



BANSEI ROYAL RESORTS HIKKADUWA PLC



CORAL ROCK BY BANSEI
ANNUAL REPORT 2023/2024

PERFORMANCE HIGHLIGHTS

FOR THE YEAR	2023/24	2022/23	2021/22	2020/21	2019/20
Turnover	115,915,482	98,572,861	51,901,508	9,498,728	60,143,680
Profit/(Loss) Before Tax	32,310,694	26,089,816	1,275,425	(26,192,873)	4,490,289
Profit/(Loss) After Tax	22,082,541	16,472,022	821,537	(23,312,102)	3,548,802

AT THE YEAR END

Shareholders' Funds	294,482,806	283,745,630	267,103,713	265,512,500	291,700,108
Total Assets	334,473,867	311,314,964	280,753,840	280,080,544	309,548,628
Company Employment (No of Persons)	38	38	38	35	45

PER SHARE

Earnings (Rs)	0.41	0.31	0.02	(0.43)	0.07
Dividend (Rs)	-	0.20	-	-	0.05
Net Assets (Rs)	5.48	5.28	4.97	4.94	5.43
Market Value (Closing Price) (Rs)	12.90	11.30	10.60	9.00	4.00
Highest Price (Rs)	13.70	12.90	14.00	10.80	7.90
Lowest Price (Rs)	8.50	7.00	7.00	3.80	3.90

RATIO

Gross Profit (%)	79%	78%	79%	65%	85%
Current Ratio (Times)	9.14	8.36	8.76	8.42	10.94
Dividend payout (%)	-	65%	-	-	76%

PUBLIC HOLDING

Percentage of Public Holding As st 31st March	10%	10%	10%	10%	10%
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MANAGEMENT DISCUSSION AND ANALYSIS

We are pleased to present to you the highlights of the Annual Report and Financial Statements of Bansei Royal Resorts Hikkaduwa PLC for the year ended 31 March 2024.

Coral Rock by Bansei in Hikkaduwa Sri Lanka, is a popular destination in the south for both local and international guests. We have 14 Deluxe and 02 Super Deluxe rooms overlooking the Hikkaduwa beach. We have 14 standard rooms with delightful views of the city. Our full-length swimming pool, complete with a poolside bar, is just steps away from the beautiful beach extending out towards the ocean. Our restaurant serves the best of regional culinary delights. At Coral Rock by Bansei, we offer a unique hospitality experience, giving you the contemporary best of a star-class hotel in Hikkaduwa, Sri Lanka.

The company's strong performance driven by our core values, reflects our commitment to teamwork and sustainable development. Our strategy, guided by clear direction and people-centric leadership, underscores our focus on sustainable growth. Revenue for the year increased by 18% to LKR. 116 million, resulting in a 24% increase in profit before tax to LKR. 32 million.

The company earned a net profit of LKR. 22 million, reflecting a 34% increase from the previous year. Bansei Royal Resorts Hikkaduwa PLC has historically paid out maximum dividends to its shareholders while continuing to care for the hotel property and all stakeholders of the business.

THE GLOBAL ECONOMY

The 2023 United Nations World Tourism Organization (UNWTO) World Tourism Barometer indicates a significant rebound in international tourism, with destinations worldwide welcoming global travellers and reaching 88% of pre-pandemic levels. This resurgence is attributed to the unleashing of pent-up demand, improved air connectivity, and the robust recovery of Asian markets.

GLOBAL TOURISM

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

SRI LANKA ECONOMY

The relative stabilisation of the economic, social, and political environment, aided by the improved air connectivity, resulted in a resurgence in tourist arrivals of close to 1.5 million travellers, in 2023, recording 106.6% growth from approximately 720 thousand arrivals in 2022. Arrivals for the month of December 2023, crossed 200,000 for the first time since 2019, and the momentum was sustained in the first quarter of CY 2024.

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

SRI LANKAN TOURISM

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

The Sri Lanka Tourism Development Authority (SLTDA), aims to attract 2.3 million visitors in CY2024. Although arrivals are still below pre-pandemic levels, it is encouraging to witness the month-on-month pickup in inquiries and forward bookings.

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

CONCLUSION

We would like to express our heartfelt gratitude to the banking partners, suppliers, members of the local community, tour operators, travel agents, online sales partners, and our guests.

We are hopeful that this financial year will bring more success to our company and our country, as we welcome a new era of tourism in Sri Lanka.

BOARD OF DIRECTORS



Mr. T. de Zoysa,
Chairman

A well-known figure in the Sri Lankan business community, Tilak de Zoysa, FCMI (UK) FPRI (SL), Honorary Consul for Croatia and Global Ambassador for HelpAge International was conferred the title of “Deshabandu” by His Excellency the President of Sri Lanka in recognition of his services to the Country and was the recipient of “The Order of the Rising Sun. Gold Rays with Neck Ribbon” conferred by His Majesty the Emperor of Japan, and was the Recipient of the LMD lifetime achievers’ Award 2017.

In addition to being the Chairman of Carson Cumberbatch PLC, Associated CEAT (Pvt) Ltd, Amaya Hotels and Resorts USA (Radisson), Jetwing Zinc Journey Lanka (Pvt) Ltd, Trinity Steel (Pvt) Ltd, CG Corp Global Sri Lanka and HelpAge Sri Lanka.

He is also the Vice Chairman of CEAT Kelani Holdings (Pvt) Ltd., and serves on the boards of several listed and private Companies which include TAL Lanka Hotels PLC (Taj), TAL Hotels and Resorts Ltd, Nawaloka Hospitals PLC, Associated Electrical Corporation Ltd, INOAC Polymer Lanka (Pvt) Ltd, Cinnovation INC, Varun Beverages Lanka (Pvt) Ltd (Pepsi), and Is a Member of the Kalutara Bodhi Trust.

Mr. Tilak de Zoysa was the past Chairman of the Supervisory Board (AMW) and Advisor to the Al-Futtaim Group of Companies in Sri Lanka, past Chairman of the Ceylon Chamber of Commerce, the National Chamber of Commerce of Sri Lanka, HelpAge International (UK), Colombo YMBA and Board of Governors and the Sasakawa Memorial Sri Lanka Japan Cultural Centre Trust, and served as a Member of the Monetary Board of Sri Lanka (2003-2009).



Mr. T. Murakami
Deputy Chairman

Mr. Toyohiko Murakami is the Chief Executive of Bansei Group Japan. Mr. Murakami has over 36 years of experience in managing various business fields consisting of Securities, Finance, Insurance, and Real Estate.

Mr. Murakami has a degree in Bachelor of Law from Kyoto University, Japan. Mr. Murakami joined Bansei Securities Co. Ltd. in November 2005.

He was appointed to Executive Vice President in February 2006 and to President and C.E.O of the Company in June 2009.

He is also the CEO of Bansei Holdings Co., Bansei Hoken (Insurance) Community Co. Ltd, Bansei Ayuryveda Co. Ltd, Bansei Research Institute Co. Ltd, Bansei Sho Co. Ltd., Ceylontime Co. Ltd in Bansei Group Japan.

Formerly Mr. Murakami was Advisor with Zenkoku Hosho Co., Ltd from November 2005 to February 2006 and Director of H. S. Securities Co., Ltd from June 2002 to August 2005.

In Sri Lanka, Mr. Murakami serves as a Director of Bansei Holding LK (Pvt) Ltd, Bansei Securities Capital (Pvt) Ltd, Bentota Club Villa (Pvt) Ltd.

Mr. Murakami was appointed to the Board on 30th June 2013.



Mr. H. Ota
*Director/Chief Executive
Officer*

Mr. Ota is the Managing Director of Bansei Securities Co. Ltd., and counts over 36 years of experience in finance business (Commercial Banking, Trust Banking, Lease Finance, Securities Business). Mr. Ota has a Bachelor of Law from Kyoto University, Japan.

He joined Bansei Securities Co. as a Managing Director in November 2014. He has supported Mr. Toyohiko Murakami who is the Chief Executive of Bansei Group to transfer the Company to be strong and profitable. He is a director of Pan Asia Banking Corporation. He is known as the man who has bridged Sri Lanka and Japan in Financial Business.

Formerly he worked for The Long-Term Credit Bank of Japan (April 1982-September 2000) and Sumitomo Trust & Banking Co. Ltd (October 2000 - September 2011) and Ricoh Co. Ltd (October 2011- October 2014).

Mr. Ota was appointed to the Board on 12th March 2015.



Mr. J. V. W. Malawana
Non – Executive Director

With a long spanning career in the financial services industry, Mr. Viraj Malawana has held senior positions at the Colombo Stock Exchange and Brunei Stock Exchange, HSBC and Standard Chartered Bank and is credited for structuring and creating novel investment instruments customized specifically for foreign investors into Sri Lanka. He later founded and served as Chief Executive Officer of New World Securities Pvt Ltd, a trading member of the Colombo Stock Exchange.

He is currently the Managing Director of NWS Holdings Pvt. Ltd and NWS Management Services Pvt Ltd, as well as Veritas Holdings Pvt Ltd and Aspen Capital (PTY) Ltd Australia. He serves as the Chairman of Sushi Bar Samurai Pvt. Ltd. His Directorates includes Aspen Hills Capital Inc. (Canada), Ollier Powder Coating (PTY) Ltd (Australia) kokusai (PTY) Ltd (Australia). He was also a former Director of Ideal Finance Ltd (a licensed Finance Company registered under Central Bank of Sri Lanka), Wealth Trust Securities Ltd, a registered Primary Dealer under the Central Bank of Sri Lanka and Strategic Business Innovator Pvt. Ltd (a subsidiary of SBI Japan). Viraj was a former Chairman of Bansei Securities Capital Pvt Ltd, a licensed Margin Provider registered and regulated under the Securities and Exchange Commission of Sri Lanka, where he currently serves as a Consultant.

He previously served as a Member of the Advisory Committee to the Ministry of Tourism.



Mr. G. C. A. de Silva
Non-Executive Director

Channa de Silva is the Chairman of Sarvodaya Development Finance PLC from 2016. He is also the Vice President of Sarvodaya Movement, one of the largest not for profit social development movements in Sri Lanka.

He previously served as the Managing Director of Summit Finance PLC as well as the Managing Director of George Steuart Finance PLC. Formerly, he served as a Director of Pan Asia Bank PLC. He also served as the Group Managing Director of Delmege Group Limited. He has served the government sector previously as the Director General of the Securities and Exchange Commission (SEC) and the Executive Director of the Board of Investments (BOI) Sri Lanka. He is the Chairman/Co-founder of Capital media, publisher of Echelon business magazine and business news portal EconomyNext and Neon Media.

He holds a Bachelor's Degree from the University of Colombo and Master's Degrees from Harvard University and Melbourne University. Fellow of the Chartered Institute of Management Accountants (FCMA – UK) and Fellow of the Chartered Certified Accountants (FCCA – UK).

He serves as Governing Council Member of the University of Colombo. He also serves as a board member of Investment as well as Finance Committee along with being a board member of many faculties and institutions of the University of Colombo. He serves as a Sri Lankan council member of the Chartered Institute for Securities & Investments (CISI- UK). He is an Edward Mason Fellow of Harvard University and served as a Teaching Fellow in Public Finance at the Harvard Kennedy School.



Mr. C. S. J. Perera
Independent/Non-Executive Director

Mr. Surith Perera is a Business Consultant possessing broad experience in leading Organizations, People brands.

Having worked at Unilever for 24 years, Mr. Perera has gained a wealth of knowledge and experience in growing and developing a wide portfolio of brands in Sri Lanka as well as in India. Having been a part of the Board of Management at Unilever Sri Lanka, serving as Marketing as well as Customer Development Director, he joined Sunshine Consumer Lanka Ltd (formerly Watawala Tea Ceylon Ltd) as CEO. Having transformed the company by driving an inclusive culture, developing people and introducing new technology, he was successful in taking the company to new heights with profitable growth and significant market share gains, while diversifying the business.

He possesses an MBA from the Post Graduate Institute of Management, University of Sri Jayewardenepura, Sri Lanka and is a Fellow Member of the Institute of Chartered Institute of Management Accountants, UK.

Mr. Perera was appointed to the Board on 12th March 2014

RISK MANAGEMENT

The company's risk management strategy is integrated with its sustainability management framework, enabling a holistic approach towards the identification, management, and mitigation of risk. Risk management therefore extends beyond managing the operational and financial risks faced by the company, to incorporate broader environmental, community, employee, value chain, and other non-financial risks related to the triple bottom-line approach of the company, providing a foundation for productive engagements with internal and external stakeholders.

The Board of Directors bears responsibility for managing risk, and has put in place a framework for managing risk. The Audit Committee has oversight responsibility for risk management and reports the same to the Board. The Audit Committee reviews the risk assessments and reports to the Board on matters relating to risk management.

The risk reviews are also a key input into the company's strategic planning and budgeting processes to ensure alignment with the forecast risk environment and effective management of resources.

RISK MANAGEMENT FRAMEWORK

Our risk management processes are summarised below



PRINCIPAL RISKS IN 2023/24

The principal risks are those that are assessed to significantly and negatively impact our ability to create value in the short, medium, and long term. These risks are identified through the Risk Prioritisation and Assessment step of the risk management process, taking into account the severity of impact and likelihood of occurrence of identified risks. The significant risk areas impacting the company's strategic business objectives and the measures taken to address these risks are discussed below.

Risk	Mitigating Actions	Risk Assessment
<p>Political, Economic and Environmental</p> <ul style="list-style-type: none"> • Reduced revenue, increased operating costs resulting in reduced profitability and cash flows • Occupancy and room rates adversely affected by events that reduced domestic or international travel. Such events may include acts of terrorism, war, or perceived increased risk of armed conflicts, epidemics, natural disasters, increased cost of travel, and industrial action. Reduced demand will impact on revenues and operational profitability 	<ul style="list-style-type: none"> • Management regularly reviews political and economic developments and seeks to identify emerging risks at the earliest opportunity • Transferring risks to third parties through insurance policies The adequacy of insurance covers is regularly reviewed and adjusted when necessary 	<p>Impact - High</p> <p>Likelihood- High</p> <p>Risk Rating – High</p>
<p>Employee</p> <ul style="list-style-type: none"> ▪ Inability to achieve planned business objectives ▪ Reduced quality of standards resulting in reduced guest satisfaction 	<ul style="list-style-type: none"> ▪ Development and maintenance of company culture, compensation and benefits arrangements, training and development, are key activities carried out ▪ Realigning of service standards. 	<p>Impact - High</p> <p>Likelihood- High</p> <p>Risk Rating - High</p>
<p>Cyber security</p> <ul style="list-style-type: none"> • Loss of revenue • Reduced profitability • Loss of data • Adverse impact on reputation 	<ul style="list-style-type: none"> • Conduct of cyber security assessment • Establish network access controls • Implementation of SD WAN and antivirus software • Continuous monitoring of network traffic 	<p>Impact - High</p> <p>Likelihood- Possible to Occur</p> <p>Risk Rating - High</p>
<p>Technology</p> <ul style="list-style-type: none"> • Inaccurate information • Reputation and performance of the company adversely affected • Worsening efficiency, loss of competitive advantage 	<ul style="list-style-type: none"> • Regular review of systems and upgrades where appropriate • Introduction of new technology where possible and appropriate 	<p>Impact - High</p> <p>Likelihood- Possible to Occur</p> <p>Risk Rating - Medium</p>

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<p>Interest Rate Risk</p> <ul style="list-style-type: none"> • Reduced profitability • Reduced cash flows 	<ul style="list-style-type: none"> • Negotiate favourable terms and conditions with the banks 	<p>Impact - High</p> <p>Likelihood- Possible to Occur</p> <p>Risk Rating - Medium</p>
<p>Liquidity</p> <ul style="list-style-type: none"> • Reduced cash flows • Reduced profitability 	<ul style="list-style-type: none"> • Preparation of regular cash flow forecasts in line with projected occupancy fluctuations, in order to assess the liquidity position of the company in the short term • Monitor and review bank balances regularly • Preparation and review of actual performance against the budget, monthly 	<p>Impact - High</p> <p>Likelihood- High</p> <p>Risk Rating - High</p>
<p>Inflation Risk</p> <ul style="list-style-type: none"> ▪ Reduced profitability ▪ Reduced return on investment 	<ul style="list-style-type: none"> ▪ Preparation of forecasts in line with projected occupancy and cost ▪ Initiated cost control activities ▪ Review of pricing and making necessary adjustments 	<p>Impact - High</p> <p>Likelihood- Possible to Occur</p> <p>Risk Rating - High</p>
<p>Statutory and Legal Risk</p> <ul style="list-style-type: none"> • Legal fees and penalties resulting in reduced profitability ▪ Adverse impact on reputation ▪ Loss arising from defective contracts 	<ul style="list-style-type: none"> • Company continues to monitor changes in the regulatory environment in which it operates ▪ Statutory declaration is made to board each quarter 	<p>Impact - High</p> <p>Likelihood - Low</p> <p>Risk Rating - Low</p>
<p>Supply chain issues/Supply chain shortages</p> <ul style="list-style-type: none"> • Inability of suppliers to fulfill delivery requirements in terms of quality and price can lead to negative impacts on service quality and margin pressure. Short supply of raw materials could result in disruption to operations 	<ul style="list-style-type: none"> • Review supplier standards, maintenance of agreements, supplier forums and continuous monitoring • Identification of alternative suppliers • Modifying the menus and ordering process accordingly, robust supplier engagement 	<p>Impact - Medium</p> <p>Likelihood – Unlikely to occur</p> <p>Risk Rating - Low</p>
<p>Equipment/Machinery breakdown</p> <ul style="list-style-type: none"> • Breakdown can cause disruption to operations, adversely impacting our services and guest experiences resulting in loss of reputation and increased costs 	<ul style="list-style-type: none"> • Regular preventative maintenance programmes are carried out • Regular inspections, supervision, and monthly maintenance • Maintenance is done on a needs basis upon identification of issues from detective measures or breakdown incidents 	<p>Impact - High</p> <p>Likelihood – likely to occur</p> <p>Risk Rating - High</p>

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

The Directors of Bansei Royal Resorts Hikkaduwa PLC, present their report together with the Audited Financial Statements for the year ended 31st March 2024.

The Report contains pertinent information and disclosures required under the Companies Act No.07 of 2007, the Listing Rules of the Colombo Stock Exchange, recommended Best Practices of Corporate Governance and the requirements of the Sri Lanka Accounting Standards.

REVIEW OF OPERATIONS & PERFORMANCE

The performance Highlights provides an overall assessment of the Company's Operations and Performance during the financial year under review on Pages 01

PRINCIPAL ACTIVITIES

The Company is engaged in the Hotel Industry.

FINANCIAL STATEMENTS

The Financial Statements of the Company are given on Pages 25-28 in the Annual Report.

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The Directors Responsibilities in compliance with the requirements in preparation of Financial Statements are set out in Page 20

AUDITOR'S REPORT

The Auditor's Report on the Financial Statements is given on Page 21-24

ACCOUNTING POLICIES

There has been no change in the Accounting Policies adopted by the Company in preparation of Financial Statements during the Financial Year under review.

INTERESTS REGISTER

An interest Register is maintained, in compliance with the Companies act No.07 of 2007. The particulars of the entries made in connection with the General Disclosure in term of Section 192(2) of the Companies act No.07 of 2007 are given in Note 23 under Related Party Transaction.

DIRECTOR'S REMUNERATION

The remuneration paid to the Executive and Non-Executive Directors during the financial year under review is given in Note 23.2 (a) to the Financial Statements.

DIRECTORS & CEO'S SHAREHOLDING

The Directors and CEO's Shareholdings at the beginning and end of the Financial year under review are set out below

AS AT	31-03-2024	31-03-2023
Mr. T de Zoysa	-	-
Mr. T Murakami	-	-
Mr. H Ota (CEO)	-	-
Mr. J V W Malawana	662,176	662,176
Mr. G C A De Silva	-	-
Mr. C S J Perera	-	-

AUDITORS

The accounts for the year have been audited by M/s. Ernst & Young, Chartered Accountants, who retire and are eligible for re-appointment. The Directors recommend their re-appointment. As far as the Board is aware the Auditors do not have any relationship with the Company other than carrying out the External Audit.

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 06 of the Financial Statement.

DIRECTORATE

The Members of the Board during the financial year under review were as follows :-

Mr. T de Zoysa	-	Independent / Non-Executive
Mr. T Murakami	-	Non-Executive
Mr. H Ota	-	Executive
Mr. J V W Malawana	-	Non-Executive
Mr. G C A De Silva	-	Non-Executive
Mr. C S J Perera	-	Independent / Non-Executive

The Profile of the Board of Directors of the Company are given in Page 04 to 06

RETIREMENT OF DIRECTORS AND THEIR REELECTION

Mr. C S J Perera, retires by rotation, in accordance with Article 24(6) of the Articles of Association of the Company, and he is eligible for re-election.

APPOINTMENT OF DIRECTOR WHO IS OVER 70 YEARS OF AGE

Upon the recommendation of the Board, it is recommended that Mr. Tilak De Zoysa, who is 77 years of age shall be appointed as a Director in terms of Section 211 of the Companies Act, declaring that the age limit stipulated in Section 210 of the Companies Act 2007, shall not apply to the said Director.

DECLARATIONS BY INDEPENDENT/NON EXECUTIVE DIRECTORS

Non - Executive/ Independent Directors have submitted signed declarations confirming their independent status in compliance with Rules 7.10.3 of the Colombo stock Exchange.

The Company has complied with the Corporate Governance Rules of the Colombo Stock Exchange.

TURNOVER

The Gross Income of the Company after deducting Turnover Tax and Defense levy was Rs.115,915,482/-.

ENVIRONMENTAL PROTECTION

The Board of Directors has taken adequate precautions to ensure that the Company does not engage in any activities which could be detrimental to the environment and contravenes Laws and regulations

STATED CAPITAL

The Stated Capital of the Company as at 31st March 2024 was Rs.272,280,000/- representing 53,728,000 Ordinary Shares. The structure of the Stated Capital is given in Note 19.2 of the Financial Statement.

CONTRIBUTIONS TO CHARITIES

Charities and the Donations by the Company amounted to Rs.35,500/-. No charities were paid to the Organizations approved by the Government.

SHAREHOLDING & PUBLIC HOLDING

As at 31.03.2024 there were 724 Registered Shareholders. The distribution, categories and location of Shareholders are indicated on Page 59 The Public Holding as at the said date was 10% representing 720 Shareholders.

The Company complies with the Minimum Public Holding Requirement Rule 7.13.1 (b) under Option 2 as at 31st March 2024 as per the details set out below;

Float Adjusted Market Capitalization - Rs.69,309,120/-
Market Capitalization - Rs.693,091,200/-
Public Holding Percentage - 10%
Total Number of Public Shareholders - 720

MAJOR SHAREHOLDINGS

The 20 major Shareholders of the Company as at 31st March 2023 and 31st March 2024 are listed on Page 58.

MATERIAL ISSUES PERTAINING TO EMPLOYEES & INDUSTRIAL RELATIONS

There were no material issues relating to Employees and Industrial Relations during the year ended 31st March 2024.

STATUTORY PAYMENTS

The Directors, to the best of their knowledge and belief are satisfied that all statutory payments have been made up to date or provided for same.

TAXATION

The Tax position of the Company is given in Note 18 to the Financial Statements.

STOCK MARKET INFORMATION

Information relating to earnings, dividends, net assets per share and trading price are given on page 01

CORPORATE GOVERNANCE

The Board of Directors place great emphasis on good Corporate Governance practices and principles and ensures that the Company adheres with the codes of Best Practice on Corporate Governance. The compliance of Corporate Governance by the Company is set out on Page 15-16

GOING CONCERN

The Board of Directors of the Company are satisfied that the Company has adequate resources to continue its operations in the foreseeable future. Therefore, the Company continues to adopt a going concern concept in preparing the accounts of the Company.

EQUITABLE TREATMENT TO SHAREHOLDERS

The Company has at all times ensured that all Shareholders are treated equitably.

RISK MANAGEMENT

The Board of Directors has structured proper systems and controls to identify probable risk. These systems are periodically evaluated and reviewed by the Board to ensure smooth functioning. Remedial measures also have been implemented to mitigate risk.

Extent, Locations, number of buildings and Valuation of the properties are given in the Statement of Value of Real State on Page 60

INTERNAL CONTROL SYSTEMS

The Board has overall responsibility for the Company's Systems of Internal Control. The Company's internal control and check systems have been designed to provide the Directors with reasonable assurance that the Assets are protected, safeguarded and transactions are authorized thereby ensuring that errors and irregularities are either prevented or detected within a timely period, whilst ensuring that Corporate Governance is properly practiced and adhered to.

DIVIDENDS

The Board of Directors recommends a First & Final Dividend of Rs 0.30 Per share for the Financial Year 2023/2024. The Directors are confident that the Company would meet the Solvency Test requirement under Section 56(2) of the Companies Act N.07 of 2007, immediately after the proposed Dividend distribution.

POST - BALANCE SHEET EVENTS

Subsequent to the date of the Balance Sheet no circumstance has arisen which require adjustments to the accounts.

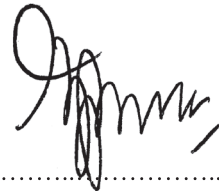
ANNUAL GENERAL MEETING

The Annual General Meeting is scheduled to be held on 21st of August, 2024 via virtual link at 10 a.m. The Notice of the meeting is given on Page 62

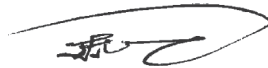
BY ORDER OF THE BOARD



H Ota
Director/ CEO



C. S. J. Perera
Director



Corporate Arcade Ltd
Company Secretaries

30th July 2024

CORPORATE GOVERNANCE

Bansei Royal Resorts Hikkaduwa PLC (BBRH) continues to be committed to conducting the Company's business ethically and in accordance with high standards of good Corporate Governance.

Set out below is the Corporate Governance practices adopted and practiced by BRRH PLC, against the background of the code of Best Practice on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka and the Listing Rules of the Colombo Stock Exchange.

BOARD OF DIRECTORS

Executive Director

Mr. H Ota

Non-Executive Directors

Mr. T Murakami

Mr. G C A De Silva

Mr. J V W Malawana

Non-Executive, Independent Directors

Mr. T de Zoysa

Mr. C S J Perera

RESPONSIBILITIES

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

The annual capital expenditure budgets, non-budgeted capital expenditure, the annual budgeted operating statements require Board approval.

COMPANY SECRETARIES

Corporate Arcade Limited functions as Secretaries to the Board.

They ensure that appropriate Board processes are adopted, Board procedures and applicable rules and regulations adhered to and a proper record of all proceedings of Board meetings is maintained.

FINANCIAL REPORTING

The Board of Directors confirm the Financial Statements for the year ended 31st March 2024, of Bansei Royal Resort Hikkaduwa PLC have been prepared in accordance with the Sri Lanka Financial Reporting Standards and the Companies Act No.07 of 2007. The Company has duly complied with all the reporting requirements prescribed by the regulatory authorities including the Colombo Stock Exchange and the Registrar of Companies. Financial Statements of the Company were audited by M/s. Ernst & Young, Chartered Accountants. The Independent Auditors' Report on the Financial Statements for the year ended 31st March 2024 is presented on Page 21-24 of this Annual Report.

SUPPLY OF INFORMATION

Directors are provided with quarterly reports on performance and such other reports and documents as are necessary.

REMUNERATION COMMITTEE

The Remuneration Committee comprised of Mr. Toyohiko Murakami, Mr. Tilak de Zoysa and Mr. Surith Perera of whom Mr. Toyohiko Murakami functions as the Chairman of the Committee.

The Committee is responsible for evaluating and recommending to the Board the Remuneration Policy and Practices that supports the strategic direction and the objectives of the Company. The remuneration policy of the Company is to attract, motivate and retain high quality executive talent by reference to the corporate goals and objectives resolved by the Board of Directors from time to time.

During the period under review, the Committee continued its responsibility of formulating and recommending to the Board, Remuneration Policy which helped the organization to attract, retain and to motivate its staff

ANNUAL REPORT
2023/2024

taking into consideration Industrial norms.

The Committee is responsible for determining the Compensation of all the Management Staff.

The Board meets regularly to review performance and forecasts against budgets so as to take decisions in the best interest of the Company.

BOARD BALANCE

The Board comprises Six Directors out of which Two Directors are Non-Executives / independent, Three of them are Non-Executive and One Executive. Profiles of the Members of the Board reflect their caliber, the weight, and their views carry in Board deliberations.

The Independent/ Non-Executive Directors have submitted their Declarations keeping in line with the Listing Rules of the Colombo Stock Exchange.

AUDIT COMMITTEE

The Audit Committee comprised of Mr. Channa De Silva, Mr. Tilak de Zoysa and Mr. Surith Perera of whom Mr. Channa De Silva, functions as the Chairman of the Committee.

The Report of the Audit Committee is given on Page 17

The Members of the Audit Committee decided that the CEO of the Company shall participate at the Audit Committee Meeting whenever he is in the Island and in the instances, he is not, to communicate/ update the CEO the outcome of the meeting.

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

The Related Party Transaction Review Committee comprise of Mr. T De Zoysa, Mr. G C A De Silva and Mr. Surith Perera of whom Mr. T De Zoysa, functions as the Chairman of the Committee.

The Report of the Related Party Transactions Review Committee is given on Page 19

STRUCTURE OF THE BOARD AND BOARD COMMITTEES

No	Name of the Director	Name of the Director Ship			Remuneration Committee		Audit Committee			RPT Review Committee	
		Execu- tive	Non - Executive Non- Independent	Non - Executive Independent	Chairman	Member	Chairman	Member	Finance Professional	Chairman	Member
1	Mr. Tilak de Zoysa			✓		✓		✓		✓	
2	Mr. Toyohiko Murakami		✓		✓						
3	Mr. Hiroyuki Ota	✓									
4	Mr. Channa de Silva		✓				✓		✓		✓
5	Mr. Viraj Malawana		✓								
6	Mr. Surith Perera			✓		✓		✓			✓

MEETINGS OF THE BOARD OF DIRECTORS

Date	Mr. Tilak de Zoysa	Mr. Toyohiko Murakami	Mr. Hiroyuki Ota	Mr. Channa de Silva	Mr. Surith Perera	Mr. Viraj Malawana
10.05.2023	✓	x	✓	✓	x	✓
23.08.2023	x	x	✓	✓	✓	x
15.11.2023	✓	x	✓	✓	✓	x
24.04.2024	✓	x	✓	✓	✓	x

AUDIT COMMITTEE REPORT

MEMBERSHIP & APPOINTMENT

The Audit Committee comprises two Independent non-executive directors. The Members of the Board appointed to the Audit Committee are:

Mr. Channa de Silva, Chairman, Mr. Tilak de Zoysa, and Mr. Surith Perera.

The Audit Committee has a Term of Reference, dealing clearly with its authority and duties. This is established for the purpose of assisting the board in fulfilling their responsibilities regarding the integrity of the financial statements, risk management, internal control, compliance with legal and regulatory requirements, review of external auditors performances, independence, and internal audit functions.

Recommend the appointment, re-appointment, and removal of the external auditors including their remuneration and terms of engagement, by assessing their qualifications, expertise, resources, and independence.

FINANCIAL REPORTING

The committee considered reports from the accountant and annual financial statements. It also considered reports from the external auditors, Ernst & Young, on the scope and outcome of the annual audit. The review is based on the Audit Committee Report compliance with the Sri Lanka Accounting Standards and the other related legislation.

MEETINGS OF THE AUDIT COMMITTEE

Date	Mr. Channa de Silva	Mr. Tilak de Zoysa	Mr. Surith Perera
31.07.2023	✓	x	✓
07.11.2023	✓	✓	✓
08.02.2024	✓	x	✓
29.04.2024	✓	x	✓

RISK AND CONTROLS

During the year, the committee assessed major business and control risks and the control environment prevalent in the company and advised the board on actions to be taken in areas where weaknesses were observed. The committee analysed the effectiveness of the company's internal control system already in place and the processes for identification, evaluation, and management of all significant risks, including frauds and operational failures.

EXTERNAL AUDIT

The committee met with the external auditor during the year to discuss their audit approach and procedures. It also reviewed and approved the scope of non-audit services provided by Ernst & Young to ensure that there was no impairment of independence.

AUDIT COMMITTEE EFFECTIVENESS

The audit committee conducts a review of its effectiveness annually and concluded this year that it was effective and able to fulfil its objectives.

(sgd)

Mr. Channa de Silva, Chairman

Audit Committee

30th July 2024

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE REPORT

COMPOSITION OF THE COMMITTEE

The Related Party Transactions Review Committee was appointed by the Board of Directors of the Company on 10th March 2016. As of 31st March 2024, it comprised the following directors:

Mr. T. de Zoysa, Chairman (Independent/Non-executive)
Mr. G. C. A. de Silva (Non-independent/Non-executive)
Mr. Surith Perera (Independent/Non-executive)

MEETINGS OF COMMITTEE

The committee had four meetings in the year 2023/2024. The committee discussed and reviewed all related party transactions that were entered into. The minutes were circulated to the Board of Directors for their information and review.

PURPOSE OF THE COMMITTEE

The purpose of the committee, as set out in its written Terms of Reference (TOR), is to review in advance all proposed Related Party Transactions, other than those transactions explicitly exempted in the TOR that are in conformity with the Listing Rules. Accordingly, except for transactions mentioned therein, all other Related Party Transactions are required to be reviewed by the committee, 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.

SCOPE OF THE COMMITTEE INCLUDES:

Reviewing in advance all proposed Related Party Transactions of the Company except those explicitly exempted by the TOR; adopting policies and procedures to review Related Party Transactions of the Company and reviewing and overseeing existing policies and procedures; determining whether related party transactions that are to be entered into by the company require the approval of the board or shareholders of the company.

If related party transactions are ongoing (recurrent related party transactions), the committee establishes guidelines for senior management to follow in its ongoing dealings with the relevant related party.

Ensuring that no Director of the Company shall participate

in any discussion of a proposed Related Party Transaction for which he or she is a related party, unless such Director is requested to do so by the Committee for the express purpose of providing information concerning the Related Party Transaction to the Committee.

If there is any potential conflict in any Related Party Transaction, the Committee may recommend the creation of a special committee to review and approve the proposed Related Party Transaction.

Ensuring that immediate market disclosures and disclosures in the Annual Report as required by the applicable rules and regulations are made in a timely and detailed manner.

POLICIES AND PROCEDURES

Sri Lanka Accounting standards define Related Party Transactions. This definition is consistent with Section 9 of the listing rules of CSE. Under them, the members of the Board of Directors of the Company have been identified as Key Management Personnel. In accordance with the Related Party Transaction Policy, declarations are obtained from each Key Management Personnel of the Company for the purpose of identifying parties related to them. Based on the information furnished in these declarations, the company retrieves data on related party transactions from its database.

RELATED PARTY TRANSACTIONS DURING 2023/24

During the year 2023/24, there were both recurrent and no non-recurrent related party transactions that exceeded the respective thresholds mentioned in the Listing Rules of the Colombo Stock Exchange.

Details of other related party transactions entered into by the company during the above period are disclosed in Note 23 to the financial statements.

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE REPORT

DECLARATION

The Board of Directors hereby declares that no related party transaction falling within the ambit of the Listing Rules was entered into by the company during the financial year 2023/24.

MEETINGS OF THE RPT REVIEW COMMITTEE

Date	Mr. Tilak de Zoysa	Mr. Surith Perera	Mr. Channa de Silva
16.06.2023	✓	✓	✓
28.09.2023	✓	✓	✓
28.12.2023	✓	✓	✓
27.03.2024	✓	✓	✓

The Related Party Transactions Review Committee of the Board of Directors of Bansei Royal Resorts Hikkaduwa PLC affirms that the Related Party Transactions Review Committee Report is in compliance with the Related Party Transaction Rules, in accordance with Section 9.3.2(d) of the Continuing Listing Rules of the Colombo Stock Exchange.

(sgd)

Mr. Tilak de Zoysa, Chairman

Related Party Transactions Review Committee

30th July 2024

STATEMENT OF DIRECTORS' RESPONSIBILITY FOR PREPARING THE FINANCIAL STATEMENTS

The Directors are responsible, under Section 150(1), 151, of the Companies Act No. 07 of 2007, to ensure compliance with the requirements set out therein to prepare the financial statements for each financial year, giving a true and fair view of the state of affairs of the company and the income statement for the financial year end. The directors are also responsible, under Section 148, for ensuring that proper accounting records are kept to disclose, with reasonable accuracy, the financial position and enable preparation of the financial statements.

The Board accepts responsibility for the integrity and objectivity of the financial statements presented. The directors confirm that in preparing the financial statements, appropriate accounting policies have been selected and applied consistently while reasonable and prudent judgements 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. The financial statements provide the information required by the Companies Act and the Listing Rules of the Colombo Stock Exchange.

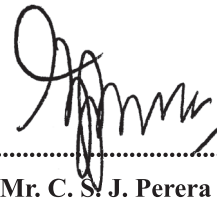
The directors have taken reasonable measures to safeguard the assets of the company and, in that context, have instituted appropriate systems of internal control with a view to preventing and detecting fraud and other irregularities.

The directors are confident that they have discharged their responsibility as set out in this statement. They also confirm that, to the best of their knowledge, all statutory payments payable by the company as of the balance sheet date have been paid or, where relevant, provided for.

For and on behalf of the Board of Directors of Bansei Royal Resorts Hikkaduwa PLC



.....
Mr. H. Ota
Director/CEO



.....
Mr. C. S. J. Perera
Director

30th July 2024

BANSEI ROYAL RESORTS HIKKADUWA PLC

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024



Ernst & Young
Chartered Accountants
Rotunda Towers
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P.O. Box 101
Colombo 03, Sri Lanka

Tel : +94 11 246 3500
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Email: eysl@lk.ey.com
ey.com

CAY/KE/AD

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF BANSEI ROYAL RESORTS HIKKADUWA PLC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Bansei Royal Resorts Hikkaduwa PLC (“the Company”), which comprise the statement of financial position as at 31 March 2024 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flow for the year then ended, and notes to the financial statements, including a 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 our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

(Contd...2)

BANSEI ROYAL RESORTS HIKKADUWA PLC

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024



Key audit matter	How our audit addressed the key audit matter
<p>Recognition of revenue</p> <p>The Company derives its revenue of Rs. 115.9 million by providing food, beverage, lodging and other hospitality industry related services as disclosed in Note 3.12 and 14 to the financial statements</p> <p>Revenue was a key audit matter due to:</p> <ul style="list-style-type: none"> - The materiality of reported revenues coupled with the significant increase (18%) in revenue recorded by the Company during the year 	<p>Our audit procedures included the following;</p> <ul style="list-style-type: none"> - Understood the implementation of key controls over recognition of revenue - Performed appropriate analytical procedures to understand and assess the reasonableness of reported revenues; - Tested the appropriateness of revenue recognized during the year, by testing revenue transactions to sales invoices and other supporting documents <p>We also assessed adequacy of disclosures made in relation to the recognition of revenue in Notes 3.12 and 14 to the financial statements</p>

Other information included in The Company's 2024 Annual Report

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

Our opinion on the financial statements does not cover 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.

(Contd...3/)

BANSEI ROYAL RESORTS HIKKADUWA PLC

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024



Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls of the Company.
- 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 auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- 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.

BANSEI ROYAL RESORTS HIKKADUWA PLC

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024



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 7752.

A handwritten signature in blue ink, appearing to read 'Ernest Jayasinghe', with a horizontal line underneath.

31 July 2024

Colombo

BANSEI ROYAL RESORTS HIKKADUWA PLC

STATEMENT OF FINANCIAL POSITION

As at 31 March 2024

		2024	2023
ASSETS	Note	Rs.	Rs.
Non-Current Assets			
Property, Plant and Equipment	6	185,510,899	186,884,858
		<u>185,510,899</u>	<u>186,884,858</u>
Current Assets			
Inventory	7	3,595,582	3,230,318
Trade and Other Receivables	8	4,672,742	2,728,444
Advance, deposits and prepayments		2,796,806	3,783,868
Income Tax Receivable		3,040,090	734,751
Short Term Deposits	9	128,147,259	107,456,980
Cash and Cash Equivalents	10	6,710,489	6,495,744
		<u>148,962,968</u>	<u>124,430,105</u>
Total Assets		<u>334,473,867</u>	<u>311,314,963</u>
EQUITY AND LIABILITIES			
Capital and Reserves			
Stated Capital	11	272,280,000	272,280,000
Retained Earnings		22,202,806	11,465,629
Total Equity		<u>294,482,806</u>	<u>283,745,629</u>
Non-Current Liabilities			
Retirement Benefit Obligation	12	3,272,724	1,718,615
Deferred tax liability	18.2	20,420,767	10,968,433
		<u>23,693,491</u>	<u>12,687,048</u>
Current Liabilities			
Trade and Other Payables	13	16,297,570	14,882,286
Amount Due to Related Party	14	-	-
		<u>16,297,570</u>	<u>14,882,286</u>
Total Equity and Liabilities		<u>334,473,867</u>	<u>311,314,963</u>

I certify that the financial statements comply with the requirement of Companies Act No 07 of 2007.

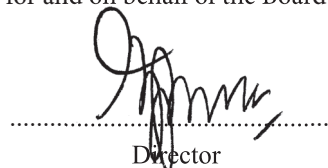


Finance Officer

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



Director



Director

30 July 2024
Colombo

BANSEI ROYAL RESORTS HIKKADUWA PLC

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 March 2024

	Note	2024 Rs.	2023 Rs.
Revenue from Contract with Customers	14	115,915,482	98,572,861
Cost of Sales		(24,488,448)	(21,692,428)
Gross Profit		91,427,034	76,880,433
Other Income	15	78,874	514,384
Administrative Expenses		(72,595,367)	(59,063,114)
Sales and Marketing Expenses		(3,552,161)	(2,404,642)
Operating Profit/ (Loss)		15,358,380	15,927,061
Finance Income	16	16,952,314	10,162,755
Profit/(Loss) before Tax	17	32,310,694	26,089,816
Tax (Charge)/Reversal	18	(10,228,153)	(9,617,794)
Profit/(Loss) for the year		22,082,541	16,472,022
Other Comprehensive Income not to be reclassified to profit or loss in subsequent periods			
Actuarial Gain/(Loss) on Defined Benefit Plan	12	(856,805)	242,706
Deferred tax effect	18.3	257,041	(72,812)
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		(599,764)	169,894
Total Comprehensive Income for the year, net of tax		21,482,777	16,641,916
Basic Earnings/(Loss) per share		0.41	0.31

The accounting policies and notes on pages 29 through 57 form an integral part of these Financial Statements.

BANSEI ROYAL RESORTS HIKKADUWA PLC

STATEMENT OF CHANGES IN EQUITY

Year ended 31 March 2024

	Stated Capital Rs.	Retained Earnings Rs.	Total Rs.
Balance as at 01 April 2022	272,280,000	(5,176,287)	267,103,713
Profit/(Loss) for the year	-	16,472,022	16,472,022
Other comprehensive income	-	169,894	169,894
Total comprehensive income	-	16,641,916	16,641,916
Dividend Paid	-	-	-
Balance as at 31 March 2023	272,280,000	11,465,629	283,745,629
Profit/(Loss) for the year	-	22,082,541	22,082,541
Other comprehensive income	-	(599,764)	(599,764)
Total comprehensive income	-	21,482,777	21,482,777
Dividend Paid	-	(10,745,600)	(10,745,600)
Balance as at 31 March 2024	272,280,000	22,202,806	294,482,806

The accounting policies and notes on pages 29 through 57 form an integral part of these Financial Statements.

BANSEI ROYAL RESORTS HIKKADUWA PLC

STATEMENT OF CASH FLOW

Year ended 31 March 2024

	Note	2024 Rs.	2023 Rs.
Cash Flows from/(used in) Operating Activities			
Profit Before Tax		32,310,694	26,089,816
Adjustments for			
Depreciation	6.2	8,644,081	8,182,448
Provision for Defined Benefit Obligation	12	764,804	579,304
(Profit)/Loss on disposals		(104,500)	-
Interest income	16	(16,880,564)	(10,162,755)
Exchange Gain	15	25,626	(514,384)
Operating Profit before Working Capital Changes		<u>24,760,141</u>	<u>24,174,429</u>
(Increase)/Decrease in Inventories		(365,264)	(1,210,917)
(Increase)/Decrease in Trade and Other Receivables		(2,299,920)	(647,652)
(Increase)/Decrease in Advance, deposits & prepayments		987,061	(3,486,111)
Increase/(Decrease) in Trade and Other Payables		1,415,281	4,565,067
Cash Generated from Operations		<u>24,497,301</u>	<u>23,394,816</u>
Tax paid		(2,407,257)	(1,068,575)
Gratuity Paid		(67,500)	(162,000)
Net Cash from Operating Activities		<u>22,022,544</u>	<u>22,164,242</u>
Cash Flows from/(used in) Investing Activities			
Acquisition of Property, Plant and Equipment	6.1	(7,331,359)	(4,671,857)
Interest Income Received	16	16,880,564	766,696
Sale proceed on disposal of property plant & equipment		104,500	-
Investment made in Short Term Investments		(20,690,279)	(33,000,000)
Net Cash from Investing Activities		<u>(11,036,573)</u>	<u>(36,905,161)</u>
Cash Flows used in Financing Activities			
Dividend Paid		(10,745,600)	-
Net Cash used in Financing Activities		<u>(10,745,600)</u>	<u>-</u>
Effect of Exchange Rate Changes on Cash and Cash Equivalents		(25,626)	514,384
Net Increase/(Decrease) in Cash and Cash Equivalents		214,746	(14,226,535)
Cash and Cash Equivalents at the beginning of the year		6,495,744	20,722,279
Cash and Cash Equivalents at the end of the year	10	<u>6,710,489</u>	<u>6,495,744</u>

The accounting policies and notes on pages 29 through 57 form an integral part of these Financial Statements.

BANSEI ROYAL RESORTS HIKKADUWA PLC

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

1. CORPORATE INFORMATION

1.1 General

Bansei Royal Resorts Hikkaduwa PLC (Previously known as “Coral Rock Hotels (Private) Limited”) is a Public Limited Liability Company incorporated and domiciled in Sri Lanka. The ordinary shares of the Company are listed on the Colombo Stock Exchange of Sri Lanka. The registered office of the Company is located at 4th Floor, World Trade Centre, Colombo 01, and the principal place of business is located at No. 340, Galle Road, Hikkaduwa.

1.2 Principal Activities and Nature of Operations

During the year, the principal activities of the Company were providing food, beverage, lodging and other hospitality industry related services.

1.3 Parent Entity and Ultimate Parent Entity

In the opinion of the Directors, the Company’s immediate parent undertaking is Bansei Securities Co Limited, and the ultimate parent undertaking is Bansei Holdings Co Limited, both the companies are incorporated in Japan.

1.4 Approval of Financial Statements

The Financial Statements of Bansei Royal Resorts Hikkaduwa PLC for the year ended 31 March 2024 were authorized for issue in accordance with a resolution of the Board of Directors on 30 July 2024.

1.5 Responsibility for Financial Statements

The responsibility of the Directors in relation to the Financial Statements is set out in the Statement of Directors’ Responsibility Report in the Annual Report.

BANSEI ROYAL RESORTS HIKKADUWA PLC

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

2. GENERAL POLICIES

2.1 Basis Of Preparation

The financial statements of the Company comprise the Statement of Financial Position, Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and statement of cash flow together with the Accounting Policies and Notes to the financial statements.

2.2 Statement of Compliance

The Financial Statements of the Company have been prepared and presented in accordance with the Sri Lanka Accounting Standards (SLFRSs and LKASs), down by the Institute of Chartered Accountants of Sri Lanka and in compliance with the requirements of the Companies Act No. 7 of 2007.

2.3 Basis of measurement

The financial statements have been prepared on a historical cost basis.

2.4 Functional and Presentation Currency

The financial statements are presented in Sri Lankan Rupees (Rs.).

2.5 Materiality and Aggregation

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

2.6 Comparative Information

The financial statements provide comparative information in respect of the previous period. 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.

2.7 Offsetting

Assets and liabilities or income and expenses, are not offset unless required or permitted by Sri Lanka Accounting Standards.

2.8 Use of Estimates and Judgments

The preparation of these financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of income, expenses, assets, liabilities, and the disclosure of contingent liabilities, at the end of the reporting period.

Judgments 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 judgments 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.

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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 are discussed below.

2.8.1 Deferred Tax

Deferred Tax liability as reflected in Note 18.2 are recognized for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

2.8.2 Impairment Assessment of Property Plant and Equipment

The negative effects caused on the Company and the industry in which it operates resulting from the economic recession resulted in indicators of impairment identified on the Company's property, plant and equipment. Accordingly, the Company engaged an external, independent valuer for purposes of determining the fair value less costs of disposal of property, plant and equipment for purposes of performing the impairment test. When current market prices of similar assets are available, such evidences are considered in estimating fair values of property, plant and equipment. 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 the independent professional valuer. Further details relating to significant unobservable inputs used in the valuation are provided in Note 6.

3. MATERIAL ACCOUNTING POLICY INFORMATION

3.1 Going Concern

In determining the basis of preparing the financial statements for the year ended 31 March 2024, based on available information, the management has assessed the impact of current economic conditions on the Company and the appropriateness of the use of the going concern basis.

The Company's businesses recorded strong improvement in profitability compared to the previous year on the back of a fast recovery momentum with most of the businesses reaching pre COVID-19 levels of operations post the easing of restrictions.

The Company evaluated the resilience of its businesses considering a wide range of factors under multiple scenarios, relating to expected revenue, cost management, profitability, ability to defer non-essential capital expenditure. The Company presently has fixed deposit reserves amounting to Rs. 128,147,259/- which is able to sustain the Company's operation in the near term. Considering cash reserves available as well as measures taken by the management to inhibit the impact from, the Directors have concluded that the use of the going concern assumption continues to be appropriate in preparing the Company's financial statements.

3.2 Foreign Currency Transactions

The Financial Statements are presented in Sri Lanka Rupees, which is also the Company's functional currency. Transactions in foreign currencies are initially recorded by the Company at their respective functional currency rate prevailing at the date of the transaction first qualifying for recognition.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated at the functional currency spot rate of exchange ruling at the reporting date. Foreign currency differences arising on retranslation are recognized in the Statement of profit or loss. All differences arising on settlement or translation

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Year ended 31 March 2024

of monetary items are taken to statement of profit or loss. Non-monetary assets and liabilities which are carried in terms of historical cost in a foreign currency are translated at the exchange rate that prevailed at the date of the initial transaction.

3.3 Current versus Non-Current Classification

The Company presents assets and liabilities in the statement of financial position as current and non-current.

An asset is classified as current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

3.4 Property, Plant and Equipment

The Company applies the requirements of LKAS 16 on 'Property Plant and Equipment' in accounting for its owned assets which are held for and use in the provision of the services or for administration purpose and are expected to be used for more than one year.

3.4.1 Basis of recognition

Property, plant and equipment is recognised if it is probable that future economic benefit associated with the assets will flow to the Company and cost of the asset can be reliably measured.

3.4.2 Basis of measurement

Items of property, plant & equipment are measured at cost net of accumulated depreciation and accumulated impairment losses, if any.

3.4.3 Owned Assets

The cost of property, plant and equipment includes expenditure that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located and borrowing costs on qualifying assets. Purchased software that is integral to the functionality of the related equipment capitalised as a part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

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3.4.4 Subsequent Costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised in accordance with the derecognition policy given below.

The costs of the repair and maintenance of property, plant & equipment are recognised in the Statement of Profit or Loss as incurred.

3.4.5 Derecognition

The carrying amount of an item of property, plant & equipment is derecognised on disposal; or when no future economic benefits are expected from its use. Any gains and losses on derecognition are recognised (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) in the Statement of Profit or Loss. Gains are not classified as revenue.

3.4.6 Depreciation

Depreciation is recognised in the statement of profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

Assets held under finance leases are depreciated over the shorter of the lease term and the useful lives of equivalent owned assets unless it is reasonably certain that the Company will have ownership by the end of the lease term. Freehold land is not depreciated.

The estimated useful lives for the current and comparative periods are as follows;

Buildings on Freehold Land	40 years
Furniture and Fittings	8 years
Tools and Equipment	2 years
Electrical Equipment	5 years
Air Conditioners	4 years
Computer Equipment	4 years
Kitchen Equipment	4 years
Office Equipment	8 years
Crockery and Cutlery	2 years
Linen	2 years
House Keeping Equipment	2-8 years
Computer System	4 years

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Electric Oven	5 years
Generator	10 years

Depreciation of an asset begins when it is available for use and ceases at the earlier of the dates on which the asset is classified as held for sale or is derecognised.

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

3.5 Inventories

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

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

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

Other Inventories - At purchase cost on weighted average basis.

3.6 Cash and Cash Equivalents

Cash and cash equivalents are cash in hand and demand deposits that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value. For the purpose of the statement of cash flow, cash and cash equivalents consist of cash in hand and deposits in banks net of outstanding bank overdrafts.

3.7 Impairment of Non-Financial Assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Companies of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

Impairment losses of continuing operations are recognised in the Statement of comprehensive income in those expense categories consistent with the function of the impaired asset.

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 have decreased. If such indication exists, the Company makes

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an estimate of the recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised.

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

3.8 Financial instruments

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

3.8.1 Financial Assets

3.8.1.1 Initial recognition and 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 that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under SLFRS 15.

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.

3.8.1.2 Subsequent measurement of financial assets

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

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derecognition (equity instruments)

- Financial assets at fair value through profit or loss

All financial assets of the Company represent Financial assets at amortised cost (debt instruments). The Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Company's financial assets at amortised cost includes trade receivables and fixed deposits.

3.8.1.3 Derecognition

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

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3.8.1.4 Impairment of financial assets

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

- Trade receivables,

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

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

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

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

The Company considers a financial asset in default when contractual payments are 360 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.

3.8.2 Financial liabilities

3.8.2.1 Initial recognition and measurement

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

All financial liabilities are recognised initially at fair value and in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, bank overdrafts, loans and borrowings.

3.8.2.2 Subsequent measurement

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.

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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.

3.8.2.3 *Derecognition*

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

3.8.3 *Offsetting of financial instruments*

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if,

- There is a currently enforceable legal right to offset the recognised amounts and
- There is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously

3.8.4 *Fair value of financial instruments*

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include:

- Using recent arm's length market transactions
- Reference to the current fair value of another instrument that is substantially the same
- A discounted cash flow analysis or other valuation models.

3.9 Employee benefits

Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to Provident and Trust Funds covering all employees are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

The Company contributes 12% and 3% of gross emoluments to employees as Provident Fund and Trust Fund contribution respectively.

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Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The defined benefit is calculated by independent actuaries using Projected Unit Credit (PUC) method as recommended by LKAS 19 – “Employee benefits”. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates 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. The present value of the defined benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. Key assumptions used in determining the defined retirement benefit obligations are given in Note 12. Any changes in these assumptions will impact the carrying amount of defined benefit obligations. Actuarial gains or losses are recognised in full in the Other Comprehensive Income.

Provision has been made for retirement gratuities from the beginning of service for all employees, in conformity with LKAS 19 on employee benefit. However, under the Payment of Gratuity Act No. 12 of 1983, the liability to an employee arises only on completion of 5 years of continued service.

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

3.10 Provisions

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

3.11 Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

3.12 Revenue from Contracts with Customers

Accounting Policy

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 expects to be entitled in exchange for those goods or services.

Services transferred over time

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

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The following specific criteria are used for the purpose of recognition of revenue:

Room Revenue

Revenue is recognized on the rooms occupied on daily basis.

Sale of Food & Beverages

Revenue from sale of food and beverages is recognised at the point in time when control is transferred to the customer, generally on delivery of the goods.

Other Hospitality Related Revenue

Other hospitality related services are recognized as the services are performed.

3.13 Other Income

Interest Income

Interest Income is recognised on a time proportion basis that takes in to account the effective yield on the asset unless collectibles is in doubt.

Other Income

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 Comprehensive Income, having deducted from proceeds on disposal, the carrying amount of the assets and related selling expenses.

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

3.14 Expenses

Expenses are recognized in the Statement of profit or loss on the basis of a direct association between the cost incurred and the earnings of specific items of income. All expenditure incurred in the running of the business has been charged to income in arriving at the profit for the year.

Repairs and renewals are charged to the Statement of profit or loss in the year in which the expenditure is incurred.

3.14.1 Borrowing Costs

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

3.15 Taxation

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in the Statement of

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Profit or Loss except items recognised directly in Other Comprehensive Income.

3.15.1 Current Income Tax

Current income tax assets and liabilities 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 tax relating to items recognised directly in Other Comprehensive Income is recognised in Other Comprehensive Income 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.

3.15.2 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, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised 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, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred 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 re-assessed 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 that have been enacted or substantively enacted at the reporting date.

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

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

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Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, would be recognised subsequently if new information about facts and circumstances changed. The adjustment would either be treated as a reduction to goodwill (as long as it does not exceed goodwill) if it was

3.15.3 Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax, except:

- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- Receivables and payables that are stated with the amount of sales tax included. The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

4. GENERAL

4.1 Earnings Per Share

The Company presents basic earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

4.2 Statement of Cash Flows

The Statement of Cash Flows has been prepared using the “indirect method”. Interest paid is classified as operating cash flow. Interest income is classified as cash flows from investing activities.

5. STANDARDS ISSUED BUT NOT YET EFFECTIVE

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company financial statements are disclosed below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective. Adoption of these amendments and interpretations will not have significant impact on the financial statements of the Company

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

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

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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

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 reporting periods beginning on or after 1 January 2024.

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

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

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

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6. PROPERTY, PLANT AND EQUIPMENT

6.1 Gross Carrying Amounts

	Balance as at 01.04.2023	Additions	Disposal	Balance as at 31.03.2024
	Rs.	Rs.	Rs.	Rs.
At Cost				
Freehold Land	63,574,071	-	-	63,574,071
Buildings on Freehold Land	158,529,270	975,150	-	159,504,420
Furniture and Fittings	21,054,070	721,400	-	21,775,470
Tools and Equipments	514,288	-	-	514,288
Electrical Equipments	14,529,035	757,173	(180,920)	15,105,288
Air Conditioners	4,978,877	3,721,626	(1,275,236)	7,425,267
Computer Equipments	1,906,179	800,360	-	2,706,539
Kitchen Equipments	8,424,147	53,950	-	8,478,097
Office Equipments	752,191	112,700	(26,995)	837,896
Crockery and Cutlery	980,219	-	-	980,219
Linen	6,123,365	162,000	(11,500)	6,273,865
House Keeping Equipment	987,548	27,000	-	1,014,548
Computer System	4,092,358	-	-	4,092,358
Electric Oven	581,486	-	-	581,486
Generator	9,246,169	-	-	9,246,169
Total Cost	<u>296,273,273</u>	<u>7,331,359</u>	<u>(1,494,651)</u>	<u>302,109,981</u>

6.2 Depreciation

	Balance as at 01.04.2023	Charged for the year	Disposal	Balance as at 31.03.2024
	Rs.	Rs.	Rs.	Rs.
At Cost				
Buildings on Freehold Land	46,436,698	3,975,296	-	50,411,994
Furniture and Fittings	19,426,055	518,520	-	19,944,575
Tools and Equipments	514,288	-	-	514,288
Electrical Equipments	12,510,613	482,309	(180,920)	12,812,002
Air Conditioners	4,657,381	985,152	(1,214,039)	4,428,495
Computer Equipments	1,604,053	294,713	-	1,898,766
Kitchen Equipments	7,231,240	452,087	-	7,683,328
Office Equipments	652,200	59,785	(26,955)	685,030
Crockery and Cutlery	697,381	124,372	-	821,753
Linen	5,155,994	925,373	(11,500)	6,069,867
House Keeping Equipment	685,324	62,599	-	747,923
Computer System	3,489,732	27,008	-	3,516,739
Electric Oven	581,487	-	-	581,487
Generator	5,745,969	736,867	-	6,482,836
Total Depreciation	<u>109,388,416</u>	<u>8,644,081</u>	<u>(1,433,414)</u>	<u>116,599,083</u>

BANSEI ROYAL RESORTS HIKKADUWA PLC

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

6. PROPERTY, PLANT AND EQUIPMENT (Contd...)

	2024	2023
	Rs	Rs.
6.3. Net Book Values		
At Cost		
Freehold Land	63,574,071	63,574,071
Buildings on Freehold Land	109,092,427	112,092,572
Furniture and Fittings	1,830,895	1,628,015
Tools and Equipment	-	-
Electrical Equipment	2,293,286	2,018,422
Air Conditioners	2,996,772	321,495
Computer Equipment	807,773	302,126
Kitchen Equipment	794,769	1,192,906
Office Equipments	152,866	99,991
Crockery and Cutlery	158,466	282,838
Linen	203,998	967,371
House Keeping Equipment	266,625	302,224
Computer System	575,621	602,627
Generator	2,763,333	3,500,200
	185,510,899	186,884,857
Total Carrying Amount of Property, Plant and Equipment	185,510,899	186,884,857

6.4 During the financial year, the Company acquired property, plant and equipment to the aggregate value of Rs. 7,331,359/- (2023 - Rs.4,671,857).

6.5 Property Plant and equipment includes fully depreciated assets having a gross carrying amount of Rs. 41,057,671/- (2023 - 36,348,646/-).

BANSEI ROYAL RESORTS HIKKADUWA PLC

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

7. INVENTORIES	2024	2023
	Rs.	Rs.
Food and Beverages	1,848,978	1,775,252
Printing and Stationery	329,359	416,926
Gas and Charcoal	64,041	103,619
Housekeeping and Maintenance	1,147,117	797,411
Kitchen Supplier Stock	206,085	137,110
	<u>3,595,582</u>	<u>3,230,317</u>
8. TRADE AND OTHER RECEIVABLES	2024	2023
	Rs.	Rs.
Trade Receivables (8.1)	2,551,708	2,728,444
Other Receivables (8.2)	2,121,035	-
	<u>4,672,742</u>	<u>2,728,444</u>
8.1 Trade Receivables	2024	2023
	Rs.	Rs.
Trade Receivables	1,374,996	2,728,444
Inhouse Guest Balance	504,258	-
Credit Cards	672,454	-
	<u>2,551,708</u>	<u>2,728,444</u>
8.2 Other Receivables	2024	2023
	Rs.	Rs.
VAT Receivable	835,163	-
WHT Receivable	1,285,871	-
	<u>2,121,035</u>	<u>-</u>
8.3 Advance, deposits and prepayments	2024	2023
	Rs.	Rs.
Advance Payment	215,000	2,172,876
Pre Payment	2,514,819	1,544,005
Other Debtors	337	337
Other Deposit	66,650	66,650
	<u>2,796,806</u>	<u>3,783,868</u>

BANSEI ROYAL RESORTS HIKKADUWA PLC

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

9. SHORT TERM DEPOSITS			2024	2023
			Rs.	Rs.
At Amortized cost				
Balance as at 01 April			107,456,980	65,060,921
Investments made during the year			20,690,279	42,396,059
Balance as at 31 March			128,147,259	107,456,980
10. CASH AND CASH EQUIVALENTS			2024	2023
			Rs.	Rs.
Cash in Hand			523,496	281,967
Cash at Bank			6,186,993	6,213,777
Cash and Cash Equivalents for the Purpose of Cash Flow Statement			6,710,489	6,495,744
11. STATED CAPITAL				
			2024	2023
			Number	Rs.
Fully paid Ordinary Shares			Number	Rs.
			53,728,000	272,280,000
			53,728,000	272,280,000
			53,728,000	272,280,000
			53,728,000	272,280,000
12. RETIREMENT BENEFIT OBLIGATION - GRATUITY			2024	2023
			Rs.	Rs.
Balance as at Beginning of the Year			1,718,615	1,544,017
Current Service Cost			465,765	394,022
Interest Cost			299,039	185,282
Actuarial Loss/(Gain)			856,805	(242,706)
Payments Made During the Year			(67,500)	(162,000)
Balance as at End of the Year			3,272,724	1,718,615
12.1 Net Benefit Expense Recognised to Comprehensive Income				
Net benefit expense (recognised in profit or loss)				
Current Service Cost			465,765	394,022
Interest Cost			299,039	185,282
			764,804	579,304
Net benefit expense (recognised in other comprehensive Income)				
Actuarial (Gain)/Loss			856,805	(242,706)
Net benefit expense			1,621,608	336,598

BANSEI ROYAL RESORTS HIKKADUWA PLC

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

12.2 The principal assumptions used in determining defined benefit obligation are shown below:

	2024	2023
Discount Rate	12%	17%
Salary Increment	12%	14%
Staff Turnover	17%	3%
Average Expected Future Services	10 Years	10 Years

12.3 Sensitivity of assumptions used

		Effect on Comprehensive Income Increase / (reduction) Rs.	Effect on Comprehensive Income Increase / (reduction) Rs.
Increase/ (decrease) in Discount Rate	+ 1 %	3,130,182	1,579,831
	- 1 %	3,428,311	1,878,460
Increase/ (decrease) in Salary Increment	+ 1 %	3,417,925	1,877,610
	- 1 %	3,137,338	1,578,560
Increase/ (decrease) in Employee Turnover	+ 1 %	3,267,371	1,761,544
	- 1 %	3,278,105	1,669,851

12.4 The following payments are expected on employee benefit liabilities in future years

	2024 Rs.	2023 Rs.
Less than or equal 01 year	592,291	160,986
Over 01 year and less than or equal 05 years	1,455,985	351,938
Over 05 year and less than or equal 10 years	817,907	518,114
Over 10 years	406,540	687,577
Total Expected payments	<u>3,272,723</u>	<u>1,718,615</u>

13. TRADE AND OTHER PAYABLES

	2024 Rs.	2023 Rs.
Trade Payables	2,522,229	2,401,466
Income Tax Payable	416,857	-
Dividant Payable	797,647	-
Sundry Creditors including Accrued Expenses	12,325,603	11,874,642
Contract Liabilities	235,233	606,178
	<u>16,297,570</u>	<u>14,882,286</u>

BANSEI ROYAL RESORTS HIKKADUWA PLC

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

	2024	2023
	Rs.	Rs.
14. REVENUE FROM CONTRACTS WITH CUSTOMERS		
Gross Revenue (14.2)	117,086,285	99,585,697
Less: Tourism Development Levy	<u>(1,170,803)</u>	<u>(1,012,836)</u>
	<u>115,915,482</u>	<u>98,572,861</u>
14.2 Disaggregation of Revenue		
Room Revenue	69,973,157	58,100,906
Restaurant Revenue	38,171,492	32,898,145
Spa Income	511,826	478,252
Beverage Revenue	8,017,126	7,807,587
Miscellaneous Income	106,140	129,122
Tea Hut Income	2,640	2,409
Laundry Income	<u>303,903</u>	<u>169,277</u>
	<u>117,086,285</u>	<u>99,585,697</u>
15. OTHER INCOME AND GAINS		
	2024	2023
	Rs.	Rs.
Profit/(Loss) on Disposal of Assets	104,500	-
Foreign Exchange Gain	<u>(25,626)</u>	<u>514,384</u>
	<u>78,874</u>	<u>514,384</u>
16. FINANCE INCOME		
	2024	2023
	Rs.	Rs.
Interest on Fixed Deposits	16,875,567	10,148,820
Interest on Saving Account	4,998	4,635
Gain on encashment	-	9,300
Insurance Claim	<u>71,750</u>	<u>-</u>
	<u>16,952,314</u>	<u>10,162,755</u>
17. PROFIT/(LOSS) BEFORE TAX		
Stated after Charging	2024	2023
	Rs.	Rs.
Included in Administrative Expenses		
Employees Benefits including the following		
- Defined Benefit Plan Costs - Gratuity	764,804	579,304
- Defined Contribution Plan Costs - EPF and ETF	2,766,800	2,407,255
Depreciation	8,519,709	8,182,448
Auditors' Remuneration		
- Audit services	530,004	609,505
- Non-Audit services	278,955	89,093
Charity and Donation	35,500	9,800

BANSEI ROYAL RESORTS HIKKADUWA PLC

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

18. INCOME TAX EXPENSE	2024	2023
	Rs.	Rs.
Current Income Tax charge (18.1)	-	511,062
Under/(Over) Provision of Current Taxes in Respect of Prior Year	518,777	-
Deferred Taxation Charge/(Reversal) (18.3)	9,709,376	9,106,732
Income Tax Expense reported in the Income Statement	<u>10,228,153</u>	<u>9,617,795</u>

18.1 A reconciliation between income tax expense and the product of accounting profit multiplied by the statutory tax rate is as follows;

Accounting Profit/(Loss) before Income Tax	32,310,694	26,089,816
Disallowed Items	9,799,995	9,119,562
Allowed Items / Other Source of income	(25,097,761)	(17,553,739)
Loss Claimed	(17,012,928)	-
Business Income	<u>-</u>	<u>(3,343,192)</u>
Interest income	16,880,564	10,153,455
Unrelieved business losses	(16,880,564)	(8,024,029)
	<u>-</u>	<u>2,129,426</u>
Income Tax @ 30%	-	511,062
Current Income Tax Charge	<u>-</u>	<u>511,062</u>
Tax Losses		
Tax Losses Brought Forward	73,454,606	100,050,765
Tax Losses Utilised	(33,893,492)	(26,596,159)
Loss incurred during the year	-	-
Tax Losses Carried Forward	<u>39,561,114</u>	<u>73,454,606</u>

BANSEI ROYAL RESORTS HIKKADUWA PLC

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

18.2 Deferred tax assets, liabilities and income tax relates to the followings.

	"Statement of Financial Position"		"Statement of Comprehensive Income"		"Statement of Income"	
	2024	2023	2024	2023	2024	2023
Deferred Tax Liability						
Capital allowances for tax purpose	33,270,919	33,468,926	-	-	(198,007)	17,480,238
	33,270,919	33,468,926	-	-	(198,007)	17,480,238
Deferred Tax Assets						
Post employee benefit liability	981,817	515,585	257,041	(72,812)	209,191	372,234
Carried forward tax losses	11,868,335	21,984,909	-	-	(10,116,574)	8,001,273
	12,850,152	22,500,494	257,041	(72,812)	(9,907,383)	8,373,507
Deferred income tax (income)/expense					9,709,376	9,106,731
Net deferred tax liability	20,420,767	10,968,432				

Deferred tax calculated at normal rate of 30% (2023 -14%)

18.3 Effect on Tax Rate Change

Balance at the beginning of the period	10,968,432	1,788,889
Origination / (Reversal) of Temporary difference	9,709,376	8,893,321
Effect on changes in tax rates	-	213,410
Impact on Other Comprehensive Income	(257,041)	72,812
Balance at the end of the period	20,420,767	10,968,432

BANSEI ROYAL RESORTS HIKKADUWA PLC

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

19 EARNINGS/(LOSS) PER SHARE

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

The following reflects the income and share data used in the basic earnings per share computations.

19.1 Amount Used as the Numerator:

	2024	2023
	Rs.	Rs.
Profit/(Loss) attributable to Ordinary Shareholders for Basic Earnings/(Loss) per Share	22,082,541	16,472,022

19.2 Number of Ordinary Shares Used as Denominator:

	Number	Number
Weighted Average Number of Ordinary Shares in issue applicable to Basic Earnings/(Loss) Per Share	53,728,000	53,728,000
Basic Earnings per share	0.41	0.31

20. DIVIDEND

	2024		2023	
	Per Share	Amount	Per Share	Amount
	Rs.	Rs.	Rs.	Rs.
Declared and paid during the year			0.20	10,745,600
Final Dividend's 2023/24	0.30	16,118,400		

Directors have recommended a Final Dividend of Rs. 0.30/- per ordinary share for the year ended 31st March 2024 subject to approval at the forthcoming Annual General Meeting. In accordance with LKAS 10 – Events After the end of the Reporting Period of the Sri Lanka Accounting Standards, the proposed final dividend has not been recognized as a liability as at 31st March 2024, and would result in a total outflow of Rs.16,118,400/-

BANSEI ROYAL RESORTS HIKKADUWA PLC

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

21. COMMITMENTS AND CONTINGENCIES

21.1 Capital Expenditure Commitments

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

21.2 Contingent Liabilities

The Company does not have significant contingent liabilities as at reporting date.

22. ASSETS PLEDGED

No assets have been pledged as securities as at reporting date.

23. RELATED PARTY DISCLOSURES

Details of significant related party disclosures are as follows:

23.1 Transaction with the Related Entities

a) Nature of Transaction

	Affiliates & Other Related Parties	
	2024	2023
	Rs.	Rs.
As at 01 April	-	-
Consultancy Fee*	-	-
Advances made during the year	-	-
Payments during the year	(131,234)	(146,063)
Received During the Year	(58,000)	(63,000)
Reimbursement of expenses	131,234	146,063
Accommodation sales	58,000	63,000
Reimbursement of advances during the year	-	-
As at 31 March	-	-

Fellow Subsidiary : Bansei Holdings LK(Pvt) Ltd

BANSEI ROYAL RESORTS HIKKADUWA PLC

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

23. RELATED PARTY DISCLOSURES (Cont..)

b) Reimbursement of expenses

Bansei Holdings LK (Pvt) Ltd has paid the accommodation charges made for directors on behalf of Bansei Securities Company Limited.

Name of the Related Party	Relationship	Nature of the transaction	Value of Related Party Transaction entered into during the financial year	Aggregate value of the Related Party Transaction as a % of Revenue
Bansei Holdings Co Ltd	Ultimate Parent	Dividend	913,376	1%
Bansei Securities Company Limited	Parent	Dividend	3,562,125	3%
Bansei Holdings LK (Pvt) Ltd	Fellow Subsidiary	Dividend	2,831,507	2.44%
Bansei Holdings LK (Pvt) Ltd	Fellow Subsidiary	Accommodation/ Reimbursement of expenses	189,234	0.16%

23.2 Transactions with Key Management Personnel of the Company

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any Director (whether Executive or otherwise) of that entity .

a) Key Management Personnel Compensation

The following compensation have been paid during the year to the Key Management Personnel of the Company, which require disclosure in these Financial Statements.

Nature of Transaction	Directors	
	2024 Rs.	2023 Rs.
As at 01 April	-	-
Directors fee	475,000	300,000
Settlement	-	-
Payments during the year	(475,000)	(300,000)
As at 31 March	<u>-</u>	<u>-</u>

23.3 Other Related Parties Disclosures

No material transactions have taken place during the year with the parties/entities in which Key Management Personnel or their Close Family Members have control, joint control , which require to disclosure in these Financial Statements other than those disclosed above.

BANSEI ROYAL RESORTS HIKKADUWA PLC

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

23.4 Terms and conditions of transactions with related parties

All related party transactions have been conducted on agreed commercial terms with respective parties

24. FAIR VALUE

Cash and short-term deposits, trade receivables, trade payables approximate their carrying amounts largely due to the short-term maturities of these instruments. Finance lease payable for which periodical interest is paid are also considered to be carried at fair value in the book since the original financing rate does not differ materially from the current market rate.

25. EVENTS OCCURRING AFTER THE REPORTING DATE

There have no other material events occurring after the reporting date that require adjustments to or disclosure in the financial statements other than mentioned below.

Directors have recommended a Final Dividend of Rs.0.30/- per ordinary share for the year ended 31st March 2024 subject to approval at the forthcoming Annual General Meeting. In accordance with LKAS 10 – Events After the end of the Reporting Period of the Sri Lanka Accounting Standards, the proposed final dividend has not been recognized as a liability as at 31st March 2024, and would result in a total outflow of Rs.16,118,400/-

26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities comprise Interest Bearing loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company has trade and other receivables, and cash and short-term deposits that arrive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk.

The Company's senior management oversees the management of these risks. The Company's senior management is supported by a financial risk committee that advises on financial risks and the appropriate financial risk governance framework for the Company.

The Board of Directors reviews and agrees policies for managing each of these risks which are summarised below.

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise four types of risk: interest rate risk, currency risk, commodity price risk and other price risk, such as equity price risk. Financial instruments affected by market risk include loans and borrowings.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a different currency from the Company's functional currency) and the borrowings.

Foreign Currency Sensitivity

The following table demonstrate the sensitivity of company's profit before tax to a reasonably possible change in USD exchange rates,

BANSEI ROYAL RESORTS HIKKADUWA PLC

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

Sensitivity related to Cash at Bank		Effect on Profit Before Tax Rs.	
		As at 31st March 2024	As at 31st March 2023
Changes in USD Rate of Exchange	(+10%)	162,602	81,001
	(-10%)	133,038	66,274

Credit Risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities. Including with banks and financial institution, foreign transactions and other financial instrument.

The Company trades only with recognized, credit worthy third parties. It is the Company's policy that all client who wish to tread on credit terms are subject to credit verification procedures, receivable balances are monitored on an ongoing basis with the result that the Company's exposure to bad debts is not significant.

With respect to credit risk arising from the other financial assets of the Company, such as cash and cash equivalents, the Company's exposure to credit risk arises from default of the counter party. The company manages its operation to avoid any excessive concentration of counter party risks and the company takes all reasonable steps to ensure that the counter parties fulfil their obligations.

Credit Risk Exposure

The maximum risk positions of financial assets which are generally subject to credit risk are equal to their carrying amounts (without consideration of collateral, if available). Following table shows the maximum risk positions. (Without consideration of collateral, if available)

As at 31st March 2024	Cash and Cash Equivalent Rs.	Trade and Other Receivables Rs.	Short Term Deposits Rs.	Total Rs.	% of Allocation
Trade and Other Receivables	-	4,672,742	-	4,672,742	3%
Cash and Cash Equivalent	6,710,489	-	-	6,710,489	5%
Short Term Deposits	-	-	128,147,259	128,147,259	92%
	6,710,489	4,672,742	128,147,259	139,530,490	100%

27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd....)

As at 31st March 2023	Cash and Cash Equivalent Rs.	Trade and Other Receivables Rs.	Short Term Deposits Rs.	Total Rs.	% of Allocation
Trade and Other Receivables	-	2,728,444	-	2,728,444	2%
Cash and Cash Equivalent	6,495,744	-	-	6,495,744	6%
Short Term Deposits	-	-	107,456,980	107,456,980	92%
	6,495,744	2,728,444	107,456,980	116,681,168	100%

BANSEI ROYAL RESORTS HIKKADUWA PLC

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

Trade receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of the customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment.

The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low based on the terms with which the long standing business relationship with the customer base.

Trade Receivable Credit risk exposure disclosed in Note 8.1

Liquidity risk

The Company monitors its risk to a shortage of funds using a recurring liquidity planning tool. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, loans, and finance leases. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. Access to sources of funding is sufficiently available and debt maturing within 12 months can be rolled over with existing lenders.

The following are the remaining contractual maturities at the end of reporting period of financial liabilities. Including estimated interest payments and excluding the impact of netting agreements.

As 31st March 2024	Carrying Amount Rs.	2 Months or less Rs.	2 – 12 Months Rs.	1 – 2 Year Rs.
Trade Payable	2,522,229	2,522,229	-	-

As 31st March 2023	Carrying Amount Rs.	2 Months or less Rs.	2 – 12 Months Rs.	1 – 2 Year Rs.
Trade Payable	2,401,466	2,401,466	-	-

Capital management

Capital includes the equity attributable to the equity holders.

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios to support its business and maximise shareholder value. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2024.

The Company's capital structure comprise of Stated Capital and Borrowings which are disclosed in Note 11 respectively.

BANSEI ROYAL RESORTS HIKKADUWA PLC

SHAREHOLDERS & INVESTOR INFORMATION

Year ended 31 March 2024

TWENTY LARGEST SHAREHOLDERS

NO	NAME OF SHAREHOLDER	NO OF SHARES AS AT 31/03/2024	%	NO OF SHARES AS AT 31/03/2023	%
1	Bansei Securities Co. Ltd	20,953,677	39.00	20,953,677	39.00
2	Hikkaduwa Hotel Holdings (Private) Limited	16,655,923	31.00	16,655,923	31.00
3	Veritas Holdings (Pvt) Ltd	5,372,800	10.00	5,372,800	10.00
4	Bansei Holdings Co. Ltd	5,372,800	10.00	5,372,800	10.00
5	Mrs. C.V. Perera	1,009,542	1.88	1,009,542	1.88
6	Mr. D.S.K. Karunaratne	895,400	1.67	895,400	1.67
7	Dr. S.M.D.C.W. Senarathne	810,696	1.51	863,860	1.61
8	Mr. J.V.W. Malawana	662,176	1.23	662,176	1.23
9	Mr. T.G.S. Wickrama	591,345	1.10	569,357	1.06
10	Merchant Bank of Sri Lanka & Finance PLC/ Y R P De Silva	83,124	0.15	74,552	0.14
	Mr. Y R P De Silva	15,211	0.03	16,415	0.03
11	Mrs. B R R Perera	64,023	0.12	60,000	0.11
12	Mr. A. Rathnayake	63,286	0.12	-	-
13	LOLC Finance PLC/S.Y.E. Fernando	61,245	0.11	2	-
14	Dr. G S Perera	60,000	0.11	60,000	0.11
15	Mr. K P M A L Karunaratne	56,527	0.11	34,231	0.06
16	Mr. M T M Peiris	55,000	0.10	-	-
17	Mr. G V Sanjaya	52,307	0.10	36,081	0.07
18	Mr. S.S. Miranda	48,319	0.09	40,819	0.08
19	Mr. R E Rambukwelle	46,500	0.09	47,500	0.09
	Hatton National Bank PLC/ Mr. R E Rambukwelle	37,957	0.07	40,000	0.07
20	Mr. M L S M Fonseka	37,440	0.07	75,310	0.14
TOTAL		53,005,298	98.66	52,840,445	98.35

BANSEI ROYAL RESORTS HIKKADUWA PLC

SHAREHOLDERS & INVESTOR INFORMATION

Year ended 31 March 2024

DISTRIBUTION OF SHAREHOLDINGS – 31ST MARCH 2024

Value Band			Resident			Non – Resident			Total		
			No of Share Holders	No of Shares	%	No of Share Holders	No of Shares	%	No of Share Holders	No of Shares	%
1	-	1,000	619	149,634	0.28	2	190	-	621	149,824	0.28
1,001	-	10,000	63	228,150	0.42	1	9,396	0.02	64	237,546	0.44
10,001	-	100,000	29	956,271	1.78	1	60,000	0.11	30	1,016,271	1.89
100,001	-	1,000,000	4	2,959,617	5.51	-	-	-	4	2,959,617	5.51
1,000,001	&	above	2	22,028,723	41.00	3	27,336,019	50.88	5	49,364,742	91.88
TOTAL			717	26,322,395	48.99	7	27,405,605	51.01	724	53,728,000	100.00

CATEGORIES OF SHAREHOLDERS

Categories of Shareholders	2023/2024			2022/2023		
	No of Shareholders	No of Shares	%	No of Shareholders	No of Shares	%
Individuals	700	5,120,787	9.53	691	5,119,543	9.53
Institutions	24	48,608,457	90.47	20	48,608,457	90.47
Total	724	53,728,000	100.00	711	53,728,000	100.00

Opening Share Price - Rs. 11.30

Last traded share price - Rs. 12.90

The float adjusted market capitalization as at 31st March 2024 is Rs.69,309,120

The Market capitalization as at 31st March 2024 is Rs. 693,091,200

BANSEI ROYAL RESORTS HIKKADUWA PLC

REAL ESTATE PORTFOLIO

Year ended 31 March 2024

Classification	Company	Location	Land/ Building	Last Revaluation Date	Land extent (Perches)		Building		Fair value as at 31/03/2024 Rs.
					Leasehold	Freehold	No of Buildings	Building in sq.ft	
PPE	Bansei Royal Resorts Hikkaduwa PLC	No.340 Galle Road, Hikkaduwa	Land	31.03.2023		48.43			145,290,000
PPE	Bansei Royal Resorts Hikkaduwa PLC	No.340 Galle Road, Hikkaduwa	Building	31.03.2023			1	25,592	222,035,000
PPE	Bansei Royal Resorts Hikkaduwa PLC	No. 281, Galle Road Hikkaduwa	Land	31.03.2023		62.49			115,600,000
PPE	Bansei Royal Resorts Hikkaduwa PLC	No. 291/10, Galle Road Hikkaduwa	Land	31.03.2023		8.002			9,202,300
PPE	Bansei Royal Resorts Hikkaduwa PLC	No. 291/10, Galle Road Hikkaduwa	Building	31.03.2023			1	3,735	13,072,700

Valuation has been done by Mr.P.P.T. Mohideen,
Chartered valuation surveyor,
RICS Registered valuer ,
No. 18A, Schofiels Place,
Colombo 03.

CORPORATE INFORMATION

NAME OF THE COMPANY

Bansei Royal Resorts Hikkaduwa PLC

FORMER NAMES OF THE COMPANY

Coral Rock Hotels (Private) Limited
Bansei Royal Resorts Hikkaduwa Limited

LEGAL STATUS

A Limited Liability Company incorporated in Sri Lanka under the Companies Ordinance as a Private Company on 22nd February 1973 and re-registered under Companies Act No.07 of 2007 on 29th December 2010. The Company changed its status to a Public Limited Company with effect from 6th March 2014. In March 2014, its shares were Listed on the Dirisavi Board of the Colombo Stock Exchange and accordingly the Registrar of Companies issued the Public Listed Company (PLC) Certificate with effect from 8th August 2014.

REGISTRATION NUMBER

PV 20150 PQ

ACCOUNTING YEAR END

31st March 2024

REGISTERED / BUSINESS OFFICE

Level 04, West Tower,
World Trade Center,
Colombo 1

Tele : +9411 2339135
Fax : +9411 2339138
Web: www.bansei-resorts.lk

HOTEL ADDRESS

No.340, Galle Road,
Hikkaduwa

BANKERS

Commercial Bank PLC
Pan Asia Banking Corporation PLC
Hatton National Bank PLC

BOARD OF DIRECTORS

Mr. T de Zoysa
Chairman (Independent/ Non-Executive Director)

Mr. T Murakami
Deputy Chairman (Non-Executive Director)

Mr. H Ota
Director/Chief Executive Officer

Mr. G C A De Silva
Non-Executive Director

Mr. J V W Malawana
Non-Executive Director

Mr. C S J Perera
Independent /Non-Executive Director

COMPANY SECRETARIES & REGISTRARS

Corporate Arcade Ltd
No.9/4, Edmonton Road,
Kirulapone,
Colombo - 06

Tel : 2514420 / 2514421
E-Mail : cal@sltnet.lk

AUDITORS

M/s. Ernst & Young
Chartered Accountants
Rotunda Towers
No 109, Galle Road,
P.O.Box 101
Colombo 03

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN THAT THE 50TH ANNUAL GENERAL MEETING OF THE SHAREHOLDERS OF BANSEI ROYAL RESORTS HIKKADUWA PLC WILL BE HELD AS AN ONLINE AUDIO-VISUAL MEETING ON WEDNESDAY THE 21ST AUGUST 2024 AT 10.00 A.M. AT THE REGISTERED OFFICE ADDRESS OF THE COMPANY SITUATED AT 4TH FLOOR, WEST TOWER, WORLD TRADE CENTER, COLOMBO 01, FOR THE FOLLOWING PURPOSES:

AGENDA

- 1) To receive and consider the Report of the Board of Directors and the Audited Financial Statements for the year ended 31st March 2024 together with the Report of the Auditors thereon.
- 2) To declare a First and Final dividend of Rs. 0.30/- per share for the Ordinary Shareholders for Financial Year under review.
- 3) To re-appoint Mr. Tilak De Zoysa who is 77 years of age, as a Director by passing the following Resolution as an Ordinary Resolution: "That the age limit stipulated in Section 210 of the Companies Act No.7 of 2007 shall not apply to Mr. Tilak De Zoysa who has reached 76 years of age and that he be re-appointed as a Director of the Company.
- 4) To re-elect Mr.C S J Perera, a Director, who retires by rotation in terms of Article 24(6) of the Articles of Association of the Company.
- 5) To re-appoint M/s. Ernst & Young, Chartered Accountants, Auditors of the Company, for the ensuing financial year 2024/2025 and to authorize the Board of Directors to determine their remuneration.
- 6) To authorize the Board of Directors to determine contributions to charities and other donations for the financial year 2024/2025.
- 7) To transact any other business of which due notice has been given.

BY ORDER OF THE BOARD

Sgd/-

CORPORATE ARCADE LTD

Company Secretaries

30th July 2024

Note:

The Board of Directors, have decided to hold the Annual General Meeting (AGM) through Audio or Audio/ Visual means in conformity with the regulatory provisions of the Company.

Please refer instructions to participate at the Annual General Meeting via online

INSTRUCTIONS TO PARTICIPATE AT THE ANNUAL GENERAL MEETING (AGM)

- a) Shareholders who wish to participate at the AGM (on-line) are requested to email the following information to **bansei.agm@gmail.com**

Details of shareholder		
1. Full name		
2. Address		
3. National Identify Card number / Company Registration number		
4. CDS Account number		
5. Contact number	Landline:	Mobile:
6. Email address (to which the on-line meeting link should be forwarded by the Company)		

A Shareholder is entitled to appoint a proxy to participate and vote (on- line) on his/her behalf.

- a) A Proxy Holder need not be a shareholder of the Company. A Form of Proxy is enclosed for this purpose.
- b) The completed Form of Proxy should reach 48 hours before the time fixed for the Annual General Meeting, either by:
- (i) Post or hand delivered to the Company Secretaries, Corporate Arcade Ltd situated at No.9/4, Edmon-ton Road, Colombo 06
- or
- (ii) Scanned and emailed to the email address: **bansei.agm@gmail.com**

Only registered Shareholders and registered Proxy Holders will be permitted to log in to participate at the AGM via on-line.

FORM OF REQUEST

BANSEI ROYAL RESORTS HIKKADUWA PLC
Annual Report 2023/2024

FORM OF REQUEST for printed version of the Annual Report of Bansei Royal Resorts Hikkaduwa PLC, for the Financial Year 2023/2024.

To: The Company Secretaries
Corporate Arcade Limited
No.9/4, Edmonton Road,
Colombo - 06

Dear Sir / Madam,

BANSEI ROYAL RESORTS HIKKADUWA PLC
ANNUAL REPORT FOR THE FINANCIAL YEAR 2023/2024

I/We would like to receive the printed version of the Annual Report for the Financial Year 2023/2024 of Bansei Royal Resorts Hikkaduwa PLC

I will collect a copy from your office	
Please handover a copy to bearer of this signed form	
Please mail it to my address given below	

Full Name of Shareholder :.....

Shareholder's NIC/Passport/Company Registration :.....

CDS No. :.....

No. of Shares held :.....

Postal Address :.....

Contact No. :.....

E-mail ID :.....

Signature :.....

Date :.....

BANSEI ROYAL RESORTS HIKKADUWA PLC

REGISTRATION NO. PV 20150 PQ

4TH FLOOR, WEST TOWER, WORLD TRADE CENTER, COLOMBO 01

CIRCULAR TO SHAREHOLDERS

Dear Shareholder,

The Board have decided to convene the 50th Annual General Meeting (AGM) to be held on Wednesday, the 21st August 2024 at 10.00 a.m. via an on-line platform, in conformity with the regulatory provisions of the Company.

REGISTRATION PROCEDURE

Those Shareholders and Proxy holders who wish to participate via audio or audio and visual should notify the Company through the Company Secretaries of such intention by duly completing the REGISTRATION FORM and posting or delivering to the Company Secretaries, Corporate Arcade Ltd situated at No.9/4, Edmonton Road, Colombo 06, or scan and email to the email address: bansei.agm@gmail.com.

APPOINTMENT OF PROXY HOLDERS

The Shareholders are encouraged to vote by Proxy through appointment of a Member of the Board of Directors to vote on their behalf and to include their voting preferences on the resolutions to be taken up at the meeting in the Form of Proxy. The duly completed Form of Proxy should reach the Company Secretaries not less than Forty-Eight (48) hours prior to the time appointed for holding the AGM. Where the Proxy holders are concerned, please note that the login information will only be shared with those valid proxy has been submitted by the respective Shareholder.

PARTICIPATION VIA ONLINE MEETING PLATFORM

The login information will be authorized only for the use by individual Shareholders, Proxy holders and authorized representatives in case of Institutional Shareholders and the Company will not be responsible or liable for any misuse.

Shareholders may send their questions / comments on the items listed in the Agenda of the Notice Convening the AGM by email to bansei.agm@gmail.com or by post to the Company Secretaries Corporate Arcade Ltd situated at No.9/4, Edmonton Road, Colombo 06, not less than 3 days before the holding of the meeting.

Voting on the items listed in the Agenda will be registered by using an online platform or a designated ancillary online application. All of such procedures will be explained to the Shareholders prior to the commencement of the meeting by the Company or its Organizers.

The Annual Report, Form of Proxy and other connected documents will be hosted in the Company's Website www.bansei-resorts.lk and the Official website of the Colombo Stock Exchange www.cse.lk

Any queries that the Shareholders may have in relation to the documents hosted online can be directed to the following;

NAME	:	Mr. Duminda Sampath
DESIGNATION	:	Accountant
EMAIL ID	:	accountant@bansei-resorts.lk
CONTACT NO.	:	0774777846

BY ORDER OF THE BOARD

Sgd/-

**CORPORATE ARCADE LTD
COMPANY SECRETARIES FOR
BANSEI ROYAL RESORTS HIKKADUWA PLC**

30th July 2024

FORM OF PROXY

I/Weof
.....being a Member/Members of Bansei Royal Resorts Hikkaduwa
PLC hereby appoint.....
holder of NIC No.....of
.....or failing him /her

TILAK DE ZOYSA of Nugegoda whom failing
TOYOHICO MURAKAMI of Japan whom failing
HIROYUKI OTA of Japan whom failing
JOHN VIRAJ WINSTON MALAWANA of Madiwela whom failing
GINIGE CHANNA AJITH DE SILVA of Colombo 06 whom failing
CHRISTOPER SURITH JAYARAJ PERERA of Kalubowila

as my / * our proxy to represent me / * us on my / * our behalf as indicated below at the 50th Annual General Meeting of the Company to be held on Wednesday the 21st August 2024 and at any adjournment thereof.

Please indicate your preference by placing a ✓ against the Resolution No.

	For	Against
1. To receive and consider the Report of the Board of Directors and the Audited Financial Statements for the Year ended 31 st March 2024 together with the Report of the Auditors thereon.		
2. To declare a First and Final dividend of Rs 0.30/- per share for the Ordinary Shareholders for financial year under review		
3. To re-appoint Mr. Tilak De Zoysa, who has reached 77 years of age, in terms of Section 210(2)(b) of the Companies Act.		
4. To re-elect Mr. C.S.J Perera, who retires by rotation in terms of Article 24(6) of the Articles of Association of the Company.		
5. To re-appoint M/s. Ernst & Young, Chartered Accountants, Auditors of the Company for the ensuing Financial year 2024/2025 and to authorize the Board of Directors to determine their remuneration.		
6. To authorize the Directors to determine contributions to charities and other donations for the year 2024/2025.		

As witness my/ our hand/s thisday of 2024.

.....
NIC NO. / REG. NO.

.....
SIGNATURE

INSTRUCTIONS FOR THE COMPLETION OF PROXY

1. Please perfect the form of proxy overleaf, by signing in the space provided and filling in the date of signature, after filling in legibly your full name and address.
2. Please return the completed Form of Proxy after deleting one or other of the alternative words indicated by asterisks in the body of the form, if he/she wishes his/her proxy holder to participate at the AGM online, and e-mail to bansei.agm@gmail.com.
3. To be valid, completed form of Proxy should be deposited either by e-mail bansei.agm@gmail.com or by posted/ delivered to the Company Secretaries at No.9/4, Edmonton Road, Colombo 06, not less than 48 hours before the time appointed for the holding of the meeting.
4. If the form of Proxy has been signed by an attorney, the relative Power of Attorney should also as Company the completed form of Proxy for registration, if such Power of Attorney has not already been registered with the Company.
5. If the shareholder is a Company or a corporate body, the Proxy should be executed under its Common Seal (where applicable) in accordance with its Articles of Association or Constitution.
6. If there is any doubt as to how the vote is to be exercised by reason of the manner in which the Form of Proxy has been completed, no vote will be recorded.

PARTICIPATION AT THE AGM - Please tick the cage below

My Proxy holder is willing to participate at the AGM Online

.....
Signature of Shareholder

.....
Signature of Proxyholder