



SRI LANKA RETAILERS' ASSOCIATION  
Driving Retail Excellence

# SRI LANKA RETAILERS' ASSOCIATION

**ANNUAL REPORT**  
**2019-2020**

# SRI LANKA RETAILERS' ASSOCIATION

## Office Bearers for 2019/2020

<b>President</b>	Mr. Sidath Kodikara
<b>Vice President</b>	Mr. Murali Prakash
<b>Vice President</b>	Mr. Charitha Subasinghe

## Executive Council

Mr. Hussain Sadique

Mr. Sidath Kodikara

Mr. Murali Prakash

Mr. Infiyaz Ali

Mr. Dinesh Perera

Mr. Ajith Amarasekara

Mr. Asoka Pieris

Ms. Kaushalya Perera

Ms. Ruvini Kariyawasam

Mr. Mahesh Wijewardena

Mr. Rakhil Fernando

### Secretariat

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

# Table of Contents

## Contents

1. Members of the Association .....	3
2. Report of the Association for the period April 1, 2019 to March 31, 2020.....	5
2.1. Introduction, Vision and Objectives .....	5
2.2. Membership and the Executive Council .....	6
3. Activities for - 2019/2020.....	7
3.1. Launch of the Retail Academy .....	7
3.2. Digital Retail' Breakfast Forum .....	8
3.3. SLRA pledged to contribute towards restoring the country's Economy .....	9
3.4. Revitalizing Retail through Shop for Sri Lanka Campaign .....	10
3.5. SLRA joins Federation of Asia Pacific Retailers Association (FAPRA) .....	11
3.6. Sri Lanka Retail Forum 2019 .....	13
3.7. The 3rd Annual General Meeting.....	16
4. Outlook for 2020/21 .....	18
5. Circulars .....	21
6. Audited Accounts for the FY 2019/20 .....	22

# 1. Members of the Association

<u>Organization</u>	<u>Member Code</u>	<u>Date of Election</u>
<b>General Members –Voting (Large)</b>		
ABANS PLC	0003	01/Apr/2016
ABC TRADE & INVESTMENTS (PVT) LTD	0038	01/Jan/2018
AKBAR BROTHERS (PVT) LTD	0045	01/Apr/2019
AVIRATE (PVT) LTD	0001	01/Nov/2016
BATA SHOE COMPANY OF CEYLON LTD	0004	01/Jul/2016
CARGILLS FOODS COMPANY (PVT) LTD	0021	01/May/2016
CATCHME.LK (PVT) LTD	0048	01/Apr/2019
COOL PLANET (PVT) LTD	0024	01/Apr/2016
COTTON COLLECTIONS (PVT) LTD	0007	01/Sep/2016
D SAMSON & SONS (PVT) LTD	0023	01/Apr/2016
D.R. INDUSTRIES (PRIVATE) LIMITED	0025	01/Jul/2016
DANKOTUWA PORCELAIN PLC	0002	01/Sep/2016
DIGITAL COMMERCE LANKA (PVT) LTD	0014	01/Oct/2016
EXCLUSIVE LINES (PVT) LTD	0032	01/Jan/2017
FASHION BUG PRIVATE LIMITED	0008	01/Jul/2016
GAMMA PIZZAKRAFT LANKA (PVT) LTD	0039	01/Apr/2018
HAMEEDIA STORES (PVT) LTD	0009	01/Apr/2016
HARCOURTS PHARMACY (PVT) LTD	0041	01/Mar/2018
HEALTHGUARD PHARMACY LIMITED	0013	01/Apr/2016
JAGRO (PVT) LTD	0035	01/Jan/2017
JAYKAY MARKETING SERVICES (PVT) LTD	0010	01/Apr/2016
KANDY KADAWATHA	0020	01/Sep/2016
KAPRUKA. COM (PVT) LTD	0026	01/Nov/2016
KAYMU LANKA (PVT) LTD	0037	01/Nov/2017
KIDDIES & TOYS INTERNATIONAL (PVT) LTD	0040	01/Jul/2018
LAUGFS SUPERMARKETS (PVT) LTD	0012	01/Apr/2016
LEATHER COLLECTION (PVT) LTD	0042	01/Sep/2018
MJF EXPORTS (PVT) LTD	0036	01/Apr/2017
MLESNA CEYLON (PVT) LTD	0034	01/Jan/2017
NOLIMIT	0019	01/Apr/2016
PERERA & SONS (BAKERS) LTD	0029	01/Dec/2016
RICHARD PIERIS DISTRIBUTORS LTD	0052	01/Jul/2020
ROYAL LANKA AGENCIES (PVT) LTD	0043	01/Oct/2018
SAMUDRA CONSOLIDATED (PVT) LTD	0050	01/Apr/2020
SHIRT WORKS (PRIVATE) LIMITED	0028	01/Dec/2016
SINGER (SRI LANKA) PLC	0011	01/Apr/2016
SOFTLOGIC RETAIL (PVT) LTD	0005	01/Sep/2016
SPAR SL PRIVATE LIMITED	0044	01/Oct/2018
STONE N STRING (PVT) LTD	0030	01/Dec/2016
SWARNAMAHAL JEWELLERS LTD	0018	01/Apr/2016
THE FACTORY OUTLET (PVT) LTD	0031	01/Dec/2016
THILAKAWARDHANA TEXTILES (PVT) LTD	0016	01/Jul/2016
VISION CARE OPTICAL SERVICES (PRIVATE) LIMITED	0033	01/Jan/2017
VOGUE JEWELLERS (PVT) LTD		01/Sep/2016



## 2. Report of the Association for the period April 1, 2019 to March 31, 2020

### 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 39 members during the period April 2017 to March 2018.

The following changes took place during the period under review.

### Executive Council

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

## 3. Activities for – 2019/2020

### 3.1. Launch of the Retail Academy

One of the main concepts for forming this Association was to further promote and nourish the retail industry in Sri Lanka, by means of launching a Retail Academy in the coming years. This facilitates educating the retail sector employees with the latest trends in the local/global market, and acts as the foundation of knowledge for individuals who are interested to work in this sector.



Recognizing the needs of the industry, Sri Lanka Retailers' Association (SLRA) launched a retail institute, which will create widespread opportunity for youth to enter the vibrant retail industry with professional qualifications. The SLRA is currently in the process of seeking out-state/non-state accredited institutes to collaborate this initiative and further formalise training models.

The Retail Academy has been in operation since 2017, conducting training courses and workshops during its operation thus far. This year, along with the envisaged inauguration of the institute, SLRA will have an official launch of its Retail Academy. The Retail Academy will seek to fulfil the industry's labour shortage, by creating an image of retail as a preferred industry for employment.

"Not only will it increase labour supply, the goal of the Retail Academy is to make professionals the norm and not the exception in our trade," Sidath Kodikara, Executive Director at Cargills (Ceylon) PLC and President of the SLRA said.

With Sri Lankan retail evolving into a technology-based industry, upskilling of labour is seen as vital to implement this transformation. Moreover, the value addition in labour is likely to attract more young professionals to join a lucrative career in retail.

This year's outlook for retail will see many facets of change, which will play an important role in the development of the country. Organized retail will slowly increase its presence and penetration. Appearance of more retail global brands will also continue with the rise of higher end malls. There is increased potential for mobile-centric e-commerce strategies to engage with consumers, and advancement in automation, data analytics and e-commerce is set to further improve and enhance consumer experience. In this backdrop of change, growth and challenges, the SLRA aims to play an influential role in synergising the efforts of all retailers and partners to develop this industry in an inclusive manner.

SLRA's membership currently comprises 30+ local retail giants across nine retail sectors consisting of FMCG; Clothing, Fashion and Jewellery; Shelter and Housing; Household and Consumer Durables; Footwear and Accessories; E-Commerce; Mobility; Entertainment, Restaurants and QSR; and Healthcare and Wellness, with hopes of seeing its membership increase further this year. The purpose of Retail Academy is to act as an organised 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.

### **3.2. Sri Lanka Retailers' Association partnered Digital Retail' Breakfast Forum conducted by the Institute of Chartered Accountants**

The Sri Lanka Retailers' Association (SLRA) partnered the Digital Retail' Breakfast forum organised in January 2019 by the IT Faculty of the Institute of Chartered Accountants under the New Normal Digital 5-Series sessions with Speakers M/s Bart Van Dijk, Country Manager- Daraz.lk, Lahiru Pathmalal, Co-Founder/CEO-Takas.lk, Hussain Sadique, Founder Chairman SLRA & Group Director-Hameedia and followed by a Panel discussion moderated by Mr Wasaba Jayasekera, Chairman IT Faculty & MD of Hayleys Aventura. The Sri Lanka Retailers' Association to partner the forum event with premier accounting body, Institute of Chartered Accountants and briefed on SLRA and its Retail Academy activities with the objective of enhancing capacity, competence and professionalism of the Retail industry professionals. 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.

Bart van Dijk, Managing Director of Daraz, mentioned, "Compared to other countries in the region, digital retail is not yet fully embraced by the retail industry in Sri Lanka. The largest TV channel for the youth is YouTube. The youth gets inspired on Instagram and speaks with overseas family on Viber or Whatsapp. Sri Lanka is already digital. Those retailers who will embrace this reality will benefit."

Lahiru Pathmalal CEO Takas Pvt Ltd. "firmly believe that the future will be digital, what this means is that companies big and small should embrace digital technology. Companies, which embrace change/digital, will thrive in the future.

Hussain Sadique, Founder Chairman-SLRA and Director-Hameedia Group, in his speech stated that "I strongly believe that there is no Traditional and Digital retail and the way forward is only one Retail to get connected to the common growing global consumers and all retailers should embrace and adapt Phydigital retail platform to succeed in this dynamic and disruptive business environment"



*Caption: Digital Retail' Breakfast Forum*



*Mr. Prasanna Pinto IT Faculty Member, Ms. Apsara Tillakaratne IT Faculty Member, Mr. Wasaba Jayasekara Chairman IT Faculty, Mrs. Dulani Fernando Chief Executive Officer CA Sri Lanka, Mr. Lahiru Pathmalal CEO of Takas Pvt Ltd, Mr. Bart Van Dijk, Bart van Dijk, Managing Director of Daraz.lk, Mr. Hussain Sadique, Founder Chairman-SLRA and Director-Hameedia Group, Mr. Leonard Michael Perera, Founder Convener of SLRA, Dinesh Perera, Director, Abans PLC*

### **3.3. SLRA pledged to contribute towards restoring the country's Economy**

The Sri Lanka Retail Association (SLRA) strongly condemned the Easter Sunday attacks that took place across the country, which took the lives of many innocent people, injured hundreds more, causing substantial damage to the economy of the country.

“We are indeed shocked and deeply saddened by the multiple attacks that shook the entire country and disabled the Lankan economy,” stated Mr. Sidath Kodikara, President of SLRA. “As an Association that comprises of members operating across the country, on behalf of all its members, SLRA pledges

to extend its commitment and assistance to the Government and Security forces, enabling them to restore the country and economy to normalcy”.

SLRA was formally established with the intention being the apex body for organized retailing in the country with an ambitious vision of achieving ‘Retail Excellence’ by being the ‘voice of the Retail industry in Sri Lanka’ and inclusive in its Approach. Currently, the Association represents over 42 leading corporates including members from diverse retail sectors such as FMCG, Clothing, Fashion & Jewellery, Household & Consumer Durables, Footwear & Accessories, E-Commerce, Entertainment & QSR and Healthcare & Wellness.

“Whilst extending our deepest condolences to the victims and their families/friends, we indeed wish them strength and wisdom to tread through these difficult times” stated Mr Murali Prakash, Vice President SLRA. “Adversities needs greater commitment and courage to build bridges of trust and goodwill. Extremism is beyond any particular religion, race, caste, creed or any other group and the light of friendship and understanding will enable us to defeat evil and propel the country to return back to be a safe destination that it was in the past”.

Sri Lanka’s Retail sector accounts for approx. 34% of the country’s’ GDP, 14% of employment and over 250 Mn. Footfall per annum, thus contributing positively towards the National Economy of the country. In the years 2016 and 2017 consequently, Sri Lanka was ranked 12th in the Global Retail Development Index (GDRI) among 30 Countries for Potential in Retail Investment and growth.

“In Sri Lanka, we have always found unity in diversity” stated Mr. Hussain Sadiq, Founder President, SLRA. “It is this unity and diversity that has enabled us to overcome adversity, spread peace and bring prosperity to this little nation. As members of SLRA, we will continue in our quest to restore the country, by continuing to contribute positively towards the economy ensuring Sri Lanka gains back its lost glory and is put back on the world map for the right reasons”.

### **3.4. Revitalizing Retail through Shop for Sri Lanka Campaign**

Sri Lankan retailers have organized themselves to harness the collective resources of the retail industry, and promote innovation and growth even further, while providing consumers with the best deals in the country.

To do so, the Sri Lanka Retailers’ Association (SLRA) initiated their flagship event to revitalize retail for 2019, through the Shop for Sri Lanka campaign. During the campaign period, all leading retail brands in the

country provided consumers with special offers and incredible promotions. A plethora of leading retailers from divers sectors will be part of the event, giving the public the option of choosing from Fast Moving Consumer Goods, Clothing, Fashion and Jewellery, Household Items, Footwear and Accessories, e-Commerce, Healthcare, and more. The national campaign launched in Colombo 1<sup>st</sup> of October 2019 covered a period of 45-60 days.



Sri Lanka's Retail sector accounts for approximately 34% of the country's GDP, 14% of employment and over 250 million footfalls per annum, thus contributing a significant portion towards developing the country's economy.

According to Mr. Sidath Kodikara, President of the SLRA, retail permeates every aspect of economy activity, and is the first line indicator of a country's economic health.

"Any impediment to the retail industry performance has a direct impact to the economy," he said.

"Hence, it is essential that we continue to strengthen and revitalize this very important sector. This initiative is aimed at supporting our members who operate across the country. On behalf of all its members, the SLRA pledges to extend our commitment and assistance to restoring Sri Lanka's economy to normalcy through this initiative to revitalize the retail sector."

Sri Lanka was ranked 12<sup>th</sup> in the Global Retail Development Index (GDRI) among 30 Countries for Potential in Retail Investment and growth in the years 2016 and 2017. SLRA invited All Retailers including non-member retailers and other parties to join this pioneering national endeavor to launch Shop for Sri Lanka Campaign.

### **3.5. Sri Lanka Retailer's Association (SLRA) joins Federation of Asia Pacific Retailers Association (FAPRA)**

Mr. Sidath Kodikara President of Sri Lanka Retailers' Association (SLRA) and Mr. Murali Prakash, Vice president of SLRA attended the 19<sup>th</sup> Asia-Pacific Retailers Convention and Exhibition (APRCE), which is held from 5<sup>th</sup> to 7<sup>th</sup> September 2019, at Chongqing Yuelai International Convention Center, Chongqing, China. The theme of this year APRCE is 'New Retail, New Consumption, New Dynamics - Cooperation and Sharing'. This is one of key events organized by FAPRA.

They were also invited to attend the Heads of Delegation meeting of FAPRA, which was held on the 7<sup>th</sup> September 2019. SLRA was inducted as a full member by the FAPRA Executive Council during this meeting.

"FAPRA membership is expected to give SLRA a plethora of benefits in reinventing retail in Sri Lanka. Possible knowledge sharing, exchange programs for executives, opening of windows for local retailers in other markets, possibilities of joint missions and ventures and understanding trends and retail inventions are some of the possible actions that are being explored. In our quest to build retail excellence in Sri Lanka and to make it a retail hub for shopping, SLRA considers this alliance a great way forward both for the retail industry and country at large, asserted the two executive SLRA members who visited."

The Federation of Asia-Pacific Retailers Associations (FAPRA) was founded in 1983 and fully established in 1989 at the 4<sup>th</sup> APRCE in Singapore. Since then, it has implemented activities and developed itself with the aim of discussing common issues in the region, promote information exchange and friendship, thereby contributing to the development of commerce and the improvement of retailers' status in the region.

The FAPRA is the umbrella organisation of 19 retail associations in the Asia-Pacific region, i.e. Australia, China, Chinese Taipei, Fiji, Hong Kong, India, Indonesia, Japan, Korea, Kyrgyzstan, Malaysia, Mongolia, Myanmar, New Zealand, Philippines, Singapore, Thailand, Turkey and Vietnam, has over the years assisted its members to foster closer ties, promote collaboration and exchange knowledge. SLRA is honored to be the only representation from Sri Lanka and its 20<sup>th</sup> member.



*Head of Delegations at Asia Pacific Retail Convention and Exhibition*



*From left: Mr. Sidath Kodikara; President SLRA, Mr. Tan Sri William Cheng, Chairman of FAPRA and Honorary President of MRA, Mr. Murali Prakash; Vice President SLRA*

### 3.6. Sri Lanka Retail Forum 2019

The Sri Lanka Retailers Association organized the island's premier retail sector forum for the third successful year. This year's Sri Lanka Retail Forum themed, 'The Retail Revolution' organised on the 26<sup>th</sup> and 27<sup>th</sup> November 2019 at Cinnamon Grand Colombo. The SLRA is the sole industry body for this sector, representing nearly 40 leading and national level retail firms, with countrywide reach across various product segments.



The event hosted for the third consecutive year focused on the consumer experience, channels and supply chains, navigating through technology buzz and strategies that retailers can adopt in navigating through a crisis. The Forum delivered deeper into the theme of the Retail Revolution, providing solutions to current burning issues in the industry, share innovative best practices and forge collaborations.

The event will feature top 20 global and local experts who will provide cutting-edge insights on global retail trends to Sri Lankan retailers. It is a great opportunity to learn from best practices of

industry leaders and get inspired to adapt and adopt locally, and identify key turning points that Sri Lankan retailers must latch on to and key pain points that need to be addressed. It would be an important opportunity for networking and collaboration in the retail industry.

The sessions explored channels, supply chains, and its importance for retailers to understand how this will evolve in terms of speed, models and service levels, catering to a younger customer while balancing an ageing demographic and the practical side of implementing tech based solutions. It also explored the role of technology in shaping the future of retail, moving beyond the hype to understand the opportunities available. There also was the representation from The Federation of Asia Pacific Retailers Association (FAPRA) at the forum this year, as SLRA was recently appointed as its 20<sup>th</sup> member.

*“The Retail sector is highly dynamic and ever changing, the objective in which the forum is held this year is to boost and rebuild the confidence within Sri Lankan Retailers, as it aims to provide international and local insights towards growth. We are well assured that the forum will support Sri Lankan Retailers to increase performance while adapting to revolutionary advancement to the retail sector in its entirety,”* said Mr. Murali Prakash, Vice President of the SLRA and Chairman of the Organizing Committee of Sri Lanka Retail Forum 2019.



Source: <https://www.fac.ebook.com/media/set/?vanity=SLRetailersAssociation&set=a.2886042274773730>

# SRI LANKA RETAIL FORUM 2019

## The Retail Revolution

RESOURCE PERSONS  
International Speakers and  
local CEOs

20



**26<sup>th</sup> November** | Networking followed by Cocktails

**27<sup>th</sup> November** | Full Day Forum

Oak Room, Cinnamon Grand, Colombo

Session 01:

**Shaping Your Promise: Channels & Supply Chains**

Session 02:

**Re-defining the Customer Experience**

Session 03:

**Navigation through Buzz**

Session 04:

**What do retailers do in a crisis?**

**REGISTER  
EARLY**

Cost of Participation

Members of SLRA  
Rs. 12,500/-

Non - Members  
Rs. 15,000/-

**For Details Contact:**

Niroshini | Satheesha

Tel: 11- 5588852 | 11- 5588882 | 11- 5588830

E-mail: niroshini@chamber.lk

**Hotline - 077 7 372 700**

SRI LANKA RETAIL  
**FORUM**



Principle Sponsor



Gold Sponsor



Session Partner



Silver Sponsors



Bronze Sponsors



Hospitality Partner



Official Airline



Digital Partner



Event Partner



Strategic Partner



Official Logistics Partner



Telecommunication Partner



Official PayTV Partner



Official Print Media Partners



Member of



### 3.7. The 3<sup>rd</sup> Annual General Meeting

The 3<sup>rd</sup> Annual General Meeting of the Sri Lanka Retailers' Association (SLRA) was held on 29th November at the Ceylon Chamber of Commerce.

Mr. Sidath Kodikara, President, SLRA, stated the significance of the retail industry in Sri Lanka and the key initiative planned for the association for the year 2020. "Retail Industry continues to be the engine of the economy. Retail sector is the machinery that enables trade and services and uplifts rural economic activity. Considering its scope and breadth, it is important to understand the impact of retail to the national economy. Retail plays a vital role in three key areas such as GDP, employment and tourism," he said.

Further, 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 2018/19 is the 'Leadership Excellence' training conducted for retail and allied professionals.

During the course of the year, the SLRA also attended the 19th Asia-Pacific Retailers Convention and Exhibition (APRCE), which was held from 5<sup>th</sup> to 7<sup>th</sup> September 2019, in Chongqing, China. Moreover, it was invited to attend the Heads of Delegation meeting of FAPRA, which was held on the 7<sup>th</sup> September 2019, at which the association was inducted as a full member by the FAPRA Executive Council.

The association further expected to host an Executive Directors meeting of Federation of Asia Pacific Retailers' Association (FAPRA) in May 2020, organize a business conclave/trade fair aligning to the Executive Directors' meeting of FAPRA.

Office bearers for the Year 2019/20: Mr. Sidath Kodikara is the President of SLRA, Mr. Murali Prakash; Group Managing Director & CEO, Ambeon Capital & Ambeon Holdings PLC, and Mr. Charitha Subasinghe; CEO, Jay Kay Marketing Services Pvt Ltd, serve as the Vice Presidents.

The newly appointed Executive Council for the year 2019/20: General Secretary - Mr. Infiyaz M. Ali ; CEO, Healthguard Pharmacy Ltd, Asst. General Secretary - Mr. Dinesh Perera; Director, Abans PLC, Treasurer - Ms. Kaushalya Perera; Director, D. Samson & Sons (Pvt) Ltd, 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, Council Member - Mr. Mahesh Wijewardena; CEO, Singer (Sri Lanka) PLC, Council Member - Mr. Rakhil Fernando; Managing Director, Kaymu Lanka (Pvt) Ltd.



*Caption: Left to right: Mr. Hussain Sadique; Founder President-SLRA/ Mr. Sidath Kodikara; President- SLRA/ Mr. Infiyaz Ali; Secretary General / Mr. Murali Prakash; Vice President- SLRA*

\*\*\*

## **4. Outlook for 2020/2021**

### **4.1. Macroeconomic Performance in 2019/20**

Sri Lanka's economy has had two challenging years in 2019 and 2020. 2019 saw growth falling to 2.3% its lowest since 2001 owing to the impact of the Easter Sunday incident. The recovery expected in 2020 in particular with a new President and Government was not realised owing to the impact of the COVID-19 pandemic. As per the Central Bank of Sri Lanka, economic growth will contract by 1.7% in 2020 followed by a 5% growth in 2021. Other international forecasters like World Bank and IMF expect growth to contract by 6.7% and 4.6% respectively in 2020 followed by a 3.3% or 5.3% recovery in 2021. As such, the general expectation is for 3-5% rebound in 2021.

According to the report done by Department of Census and Statistics, annual growth of the Household consumption expenditure, indicated in 2018 and 2019 was 3.7% and 2.9% respectively compared to the growth of 3.6% and 7.4% in the two years preceding it. Household consumption expenditure was subdued in the first quarter of 2020 at 0.9%. It is expected to contract in 2020 in line with the GDP forecasts for 2020. Spending of the consumer in 2020 would largely have been constrained due to the income/wage implications arising from the impact of COVID-19.

Sri Lanka's macro fundamentals were supported by resilient export earnings, steady inflows of workers' remittances and resilient domestic currency. The LKR has largely remained steady since April 2020 and has been supported by a weaker US dollar and domestic import restrictions.

The National Budget for 2021 presented by the Hon. Prime Minister on 17 November 2020 is largely viewed as being growth oriented with the intent of maintaining tax policy previously announced and incentives through tax holidays/exemptions to steer investment into different sectors of the economy. Macro stability espoused by the budget and the low interest rate environment should support consumption growth in the next 12 months.

### **4.2. Impact and Recovery of Retail**

#### **Retail: A resilient Industry**

Sri Lanka's retail industry experienced challenges in the last two years due to two consecutive Black Swan events. Namely the Easter attacks and COVID-19 pandemic.

The reduction in income levels and increased unemployment brought on by COVID-19 significantly impacted consumer spending, thereby negatively affecting the retail industry. Further challenges

were brought on when the Sri Lankan Government imposed import restrictions on goods ranging from electronics and clothing to personal care products to consumer durables.

Despite these challenges, the retail industry has remained relatively resilient due to the swift measures taken by the retailers and the Sri Lanka government. The sector comprising of FMCG retailers, Consumer Durable and Electronic Retailers, Fashion and Jewellery retailers undertook many cost mitigating measures to sustain and rebound from the negative impacts brought on by these two events. Meanwhile, the government of Sri Lanka introduced measures in areas such as debt moratorium and providing low interest loans to ensure industry sustainability. The reduction of VAT rate to 8% and elimination of NBT were also seen as a key factor for recovery of the industry

Considering the forecasted growth, the continuation of the current tax policies and exemptions for investment in the proposed National Budget, the economy and the retail sector are poised well for recovery in the long term. In addition, a key factor in this recovery is the assumption that the spread of the COVID-19 pandemic being curtailed. With the introduction of new vaccines, the pandemic being curtailed is highly likely. Thus, further improving the chances of a strong recovery

### **4.3. Moving Forward**

In this backdrop, retailers need to navigate their businesses to rebound strongly in the coming year.

In the short term, the industry needs to adapt to the new realities brought on by the pandemic. Some of these new realities include understanding and catering to new consumer behaviour in relation to shopping and spending. Some of these new trends are:

- High and Focused buying intention. Consumers are browsing less and have high intent on purchasing specific items.
- Focus on their own personal safety by consumers
- Consumers Minimizing spend to basic and essentials only

In the Long-Term, retailers should consider investing in digital infrastructure as more consumers shift towards online purchasing. This would be a significant change in many retailers' business models. The pandemic acted as a catalyst for this shift towards online purchasing. With faster adoption towards online purchasing, retailers should leverage this new behaviour by scaling investment in digital infrastructure to improve their offerings.

In addition to investment in online initiatives, retailers should also focus on improving supply chain and logistics in the long-term. The pandemic revealed many gaps and challenges faced by retailers in ensuring product availability. Improved investment in technology and infrastructure would mitigate some challenges in supply chain efficiency.

## 5. Circulars

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

- Subscriptions for 2019/20
- Revitalizing Retail Sector
- Invite to KKCL AW20 Style cast at Mumbai
- IMO2020 GLOBAL SULPHUR CAP; Implications for Sri Lanka
- Shop for Sri Lanka
- Amendments to the Rules of the SLRA
- Retail Forum 2019
- 
- 3<sup>rd</sup> Annual General Meeting Notice

### **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*

## **6. Audited Accounts for the FY 2019/20**

**SRI LANKA RETAILERS' ASSOCIATION  
(GUARANTEE ) LIMITED**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 MARCH 2020**



KPMG  
(Chartered Accountants)  
32A, Sir Mohamed Macan Markar Mawatha,  
P. O. Box 186,  
Colombo 00300, Sri Lanka.

Tel : +94 - 11 542 6426  
Fax : +94 - 11 244 5872  
+94 - 11 244 6058  
Internet : www.kpmg.com/lk

## 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 2020, and the statement of income and expenditure, statement of changes in accumulated fund and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2020, and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Accounting Standard 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 Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by CA Sri Lanka (Code of Ethics) and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### 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 are free from material misstatement, 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 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.

KPMG, a Sri Lankan partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

M.R. Mihuler FCA  
T.J.S. Rajakarier FCA  
Ms. S.M.B. Jayasinghara ACA  
G.A.U. Karunaratne FCA  
R.H. Rajan FCA  
A.M.R.P. Alahakoon ACA  
P.Y.S. Perera FCA  
W.W.J.C. Perera FCA  
W.K.D.C. Abeyratne FCA  
R.M.D.B. Rajapakse FCA  
M.N.M. Shameel ACA  
C.P. Jayatilake FCA  
Ms. S. Joseph FCA  
S.T.D.L. Perera FCA  
Ms. B.K.D.T.N. Rodrigo FCA  
Ms. C.T.K.N. Perera ACA  
Principals - S.P.L. Perera FCMA(UK), LLB, Attorney-at-Law, H.S. Goonewardene ACA  
**Ms. P.M.K. Sumanasekara FCA**



#### **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.

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

08 July 2020

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

*As at 31 March,*

	Note	2020 <u>Rs.</u>	2019 <u>Rs.</u>
<b>Assets</b>			
<b>Non current assets</b>			
Property, plant and equipment	2	157,881	20,172
<b>Total non current assets</b>		<b>157,881</b>	<b>20,172</b>
<b>Current assets</b>			
Inventory		19,850	4,750
Subscription receivable		450,000	168,750
Other receivables and prepayments	3	3,787,500	3,000,000
Short term investments	4	6,812,493	8,712,649
Cash and cash equivalents	5	7,060,333	1,193,214
<b>Total current assets</b>		<b>18,130,176</b>	<b>13,079,363</b>
<b>Total assets</b>		<b>18,288,057</b>	<b>13,099,535</b>
<b>Funds and liabilities</b>			
<b>Funds</b>			
Accumulated fund		17,426,709	10,686,742
<b>Total funds</b>		<b>17,426,709</b>	<b>10,686,742</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Subscription received in advance	6	45,000	630,000
Accrued expenses	7	69,500	389,418
Income tax payable	9	746,848	1,393,375
<b>Total liabilities</b>		<b>861,348</b>	<b>2,412,793</b>
<b>Total funds and liabilities</b>		<b>18,288,057</b>	<b>13,099,535</b>

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.

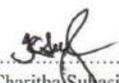
I certify that these financial statements are prepared in compliance with the requirements of the companies Act No. 07 of 2007.

  
 .....  
 Kaushalya Perera  
 Treasurer

The Board of Directors is responsible for the preparation and presentation of these financial statements in accordance with Sri Lanka Accounting Standards for Small and Medium sized Entities (SLFRS for SMEs).

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

  
 .....  
 Sidath Kodikara  
 President

  
 .....  
 Charitha Subasinghe  
 Vice President

08 July 2020  
 Colombo

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

*For the year ended 31 March,*

	Note	2020 <u>Rs.</u>	2019 <u>Rs.</u>
<b>Income</b>			
Entrance fee		255,000	275,000
Membership subscription		2,130,000	1,890,000
Investment income		855,322	616,214
Sensei retail leadership program		-	626,200
Retailers forum		14,775,570	14,098,098
HR workshop		5,000	220,500
Shop for Sri Lanka		4,400,000	-
<b>Total income</b>		<b><u>22,420,892</u></b>	<b><u>17,726,012</u></b>
<b>Expenditure</b>			
Printing, photocopy and stationery		68,396	66,679
Secretarial fee		466,410	443,568
Postage and courier charges		8,635	12,668
Use of multi media project at meetings		22,074	9,974
Sensei retail leadership program		-	507,282
Retail academy		-	5,100
Retailers forum		6,364,414	7,862,509
Colombo international shopping festival		-	600
Shop for Sri Lanka		5,786,517	-
China delegation		618,005	-
Professional expenses		90,550	329,500
Annual general meeting		26,960	603,743
HR workshop		-	229,648
Audit fee		58,979	38,174
Entertainment and refreshments		64,072	41,901
Retainer fee		462,640	1,375,600
EPF		25,160	122,400
Rent		62,500	162,500
FAFRA membership		153,261	-
Credit card commission		-	1,250
Farewell expenses		-	13,185
Website expenses		40,719	10,005
Tax advisory services		15,068	36,175
Black tie dinner		-	96,000
Sundry expenses		151,187	122,460
Communication cost		24,000	-
Write-off membership subscription		-	50,025
Other meeting expenses		-	136,575
Deprecation		8,291	2,036
<b>Total expenditure</b>		<b><u>14,517,838</u></b>	<b><u>12,279,557</u></b>
<b>Surplus before tax</b>		<b><u>7,903,054</u></b>	<b><u>5,446,455</u></b>
Tax expense	8	<u>(1,163,087)</u>	<u>(769,571)</u>
<b>Surplus for the year</b>		<b><u>6,739,967</u></b>	<b><u>4,676,884</u></b>

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

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

*For the year ended 31 March,*

	<b>Accumulated fund</b>	<b>Total</b>
	<b><u>Rs.</u></b>	<b><u>Rs.</u></b>
<b>Balance as at 01 April 2018</b>	<b>6,009,858</b>	<b>6,009,858</b>
Surplus for the period	4,676,884	4,676,884
<b>Balance as at 31 March 2019</b>	<b><u>10,686,742</u></b>	<b><u>10,686,742</u></b>
Surplus for the period	6,739,967	6,739,967
<b>Balance as at 31 March 2020</b>	<b><u><u>17,426,709</u></u></b>	<b><u><u>17,426,709</u></u></b>

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

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

<i>For the year ended 31 March,</i>	<b>2020</b>	<b>2019</b>
	<b><u>Rs.</u></b>	<b><u>Rs.</u></b>
<b>Cash flows from operating activities</b>		
Surplus before tax	7,903,054	5,446,455
<i>Adjustment for;</i>		
Depreciation	8,291	2,036
Investment income	(855,322)	(616,214)
<b>Operating cash flows before working capital changes</b>	<b><u>7,056,023</u></b>	<b><u>4,832,276</u></b>
<i>Changes in;</i>		
Inventory	(15,100)	7,400
Subscription receivable	(281,250)	16,250
Other receivables and pre payments	(787,500)	(1,947,572)
Subscription received in advance	(585,000)	528,750
Income received for HR workshop	-	(60,000)
Accrued expenses	(319,918)	230,548
<b>Cash generated from operating activities</b>	<b><u>5,067,255</u></b>	<b><u>3,607,652</u></b>
Income tax paid	(1,771,835)	(23,236)
<b>Net cash flows generated from operating activities</b>	<b><u>3,295,420</u></b>	<b><u>3,584,416</u></b>
<b>Cash flows from investing activities</b>		
Investment income received	849,786	567,519
Net investments during the year	1,867,913	(3,000,000)
Addition to the property, plant and equipment	(146,000)	-
<b>Net cash flows generated / (used in) investing activities</b>	<b><u>2,571,699</u></b>	<b><u>(2,432,481)</u></b>
Net increase in cash and cash equivalents	<b>5,867,119</b>	<b>1,151,935</b>
Cash and cash equivalents at the beginning of the year	1,193,214	41,279
<b>Cash and cash equivalents at the end of the year (Note 5)</b>	<b><u>7,060,333</u></b>	<b><u>1,193,214</u></b>

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

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

*For the year ended 31 March 2020,*

**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 wound 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 SMEs).

**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 statements.

**(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 Standard 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 (GUARANTEE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

*For the year ended 31 March 2020,*

**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 resources 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.

**(ii). Income from events**

Income from event is recognized on the completion of such program.

**(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. 24 of 2017 and its amendments thereto.

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

---

*For the year ended 31 March 2020,*

**1.5 Significant accounting policies (Continued)**

**(g) Taxation (Continued)**

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.

**(h) Events occurring after the reporting date**

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

**(i) 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 contingent liabilities are disclosed in Notes to the financial statements.

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

*As at 31 March,*

2 Property, plant and equipment	Computer	Office equipment	Total
	Rs.	Rs.	Rs.
<b>Cost</b>			
Balance at 01 April 2019	-	22,208	22,208
Additions during the year	146,000	-	146,000
Disposals during the year	-	-	-
<b>Balance at 31 March 2020</b>	<b>146,000</b>	<b>22,208</b>	<b>168,208</b>
<b>Accumulated depreciation</b>			
Balance at 01 April 2019	-	2,036	2,036
Charge for the year	6,083	2,208	8,291
Disposals during the year	-	-	-
<b>Balance at 31 March 2020</b>	<b>6,083</b>	<b>4,244</b>	<b>10,327</b>
<b>Carrying value</b>			
<b>As at 31 March 2020</b>	<b>139,917</b>	<b>17,964</b>	<b>157,881</b>
As at 31 March 2019	-	20,172	20,172
		<b>2020</b>	<b>2019</b>
		<b>Rs.</b>	<b>Rs.</b>
<b>3 Other receivables and prepayments</b>			
Retailers forum		3,787,500	3,000,000
		<b>3,787,500</b>	<b>3,000,000</b>
<b>4 Short term investments</b>			
Fixed deposit - National Development Bank		6,812,493	8,712,649
		<b>6,812,493</b>	<b>8,712,649</b>
<b>5 Cash and cash equivalents</b>			
Current account with The Ceylon Chamber of Commerce		7,060,333	1,193,214
<b>Cash and cash equivalent for the purpose of statement of cash flows</b>		<b>7,060,333</b>	<b>1,193,214</b>
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.			
<b>6 Subscription received in advance</b>			
Akbar Brothers (Pvt) Ltd		-	45,000
Nolimit		-	45,000
Mlesna Ceylon (Pvt) Ltd		-	45,000
Jaykay Marketing Services (Pvt) Ltd		-	45,000
Perera & Sons (Bakers) Ltd		-	45,000
Vogue Jewellers (Pvt) Ltd		-	45,000
D Samson & Sons (Pvt) Ltd		-	45,000
Stone N String (Pvt) Ltd		-	45,000
Kandy Kadawatha		-	45,000
Abans Plc		-	45,000
Hameedia Stores (Pvt) Ltd		-	45,000
Softlogic Retail (Pvt) Ltd		-	45,000
Fashion Bug Private Limited		-	45,000
Swarnamahala Jewellers Ltd		-	45,000
Dankotuwa Porcelain PLC		45,000	-
		<b>45,000</b>	<b>630,000</b>

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

*For the year ended 31 March,*

	<b>2020</b>	<b>2019</b>
	<b><u>Rs.</u></b>	<b><u>Rs.</u></b>
<b>7 Accrued expenses</b>		
Audit fee	55,000	55,000
Tax advisory service	14,500	13,500
Professional fees	-	302,000
Sensei retail leadership program	-	18,918
	<b><u>69,500</u></b>	<b><u>389,418</u></b>
<b>8 Income tax expense</b>		
Provision for the year	1,125,308	746,335
With holding tax paid	37,779	23,236
	<b><u>1,163,087</u></b>	<b><u>769,571</u></b>
<b>9 Income tax payable</b>		
Balance at the beginning of the year	1,393,375	647,040
Income tax paid during the year	(1,771,835)	-
Provision for the year	1,125,308	746,335
<b>Balance at the end of the year</b>	<b><u>746,848</u></b>	<b><u>1,393,375</u></b>

9.1 The Company is liable for income tax expense under Inland Revenue Act No. 24 of 2017 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 2019 is one. (2019 : 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 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.

**13 Approval of financial statements**

These financial statements were approved by The Board of Directors and authorized for issue on 08 July 2020.