



SRI LANKA RETAILERS' ASSOCIATION
Driving Retail Excellence

SRI LANKA RETAILERS' ASSOCIATION

ANNUAL REPORT 2020-2021

SRI LANKA RETAILERS' ASSOCIATION

Office Bearers for 2020/2021

President	Mr. Murali Prakash
Vice President	Mr. Charitha Subasinghe
Vice President	Mr. Infiyaz Ali

Executive Council

Ms. Kaushalya Perera

Mr. Mahesh Wijewardena

Mr. Hussain Sadique

Mr. Sidath Kodikara

Mr. Dinesh Perera

Mr. Ajith Amarasekra

Mr. Asoka Pieris

Ms. Ruvini Kariyawasam

Mr. Rakhil Fernando

Secretariat

The Ceylon Chamber of Commerce
No. 50, Navam Mawatha
Colombo 02.

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1. Members of the Association

General Members

ABANS PLC

ABC TRADE & INVESTMENTS (PVT) LTD

AKBAR BROTHERS (PVT) LTD

AVIRATE (PVT) LTD

BATA SHOE COMPANY OF CEYLON LTD

CARGILLS FOODS COMPANY (PVT) LTD

CATCHME.LK (PVT) LTD

COOL PLANET (PVT) LTD

D SAMSON & SONS (PVT) LTD

D.R. INDUSTRIES (PRIVATE) LIMITED

DANKOTUWA PORCELAIN PLC

EXCLUSIVE LINES (PVT) LTD

FASHION BUG PRIVATE LIMITED

GAMMA PIZZAKRAFT LANKA (PVT) LTD

HAMEEDIA STORES (PVT) LTD

HARCOURTS PHARMACY (PVT) LTD

HEALTHGUARD PHARMACY LIMITED

JAGRO (PVT) LTD

JAYKAY MARKETING SERVICES (PVT) LTD

KANDY KADAWATHA

KAPRUKA. COM (PVT) LTD

KAYMU LANKA (PVT) LTD

KIDDIES & TOYS INTERNATIONAL (PVT) LTD

LAUGFS SUPERMARKETS (PVT) LTD

LEATHER COLLECTION (PVT) LTD

MJF EXPORTS (PVT) LTD

MLESNA CEYLON (PVT) LTD

NOLIMIT

PERERA & SONS (BAKERS) LTD

RICHARD PIERIS DISTRIBUTORS LTD

ROYAL LANKA AGENCIES (PVT) LTD

SAMUDRA CONSOLIDATED (PVT) LTD

SHIRT WORKS (PRIVATE) LIMITED

SINGER (SRI LANKA) PLC

SOFTLOGIC RETAIL (PVT) LTD

SPAR SL PRIVATE LIMITED

STONE N STRING (PVT) LTD

SWARNAMAHAL JEWELLERS LTD

THILAKAWARDHANA TEXTILES (PVT) LTD

VISION CARE OPTICAL SERVICES (PRIVATE) LIMITED

VOGUE JEWELLERS (PVT) LTD

Associated members

INTERNATIONAL DISTILLERS LIMITED

LION BREWERY (CEYLON) PLC

General Members (Small and Medium)

IC COLLECTION (PVT) LTD

NAVAVI (PVT) LTD

Sub Members

COTTON COLLECTIONS (PVT) LTD

LAUGFS PETROLEUM (PVT) LIMITED

2. Report of the Association for the period April 1, 2020 to March 31, 2021

2.1. Introduction, Vision and Objectives

Formation

Sri Lanka Retailers' Association (Guarantee) Limited was incorporated in 2016 as a Company Limited by Guarantee. SLRA currently represents 9 Retail sectors which are: FMCG; Clothing, Fashion & Jewelry; Shelter & Housing; Household & Consumer Durables; Footwear & Accessories; E-Commerce; Mobility; Entertainment, Restaurants & QSR; and Healthcare & Wellness, and comprising of 30+ leading retailers.

The Sri Lanka Retailer's Association (SLRA) entered into a MOU with Ceylon Chamber Of Commerce on 29th of September 2016, to provide the Association's secretarial services, other required services, support, co-operation and assistance to achieve the Association's objectives and goals. The MOU was signed between the Ceylon Chamber of Commerce and the Sri Lanka Retailer's Association.

The objective of this Association is to harness the resources of the Organized Retail industry to a common platform to promote and facilitate the futuristic Innovation, Growth and Global outreach. SLRA has an ambitious Vision to "Achieve Retail Excellence" and it strives to be the 'Voice of the Retail industry in Sri Lanka'.

The common objective of the Association is as follows;

- ★ *Facilitating clear Policy on the Retail industry*
- ★ *Be Catalyst for Budget proposals*
- ★ *Develop the Retail Trade in line with the Development (Key stakeholder) changes of the Country.*
- ★ *Bring in Uniformity to Standardization.*
- ★ *Create an image as a preferred industry for employment.*
- ★ *Developing the Retail industry expertise in people.*
- ★ *Instill Global Best Practices in the Retail Industry*

SLRA hopes to organize and engage in retail based programmes, seminars/ training sessions in a bid to provide knowledge for both employers and employees currently involved in the retail sector, paving the way for global outreach and acting as a stepping stone in establishing Sri Lanka Retail in the International arena.

2.2. Membership and the Executive Council

The Association consisted of 47 members during the period April 2020 to March 2021.

The following changes took place during the period under review.

Executive Council

President	-	Mr. Murali Prakash
Vice President John Keells Holdings PLC	-	Mr. Charitha Subasinghe
Vice President Healthguard Pharmacy Ltd.	-	Mr. Infiyaz Ali
General Secretary D. Samson & Sons (Pvt) Ltd.	-	Ms. Kaushalya Perera
Treasurer Singer Sri Lanka PLC	-	Mr. Mahesh Wijewardena
Asst. Secretary Abans PLC	-	Mr. Dinesh Perera
Asst. Treasurer	-	Mr. Ajith Amarasekera
Sector Chair-Durables Households & Consumer Electronics Cargills PLC	-	Mr. Asoka Pieris
Sector Chair - Entertainment, Restaurant & QSR Perera & Sons Bakers (Pvt) Ltd	-	Ms. Ruvini Kariyawasam
Sector Chair-Ecommerce Sector Kapruka.com Pvt Ltd	-	Mr. Dulith Herath
Council Member Kaymu Lanka Pvt Ltd.	-	Mr. Rakhil Fernando
Founder President Hameedia	-	Mr. Hussain Sadique

3. Activities for – 2020/2021

3.1. 4th Annual General Meeting of Sri Lanka Retailers' Association

The 4th Annual General Meeting of the Sri Lanka Retailers' Association (SLRA) was held on 17th December 2020 as a virtual meeting.

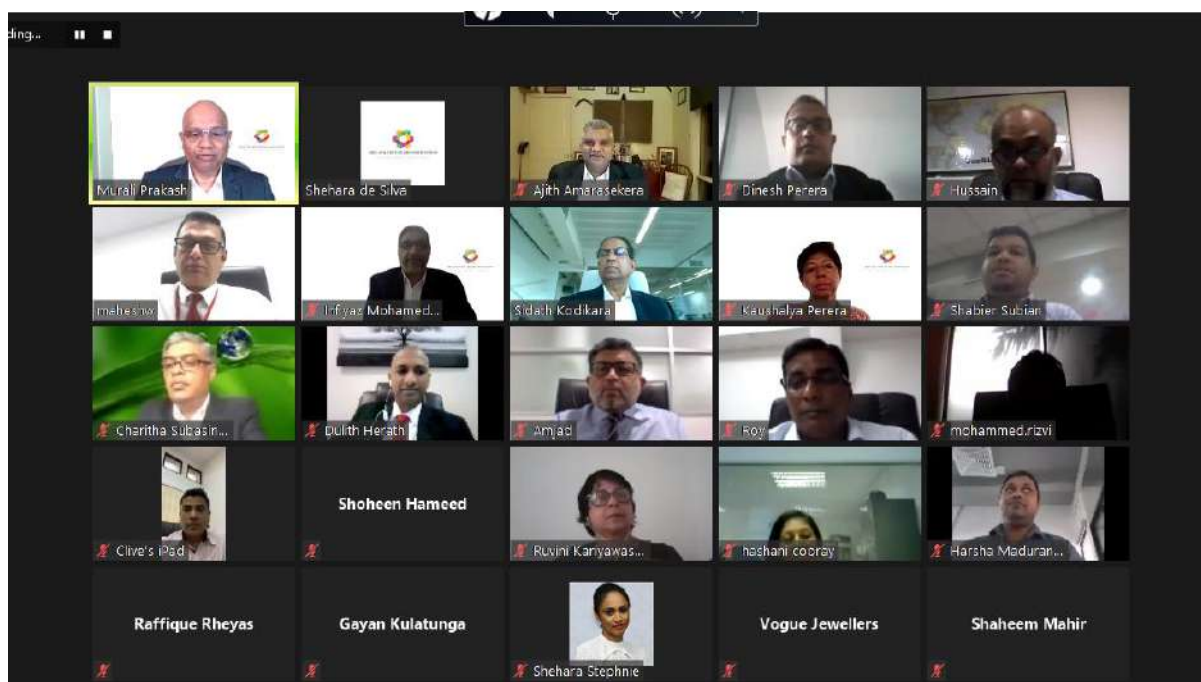
Former president Mr. Kodikara stated the aims of the Association. Established in 2015, the Sri Lanka Retailers' Association has an ambitious Vision to "Achieve Retail Excellence" and it strives to be the 'Voice of the Retail industry in Sri Lanka'. The SLRA aims to educate retailers as to how they could work together to improve standards of retailing in an inclusive manner, improve consumer service in all facets of retailing, and facilitate the growth of the Retail industry through innovation. The key initiative of the association for the Year 2019/20 is the 'Leadership Excellence' training conducted for retail and allied professionals.

During the course of the year, the SLRA also host the executive directors virtual meeting of Federation of Asia Pacific Retail Association in July 2020 and attended the Head of Directors meeting in December 2020 of FAPRA. SLRA was nominated to be the host country for Asia Pacific Retail Exhibition and Conference 2024, which is flagship event of FAPRA.

Office bearers for the Year 2020/21: Mr. Murali Prakash; Group Managing Director & CEO, Ambeon Capital & Ambeon Holdings PLC is the President of SLRA, and Mr. Charitha Subasinghe; CEO, Jay Kay Marketing Services Pvt Ltd, Mr. Infiyaz Ali; CEO, Healthguard Pharmacy Pvt Ltd. serve as the Vice Presidents.

The newly appointed Executive Council for the year 2020/21: General Secretary Ms. Kaushalya Perera; Director, D. Samson & Sons (Pvt) Ltd, Asst. General Secretary – Mr. Dinesh Perera; Director, Abans PLC, Treasurer – Mr. Mahesh Wijewardena; CEO, Singer Sri Lanka PLC, Asst. Treasurer – Mr. Ajith Amarasekara, Sector Chair; Durables including Households & Consumer Electronics – Mr. Asoka Pieris; Director, Cargills Ceylon PLC and Hatton National Bank PLC, Sector Chair; E commerce- Mr. Dulith Herath; Founder, Kapruka.com (Pvt) Ltd, Sector Chair; Entertainment, Restaurant & QSR- Ms. Ruvini Kariyawasam; Corporate Manager, Perera & Sons Bakers (Pvt) Ltd, Founder President- Mr. Hussain Sadique; Deputy Managing Director, Hameedia, Past President, Mr. Sidath Kodikara, Council Member- Mr. Rakhil Fernando; Managing Director, Kaymu Lanka (Pvt) Ltd.

The newly elected president Mr. Prakash stated that "The changes in retail landscape over the past decade has been very significant. Interwoven with speed and technology, this sector remains one of the most vibrant yet challenging. From a Retailers Association point of view, we would envisage a future where the country would be positioned as a retail hub, giving further impetus to the already focused tourism sector. Our aim is to build that ultimate retail excellence across the country, which will contribute to enhance customer, community and business interest alike."



SLRA 4th Annual General Meeting

3.2. Expert webinar: "Recovering Sales and Profitability After the COVID Pandemic"

The Sri Lankan Retailers Association presented a series of expert webinars, "Recovering Sales and Profitability After the COVID Pandemic".

The speaker was Brian Hume of Martec International, A world leading expert on retail business processes and systems with over 40 years of global experience. Brian communicated to participants the information they need to develop their own tailored plans for achieving a successful return to profitability post COVID.

Brian presented two webinars on the 14th and 16th of September to discuss strategies to recover profitability.

The first webinar (14th September) focused on Products, Inventory, Supply Chain and Cash.

The second webinar (16th September), focused on Store Operations, Omni-Channel Retailing, Marketing and The Non-Inventory Aspects of Customer Service. contributing industries to economic and social development, by providing a forum where retailers can work together to improve standards of retailing in an inclusive manner, improve consumer experience and service in all facets of retailing, and aim to facilitate the growth of the retail industry through innovation and sharing of global best practices.

3.3. A Webinar on; Reimagined Retail: Triumph over the challenges in the New Economy

Fashion retailers and E commerce have had to adapt rapidly to an evolving and unpredictable customer and supplier landscape through the peaks and troughs of the pandemic. The lasting impact of the virus will increase the need for diversification of supply networks, activating a strategic partner ecosystem, strengthening core-processes, innovating at speed and mitigating single points of dependencies.

We engaged in a deep-dive conversation with Hameedia, Odel, and Vision care to reflect some of the in-the-moment challenges of operating a multi-national fashion brand and best practices for current and future success. Insights from E commerce sector shared by Kapruka. Areas addressed are as follow:

- Enabling supply chain transparency
- Scaling omnichannel customer journeys
- Managing inventory and stock visibility efficiently
- Enhancing planning and forecasting
- Strengthening fulfillment and last mile
- Addressing sustainability for future growth

3.4. Webinar; How global retailers are getting ready for the post pandemic demand

The Sri Lanka Retailers' Association organised the Webinar on How Global Retailers are getting ready for the post pandemic demand. In order to discuss how COVID-19 reshaped physical retail and how retailers can adapt their store strategies to thrive. Now more than ever, consumers are craving the human connection that comes from shopping in physical spaces. Learn how retailers can recreate that connection by providing high-touch, memorable and seamless customer experiences. Rohit Razdan is a Senior Partner with McKinsey & Company, based in Singapore, and leads McKinsey's Consumer and Retail work in Asia. Guest speaker was Mr. Rohit Razdan, a Senior Partner with McKinsey & Company, based in Singapore, and leads McKinsey's Consumer and Retail work in Asia.

3.5. The Sri Lanka Retailers Association together with The Ceylon Chamber of Commerce Conducts Webinar on Sustainable Retailing: The Path to Transformation

Sri Lankan Retail was taking a lead in driving sustainability and aligning their strategies with the values of their consumers. The Sri Lanka Retailers Association (SLRA) in collaboration with the Ceylon Chamber of Commerce carried out an informative webinar to discuss how the FMCG and Consumer durable sectors have integrated sustainability into their business strategy as well as how COVID-19 has significantly changed consumer behaviour.

Retail plays a pivotal role in the economy, with Wholesale and Retail Trade recording a contribution of 11% of total GDP and the industry involves multiple stakeholders including the public, employees, supply chains and environment. Four industry veterans, Mr. Charitha Subasinghe - CEO JayKay Marketing (Pvt) Ltd., Mrs. Lilanthi Herath - CEO Laugfs Supermarkets (Pvt) Ltd., Mr. Mahesh Wijewardena - CEO Singer Sri Lanka PLC and Mr. Mohamed Rizvi - CEO Softlogic Retail (Pvt) Ltd. shared their expertise in sustainable retailing in the perspective of business Continuity, responsibility to environment, employees and supply chain and sharing their experience in managing and emerging from the disruption caused by the pandemic. The session was moderated by Mr. Shiran Fernando - Chief Economist of the Ceylon Chamber of Commerce.

Mr. Charitha Subasinghe - CEO JayKay Marketing (Pvt) Ltd. stated “Retailers must relook at their business models to create a business structure and create an agile culture. We are now in the 4th industrial revolution pushed by data analytics and technology, therefore retailers must start using these tools to build sustainable business models.”

Mr. Mahesh Wijewardena - CEO Singer Sri Lanka PLC commented “Retailers continue to adopt to changes, in various forms: product offerings, experience, service etc. Have responsibility towards the environment, energy efficient products, wastage management, packaging, end producer responsibility. Responsibility towards people is key where good working conditions, job security is assured. The COVID-19 impact, tested all of us to the maximum, and retailers who were agile and fast to adapt were the ones who succeeded.”

Mrs. Lilanthi Herath - CEO Laugfs Supermarkets (Pvt) Ltd said “Social and environmental responsibility within forward and backward integration play a pivotal role in building brand equity. Consumers are willing to pay a premium for sustainable goods. Longer term focus must be given towards multiple stakeholder engagement and integration right across the retail industry. Each brand must be differentiated in the long term and consumers must be encouraged to reuse-recycle and repair.”

Mr. Mohamed Rizvi - CEO Softlogic Retail (Pvt) Ltd added “Doing more with less and becoming a catalyst for innovation and sustainability must be routed in the core of the business strategy. The electronic industry must look at sustainability in terms of energy efficiency and saving electricity, strong internal processes and streamlined delivery strategies where supply chains. Consumers lean towards buying products with a purpose and are willing to buy products which are environment friendly.”

SLRA’s membership currently comprises 40+ local retail giants across 9 retail sectors consisting of FMCG; Clothing, Fashion & Jewelry; Shelter & Housing; Household & Consumer Durables; Footwear & Accessories; E-Commerce; Mobility; Entertainment, Restaurants & QSR; and Healthcare & Wellness, with hopes of seeing its membership increase further this year. The purpose of this organized body for retail is to tap into one of Sri Lanka’s highest contributing industries to economic and social

development, by providing a forum where retailers can work together to improve standards of retailing in an inclusive manner, improve consumer experience and service in all facets of retailing, and aim to facilitate the growth of the retail industry through innovation and sharing of global best practices.



Webinar on Sustainable Retailing: The Path to Transformation

3.6. The Impact of Budget 2021 for Retailers

The Sri Lanka Retailers' Association (SLRA) partnered the KPMG to unravel the proposal put forward and covered following an overview of the budget, the Impact on Retail and wholesale, tax relief on accounts of Covid 19, Import restrictions and relaxations. SLRA's Vision is to achieve Retail Excellence and drives the mission of being the "Voice of the Retail industry" in Sri Lanka by harnessing the resources of the organized Retail industry which will bring together and facilitate innovation, growth and global outreach.

3.7. Sri Lanka Retailers' Association urges for sectoral relief measures from Hon. Prime Minister

Sri Lanka Retailers Association (SLRA), a dominant grouping in Sri Lanka's Organised Retail Sector (ORS) consisting of last mile retailers, met Hon. Prime Minister Mahinda Rajapaksa on June 30th to address the issues and difficulties they are faced with due to COVID pressures in the country. Representatives of SLRA also requested Hon. Prime Minister to institute relief measures through the Ministry of Finance for their sector's smooth functioning in the COVID environment.

During this meeting which was also attended by the representatives from Sri Lanka Apparel Brands Association (SLABA), Hon. Prime Minister requested all Lankan industrialists and business enterprises not to retrench their workers and staff but to safeguard them.

Representatives of SLRA and SLABA apprised Hon. Prime Minister of the various issues the sectors are faced with including obtaining of bank loans, opening Letters of Credit, vaccination of apparel workers, and difficulties they face with EPF and ETF payments. SLRA members also requested permission to re-open FMCG vendors, supermarkets, clothing, fashion, jewelry, footwear and accessories outlets, household and consumer durable shops, e-commerce vendors, healthcare, wellness, entertainment, food, restaurants and fast food outlets, and shelter housing providers' outlets, with COVID control measures. Sectoral representatives informed Hon. Prime Minister that they have faced various business setbacks in the 24 months since the Easter bombings and the COVID outbreak and therefore called for relief measures for their sectors from the Ministry of Finance.

Hon. Prime Minister was joined at the meeting by Hon. Minister of Industries Wimal Weerawansa, Hon. Minister of Labour Affairs Nimal Siripala De Silva, Hon. State Minister of Batik, Handloom and Local Apparel Products Dayasiri Jayasekara, Hon. State Minister of Money & Capital Market and State Enterprise Reforms Ajith Nivard Cabraal, Secretary to the Prime Minister Gamini Senarath, Prime Minister's Additional Secretary Chaminda Kularatne, Additional Secretary to the Ministry of Batik, Handloom and Local Apparel Products Sujeeva Palliyaguru, Director General of Health Services Asela Gunawardena, and officials from the Central Bank and Ministry of Finance.

"We had a very fruitful meeting with Hon. Prime Minister Mahinda Rajapaksa. We thank him for giving us an opportunity to discuss these concerns and we appreciate his openness in listening to our grievances. We were also informed that moratoriums on bank loans will be granted to the business community which we are a part of and for which we extend our highest appreciation. We also appealed to reduce or postpone utility payments which would reduce our cost burdens as they constitute a significant expenditure for us. Sri Lanka's Organised Retail Sector is a critical ecosystem in the wellbeing of Lankan customers, families, and livelihoods. It is no less important than any other. We are confident of relief measures so that a consumer crisis would not take place", Mr. Hussain Sadique stated.

Among members of SLRA are FMCG vendors, supermarkets, clothing, fashion & jewelry, household & consumer durables, footwear & accessories, e-commerce, healthcare & wellness, entertainment, restaurants and fast food sellers, and shelter & housing providers.

ORS plays a significant role as a collective voice within the Sri Lankan market, SMEs and employment provision. It accounts for around one-third of the GDP and over 15% of employment in the country. The FMCG and fashion sub sectors have become key channels of employment for the country's youth and the entry point for them in modern trade. ORS' vibrant retail ecosystem is an essential part in the robustness of the Sri Lankan economy since the retail sector value chains' trickle down effects extend to the very grassroots of the supply chains such as farmers, livestock breeders and SME suppliers.

3.8. Sri Lanka Retailers' Association (SLRA) appeals for cost-sharing from Business Partners

- Lease and Rental Reductions
- Support towards loan repayments restructure
- Utility and trade levy reduction/postponement

The Sri Lanka Retailers' Association (SLRA), the apex body for organised retail in Sri Lanka, issued a communique requesting landlords, lessors, and business partners reduce leases and rentals for the Association's membership.

SLRA President Mr. Murali Prakash appealed to landlords and lessors to provide a 50% concession on rentals/ leases for the next six months on properties leased and rented by SLRA members. Many retailers are suffering losses due to the prevailing situation in the country caused by the COVID-19. The current impact supersedes the previous lockdowns in terms of the effect on retail businesses.

The pandemic and the resultant lockdown have substantially reduced retailers' operability, given the higher costs, drastically reduced revenues, and cash flows. This has resulted in large losses causing a significant dent in their ability to operate efficiently, with some even struggling to stay afloat. We believe the landlords, lessors, and other business partners would share part of the costs through reduced rentals and other cost-sharing options; thus, together, we navigate to create a better tomorrow.

We understand the impact this would have on the lessors and landlords. However, the industry needs to stay afloat for all parties to benefit in the future, and therefore we believe collective action is the way forward.

Further, the Association appealed to authorities to consider special relief on loan repayments and other concessions on utility and trade levies, especially for smaller retailers, given the unprecedented externalities inhibiting regular business. Retailers have stood the test of time supporting the local economy during good and bad times, and this is an exception where they need support from authorities.

Retail accounts for over one-third of the GDP and over 15% of the employment in Sri Lanka. Vibrant retail is an essential part of a healthy and robust economy. Hence, it's imperative that we support the retailers at this juncture for the nation's greater good.

3.9. SLRA Webinar - Better Managers Better Business

The Sri Lanka Retailers Association organized a webinar Better Managers Better Business in collaboration with Upskill People. A generational gulf is jeopardising business success. People are the differentiator. Newer generations are looking for different things, especially in the relationship with their managers, who need updated skills.

How you used to upskill managers isn't a good fit anymore, things need to change for your organisation to stay ahead.

People development team can make a huge difference, but innovation can be seen as costly and risky. It needs the business's trust and has to support the 'now' strategy.

This session covered the latest research and insights, but importantly, upskill team experience in the real world of making a measurable difference in behaviour with a number of leading organisations.

The webinar will have covered some of the key points from the book 'Better Managers = Better Business'. Participants would be able to find out how to upskill their managers and measure the return. All in less time, and with less investment.

3.10. Sri Lanka Retail Form 2021 - Recharging Retail: Resilience to Results

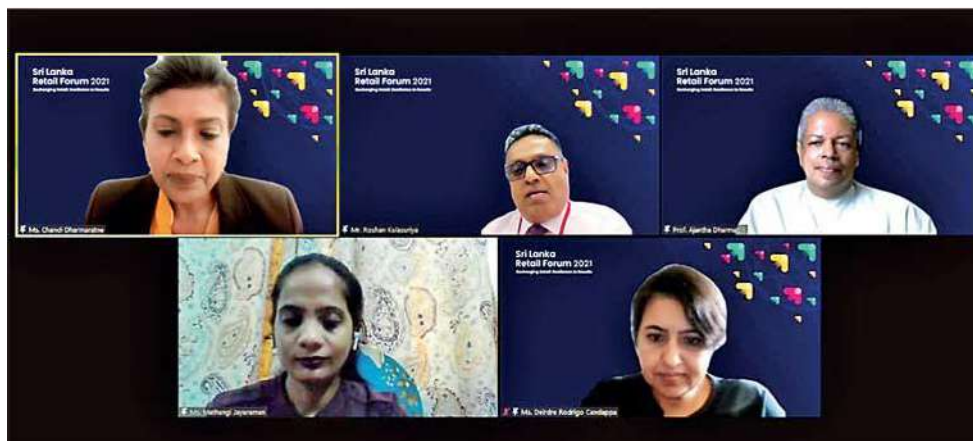
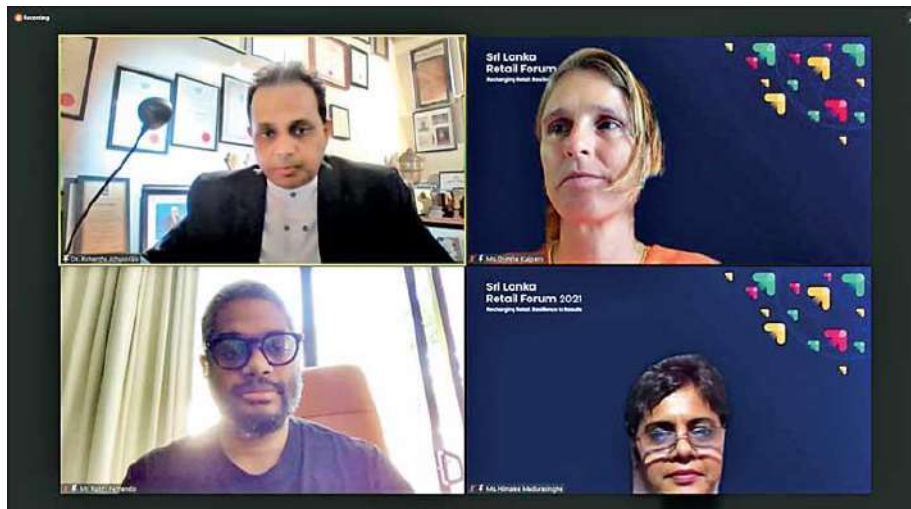
The Sri Lanka Retailer's Association (SLRA) successfully completed the Sri Lanka Retail Forum for the fourth consecutive year. This year's Sri Lanka Retail Forum was themed 'Recharging Retail: Resilience to Results', and was organised together with The Ceylon Chamber of Commerce with over 550 participants joining across four key plenary sessions. The session was inaugurated by Chief Guest Central Bank Governor Ajith Nivard Cabraal. The forum was held virtually for the first time in its history.

Industry experts from across the world, along with local pioneers within the sector joined together and shared their expertise across four thematic sessions: 'Catering to the Post-Pandemic Consumer'; 'Driving Your Talent Strategy'; 'Optimising your Value Chain'; and an experience-sharing panel discussion with leading CEOs on overcoming the challenges from the pandemic.

This year's Sri Lanka Retail Forum was sponsored by Jaykay Marketing Services, Daraz.lk, Kaymu Lanka, Singer Sri Lanka, Hayleys Advantis, Healthguard Pharmacy, GS1 Lanka, Union Assurance, Vision Care Optical Services and Hameedia.



Central Bank Governor Ajith Nivard Cabraal





3. Circulars

The Members were alerted on the following subjects through circulars: -

- Subscriptions for 2020/21
- Invite to KKCL AW20 Stylecast at Mumbai
- IMO2020 GLOBAL SULPHUR CAP; Implications for Sri Lanka
- IMO2020 GLOBAL SULPHUR CAP; Implications for Sri Lanka
- Lease and Rental Reductions for SLRA Membership
- New research report on Online Retailing in Sri Lanka
- 4th Annual General Meeting Notice
- Retail Forum 2021

Secretariat

The Ceylon Chamber of Commerce provided secretarial service to the Association during the period under review.

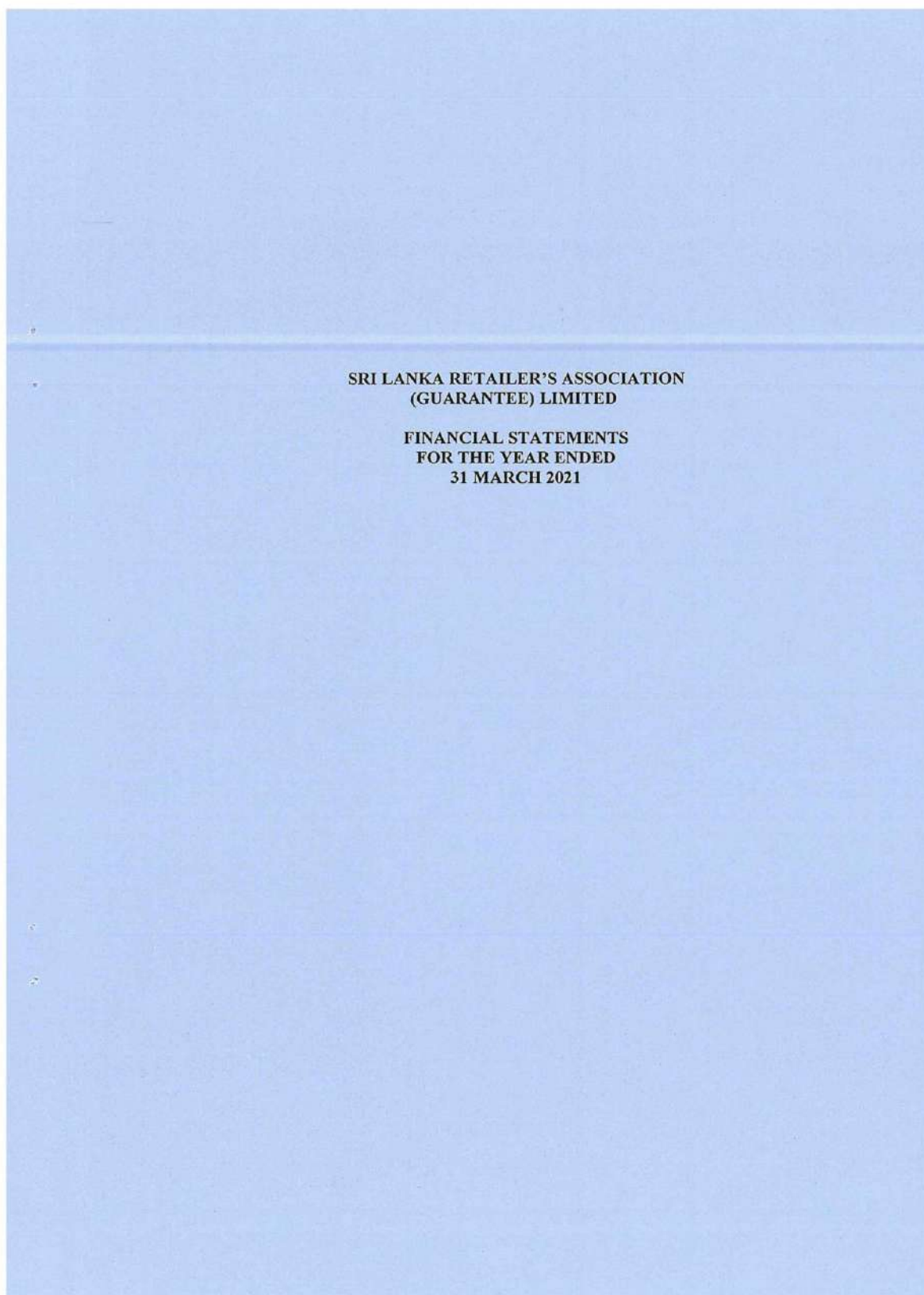
Accounts

M/s. K P M G Ford Rhodes, Thornton & Co. were elected auditors of the Association. The Audited statement of the Accounts of the Council for the period 2019/2020 is annexed.

By order of the Executive Council.

For Secretary

4. Audited Accounts for the FY 2020/21





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INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF DIRECTORS OF SRI LANKA RETAILERS' ASSOCIATION (GUARANTEE) LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Sri Lanka Retailers' Association (Guarantee) Limited ("the Company"), which comprise the statement of financial position as at 31 March 2021, the statement of income and expenditure, statement of changes in accumulated funds and statements of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of financial position of the Company as at 31 March 2021, and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Accounting Standards for Small and Medium-sized Entities (SLFRS for SMEs).

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 Statement* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by CA Sri Lanka (Code of Ethics) and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Board of Directors is responsible for the other information. These financial statements do not comprise 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.

Responsibilities of the Board of Directors and Those Charged with Governance for the Financial Statements

The Board of Directors is responsible for the preparation of financial statements that give a true and fair view in accordance with SLFRS for SMEs, and for such internal control as management determines is necessary to enable the preparation of financial statements that is free from material misstatements, whether due to fraud or error.

In preparing the Financial Statements, Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating 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.

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M.R. Mihular FCA	P.Y.S. Perera FCA	C.P. Jayatilaka FCA
T.J.S. Rajakumar FCA	W.W.J.C. Perera FCA	Ms. S. Joseph FCA
Ms. S.M.R. Jayasinghe FCA	W.K.D.C. Rajasinghe FCA	S.T.D.L. Perera FCA
G.A.U. Karunaratne FCA	R.M.D.B. Rajapaksa FCA	Ms. B.K.D.T.N. Rodrigo FCA
R.H. Rajan FCA	M.N.M. Shamsel FCA	Ms. C.T.K.N. Perera ACA
A.M.R.P. Alahakoon ACA		

Principals - S.R.L. Perera FCMA(UK), LL.B., Attorney-at-Law, H.S. Gooneratne ACA, Ms. P.M.K. Sumarasingh FCA, W.A.A. Weerasingh FCA, ACMA, MRICS



Auditor's Responsibilities for the Audit of the Financial Statement

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 the Statement.

A further description of the auditor's responsibilities for the audit of the financial statements is located at Sri Lanka Accounting and Auditing Standards website at: <http://slaasc.com/auditing/auditorsresponsibility.php>. This description forms part of our auditor's report.

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.

CHARTERED ACCOUNTANTS

Colombo, Sri Lanka
30 July 2021

SRI LANKA RETAILERS' ASSOCIATION (GUARANTEE) LIMITED
STATEMENT OF FINANCIAL POSITION

As at 31 March,

	Note	2021 Rs.	2020 Rs.
Assets			
Non current assets			
Property, plant and equipment	2	107,011	157,881
Intangible assets	3	43,491	-
Total non current assets		150,502	157,881
Current assets			
Inventory		18,700	19,850
Subscription receivable	4	635,000	450,000
Other receivables and prepayments		750,000	3,787,500
Short term investments	5	16,806,322	6,812,493
Cash and cash equivalents	6	941,235	7,060,333
Total current assets		19,151,257	18,130,176
Total assets		19,301,759	18,288,057
Funds and liabilities			
Fund			
Accumulated fund		18,428,947	17,426,709
		18,428,947	17,426,709
Liabilities			
Current liabilities			
Subscription received in advance		640,000	45,000
Accrued expenses	7	86,000	69,500
Income tax payable	9	146,812	746,848
Total liabilities		872,812	861,348
Total funds and liabilities		19,301,759	18,288,057

The financial statements are to be read in conjunction with the related notes, which form an integral part of these financial statements of the Company.

I certify that these financial statements are prepared in compliance with the requirements of the companies Act No. 24 of 2017.



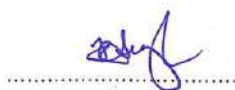
Mahesh Wijewardene

Treasurer

Sri Lanka Retailers' Association (Guarantee) Limited

The Board of Directors is responsible for the preparation and presentation of these financial statements in accordance with SLFRS for SMEs.

Approved and signed for and on behalf of the Board of Directors of Sri Lanka Retailers' Association (Guarantee) Limited:



Charitha Subasinghe

Vice President

Sri Lanka Retailers' Association (Guarantee) Limited



Infiyaz Ali

Vice President

Sri Lanka Retailers' Association (Guarantee) Limited

30 July 2021

Colombo

SRI LANKA RETAILERS' ASSOCIATION (GUARANTEE) LIMITED
STATEMENT OF INCOME AND EXPENDITURE

For the year ended 31 March,

	Note	2021 <u>Rs.</u>	2020 <u>Rs.</u>
Income			
Entrance fee		210,000	255,000
Membership subscription		2,095,000	2,130,000
Investment income		809,227	855,322
Retailers forum		-	14,775,570
HR workshop		-	5,000
Shop for Sri Lanka		-	4,400,000
Total income		3,114,227	22,420,892
Expenses			
Printing, photocopy and stationery		29,557	68,396
Secretarial fee		476,280	466,410
Postage and courier charges		3,706	8,635
Use of multi media project at meetings		2,295	22,074
Retailers forum		14,000	6,364,414
Provision for doubtful subscription receivables		270,000	-
Shop for Sri Lanka		-	5,786,517
China Delegation		-	618,005
Professional expenses		79,000	90,550
Annual general meeting		2,500	26,960
Audit fee		58,272	58,979
Entertainment and refreshments		5,040	64,072
Retainer fee		133,796	462,640
EPF		-	25,160
Rent		-	62,500
FAFRA membership		156,209	153,261
FAPRA HOD meeting		143,248	-
FAPRA ED online meeting		131,795	-
Software expenses		27,896	-
Website expenses		10,224	40,719
Tax advisory services		14,500	15,068
Sundry expenses		31,616	151,187
Communication cost		24,000	24,000
Webinar expenses		25,000	-
Write-off membership subscription		225,000	-
Amortization		10,747	-
Deprecation		50,870	8,291
Total expenditure		1,925,551	14,517,838
Surplus before tax		1,188,676	7,903,054
Tax expense	8	(186,438)	(1,163,087)
Surplus for the year		1,002,238	6,739,967

The financial statements are to be read in conjunction with the related notes, which form an integral part of these financial statements of the Company.

SRI LANKA RETAILERS' ASSOCIATION (GUARANTEE) LIMITED
STATEMENT OF CHANGES IN ACCUMULATED FUND

For the year ended 31 March,

	Accumulated Fund Rs.	Total Rs.
Balance as at 01 April 2019	10,686,742	10,686,742
Surplus for the year	6,739,967	6,739,967
Balance as at 31 March 2020	17,426,709	17,426,709
Surplus for the year	1,002,238	1,002,238
Balance as at 31 March 2021	18,428,947	18,428,947

The financial statements are to be read in conjunction with the related notes, which form an integral part of these financial statements of the Company.

SRI LANKA RETAILERS' ASSOCIATION (GUARANTEE) LIMITED
STATEMENT OF CASH FLOWS

For the year ended 31 March,

	2021	2020
	<u>Rs.</u>	<u>Rs.</u>
Cash flows from operating activities		
Surplus before tax	1,188,676	7,903,054
<i>Adjustment for;</i>		
Depreciation	50,870	8,291
Amortization	10,747	-
Investment income	(809,227)	(855,322)
Operating cash flows before working capital changes	441,066	7,056,023
<i>Changes in;</i>		
Inventory	1,150	(15,100)
Subscription receivable	(185,000)	(281,250)
Other receivables and pre payments	3,037,500	(787,500)
Subscription received in advance	595,000	(585,000)
Accrued expenses	16,500	(319,918)
Cash flows generated from operating activities	3,906,216	5,067,255
Income tax paid	(786,474)	(1,771,835)
Net cash flows generated from operating activities	3,119,742	3,295,420
Cash flows from investing activities		
Purchase of PPE	-	(146,000)
Purchase of intangible assets	(54,238)	-
Investment income received	815,398	717,699
Investment of short term investment	(13,132,087)	(2,000,000)
Withdrawal of short term investment	3,132,087	4,000,000
Net cash flows used in investing activities	(9,238,840)	2,571,699
Net increase in cash and cash equivalents	(6,119,098)	5,867,119
Cash and cash equivalents at the beginning of the year	7,060,333	1,193,214
Cash and cash equivalents at the end of the year (Note 6)	941,235	7,060,333
Note 6		
Current account with The Ceylon Chamber of Commerce	941,235	7,060,333

The financial statements are to be read in conjunction with the related notes, which form an integral part of these financial statements of the Company.

SRI LANKA RETAILERS' ASSOCIATION (GUARANTEE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021,

1. Accounting policies

1.1 Corporate information

The Sri Lanka Retailers' Association (Guarantee) Limited ("the Company") is incorporated as a company limited by Guarantee since 3 July 2017 under the Company's Act No 7 of 2007. In the event of Company would up the liability of members is limited to Rs. 1,000/- per member. The registered office of the Company is located at 50, Nawam Mawatha, Colombo 2.

1.2 Principal activities and nature of operations

The objective of the Company to promote, foster and protect the retail commerce of Sri Lanka in general and the commercial interests of the Sri Lanka Retailers' Association in particular by obtaining by every means the redress of acknowledged grievances and the removal of undesirable restrictions.

1.3 Statement of compliance

The financial statements have been prepared in accordance with Sri Lanka Accounting Standards for Small and Medium sized Entities (SLFRS for SME).

1.4 Basis of preparation

The financial statements have been prepared on the historical cost basis. No adjustments have been made for inflationary factors in the financial statement.

(a) Functional and presentation currency

These financial statements are presented in Sri Lankan Rupees, which is the Company's functional currency.

(b) Use of estimates and judgments

The preparation of financial statements in conformity with Sri Lanka Accounting Standards for Small and Medium sized Entities (SLFRS for SMEs) requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgment about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only the financial year or in the period of the revision and future periods if the revision affects both current and future financial years.

1.5 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Inventories

Inventories are stated at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and selling expenses. The cost includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

SRI LANKA RETAILERS' ASSOCIATION (GURANTEE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021,

1.5 Significant accounting policies (Continued)

(b) Investments

Investments are recognized on amortized cost.

(c) Cash and cash equivalents

Cash and cash equivalents comprise cash balances that are subject to an insignificant risk of changes in their fair value and are used by the Company in the management of its short-term commitments.

For the purpose of the statement of cash flow, cash and cash equivalents comprises current account with The Ceylon Chamber of Commerce.

Cash flow statement

Cash flow statement has been prepared using the indirect method.

(d) Liabilities and provisions

Liabilities are recognized in the financial statement when there is a present obligation as a result of past events, the settlement of which is expected to result in an outflow of resource embodying economic benefits.

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

(e) Revenue

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured on an accrual basis. Revenue is measured at the fair value of the consideration received or receivable. Investment income on fixed deposits is recognized using effective interest rate applicable for the period. The following specific criteria are used for the purpose of recognition or revenue.

(i) Membership fee and other charges

Membership subscription fee and other charges are recognized on an accrual basis when the new financial starts.

(f) Expenditure

All expenditure incurred in the operations of the business and in maintaining the capital assets in a state of efficiency have been charged to income in arriving at the Company's surplus for the year.

(g) Taxation

The liability for taxation has been computed in accordance with the Inland Revenue Act No 10 of 2021 and its amendments thereto.

Taxation for the current and previous periods to the extent unpaid is recognized as a liability in the financial statements. When the amount of taxation already paid in respect of current and prior periods exceed the amount due for those periods the excess is recognized as an asset in the financial statements.

SRI LANKA RETAILERS' ASSOCIATION (GURANTEE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021,

1.5 Significant accounting policies (Continued)

(h) Events occurring after the reporting date

All material post balance sheet events have been considered, disclosed and adjusted where applicable.

(k) Commitments and contingencies

Contingencies are possible assets or obligations that arise from a past event and would be confirmed only on the occurrence or non-occurrence of uncertain future events, which are beyond the Company's control.

Commitments and contingencies liabilities are disclosed in Notes to the financial statements.

SRI LANKA RETAILERS' ASSOCIATION (GUARANTEE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS

As at 31 March,

	Computer	Office equipment	Total
2 Property, plant and equipment			
Cost			
Balance as at 1 April 2020	146,000	22,208	168,208
Additions during the year	-	-	-
Disposals during the year	-	-	-
Balance as at 31 March 2021	146,000	22,208	168,208
Accumulated depreciation			
Balance as at 1 April 2020	6,083	4,244	10,327
Charge for the year	48,662	2,208	50,870
Disposals during the year	-	-	-
Balance as at 31 March 2021	54,745	6,452	61,197
Carrying value as at 31 March 2021	91,255	15,756	107,011
Carrying value as at 31 March 2020	139,917	17,964	157,881
3 Intangible assets		2021	2020
		Rs.	Rs.
Cost			
Balance as at 1 April 2020		-	-
Additions during the year		54,238	-
Balance as at 31 March 2021		54,238	-
Accumulated amortization			
Balance as at 1 April 2020		-	-
Charged during the year		10,747	-
Balance as at 31 March 2021		10,747	-
Carrying value		43,491	-
4 Subscription receivable			
Subscription receivable		905,000	450,000
Less: Provision for doubtful subscription receivables		(270,000)	-
		635,000	450,000
5 Short term investments			
Fixed deposit - National Development Bank		16,806,322	6,812,493
		16,806,322	6,812,493
6 Cash and cash equivalents			
Current account with The Ceylon Chamber of Commerce		941,135	7,060,333
HNB current account		100	-
Cash and cash equivalents for the purpose of statement of cash flows		941,235	7,060,333

Receipts and payments of the Company are done through the current accounts of The Ceylon Chamber of Commerce. Therefore the balance reflects the cash and cash equivalents which will be payable by The Ceylon Chamber of Commerce.

SRI LANKA RETAILERS' ASSOCIATION (GUARANTEE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS

As at 31 March,

	2021	2020
	<u>Rs.</u>	<u>Rs.</u>
7 Accrued expenses		
Audit fee	57,000	55,000
Tax advisory service	29,000	14,500
	<u>86,000</u>	<u>69,500</u>
8 Income tax expense		
Provision for the year	294,469	1,125,308
Over provision in respect of previous year	(108,031)	-
WHT paid	-	37,779
	<u>186,438</u>	<u>1,163,087</u>
9 Income tax payable		
Balance at the beginning of the year	746,848	1,393,375
Over provision in respect of previous year	(108,031)	-
Income tax paid during the year	(147,657)	(1,771,835)
Income tax paid for previous years	(638,817)	-
Provision for the year	294,469	1,125,308
Balance at the end of the year	<u>146,812</u>	<u>746,848</u>

9.1 The Company is liable for income tax expense under Inland Revenue Act No 10 of 2021 at the rate of 14%. Accordingly, the Company is liable for income tax on business profit or investment income whichever is higher.

10 Number of employees

Number of employees of the Company as at 31 March 2021 is Nil. (2020 : 1)

11 Events occurring after the reporting date

Subsequent to the reporting date, no circumstances have arisen which would require adjustment to or disclosures in the financial statements.

12 The impact of COVID - 19

The Corona - Virus outbreak since early 2020 has brought about additional uncertainties in operating environment but has not significantly impacted the entity's operations subsequent to the financial year end. The entity has a strong cash position and positive net assets position. Hence the entity is satisfied of the ability of continuing its operations for the foreseeable future.

13 The Board of Director's responsibility for financial reporting

The Board of Directors responsible for the preparation and presentation of these financial statements in accordance with SLFRS for SMEs.

14 Approval of financial statements

These financial statements were approved by The Board of Directors and authorized for issue on 30 July 2021.
