relevant and timely training and development programmes.

The following are key features of The Kingsbury PLC's training and development initiatives;

- Departmental training - Each Head of Department identifies the training needs at the beginning of the year. Periodic assessments are carried out to ensure emerging needs. Training needs are met through internal and external trainers
- Training by Technical Experts - The Kingsbury, and its sister company Hayleys Leisure PLC have Technical Experts identified for each area of operations and these resources are shared amongst the leisure sector of Hayleys PLC
- On the Job Training - Team members are deployed on special projects taking place at The Kingsbury and Hayleys Leisure resorts.
- Hayleys Leisure Training Institute spear-headed by Hayleys Leisure PLC



All Front Office Staff ▼	Customer service, Lobby hosting
Front Office - Call Center ▼	Product knowledge covering our entire customer propositions, SOP
Departmental Trainers ▼	Train the Trainer programme
Middle Management – Operational ▼	People management skills
All Staff ▼	Speakers Club – English language skills improvement
Operational Staff ▼	Curator training

Hayleys Leisure Training Academy

Hayleys Leisure Training Academy focuses on empowering underprivileged youth in Sri Lanka by offering comprehensive training in hospitality. Covering areas such as front office operations, food and beverage management, housekeeping, and kitchen operations, the institute ensures students receive both theoretical and practical education.

Graduates have opportunities for employment within Hayleys Leisure's network of hotels and resorts, including The Kingsbury Colombo and Amaya Resorts. The institute plays a crucial role in community development by providing vocational training and reducing unemployment, contributing positively to the Sri Lankan hospitality sector by creating a skilled workforce.

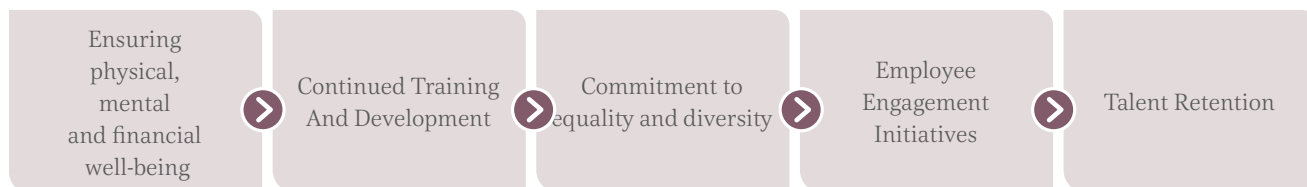
HUMAN CAPITAL

Human Resource Management

Our team is a vital resource at our hotels that enable us to remain competitive and responsive even in challenging times. The management approach to our team

underpins our commitment to create a conducive, rewarding and motivating environment in which each employee

thrives in their respective careers. The following shaped our management approach towards our staff.



Performance Management, Rewards and Staff Recognition

At The Kingsbury, Performance Development Plans (PDP) are implemented for all staff above Assistant Manager level. They are recognised based on performance which is evaluated on a quarterly basis, with feedback shared for development and improvements. Remuneration is linked to industry medians in order to ensure the employees are paid in line with the industry standards. Highest level of transparency is maintained in deciding remuneration, as guided by our HR Policy.

We also have an ‘Employee of the Quarter’ recognition programme where staff members are nominated based on their commitment to the team, attitude, attendance and overall performance. Nominees are then put to a confidential vote, where each voter is eligible to cast two votes, one for a nominee representing the voter’s own department and a second for a nominee from a different department. The nominee who secures the highest number of votes is recognised as the Employee of the Quarter, a runner up is also recognised.

Staff Engagement Initiatives

A number of staff engagement initiatives were conducted throughout the year, mainly linked to festivals and religious events. Further our corporate social responsibility initiative continued into this year as well. Engagement initiatives drive togetherness and a sense of belonging to the Team.

Work Place Safety

The Company places significant importance on work place health and safety (H&S). This is driven via the policies and procedures for H&S and also through a safety conscious culture. Work place related accidents and injuries are duly reported for corrective action and learnings for future. There were no work related accidents or serious injuries reported at the Company for 2023 and 2024.

INTELLECTUAL CAPITAL



Operating in harmony with the natural environment is a priority for our hotel. We have implemented environmentally sustainable practices throughout our operations, including energy and water conservation measures, waste reduction initiatives, and eco-friendly procurement policies. Our commitment to environmental stewardship extends beyond compliance to actively contribute to the conservation of natural resources and biodiversity. By promoting responsible tourism practices, we aim to minimise our environmental footprint.

The Kingsbury Brand



The Kingsbury brand is synonymous with luxury, sophistication, and exceptional hospitality. As one of Sri Lanka's premier five-star hotel brands, The Kingsbury sets the standard for elegance, comfort, and personalised service in the hospitality industry.

The Kingsbury is the flagship city hotel brand of the leisure sector of Hayleys PLC, Sri Lanka's largest and most diversified conglomerate. We offer unique guest

Our Intellectual Capital

Intangible assets and resources that contribute to the value and competitiveness of our hotel.

Highlights from the year

20% Employees having over 10 years of industry experience

experience combining the ethos of Hayleys Leisures' promise of curating happiness. The Kingsbury is strategically located offering guests easy access to key attractions, business districts, shopping centres, and entertainment venues.

The Kingsbury Indulgence

The Indulgence is an alternative revenue source offering online delivery featuring some of the finest dishes from The Kingsbury, ranging from a variety of cuisines from our wide range of restaurants to family meals.

The Company was one of the first five-star hotels to offer customers with the facility of online ordering and delivery of star-class cuisine. Branded as The Kingsbury Indulgence, this innovative solution launched during the aftermath of the COVID-19 pandemic gained much



The Kingsbury sets the standard for elegance, comfort, and personalised service in the hospitality industry. The Kingsbury brand is synonymous with luxury, sophistication, and exceptional hospitality.

Contribution to Our Value Creation Process

Through fostering innovation, improving efficiency, enhancing brand reputation, facilitating knowledge sharing and learning.

traction. The proposition continues to date, and offers a wide range of cuisine options to select from, enabling our customers the convenience, luxury and confidence of safely prepared and delivered food.

The Nosh

"The Nosh" - an exquisite cafe and restaurant thoughtfully crafted to cater to the refined palates of discerning working professionals and passionate food enthusiasts. Situated on the prestigious ground floor of Colombo's iconic World Trade Center, "The Nosh" envelops you in an aura of sophistication, promising an environment that sets the perfect platform for unforgettable gatherings and extraordinary moments. The official launch of the outlet was held on the 3rd of August 2023.

INTELLECTUAL CAPITAL

The Versatility of Our Restaurant Brands

We offer a creative guest experiences through our concept-driven restaurants. What each restaurant offers is carefully

thought out by our skilled team and elevated by the ambience, menus on offer and entertainment. Our brands are

known for unique experiences, which drive the overall brand strength of The Kingsbury where Safety, Personalised



TENKU

The Kingsbury Colombo's authentic Japanese restaurant



YUE CHUAN

For a delectable voyage to exotic China with a side of Sri Lanka



KINGS STEAKBAR

For relaxed nights of grand comforts, great food & live music



OCEAN

For a delicious spread of seafood



HARBOUR COURT

For an unforgettable, gastronomic adventure of international cuisine



SKY LOUNGE

For a chic rooftop bar experience with views of the city and coastline below



HONEY BEACH CLUB

For wondrous food & cocktails by the pool



CHURROS

For varied tastes of gourmet patisserie and fresh brews



THE KINGSBURY INDULGENCE

Delivery of star-class cuisine



THE NOSH

An exquisite cafe and restaurant

service and 5-star quality are key components.

Organisational Tacit Knowledge

The collective experience and expertise of our staff consist of a tacit knowledge pool. This knowledge pool continually upgrades and enhances with training and development offered to our staff members and revisions we introduce to our Standard Operating Procedures. It has been a dominating factor in enabling us to cope with unforeseen shock, which became evident in the recent past. One indicator that demonstrates our tacit knowledge is the length of service of our staff.

Systems and Processes

The Company's operations are guided by the Standard Operating Procedure (SOPs) manual, which provides clarity to employees on our key functions. The SOPs cover all key functions such as F&B,

Front Office and Housekeeping and our staff members are duly appraised of same. SOPs are continually updated in order to remain up to date, and help us maintain service excellence to our customers despite high attrition rates.

Certifications covering our processes ISO 22000: 2018

Industry Collaborations

The Company is actively involved with the following entities which are committed to uplift the tourism industry in the country.

- Sri Lanka Tourism Development Authority
- The Ceylon Chamber of Commerce
- The Employers' Federation of Ceylon
- The Hoteliers' Association of Sri Lanka

- The Environmental Management System Users and Promoters Association
- Business and Biodiversity Platform
- Responsible Tourism Partnership
- The Pacific Asia Travel Association

The Kingsbury Culture

The Kingsbury culture is driven by the Hayleys Leisure sector vision to be the most preferred leisure service provider in Sri Lanka. Our core values are the key pillars of our culture: never say no, get it right the first time, Innovative culture, take care of our employees and families and be truly sustainable. The culture also unifies each employee towards customer service excellence and our ultimate purpose of curating happiness to all those customers who place confidence with The Kingsbury brand.

Our Commitment to SDG's



SOCIAL AND RELATIONSHIP CAPITAL



We aim to foster trust and confidence among our valued patrons, ensuring that their privacy rights are upheld at all times.

As a prominent player in Colombo’s hospitality sector, we recognise the importance of building and maintaining strong relationships with customers, local communities, and industry stakeholders. We actively engage with guests through personalised service, feedback mechanisms, and loyalty programs to enhance loyalty and satisfaction.

We also engage in Community outreach initiatives, to give back to the community as a responsible organisation.

Customer Relations

As per The Kingsbury Philosophy, customer is considered ‘King’ and hence customer relations are treated with the utmost priority within our establishment. Our relentless commitment lies in surpassing customer expectations each day. This dedication is evidenced by the consistently outstanding reviews and feedback we receive from our loyal customers. We strive to differentiate ourselves by continuously introducing novel experiences to entice new clientele while retaining our existing customer base through innovative concepts and enticing promotions. Undoubtedly, customer relations stand as an integral component of our hotel’s social capital.

Our Social and Relationship Capital

Relationships we maintain with our valued customers, business partners, the communities we operate and other stakeholders consist of our social capital

Highlights from the year

Community benefited 3,208 persons
Contribution towards employee 1.8 Mn

Contribution to Our Value Creation Process

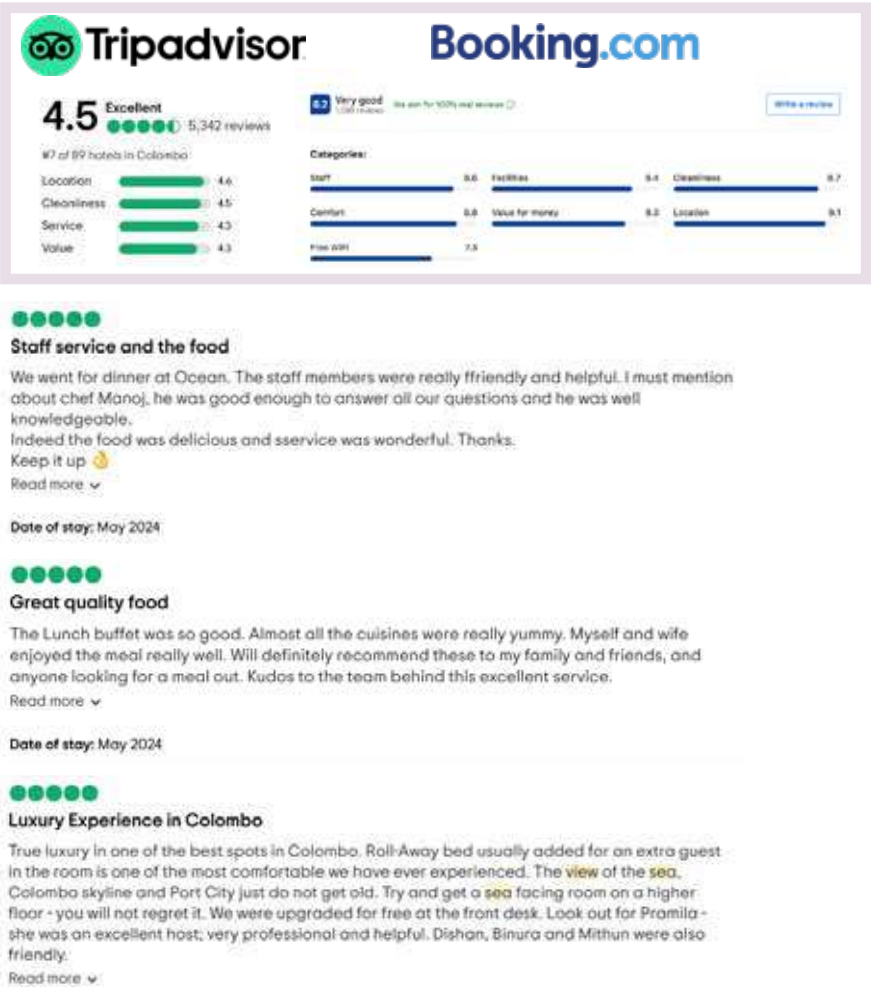
Identification and responding to the needs of our customers, suppliers, community and other stakeholders that drive shared value creation



SOCIAL AND RELATIONSHIP CAPITAL

Customer Feedback

Customer feedback is not considered a mere comment but as an invaluable insight into areas where we excel and those in which we can improve. Each piece of feedback serves as a cornerstone upon which we build our commitment to continuous improvement. This in turn fosters a culture of transparency and accountability within our organisation but also serves as a testament to our unwavering dedication to guest satisfaction. We are also accessible on a host of online travel platforms which reflect our customer viewpoints as outlined below.



Customer Privacy

We value our customer privacy and attempt to safeguard it to the highest level across all touch points where customer data is accessed. The following measures are in place to ensure that customer privacy is protected:

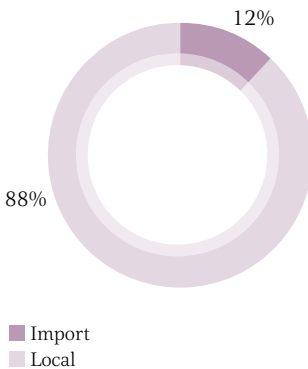
- Training of staff members on maintaining customer privacy and data
- Strong Data security practices and clear data privacy policies
- Compliance with the European Union regulation on data protection - General Data Protection Regulation (GDPR)

We aim to foster trust and confidence among our valued patrons, ensuring that their privacy rights are upheld at all times.

Suppliers

Our supplier profile

Supplier Sourcing Profile



Suppliers play a crucial role in our operations, serving as key partners in our quest to deliver exceptional experiences to our guests. We prioritise establishing strong and mutually beneficial relationships with our suppliers, built on trust, reliability, and transparency. Through effective communication and collaboration we work closely with our suppliers in order to ensure timely delivery of high quality goods and services that meet our anticipated standards. We actively seek out suppliers who share commitment to sustainability and ethical business practices, aligning with our values and contributing to our efforts to minimise environmental impact. By nurturing these partnerships, we enhance our ability to consistently deliver outstanding experiences while also supporting the broader community and promoting responsible stewardship of resources.

Governance based Sourcing

Governance-based sourcing involves adopting procurement practices that are ethical, sustainable, and are in alignment with good corporate governance principles. At Hayleys Leisure, a Procurement Policy approved by the

Board of Directors ensure all ESG aspects are considered in our sourcing strategy. This ensures ethical and sustainable sourcing, and transparency. We also encourage local sourcing to support local businesses. Further, we are equipped with a comprehensive risk management framework to develop contingency plans in order to address disruptions in the supply chain to identify governance-related risks and thereby implement mitigation strategies.

Community Relations

We continually endeavour to support our communities through various initiatives. The Kingsbury's flagship initiative for 2023/24;

- Give the Gift of Sight campaign - Cataract surgeries

The “Give the Gift of Sight” campaign, a collaborative effort between Hayleys Group and HelpAge Sri Lanka, aimed to provide cataract surgeries for underprivileged elderly individuals in Sri Lanka.

With financial support exceeding Rs. 5 million from Hayleys Group, the initiative sponsored 260 cataract surgeries, conducted at the HelpAge Eye Hospital in Wellawatta, Colombo. Each of the 13 sectors within Hayleys sponsored surgeries for one day, enabling 20 surgeries to be performed daily.

Additionally, volunteers from Hayleys engaged with patients during hospital visits, distributing essential items and reinforcing community support.

- Hayleys Leisure Training Academy

Hayleys Leisure Training Academy, is an initiative by Hayleys Leisure Sector at nurturing talent and providing opportunities within Sri Lanka's hospitality industry. The academy primarily targets disadvantaged youth, without basic educational qualifications and financial difficulties.

Key features of the training program include comprehensive education on various aspects of hospitality such as front office operations, food and beverage, housekeeping, and kitchen operations. Programme is fully funded by Hayleys Leisure and upon successful completion of the course, graduates have the opportunity to secure employment within Hayleys Leisure's network of hotels and resorts. The academy recently celebrated its second graduation ceremony, where 35 students graduated and were absorbed into property operations within the sector.

Our Contribution to SDGs



NATURAL CAPITAL



Our commitment to environmental sustainability is ingrained in our corporate values and guides our actions in every aspect of our business operations.

Operating in harmony with the natural environment is a priority for our hotel. We have implemented environmentally sustainable practices throughout our operations, including energy and water conservation measures, waste reduction initiatives, and eco-friendly procurement policies. Our commitment to environmental stewardship extends beyond compliance to actively contribute to the conservation of natural resources and biodiversity. By promoting responsible tourism practices, we aim to minimise our environmental footprint.

Our Natural Capital

Natural capital includes soil, air, water, and land. These provide ecosystems essential for economic activity. By managing natural capital, we can ensure sustainable use support biodiversity, and mitigate environmental risks

Highlights from the year

Carbon foot print - 7,511 tCO2e

Contribution to Our Value Creation Process

Enhancing the guest experience through natural beauty, promoting health and wellness, demonstrating environmental responsibility and reducing operating costs.

Water consumption	In m3	Per guest night
2024	106,018	1.85
2023	115,159	2.93
Electricity consumption	In kWh	Per guest night
2024	6,484,511	112.88
2023	5,798,086	147.50

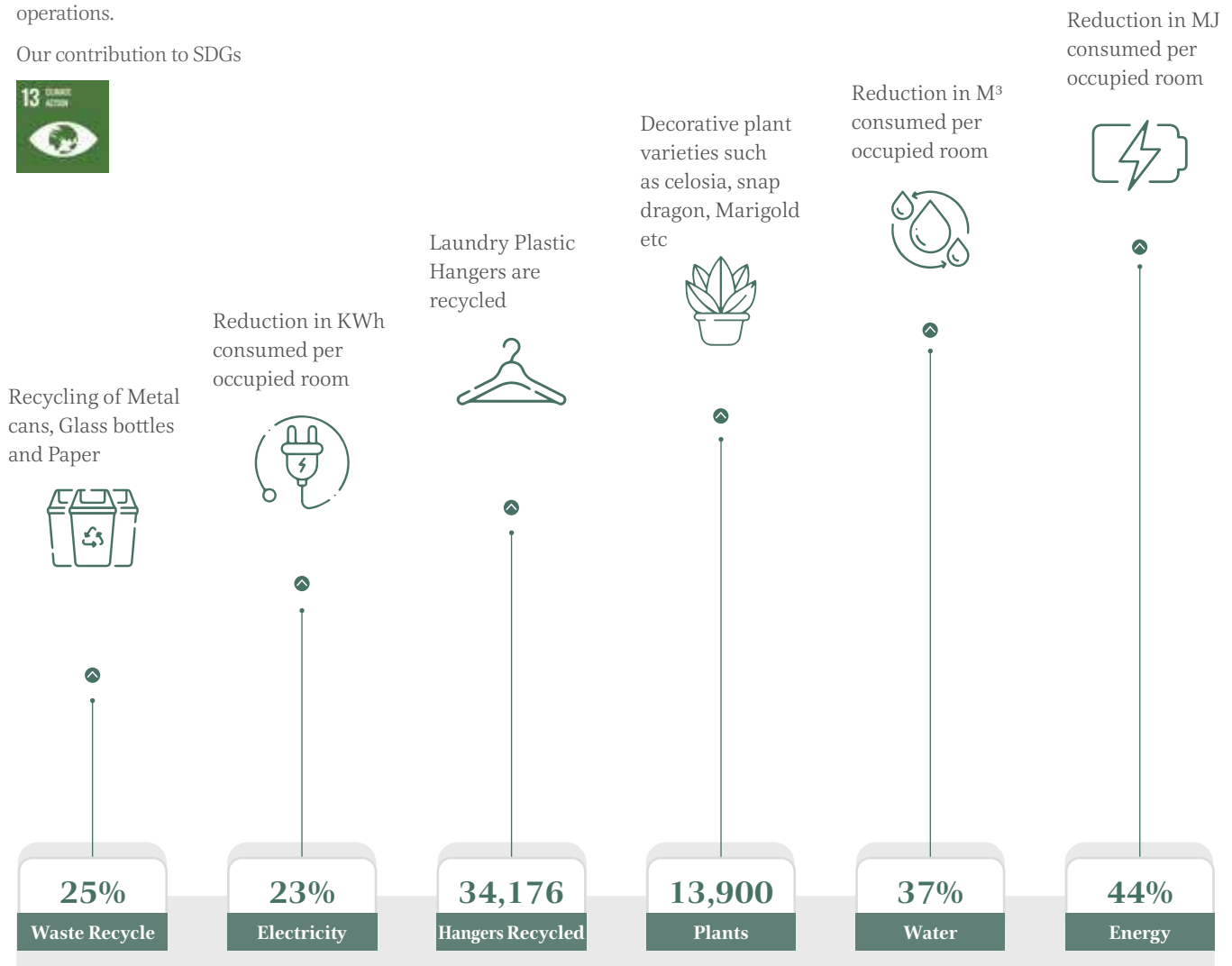
Initiatives

- Transition to bio degradable packaging for bath amenities- the hotel shifted to bio degradable packaging as part of our sustainability initiatives.
- Skip the Straw Campaign – this campaign was launched to discourage the use of straws. As the industry has a high consumption of straws, the Carbon Foot Print can be reduced by 1.38g per paper straw while Energy needed to make a paper straw of 15.1 kJ can be preserved resulting in less environmental damage.
- Hangers Recycled – this initiative was launched to recycle plastic hangers which were being used at the hotel as part of our commitment to environmental sustainability.

Our Commitment to Environmental Sustainability

At The Kingsbury, we recognise the need to address environmental challenges and mitigate our impact on the planet. Our commitment to environmental sustainability is ingrained in our corporate values and guides our actions in every aspect of our business operations.

Our contribution to SDGs



WAY FORWARD

Macro-economic indicator	As of April 2024	As of March 2023	As of December 2023
Inflation - CCPI Headline	1.5%	50.3%	4%
USD exchange rate - Rs.	296.00	329.00	326.00
Government T-Bills 365 days	10.21	12.28	12.93
AWPR	10.13	21.40	12.13

Expectations on the Sri Lankan tourism sector

Sri Lanka has been facing several economic challenges, including high public debt, fiscal deficits, and external vulnerabilities as well as currency depreciation, and a widening trade deficit.

Sri Lanka's tourism sector, which was severely affected by the pandemic and the economic crisis, is expected to gradually recover during the year with increasing tourist arrivals. However, the pace and extent of the recovery depend on global travel trends, and consumer confidence.

However, the sector is ambitious for growth in 2024 and beyond. The rupee appreciated with the USD rate going below LKR 300. Tourist arrivals for 2023 stood at over 1.4mn, while arrivals of 635,784 were recorded from January to March 2024 for the 1st quarter while tourism revenue exceeded USD 1bn for the 1st quarter alone.

The Kingsbury Action Plan.

Short term	Medium	As of December 2023
• Enhance Guest Experience	• Expansion and Diversification	• Sustainable Growth
• Digital Transformation	• Partnerships and Collaborations	• Possibility of Global Expansion
• Sustainability Initiatives	• Brand Positioning and Marketing	• Innovation and Technology
• Identify new markets		• Talent Development and Succession Planning

Opportunities

- Revival of the tourism industry in the country
- Enhanced customer satisfaction through responsible tourism
- Training of students via Hayleys Leisure Training Institute
- Leverage the strength of the parent company Hayleys PLC - Sri Lanka's most diversified conglomerate

Risks

- Economic down turn in Sri Lanka
- High attrition of skilled labour
- Intense Competition including international brands
- Impact of climate change affecting tourist seasons
- Increased scrutiny and pressure to focus on better environmental practices for the tourism sector
- Cyber risk with greater dependency on IT

Timeless Distinction

The vitality of a robust and flexible business model that can manoeuvre around adversity cannot be overstated, and we stay committed to upholding that model while maintaining integrity and standards, fostering creativity and responsibility within our organisation.



Governance and Risk Management

Corporate Governance 46 | Risk Management 64 | Annual Report of the Board of Directors on the Affairs of the Company 70 |
Statement of Directors' Responsibilities 74 | Related Party Transactions Review Committee Report 75 | Remuneration Committee Report 76 |
Nominations and Governance Committee Report 77 | Audit Committee Report 79 | Statement by the Senior Independent Director 81

CORPORATE GOVERNANCE

The Kingsbury PLC operates within a well-defined governance structure adhering to regulatory requirements. Corporate Governance refers to the structures and processes that are built on an established organisational structure in accordance with the company's mission, values and vision for the direction and control of the organisation. It comprises the five core principles of governance which are, the Leadership provided by the Board, Effectiveness of the board and its sub committees having the appropriate balance of skills, knowledge and expertise, Accountability where the board presents a balanced assessment of the company's position and future prospects, Remuneration aligned with the long-term success of the company and the Relationship between the Board of Directors, Shareholders, Management and Other Stakeholders. A strong corporate culture and ethics are vital for the survival and profitability of an organisation in a highly competitive market.

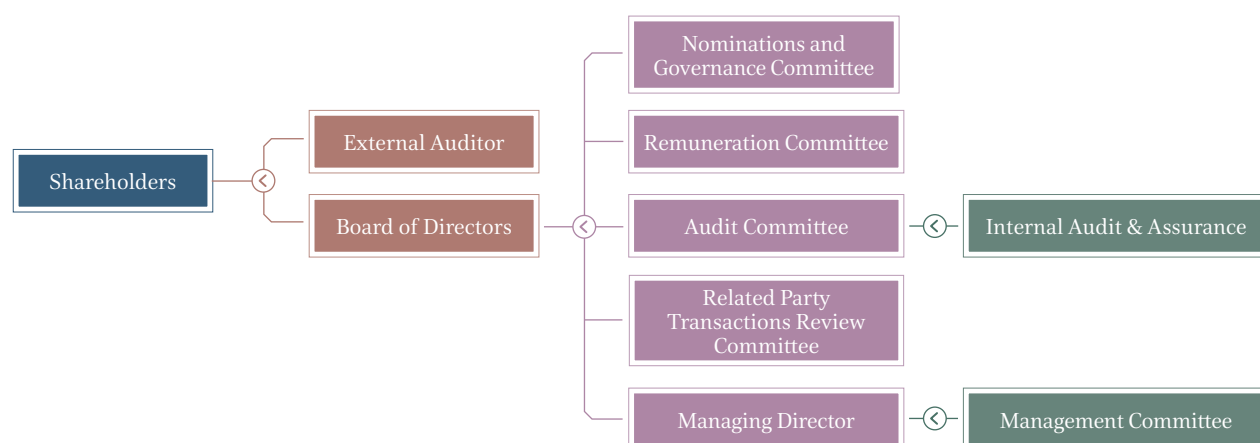
This section of the report is the proof for the afore mentioned facts. The Company complies with the requirements set out in the Code of Best practice on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka and Rules of Corporate Governance set out in the Listing Rules of the Colombo Stock Exchange

Board Meetings and Attendance

The Board of The Kingsbury PLC met once every quarter. The Directors' attendance during the year is shown in the table below.

Name of Director	Executive / Non-Executive / Independent Non-Executive	Attendance
Mr. A. M. Pandithage - Chairman	Executive	04/04
Mr. R. J. Karunarahah - Managing Director	Executive	04/04
Mr. S. C. Ganegoda	Non-Executive	04/04
Mr. N. J. De S. Deva Aditya	Independent Non-Executive	02/04
Ms. R. N. Ponnambalam	Independent Non-Executive	04/04
Ms. I. Jamaldeen	Independent Non-Executive	04/04
Mr. T. A. B. Speldewinde	Independent Non-Executive	04/04
Ms. K. A. D. B. Perera	Non-Executive	04/04
Mr. D. T. R. De Silva (Appointed w.e.f. 03.01.2024)	Independent Non-Executive	02/02
Mr. J. P. Van Twest (Resigned w.e.f. 05.01.2024)	Independent Non-Executive	02/02

Governance Structure



SECTION 1: CODE OF BEST PRACTICE ON CORPORATE GOVERNANCE ISSUED BY THE INSTITUTE OF CHARTERED ACCOUNTANTS OF SRI LANKA (CASL)

Corporate Governance Principles	Reference of Code	Compliance	The Company's Extent of Compliance in 2023/24
A. DIRECTORS			
A.1 The Board			
The Company is headed by an effective Board of Directors with local and international experience. The Board of Directors of the Company consists of professionals in the fields of Accounting, Management, Economics, Marketing and Business Leaders. All Directors possess the skills and experience and knowledge complemented with a high sense of integrity and independent judgment. The Board gives leadership in setting the strategic direction and establishing a sound control framework for the successful functioning of the Company. The Board's composition reflects a sound balance of independence and anchors shareholder commitment. Profiles of Directors are given on pages 15 and 16.			
1. Board Meetings	A.1.1	Compliant	The Board usually meets at quarterly intervals, but also meets more frequently when needed. The Board met four (04) times during the year. Scheduled Board meetings were arranged well in advance, and all Directors were expected to attend each meeting. Any instances of non-attendance of Board meetings were generally related to prior business, personal commitments or illness. The attendance at Board meetings held is set out on page 46 of the Annual Report.
2. Board Responsibilities	A.1.2	Compliant	The Board is responsible to the Shareholders for creating and delivering long-term sustainable Shareholder value through the business. The Board ensures the formulation and implementation of a sound business strategy. The Board has put in place a Corporate Management team with the required skills, experience and knowledge necessary to implement the business strategy of the Company. The Board also ensures effective systems are in place to secure integrity of information, internal controls and risk management. The Board ensures that the Company's values and standards are set with an emphasis on adopting appropriate accounting policies and fostering compliance with financial regulations.
3. Compliance with laws and access to independent professional advice	A.1.3	Compliant	The Board collectively, and Directors individually recognises their duty to comply with laws of the country which are applicable to the Company. The Company had complied with all applicable laws and regulations during the year. A procedure has been put in place for Directors to seek independent professional advice in furtherance of their duties, at the Company's expense.
4. Company Secretary	A.1.4	Compliant	<p>The services of the Company Secretaries, Hayleys Group Services (Private) Limited are made available to Directors as necessary. The Company Secretaries keep the Board informed of new laws, regulations and requirements coming into effect, which are relevant to them as individual Directors and collectively to the Board. Hayleys Group Services (Private) Limited consists of competent qualified professionals with 02 Attorneys at Law and 03 Chartered Secretaries.</p> <p>The Company has obtained appropriate insurance covers and it is further detailed in page 71 under "Annual Report of the Directors on the Affairs of The Company".</p>

CORPORATE GOVERNANCE

Corporate Governance Principles		Reference of Code	Compliance	The Company's Extent of Compliance in 2023/24
5.	Independent judgment	A.1.5	Compliant	<p>Non-Executive directors are independent of the management and free from any business and other relations. The directors exercise independent judgement to bear on all issues of strategy, performance, resources and standards of business conduct.</p> <p>The Non-Executive Directors make an annual determination of their independence through a signed and dated declaration to that effect and make sure there is no conflict of interest. The Board gives direction to the long term strategy, seeking and contributing views and opinions on strategic options proposed by the Executive Management. All members of the Board have fiduciary duties and statutory liabilities, regardless of whether they are Executive or Non-Executive.</p>
6.	Dedication of adequate time and effort by the Board and the Company	A.1.6	Compliant	All Directors of the Company dedicate adequate time and effort to fulfil their duties as Directors of the Company (both before and after the Board Meetings), in order to ensure that the duties and responsibilities owed to the Company are satisfactorily discharged.
7.	Calling for a Resolution	A.1.7	Compliant	Any Director can call for a resolution to be presented to the board where they feel it is in the best interest of the Company.
8.	Training for Directors	A.1.8	Compliant	The Board regularly reviews and agrees on the training and development needs of the Board members, to ensure Directors are capable to make appropriate decisions with regard to the current and future performance of the business.
A.2 Chairman and Chief Executive Officer (CEO)				
<p>There should be a clear division of responsibilities between the Chairman and Chief Executive Officer in order to ensure a balance of power and authority, in such a way that any individual has no unfettered powers of decision-making. The roles of the Chairman and Chief Executive Officer function separately in the Company. The Chairman's main responsibility is to lead, direct and manage the work of the Board in order to ensure that it operates effectively and fully discharges its legal and regulatory responsibilities. The Managing Director, who performs the role of the Chief Executive Officer, is responsible for the day-to-day operations of the Company.</p>				
9.	Division of responsibilities of the Chairman and Managing Director (CEO)	A.2	Compliant	The positions and functions of the Chairman and the Managing Director have been separated; the role of the Managing Director is to manage the day-to-day running of the Company. The Board has delegated this responsibility to the Managing Director and he then leads the Corporate Management team in making and executing operational decisions. The Managing Director is also responsible for recommending strategy to the Board.

Corporate Governance Principles		Reference of Code	Compliance	The Company's Extent of Compliance in 2023/24
A.3	Chairman's Role			
The Chairman leads and manages the Board, ensuring that it discharges its legal and regulatory responsibilities effectively and fully preserves order and facilitates the effective discharge of the Board functions. The profile of the Chairman is given on page 15.				
10	Role of the Chairman	A.3.1	Compliant	<p>The Chairman is as an outstanding business leader and provides leadership to the Board, controls and preserves order at Board meetings and provides the Board with strategic direction and guidance in managing the affairs of the Company.</p> <p>The Chairman maintains close contact with all Directors and where necessary, holds meetings with Non-Executive Directors without Executive Directors being present.</p> <p>The Chairman is also responsible for:</p> <ul style="list-style-type: none">• Ensuring the new Board Members are given an appropriate induction, covering terms of appointment• Ensuring the effective participation of both Executive and Non-Executive Directors. All Directors are encouraged to make an effective contribution, within their respective capabilities, for the benefit of the Company• Ensuring that a balance of power between Executive and Non-Executive Directors is maintained• Ensuring that the views of Directors on issues under consideration are ascertained• Ensuring that the agenda for board meetings is developed in consultation with the Managing Director, Head of Finance and the Company Secretary taking into consideration the matters relating to strategy, performance, resource allocation, risk management and compliance.
A.4	Financial Acumen			
The Code requires that the Board comprises members with sufficient financial acumen and knowledge in order to offer guidance on matters on finance. The Board of the Company has met the above requirement as the Chairperson of the Audit Committee is a qualified Accountant having professional qualifications and equipped with sufficient financial acumen and knowledge to offer guidance on matters of finance.				
11.	Financial acumen and knowledge	A.4	Compliant	<p>The Board includes three senior Chartered Accountants (Institute of Chartered Accountants of Sri Lanka & CIMA UK) one of whom serves as the Chairman of the Audit Committee.</p> <p>These Directors add substantial value and independent judgment on the decision-making of the Board on matters concerning finance and investment</p>

CORPORATE GOVERNANCE

Corporate Governance Principles		Reference of Code	Compliance	The Company's Extent of Compliance in 2023/24
A.5	Board Balance			
The Code requires that a balance is maintained between the Executive and Non-Executive Directors (NEDs) so that no individual or a small group of individual Directors are able to dominate the Board's decision-making. The Board consists of Two (02) Executive Directors and Seven (07) Non-Executive Directors. Each of them brings to the Board, wide experience and the ability to exercise independence and judgment when taking informed decisions.				
12.	Presence of Non-Executive Directors	A.5.1	Compliant	The Board consists of 9 Directors comprising of: Executive Directors (ED) - 02, Non-Executive Directors (NED) - 02, Independent Non-Executive Directors - 05 (INED)
13.	Criteria to evaluate Independence of Non-Executive Directors	A.5.3	Compliant	Refer Section A.5.5 below. The Board considers Non-Executive Director's independence on an annual basis. For a Director to be deemed 'independent', such a Director should be independent of management and free of any business or any other relationship that could materially interfere with or could reasonably be perceived to materially interfere with the exercise of their unfettered and independent judgment.
14.	Signed declaration of independence by the Non-Executive Directors	A.5.4	Compliant	Every Non-Executive Director of the Company has made a written submission as to their independence against the specified criteria.
15.	Determination of Independence	A.5.5	Compliant	<p>The Board has determined the independence of Directors based on the declarations submitted by the Non-Executive Directors, as to their independence as a fair representation and will continue to evaluate their independence on this basis annually. No circumstances have arisen for the determination of independence by the Board, beyond the criteria set out in the Code.</p> <p>Independent Non-Executive Directors are:</p> <ul style="list-style-type: none"> • Mr. N. J. De S. Deva Adithya • Ms. R. N. Ponnambalam • Ms. I. Jamaldeen • Mr. T. A. B. Speldewinde • Mr. D. T. R. De Silva <p>The Board has resolved that Mr. N. J. De S. Deva Adithya and Ms. R. N. Ponnambalam who have been on the board for more than 9 years do not exert control over the Company and are capable of acting in an impartial and independent manner, and have determined that they are nevertheless independent.</p>
16.	Alternate Directors	A.5.6	Compliant	No alternate Director has been appointed by any of the Board Members.

Corporate Governance Principles		Reference of Code	Compliance	The Company's Extent of Compliance in 2023/24
17.	Senior Independent Director	A.5.7	Compliant	The Board has appointed Mr. T. A. B. Speldewinde as the Senior Independent Director ("SID") of the Company. A report from the SID is included in page 81 of the Annual Report.
18.	Role of the SID	A.5.8.	Compliant	The SID makes himself available for confidential discussions with other directors who have concerns which they believe have not been properly considered by the Board. A report from the SID is included in page 81 of the Annual Report.
19.	Meetings between Chairman and Non-Executive Directors	A.5.9	Compliant	The Chairman holds meetings with Non-Executive Directors without the presence of Executive Directors as necessary and at least once a year.
A.6 Supply of Information				
Management should provide time-bound information in a format that is appropriate and which enables the Board to discharge its duties. Financial and non-financial information is analysed and presented to the Board to make informed and accurate decisions.				
20.	Obligation of the Management to provide appropriate and timely information to the Board	A.6.1	Compliant	The Board was provided with timely and appropriate information by the management by way of Board papers and proposals. The Board sought additional information as and when necessary. The Chairman also ensured all Directors were properly briefed on issues arising at Board meetings.
21.	Adequate time for effective Board meetings	A.6.2	Compliant	The Minutes, Agenda and papers required for Board meetings are provided in advance to facilitate its effective conduct.
A.7 Appointments To The Board				
The Code requires having a formal and transparent procedure in place for the appointment of new Directors to the Board.				
22.	Nominations and Governance Committee	A.7.1 & A.7.2	Compliant	The Company established its own Nominations and Governance Committee (NGC) on 2nd May 2024. Please refer NGC report on page 77. The Board annually assesses the Board composition to ascertain whether the combined knowledge and experience of the Board matches the strategic demands facing the Company.
23.	Disclosure of new appointments	A.7.4	Compliant	A brief resume of the Director, nature of his/her experience and names of the companies he/she holds the directorship and the independence is informed to the Colombo Stock Exchange and disclosed in the Annual Report on pages 15 and 16.
24.	Report of the NGC in the Annual Report	A.7.5	Compliant	A Report of the NGC is included in page 77 of the Annual Report.
25.	Terms of Reference of NGC	A.7.6	Compliant	The NGC has comprehensive Terms of Reference, which include the composition and functions of the NGC.

CORPORATE GOVERNANCE

Corporate Governance Principles		Reference of Code	Compliance	The Company's Extent of Compliance in 2023/24
A.8	Re-election of Directors			
All Directors should be required to submit themselves for re-election at regular intervals at least once in every three years.				
26.	Re-election of Directors:	A.8.1 & A.8.2	Compliant	<p>The provisions of the Company's Articles of Association require a Director appointed by the Board to hold office until the next Annual General Meeting and seek re-appointment by the shareholders at that meeting.</p> <p>The Articles of Association call for one third of the Directors in office to retire at each Annual General Meeting. The Directors who retire are those who have served for the longest period after their appointment/ re-appointment. Retiring Directors are generally eligible for re-election. The Managing Director does not retire by rotation.</p>
27.	Resignation of Directors:	A.8.3	Compliant	Directors who resigned prior to completion of his/her appointed term, provided a written communication to the board of his/her reasons for resignation.
A.9	Appraisal of Board Performance			
The Board should periodically appraise its own performance against the present targets in order to ensure that the Board responsibilities are satisfactorily discharged.				
28.	Annual performance evaluation of the Board and its Committees	A.9.1, A.9.2, A.9.3 & A.9.4	Compliant	The Board undertakes an annual self-evaluation of its own performance and of its committees. The Board evaluated its performance and effectiveness in the current year.
A.10	Disclosure of Information in Respect of Directors			
Details in respect of each Director should be disclosed in the Annual Report for the benefit of the Shareholders.				
29.	Details in respect of Directors	A.10.1	Compliant	<p>The following details pertaining to each Director are disclosed as follows:</p> <p>(a) Brief profile with expertise and experience - pages 15 and 16</p> <p>(b) Directors' Interest in Contracts - page 70</p> <p>(c) Attendance at Board Meetings and Committee meetings held during the year - pages 46, 75, 76, 77 and 79</p>
A.11	Appraisal of Managing Director (CEO)			
The Board of Directors should annually assess the performance of the Managing Director who performs the role of the Chief Executive Officer.				
30.	Targets and Evaluation of the Managing Director	A.11.1 and A.11.2	Compliant	<p>Prior to the commencement of each financial year, the Board sets reasonable financial and non-financial targets which are in line with short, medium and long-term objectives of the Company, achievement of which should be ensured by the Managing Director.</p> <p>The performance of the Managing Director is evaluated by the Board each quarter and the overall evaluation at the end of each fiscal year in order to ascertain whether the targets set by the Board have been achieved and if not, whether the failure to meet such targets was reasonable in the circumstances.</p>

Corporate Governance Principles		Reference of Code	Compliance	The Company's Extent of Compliance in 2023/24
B. DIRECTORS' REMUNERATION				
B.1 Remuneration Procedure				
This principle ensures that the Company has a well-established, formal and transparent procedure in place for developing an effective remuneration policy for both Executive and Non-Executive Directors where no Director is involved in deciding his/her own remuneration in order to avoid potential conflict of interest.				
31.	Remuneration Policy	B.1	Compliant	The Company has a formal and transparent procedure for fixing remuneration of Executives and Directors. No director is involved in deciding his/her own remuneration.
32.	Establishment of Remuneration Committee	B.2.1, B.2.2, B.2.3	Compliant	The Company established its own Remuneration Committee on 2nd May 2024. Refer Report of the Remuneration Committee on page 76 Details of the payment of remuneration to Directors are disclosed in page 70 of the Annual Report.
33.	Terms of Reference of Remuneration Committee	B.2.16	Compliant	The Remuneration Committee has comprehensive Terms of Reference, which include the composition and functions of the Committee.
B.2 The Level and Make up of Remuneration				
The level of remuneration of both Executive and Non-Executive Directors should be sufficient to attract and retain the Directors needed to run the Company successfully. A proportion of Executive Directors' remuneration should be structured to link rewards to the corporate and individual performance.				
34.	Level of Remuneration	B.2, B.2.4, B.2.6, B.2.7	Compliant	The Remuneration Committee structures the remuneration package to attract, retain and motivate the Directors needed to run the company successfully but avoid paying more than is necessary for this purpose. The remuneration levels relative to other companies and performance of the Directors are taken into account when considering the remuneration levels of the Directors.
35.	Levels of Remuneration of Executive Directors	B.2.5 & B.2.8	Compliant	Remuneration for Executive Director(s) promotes short, medium and long term performance of the Company. The performance-related elements are transparent and is reviewed by the Remuneration Committee annually against the set targets and goals.
36.	Levels of Remuneration of Non-Executive Directors	B.2.14	Compliant	Remuneration for Non-Executive Directors reflects the time commitment and responsibilities of their role, taking into consideration market practices.
B.3 Disclosure of Remuneration				
The Code requires the Company to disclose in its Annual Report the details of the Remuneration paid and the Remuneration Policy.				
37.	Disclosure of Remuneration and Remuneration Committee	B.3. B.3.1 & B.2.15	Compliant	Please refer page 70 for the total Directors' remuneration. A Report of the Remuneration Committee is included in page 76 of the Annual Report.

CORPORATE GOVERNANCE

Corporate Governance Principles		Reference of Code	Compliance	The Company's Extent of Compliance in 2023/24
C.	RELATIONS WITH SHAREHOLDERS			
C.1	Constructive use of the Annual General Meeting (AGM) and Conduct of General Meetings			
The Code requires the Board to use the AGM to communicate with shareholders and encourage their active participation. In this regard, all Shareholders of the Company receive the Notice of Meeting within the statutory due dates.				
38.	Adequate Notice of AGM	C.1.1, C.1.2 and C.1.3	Compliant	<p>The Annual Report including Financial Statements of the Company are published on the websites of the Company and the Colombo Stock Exchange (CSE). Notice of Meeting and the Form of Proxy are sent to shareholders 15 working days prior to the date of the AGM as required by statute in order to provide the opportunity to all the shareholders to attend the AGM.</p> <p>The Company proposes a separate resolution at the AGM on each substantially separate issue.</p> <p>Further, the adoption of the Annual Report of the Board of Directors on the Affairs of the Company and Audited Financial Statements together with the Report of the Auditors thereon are considered as a separate resolution.</p> <p>The Company has in place an effective mechanism to count all proxies lodged on each resolution, and the balance for and against the resolution, after it has been dealt with on a show of hands, except where a poll is called.</p>
C.2	Communication with Shareholders			
The Code requires that the Board should implement effective communication with Shareholders.				
39.	Channel to reach all Shareholders	C.2.1	Compliant	<p>The main mode of communication between the Company and the Shareholders is the AGM. Shareholders are provided with the information prior to the AGM.</p> <p>Further, financial and other announcements are promptly submitted to CSE to publish on the CSE website.</p>
40.	Policy methodology and process for communication with shareholders.	C.2	Compliant	An open-door policy is in place, which enables Shareholders to keep in constant touch, visit and obtain information from the Company Secretary and engage in dialogue.
41.	Contact person for communication	C.2.4 & C.2.6	Compliant	Details of contact persons are disclosed in the Corporate Structure in this Annual Report and Quarterly Financial Statements.
42.	Process to make Directors aware of major issues and concerns of Shareholders	C.2.5	Compliant	All major issues relating to Shareholders are brought to the attention of the Board

Corporate Governance Principles		Reference of Code	Compliance	The Company's Extent of Compliance in 2023/24
C.3	Major Transactions			
The Code requires that the Board discloses major and material transactions of the Company to its Shareholders.				
43.	Channel to inform details of major transactions to Shareholders	C.3, C.3.1, C.3.2 & C.3.3	Compliant	The Company disclosed details of the major and material transactions of the Company to its Shareholders through financial and other announcements submitted to the CSE. The Company complied with the Companies Act No. 07 of 2007 ('Companies Act') and CSE Listing Rules pertaining to major transactions.
D.1	Financial and Business Reporting (The Annual Report)			
The Board should present a balanced and understandable assessment of the Company's financial position, performance and prospects.				
44.	Board's responsibility for Statutory and Regulatory Reporting	D.1, D.1.1, D.1.2, D.1.3	Compliant	<p>The Board has recognised the responsibility to present regulatory and statutory reporting in a balanced and understandable manner.</p> <p>When preparing Quarterly and Annual Financial Statements, the Company complied with the requirements of the Companies Act, Listing Rules of the CSE and prepared and presented them in accordance with Sri Lanka Accounting Standards. The Financial Statements includes a statement from the CEO and Head of Finance declaring that the Financial Statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Company.</p>
45.	Declaration by Directors' report in the Annual Report	D.1.4	Compliant	The Directors have made all required declarations in the "Annual Report of the Board of Directors" that appears on pages 70 to 73 of the Annual Report.
46.	Statement of Directors and Auditors	D.1.5	Compliant	The "Statement of Directors' Responsibilities" is given on page 74 and the "Auditors' Report" is given on pages 85 to 87 of the Annual Report.
47.	Management Discussion & Analysis in the Annual Report	D.1.6	Compliant	The "Management Discussion and Analysis" is given on page 28 of the Annual Report.
48.	Summoning an EGM in the event the net assets of the company falls below 50% of the value of the company's shareholders' funds.	D.1.7	Compliant	Net Assets of the Company did not fall below 50% of the value of the Company's Shareholders' funds during Financial Year 2023/24.
49.	Disclosure of related party transactions	D.1.8	Compliant	Refer the "Related Party Transactions Review Committee Report" on page 75 of the Annual Report.

CORPORATE GOVERNANCE

Corporate Governance Principles		Reference of Code	Compliance	The Company's Extent of Compliance in 2023/24
D.2	Risk Management and Internal Control			
The Board should have a sound system of internal controls to safeguard Shareholders' investments and the Company's assets. The Board is responsible for determining the nature and extent of the principal risks it is willing to take in achieving its strategic objectives.				
50.	Annual evaluation of the Internal Controls System and Risk Management	D.2.1, D.2.1.1, D.2.1.2, D.2.1.3	Compliant	The Board is responsible for the Group's internal control and its effectiveness. Internal control is established with emphasis placed on safeguarding assets, making available accurate and timely information and imposing greater discipline on decision-making. It covers all controls, including financial, operational and compliance controls and risk management. It is important to state, however, that any system can ensure only reasonable, and not absolute, assurance that errors and irregularities are prevented or detected within a reasonable time. The Hayleys Management Audit & System Review Department (MASRD) plays a significant role in assessing the effectiveness and successful implementation of existing controls and strengthening these and establishing new controls where necessary. The MASRD's reports are made available to the Chairman and Managing Director and the Chairman of the Audit Committee. The Board has reviewed the effectiveness of the system of financial controls for the period up to the date of signing the accounts. There is a direct channel of communication between the Head of MASRD and the Chairman of the Audit Committee without the interference of any Directors or Executives.
51.	Availability of internal audit function and disclosure in annual report.	D.2.2 & D.2.3	Compliant	Please refer Internal Control and Risk Management Report on pages 64 to 69 of the Annual Report.
52.	Review of the process and effectiveness of risk management and internal controls.	D.2.4	Compliant	The Audit Committee reviews internal control issues and risk management measures and evaluates the adequacy and effectiveness of the risk management and internal control systems including financial reporting.

Corporate Governance Principles	Reference of Code	Compliance	The Company's Extent of Compliance in 2023/24
D.3 Audit Committee			
<p>The Board should have formal and transparent arrangements in selecting and applying the accounting policies, financial reporting and internal control principles and maintaining an appropriate relationship with the Company's External Auditor. Mr. T. A. B. Speldewinde is a Fellow Member of the Institute of Chartered Accountants of Sri Lanka. The Managing Director, General Manager and the Head of Finance attend the meetings of the Audit Committee by invitation. The Audit Committee has written Terms of Reference and is empowered to examine any matters relating to the financial affairs of the Company and its Internal and External Audits.</p> <p>It helps the Company to strike the proper balance between conformance and performance.</p>			
53. Composition of the Audit Committee	D.3.1	Compliant	<p>Audit Committee consists of Three (03) Independent Non-Executive Directors</p> <ul style="list-style-type: none"> • Mr. T. A. B. Speldewinde - Chairman • Ms. R. N. Ponnambalam - Member • Mr. D. T. R. De Silva - Member <p>The Company Secretary serves as its Secretary. The Chairman, Managing Director, Head of Internal Audit and the Head of Finance and Hayleys Group CFO are invited to attend meetings as required. The input of the External Auditors and the Group Internal Auditor is obtained where necessary. The Audit Committee is required to assist the Company to achieve a balance between conformance and performance.</p>
54. Terms of Reference of the Audit Committee	D.3.2	Compliant	<p>The scope of the Audit Committee has been widened to include risk management duties. Refer the Audit Committee Report on page 79.</p> <p>Terms of Reference of the Audit Committee clearly explains the purpose of the Committee, its duties and responsibilities together with the scope and functions of the Committee.</p>
55. Disclosures of the Audit Committee	D.3.3	Compliant	The Report of the Audit Committee is given on pages 79 and 80 of the Annual Report.
D.4 Risk Committee			
<p>The board should establish a procedure for risk management including how risks are determined, risk culture, risk appetite, risk identification and classification, rating and management of risk.</p>			
56. Established procedure for risk management	D.4	Compliant	The Audit Committee oversees the procedure for risk management including how risks are determined, risk culture, risk appetite, risk identification and classification, rating and management of risk.
D.5 Related Party Transactions Review Committee			
<p>The Board should establish a procedure to ensure that the Company does not engage in transactions with "related parties" in a manner that would grant such parties "more favourable treatment" than that accorded to third parties in the normal course of business.</p>			
57. A related party and related party transactions will be as defined in LKAS 24.	D.5.1	Compliant	The Company adopts the definition of a related party and related party transactions as defined in LKAS 24.

CORPORATE GOVERNANCE

Corporate Governance Principles	Reference of Code	Compliance	The Company's Extent of Compliance in 2023/24
58. Establishment of Related Party Transactions Review Committee and composition.	D.5.2	Compliant	The Company established its own Related Party Transactions Review Committee (RPTRC) on 2nd May 2024. Please refer RPTRC Report on page 75 of the Annual Report.
59. Written terms of reference of Related Party Transaction Review Committee.	D.5.3	Compliant	The RPTRC has written Terms of Reference.
D.6 Code of Business Conduct and Ethics			
The Company should develop a Code of Business Conduct and Ethics for Directors and members of the Senior Management team and must promptly disclose any waivers of the Code for Directors or others.			
60. Code of Business Conduct and Ethics	D.6	Compliant	The Directors and the Members of the Senior Management are bound by the 'Hayleys Way' which is the code of business conduct and ethics of the Hayleys Group. This Code addresses conflict of interest, corporate opportunities, confidentiality of information, fair dealing, protection and proper use of the Company's assets, compliance with laws and regulations and encouraging the reporting of any illegal or unethical behaviour etc.
D.7 Corporate Governance Disclosure			
Directors of the Company disclose annually the Company's adherence to the Code of Best Practice on Corporate Governance issued by The Institute of Chartered Accountants of Sri Lanka.			
61. Disclosure of corporate governance	D.7.1	Compliant	This requirement is met through the presentation of the Annual Report.
E. INSTITUTIONAL INVESTORS			
Institutional shareholders have the responsibility to make considered use of their votes and should be encouraged to ensure their voting intentions are transacted into practice.			
E.1 Shareholders' Voting			
62. Communication with Shareholders	E.1.1	Compliant	In order to avoid conflicts of interest by nurturing the mutual understanding, the Board carries out dialogues with its Shareholders at general meetings. In this regard, the AGM of the Company plays a critical role. Voting by the Shareholders is crucial in carrying a resolution at the AGM. The Chairman, who plays the role of the agent, communicates the views and queries of the Shareholders to the Board and the senior management, in order to ensure that the views are properly communicated to the Company.
F. OTHER INVESTORS			
63. Investing/Divesting Decision	F.1 & F.2	Compliant	Individual investors are encouraged to carry out adequate analysis or seek independent advice in investing or divesting decisions. They are also encouraged to participate in General Meetings of the Company and exercise their voting rights. Information is disseminated to all shareholders.

Corporate Governance Principles	Reference of Code	Compliance	The Company's Extent of Compliance in 2023/24
G. INTERNET OF THINGS & CYBER SECURITY			
The Board should have a process to identify how the business models, IT devices within and outside the rationalisation can connect to the organisation's network to send and receive information and the consequent cybersecurity risks that may affect the business.			
64. Internet of Things & Cyber Security	G.1	Compliant	<p>The Company has implemented a property management and financial information system which has increased the effectiveness and efficiency in the provision of management information and has implemented a comprehensive IT policy which strengthens controls of the organisation's IT System and ensures unauthorised access and data loss is prevented.</p> <p>Hayleys Group's Disaster Recovery Policy ensures that daily backups are taken in a timely manner and stored in remote locations ensuring reduction of downtime and continuity of operations during a disaster.</p>
H. SUSTAINABILITY: ENVIRONMENT, SOCIETY AND GOVERNANCE (ESG) RISK AND OPPORTUNITIES			
The process of recognising, managing measuring and reporting ESG			
65. ESG Reporting	H.1	Compliant	ESG policies and practices implemented to develop long term sustainability of the Company and risks and opportunities are discussed by the management of the Company at regular intervals. On a quarterly basis the information is gathered and presented to the Hayleys Group for inclusion in the Sustainability Report of the parent company Hayleys PLC.

Corporate Governance Principles	Reference of Code	Compliance	The Company's Extent of Compliance in 2023/24
I. SPECIAL CONSIDERATIONS FOR LISTED ENTITIES			
Listed entities shall establish and maintain policies relating to its governance and disclose the fact of existence of such policies together with the details relating to the implementation of such policies by the entity on its website.			
66. Establishments of the following Policies: <ul style="list-style-type: none"> a) matters relating to the board of directors b) board committees c) corporate governance, nominations, and re-election d) remuneration e) internal code of business conduct and ethics for all directors and employees, including policies on trading in the entity's listed securities f) risk management and internal controls g) relations with shareholders and investors h) environmental, social and governance sustainability i) whistleblowing j) anti-bribery and corruption 	I.1.1		<p>The Company has established policies relating to Matters relating to the Board, Board Committees, Corporate Governance, Nominations, Remuneration, Internal Code of Business Conduct, Risk Management and Internal Control, Relations with Shareholders and Investors, Environment, Social Governance and Sustainability and Anti Bribery and Corruption. The Hayleys Lifecode is accessible through the Company website, and the Company is in the process of establishing the other policies.</p>

CORPORATE GOVERNANCE

SECTION 2: COLOMBO STOCK EXCHANGE LISTING RULES

Statement of Compliance

This section covers The Kingsbury PLC's extent of adherence to the requirements of Sections 7 and 9 of the Listing Rules of the Colombo Stock Exchange.

Compliance with CSE Continuing Listing Rules – Section 7.6

CSE Rule Reference	Corporate Governance Principles	Compliance Status	Page Reference
7.6 (i), (ii)	Names of persons who during the financial year were Directors and principal activities during the year	Compliant	Report of the Board of Directors pages 70 to 73
7.6 (iii), (iv)	Twenty largest Shareholders, float adjusted market capitalisation, public holding percentage, no. of public shareholders and minimum required public shareholding	Compliant	Shareholder Information page 132
7.6 (v)	Directors' and CEO's (MD's) holding in shares	Compliant	Report of the Board of Directors page 71
7.6(vi)	Material foreseeable risk factors of the entity	Compliant	Risks and Opportunities on pages 64 to 69
7.6 (vii)	Details of material issues pertaining to employees and industrial relations of the Entity	Compliant	Human Capital on page 32
7.6 (viii)	Extents, locations, valuations, number of buildings	Compliant	Statement of Value of Real Estate page 108
7.6 (ix)	Number of shares representing the Entity's stated capital	Compliant	Report of the Board of Directors Page 72
7.6 (x)	Shareholder Distribution Schedule including percentage of total holding in given categories	Compliant	Share Information page 132
7.6 (xi)	Ratios and Market Price Information	Compliant	page 134
7.6(xii)	Changes in Entity's and subsidiaries fixed assets and market value of land	Compliant	page 108
7.6 (xiii)	If during the financial year the entity has raised funds either through a public issue, rights issue or private placement.	N/A	N/A
7.6(xiv)	Information in respect of Employee Share Ownership or Stock Option Schemes	N/A	N/A
7.6 (xv)	Disclosures pertaining to Corporate Governance practices in terms of Section 9 of the Listing Rules	Compliant	Corporate Governance Report page 61
7.6 (xvi)	Related party transactions exceeding 10% of Equity or 5% of total assets of the Entity as per audited financial statements, whichever is lower	Compliant	Related party transactions on page 121

Compliance with CSE Continuing Listing Rules – Section 9

CSE Rule Reference	Subject	Compliance Status	Extent of Adoption
9.2.1	Policies	Compliant	The Company has established and continues to maintain the policies on Board Committees, Corporate Governance, Nominations, Remuneration, Internal Code of Business Conduct, Risk Management and Internal Control, Relations with Shareholders and Investors, Environment, Social Governance and Sustainability and Anti Bribery and Corruption, and is in the process of establishing the policies in terms of the Listing Rules of the CSE.
9.3	Board Committees	Compliant	The Company has established an Audit Committee, Nominations and Governance Committee, Remuneration Committee and Related Party Transactions Review Committee.
9.3.3	Chairperson of Board Committees	Compliant	Chairperson of Board Committees is not the Chairperson of the Board.
9.4.1	Meeting Procedures	Compliant	Company maintains records of all resolutions passed at General Meetings.
9.4.2	Communication and Relations with Shareholders	Compliant	<p>The Company has a Shareholder Communication and Relations policy and it is published on the corporate website.</p> <p>The contact person is mentioned.</p> <p>The policy includes a process whereby Directors are informed of major issues and concerns of Shareholders.</p>
9.5.	Policy on matters relating to the Board of Directors	Compliant	The Company maintains a Policy on Matters relating to the Board of Directors.
9.6. 2	Chairperson and CEO	Compliant	The positions of Chairperson and CEO are held by separate individuals.
9.6.3	Senior Independent Director	Compliant	The Company has a Senior Independent Director (SID)
9.6.3. (b)	Senior Independent Director	Compliant	The SID holds a meeting once a year with the Independent Directors without the presence of other Directors to discuss matters and concerns relating to the Company.
9.6.3. (c)	Senior Independent Director	Compliant	The SID holds a meeting once a year with the Non-Executive Directors without the presence of the Chairperson to appraise the Chairperson's performance.
9.6.3. (e)	Senior Independent Director	Compliant	The SID has made a disclosure demonstrating the effectiveness of duties of the SID in page 81
9.7.1	Fitness of Directors and CEO	Compliant	The Company ensures that the persons recommended by the Nominations and Governance Committee of the Company fulfil the assessment criteria set out in the Listing Rules.

CORPORATE GOVERNANCE

CSE Rule Reference	Subject	Compliance Status	Extent of Adoption
9.7.4	Fitness of Directors and CEO	Compliant	The Directors and the CEO have provided declarations confirming that they satisfy the Fit and Proper Assessment Criteria during the financial year and as at the date of such confirmation.
9.8.1	Minimum number of Directors	Compliant	The Board consisted of 9 Directors as at 31st March 2024.
9.8.2	Independent Directors	Compliant	5 Directors are Independent.
9.8.3	Independent Directors	Compliant	All NEDs have submitted their confirmations on Independence, which is in line with the regulatory requirements.
9.8.5	Disclosure relating to Directors	Compliant	Each NED signed and submitted a declaration regarding his/her independence. The Board assessed the independence declared by the Director. The Board having considered that the Independent Directors who have served over 9 years do not exert control over the Company and are capable of acting in an impartial and independent manner, determined that they are nevertheless independent.
9.10.1	Disclosure relating to Directors		As per the Company's policy, the maximum number of directorships a director can hold is in 20 Listed Companies.
9.10.2	Disclosure relating to Directors	Compliant	<p>The Company disclosed the appointments of new Directors to the Colombo Stock Exchange, together with a brief resume of Director, capacity of directorship and if they hold any relevant interest in shares of the Company. Appointments are reviewed by the Nominations and Governance Committee and recommended to the Board of the Company.</p> <p>Please refer pages 15 and 16 for the brief resume of each Director.</p>
9.10.3	Disclosure relating to Directors	Compliant	All changes to Board Committees were immediately informed to the Colombo Stock Exchange.
9.10.4	Disclosure relating to Directors	Compliant	Please refer pages 15, 46, 70.
9.11.1-3	Nominations and Governance Committee	Compliant	Refer the Nominations and Governance Committee Report on pages 77
9.11.4	Composition of the Nominations and Governance Committee	Compliant	The Nominations and Governance Committee comprises 3 NEDs.
9.11.5	Functions of the Nominations and Governance Committee	Compliant	Refer the Nominations and Governance Committee Report on pages 77
9.12.1	Remuneration Committee	Compliant	Refer the Remuneration Committee Report on page 76 and Principles B1 to B3 on page 53 of this Corporate Governance Report.

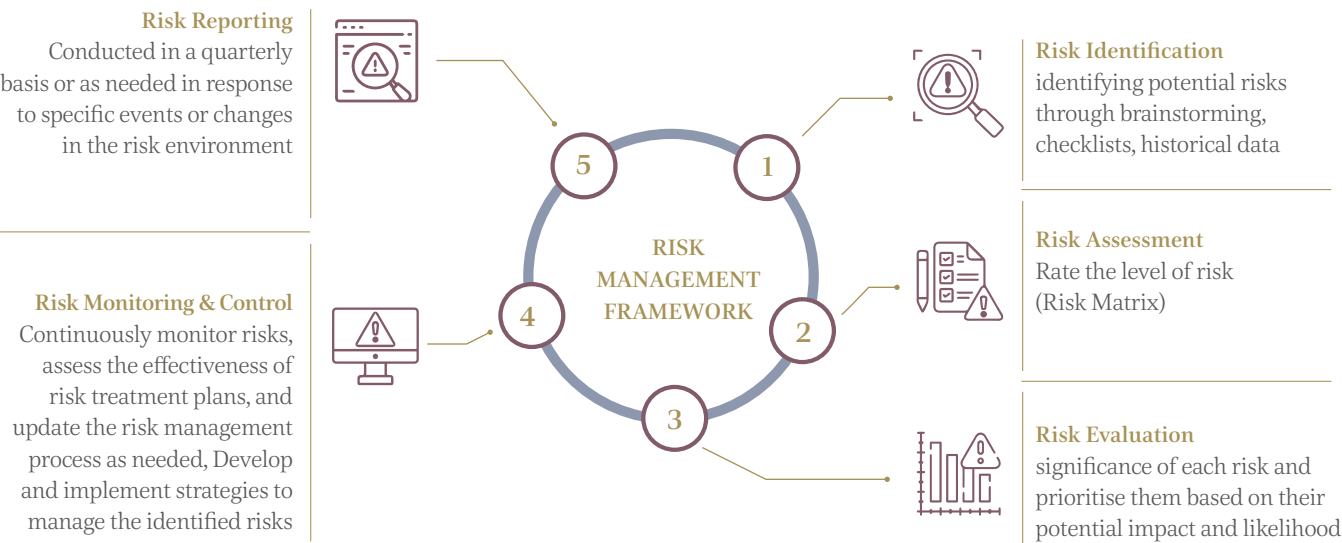
CSE Rule Reference	Subject	Compliance Status	Extent of Adoption
9.12.7	Functions of Remuneration Committee	Compliant	The Remuneration Committee recommends the remuneration payable to the Executive Directors and the CEO.
9.12.8	Disclosure in the Annual Report relating to Remuneration Committee	Compliant	The remuneration paid to Directors is given in note 30.8 to the financial statements on page 125.
9.13.3	Composition of Audit Committee	Compliant	Refer Audit Committee Report on page 79.
9.13.4	Audit Committee Functions	Compliant	Refer Audit Committee Report on page 79.
9.13.5	Disclosure in the Annual Report relating to Audit Committee	Compliant	Refer Audit Committee Report on page 79.
9.14.2	Composition of the Related Party Transactions Review Committee (RPTRC)	Compliant	The RPTRC comprises 3 Directors out of which 2 Directors are Independent. Please see the Report of the Related Party Transaction Review Committee in page 75.
9.14.3	Functions of RPTRC	Compliant	Please refer the Report of the Related Party Transactions Review Committee in page 75.
9.14.4	RPTRC Meetings	Compliant	RPTRC met 04 times during the Financial year 2023/24.
9.14.7	Immediate Disclosures	Compliant	Please refer Note 30 of the Notes to the Accounts on page 125.
9.14.7	Disclosure of Non-Recurrent and Recurrent Related Party Transactions	Compliant	Please refer Note 30.1 and 30.2 of the Notes to the Financial Statements on page 121
9.14.8	The Report by the Related Party Transaction Review Committee	Compliant	Please refer the Report of the Related Party Transaction Review Committee on page 75
9.14.8 (4)	An affirmative declaration by the Board of Directors	Compliant	Please refer the Annual Report of Board of Directors for an affirmative statement of compliance of the Board on page 72.
9.16	Additional Disclosures	Compliant	Please refer the Report of the Board of Directors on pages 70 to 73 and Corporate Governance Report on pages 46 to 63

RISK MANAGEMENT

OUR APPROACH

Our extensive risk management structure enables our businesses to make well-informed choices by outlining both acceptable and unacceptable risks. It implements procedures and internal checks to evaluate these risks and keep them within our preferred boundaries. This five-step Risk Management Framework preemptively identifies potential hindrances to customer satisfaction and reinforces our ability to withstand external challenges.

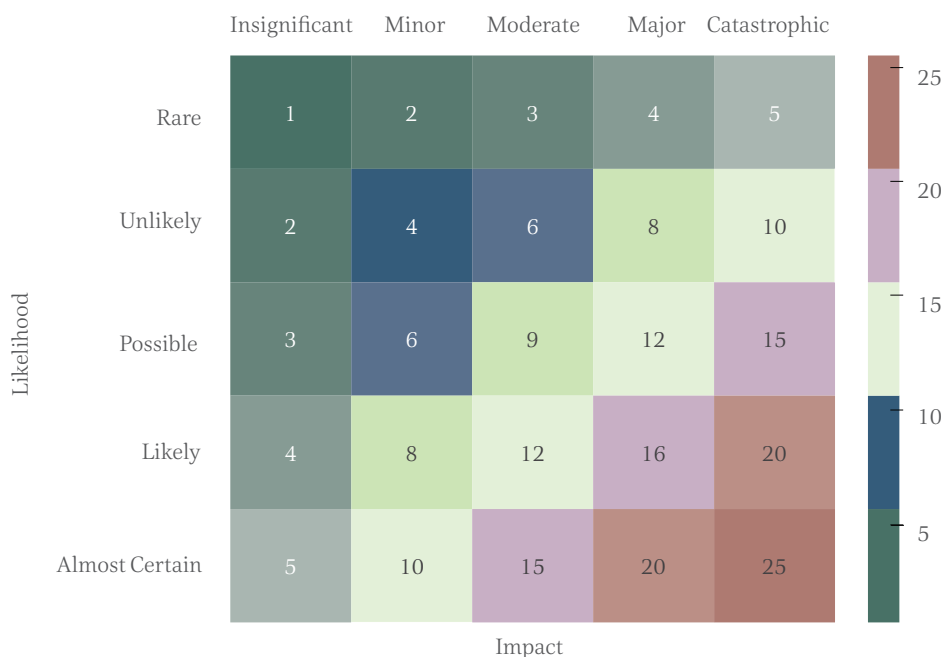
Our governance practices updated to better support the strategic objectives of our Company. By deepening our understanding and management of risks, we aim to instill greater confidence and security among our stakeholders, including shareholders, employees, customers, suppliers, and the communities where we operate.



EMERGING RISKS AND OPPORTUNITIES

The Board maintains and reviews potential risks and opportunities impacting the trajectory of our Company. Our risk management framework allows for timely identification of emerging factors, facilitated thorough regular monitoring and assessment. This equips management with the tools to evaluate our preparedness for diverse scenarios and adjust strategies accordingly. Notably, “Climate Change” as a significant risk in our primary risk register underscores its direct impact on our operations, driven by extreme weather events and evolving regulatory standards. This acknowledgment aligns closely with our ongoing risk assessment efforts

RISK HEAT MAP






Likelihood/Impact	Insignificant (1)	Minor (2)	Moderate (3)	Major (4)	Catastrophic (5)
Very Low (1)	Low (1)	Low (2)	Low (3)	Moderate (4)	Moderate (5)
Low (2)	Low (2)	Low (4)	Moderate (6)	High (8)	High (10)
Medium (3)	Low (3)	Moderate (6)	Moderate (9)	High (12)	Extreme (15)
High (4)	Moderate (4)	High (8)	High (12)	Extreme (16)	Extreme (20)
Very High (5)	Moderate (5)	High (10)	Extreme (15)	Extreme (20)	Extreme (25)

RISK PANAROMA

⬆️ -Increased risk
 ⬇️ -Decreased risk
 ➡️ -Constant risk

Risk	Trend	Key influencing Factors	Risk Priority	Mitigation Strategy	Time Frame	Related Capital
Interest rate risk <ul style="list-style-type: none"> Elevated borrowing costs can diminish profitability and constrain investment prospects negatively influence on Consumer confidence and subsequently travel demand 	⬇️	Economic Recovery Efforts Inflation and Currency Stability Government Policies and External Support	Medium ● ● ●	<ul style="list-style-type: none"> Monitor evolving interest rate trends Adapt pricing and marketing schemes Capital structure management	Medium-Long term	Financial capital





RISK MANAGEMENT

Risk	Trend	Key influencing Factors	Risk Priority	Mitigation Strategy	Time Frame	Related Capital
Exchange rate risk <ul style="list-style-type: none"> Pose challenges to the company's revenue and profitability Disruptions in the supply chain and shortages of imported goods due to exchange rate volatility can impact operating costs 	➔	Economic Instability Inflation & Monetary Policy	Medium ● ● ●	<ul style="list-style-type: none"> Monitor exchange rate dynamics and key economic indicators Effective cost management Diversification of revenue streams 	Medium-Long term	Financial capital 
Credit risk <ul style="list-style-type: none"> Potential for loan defaults resulting in financial losses Negative cash flows straining operational working capital 	✓	Debt Sustainability Geopolitical condition	Medium ● ● ●	<ul style="list-style-type: none"> In place of Credit policy with strong credit limits, payment terms, and regular reviews of customer creditworthiness Vigilant oversight of payment systems and security measures Engaging in strategic negotiations with suppliers to secure advantageous over payment terms 	Short-Medium-Long term	Financial capital 
Liquidity risk <ul style="list-style-type: none"> Inadequate cash flow can hinder the fulfillment of financial commitments Penalties and additional interest charges due to delays in meeting statutory obligations Restricted liquidity contributing to financial vulnerability and instability 	➔	Dependence on Imports Political Instability External debt burden	Low ● ● ●	<ul style="list-style-type: none"> Leveraging efficient working capital management strategies. Contingent business continuity plans Actively manage accounts receivable & payables 	Medium-Long term	Financial capital 
Concentration risk <ul style="list-style-type: none"> Market Segment Concentration Dependence on third-party channels for distribution and sales Limited supplier base leading to potential disruptions 	⬆	Limited Source Markets Customer Segmentation Environmental and Health Factors	Medium ● ● ●	<ul style="list-style-type: none"> Broadening new markets and demographics Developing and promoting diverse tourism products i.e. Adventure tourism/ ecotourism Creation of supplier tier base 	Short - Medium-Long term	Social and relationship capital 

Risk	Trend	Key influencing Factors	Risk Priority	Mitigation Strategy	Time Frame	Related Capital
Sociopolitical risks <ul style="list-style-type: none"> Changes in government, political unrest, or civil conflicts can create uncertainty and negative brand image Past security issues can lead to travel advisories and reduced tourist confidence 	⬇️	Media and perception Policy and social instability Security & safety	Low ● ● ●	<ul style="list-style-type: none"> Positive Media Campaigns and social media monitoring Robust surveillance infrastructure and Comprehensive insurance coverage 	Medium/ Long term	Social and relationship capital 
Competitor risk <ul style="list-style-type: none"> Fragmentation of market share due to extreme competition from emerging hotel chains Pricing and Value for Money, offer similar experiences at lower costs which can attract budget-conscious travellers 	⬆️	Service Quality and Infrastructure development Marketing & Branding Regional competition	High ● ● ●	<ul style="list-style-type: none"> Implementing captivating marketing campaigns to allure customers Constant innovation in product and service offerings 	Short / Medium/ Long term	Social and relationship capital 
Supply chain risk <ul style="list-style-type: none"> Seasonal variations and unpredictable fluctuations in demand can cause potential shortages, delayed deliveries, or higher costs. Non-compliance with regulatory requirements or product safety standards can lead to customer dissatisfaction and potential legal consequences. 	⬆️	Transportation and logistics Climate vulnerability Import regulations & compliance requirements	High ● ● ●	<ul style="list-style-type: none"> In place of supplier screening and onboarding process Regular audits and assessments of suppliers Encouraging local sourcing of goods and services 	Short / Medium/ Long term	Social and relationship capital 
Climate Change risk <ul style="list-style-type: none"> Customers preference increase towards sustainable products Risk of slow adoption to lower carbon economy 	⬆️	Increased carbon emission	High ● ● ●	<ul style="list-style-type: none"> Introduction of products built with sustainable raw materials Introduction of more sustainable Initiatives to reach Carbon Net Zero 	Medium- Long term	Natural Capital 

RISK MANAGEMENT

Risk	Trend	Key influencing Factors	Risk Priority	Mitigation Strategy	Time Frame	Related Capital
Food & Hygiene Safety <ul style="list-style-type: none"> Non-compliance with food and hygiene safety regulations can lead to negative publicity Foodborne Illnesses 	⬇️	Impact of climate Water Quality	Medium ● ● ●	<ul style="list-style-type: none"> Comply with updated licenses, ISO certifications and permits Allergen Management Adequate training in food safety, proper handling, storage, and preparation methods 	Short - Medium-Long term	Human Capital 
Post Pandemic related health risks <ul style="list-style-type: none"> Residual COVID-19 and emerging variants globally leading to reintroduction of safety protocols affecting tourists 	⬇️	Change in Lifestyle	Medium ● ● ●	<ul style="list-style-type: none"> Monitor global health & safety regulations 	Medium-Long term	Human Capital 
Employee turnover risk <ul style="list-style-type: none"> Ongoing challenges in the industry has resulted in employees looking for alternative employment, locally and internationally Challenges in attracting, developing, and retaining skilled employees 	⬆️	Competitive Job Market Inflation	High ● ● ●	<ul style="list-style-type: none"> Salary and benefits benchmarked to industry Constant offering of training and development programs Defined, structured career paths for key employees 	Short - Medium-Long term	Human Capital 
Business Continuity risk <ul style="list-style-type: none"> Disruption to operation due to external factors i.e. power outages, natural disaster, political unrest etc 	⬇️	External Factors	Medium ● ● ●	<ul style="list-style-type: none"> Training & Drills conducted on Disaster preparedness for employees Periodic reviews and regular updates are conducted for existing BCP and SOPs 	Medium-Long term	Manufactured Capital 
Theft & Fraud <ul style="list-style-type: none"> Potential damage to brand leading to loss of business opportunity 	⬇️	Economic Hardship	Medium ● ● ●	<ul style="list-style-type: none"> Enforced robust security surveillance Comprehensive Whistle Blowing Policy 	Medium-Long term	Manufactured Capital 
Regulatory Compliance risk <ul style="list-style-type: none"> Non-compliance of Licenses & permits, environmental and labour law compliances leading to damage in organisations' reputation, penalties and charges 	⬆️	Regulatory Complexity and Economical Changes	Medium ● ● ●	<ul style="list-style-type: none"> In place of Anti-corruption and Anti-bribery policy Formulation of ESG Roadmap in line with the Groups' Life code 	Medium-Long term	Intellectual Capital 

Risk	Trend	Key influencing Factors	Risk Priority	Mitigation Strategy	Time Frame	Related Capital
Cyber Security <ul style="list-style-type: none"> Possible phishing attacks, hacking, Denial of Service (DoS) Attacks, Man-in-the-Middle Attacks, Zero-Day Exploits and Lack of Security Awareness leading to Revenue loss, reputational damage and disruption of smooth operation 	⬆️	Technological advancement	Medium 	<ul style="list-style-type: none"> Continuing employee awareness programs Enabled enhanced spam filtering rule Suspicious emails are scanned through SAFEYE SOC team reporting the root cause and impact 	Medium-Long term	Intellectual Capital 
Data Privacy risk <ul style="list-style-type: none"> Loss of Guest PI, Staff PI, Vendor and Organisational Confidential Information 	⬆️	Data collection, storing & sharing practices	Medium 	<ul style="list-style-type: none"> Internationally reputed systems are in place which are geared to be in line with the data protection laws (EU GDPR) A gap analysis is in progress for the newly enforced Personal Data Protection Act in Sri Lanka. 	Medium-Long term	Intellectual Capital 

ANNUAL REPORT OF THE BOARD OF DIRECTORS ON THE AFFAIRS OF THE COMPANY

The Directors of The Kingsbury PLC are pleased to present their report on the affairs of the Company together with the audited Financial Statements of the Company, for the year ended 31st March 2024.

The details set out herein provide the pertinent information required by the Companies Act No. 07 of 2007 (the Companies Act), the Listing Rules of the Colombo Stock Exchange (Listing Rules of CSE) and the Code of Best Practice on Corporate Governance 2023 issued by the Institute of Chartered Accountants of Sri Lanka. The Financial Statements were reviewed and approved by the Board on 07 May 2024.

Review of the Business

The Chairman's Review describes the Company's affairs and mentions important events of the year.

The Directors to the best of their knowledge and belief confirm that the Company has not engaged in any activities which contravene laws and regulations.

Principal Activity

The Principal Activity of the Company is hoteliering which operates The Kingsbury Hotel, Colombo.

Financial Statements

The Financial Statements of the Company are given on pages 88 to 92.

Auditors' Report

The Auditor's Report on the Financial Statements is given on pages 85 to 87.

Accounting Policies

The Accounting Policies adopted in preparation of Financial Statements are given on pages 93 to 103.

Changes made to the Accounting Policies during the accounting period are described under Note 3 of the Financial Statements.

Interest Register

The Company, in compliance with the Companies Act, maintains an Interest Register.

Directors' Interests in Shares

Directors' Interests in shares are given later in this Report.

Directors' Interests in Transactions

The Directors of the Company have made the general disclosure as per section 192 (2) of the Companies Act No. Note 30.8 to the Financial Statements dealing with related party disclosure includes details of their interests in transactions.

Directors Emoluments and Other Benefits

Directors' emoluments in respect of the Company for the financial year ended 31st March 2024 is given in Note 30.8 to the Financial Statements.

Executive Directors' remuneration is established within an established framework. The total remuneration of Executive Directors for the year ended 31st March 2024 is Rs. 84,061,344/- The total remuneration of Non-Executive Directors for the year ended 31st March 2024 is Rs. 6,200,000/- determined according to scales of payment decided upon by the Board. The Board is satisfied that the payment of this remuneration is fair to the Company.

Board Sub Committees

Other than the Audit Committee of the Company, the Parent Company's Sub Committees acted as the Remuneration Committee, Nominations and Governance Committee and the Related Party Transactions Review Committee of the Company during the Financial Year ended 31st March 2024. The Company on 2nd May 2024, established its own Board Sub Committees.

The Remuneration Committee held 02 meetings, The Nomination and Governance Committee held 11 meetings and the Audit Committee held 04 meetings during the year.

Please refer the sub committee reports in page numbers 75, 76, 77 and 79.

Related Party Transactions

The related party transactions of the Company during the financial year have been reviewed by the Related Party Transactions Review Committee (RPTRC) of Hayleys PLC, the Parent Company and are in compliance with Section 09 of the Listing Rules of CSE.

Related Party Transactions Review Committee met 04 times during the financial year 2023/24. Related Party Transactions are given in Note 30 in the Notes to the Financial Statements.

The Company established its own Related Party Transactions Review Committee on 2nd May 2024. Please refer page number 75 for the Related Party Transactions Review Committee Report.

The names of the members of the Committee and their attendance at the Meetings are given on the Related Party Transactions Review Committee Report.

Corporate Donations

No donations were made during the year.

Directors of the Company

The names of the Directors who served during the year are given below and their brief profiles appear on pages 15 and 16 of this Annual Report.

Executive Directors

Mr. A. M. Pandithage - Executive Chairman
Mr. R. J. Karunaratna - Managing Director

Non-Executive Directors

Mr. S. C. Ganegoda
Ms. K. A. D. B. Perera
Mr. S. J. Wijesinghe (deceased on 26.07.2023)

Independent Non-Executive Directors

Mr. N. J. De S. Deva Adithya

Ms. R. N. Ponnambalam

Mr. J. P. Van Twest - Resigned w.e.f.
05.01.2024

Ms. I. Jamaldeen

Mr. T. A. B. Speldewinde

Mr. D. T. R. De Silva - Appointed w.e.f.
03.01.2024

In accordance with Rule 9.8.5 of the Listing Rules of CSE, Non-Executive Directors have submitted a signed and dated declaration as per the specimen given in Appendix 9A of the Listing Rules of CSE.

In terms of the Article No. 86 of the Articles of Association of the Company Ms. R. N. Ponnambalam and Mr. T. A. B. Speldewinde retire by rotation and being eligible, offer themselves for re-election at the Annual General Meeting.

Pursuant to Section 211 of the Companies Act No. 07 of 2007, an ordinary resolution will be put before the shareholders for the reappointment of Mr. A. M. Pandithage and Mr. N. De S. Deva Adithya notwithstanding the age limit of seventy years stipulated by Section 210 of the Companies Act.

Mr. D. T. R. De Silva was appointed to the Board as an Independent Non-Executive Director on 3rd January 2024 in terms of Article No. 94 of the Articles of Association of the Company, Shareholders will be requested to re-elect Mr. D. T. R. De Silva at the Annual General Meeting.

With a view to improving the collective effectiveness and performance of the Board, Board and Sub Committee evaluations were carried out during the year, including an assessment of the systems and processes which are in place.

Insurance and Indemnity

The ultimate parent of the Company, Hayleys PLC has obtained a Directors' and Officers' Liability insurance from a reputed

insurance company in Sri Lanka providing worldwide cover to indemnify all past, present and future Directors and Officers of the Group.

Policies

The Company has adopted the policies established by the Parent Company on Matters relating to the Board of Directors and Board Committees, Corporate Governance, Nominations and Re-election, Remuneration, Risk Management and Internal Control, Whistleblowing and Anti-Bribery and Corruption. 'The Hayleys Way' serves as the Internal Code of Business conduct and Ethics for all Directors, Key Management Personnel and other employees. The 'Hayleys Lifecode' includes a suite of environmental, social and governance related policies which are applicable across the Group. The Hayleys Lifecode is accessible through the Company website. The Company is in the process of formulating the other required policies.

Internal Controls

The Directors acknowledge their responsibility for the Company's system of internal controls. The system is designed to give assurance, inter alia, regarding safeguarding the assets, the maintenance of proper accounting records and the reliability of financial information generated. However, any system can only ensure reasonable and not absolute assurance that errors and irregularities are either prevented or detected within a reasonable time period.

Going Concern

The Directors, after making necessary inquiries and reviews including the reviews of the Company's budget for the ensuing year, capital expenditure requirement, future prospects and 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.

Directors' Shareholdings

The shareholdings of the Directors are as follows;

	Shareholding as at 31.03.2024	Shareholding as at 31.03.2023
Mr. A. M. Pandithage	NIL	NIL
Mr. R. J. Karunarajah	NIL	NIL
Mr. S. C. Ganegoda	125,000	125,000
Mr. S. J. Wijesinghe *deceased on 26.07.2023)	NIL	NIL
Mr. N. J. De S. Deva Adithya	NIL	NIL
Ms. R. N. Ponnambalam	NIL	NIL
Mr. J. P. Van Twest (Resigned w.e.f. 05.01.2024)	NIL	NIL
Ms. I. Jamaldeen	NIL	NIL
Mr. T. A. B. Speldewinde	NIL	NIL
Ms. K. A. D. B. Perera	NIL	NIL
Mr. D. T. R. De Silva (Appointed w.e.f. 03.01.2024)	NIL	NIL

Auditors

The Auditors of the Company during the year, Messrs. Ernst & Young, Chartered Accountants, were paid Rs. 982,536/- (2022/23 - Rs. 842,270/-) as audit fees by the Company. In addition,

ANNUAL REPORT OF THE BOARD OF DIRECTORS ON THE AFFAIRS OF THE COMPANY

they were paid Rs. 593,360/- (2022/23 - Rs. 445,537/-) by the Company for non-audit related work.

The Audit Committee of the Company reviews the appointment of the Auditor, its effectiveness and the relationship with the Company including the level of audit and non-audit fees paid to the Auditors.

As far as the Directors are aware, the Auditors do not have any relationship or interest in the Company. The Auditors have confirmed that they do not have any relationship (other than that of Auditors) or interest in the Company other than those disclosed above.

Messrs. Ernst & Young Chartered Accountants, have expressed their willingness to continue in office and in accordance with the Companies Act a resolution proposing the re-appointment of Messrs. Ernst & Young, Chartered Accountants, as Auditors and to authorise the Directors to determine their remuneration is being proposed at the Annual General Meeting.

Investments

No investments made during the financial year.

Property, Plant and Equipment

An analysis of the property, plant and equipment of the Company, additions and disposals made during the year and depreciation charged during the year are set out in Note 12 to the Financial Statements.

Changes in Fixed Assets

The movement in Fixed Assets during the year is set out in Note 12 to the Financial Statements.

Capital Commitments

Details of the capital commitments of the Company as at 31st March 2024 are disclosed in Note 26 to the Financial Statements.

Stated Capital

The Stated Capital of the Company as at 31st March 2024 is Rs. 836,000,000/- comprising 484,000,000 ordinary shares.

Reserves

Total Company reserves as at 31st March 2024 amounts to Rs. (1,357,389,000/-) (2023 - Rs. 731,173,000/-) Movements are shown in the Statement of Changes in Equity in the Financial Statements.

Taxation

The tax position of the Company is given in Notes 10 and 21 to the Financial Statements.

Dividends

No Dividends were declared during the Financial Year.

Market Price Information

Information relating to market price is given on page 131.

Employees and Industrial Relations

There have been no material issues pertaining to employees and industrial relations of the Company during the Financial Year.

No. of persons employed by the Company as at 31st March 2024 was 802.

Investor Information and Major Shareholders

The twenty largest shareholders of the Company as at 31st March 2024, together with an analysis are given on page 132 of the Annual Report.

The number of registered shareholders of the Company as at 31st March 2024 was 4661.

Public shareholding

As at 31st March 2024, 39.17% of the issued capital of the Company was held by the public comprising 4,657 shareholders.

Exposure to risk

The Company's Audit Committee play a major role in the process of risk assessment. The Risk Management section of this report elaborates these practices and the risk factors of the Company.

Statutory payments

The Directors to the best of their knowledge and belief are satisfied that all statutory payments in relation to the government and the employees have been made and provided.

Contingent liabilities

There were no material contingent liabilities outstanding as at 31st March 2024 other than that described in Note 25 of the Financial Statements.

Post balance sheet events

Subsequent to the date of the Balance Sheet no circumstances have arisen which would require adjustments to the accounts. Significant post balance sheet events which in the opinion of the Directors require disclosure are described in Note 35 to the Financial Statements.

Corporate Governance

The Company has complied with the revised Corporate Governance rules laid down under the Listing Rules of the CSE and the recommendations provided in the Code of Best Practice on Corporate Governance 2023, issued by the Institute of Chartered Accountants of Sri Lanka. The Corporate Governance Report on pages 60 to 63 discusses this further.

Mr. T. A. B. Speldewinde was appointed as the Senior Independent Director on 1st November 2023 in accordance with the Corporate Governance requirements. The Board was of the opinion that Mr. A. M. Pandithage should remain as the Executive Chairman of the Company due to his extensive experience, deep insights and

domain knowledge evidenced through the leadership provided to the Group. Please refer the Senior Independent Director's Report on page 81.

The Directors satisfy the Fit and Proper Assessment Criteria stipulated in the Listing Rules of the Colombo Stock Exchange. There were no non-compliances by any Director during the financial year.

The Directors have declared all material interests in contracts involving the Company and the Group and they refrain from voting on matters in which they have a material interest.

The Board has updated themselves with the applicable laws, rules and regulations and are aware of the changes to the Listing Rules and other regulatory requirements.

There have been no non-compliances with laws or regulations and the Directors to the best of their knowledge and belief confirm that the Company nor the Group have engaged in any activity that contravenes applicable laws and regulations. There have been no material fines imposed on the Company and the Group by the Government or any regulatory authority in any jurisdiction where the Group companies operate.

Annual general meeting

The Annual General Meeting will be held at the Chas P. Hayley Lounge, No. 400, Deans Road, Colombo 10 at 1.00 p.m. on 26th June 2024. The Notice of the Annual General Meeting appears on page 138 of the Annual Report.

For and on behalf of the Board
The Kingsbury PLC



Mohan Pandithage
Executive Chairman



Rohan Karr
Managing Director



Hayleys Group Services (Private) Limited
Secretaries

07 May 2024

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible, under Sections 150 and 151 of the Companies Act No. 07 of 2007 (the Companies Act), to ensure compliance with the requirements set out therein 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 profit & loss of the Company for the financial year.

The Directors are also responsible, under Section 148 of the Companies Act for ensuring that proper accounting records are kept to disclose, with reasonable accuracy, the financial position and enable preparation of the Financial Statements.

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

They also confirm that the Financial Statements have been prepared and presented in accordance with the Sri Lanka Accounting Standards (SLFRS/ LKAS).

The Financial Statements provide the information required by the Companies Act and the Listing Rules of the Colombo Stock Exchange.

The Directors have taken reasonable measures to safeguard the assets of the Company and, in that context, have instituted appropriate systems of internal control in order to prevent and detect fraud and other irregularities.

The External Auditors, Messrs. Ernst & Young, Chartered Accountants, were deemed re-appointed in terms of section 158 of the Companies Act and were

provided with every opportunity to undertake the inspections they considered appropriate to enable them to form their opinion on the Financial Statements. The Report of the Auditors, shown on pages 85 to 87 sets out their responsibilities in relation to the Financial Statements.

Compliance report

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



By Order of the Board of The Kingsbury PLC

Hayleys Group Services (Private) Limited

Secretaries

07 May 2024

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE REPORT

The Related Party Transactions Review Committee of Hayleys PLC, the Parent Company functioned as the Related Party Transactions Review Committee of The Kingsbury PLC.

Attendance at Related Party Transactions Review Committee Meetings

Director	Attendance
Dr. H. Cabral, PC***	4/4
Mr. M. Y. A. Perera***	4/4
Mr. S. C. Ganegoda*	4/4

***Independent Non-Executive Director

* Executive Director

The Company formally established its own Related Party Transactions Review Committee on 2nd May 2024.

The Composition of the Committee is as follows:

Mr. T. A. B. Speldewinde*** - Chairman

Mr. D. T. R. De Silva***

Mr. S. C. Ganegoda**

***Independent Non-Executive Director

** Non-Executive Director

The New Committee will review its scope and responsibilities in terms of the Revised Listing Rules of the CSE which came into effect from 01st October 2023.

The Committee has well defined Terms of Reference.

Hayleys Group Services (Private) Limited, the Company Secretary of the Company serves as the Secretary of the Committee.

Duties of the Related Party Transactions Review Committee

- Review in advance all proposed related party transactions of the Company either prior to the transaction being entered into or, if the transaction is expressed to be conditional on such

review, prior to the completion of the transaction.

- Seek any information the Committee requires from management, employees or external parties with regard to any transaction entered into with a related party.
- Obtain knowledge or expertise to assess all aspects of proposed related party transactions where necessary, including obtaining appropriate professional and expert advice from suitably qualified persons.
- Recommend, where necessary, to the Board and obtain their approval prior to the execution of any related party transaction.
- Monitor that all related party transactions of the entity are transacted on normal commercial terms and are not prejudicial to the interests of the entity and its minority shareholders.
- Meet with the management, Internal Auditors/External Auditors as necessary to carry out the assigned duties.
- Review the transfer of resources, services or obligations between related parties regardless of whether a price is charged.
- Review the economic and commercial substance of both recurrent/non recurrent related party transactions
- Monitor and recommend the acquisition or disposal of substantial assets between related parties, including obtaining competent independent advice from independent professional experts with regard to the value of the

substantial asset of the related party transaction.

Activities during 2023/24

During the year the Committee reviewed the related party transactions and their compliances in the Company and communicated the same to the Board.

The Committee in its review process recognised the adequacy of the content and quality of the information forwarded to its members by the management.



Mr. T. A. B. Speldewinde

Chairman

Related Party Transactions Review Committee

07 May 2024

REMUNERATION COMMITTEE REPORT

The Remuneration Committee of Hayleys PLC, the parent Company functioned as the Remuneration Committee of The Kingsbury PLC.

Attendance at Remuneration Committee Meetings

Director	Attendance
Dr. H. Cabral, PC **	2/2
Mr. M.Y.A. Perera **	2/2
Mr. M.H. Jamaldeen **	2/2
Mr. K.D.G. Gunaratne ** (appointed w.e.f. 21/4/2023)	1/1

**Independent Non-Executive Director

The Company formally appointed its own Remuneration Committee on 2nd May 2024. The Composition of the Committee is as follows:

Mr. T. A.B. Speldewinde** - Chairman

Mr. D. T. R. De Silva**

Mr. S. C. Ganegoda*

**Independent Non-Executive Director

* Non-Executive Director

The Chairman assists the Committee by providing relevant information and participating in its analysis and deliberations, except when his own compensation package is reviewed.

The New Committee will review its scope and responsibilities in terms of the Revised Listing Rules of the CSE which came into effect from 01st October 2023.

The Remuneration Committee has well defined Terms of Reference.

The members of the Committee are Non-Executive Directors and are free from business, operational, personal or other relationships which may interfere with their independent, unbiased judgement.

Responsibilities of the Remuneration Committee

Responsible to the Board to determine the policy of the remuneration package of the Directors.

Evaluate, assess and recommend to the Board of Directors on any matter that may affect Human Resources Management of the Company and the Group and specifically include:

- Determining the compensation of the Chairman and Executive Directors.
- Lay down guidelines and parameters for the compensation structures of all management staff within the Company taking into consideration industry norms.
- Formulate guidelines, policies and parameters for the compensation structures for all Executive staff of the Company.
- Review information related to executive pay from time to time to ensure same is in par with the market/industry rates.
- Evaluate the performance of the Chairman and Key Management Personnel against the predetermined targets and goals.
- Assess and recommend to the Board of Directors the promotions of the Key Management Personnel and address succession planning.
- Approve annual salary increments and bonuses.

Remuneration Policy

The remuneration policy of the Company is to attract, motivate and retain a highly qualified and experienced executive team, and reward performance accordingly in the backdrop of industry norms. These compensation packages provide compensation appropriate for each business within the Company and commensurate with each employee's level

of expertise and contributions, bearing in mind the business performance and shareholder returns.

The remuneration packages which are linked to individual performances are aligned with the Company's short term and long term strategy.

All Non-Executive Directors receive a fee for serving on the Board and serving on sub committees. They do not receive any performance related incentive payments.

Activities in 2023/24

- Reviewed the performance of the Chairman and Executive Directors based on the targets set in the previous year and determined the bonus payable and the annual increments.
- Reviewed Executives' compensation and implemented market corrections to Executives total compensation in line with the market median.
- Recommended the bonus payable and annual increments to be paid to Executive and Non-Executive staff based on the ratings of the Performance Management System.

Mr. T. A. B. Speldewinde
Chairman
Remuneration Committee

07 May 2024

NOMINATIONS AND GOVERNANCE COMMITTEE REPORT

The Nominations and Governance Committee of Hayleys PLC, the Parent Company functioned as the Nominations and Governance Committee of The Kingsbury PLC. In terms of the Corporate Governance Rules of the Colombo Stock Exchange, on 1st November 2023, the Nominations Committee of the Parent Company was renamed as the Nominations and Governance Committee and the composition was changed to comply with Rule 9.11.4 of the Listing Rules of the Colombo Stock Exchange.

Composition from 1/4/2023 to 1/11/2023

Mr. A.M. Pandithage*
- Chairman

Dr. H. Cabral PC***

Mr. M.Y.A. Perera***
- appointed w.e.f. April 21, 2023

Attendance at Committee Meetings

Director	Attendance
Mr. A.M. Pandithage*	7/7
Dr. H.C. Cabral ***	7/7
Mr. M.Y.A. Perera ***	7/7

Composition from 1/11/2023 to 31/03/2024

Mr. M.Y.A. Perera***
- Chairman

Dr. H. Cabral PC***

Mr. K.D.G. Gunaratne***
- appointed w.e.f. 1st November 2023

Attendance at Committee Meetings

Director	Attendance
Mr. M.Y.A. Perera ***	4/4
Dr. H.C. Cabral ***	4/4
Mr. K.D.G. Gunaratne ***	4/4

* Executive Director

***Independent Non-Executive Director

The Company formally established its own Nominations and Governance Committee on 2nd May 2024. The Composition of the Committee is as follows:

Mr. T. A. B. Speldewinde*** - Chairman

Mr. D. T. R. De Silva***

Mr. S. C. Ganegoda**

***Independent Non-Executive Director

** Non-Executive Director

The New Committee will review its scope and responsibilities in terms of the Revised Listing Rules of the CSE which came into effect from 01st October 2023.

The Committee has well defined Terms of Reference.

Hayleys Group Services (Private) Limited, the Company Secretary of the Company serves as the Secretary of the Committee.

Duties of the Nominations and Governance Committee

- Evaluate and recommend the appointment of Directors to the Board and Committees considering the required skills, experience and qualifications necessary.
- Consider and recommend (or not recommend) the re- election of current directors taking into account the combined knowledge, experience, performance and contribution made by the Director to meet the strategic demands of the Company and the discharge of the Board's overall responsibilities and the number of directorships held by the Director in other listed and unlisted companies and other principle commitments.
- Establish and maintain a formal and transparent procedure to evaluate, select and appoint / re-appoint Directors of the Company.
- Establish and maintain a set of criteria for selection of Directors such as academic / professional qualifications, skills, experience and key attributes required for eligibility taking into consideration the nature of the business of the Company and industry specific requirements.
- Establish and maintain a suitable process for the periodic evaluation of the performance of Board Directors and the CEO of the Company to ensure their responsibilities are satisfactorily discharged.
- Consider if a Director is able to and has been adequately carrying out his or her duties as a Director, taking into consideration the number of Listed Company Boards on which the Director is represented and other principal commitments.
- Develop succession plans for the Board of Directors and Key Management Personnel.
- Review and recommend the overall corporate governance framework of the Company taking into account the Listing Rules and other applicable regulatory requirements and industry best practices.
- Review and update the corporate governance policies/framework in line with regulatory and legal developments relating to same.
- Receive reports from the Management on compliance of the corporate governance framework of the Company including the Company's compliance with provisions of the SEC Act, Listing Rules of the Colombo Stock Exchange and other applicable laws and reasons for any deviations or non-compliances.

NOMINATIONS AND GOVERNANCE COMMITTEE REPORT

Activities

The Board performance evaluation has been carried out and discussed at Board meetings. Any major issues relating to the Company are updated to the Independent Directors by the Chairman or Managing Director. Special Board meetings are called if the need arises to discuss an important or critical matter with the Board.

Newly appointed Directors are given an induction to the Company prior to their first Board meeting. The orientation programme includes inviting the Directors to the hotel properties to gain an understanding of the operations of the Company. Requirements as per the Listing Rules and applicable rules and regulations are informed to the new Directors. Existing Directors are regularly updated with corporate governance requirements, Listing Rules and other applicable laws.

Non-Executive Directors of the Company have submitted declarations regarding their independence / non independence.

The fitness and propriety of the Directors were examined.

Re-Appointments/Re- Elections

One Third (1/3) of all the directors except the Managing Director, retire by rotation in terms of the Articles of Association and being eligible submit themselves for re-election at the AGM.

Accordingly, the Committee has recommended to re-elect Ms. R. N. Ponnambalam and Mr. T. A. B. Speldewinde to the Board at the Annual General Meeting to be held on 26th June 2024, based on their performance and contribution made to achieve the objectives of the Board.

Ms. R. N. Ponnambalam was appointed to the Board in July 2010. Her other

directorships and principal commitments are given in his profile on page 16.

Mr. Speldewinde was appointed to the Board in July 2022. His other directorships and principal commitments are given in her profile on page 16.

Mr. D. T. R. De Silva who was appointed to the Board on 3rd January 2024 will come up for re-election by the shareholders at the forthcoming Annual General Meeting. His profile on page 16 sets out his other principal commitments and directorships.

Due to the invaluable contribution made to the Board as a result of their many years of experience, industry knowledge and business acumen, the Committee has recommended to reappoint Mr. A. M. Pandithage and Mr. N. J. De S. Deva Adithya who are over seventy years and who retire in terms of Section 210 of the Companies Act No. 7 of 2007.

None of the Directors who are being proposed for re-election or their family members, have any relationship with the Directors of the Company or shareholders having more than 10% of the shares of the Company.

The Corporate Governance requirements stipulated under the Listing Rules of the Colombo Stock Exchange are met by the Company and details are given in pages 46 to 63.



Mr. T. A. B. Speldewinde
Chairman
Nominations and Governance Committee

07 May 2024

AUDIT COMMITTEE REPORT

Composition

The Audit Committee of The Kingsbury PLC, appointed by and responsible to the Board of Directors, comprises Three Independent, Non-Executive Directors, namely, Mr. T.A. B. Speldewinde, Mr. D. T. R. De Silva (appointed as a Member on 22nd January 2024) and Ms. I. Jamaldeen (appointed as a Member on 2nd May 2024).

During the period 1st April 2023 to 2nd May 2024 the Audit Committee Comprised Mr. T.A.B. Speldewinde (Chairperson), Ms. R. N. Ponnambalam (ceased to be a Member w.e.f. 2nd May 2024), and Mr. J P van Twest (resigned w.e.f. 5th January 2024).

The Chairman, Mr. T. A. B. Speldewinde is a Fellow Member of the Institute of Chartered Accountants of Sri Lanka and also a Fellow of the Chartered Institute of Management Accountants UK.

Brief profiles of each member are provided on pages 15 to 16 of this report. Their individual and collective financial knowledge and business acumen and the independence of the Committee, are brought to bear on their deliberations and judgments on matters that come within the Committee's purview.

Meetings of the Audit Committee

The Committee met 4 times to discuss the quarterly financial statements and year end financial statements.

The attendance of the Members at these meetings was as follows:

Name of Director	Attendance
Mr. T. A. B. Speldewinde (Chairman)*	4/4
Ms. R. N. Ponnambalam*	3/3
Mr. D. T. R. De Silva*	2/2
Mr. J P van Twest*	2/2

*Independent Non-Executive Director

The Managing Director, Head of Finance, Manager Finance and the Group Chief Financial Officer (CFO) of Hayleys PLC and the Head of Internal Audit of the Group Management Audit and Systems Review Department of Hayleys PLC attend the meetings of the Audit Committee by invitation. The Chairman of the Company and other Directors attend the meetings as required. Hayleys Group Services (Private) Limited, Company Secretaries act as the Secretary to the Committee.

Terms of Reference of the Audit Committee

The Committee functions within the Terms of Reference approved by the Committee. The role of the Audit Committee is to assist the Board in fulfilling its oversight and responsibilities. The Terms of Reference is periodically reviewed and revised to make sure that new developments relating to the functions of the Audit Committee are included therein.

Key responsibilities of the Audit Committee

- Recommend appointment, dismissal, service period and audit fee of the external auditors.
- Establish and maintain a direct communication channel with the external auditors.
- Resolve any issues regarding financial reporting between the management and the external auditor.
- Pre-approve all audit and non-audit services performed by the external audit firm and internal audit service providers.
- Seek any information it requires from employees or external parties relating to investigations.
- Meet with the management, external auditors as necessary to carry out the assigned duties.

Activities of the Audit Committee during FY 2023/24

- Ensured the quality and integrity of the Financial Statements of the Company and that a sound financial reporting system is in place to provide accurate, appropriate and timely information to the management, regulatory authorities and shareholders in compliance with Sri Lanka Accounting Standards, The Companies Act No. 07 of 2007 ('Companies Act'), Listing Rules of Colombo Stock Exchange ('Listing Rules of CSE') and other financial reporting related regulations and requirements.
- Monitored and reviewed the adequacy and effectiveness of the Company's internal control system that has been designed to provide reasonable assurance to the directors that assets are safeguarded and that the financial reporting system can be relied upon in preparing and presenting the financial statements.
- Reviewed the risk management, information security and business continuity planning of the Company to ensure that appropriate remedial actions are recommended to the Board wherever necessary.
- Assessed the independence and effectiveness of the External Audit function. It obtained written assurance from the external auditors that they are and have been Independent throughout the conduct of the audit engagement in terms of all relevant professional and regulatory requirements and has made a determination of the independence of auditors based on the same.
- Recommended to the Board of Directors the appointment and audit fee of the external auditors.
- Pre-approved all audit and non-audit services performed by the internal auditors.

AUDIT COMMITTEE REPORT

- Reviewed the Company's compliance with relevant legal and regulatory requirements which are fundamental to the Company's operations and continued business.
- Received assurance from the Managing Director and the Head of Finance of the Company of the status of the Company's operations and finances.
- Reviewed the scope, functions and resources of the internal audit department of Hayleys PLC's Group Management Audit and Systems Review Department which acts as the Internal Auditor of the Company, and was satisfied that the internal audit function was independent of the activities it audited and that it performed with impartiality, proficiency and due professional care. It also reviewed the reports of the internal auditors covering, all sectors of the hotel and considered the major findings of internal investigations and management responses thereto and that follow up reviews were scheduled to ascertain that audit recommendations are being acted upon.
- Discussed and approved the Internal Audit Plan for the ensuing year.
- Reviewed the reports of the internal auditors covering, all sectors of the hotel and considered the major findings of internal investigations and management's responses thereto.
- Conducted ESG risk assessments during the year, thereby identifying, prioritising and monitoring sustainability related risks and opportunities.

The external auditor and the external audit partner were engaged with the Company for 12 and 1 year respectively.

The External Auditors provided Tax Consultancy services as a non audit service during the financial year 2023/24.

Ethics and Good Governance

The Committee continuously emphasised on upholding ethical values of the staff members. In this regard, the Code of Ethics, Whistle-Blowers Policy and Anti-corruption Policy were put in place and followed educating and encouraging all members of the staff. All appropriate procedures are in place to conduct independent investigations into incidents reported through Whistle-Blowing or identified through other means. The Whistle-Blower Policy guarantees strict confidentiality of the identity of the Whistle-Blowers.

Minutes of the Audit Committee meetings are approved by the Committee at the following meeting and are tabled at Board meetings to ensure that all Directors are kept informed of its activities.

The Company has a comprehensive Risk Management Framework that identify potential risks, implements effective mitigation strategies, and ensures compliance and operational assurance. The Risk Management Framework is reviewed by the Committee quarterly.

The Audit Committee is of the opinion that the Company has complied with the financial reporting requirements and information requirements under the Listing Rules of the Colombo Stock

Exchange, the Companies Act No 07 of 2007, The Securities and Exchange Commission Act as amended and other relevant financial reporting related regulations and requirements.

The Committee will continue to monitor the compliance with relevant Accounting Standards and keep the Board of Directors informed at regulate intervals.



T. A. B. Speldewinde
Chairman
Audit Committee

07 May 2024

STATEMENT BY THE SENIOR INDEPENDENT DIRECTOR

(Profile of Mr. T. A. B. Speldewinde, The Senior Independent Director of The Kingsbury PLC is given on page 16 of this report.)

In order to comply with Section 9. 6. 3 of the Listing Rules of the Colombo Stock Exchange, the Board of Directors of the Company designated me as the Senior Independent Director (SID) of the Company with effect from 1st November 2023.

Section 9.6.3 of the Listing Rules and the Code of Best Practice on Corporate Governance 2023 issued by the Institute of Chartered Accountants of Sri Lanka provide that in situations where the Chairman and CEO are the same person or where the Chairman is not an Independent Director, a SID shall be appointed. At The Kingsbury PLC although the Chairman is not the CEO, he is not an Independent Director.

Role of the Senior Independent Director

The SID provides guidance to the Chairman on matters of governance of the Company.

The role of the SID also provides emphasis to transparency on matters relating to governance and calls for a review of the effectiveness of the Board.

The SID makes himself available to any Director or any employee to have confidential discussions on the affairs of the Company, should the need arise.

Activities During the Year

In line with the regulatory requirements, I presided over the following meetings and exercised my voting rights where necessary.

Meetings were held with the Non-Executive Directors without the presence of the Executive Directors. At these meetings the performance of the Chairman and the Executive Director was appraised.

A meeting was held with only the Independent Directors and discussions were held on matters relating to the Company and the operation of the Board.

The outcome of these meetings together with recommendations were duly informed to the Chairman and the Board.

The Company follows a policy of strict compliance with mandatory requirements while embracing voluntary adherence, in order to enhance stakeholder acceptance and to make a positive impact on value creation.

I believe that I have fulfilled the obligations entrusted to the SID in accordance with the Corporate Governance guidelines.



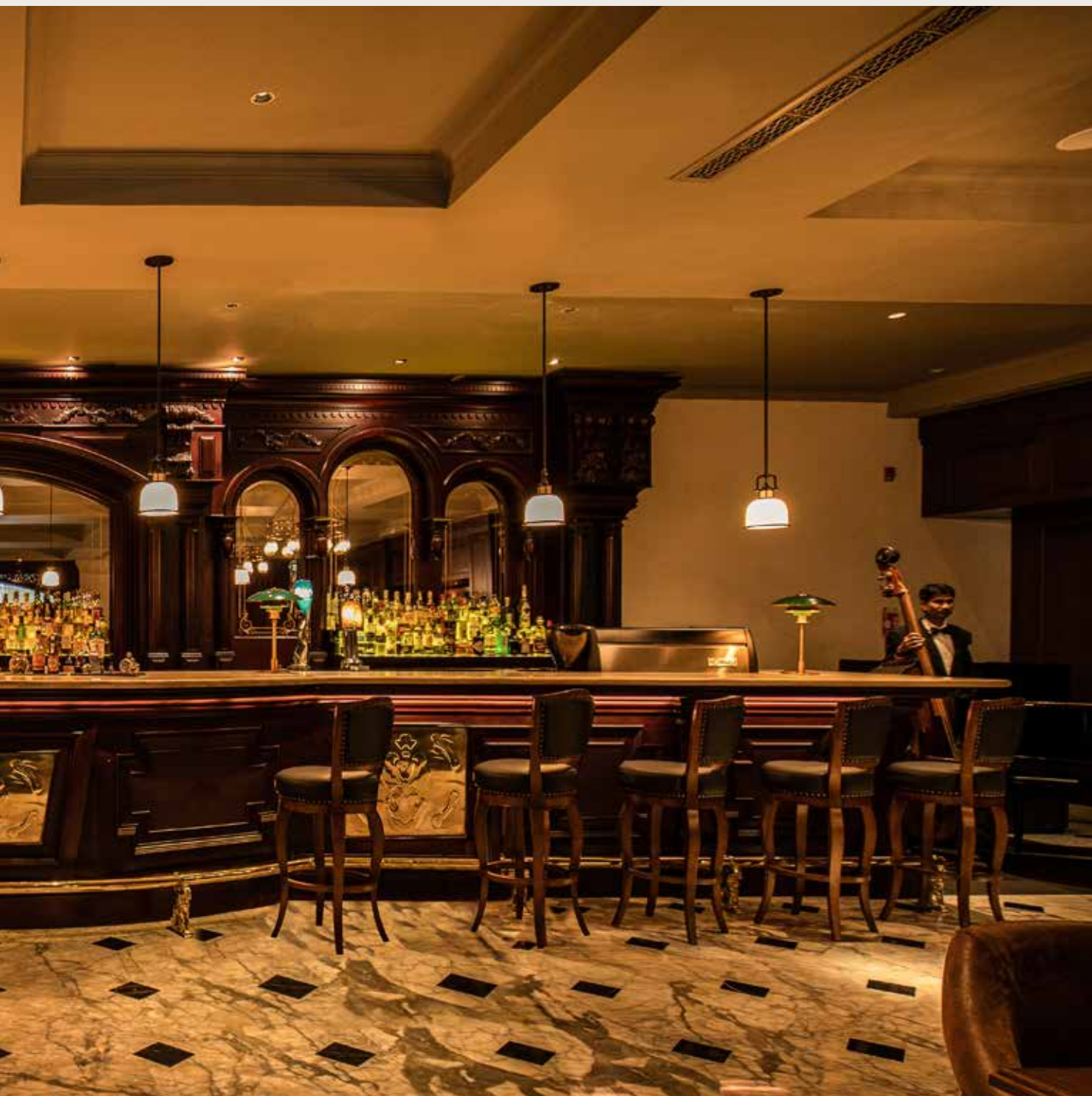
T. A. B. Speldewinde
Senior Independent Director

07 May 2024

Timeless Value

We maintain our position as a prosperous fixture in the field of hospitality, evidenced through our balanced financial records, which paint a clear picture of our organisation – as profitable, dependable and honourable.





Financial Statements

Independent Auditors' Report 85 | Statement of Profit or Loss 88 | Statement of Comprehensive Income 89 |
Statement of Financial Position 90 | Statement of Changes in Equity 91 | Statement of Cash Flow 92 | Notes to the Financial Statements 93

FINANCIAL CALENDER

Financial Calendar

Interim Financial Statement - Quarter 1	27 July 2023
Interim Financial Statement - Quarter 2	30 October 2023
Interim Financial Statement - Quarter 3	6 February 2024
Interim Financial Statement - Quarter 4	7 May 2024
Annual General Meeting	26 June 2024

INDEPENDENT AUDITORS' REPORT



Ernst & Young
Chartered Accountants
Rotunda Towers
No. 109, Galle Road
P.O. Box 101
Colombo 03, Sri Lanka

Tel : +94 11 246 3500
Fax : +94 11 768 7869
Email: eyst@lk.ey.com
ey.com

TO THE SHAREHOLDERS OF THE KINGSBURY PLC

Report on the audit of the Financial Statements

Opinion

We have audited the financial statements of The Kingsbury PLC ("the Company"), which comprise the statement of financial position as at 31 March 2024, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give 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 for Professional Accountants issued by CA Sri Lanka (Code of Ethics) and we have fulfilled our other ethical responsibilities

in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements of the current period. These matters were addressed in the context of the audit of the financial statements as a whole, and in forming the auditor's 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.

Key Audit Matter

Assessment of Fair value of Buildings and Building Integrals

Property, Plant and Equipment include buildings and building integrals carried at fair value. The fair value of buildings and building integrals were determined by the external valuer engaged by the company.

This was a key audit matter due to:

- The materiality of the reported fair value of buildings and building integrals which amounted to Rs.4,010 Mn representing 69% of the Company's total assets as of the reporting date; and
- The degree of assumptions, judgements and estimation uncertainties associated with fair valuation of buildings and building integrals using the depreciated replacement cost approach.

Key areas of significant judgments, estimates and assumptions used in assessing the fair value of buildings and building integrals, as disclosed in Notes 02 and 12 to the financial statements, included judgements involved in ascertaining the appropriate valuation technique and estimates such as:

- Estimate of the price per square foot

How our audit addressed the Key Audit Matter

Our audit procedures included the following key procedures:

- Assessed the competence, capability and objectivity of the external valuer engaged by the company
- Read the external valuer's report and understood the key estimates made and the valuation approach taken by the valuer in determining the valuation
- Assessed the reasonableness of significant assumptions, judgements and estimates made by the valuer such as price per square foot and valuation technique as relevant in assessing the fair value.

We also assessed the adequacy of the disclosures made in notes 02 and 12 to the financial statements.

INDEPENDENT AUDITORS' REPORT



Key Audit Matter	How our audit addressed the Key Audit Matter
<p>Revenue</p> <p>The Company's revenue for the year ended 31 March 2024 amounted to Rs. 5,213 Mn, as disclosed in note 4 to the financial statements.</p> <p>The accounting policy for revenue recognition is disclosed in Note 2 to the financial statements.</p> <p>Revenue was a key audit matter due to :</p> <ul style="list-style-type: none">• the materiality of revenue reported for the year and• the increase of 38% it represents, over the previous year.	<p>Our audit procedures included the following key procedures:</p> <ul style="list-style-type: none">• assessed whether the Company's accounting policy for revenue recognition has been appropriately applied• evaluated the design and tested the relevant key controls over revenue. Our procedures included testing the general IT control environment and the relevant key IT application controls relating to the most significant IT systems relevant to revenue• performed analytical procedures to understand and assess the reasonableness of the reported revenues• tested revenue transactions to invoices and other supporting documents such as house keeping and guest-in-house reports, guest reservation cards, etc. our procedures included testing:• revenue transactions around the year-end to determine whether transactions have been recorded in the proper period and to the proper accounts; and• journal entries recognized to revenue. <p>We also assessed the adequacy of the related disclosures set out in notes 2 and 4 to the financial statements.</p>

Other information included in the 2024 Annual Report

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



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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 auditors' 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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

Report on other legal and regulatory requirements

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

CA Sri Lanka membership number of the engagement partner responsible for signing this independent auditor's report is 3755.

17 May 2024
Colombo

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

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

A member firm of Ernst & Young Global Limited

STATEMENT OF PROFIT OR LOSS

Year ended 31st March	Notes	2024 Rs '000	2023 Rs '000
Revenue	4	5,266,787	3,817,614
Cost of sales		(2,774,366)	(2,398,328)
Gross profit		2,492,421	1,419,286
Other income and expenses	5	14,347	7,505
Administrative expenses		(1,869,081)	(1,412,003)
Marketing expenses		(85,344)	(54,261)
Finance income	8	6,047	18,195
Finance expense	9	(303,737)	(383,574)
Profit/(Loss) before tax		254,653	(404,852)
Income tax (expense)/reversal	10	9,432	(147,621)
Net profit/(Loss) after tax		264,085	(552,473)
Basic earnings per share (Rs.)	11	0.55	(1.14)

The Accounting Policies and Notes on pages 93 through 129 form an integral part of the Financial Statements.

STATEMENT OF COMPREHENSIVE INCOME

Year ended 31st March	Notes	2024 Rs '000	2023 Rs '000
Profit/(Loss) for the year		264,085	(552,473)
Other Comprehensive Income not to be reclassified to profit or loss in subsequent periods			
Revaluation of buildings and building integrals	28.1	938,021	-
Deferred tax effect on building and building integrals	28.1	(281,406)	-
Effect of income tax rate change on revaluation reserve	28.1	-	(139,271)
Transfer to retained earning from Revaluation reserve	28.1	13,028	-
Re-measurement loss on defined benefit plans	20.2	(9,951)	(16,200)
Deferred tax effect on other comprehensive income	21.2	2,985	4,860
Other Comprehensive income for the year, net of tax		662,677	(150,611)
Total Comprehensive Income for the year, net of tax		926,762	(703,084)

The Accounting Policies and Notes on pages 93 through 129 form an integral part of the Financial Statements.

STATEMENT OF FINANCIAL POSITION

As at 31st March	Notes	2024 Rs '000	2023 Rs '000
ASSETS			
Non-current assets			
Property, plant and equipment	12	4,497,314	3,631,703
Intangible assets	13	20,639	16,843
Right of use asset	14	11,180	11,427
		4,529,133	3,659,973
Current assets			
Inventories	15	170,410	167,973
Trade and other receivables	16	870,866	374,641
Other non financial assets	17	97,413	64,849
Income tax receivable		7,494	8,431
Cash and cash equivalents	18	147,035	167,386
		1,293,218	783,280
Total assets		5,822,351	4,443,253
EQUITY AND LIABILITIES			
Equity			
Stated capital	27	836,000	836,000
Revaluation reserve	28	1,357,389	731,173
Retained earnings		(842,609)	(1,143,155)
		1,350,780	424,018
Non-current liabilities			
Interest-bearing borrowings	19	1,260,367	918,580
Post employment benefit obligation	20	109,180	88,465
Deferred tax liability	21	620,275	365,251
Lease Liability	22	19,036	19,036
Other Non- Current Liabilities		1,600	1,600
		2,010,458	1,392,932
Current liabilities			
Trade and other payables	23	1,612,495	1,165,901
Interest-bearing borrowings	19	711,024	1,326,060
Other non financial liabilities	24	137,594	134,342
		2,461,113	2,626,303
Total equity and liabilities		5,822,351	4,443,253

I certify that these financial statements have been prepared in compliance with the requirements of the Companies Act, No. 07 of 2007.



Ravindra Dissanayake - Head of Finance

The Board of Directors is responsible for preparation & presentation of financial statements. These Financial Statements were authorised for issue by the Board of Directors on 07 May 2024;



Mohan Pandithage - Executive Chairman



Rohan Karr - Managing Director

The Accounting Policies and Notes on page 93 through 129 form an integral part of the Financial Statements.

07 May 2024
Colombo

STATEMENT OF CHANGES IN EQUITY

	Notes	Stated capital Rs '000	Revaluation reserve Rs '000	Retained earnings Rs '000	Total Rs '000
Balance at 01st April 2022		836,000	870,444	(579,342)	1,127,102
Net Profit/(Loss) for the period		-	-	(552,473)	(552,473)
Effect of income tax rate change on revaluation reserve	28	-	(139,271)	-	(139,271)
Other comprehensive income		-	-	(11,340)	(11,340)
Total comprehensive income		-	(139,271)	(563,813)	(703,084)
Balance at 31st March 2023		836,000	731,173	(1,143,155)	424,018
Net Profit/(Loss) for the period		-	-	264,085	264,085
Revaluation of buildings and building integrals	28	-	938,021	-	938,021
Deferred tax effect on building and building integrals	28	-	(281,406)	-	(281,406)
Other comprehensive income		-	-	(6,966)	(6,966)
Total comprehensive income		-	656,615	257,119	913,734
Transfer to retained earnings from Revaluation reserve		-	(43,427)	43,427	-
Deferred tax on transfer		-	13,028	-	13,028
Balance at 31 March 2024		836,000	1,357,389	(842,609)	1,350,780

The Accounting Policies and Notes on pages 93 through 129 form an integral part of the Financial Statements.

STATEMENT OF CASH FLOWS

Year ended 31st March	Notes	2024 Rs '000	2023 Rs '000
Operating activities			
Cash generated from operations	29	473,626	301,475
Interest received	8	5,774	11,004
Interest paid		(85,368)	(173,125)
Lease Interest paid		(2,381)	(2,381)
Employee benefit obligations	20	(13,947)	(15,962)
Net cash generated from operating activities		377,704	121,011
Investing activities			
Purchases of property, plant and equipment	12	(112,326)	(97,007)
Purchases of intangible assets	13	(7,508)	(14,503)
Net cash generated from / (used in) investing activities		(119,834)	(111,510)
Financing activities			
Proceeds from interest-bearing borrowings		-	271,349
Payments on interest-bearing borrowings		(310,176)	(95,634)
Payments on lease rent		(8)	(8)
Net cash generated from financing activities		(310,184)	175,707
Effect of exchange rate changes on Cash & cash equivalents		(28,743)	7,191
Net increase/(decrease) in cash and cash equivalents		(81,057)	192,399
Movement in cash and cash equivalents			
At the beginning of year		(72,825)	(265,224)
Net increase/(decrease)		(81,057)	192,399
At end of year	18	(153,882)	(72,825)

The Accounting Policies and Notes on pages 93 through 129 form an integral part of the Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

1 Corporate Information

1.1 Reporting Entity

The Kingsbury PLC (“Company”) is a limited liability company incorporated in Sri Lanka and listed on the Colombo Stock Exchange Sri Lanka. The address of its registered office and principal place of business is No. 48, Janadhipathi Mawatha, Colombo 1.

1.2 Principal Activity and Nature of Operations

During the year, the principal activities of the Company were the provision of Hospitality & Leisure Services.

1.3 Parent Entity and Ultimate Parent Entity

The Company’s parent entity is considered Hayleys PLC. In the opinion of the directors, the Company’s ultimate parent undertaking and controlling party is Hayleys PLC, which is incorporated in Sri Lanka.

1.4 Date of Authorisation for Issue

The Financial Statements of The Kingsbury PLC, for the year ended 31 March 2024 were authorised for issue in accordance with a resolution of the Board of Directors on 07 May 2024.

2. Basis of Preparation and Summary of Significant Accounting Policies

2.1 Basis of Preparation

2.1.1 Basis of Measurement

The Financial Statements have been prepared on a historical cost basis, except for buildings and building integrals of property, plant, and equipment which were subsequently measured at fair value. The Financial Statements are presented in Sri Lankan Rupees Thousands, except when otherwise indicated. The preparation and presentation of these Financial Statements are in compliance with the requirements of the Companies Act No. 07 of 2007.

2.1.2 Statement of Compliance

The Financial Statements of the Company which comprise the Statement of Financial Position, Statement of Profit or Loss, Statement of Other Comprehensive Income, and Statement of Changes in Equity, Statement of Cash Flows and Significant Accounting Policies and Notes have been prepared in accordance with Sri Lanka Accounting Standards (SLFRS).

2.1.3 Comparative Information

Comparative information including quantitative, narrative and descriptive information as relevant is disclosed in respect of previous period in the Financial Statements. In addition, the Company presents an additional statement of financial position at the beginning of the preceding period when there is a retrospective application of an accounting policy, a retrospective restatement, or a reclassification of items in financial statements.

2.2 Significant Accounting Judgments and Estimates

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

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

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

a. Going Concern

The Directors have made an assessment of the Company’s ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. The assessment includes the existing and anticipated effects from the present macro-economic conditions, the circumstances of the external environment, or are inconsistent with historical trends. Management is not aware of any material uncertainties that may cast significant doubt upon the Company’s ability to continue as a going concern and the management do not intend either to liquidate or to cease operations of the Company. Therefore, the Financial Statements continue to be prepared on the going concern basis.

NOTES TO THE FINANCIAL STATEMENTS

b. Revaluation of Property, Plant and Equipment

The Company measures buildings and building integrals at revalued amounts with gains in fair value being recognised in equity (Revaluation Reserve). The Company usually engages an external, independent and qualified valuer to determine the fair values. 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 professional valuer. Further details are given in Note 12.2.

c. Components of Buildings and Useful Life

In determining the depreciation expense, the Company with the assistance of an independent professional valuer determined the components of buildings that have varying useful lives. Approximation techniques and appropriate groupings were used in such determination as well as in the assessment of the useful lives of each component. Further details are given in Note 12.4.

d. Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a DCF model.

The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. The key assumptions used to determine the recoverable amount for the CGU, are discount rate and terminal growth rate, 26% and 3% respectively.

e. Deferred Tax Assets

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount

of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Further details are given in Note 21.

f. Post-Employment Benefit Obligation

The post-employment benefit obligation; gratuity, is determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and staff turnover. Due to the complexity of the valuation; the underlying assumptions and its long-term nature, the defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. Further details are given in Note 20.

g. Determining the lease term of contracts with renewal and termination options

The company determines the lease term as the noncancelable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to eliminate the lease, if it is reasonably certain not to be exercised. Refers to Note 22 for information on potential future rental payments relating to periods following the exercise date of extension and termination options that are not included in the lease term.

2.3 Summary of Significant Accounting Policies

2.3.1 Foreign Currencies

(a) Functional and Presentation Currency

Items included in the Financial Statements of the entity are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Financial Statements are presented in Sri Lankan Rupees, which is the Company's functional and presentation currency.

(b) Transactions and Balances

Foreign currency transactions are translated to the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at reporting date exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Profit or Loss.

2.3.2 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset. All other borrowing costs are expensed in the period in which they occur.

2.3.3 Property, Plant and Equipment

a. At Initial Recognition

All property, plant and equipment are initially stated at cost net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing parts of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company recognises such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major refurbishment is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the Statement of Profit or Loss as incurred.

b. At Subsequent Measurement

Property, plant and equipment other than building and building integrals is stated at cost, excluding the costs of day to day servicing, less accumulated depreciation and accumulated impairment in value. Such cost includes the cost of replacing part of the property, plant and equipment when that cost is incurred, if the recognition criteria is met. Building and building integrals are subsequently measured at fair value less accumulated depreciation and such valuations are carried out by external independent valuers.

Valuations are performed with sufficient frequency to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.

A revaluation surplus is recognised in Other Comprehensive Income and credited to the revaluation surplus in equity.

However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in the Statement of Profit or Loss, in which case the increase is recognised in the Statement of Profit or Loss. A revaluation deficit is recognised in Profit or Loss, except to the extent that it offsets an existing surplus on the same asset recognised

in the asset revaluation reserve. Upon disposal or derecognition, 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.

c. Depreciation

Depreciation is calculated on a straight-line basis over the useful life of assets or components. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each reporting date and adjusted prospectively, if appropriate

	2024	2023
Buildings and building integrals	12.5 - 50 years	15 - 50 years
Plant, machinery and equipment	8-15 years	8-15 years
Furniture and fittings	10 years	10 years
Motor vehicles	05 years	05 years
Linen, cutlery, crockery and glassware	03 years	03 years

d. Subsequent Costs

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Profit or Loss during the financial period in which they are incurred.

e. De-recognition

An item of property, plant and equipment is de-recognised 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 Profit or Loss when the asset is de-recognised. The revaluation surplus included in the equity in respect of an item of property, plant and equipment is transferred directly to equity when the assets are de-recognised.

NOTES TO THE FINANCIAL STATEMENTS

2.3.4 Lease

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

2.3.4.1 Right-of-use Assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term.

2.3.4.2 Lease Liability

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced.

The Company lease liabilities are included in Note 22 to the Financial Statements.

2.3.5 Intangible Assets

The Company's intangible assets include the value of computer software. An intangible asset is recognised 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

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year-end.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit or Loss in the expense category consistent with the function of the intangible asset.

2.3.6 Financial Instruments

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

a) Initial Recognition and Subsequent Measurement

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

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

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The 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. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

b) 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 de-recognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial

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.

Financial assets at fair value through OCI (debt instruments)

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

Financial assets designated at fair value through OCI (equity instruments)

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

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

Financial assets at fair value through profit or loss

Financial assets at fair value through Profit or Loss are carried in the Statement of Financial Position at fair value with net changes in fair value recognised in the Statement of Profit or Loss.

This category includes derivative instruments and listed equity investments which the company had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are recognised as other income in the Statement of Profit or Loss when the right of payment has been established.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through Profit or Loss. Embedded derivatives are measured at fair value with changes in fair value recognised in Profit or Loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through Profit or Loss category.

NOTES TO THE FINANCIAL STATEMENTS

Assets at Amortised Cost (Debt Instruments)

c) De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily de-recognised (i.e. removed from the Company's Statement of Financial Position) 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.

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

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

d) Impairment of Financial Assets

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

Trade Receivables:

For trade receivables, the Company applies a simplified approach in calculating Expected Credit Losses (ECL). 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 considers a financial asset in default when contractual payments are 180 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.3.7 Other Non-Financial Assets

All other non-financial assets are valued net of specific provision, where necessary, so as to reduce the carrying value of such assets to their estimated realisable value.

2.3.8 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 groups 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 Income Statement in those expense categories consistent with the function of the impaired asset, except for property previously revalued where the revaluation was taken to equity. In this case the impairment is also recognised in equity up to the amount of any previous revaluation.

For assets, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company makes an

estimate of recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Income Statement unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase.

2.3.9 Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

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

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

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

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

External valuers are involved for valuation of property, plant and equipment. Involvement of external valuers is decided by the management after discussion with and approval by the Company's Audit Committee. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

2.3.10 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the weighted average method.

The cost of the inventory comprises purchase price, taxes (other than those subsequently recoverable by the Company from the tax authorities), and transport, handling and other costs directly attributable to the acquisition of finished goods. It excludes the borrowing costs, trade discounts, rebates and other similar items are deducted in determining the costs of purchase.

Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses.

2.3.11 Cash and Cash Equivalents

Cash and cash equivalents in the Statement of Financial Position comprise cash at banks and in hand and short term deposits with maturity of three months or less. For the purposes of the Statement of Cash Flows, cash and cash equivalents comprise cash and short term deposits as defined above, net of outstanding bank overdrafts.

2.3.12 Financial Liabilities

a) Initial Recognition and Measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

NOTES TO THE FINANCIAL STATEMENTS

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 Company's financial liabilities include trade and other payable, bank overdrafts and interest bearing loans and borrowings.

b) Subsequent Measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the company that are not designated as hedging instruments in hedge relationships. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the Statement of Profit or Loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss so designated at the initial date of recognition, and only if criteria of SLFRS 9 are satisfied. The company has not designated any financial liability at fair value through profit or loss.

Financial liabilities at amortised cost (loans and borrowings)

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the Statement of 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 in finance costs in the Statement of Profit or Loss.

Financial guarantee contracts

Financial guarantee contracts issued by the company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the

specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount recognised less cumulative amortisation.

c) De-recognition

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

2.3.13 Other Non-Financial Liabilities

Other non-financial liabilities are recognised at their monetary amount.

2.3.14 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

2.3.15 Employee Benefits

a) Defined Contribution Plans

All employees of the Company are members of the Employees' Provident Fund and the Employees' Trust Fund, to which the Company contributes 12% and 3% respectively of such employees' basic or consolidated wage or salary and cost of living and all other allowances.

The Company's contributions to the defined contribution plans are charged to the Statement of Profit or Loss in the year to which they relate.

b) Defined Benefit Plan

The liability recognised in the Statement of Financial Position in respect of defined benefit plans is the present value of the defined benefit obligation at the reporting

date together with past service cost. The defined benefit obligation is calculated by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of treasury bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related liability.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged to the Statement of Other Comprehensive Income.

2.3.16 Dividend Distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Financial Statements in the period in which the dividends are approved by the Company's shareholders.

2.3.17 Taxation

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

Current income tax relating to items recognised directly in equity is recognised in equity and not in the Statement of Profit or Loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred Tax

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

Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

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

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

Turnover Based Taxes

Turnover based taxes include Value Added Tax, Social Security Contribution Levy and Tourism Development Levy. Company pays such taxes in accordance with the respective statutes.

2.3.19 Revenue Recognition

2.3.19.1 Revenue from contracts with Customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the company expect to entitled in exchange of those goods or services.

The Company's gross turnover comprises proceeds from provision of food, beverage, lodging and other hospitality industry related activities. The net Company's turnover excludes turnover taxes and trade discounts.

The specific recognition criteria described below must also be met before revenue is recognised.

- a) Room revenue is recognised on the rooms occupied on daily basis.
- b) Food and Beverage revenue is recognised at the time of sales.
- c) Other Hotel Related Revenue is accounted when such service is rendered.

2.3.19.2 Revenue from other income sources

- d) Interest income is accrued on a time basis with reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimates future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

NOTES TO THE FINANCIAL STATEMENTS

- e) Other income is recognised on an accrual basis. Net gains and losses of a revenue nature on the disposal of Property, Plant & Equipment has been accounted for in the Statement of Profit or Loss, having deducted from proceeds on disposal, the carrying amount of the assets and related selling expense 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.

f) Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract. The Company recognises advanced received for future reservations as contract liabilities.

The Company recognises advanced received for future reservations as contract liabilities.

3. Changes in accounting policies

3.1 New and amended standards and interpretations

No significant impact resulted on the Financial Statements of the Company due to changes in Accounting standards and disclosures during the year.

3.2 Standards Issued but not Yet Effective

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

3.2.1 SLFRS 17 Insurance Contracts

SLFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, SLFRS 17 will replace SLFRS 4 Insurance Contracts (SLFRS 4) that was issued in 2005. SLFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-

insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. The overall objective of SLFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in SLFRS 4, which are largely based on grandfathering previous local accounting policies, SLFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of SLFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

SLFRS 17 is effective for annual reporting periods beginning on or after 1 January 2026, with comparative figures required. Early application is permitted, provided the entity also applies SLFRS 9 and SLFRS 15 on or before the date it first applies SLFRS 17.

3.2.2 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.

3.2.3 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

3.2.4 Disclosures: Supplier Finance Arrangements - Amendments to LKAS 7 and SLFRS 7

The amendments clarify the characteristics of supplier finance arrangements and require an entity to provide information about the impact of supplier finance arrangements on liabilities and cash flows, including terms and conditions of those arrangements, quantitative information on liabilities related to those arrangements as at the beginning and end of the reporting period and the type and effect of non-cash changes in the carrying amounts of those arrangements.

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

3.2.5 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.

NOTES TO THE FINANCIAL STATEMENTS

4. Revenue

The Company classifies its revenue streams according to business units based on the nature of services for easy of understanding. Namely; Room Revenue, Food and Beverage Revenue and Other Hotel Related Revenue. The Board monitors the operating results for the purpose of performance assessment. Assets and Liabilities are managed on a collective basis and are not allocated to operating segments.

4.1 Summary

Year ended 31st March	2024 Rs '000	2023 Rs '000
Gross turnover	5,266,787	3,817,614
Less: Taxes	(53,118)	(38,109)
Net turnover	5,213,669	3,779,505

4.2 Segmentation of the revenue

Year ended 31st March	2024 Rs '000	2023 Rs '000
Room sales	1,420,595	879,595
Food & beverage sales	3,476,974	2,756,156
Other hotel related revenue	316,100	143,754
Total revenue	5,213,669	3,779,505

5. Other Income and Expenses

Year ended 31st March	2024 Rs '000	2023 Rs '000
Loss on disposal of property, plant and equipment	(893)	(1,171)
Sundry income	15,240	8,676
Other income and expenses	14,347	7,505

6. Profit Before Tax

The following items have been charged /(credited) in arriving at profit before tax:

Year ended 31st March	Note	2024 Rs '000	2023 Rs '000
Directors' emoluments		6,200	5,659
Auditors remuneration - audit fees		983	842
- non audit fees		593	446
Depreciation & amortisation	7	167,549	197,864
Impairment allowance for trade receivables	33	2,989	5,693
Repair and maintenance expenditure		86,877	72,710
Employee Benefits		1,009,162	639,726
Power and energy expenditure		382,386	275,176
Loss on disposal of property, plant & equipment		893	1,071
Marketing and promotional fee		66,784	54,261

7. Depreciation & Amortisation

Year ended 31st March	2024 Rs '000	2023 Rs '000
Depreciation on Property, Plant and Equipment	161,640	194,005
Amortisation of intangible assets	5,662	3,612
Amortisation of Right to use assets	247	247
Depreciation & Amortisation	167,549	197,864

8. Finance Income

Year ended 31st March	2024 Rs '000	2023 Rs '000
Interest income	5,774	11,004
Foreign exchange gain	273	7,191
	6,047	18,195

NOTES TO THE FINANCIAL STATEMENTS

9. Finance Expenses

Year ended 31st March	2024 Rs '000	2023 Rs '000
Interest expenses	(274,721)	(383,574)
Foreign exchange loss	(29,016)	-
	(303,737)	(383,574)
Net Finance Income /(Expenses)	(297,690)	(365,379)

10. Taxation

Year ended 31st March	Note	2024 Rs '000	2023 Rs '000
Current tax (expense)/reversal	10.1	(937)	-
Deferred tax (charge)/release	21.1	10,369	(147,621)
Income tax (Expense)/Reversal		9,432	(147,621)

10.1 Reconciliation of accounting profit to income tax expense

Year ended 31st March	2024 Rs '000	2023 Rs '000
Profit/(loss) before tax	254,653	(404,852)
Disallowable expenses	284,170	606,519
Allowable expenses	(225,090)	(235,060)
Business income/(loss) during the year	313,733	(33,393)
Interest Income	5,774	11,004
Utilisation of tax losses	(319,506)	(11,004)
Taxable income	-	-
Income tax at 30% & 14%	-	-
Tax on taxable income	-	-
(Under)/Over provision for previous year	(937)	-
Current tax (expense)/reversal	(937)	-

11. Basic Earnings/(Loss) Per Share

Basic earnings per share is calculated by dividing the net profit/(loss) attributable to shareholders by the weighted average number of ordinary shares in issue during the year.

As at 31st March	2024	2023
Net profit attributable to shareholders - Rs'000	264,085	(552,473)
Weighted average number of ordinary shares in issue -'000	484,000	484,000
Basic earnings per share (Rs.)	0.55	(1.14)

12. Property, Plant and Equipment

12.1

12.1.1 As at 31st March 2023

	Buildings and building integrals Rs '000	Plant, machinery & equipment Rs '000	Furniture & fittings Rs '000	Motor vehicles Rs '000	Linen, cutlery, crocery & glassware Rs '000	Total Rs '000
Cost/valuation						
Balance as at 1 April 2022	3,210,436	896,164	409,242	17,303	259,943	4,793,088
Additions	7,701	19,406	24,423	-	28,103	79,633
Disposals/breakages, losses & discarded	-	-	-	-	(18,217)	(18,217)
Impairment adjustment	-	(23,941)	(22,245)	-	(1,389)	(47,575)
Classification change	(17,777)	(35,044)	(60,369)	-	113,190	-
Balance as at 31st March 2023	3,200,360	856,585	351,051	17,303	381,630	4,806,929
Depreciation						
Balance as at 1st April 2022	-	566,085	261,986	9,660	204,031	1,041,762
Depreciation charge	77,825	53,254	37,028	1,452	41,463	211,022
Disposals/breakages, losses & discarded	-	-	-	-	(17,017)	(17,017)
Impairment adjustment	-	(23,941)	(21,072)	-	1,846	(43,167)
Balance as at 31 March 2023	77,825	595,398	277,942	11,112	230,323	1,192,600
Net book value as at 31 March 2023	3,122,535	261,187	73,109	6,191	151,307	3,614,329
Capital work in progress						
Balance as at 1st April 2022	-	-	-	-	-	-
Cost incurred during the year	17,374	-	-	-	-	17,374
Amount transferred to Property, Plant and Equipment	-	-	-	-	-	-
Amount reversed during the year	-	-	-	-	-	-
Balance as at 31st March 2023	17,374	-	-	-	-	17,374
Total net book value as at 31 March 2023	3,139,909	261,187	73,109	6,191	151,307	3,631,703

NOTES TO THE FINANCIAL STATEMENTS

12. Property, Plant and Equipment (Contd.)

12.1.2 As at 31st March 2024

	Buildings and building integrals Rs '000	Plant, machinery & equipment Rs '000	Furniture & fittings Rs '000	Motor vehicles Rs '000	Linen, cutlery, crockery & glassware Rs '000	Total Rs '000
Cost/valuation						
Balance as at 1st April 2023	3,200,360	856,585	351,051	17,303	381,630	4,806,929
Additions	43,081	34,419	9,715	3,165	39,320	129,700
Disposals/breakages, losses & discarded	-	-	(1,292)	-	(31,898)	(33,190)
Revaluation during the year	938,021	-	-	-	-	938,021
De-recognition	-	(535)	-	-	-	(535)
Classification change	(1,103)	(31,196)	79,222	-	(50,872)	(3,949)
Balance as at 31 March 2024	4,180,359	859,273	438,696	20,468	338,180	5,836,976
Depreciation						
Balance as at 1 April 2023	77,825	595,398	277,942	11,112	230,323	1,192,600
Depreciation charge	76,749	43,685	30,787	522	9,897	161,640
Disposals/breakages, losses & discarded	-	-	(1,098)	-	(11,817)	(12,915)
Classification change	(1,590)	(67,210)	24,132	12	43,225	(1,432)
De-recognition	-	(231)	-	-	-	(231)
Balance as at 31 March 2024	152,984	571,642	331,763	11,646	271,628	1,339,662
Net book value as at 31 March 2024	4,027,375	287,631	106,933	8,822	66,552	4,497,314
Capital work in progress						
Balance as at 1 April 2023	17,374	-	-	-	-	17,374
Cost incurred during the year	-	-	-	-	-	-
Amount transferred to Property, Plant and Equipment	(17,374)	-	-	-	-	(17,374)
Amount reversed during the year	-	-	-	-	-	-
Balance as at 31 March 2024	-	-	-	-	-	-
Total net book value as at 31 March 2024	4,027,375	287,631	106,933	8,822	66,552	4,497,314

12.2 Fair Valuation Process and Key Valuation Assumptions

The Company measures Buildings and building integrals at revalued amounts. The Company usually engages an external qualified valuer on a regular basis to determine the fair values.

The latest revaluation has been carried out by Mr. P B Kalugalagedera (F.I.V Sri Lanka) a chartered independent valuer as at 31 March 2024 which resulted in a revaluation gain of Rs. 938 Mn, The valuation of the buildings and integrals located at principal place of business, No. 48, Janadhipathi Mawatha, Colombo 1 have been determined using direct capital comparison method by using level 3 of the fair value measurement hierarchy. Approximate price per sq.ft is Rs. 12,000/- to 25,000/- (2023 -Rs.12,000/-to Rs.21,000/-). Significant increase or decrease in estimated price per square foot in isolation would result in a significantly higher or lower fair value measurement.

12.3 If the Buildings and building integrals were stated at historical cost, the carrying amounts would be as follows:

Asset category	Cost Rs. '000	Accumulated depreciation Rs. '000	Net book value Rs. '000
Buildings and building integrals	3,765,809	968,472	2,797,337
	3,765,809	968,472	2,797,337

12.4 The Company regularly review the useful life of each significant component of buildings and in the review process, the Company obtains the assistance of an independent professional valuer. Accordingly, depreciation is calculated for the year using a straight line method for each individual significant component of building.

Components included in buildings and building integrals and their useful lives are as follows:

- Buildings superstructure	45 to 50 years
- Bathrooms	15 years
- Ballroom finishes	20 years
- Elevators	25 years
- Mechanical and engineering	25 years

12.5 The gross carrying amount of any fully depreciated property, plant & equipment that is still in use as at 31st March 2024 is Rs 709,599,975/- (2023: Rs.612,819,643/-)

12.6 During the financial year, the group acquired & transferred property, plant and equipment to the aggregate value of Rs. 129,699,794/- (2023 - Rs. 79,633,341/-) including cost incurred on capital work in progress of which Rs. 17,373,960/- (2023 Rs. Nil). Cash payments amounted to Rs. 112,325,834/- (2023 - Rs. 97,007,301/-) were made during the year for purchase of property, plant and equipment.

NOTES TO THE FINANCIAL STATEMENTS

13. Intangible Assets

Year ended 31st March	2024 Rs '000	2023 Rs '000
Cost		
Balance as at 1st April	54,494	39,991
Additions during the year	7,508	14,503
Classification change	3,812	-
Disposal	(30,415)	-
Balance as at 31st March	35,399	54,494
Amortisation		
Balance as at 1st April	37,651	34,039
Amortisation during the year	5,662	3,612
Classification change	1,431	-
Disposal	(29,984)	-
Balance as at 31st March	14,760	37,651
Net Book Value	20,639	16,843

The intangible assets consist of computer software.

14 Right of Use Assets

Year ended 31st March	Note	2024 Rs '000	2023 Rs '000
Cost			
Balance as at 01st April		12,415	12,415
Balance as at 31st March		12,415	12,415
Amortisation			
Balance as at 1st of April		988	741
Amortisation for the period	22.2	247	247
Balance as at 31 March		1,235	988
Net book value of right of use assets		11,180	11,427

The Hotel building is constructed on land obtained from the Ceylon Tourist Board on a 99 years lease commencing from 9 May 1970, for which the Company pays a sum of Rs 2,388,084 annually as operating lease rental. Remaining lease period is 45 years.

15 Inventories

Year ended 31st March	2024 Rs '000	2023 Rs '000
Food, Beverages and Tobacco	135,205	125,807
Consumables	35,205	42,166
Inventories	170,410	167,973

16 Trade and Other Receivables

Year ended 31st March	Note	2024 Rs '000	2023 Rs '000
Trade receivables		295,450	219,317
Less: Impairment Allowances	33.2.C	(3,149)	(6,138)
		292,301	213,179
Intercompany receivables	30.5.1	578,565	161,462
Trade and other receivables		870,866	374,641

17 Other Non Financial Assets

Year ended 31st March	2024 Rs '000	2023 Rs '000
Prepayments	27,719	29,229
Advances Paid	29,973	5,953
Security deposits	21,736	17,033
Other receivables	17,985	12,634
Other non-financial assets	97,413	64,849

18 Cash and Cash Equivalents

Year ended 31st March	2024 Rs '000	2023 Rs '000
18.1 Cash at bank and in hand	147,035	167,386
Cash and short term deposits	147,035	167,386

18.2 For the purposes of the cash flow statement, the year end cash and cash equivalents comprise the following:

Year ended 31st March	Note	2024 Rs '000	2023 Rs '000
Cash and short term deposits		147,035	167,386
Bank overdraft	19.1	(300,917)	(240,211)
Cash and Cash equivalents at the end of the period		(153,882)	(72,825)

NOTES TO THE FINANCIAL STATEMENTS

19. Interest-Bearing Borrowings

19.1 Borrowings

Year ended 31st March	2024 Rs '000	2023 Rs '000
Current liabilities		
Bank overdraft	300,917	240,211
Borrowings from Banks / Financial Institutions	410,107	1,085,849
	711,024	1,326,060
Non-current liabilities		
Borrowings from Banks / Financial Institutions	1,260,367	918,580
	1,260,367	918,580
Total borrowings	1,971,391	2,244,640

19.2 Terms and conditions

Description / Loan amount	Bank/Financial Institution				
	Bank of Ceylon				
	1,190 Mn	233 Mn	114 Mn	91 Mn	33 Mn
Commencement date	27 Mar 2024	27 Mar 2024	27 Mar 2024	27 Mar 2024	27 Mar 2024
End date	27 Sep 2029	27 Mar 2027	30 Jun 2025	30 Jun 2024	13 Jul 2024
Grace period (Months)	6	-	-	-	-
Installment amount (Per month)	19.8 Mn	6.4 Mn	6.7 Mn	18.3 Mn	6.7 Mn
Interest rate	AWPLR +Premium	Fixed	Fixed	Fixed	Fixed
Term (Months)	66	36	15	3	3

- 19.3** Existing mortgage bond No. 364 over lease hold right of the hotel property and bond Nos. 1416 dated 27th July 2001 for Rs. 100 Mn and 166 dated 09 May 2013 for Rs. 1,335 Mn over lease hold rights of the property situated at the junction of Janadhipathi Mawatha and Chaithya Road adjoining the Central Bank.

20 Post Employment Benefit Obligation

20.1 Summary

Year ended 31st March	Note	2024 Rs '000	2023 Rs '000
As at 1 April		88,465	67,659
Charge for the year	20.2	34,662	36,768
Benefits paid		(13,947)	(15,962)
As at 31 March		109,180	88,465

20.2 Charge for the year

Year ended 31st March	2024 Rs '000	2023 Rs '000
Reported in Income Statement		
Current service cost	13,559	11,600
Interest cost	11,152	8,967
Service Cost	24,711	20,567
Reported in Other Comprehensive Income		
Net actuarial Loss recognised immediately to Other Comprehensive Income	9,951	16,200
Charge for the year	34,662	36,767

20.3 The Company obtained an actuarial valuation from an independent professional actuary, Messrs Actuarial and Management Consultants (Pvt) Ltd, in March 2024, to ascertain the post employment benefit obligation arising in respect of Gratuity.

The principal actuarial assumptions used in determining the liability were.

Year ended 31st March	2024	2023
Discount rate (per annum)	12%	15%
Future salary increase (per annum)	11.00%	13.50%
Retiring age	60 years	60 years

NOTES TO THE FINANCIAL STATEMENTS

20 Post Employment Benefit Obligation (Contd...)

20.4 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 post employment benefit liability measurement.

Increase /(decrease) in Discount Rate	31 March 2024 (Rs.'000)		
	Increase/ (decrease) in Salary Increment	Sensitivity Effect on Comprehensive Income increase / (decrease) in results for the year	Sensitivity Effect on Post Employment Benefit Obligation increase / (decrease) in the Liability
1%	-	103,448	(103,448)
(1%)	-	115,509	(115,509)
-	1%	115,997	(115,997)
-	(1%)	102,910	(102,910)

Increase /(decrease) in Discount Rate	31 March 2023 (Rs.'000)		
	Increase/ (decrease) in Salary Increment	Sensitivity Effect on Comprehensive Income increase / (decrease) in results for the year	Sensitivity Effect on Post Employment Benefit Obligation increase / (decrease) in the Liability
1%	-	(80,548)	80,548
(1%)	-	90,967	(90,967)
-	1%	91,392	(91,392)
-	(1%)	80,092	(80,092)

20.5 Distribution of Post Employment Benefit Obligation Over Future Lifetime

The following table demonstrates distribution of the future working lifetime of the Post Employment Benefit Obligation as at the reporting period.

Year ended 31st March	2024 Rs '000	2023 Rs '000
Less than or equal 1 year	13,661	9,527
Over 1 year and less than or equal 5 years	50,698	33,245
Over 5 year and less than or equal 10 years	29,351	23,549
Beyond 10 years	15,470	19,163
Total	109,180	85,484

20.6 The Retirement benefit Plan of the industry was amended due to the increase in retirement age enacted by the Minimum Retirement Age of Workers Act No: 28 of 2021

As of 17th November 2021, employees who have attained the age of	Retirement age
Less than 52 years	60 years
53 years	59 years
54 years	58 years
55 years	57 years

21 Deferred Tax Liability

21.1

Year ended 31st March	Statement of Financial Position		Statement of Profit or Loss		Statement of Other Comprehensive Income	
	2024 Rs. '000	2023 Rs. '000	2024 Rs. '000	2023 Rs. '000	2024 Rs. '000	2023 Rs. '000
Deferred Tax Liability						
Capital Allowance for tax Purpose	1,201,827	1,185,031	251,582	(617,551)	(268,378)	(139,271)
	1,201,827	1,185,031				
Deferred Tax Assets						
Defined Benefit Plans	33,395	26,539	3,871	12,207	2,985	4,860
Net Lease Liability	2,358	2,285	73	1,252	-	-
Bad Debt Provision	945	1,841	(896)	1,779	-	-
Un-used Tax Losses	544,854	789,115	(244,261)	454,692	-	-
	581,552	819,780				
Effect on increase in Deferred tax rate						
Net Deferred Tax Liability	620,275	365,251				
Deferred Tax (Charge)/Release			10,369	(147,621)	(265,393)	(134,411)

21.2 The movement on the deferred income tax account is as follows:

Year ended 31st March	Note	2024 Rs '000	2023 Rs '000
Deferred tax assets			
As at 01 April		819,780	344,989
Amount charged to Income Statement		(241,213)	469,931
Tax income recognised in Other Comprehensive Income		2,985	4,860
As at 31 March		581,552	819,780
Deferred tax liabilities			
As at 01 April		1,185,031	428,208
Income statement charge		(251,582)	495,690
		933,449	923,898
Deferred tax on revaluation gain		281,406	261,133
Deferred tax on amount transferred from revaluation reserve	28.1	(13,028)	-
As at 31 March		1,201,827	1,185,031
Deferred tax liabilities (net)		620,275	365,251

Deferred tax assets and liabilities as at reporting date, deferred tax charge/(release) in the income statement and deferred tax charge/(credit) in equity, are attributable to provision for retirement benefit obligations, accelerated tax depreciation, tax losses carried forward and asset revaluation. The deferred tax on amount transferred from revaluation reserve to retained earnings represents the deferred tax on the difference between the depreciation on revalued property, plant and equipment and the equivalent depreciation based on the historical cost of property, plant and equipment.

NOTES TO THE FINANCIAL STATEMENTS

21 Deferred Tax Liability (Contd...)

21.3 The unused tax losses amounted to Rs. 2,686,627,364/- (2023: Rs.2,619,375,423/-), which shall expire during the year of assessment as follows;

Description	Year of Assessment	Amount Rs,Mn	Expiry by (Year of Assessment)
Brought forward losses from	2018/19	306	2024/25
Losses during the year	2019/20	420	2025/26
Losses during the year	2020/21	977	2026/27
Losses during the year	2021/22	574	2027/28
Losses during the year	2022/23	409	2028/29

21.4 Sensitivity of assumptions in key revenue variable

The following table demonstrates the sensitivity to a reasonably possible change in the key assumptions of revenue variables (Occupancy / ARR / No of covers) with all other variables held constant to assess the recoverability of tax brought forward losses within the next five years.

	2024 Rs. '000	2023 Rs. '000
Brought Forward tax loss as at 01st April	2,619,375	2,596,986
Adjustment to the brought forward losses	386,758	-
Actual tax Loss for the year	-	33,393
Tax losses utilised during the year	(319,507)	(11,004)
Carried Forward tax loss as at 31st March	2,686,627	2,619,375
Forecasted Taxable Income in next five years	5,890,234	4,206,644

Increase/(decrease)		Sensitivity Effect on taxable income increase/(decrease) - Rs '000
Occupancy Rate	5%	546,079
	(5%)	(545,972)
Average Room Rate	5%	566,375
	(5%)	(566,375)
Number of covers	5%	572,162
	(5%)	(340,722)

22. Lease Liability

22.1 Movement of Operating Lease Liabilities

As at 31st March	2024 Rs.'000	2023 Rs.'000
Balance as at 01 April	19,043	19,050
Accretion of Interest	2,381	2,381
Payment to lease creditor	(2,388)	(2,388)
Balance as at 31 March	19,036	19,043
Current	2,388	2,388
Non Current	16,648	16,655
	19,036	19,043

22.2 The following are the amount recognised in profit or loss:

	2024 Rs.'000	2023 Rs.'000
Depreciation expenses of right of use assets	247	247
Interest expense on lease liability	2,381	2,381
Total Amount recognised in profit and loss	2,628	2,628

22.3 Effect of the adoption of SLFRS 16 as at 1st April 2020

	2024 Rs.'000	2023 Rs.'000
ASSETS		
Right of Use Asset	11,180	12,168
	11,180	12,168
EQUITY AND LIABILITIES		
Revenue reserves	-	-
Interest bearing borrowings/Lease liability	-	-
	-	-
Reconciliation of lease liability		
Operating lease commitments as at April	19,043	19,050
Other adjustment that increase/ (decrease) liability	(7)	(7)
Gross lease liabilities as at March	19,036	19,043

NOTES TO THE FINANCIAL STATEMENTS

22. Lease Liability (Contd...)

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

	0-3 Months	3-12 Months	1 to 5 Years	5 Year and above
Lease Liability -Rs' 000	597	1,791	11,940	93,533

23 Trade and Other Payables

As at 31st March	Note	2024 Rs.'000	2023 Rs.'000
Trade payables		382,874	329,750
Intercompany payables	30.6.1	795,343	524,248
Accrued expenses		183,326	181,443
Other payables		250,952	130,460
Trade and other payables		1,612,495	1,165,901

24 Other Non Financial Liabilities

As at 31st March	2024 Rs.'000	2023 Rs.'000
Advances received for future reservations*	115,438	111,303
Other payables	22,156	23,039
Other non financial liabilities	137,594	134,342

* The Company recognises advanced received for future reservations as contract liabilities.

25. Contingencies

Contingent liabilities

There were no contingent liabilities outstanding at the reporting date, except for pending litigation in relation to:

- (a) The application filed by legal counsel on behalf of the Company objecting the order made by the Learned Magistrate of Maligakanda Magistrate Court for the Company to pay 1% of the turnover of the Hotel as license fees to the Colombo Municipal Council (CMC). The Company filed a petition of appeal on 27th January 2011 in the court of appeal. The Court of appeal has abated the matter pending the decision of the court in the writ Application filed challenging the levying of 1% of Turnover as License Duty.
- (b) There are thirteen cases filed by the Colombo Municipal Council at the Maligakanda Magistrate Court for operating a restaurant without obtaining a requisite license in the years 2009 (13219/M), 2010 (14158/M), 2011 (15464/R), 2013 (28930/14), 2014 (16397/15), 2015 (15580/16), 2016 (15689/17), 2017 (16909/18), 2018 (16251/19), 2019 (4689/20), 2020 (7579/21), 2021 (11639/22) and 2022 (25128/23) All cases, apart from the one filed for 2022 (25128/23) have concluded in the Magistrate's Court with the Hon. Magistrate holding against the Company and fining the Company LKR 100/-, for each case, which fine has been paid, as of date. The case filed for 2022 (25128/23) by the Colombo Municipal Council on the basis that The Company operated a restaurant in the year 2022 at its premises without obtaining a requisite license in terms of by-law No. 3 of the By-laws of Colombo Municipal Council relating to eating houses published in the Government Gazette bearing No. 13,354 dated 19th October 1962.

Preliminary objection was raised against the charge, which was rejected by the Hon. Magistrate. The matter is fixed for trial on 14th June 2024.

- (c) The writ application (766/2010) filed by the company challenging, inter alia, the decision taken by Colombo Municipal Council to levy license fees equivalent to 1% of the total annual turnover as a pre-condition to the issue of the Annual Trade License for the years 2008, 2009 and 2010 in respect of the restaurant operated at hotel premises. Judgment of the Court of Appeal was given against the Hotel on 19th September 2019, while the cost was ordered, the same has not been quantified

26. Commitments

(a) Capital Commitments

The Company has capital commitment as at the reporting date .

(b) Tax Assessments

The Company is in the view that the above assessment will not have any material impact on the financial statements

27 Stated Capital

As at 31st March	2024		2023	
	Nos.'000	Rs.'000	Nos.'000	Rs.'000
Balance at beginning of the year	484,000	836,000	484,000	836,000
Balance at end of the year	484,000	836,000	484,000	836,000

NOTES TO THE FINANCIAL STATEMENTS

28. Reserves

As at 31st March	Note	2024 Rs. '000	2023 Rs. '000
Revaluation reserve	28.1	1,357,389	731,173
Total		1,357,389	731,173

28.1 Revaluation Reserve

The movement in the revaluation reserve is as follows.

	Note	2024 Rs. '000	2023 Rs. '000
At beginning of year		731,173	870,444
Revaluation gain during the year	12	938,021	-
Deferred tax on revaluation gain		(281,406)	-
Transfer to retained earnings*		(43,427)	-
Effect of income tax rate change on revaluation reserve		-	(139,271)
Deferred tax on transfers to retained earnings		13,028	-
At end of year		1,357,389	731,173

*The amount transfer to retained earnings represents 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.

29. Cash Generated From Operations

29.1 Reconciliation of profit before tax to cash generated from operations:

	2024 Rs. '000	2023 Rs. '000
Profit before tax	254,653	(404,852)
Adjustments for:		
Depreciation on Property, Plant and Equipment	161,640	194,005
Amortisation on Right to use Assets	247	247
Amortisation of intangible assets	5,662	3,612
Provision for bad and doubtful debts	2,989	5,693
Interest income	(5,774)	(11,004)
Interest expense	274,721	383,574
Foreign exchange gain/(loss)	28,743	(7,191)
Loss on disposal of Property, Plant and Equipment	893	1,171
Post employment benefit plans	24,711	20,567
Changes in working capital:		
- Receivable and prepayments	(531,778)	(136,917)
- Inventories	(2,437)	(53,858)
- Payables	259,356	306,428
Net cash generated from/(used in) operations	473,626	301,475

29.2 Changes in liabilities arising from Financing activities

	Balance as at 01 April 2023	Interest converted to loan	Cash Inflows	Cash Outflows	Exchange differences and other non cash adjustments	Balance as at 31 March 2024
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Interest bearing Loans and Borrowings	2,004,429	233,249	-	(310,176)	(257,029)	1,670,473
Total Liabilities from Financing activities	2,004,429	233,249	-	(310,176)	(257,029)	1,670,473

	Balance as at 01st April 2022	Interest converted to loan	Cash Inflows	Cash Outflows	Exchange differences and other non cash adjustments	Balance as at 31st March 2023
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Interest bearing Loans and Borrowings	1,634,394	137,123	271,349	(95,634)	57,197	2,004,429
Total Liabilities from Financing activities	1,634,394	137,123	271,349	(95,634)	57,197	2,004,429

30. Related Party Disclosure

30.1 Non-recurrent related party transactions:

There were no non-recurrent related party transactions which in aggregate value exceeds 10% of the equity of 5% of the total assets whichever is lower of the company as per 31st March 2024 audited financial statements, which required additional disclosures in the 2023/24 Annual Report under Colombo Stock Exchange listing Rule 9.3.2 and Code of Best Practices on Related Party Transactions under the Security Exchange Commission Directive issued under Section 13(c) of the Security Exchange Commission Act.

30.2 Recurrent related party transactions:

“Except for the below, there were no recurrent related party transactions which in aggregate value exceeds 9% of the revenue of the company as per 31st March 2024 audited financial statements, which required additional disclosures in the 2023/24 Annual Report under Colombo Stock Exchange listing Rule 9.3.2 and Code of Best Practices on Related Party Transactions under the Security Exchange Commission Directive issued under section 13(c) of the Security Exchange Commission Act.

	2024
Hayleys PLC Aggregate value of Transactions during the year - Rs'000	462,997
Aggregate value of Transactions as a percentage of Net Revenue	9%

30.3 Parent and ultimate controlling party

Hayleys PLC holds 59.48% controlling interest of The Kingsbury PLC.

NOTES TO THE FINANCIAL STATEMENTS

30. Related Party Disclosure (Contd.)

30.4 Transactions with the related parties during the year were as follows:

Year ended 31st March	Parent **		Fellow subsidiaries		Entities connected to KMP		Total	
Nature of Transaction	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
Rooms and banquet sales	44,817	40,913	164,158	94,413	60,779	68,023	269,754	203,349
Purchase of goods / services	54,468	224,250	168,207	126,355	-	-	222,675	350,605
Marketing and promotional fees	-	-	228,724	141,966	-	-	228,724	141,967
Sectorial and administration charges	363,712	101,002	100,000	-	-	-	463,712	101,002

30.5 Outstanding receivables balance arising from the above transactions:

Year ended 31st March	Note	2024 Rs '000	2023 Rs '000
Ultimate Parent		11,530	6,308
Affiliated Other companies		567,035	155,154
Intercompany receivable	30.5.1	578,565	161,462
Entities connected to KMP		13,843	12,290

30.5.1 Outstanding intercompany receivables

Year ended 31st March	Relationship	2024 Rs '000	2023 Rs '000
Hayleys PLC	Ultimate Parent	11,530	6,308
Advantis Express (Pvt) Ltd	Affiliate	39	-
Air Global (Pvt) Ltd	Affiliate	9	-
Alumex PLC	Affiliate	651	3,349
Bonterra Ltd	Affiliate	295	-
Clarrion Shipping (Pvt) Ltd	Affiliate	66	1,179
Culture Club Resorts (Pvt) Ltd	Affiliate	11	-
Dipped Products PLC	Affiliate	753	3,860
Fentons Ltd	Affiliate	955	1,055
Haycarb PLC	Affiliate	943	1,929
Hayleys Advantis Ltd	Affiliate	-	1,797
Hayleys Agriculture Holdings Ltd	Affiliate	899	1,192
Hayleys Aventura (Pvt) Ltd	Affiliate	11,380	5,232
Hayleys Aviation & Projects (Pvt) Ltd	Affiliate	-	520
Hayleys Business Solutions (Pvt) Ltd	Affiliate	107	-
Hayleys Consumer Products Ltd	Affiliate	-	1,284
Hayleys Fabric PLC	Affiliate	1,599	1,752
Hayleys Fibre	Affiliate	56	618
Hayleys Free Zone Ltd	Affiliate	176	-
Hayleys Leisure PLC	Affiliate	241,425	127,193
Hayleys Travels (Pvt) Ltd	Affiliate	2,480	2,099
Kandyan Resorts (Pvt) Ltd	Affiliate	2,913	262
Luxury Resorts (Pvt) Ltd	Affiliate	299,332	605
Mabroc Teas (Pvt) Ltd	Affiliate	-	42
Millennium Transportation (Pvt) Ltd	Affiliate	34	-
North South Lines (Pvt) Ltd	Affiliate	133	-
Ocean Network Express Lanka (Pvt) Ltd	Affiliate	227	-
Ravi Industries Ltd	Affiliate	-	38
Rileys (Pvt) Ltd	Affiliate	135	34
S&T Interiors (Pvt) Ltd	Affiliate	144	387
Singer Finance (Lanka) PLC	Affiliate	334	160
Singer Sri Lanka PLC	Affiliate	262	-
Sun Tan Beach Resorts Ltd	Affiliate	11	-
Talawakelle Tea Estates PLC	Affiliate	1,342	496
Total Transport Solutions Maldives (Pvt) Ltd	Affiliate	29	-
Unisyst Engineering PLC	Affiliate	295	-
Volanka (Pvt) Ltd	Affiliate	-	71
		578,565	161,462

NOTES TO THE FINANCIAL STATEMENTS

30.6 Outstanding payable balance arising from the above transactions:

Year ended 31st March	Note	2024 Rs '000	2023 Rs '000
Ultimate Parent		756,928	517,503
Affiliated Other companies		38,415	6,745
Intercompany payable	30.6.1	795,343	524,248
Interest-bearing borrowings		-	-
		795,343	524,248

All the above related party transactions have been conducted on relevant commercial terms with the respective parties. All related party outstanding balances at the year-end are unsecured, interest free other than in the case of funding arrangements and are to be settled in cash or its equivalents.

30.6.1 Outstanding intercompany payables

Year ended 31st March	Relationship	2024 Rs '000	2023 Rs '000
Hayleys PLC	Ultimate Parent	756,928	517,503
Fentons Ltd	Affiliate	24,712	721
Hayleys Agriculture Holdings Ltd	Affiliate	768	732
Hayleys Business Solutions (Pvt) Ltd	Affiliate	1,126	185
Hayleys Consumer Products Ltd	Affiliate	1,877	2,085
Kandyan Resorts (Pvt) Ltd	Affiliate	111	306
Logiwiz Ltd	Affiliate	281	379
Singer Finance (Lanka) PLC	Affiliate	-	-
Singer Sri Lanka PLC	Affiliate	652	19
IML Delivery Systems (Pvt) Ltd	Affiliate	4	0
Mabroc Teas (Pvt) Ltd	Affiliate	1,180	988
Hayleys Aviation & Projects (Pvt) Ltd	Affiliate	4,620	133
Culture Club Resorts (Pvt) Ltd	Affiliate	-	313
Unisyst Engineering PLC	Affiliate	-	744
Delmege Forsyth & Company Ltd	Affiliate	2,724	-
Energynet (Pvt) Ltd	Affiliate	-	73
Royal Ceramics Lanka PLC	Affiliate	360	67
		795,343	524,248

30.7 Key management compensation

The key management personnel (KMP) of the Company are the members of its Board of Directors and that of its parent.

30.8 Terms and Conditions of Transactions with Related Parties and KMP:

The sales to and purchases from related parties and KMP are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

Year ended 31st March	2024 Rs. '000	2023 Rs. '000
a. Key Management Personnel Compensation		
Short-term employee benefits	84,061	74,619
Directors' emoluments	6,200	5,659
	90,261	80,278
b. Transactions, with KMP and their close family members		
- Rooms and banquet sales	60,779	68,023
c. Outstanding receivable balance arising from above transactions:	13,843	50,515

31. Going Concern

The Kingsbury PLC being a leading 5 star hotel in the city of Colombo, reported a profit after tax amounting to Rs. 264 Mn. with a remarkable turnaround from adverse conditions prevailed for last four years. In determining the basis of preparation of the Financial Statements for the year ended 31 March 2024, based on the assessment made by the management there are no material uncertainties that may cast significant doubt on the company's ability to continue as a Going Concern. The Company continued to place emphasis on undrawn facilities and improved cashflow generated from the operation to meet short, medium, and long term fund requirements, unforeseen obligations as well as unanticipated opportunities.

Having anticipated the financial impact and relatable adverse effects, the Company undertook rigorous cost management measures and alternate revenue generating avenues were also introduced to ensure business continuity. Furthermore, the Company has proactively approached Financial Institutions to negotiate and enable funding mechanisms to counter upcoming funding requirements. Having considered possible scenarios, the Board of Directors is satisfied that the company has sufficient capital to continue in operational existence for the foreseeable future.

32. Fair Value of Financial Assets and Liabilities

Financial instruments of the Company comprise financial assets and financial liabilities. Fair value is the amount at which the financial assets could be exchanged or a financial liability transferred, between knowledgeable and willing parties in an arm's length transaction. The information presented herein represents the determination of fair values as at the reporting date.

32.1 Financial Instruments carried at Fair Value

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

NOTES TO THE FINANCIAL STATEMENTS

32. Fair Value of Financial Assets and Liabilities (Contd...)

32.2 Financial Instruments not carried at Fair Value

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.

As at 31st March	2024		2023	
	Carrying Value Rs.'000	Fair Value Rs.'000	Carrying Value Rs.'000	Fair Value Rs.'000
Financial assets				
Cash and bank	147,035	147,035	167,386	167,386
Trade and other receivables	870,866	870,866	374,641	374,641
	1,017,901	1,017,901	542,027	542,027
Financial liabilities				
Trade and other payables	1,612,495	1,612,495	1,165,903	1,165,902
Interest-bearing loans and borrowings	1,971,391	1,971,391	2,244,640	2,244,640
	3,583,886	3,583,886	3,410,543	3,410,542

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:

Other current financial assets, trade and other receivables and trade and other payables

For the above, instruments with maturities of less than 12 months, the carrying value closely approximates with its fair values.

Trade and other payables

For the above, instruments with maturities of less than 12 months, the carrying value is reasonably estimate of its fair values.

Interest-bearing loans and borrowings

All the borrowings are obtained at variable interest rates. Hence the carrying value closely approximates with its fair values.

33. Risk Management

33.1 Introduction

The Company has exposure to the following risks from its 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. The Audit Committee is assisted in its oversight role by the Management Audit System Review Department (MASRD) of Hayleys PLC. MASRD undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

33.2 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

As at 31st March	Note	2024 Rs.'000	2023 Rs.'000
Trade and other receivables	16	870,866	374,641

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

As at 31st March	Gross Receivable		Impairment Allowance		Carrying Value	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
Not due 0-30 days	179,984	140,894	-	-	179,984	140,894
Past due:						
Past due 31-60 days	88,415	174,779	-	-	88,415	174,779
Past due 61-90 days	(252)	33,032	-	-	(252)	33,032
Past due 90-120 days	140,010	-	-	-	140,010	-
Past due 120-180 days	141,053	17,745	-	-	141,053	17,745
More than 180 days	324,805	14,330	3,149	6,138	321,656	8,191
Total	874,015	380,780	3,149	6,138	870,866	374,641

NOTES TO THE FINANCIAL STATEMENTS

33. Risk Management (Contd.)

Movement in the Impairment Allowance*

	2024 Rs.'000	2023 Rs.'000
Balance at 1 April	6,138	445
Impairment recognised	(2,989)	5,693
Balance at 31 March	3,149	6,138

33.3 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 following are the contractual maturities of financial liabilities at its carrying value:

31 March 2024

	Contractual maturities of financial liabilities			
	Carrying amount Rs.'000	Up to 3 Months Rs.'000	3-12 Months Rs.'000	1 - 5 Years Rs.'000
Trade and other payables	1,612,495	1,179,825	432,670	-
Interest-bearing borrowings	1,971,391	300,917	410,107	1,260,367
	3,583,886	1,480,742	842,777	1,260,367

31st March 2023

	Contractual maturities of financial liabilities			
	Carrying amount Rs.'000	Up to 3 Months Rs.'000	3-12 Months Rs.'000	1 - 5 Years Rs.'000
Trade and other payables	1,165,901	251,752	22,373	891,776
Interest-bearing borrowings	2,004,429	-	1,085,849	918,580
	3,170,330	251,752	1,108,222	1,810,356

The liquidity risk management

The mixed approach combines elements of the cash flow matching approach and the liquid assets approach.

The business units attempt to match cash outflows in each time bucket against the combination of contractual cash inflows plus other inflows that can be generated through the sale of assets, repurchase agreement, or other secured borrowings.

The Company continued to place emphasis on ensuring that undrawn committed facilities and the ultimate parent company's affirmation (refer Note 30.4) on its intention and ability to secure funding are sufficient to meet the short, medium and long-term funding requirements, unforeseen obligations as well as unanticipated opportunities.

Further the Company is in constant dialogue with banks regarding financing requirement including re-scheduling loan arrangements in-light with government introduced funding mechanisms aimed at providing assistance to overcome the liquidity concerns associated to the tourism industry. The Company continues to differ its essential expenditure to maintain a better cash position.

The daily cash management processes at the business units include active cash flow forecasts and matching the duration and profiles of assets and liabilities, thereby ensuring a prudent balance between liquidity and earnings.

- (c) If interest rate increased or decreased by 1% the effect of the same to the interest expenses and liability would be:

Year ended 31 March 2024 Increase / (decrease) in interest rate	Sensitivity Effect on Comprehensive Income increase /(decrease) in results for the year	Sensitivity Effect on borrowings liability increase/(decrease) in the Liability
1%	(19,714)	19,714
(1%)	19,714	(19,714)
Year ended 31 March 2023 Increase / (decrease) in interest rate	Sensitivity Effect on Comprehensive Income increase /(decrease) in results for the year	Sensitivity Effect on borrowings liability increase/(decrease) in the Liability
1%	(19,851)	19,851
(1%)	21,351	(21,351)

33.4 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, purchases, borrowings 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, Sterling pounds, Euro and Japanese yen.

If market rate appreciate or depreciate by 1% the effect of the same to the exchange gain/(loss) would be:

Year ended 31 March 2024	Increase / (decrease) in market rate	Sensitivity Effect on Comprehensive Income increase/(decrease) in results for the year Rs '000
	1%	(40)
	(1%)	40
Year ended 31 March 2023	Increase / (decrease) in market rate	Sensitivity Effect on Comprehensive Income increase/(decrease) in results for the year Rs '000
	1%	(72)
	(1%)	72

34. Capital Management

The Company's capital structure consists of debt, which includes the loans and borrowings disclosed in Note 19 cash and cash equivalents disclosed in Note 18 and the equity, comprising share capital, reserves and retained earnings, as disclosed in the statement of changes in equity. The Company seeks to maintain a balance between the higher returns that might be possible with reasonable levels of borrowings obtained to fund its long term projects as the hotel underwent upgrading.

35. Events Occurring after the Reporting Date

There were no significant events subsequent to the balance sheet date which is required to be disclosed in the Financial Statements.

Supplementary Information



Timeless Insights

Our success depends on a cohort of moving parts. We provide a breakdown of those additional aspects that drive our achievements, with an affirmation to our stakeholders of our unshakable dedication towards offering extraordinary experiences to guests.

Supplementary Information 131– 140

Information to Shareholders	131
Ten Year Financial Summary	133
Corporate Structure	135
Notice of Meeting	138
Form of Proxy	139

INFORMATION TO SHAREHOLDERS

ORDINARY SHAREHOLDERS AS AT 31 MARCH 2024

Ordinary Shareholders as at 31 March - 4661

No. of Shares Held	Residents			Non Residents			Total		
	No. of Shareholders	No. of Shareholders	%	No. of Shareholders	No. of Shareholders	%	No. of Shareholders	No. of Shareholders	%
01 - 1,000	2,597	820,796	0.17	8	4,165	0.00	2,605	824,961	0.17
1,001 - 10,000	1,485	5,594,058	1.16	22	104,155	0.02	1,507	5,698,213	1.18
10,001 - 100,000	446	14,329,520	2.96	2	49,400	0.01	448	14,378,920	2.97
100,001 - 1,000,000	72	19,533,586	4.04	1	140,000	0.03	73	19,673,586	4.06
Over 1,000,000	28	443,424,320	91.62	-	-	-	28	443,424,320	91.62
	4,628	483,702,280	99.94	33	297,720	0.06	4,661	484,000,000	100.00
Category									
Individuals	4,464	80,452,892	16.62	33	297,720	0.06	4,497	80,750,612	16.68
Institutions	164	403,249,388	83.32	-	-	-	164	403,249,388	83.32
	4,628	483,702,280	99.94	33	297,720	0.06	4,661	484,000,000	100.00

Market Value and Share Trading Information

For the 12 months ended 31 March	2023/24		2022/23	
	Date		Date	
Highest Price Rs.	11.09.2023	12.5	15.09.2022	11.4
Lowest Price Rs.	01.06.2023	8.3	21.06.2022 and 12.07.2022	6.5
Closing Price Rs.		10.8		9.9
No. of transactions		7,268		4,675
No. of shares traded		57,676,313		12,834,014
Value of shares traded Rs.		630,499,103.10		114,077,042.90

INFORMATION TO SHAREHOLDERS

Top 20 Shareholders

	Name of Shareholder	No. of Shares as at 31.03.2024	%	No. of Shares as at 31.03.2023	%
1	Hayleys PLC No 3 Share Investment Account	174,614,114	36.08	174,614,114	36.08
2	Carbotels (Pvt) Limited	113,250,000	23.40	113,250,000	23.40
3	Employee's Provident Fund	51,119,894	10.56	51,119,894	10.56
4	Mr. Kulappuarachchige Don Harindra Perera	15,096,347	3.12	10,016,138	2.07
5	Mr. Kulappuarachchige Don Anurada Perera	13,346,626	2.76	13,346,626	2.76
6	Bank of Ceylon No 2 A/C (BoC PTF)	10,860,351	2.24	10,860,351	2.24
7	Bank of Ceylon A/C Ceybank Unit Trust	10,779,473	2.23	10,779,473	2.23
8	Mr. Kulappuarachchige Don Dammika Perera	6,432,292	1.33	6,432,292	1.33
9	Renuka Hotels PLC	4,742,600	0.98	4,742,600	0.98
10	Renuka City Hotels PLC	4,520,600	0.93	4,520,600	0.93
11	Merchant Bank of Sri Lanka & Finance PLC 01	3,875,454	0.80	3,875,454	0.80
12	Renuka Consultants & Services Limited	3,670,200	0.76	3,670,200	0.76
13	Associated Electrical Corporation Ltd	3,415,784	0.71	6,008,326	1.24
14	Mr. Narawala Gamage Mahinda	2,927,585	0.60	1	0.00
15	Mr. Amarakoon Mudiyanseelage Weerasinghe	2,507,771	0.52	1,507,771	0.31
16	People's Leasing & Finance PLC/L. P. Hapangama	2,455,400	0.51	2,455,400	0.51
17	Mr. Savantha Rishad Sproule De Saram	2,352,500	0.49	51,513	0.01
18	Mr. Addara Pathirana Somasiri	2,200,000	0.45	2,200,000	0.45
19	Mr. Shiran Harsha Amarasekera	2,149,000	0.44	2,151,000	0.44
20	Cargo Boat Development Company PLC	2,020,200	0.42	2,020,200	0.42
	Total	432,336,191	89.33	423,621,953	87.52

There were no non-voting shares as at 31 March 2024

	2024	2023
Market Capitalisation as at 31 March	5,227,200,000	4,791,600,000
Float - Adjusted Market Capitalisation as at 31 March	2,047,494,240	1,876,869,720
Minimum public holding requirement as at 31 March	20.00%	20.00%
Percentage of Public Holding	39.17%	39.17%
Total no. of shareholders representing public holding	4,657	4,588

The Company complies with option 5 of the Listing Rules 7.13.1 (i) (a) which requires a minimum public holding of 20% for a Company having a float adjusted market capitalisation of less than Rs. 2.5 Bn.

TEN YEAR FINANCIAL SUMMARY

	2023/24 Rs'000	2022/23 Rs'000	2021/22 Rs'000	2020/21 Rs'000	2019/20 Rs'000	2018/19 Rs'000	2017/18 Rs'000	2016/17 Rs'000	2015/16 Rs'000	2014/15 Rs'000
OPERATING RESULTS										
Revenue	5,266,787	3,817,614	2,021,666	777,923	1,843,754	2,956,631	3,085,143	3,061,048	2,702,581	2,412,816
Cost of sales	(2,774,366)	(2,398,328)	(1,544,454)	(862,849)	(1,222,437)	(1,526,383)	(1,630,688)	(1,469,351)	(1,264,925)	(1,155,415)
Gross Profit/(Loss)	2,492,421	1,419,286	477,212	(84,926)	621,317	1,430,248	1,454,455	1,591,697	1,437,656	1,257,401
Other income and expenses	14,347	7,505	25,406	33,405	85,644	(28,985)	12,541	(4,503)	2,918	(3,810)
Administrative expenses	(1,869,081)	(1,412,003)	(801,228)	(702,416)	(883,719)	(1,020,714)	(1,060,184)	(919,108)	(790,370)	(737,602)
Marketing expenses	(85,344)	(54,261)	(47,811)	(45,342)	(112,583)	(150,783)	(137,734)	(129,346)	(122,455)	(86,274)
Finance income	6,047	18,195	25,633	601	6,309	9,281	8,765	20,905	18,393	16,192
Finance expense	(303,737)	(383,574)	(135,750)	(82,717)	(122,101)	(66,259)	(89,914)	(134,629)	(188,283)	(145,786)
Profit/(Loss) before tax	254,653	(404,852)	(456,538)	(881,394)	(405,133)	172,788	187,929	425,016	357,860	300,121
Income tax expense	9,432	(147,621)	29,702	123,200	12,284	(72,011)	(48,775)	(44,670)	(64,493)	(8,698)
Net Profit/(Loss) after tax	264,085	(552,473)	(426,836)	(758,194)	(392,849)	100,777	139,154	380,346	293,367	291,423
ASSETS EMPLOYED										
Non-current assets										
Property, plant and equipment	4,497,314	3,631,703	3,751,326	3,856,101	4,095,352	3,690,668	3,898,611	3,860,890	3,791,472	3,836,936
Intangible assets	20,639	16,843	5,952	7,250	11,374	17,128	21,214	25,517	24,110	24,517
Right of use asset	11,180	11,427	11,674	11,921	12,168	-	-	-	-	-
	4,529,133	3,659,973	3,768,952	3,875,272	4,118,894	3,707,796	3,919,825	3,886,407	3,815,582	3,861,453
Current assets										
Cash and cash equivalents	147,035	167,386	112,265	13,571	63,947	253,156	294,984	496,742	517,047	396,550
Current assets other than cash and cash equivalents	1,146,183	615,894	423,107	227,339	398,780	351,538	321,658	327,552	307,796	310,939
	1,293,218	783,280	535,372	240,910	462,727	604,694	616,642	824,294	824,842	707,489
Total assets	5,822,351	4,443,253	4,304,324	4,116,182	4,581,621	4,312,490	4,536,467	4,710,701	4,640,424	4,568,942
SHAREHOLDER'S FUND										
Stated capital	836,000	836,000	836,000	836,000	836,000	836,000	836,000	836,000	836,000	836,000
Reserves	1,357,389	731,173	870,444	816,874	833,924	826,093	904,808	940,907	905,830	930,576
Retained earnings	(842,609)	(1,143,155)	(579,342)	(167,943)	565,212	911,606	793,072	613,646	440,154	196,636
	1,350,780	424,018	1,127,102	1,484,931	2,235,136	2,573,699	2,533,880	2,390,553	2,181,984	1,963,212
LIABILITIES										
Non-current liabilities										
Non-current liabilities other than borrowings	750,091	474,352	171,743	194,573	318,876	335,880	282,418	246,327	164,366	126,412
Borrowings	1,260,367	918,580	1,036,859	1,049,209	574,469	550,610	510,618	942,101	1,380,820	1,702,610
	2,010,458	1,392,932	1,208,601	1,243,782	893,345	886,490	793,036	1,188,428	1,545,186	1,829,022
Current liabilities										
Current liabilities other than borrowings and overdraft	1,750,089	1,300,243	993,597	785,505	752,255	388,855	462,197	562,965	386,163	275,357
Current portion of borrowings and bank overdraft	711,024	1,326,060	975,024	601,964	700,885	463,446	747,354	568,755	527,091	501,351
	2,461,113	2,626,303	1,968,621	1,387,469	1,453,140	852,301	1,209,551	1,131,720	913,254	776,708
Total equity and liabilities	5,822,351	4,443,253	4,304,324	4,116,182	4,581,621	4,312,490	4,536,467	4,710,701	4,640,424	4,568,942

TEN YEAR FINANCIAL SUMMARY

		2023/24 Rs'000	2022/23 Rs'000	2021/22 Rs'000	2020/21 Rs'000	2019/20 Rs'000	2018/19 Rs'000	2017/18 Rs'000	2016/17 Rs'000	2015/16 Rs'000	2014/15 Rs'000
KEY INDICATORS											
Current ratio	No of Times	0.53	0.30	0.27	0.17	0.32	0.71	0.51	0.73	0.90	0.91
Net assets per share	(Rs)	2.79	0.88	2.33	3.07	4.62	10.64	10.47	9.88	9.02	8.11
Market price per share	(Rs)	10.80	9.90	8.00	6.00	8.70	12.80	18.00	15.50	15.00	16.00
Earnings per share	(Rs)	0.55	(1.14)	(0.88)	(1.57)	(0.81)	0.42	0.58	1.57	1.21	1.20
Price earnings ratio	No of Times	19.79	(8.68)	(9.07)	(3.83)	(5.36)	30.74	31.30	9.86	12.37	13.29
Gearing	%	59.34	84.11	64.09	49.68	35.93	27.48	32.70	37.81	46.21	53.51

CORPORATE STRUCTURE

Name of Company

The Kingsbury PLC

Company Registration No.

PQ 203

Legal Form

A Public Limited Company Incorporated in Sri Lanka

Date of Incorporation

04 May 1969

Registered Office

No. 48, Janadhipathi Mawatha

Colombo 01

Sri Lanka.

Telephone : 011 - 2421221

Website : www.thekingsburyhotel.com

Stock Exchange Listing

The Ordinary shares of the Company are listed with the Colombo Stock Exchange of Sri Lanka.

Board of Directors

Mr. A. M. Pandithage (Chairman)

Mr. R. J. Karunaratna (Managing Director)

Mr. N. J. De.S Deva Adithya

Mr. S. C. Ganegoda

Ms. R. N. Ponnambalam

Ms. I. Jamaldeen

Mr. T. A. B. Speldewinde

Ms. D. B. Perera

Mr. D. T. R De Silva

Remuneration Committee

Mr. T. A. B. Speldewinde (Chairman)

Mr. D. T. R. De Silva

Mr. S. C. Ganegoda

Nominations and Governance Committee

Mr. T. A. B. Speldewinde (Chairman)

Mr. D. T. R. De Silva

Mr. S. C. Ganegoda

Related Party Transactions Review Committee

Mr. T. A. B. Speldewinde (Chairman)

Mr. D. T. R. De Silva

Mr. S. C. Ganegoda

Audit Committee

Mr. T. A. B. Speldewinde (Chairman)

Mr. D. T. R. De Silva

Ms. I. Jamaldeen

Secretaries

Hayleys Group Services (Private) Limited

No. 400, Deans Road

Colombo 10

Sri Lanka.

Telephone : +94 112 627 650-3 (4 lines)

Auditors

Ernst & Young Chartered Accountants

Rotunda Towers

No. 109, Galle Road

Colombo 03

Sri Lanka.

Bankers

Hatton National Bank PLC

Bank of Ceylon

DFCC Bank PLC

Nations Trust Bank PLC

NOTES

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN THAT THE FIFTY FIFTH ANNUAL GENERAL MEETING OF THE KINGSBURY PLC will be held on Wednesday, 26 June 2024 at 1.00 p.m. at the Chas P. Hayley Lounge of Hayleys PLC, No. 400, Deans Road, Colombo 10 for the following purposes:

1. To consider and adopt the Annual Report of the Board of Directors and the Statements of Accounts for the year ended 31st March 2024 with the Report of the Auditors thereon.
2. To re-elect as a Director Ms. R. N. Ponnambalam, who retires by rotation at the Annual General Meeting in terms of Article 86 of the Articles of Association of the Company.
3. To re-elect as a Director Mr. T. A. B. Speldewinde, who retires by rotation at the Annual General Meeting in terms of Article 86 of the Articles of Association of the Company.
4. To re-elect as a Director Mr. D. T. R. De Silva who has been appointed to the Board since the last Annual General Meeting, in terms of Article 94 of the Articles of Association of the Company.
5. To propose the following resolution as an ordinary resolution for the re-appointment of Mr. N. J. De S. Deva Adithya in terms of Section 211 of the Companies Act No. 07 of 2007.

Ordinary Resolution

‘That Mr. Niranjana Joseph De Silva Deva Adithya, who has attained the age of Seventy-Five years be and is hereby re-appointed as a Director for a further period of one year and it is hereby declared that the age limit of seventy years referred to in Section 210 of the Companies Act No. 07 of 2007 shall not apply to him’.

6. To propose the following resolution as an ordinary resolution for the re-appointment of Mr. A. M. Pandithage, in terms of Section 211 of the Companies Act No. 07 of 2007.

Ordinary Resolution

‘That Mr. Abeyakumar Mohan Pandithage, who has attained the age of Seventy-Three years be and is hereby re-appointed as a Director for a further period of one year and it is hereby declared that the age limit of seventy years referred to in Section 210 of the Companies Act No. 07 of 2007 shall not apply to him’.

7. To authorise the directors to determine donations and contributions to charities for the ensuing year.

8. To re-appoint Messrs. Ernst & Young, Chartered Accountants as the Auditors of the Company for the year 2024/25 and to authorise the Directors to determine their remuneration.

By Order of the Board,

THE KINGSBURY PLC

HAYLEYS GROUP SERVICES (PRIVATE) LIMITED
SECRETARIES

COLOMBO

31 May 2024

Notes to shareholders:

1. The Annual Report of the Company for 2023/24 is available on the corporate website: <https://www.thekingsburyhotel.com/annual-reports> and on the Colombo Stock Exchange website: <https://cse.lk/pages/company-profile/company-profile.component.html?symbol=SERV.N0000>
2. A Shareholder is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a Shareholder of the Company. A Form of Proxy is enclosed for this purpose. The instrument appointing a proxy must be deposited at the office of the Company Secretaries at No. 400, Deans Road, Colombo 10, Sri Lanka not less than forty-eight (48) hours before the time fixed for the Meeting.
3. A shareholder who requires a hard copy of the Annual Report must post or handover the duly completed ‘Form of Request for a printed copy of the Annual Report 2023/24’ to the office of the Secretaries.

FORM OF PROXY

I/We
(Full Name of Shareholder, NIC No./Reg. No.) of
..... being a Shareholder/Shareholders of The Kingsbury PLC hereby appoint:
(1) (Full Name of Proxyholder and NIC No.) of
..... or failing him/her
(2) ABEYAKUMAR MOHAN PANDITHAGE (Chairman of the Company) of Colombo, or failing him, one of the Directors of the Company as my/
our Proxy to attend and vote as indicated hereunder for me/us and on my/our behalf at the Fifty Fifth Annual General Meeting of the Company
to be held on Wednesday, 26 June 2024 at 1.00 p.m and at every poll which may be taken in consequence of the aforesaid meeting and at any
adjournment thereof.

	For	Against
1. To adopt the Annual Report of the Directors and the Statement of Accounts for the year ended 31st March 2024 with the Report of the Auditors thereon.	<input type="checkbox"/>	<input type="checkbox"/>
2. To re-elect as a Director Ms. R. N. Ponnambalam, as set out in the Notice.	<input type="checkbox"/>	<input type="checkbox"/>
3. To re-elect as a Director Mr. T. A. B. Speldewinde, as set out in the Notice.	<input type="checkbox"/>	<input type="checkbox"/>
4. To re-elect as a Director Mr. D. T. R. De Silva, as set out in the Notice	<input type="checkbox"/>	<input type="checkbox"/>
5. To re-appoint Mr. N. J. De S Deva Adithya, in terms of Section 211 of the Companies Act No. 07 of 2007.	<input type="checkbox"/>	<input type="checkbox"/>
6. To re-appoint Mr. A. M. Pandithage, in terms of Section 211 of the Companies Act No. 07 of 2007.	<input type="checkbox"/>	<input type="checkbox"/>
7. To authorise the Directors to determine donations and contributions to charities for the ensuing year.	<input type="checkbox"/>	<input type="checkbox"/>
8. To re-appoint Messrs Ernst & Young, Chartered Accountants as the Auditors of the Company for the year 2024/25 and to authorise the Directors to determine their remuneration.	<input type="checkbox"/>	<input type="checkbox"/>

Signed on this day of 2024.

.....
Signature of Shareholder

(Instructions are given overleaf)

FORM OF PROXY

Instructions:

1. The completed Form of Proxy must be deposited with the Company Secretaries, Hayleys Group Services (Private) Limited, at No. 400, Deans Road, Colombo 10, Sri Lanka not less than forty-eight (48) hours before the start of the meeting. Delayed Proxy Forms shall not be accepted.
2. A Shareholder entitled to attend and vote at the Annual General Meeting of the Company, is entitled to appoint a Proxy to attend and vote instead of him/her and the Proxy need not be a Shareholder of the Company.
3. Full name of Shareholder/Proxy holder and their NIC Nos. are mandatory. Your Proxy Form will be rejected if these details are not completed.
4. A Shareholder is not entitled to appoint more than one Proxy to attend on the same occasion.
5. The duly completed Proxy Form must be dated and signed by the Shareholder.
6. Please indicate with an "X" in the space provided how your proxy is to vote on the resolutions. If no indication is given, the proxy can vote as he/she thinks fit.
7. In the case of a company/corporation the proxy must be executed in the manner prescribed by its Articles of Association or by a duly authorised Director.
8. Where the Form of Proxy is signed under a Power of Attorney (POA) which has not been registered with the Company, the original POA together with a photocopy of same or a copy certified by a Notary Public must be lodged with the Company along with the Form of Proxy.
9. In case of Marginal Trading Accounts (slash accounts), the Form of Proxy should be signed by the respective authorised Fund Manager/Banker with whom the account is maintained.



THE KINGSBURY
COLOMBO - SRI LANKA