

York Arcade Holdings PLC

**Annual Report
2019/20**

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Financial Highlights

For year ended 31st March,

	2020 Rs.	2019 Rs.	% Change
Net Finance Income	8,803,684	16,159,894	-46%
Profit before Tax	4,802,080	13,111,358	-63%
Income Tax Expense	(2,721,930)	(7,290,097)	-63%
Profit for the period	2,080,150	5,821,261	-64%

As at 31st March,

Total Equity	142,987,256	140,506,146	2%
Market Value per share	62.00	70.10	-12%
Market Capitalisation	46,500,000	52,575,000	-12%

Chairman's Review

On behalf of the Board of Directors it gives me great pleasure to welcome you to the 34th Annual General Meeting of York Arcade Holdings PLC and present you with the Annual Report and the Audited Financial Statements for the year ended 31st March 2020.

It was a year of unprecedented challenges, defined by two devastating events which brought the economy to a standstill. The chaos caused by the Easter Sunday attacks precipitated a macroeconomic downslide locally whilst the outbreak of the global pandemic during the fourth quarter of the financial year resulted in severe and prolonged stress across several industry sectors and value chains. Consequently, the GDP growth moderated to 2.3% in 2019 compared to 3.3% in the previous year reflecting subdued consumer and investor sentiments combined with political uncertainty, unprecedented currency devaluation and fall in price indices and market capitalisation at the Colombo Stock Exchange.

On the positive side, the benchmark AWPLR declined nearly 300bps during the financial year reaching high single digits for the first time since 2016. The regulator adopted an accommodative monetary policy stance during the year to support the revival of economic activity and private sector credit growth. The rupee appreciated marginally by 0.6% in 2019 only to depreciate by 4.5% in March 2020. Further the headline and core inflation moved broadly in the desired range of 4%-6% during the year 2019.

Against this backdrop, I am pleased to report that, the Company recorded a profit of Rs. 2.1 Mn in an extremely challenging year compared to Rs. 5.8 Mn recorded in the previous year.

I wish to thank all Stakeholders for their continued trust and confidence in the Company and my colleagues on the board for their unstinted support, advice and guidance.

A.Rajaratnam

Chairman

Colombo

08th September, 2020

Board of Directors

Mr. A. Rajaratnam - Chairman

FCA

Mr. A. Rajaratnam joined the Board in the year 2000 and was appointed as Chairman of the Company on 16th November, 2011. He also holds other Directorships within The Colombo Fort Land & Building Group.

Mr. S. D. R. Arudpragasam - Director

FCMA

Mr. S.D.R. Arudpragasam is a fellow member of the Chartered Institute of Management Accountants (UK). He was appointed to the Board in 1999. He serves as Chairman of several subsidiaries of The Colombo Fort Land & Building PLC (CFLB) and holds the position of Chairman of Lankem Ceylon PLC and functions as the Chairman / Managing Director of E.B. Creasy & Company PLC. He also holds the position of Deputy Chairman of The Colombo Fort Land & Building PLC in addition to serving on the Boards of other Companies within the CFLB Group.

Mr. T. Theyagamurti - Director

AICB (Canada) MIEEX (Grad) UK

Mr. T. Theyagamurti was appointed to the Board in 2003. A Banker by profession he has specialised in International Trade and Foreign Exchange Trading, counting over 25 years of service with a leading local Bank and an European Bank in North America. He has also successfully completed hospitality programmes conducted by the University of Hawaii in Honolulu and IAPCO in Zurich as a Congress Organiser. He has over 23 years of service with The Colombo Fort Land & Building Group's Hospitality Division.

Mr. S. Shanmugalingam - Director

Mr. S. Shanmugalingam was appointed to the Board in 2003. He has over 25 years experience in Share Trading and Capital Market and has worked for many years as a Senior Stock Broker. He currently functions as an Adviser. He holds a Higher Diploma in Information Technology.

Mr. A. M. de S. Jayaratne - Director

B.Sc. (Econ), FCA

Mr. A.M. de S. Jayaratne was appointed to the Board in 2005. He was the former Chairman of Forbes & Walker Ltd., the Colombo Stock Exchange, The Ceylon Chamber of Commerce and The Finance Commission. He also served as Sri Lanka's High Commissioner in Singapore and is at present a Director of several Listed Companies.

Mr. S. N. P. Palihena - Director

FCIB (UK), FIB (SL), Post Grad. Dip. Bus. & FA

Mr. S.N.P. Palihena was appointed to the Board as an Independent Non - Executive Director in May, 2013. In addition to serving on the Board of E.B. Creasy & Company PLC and some of its Subsidiaries, he also serves on the Board of Lankem Developments PLC which is also a subsidiary of The Colombo Fort Land & Building Group.

He was a former Chief Executive Officer/General Manager of Bank of Ceylon and has had a distinguished banking career spanning almost forty years at the Bank of Ceylon. He has also worked at the National Development Bank of Sri Lanka for a period of over three years. Mr. S. N. P. Palihena is a former Director of the DFCC Bank.

Mr. G.D.V. Perera - Director

M.C.I.P, F.I.P.M

Mr. G.D.V. Perera was appointed to the Board as an Independent/Non-Executive Director in May, 2013. He commenced his career in planting with Mackwoods Estates & Agencies Limited in 1971. With the nationalization of Estates, he worked as an Estate Manager and Visiting Agent and was subsequently promoted as a Director of JEDB in the Nuwara Eliya Region. He has provided his services to the prestigious Commonwealth Development Corporation (CDC) of UK on tea projects in Tanzania and was resident there. After the privatisation

Board of Directors

of the management of Regional Plantation Companies, he returned to Sri Lanka and joined Forbes Plantation Management Services Ltd., as a Plantation Director of Balangoda Plantations Limited in 1993. He joined Lankem Tea & Rubber Plantations (Pvt) Ltd (LT&RP), Managing Agents, in 1996, and was appointed to the Directorates of LT&RP in 2002 and Kotagala Plantations PLC and Agarapatana Plantations Ltd in 2006. He also serves as a Director of other Companies of The Colombo Fort Land & Building Group.

He was the past Chairman of the Planters' Association of Ceylon. He is a Director of the Plantation Human Development Trust. Mr. G.D.V. Perera is a Member of the Ceylon Institute of Planting and a Fellow of the National Institute of Plantation Management.

Mr. S. Rajaratnam - Director

B.Sc, CA

Mr. S. Rajaratnam was appointed to the Board as a Non-Executive Director on 14th May, 2013. He holds a Bachelor of Science Degree in Business Administration from Boston College, USA and is a member of the Institute of Chartered Accountants in Australia. He has been associated with overseas Companies in the field of Finance and currently holds the position of Joint Managing Director of E.B Creasy & Company PLC amongst other Directorships in The Colombo Fort Land & Building Group.

Annual Report of the Board of Directors

The Board of Directors of York Arcade Holdings PLC present their Report on the affairs of the Company together with the Audited Financial Statements for the year ended 31st March, 2020.

Principal Activities and Business Review

The principal activity of the Company is Real Estate Development. The Chairman's Review, together with the Financial Statements reflects the state of affairs of the Company.

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

Financial Statements

The Financial Statements of the Company are given on pages 29 to 59.

Auditors Report

The Auditors Report on the Financial Statements is given on pages 25 to 28.

Accounting Policies

The Company has prepared the accounts in accordance with the new SLFRSs/LKASs issued by the Institute of Chartered Accountants of Sri Lanka.

Interest Register

Directors' Interest In Transactions

The Directors have made general disclosures as provided for in Section 192(2) of the Companies Act No. 07 of 2007. Arising from this, details of contracts in which they have an interest are disclosed in Note 21 to the Financial Statements on pages 52 and 53.

Directors' Interest in Shares

Directors of the Company who have an interest in the shares have disclosed their shareholdings and any acquisitions/disposals to the Board in compliance with Section 200 of the Companies Act. The acquisitions/disposals are routinely notified to the Colombo Stock Exchange.

Details pertaining to Directors' Direct Shareholdings are set out below:

	No. of Shares	
	31.03.2020	31.03.2019
Mr. A. Rajaratnam	-	-
Mr. S.D.R. Arudpragasam	-	-
Mr. T. Theyagamurti	-	-
Mr. S. Shanmugalingam	195*	195*
Mr. A.M. de S. Jayaratne	-	-
Mr. S.N.P. Palihena	-	-
Mr. G.D.V. Perera	-	-
Mr. S. Rajaratnam	-	-

(*16 shares are held in personal capacity)

*Consequent to the Consolidation of Shares, in 2018 Fractional Shares aggregating 179 shares are held in trust).

Key Management Personnel Compensation

Key Management Personnel Compensation in respect of the Company for the financial year 2019/2020 is given in Note 9 to the Financial Statements on page 47.

Corporate Donations

No donations were made during the year.

Directorate

The names of the Directors who held office during the financial year are given below. Brief profiles of these Directors appear on page 3 and 4.

Mr. A. Rajaratnam	- Chairman - Non-Executive
Mr. S.D.R. Arudpragasam	- Non-Executive
Mr. T. Theyagamurti	- Independent - Non-Executive
Mr. S. Shanmugalingam	- Non-Executive
Mr. A.M. de S. Jayaratne	- Independent - Non-Executive
Mr. S.N.P. Palihena	- Independent - Non-Executive
Mr. G.D.V. Perera	- Independent - Non-Executive
Mr. S. Rajaratnam	- Non-Executive

Annual Report of the Board of Directors

In terms of Articles 84 and 85 of the Articles of Association, Mr. S. Shanmugalingam retires by rotation and being eligible, offers himself for re-election.

Mr. A.M. de S. Jayaratne who is over 70 years of age retires and offers himself for reappointment under and by virtue of the Special Notice received from a shareholder of the Company, which is referred to in the Notice of Meeting.

Mr. A. Rajaratnam who is over 70 years of age retires and offers himself for reappointment under and by virtue of the Special Notice received from a shareholder of the Company, which is referred to in the Notice of Meeting.

Mr. S.N.P. Paliheena who is over 70 years of age retires and offers himself for reappointment under and by virtue of the Special Notice received from a shareholder of the Company, which is referred to in the Notice of Meeting.

Mr. T. Theyagamurti who is over seventy years of age retires and offers himself for reappointment under and by virtue of the Special Notice received from a shareholder of the Company which is referred to in the Notice of Meeting.

Auditors

The Financial Statements of the Company for the year have been audited by Messrs. KPMG the retiring Auditors who have expressed their willingness to continue as Auditors of the Company and have been recommended for reappointment by the Board of Directors. A resolution to reappoint them and to authorise the Directors to determine their remuneration will be proposed at the Annual General Meeting.

The Auditors, Messrs. KPMG were paid Rs. 180,000/- (2019 - Rs.220,000/-) as audit fees by the Company. In addition they were paid Rs. 150,000/- (2019 - Rs.175,000/-) by the Company for non-audit related work, which consisted mainly of tax related work.

As far as the Directors are aware the Auditors do not have any relationship (other than that of an

Auditor) with the Company. The Auditors do not have any interests in the Company.

Revenue

There was no revenue generated by the Company during the two consecutive years.

Results

The Company made a profit before Tax of Rs. 4.8 Mn. against a profit of Rs. 13.1 Mn. in the Previous year.

Investments

Details of investments are listed in Note 12 to the Financial Statements.

Stated Capital & Reserves

The Stated Capital of the Company as at 31st March, 2020 is Rs.14.4 Mn. and is represented by 750,000 issued and fully paid ordinary shares.

Reserves

The total equity of the Company as at 31st March, 2020 amounts to Rs.143 Mn., (31st March, 2019-Rs.141 Mn) comprising General Reserve of Rs.10 Mn. (31st March, 2019 - Rs.10 Mn. classified as General Reserve), Retained Profits of Rs.112Mn. (31st March, 2019 - Rs.110 Mn.) and fair value Reserve of Rs. 6 Mn. (31st March, 2019- Rs.5.9 Mn.).

The movements are shown in the Statement of Changes in Equity in the Financial Statements.

Taxation

Taxation has been computed at the rates, given in Note 10 on pages 47 and 48 of the Financial Statements.

Share Information

Information relating to earnings, dividend, net assets, market value per share and share trading are given on pages 61 and 62.

Events After the Reporting Period

No circumstances have arisen since the Reporting Date that would require adjustments to or disclosures in the Financial Statements, other than those disclosed in Note 24 to the Financial Statements on page 54.

Annual Report of the Board of Directors

Capital Commitments and Contingent Liabilities

Capital Commitments and Contingent Liabilities as at the date of the Statement of Financial Position are disclosed in Note 23 to the Financial Statements on page 54.

Employment Policy

The Company does not employ any staff. All operational services are provided by Corporate Managers & Secretaries (Private) Limited.

Related Party Transactions

During the Financial year there were no recurrent or Non-recurrent related party transactions which exceeded the respective thresholds mentioned in Section 9 of the Colombo Stock Exchange Listing Rules. The Directors declare that the Company has complied with the requirements of the Listing Rules on Related Party Transactions.

The Related Party Transactions presented in the Financial Statements are disclosed in Note 21 on pages 52 and 53.

Shareholders

It is the Company's policy to endeavor to ensure equitable treatment to its shareholders.

Statutory Payments

The Directors, to the best of their knowledge and belief, are satisfied that all statutory payments due to the Government have been paid or where relevant, provided.

Environmental Protection

The Company's business activities can have direct and indirect effects on the environment. Therefore, it is the Company's policy to minimise any adverse effects its activities have on the environment and to promote co-operation and compliance with the relevant authorities and regulations. We confirm that the Company has not undertaken any activities which have caused or are detrimental to the environment.

Internal Control

The Board periodically reviews and ensures the maintenance of a comprehensive system of internal controls required to carry on the business in an orderly manner, safeguard assets and secure as far as possible the accuracy and reliability of the financial records of the Company.

Going Concern

The Board of Directors are satisfied that the Company has adequate resources to continue its operations in the foreseeable future to justify the going concern basis adopted in preparing these Financial Statements.

For and on behalf of the Board,

(Sgd.)

S. D. R. Arudpragasam
Director

(Sgd.)

S. Shanmugalingam
Director

By Order of the Board,

(Sgd.)

Corporate Managers & Secretaries (Private) Limited

Secretaries
Colombo

08th September, 2020

Corporate Governance

Corporate Governance ensures fairness, transparency and integrity of the Management. Corporate Governance is the culture of the Company, rather than a mere legal compulsion. It further inspires and strengthens investor confidence and commitment to the Company.

The Company through its Board and Committees, endeavours to strike and deliver the highest governing standards for the benefit of its stakeholders. Values have been applicable at all levels in the organisation guaranteeing business transparency to its valuable stakeholders and corporate society. The Corporate Governance policies and practices ensure that there is full compliance with relevant rules and regulations.

Board Composition

The Board consists of eight Non-Executive Directors who possess expertise in finance, corporate management and the hospitality trade. Of the eight Directors, four Directors are Independent Non-Executive Directors.

The Details of the present Directors are given below.

Director	Position Held
Mr. A. Rajaratnam	- Chairman Non-Executive
Mr. S.D.R. Arudpragasam	- Non-Executive
Mr. T. Theyagamurti	- Independent Non-Executive
Mr. S. Shanmugalingam	- Non-Executive
Mr. A.M. de S. Jayaratne	- Independent Non-Executive
Mr. S.N.P. Paliheha	- Independent Non-Executive
Mr. G.D.V. Perera	- Independent Non-Executive
Mr. S. Rajaratnam	- Non-Executive

The Directors have submitted Declarations of their Independence or Non-Independence to the Board of Directors.

Mr. T. Theyagamurti has served on the Board for more than nine years and is on the Boards of other subsidiary companies of the Parent Company, The Colombo Fort Land and Building PLC (CFLB) of which a majority of the Directors of certain companies serve on the Board of another. He is also a Director of some companies which have significant shareholdings in another. Mr. T. Theyagamurti has also served on certain subsidiaries of CFLB for over a period of nine years. However, the Board having taken into consideration all other circumstances listed in the Rules pertaining to the "Criteria for Defining Independence" is of the opinion that Mr. T. Theyagamurti is nevertheless Independent.

Mr. A. M. de S. Jayaratne is a Director of the Parent Company CFLB and has served on its Board and on the Board of the Listed Entity for more than nine years. He also serves on the Boards of several subsidiaries of CFLB of which a majority of the Directors of certain subsidiaries serve on the Boards of another. He is also a Director of some companies which have significant shareholdings in another. He has also served on the Boards of certain subsidiaries for over a period of nine years. However, the Board having taken into consideration all the circumstances listed in the Rules pertaining to the "Criteria for Defining Independence" is of the opinion that Mr. A. M. de S. Jayaratne is nevertheless Independent.

Mr. S.N.P. Paliheha is a Director of several subsidiaries of the Parent Company, The Colombo Fort Land & Building PLC. He serves on certain subsidiary companies of which a majority of the Directors serve on the Boards of another and is a Director of some companies which have significant shareholdings in another. He has also served on the Board of a subsidiary of the Parent Company for a period over nine years. However, the Board having taken into consideration all other circumstances listed in the Rules pertaining to the "Criteria for Defining Independence" is of the opinion that Mr. S.N.P. Paliheha is nevertheless Independent.

Corporate Governance

Mr. G.D.V. Perera is a Director of several subsidiaries of the Parent Company, The Colombo Fort Land & Building PLC and has served for more than nine years on certain subsidiary companies. He currently has a material business relationship with a subsidiary of the Parent Company. He is on the Boards of some companies of which a majority of the Directors serve on the Board of another. He also holds Directorships in some Companies which have significant shareholdings in the another. However, the Board having taken into consideration all other circumstances listed in the Rules pertaining to the "Criteria for Defining Independence" is of the opinion that Mr. G.D.V. Perera is nevertheless Independent.

Appointments to the Board

There is a formal and transparent procedure for the appointment of new Directors to the Board which is in accordance with the Articles of Association of the Company and also in compliance with the Best Practices on Corporate Governance. The Board as a whole annually assesses the Board-composition to ascertain whether the combined knowledge and experience of the Board matches the strategic demands facing the Company.

The findings of such assessments are taken into account when new Board appointments are considered and when incumbent Directors come up for re-election. Upon the appointment of a new Director to the Board, the Company makes the required disclosures of such Director to the shareholders by making announcements to the Colombo Stock Exchange.

Re-election of Directors

In terms of the Articles of the Association any Director appointed by the Board holds office until the next Annual General Meeting at which he seeks re-election by the Shareholders.

The Articles of Association require one of the Directors in office to retire at each Annual General Meeting. The Director to retire in each year is who has been longest in office since

his last election or appointment. The retiring Director is eligible for re-election by the Shareholders.

Decision Making of the Board

All the Directors are responsible for proper direction of the Company and to ensure the success of the business from year to year. The Board is always equipped with the relevant information necessary for decision making.

Board Responsibilities

- Formulation of short and long term strategies towards sustainable growth.
- Enhancing shareholder value.
- Identifying principal risks of the business.
- Overseeing systems of internal control.
- Approval of interim and annual financial statements.
- Ensuring compliance with laws and regulations.
- Authorising all material contracts, and approving capital projects.

Board Meetings

At Board Meetings, Company performance and the business strategies are reviewed and monitored. In addition to Board meetings decisions are approved by Resolutions in writing.

Financial Acumen

The Board comprises of four Finance Professionals who possess the knowledge to offer the Board the necessary guidance on matters of finance.

Financial Reporting and Disclosures

The Board of Directors ensure disclosure of all material and price sensitive information which are important to the shareholders.

The Directors have taken necessary steps in presenting a sincere and balanced assessment of results in the Quarterly and Annual Financial Statements.

Corporate Governance

Remuneration Committee

All members of the Board are Non-Executives to whom Directors' fees are paid. Further, the Company does not employ a Chief Executive Officer or a Chief Financial Officer and all managerial and secretarial services are provided by Corporate Managers and Secretaries (Private) Limited to whom a fee is paid.

The Remuneration Committee comprises of Mr. A.M. de S. Jayaratne, Chairman, Mr. T. Theyagamurti, Independent Non-Executive Directors and Mr. S.D.R. Arudpragasam, Non-Executive Director. Further, the fees paid to Corporate Managers & Secretaries (Pvt) Ltd has been recommended by the Remuneration Committee.

Legal Requirements

The Board is aware of its responsibility to the Shareholders, the Government and the Society in which it operates and is explicitly committed to upholding ethical behaviour in conducting its business. The Company obtains legal advice from appropriately qualified and experienced legal professionals on a timely basis.

Audit Committee

The Audit Committee of the Parent Company, The Colombo Fort Land & Building PLC functions as the Company's Audit Committee and comprises of Mr. R. Seevaratnam, Chairman, Mr. A. M. de S. Jayaratne, Independent Non-Executive Directors and Mr. S. D. R. Arudpragasam Non-executive Director.

The Audit Committee Report is set out on pages 21 and 22.

Related Party Transaction Review Committee

The Related Party Transactions Review Committee of the Parent Company, The Colombo Fort Land & Building PLC functions as the Related Party Transactions Review Committee of the Company and comprises of Mr. R. Seevaratnam, Chairman, Mr. A.M.de S. Jayaratne, Independent Non- Executive Directors and Mr. S.D.R. Arudpragasam Non-Executive Director.

The Related Party Transactions Review Committee Report is set out on page 23.

Corporate Governance

ADHERENCE TO THE CORPORATE GOVERNANCE RULES OF THE COLOMBO STOCK EXCHANGE FOR LISTED COMPANIES

CSE Rule No.	Subject	Applicable Requirement	Compliance Status	Applicable Section in Annual Report
7.10.1 (a)	Non-Executive Directors	Two or at least one third of the total number of Directors should be Non-Executive Directors.	Complied.	Corporate Governance
7.10.2 (a)	Independent Directors	Two or one third of Non- Executive Directors, whichever is higher, should be Independent.	Complied.	Corporate Governance
7.10.2 (b)	Independent Directors	Each Non-Executive Director should submit a declaration of Independence/Non- Independence in the prescribed format.	Complied.	Corporate Governance
7.10.3 (a)	Disclosure relating to Directors	The Board shall annually make a determination as to the Independence or Non-Independence of each Non-Executive Director and names of Independent Directors should be disclosed in the Annual Report.	Complied.	Corporate Governance
7.10.3 (b)	Disclosure relating to Directors	The basis for the Board to determine a Director is Independent, if criteria specified for Independence is not met.	Complied.	Corporate Governance
7.10.3 (c)	Disclosure relating to Directors	A brief resume of each Director should be included in the Annual Report containing information on the nature of his / her expertise in relevant functional areas	Complied.	Directors Profiles
7.10.3 (d)	Disclosure relating to Directors	Provide a brief resume of new Directors appointed to the Board with details specified in Rule 7.10.3(a), (b) and (c) of the Colombo Stock Exchange.	Not Applicable.	Directors Profiles
7.10.5	Remuneration Committee	A Listed Company shall have a Remuneration Committee in conformity with the following (a) Composition (b) Function (c) Disclosure in the Annual Report	Complied.	Corporate Governance

Corporate Governance

CSE Rule No.	Subject	Applicable Requirement	Compliance Status	Applicable Section in Annual Report
7.10.6	Audit Committee	The Company shall have an Audit Committee	Complied.	Corporate Governance
7.10.6 (a)	Composition of Audit Committee	<ul style="list-style-type: none"> Shall comprise a minimum of two Independent Non- Executive Directors or Non-Executive Directors a majority of whom shall be Independent, which ever shall be higher. In a situation where both the Parent Company and the subsidiary are 'Listed Companies', the Audit Committee of the Parent Company may function as the Audit Committee of the subsidiary. A Non-Executive Director shall be appointed as the Chairman of the Committee. Unless otherwise determined by the Audit Committee the Chief Executive Officer and the Chief Financial Officer shall attend Audit Committee Meetings. The Chairman of the Audit Committee or one member should be a member of a professional accounting body. 	<p>Complied. (Parent Company Audit Committee)</p> <p>Complied. (Parent Company Audit Committee)</p> <p>Complied.</p> <p>Not Applicable.</p> <p>Complied. (Parent Company Audit Committee)</p>	<p>Audit Committee Report</p> <p>Audit Committee Report</p> <p>Audit Committee Report</p> <p>Corporate Governance</p> <p>Audit Committee Report</p>
7.10.6 (b)	Audit Committee	<p>Functions shall include;</p> <p>a. Overseeing the preparation, presentation and adequacy of disclosures in the Financial Statements in accordance with Sri Lanka Accounting Standards.</p> <p>b. Ensuring Compliance with financial reporting requirements, information requirements of the Companies Act and other relevant financial reporting related regulations and requirements.</p>	<p>Complied.</p> <p>Complied.</p>	<p>Audit Committee Report</p>

Corporate Governance

CSE Rule No.	Subject	Applicable Requirement	Compliance Status	Applicable Section in Annual Report
7.10.6 (b)	Audit Committee	<p>c. Overseeing the processes to ensure that the internal controls and risk management are adequate to meet the requirements of the Sri Lanka Auditing Standards.</p> <p>d. Assessment of the Independence and performance of the External Auditors.</p> <p>e. To make recommendations to the Board pertaining to appointment, re-appointment and removal of External Auditors, and approving the remuneration and terms of engagement of the External Auditors.</p>	<p>Complied.</p> <p>Complied.</p> <p>Complied.</p>	Audit Committee Report
7.10.6 (c)	Disclosure in the Annual Report	<p>a. The names of the Directors (or persons in the Parent Company's Committee in the case of a Group Company) comprising the Audit Committee should be disclosed in the Annual Report.</p> <p>b. The Audit Committee shall make a determination of the Independence of the Auditors and disclose the basis for such determination.</p> <p>c. The Annual Report shall contain a Report of the Audit Committee setting out the manner of Compliance with their functions.</p>	<p>Complied.</p> <p>Complied.</p> <p>Complied.</p>	Audit Committee Report
9.1	Related Party Transactions Shareholder Approval	The Listed entity shall obtain prior approval from the shareholders by way of a Special Resolution for the Related Party Transactions listed below;		

Corporate Governance

CSE Rule No.	Subject	Applicable Requirement	Compliance Status	Applicable Section in Annual Report
9.1.1	Non- Recurrent Transactions	<p>(a) Any Related Party Transaction of a value equal to, or more than:</p> <p>(i) 1/3 of the Total Assets of the entity as per the latest Audited Financial Statements of the entity;</p> <p>OR</p> <p>(ii) 1/3 of the Total Assets of the entity as per the latest Audited Financial Statements of the entity , when aggregated with other non-recurrent transactions entered into with the same Related Party during the same financial year.</p>	<p>Not Applicable.</p> <p>Not Applicable.</p>	
9.1.2	Recurrent Transactions	<p>(a) Any recurrent Related Party Transaction of value equal to, or more than</p> <p>(i) 1/3 of the gross revenue (or equivalent term for revenue in the Income Statement)</p> <p>OR</p> <p>(ii) 1/3 of the gross revenue (or equivalent term for revenue in the Income Statement),when aggregated with other recurrent transactions entered into with the same Related Party during the same financial year.</p> <p>AND</p> <p>(iii) the transactions are not in the ordinary course of the business and in the opinion of the Related Party Transactions Review Committee, are on terms favourable to the Related Party than those generally available to the public</p>	<p>Not Applicable.</p> <p>Not Applicable.</p> <p>Not Applicable.</p>	

Corporate Governance

CSE Rule No.	Subject	Applicable Requirement	Compliance Status	Applicable Section in Annual Report
9.2	Related Party Transactions Review Committee	A listed Company shall have a Related Party Transactions Review Committee (RPTRC) in Conformity with the following:	Complied.	Corporate Governance
9.2.1	Review of Transactions	Except for transactions set out in Rule 9.5, all other Related Party Transactions should be reviewed by the Related Party Transactions Review Committee	Complied.	Related Party Transactions Review Committee Report
9.2.2	Composition	The Committee shall comprise a combination of Non-Executive Directors and Independent Non-Executive Directors and may also include Executive Directors at the option of the company. One Independent Non-Executive Director shall be appointed as Chairman.	Complied.	Related Party Transactions Review Committee Report
9.2.3	Related Party Transaction Review Committee of the Parent	In a Situation where both the parent company and the subsidiary are Listed Entities, the RPTRC of the parent company may be permitted to function as the RPTRC of the Subsidiary. However, if the parent company is not a Listed Entity, then RPTRC of the Parent Company is not permitted to act as the RPTRC of the subsidiary. The Subsidiary shall have a separate RPTRC.	Applicable. Not Applicable.	Related Party Transactions Review Committee Report
9.2.4	Committee Meeting	The Committee shall meet at least once a calendar quarter	Complied. Committee has met on five occasions	Related Party Transactions Review Committee Report
	Documentation of minutes	Minutes of the meetings should be properly documented and communicated to the Board of Directors	Complied.	Related Party Transactions Review Committee Report

Corporate Governance

CSE Rule No.	Subject	Applicable Requirement	Compliance Status	Applicable Section in Annual Report
9.3.2	Disclosure in the Annual Report	<p>(a) Disclosure of Non-Recurrent Related Party Transactions</p> <p>If aggregate value of the Non- Recurrent Related Party Transactions exceeds 10% of the equity or 5% of the Total Assets, whichever is lower, of the Listed Entity as per the latest Audited Financial Statements, the information must be presented in the Annual Report in accordance with the prescribed format under 9.3.2 (a) of the listing rules.</p> <p>(b) Disclosure Recurrent Related Party Transactions</p> <p>If the aggregate value of the recurrent Related Party Transactions exceeds 10% of the gross revenue/ income (or equivalent term in the Income Statement and in the case of group entity consolidated revenue) as per the latest Audited Financial Statements, the Listed entity must disclose the aggregate value of Recurrent Related Party Transactions entered into during the financial year in the Annual Report in accordance with the prescribed format under 9.3.2 of the listing rules.</p> <p>(c) Report by the Related Party Transactions Review Committee</p> <p>(d) A declaration by the Board of Directors</p>	<p>Not Applicable.</p> <p>Not Applicable.</p> <p>Complied.</p> <p>Complied.</p>	<p>The aggregate value of all recurrent transactions were below the threshold.</p> <p>Related Party Transactions Review Committee Report</p> <p>Related Party Transactions Review Committee Report and Annual Report of the Board of Directors</p>

Corporate Governance

CSE Rule No.	Subject	Applicable Requirement	Compliance Status	Applicable Section in Annual Report
9.4 9.4.1 9.4.2	Acquisition and Disposal of Assets from / to Related Parties	<p>Expect for transactions set out in Rule 9.5 the Listed Entity nor any of its subsidiaries without obtaining prior approval from the shareholders by way of a special resolution should not acquire or dispose of from / to any Related Party an asset/assets amounting to value which exceeds 1/3 of the total assets of the Entity (a substantial asset) as per the latest Audited Financial Statements</p> <p>In the event a transaction requires shareholder approval as set out in Rule 9.4.1 above, such approval shall be obtained either prior to the transaction being entered into or, if the transaction is expressed to be conditional on such approval, prior to the completion of the transaction.</p>	<p>Not Applicable.</p> <p>Not Applicable.</p>	

Corporate Governance

CSE Rule No.	Subject	Applicable Requirement	Compliance Status	Applicable Section in Annual Report
9.4.3		Rule 9.4.1 does not apply to <ul style="list-style-type: none"> • a transaction between the Listed Entity and a wholly owned subsidiary. • a transaction between wholly owned subsidiaries of the Listed Entity. • a takeover offer made by the Listed Entity in accordance with Takeovers and Merges Code 1995 (as amended). • any transaction entered into by the Listed Entity with a Bank as principal, on arms length terms and in the ordinary course of its banking business. 	Not Applicable.	
9.4.4		The members of the Related Party Transactions Review Committee should obtain competent independent advice from independent professional experts with regard to the value of the substantial assets of the Related Party Transaction under consideration.	Not Applicable.	
9.4.5		The competent independent advice obtained in terms of Rule 9.4.4 above should be circulated with the notice of meeting to obtain the shareholder approval as set out in Rule 9.4.1 above	Not Applicable.	

Risk Management Report

Risk management is an important function of York Arcade Holdings PLC. Our corporate strategies have enabled us to identify risk associated with our corporate objectives. It is important to identify risks that may prevent a business from realizing its potential and to manage them in order to minimize adverse as well as maximize positive outcomes.

Our risk management philosophy involves identifying, and taking steps to reduce and eliminate the exposure to losses faced by the Company. The practices of Company's risk management have developed many tools and techniques including round table discussion among our Directors.

Risk Factors

Operational Risk

Operational risk relates to the effectiveness of our people, integrity of our internal systems and processes as well as external events that affect the operation of our businesses. It includes quality of the maintenance and ancillary services, business disruption, human resources and reputation.

Legal and Compliance

Legal and compliance risk relates to changes in the Government and regulatory environment, compliance requirements with policies and procedures, including those relating to financial reporting, environmental health and safety, and intellectual property risks. Government and regulatory risk is the risk that the Government or regulatory authorities will impose which will result in additional costs or cause changes to the business models or practices.

Financial

Financial risk relates to our ability to meet financial obligations and mitigate credit risk, liquidity risk and exposure to broad market risks, including interest rates and commodity prices. Liquidity risk is the risk of being unable to accommodate liability maturities, fund asset growth and meet contractual obligations through access to funding at reasonable market rates. Credit risk is the risk of financial losses arising from a customer or counterparty failing to meet its contractual obligations.

The Company faces a number of operational risks on an ongoing basis. Additional risks and uncertainties not presently known to management, or currently deemed to be less material may also have an adverse effect on the business which the Management endeavours to mitigate at all times.

Audit Committee Report

Focus of Audit Committee

The responsibilities of the York Arcade Holdings PLC's Audit Committee are governed by the rules and regulations which are approved and adopted by the Board. The Audit Committee Report focuses on the activities of the Company for the year under consideration, which the Committee has reviewed and monitored as to provide additional assurance on the reliability of the Financial Statements through a process of independent and objective views.

Composition

The Audit Committee of the Parent Company, The Colombo Fort Land and Building PLC functions as the Company's Audit Committee and it consists of three Non-Executive Directors.

Mr. R. Seevaratnam	- Chairman Independent Non-Executive
Mr. A.M. de S. Jayaratne	- Independent Non-Executive
Mr. S.D.R. Arudpragasam	- Non-Executive

The Committee which consists of three Finance Professionals has a blend of experience in the commercial sector, financial risk and audit exposure, high standing of integrity, business acumen, exposure in the real estate and real estate development sectors to carry out their role efficiently and effectively.

The Company's Secretaries, Corporate Managers & Secretaries (Private) Limited, functions as the secretaries to the Audit Committee.

Role of the Audit Committee

Presentation of Financial Statements

The Committee is responsible to ensure a sound financial reporting system, compliance with relevant accounting standards and principles, adequacy of internal controls and risk control measures, efficient management reporting systems and adherence to other statutory

requirements. In fulfilling this role, the Audit Committee is empowered to examine the financial records of the Company and other communications as necessary in order to ensure that the Company adheres to accepted norms of ethical guidelines, rules and regulations as well as the quarterly and year end Financial Statements and have recommended the adaptation of the accounts to the Board of Directors.

Internal Control & Risk Management

The Audit Committee supervises the processes to ensure that the Internal Controls and Risk Management are adequate to meet the requirements of the Company and other regulatory Standards.

Regulatory Compliance

The Audit Committee ensures that the Company complies with statutory and disclosure requirements.

Meetings

The Audit Committee has met on five occasions in respect of York Arcade Holdings PLC during the year ended 31st March, 2020 and the attendance was as follows :

Mr. R. Seevaratnam	- Chairman (4/5)
Mr. A.M. de S. Jayaratne	- (5/5)
Mr. S.D.R. Arudpragasam	- (3/5)

Independence of External Auditors

The Audit Committee recommends the appointment of External Auditors to ensure independence and maintains a close professional relationship with them. The Committee also recommends the fees payable to them in the execution of the following services to Company.

- Audit Related Services
- Tax Consultancy
- Corporate Consulting

Audit Committee Report

The Company has appointed KPMG as its External Auditor and the services provided by them are segregated under audit/assurance services and other advisory services such as tax consultancy. KPMG has also issued a Declaration as required by the Companies Act No. 07 of 2007, where they state that they do not have any relationship or interest in any of the Companies in the Group, which has a bearing on the Independence of their role as Auditors. The split between audit and non- audit fees for the year ended 31st March, 2020 appears in Note 9 to the Financial Statements.

The Committee has recommended the reappointment of Messrs. KPMG as External Auditors for the financial year ending 31st March, 2021, subject to the approval of the shareholders at the Annual General Meeting.

Conclusion

Based on the assurances and certifications provided by the Board of Directors, and the discussions with Management and the Auditors both at formal meetings and informally, the Committee is of the view that the control environment within the Company is satisfactory and provides reasonable assurance that the financial position of the Company is adequately monitored and safeguarded.

(Sgd.)

R. Seevaratnam

Chairman

Audit Committee

Colombo

08th September, 2020

Related Party Transactions Review Committee Report

The Related Party Transactions Review Committee Report focuses on the related party transactions of the Company during the financial year, which the Committee has reviewed as to provide compliance with the regulations governing listed entities, through a process of independent views.

Composition

The Related Party Transactions Review Committee of the Parent Company, The Colombo Fort Land and Building PLC functions as the Related Party Transactions Review Committee of York Arcade Holdings PLC which comprises of the following members:

Mr. R. Seevaratnam	-	Chairman Independent Non-Executive
Mr. A.M. de S. Jayaratne	-	Independent Non-Executive
Mr. S.D.R. Arudpragasam	-	Non-Executive

The Company's Secretaries Corporate Managers & Secretaries (Private) Limited function as the Secretaries to the Related Party Transactions Review Committee.

Meetings of the Committee

The Related Party Transactions Review Committee has met on five occasions in respect of York Arcade Holdings PLC during the year ended 31st March 2020 and the attendance was as follows:

Mr. R. Seevaratnam	-	Chairman (4/5)
Mr. A. M. de S. Jayaratne	-	(5/5)
Mr. S. D. R. Arudpragasam	-	(3/5)

The proceedings of the Related Party Transactions Review Committee meetings are duly documented and reported to the Board of Directors.

Policies And Procedures

The Committee as part of its responsibility to review the Related Party Transactions, has identified the persons considered as "Related Parties". Declarations are obtained from each Director of the Company to identify such "Related Parties". Managers are requested to inform and obtain the approval prior to transactions being entered with such "Related Parties".

The Committee ensures that they have access to the terms and conditions of the proposed transactions and reviews all aspects and where necessary would obtain professional and expert advice from an appropriately qualified person and request the Board of Directors to approve the proposed transaction, where necessary. The Committee would further ensure that adequate and appropriate disclosures are made to the stakeholders.

Conclusion

The Related Party Transactions Review Committee has reviewed the Related Party Transactions entered into during the financial year under review and has communicated its comments and observations to the Board of Directors.

The Board of Directors has also declared in the Annual Report that there were no recurrent or Non-recurrent related party transactions which exceeded the respective thresholds mentioned in Section 9 of the Colombo Stock Exchange Listing Rules and the Company is compliant with the requirements of Section 9 of the Colombo Stock Exchange Listing Rules on Related Party Transactions.

(Sgd.)

R. Seevaratnam

Chairman

Related Party Transactions Review Committee
Colombo

08th September, 2020

Financial Statements

Independent Auditors' Report



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

Tel : +94 - 11 542 6426
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Internet : www.kpmg.com/lk

TO THE SHAREHOLDERS OF YORK ARCADE HOLDINGS PLC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of York Arcade Holdings PLC ("the Company"), which comprise the statement of financial position as at March 31, 2020, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information set out on pages 29 to 59 in the Annual Report.

In our opinion, the accompanying financial statements of the Company give a true and fair view of the financial position of the Company as at March 31, 2020, and of their financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Sri Lanka Auditing Standards (SLAuSs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by CA Sri Lanka (Code of Ethics), and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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. Mihular FCA
T.J.S. Rajakarier FCA
Ms. S.M.B. Jayasakara 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. Abeyrathne 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.R.I. Perera FCMA(UK), LLB, Attorney-at-Law, H.S. Goonewardene ACA, Ms. P.M.K. Sumanasekara FCA

Independent Auditors' Report



The Key Audit Matter	Our Response
Impairment allowance of financial assets classified as amortised cost	
Refer note 6.3 to the financial statements.	
<p>The Company measures loss allowance of financial assets measured at amortised cost using the expected credit loss ("ECL") model, which requires an ongoing measurement of credit risk associated with a financial asset. It is subject to a number of key parameters and assumptions, including the estimates of probability of default, loss given default and discount rate, adjustments for forward-looking information and other adjustment factors. Management judgement is involved in the selection of those parameters and the application of the assumptions.</p> <p>We identified the impairment allowance of financial assets classified as amortised cost as a key audit matter because of the inherent uncertainty and management judgement involved in the ECL model.</p>	<p><i>Our audit procedures included;</i></p> <ul style="list-style-type: none"> • involving specialist in assessing the reliability of the ECL model used by management in determining impairment allowances, including assessing the appropriateness of the key parameters and assumptions in the expected credit loss model, including the identification of loss stages, probability of default, loss given default, exposure at default, discount rate, adjustments for forward-looking information and other management adjustments; • assessing the completeness and accuracy of data used for the key parameters in the expected credit loss model. • Recalculating the amount of credit loss allowance for samples of financial asset measured at amortised cost to verify the calculation accuracy of the credit loss allowance. • Evaluating whether adequate disclosures are made in the financial statements according to SLFRS 9.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent Auditors' Report



Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence

Independent Auditors' Report



obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's

report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

CA Sri Lanka membership number of the engagement partner responsible for signing this independent auditor's report is 1224.

(Sgd.)

KPMG

CHARTERED ACCOUNTANTS

Colombo, Sri Lanka

08th September, 2020

Statement of Comprehensive Income

For the year ended 31st March	Notes	2020 Rs.	2019 Rs.
Revenue		-	-
Administrative Expenses		(3,001,445)	(3,048,536)
Write-off of VAT and NBT receivable		(1,000,159)	-
Finance Income		15,249,055	14,032,061
Finance Cost		(6,445,371)	2,127,833
Net finance income	8	8,803,684	16,159,894
Profit before Income Tax	9	4,802,080	13,111,358
Income Tax Expense	10	(2,721,930)	(7,290,097)
Profit for the Year		2,080,150	5,821,261
Other Comprehensive Income			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Equity investments at FVOCI - net changes in fair value		403,062	2,253,002
Related Tax		(2,102)	(500,044)
Other Comprehensive Income for the year, net of Tax		400,960	1,752,958
Total Comprehensive Income for the year		2,481,110	7,574,219
Earnings per Share	11	2.77	7.76

The Accounting Policies and Notes on Pages 33 to 59 Form an integral part of these Financial Statements.

(Figures in brackets indicate deductions.)

Statement of Financial Position

As at 31st March	Notes	2020 Rs.	2019 Rs.
ASSETS			
Non - Current Assets			
Other Financial Assets - Non Current	12	24,309,772	26,761,756
Deferred Tax Assets	18	950,636	454,535
Total Non-Current Assets		25,260,408	27,216,291
Current Assets			
Trade and Other Receivables	13	194,830	1,152,765
Amounts due from Related Companies	14	79,337,660	74,265,399
Other Financial Assets - Current	15	66,728,194	62,988,894
Cash and Cash Equivalents	16	1,244,140	4,094,601
Total Current Assets		147,504,824	142,501,659
TOTAL ASSETS		172,765,232	169,717,950
EQUITY AND LIABILITIES			
Equity			
Stated Capital	17	14,400,000	14,400,000
General Reserve		10,000,000	10,000,000
Fair Value Reserve of Financial Asset at FVOCI		6,394,993	5,994,033
Retained Earnings		112,192,263	110,112,113
Total Equity		142,987,256	140,506,146
Non-Current Liabilities			
Deferred Tax Liabilities	18	502,146	500,044
Total Non-Current Liabilities		502,146	500,044
Current Liabilities			
Other Payables	19	1,692,483	680,710
Income Tax Payable		26,226,212	27,976,500
Amounts due to Related Company	20	-	54,550
Bank overdraft	16	1,357,135	-
Total Current Liabilities		29,275,830	28,711,760
Total Liabilities		29,777,976	29,211,804
TOTAL EQUITY AND LIABILITIES		172,765,232	169,717,950

The Accounting Policies and Notes on pages 33 to 59 form an integral part of these Financial Statements.

I certify that these Financial Statements have been prepared in compliance with the requirements of the Companies Act No. 7 of 2007.

(Sgd.)

M. V. M. Paulraj

Director

Corporate Managers & Secretaries (Private) Limited

The Board of Directors is responsible for the preparation and presentation of these Financial Statements.

Approved and signed for and on behalf of the Board of Directors of York Arcade Holdings PLC

(Sgd.)

S. D. R. Arudpragasam

Director

Colombo

08th September, 2020

(Sgd.)

S. Shanmugalingam

Director

Statement of Changes in Equity

	Stated Capital	Property Development Reserve	*General Reserve	**Fair Value Reserve	Retained Earnings	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Balance as at 01st April 2018	14,400,000	10,000,000	-	4,241,075	104,290,852	132,931,927
Profit for the period	-	-	-	-	5,821,261	5,821,261
Other comprehensive income for the period	-	-	-	1,752,958	-	1,752,958
Total comprehensive income for the period	-	-	-	1,752,958	5,821,261	7,574,219
Transfers	-	(10,000,000)	10,000,000	-	-	-
Balance as at 31st March 2019	14,400,000	-	10,000,000	5,994,033	110,112,113	140,506,146
Profit for the period	-	-	-	-	2,080,150	2,080,150
Other Comprehensive income for the period	-	-	-	400,960	-	400,960
Total comprehensive income for the period	-	-	-	400,960	2,080,150	2,481,110
Balance as at 31st March 2020	14,400,000	-	10,000,000	6,394,993	112,192,263	142,987,256

*Property Development Reserve relates to amounts set aside from retained earnings for the development of the property and was transferred to General Reserve during 31st March, 2019 as the investment property was transferred to the lessor at the end of the lease period.

** The Fair value Reserve comprises

- The cumulative net change in the value fair value of equity securities designed at FVOCI.

The Accounting Policies and Notes on pages 33 to 59 form an integral part of these Financial Statements.

(Figures in brackets indicate deductions.)

Statement of Cash Flows

For the year ended 31st March	Notes	2020 Rs.	2019 Rs.
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before income tax expense		4,802,080	13,111,358
Adjustments for :			
Interest Income	8	(15,105,879)	(13,872,341)
Interest Expense	8	56,418	-
Impairment charge/ (reversal) of financial assets measured at amortised cost	8	6,255,598	(2,127,833)
Dividend Income	8	(143,176)	(159,720)
VAT and NBT write-off		1,000,159	-
Loss before Working Capital Changes		(3,134,800)	(3,048,536)
Decrease in Trade and Other Receivables		90,247	922,696
(Increase) / Decrease in Amount due from Related Companies		(139,351)	618,638
Increase / (Decrease) in Other Payables		1,011,773	(234,730)
Increase / (Decrease) in Amount due to Related Companies		(54,550)	-
Cash Used in Operating activities		(2,226,681)	(1,741,932)
Interest paid		(56,418)	-
Income Tax paid		(4,968,320)	(9,879,151)
Net Cash Flow Used in Operating Activities		(7,251,419)	(11,621,083)
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividend Income Received		142,772	153,304
Investment in fixed deposit		(4,005,256)	(21,890,571)
Acquisition of Investments		-	(13,328)
Loans granted to Related parties		-	(45,000,000)
Loans recovered from related parties		-	25,000,000
Debenture Redeemed		-	5,000,000
Interest Income Received		6,906,307	8,759,032
Net Cash Flows Generated from/(Used in) Investing Activities		3,043,823	(27,991,563)
Net cash decreased in Cash and Cash Equivalents		(4,207,596)	(39,612,646)
Cash and Cash Equivalents at the beginning of the year	16	4,094,601	43,707,247
Cash and Cash Equivalents at the end of the year	16	(112,995)	4,094,601

The Accounting Policies and notes on Pages 33 to 59 form an integral part of the Financial Statements.

(Figures in brackets indicate deduction)

Notes to the Financial Statements

1. REPORTING ENTITY

York Arcade Holdings PLC is a subsidiary of The Colombo Fort Land & Building PLC, and is a Quoted Public Company incorporated and domiciled in Sri Lanka and listed on the Colombo Stock Exchange. The Company's registered office is situated at No. 8-5/2, Leyden Bastian Road, York Arcade Building, Colombo 1.

The principal activity of the Company is real estate development. There has been no change in the nature of this activity during the year.

The Company does not employ any staff. All services are provided by Corporate Managers & Secretaries (Private) Limited.

2 BASIS OF PREPARATION

2.1 Statement of Compliance

The Financial Statements of the Company which comprise of the Statement of Financial Position, Statements of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows together with the Accounting Policies and Notes to the Financial Statements, have been prepared in accordance with Sri Lanka Accounting Standards (SLFRS/LKAS) as issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and the requirements of the Companies Act No. 7 of 2007.

The financial statements were authorized for issue by the Board of Directors on 08th September, 2020.

2.2 Basis of Measurement

The financial statements have been prepared on the historical cost basis except for the following items in the Statement of Financial Position.

Financial asset classified at fair value through other comprehensive income.

2.3 Fair Value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When measuring fair value of an asset or liability, the Company uses observable market data as far as possible. Fair Values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows,

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

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs) If inputs used to measure the fair value of an asset or liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Fair values have been determined for measurement and disclosure purposes based on the following methods. Where applicable further information about the assumptions made in determining fair value is disclosed in the notes specific to that asset or liability.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

Notes to the Financial Statements

- In the principal market for the asset or liability

Or

- In the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

3 FUNCTIONAL AND PRESENTATION CURRENCY

The Financial Statements are presented in Sri Lankan Rupees.

4 USE OF ESTIMATES AND JUDGMENTS

In preparing these financial statements, management has made judgements and estimates that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

No significant judgements were made in applying accounting policies in these financial statements.

Assumptions and estimation uncertainties

The ongoing COVID-19 pandemic has increased the estimation uncertainty in the preparation of these Financial Statements. The estimation uncertainty is associated with:

- The extent and duration of the disruption to businesses arising from the actions by governments, businesses and consumers to contain the spread of the virus;
- The extent and duration of the expected economic downturn (and forecasts for key economic factors including GDP and inflation). This includes the disruption to capital markets, deteriorating credit, liquidity concerns, impact of unemployment and decline in consumer discretionary spending.
- The effectiveness of government and The Central Bank measures that have and will be put in place to support businesses and consumers through this disruption and economic downturn.

Information about assumptions and uncertainties as at 31 March 2020 that have a significant risk of resulting in a material adjustments to the carrying amounts of assets and liabilities in the next financial year are included in the following notes.

- Note 6.9 - recognition of deferred tax assets: availability of future taxable profit against which deductible temporary differences and tax losses carried forward can be utilised;

Notes to the Financial Statements

- Note 6.3 - measurement of ECL allowance for financial assets classified as amortised cost : key assumptions in determining the weighted average loss rate.

5 CHANGES IN ACCOUNTING POLICIES

Except for the changes below, the Company has consistently applied the accounting policies to all periods presented in these financial statements.

SLFRS 16 - Leases

The Company has applied SLFRS 16 Leases with effect from 1st April 2019. As a result, the Company has changed its accounting policy for lease contracts as detailed below:

Definition of a lease

Previously, the Company determined at contract inception whether an arrangement is or contains a lease under IFRIC 4. The Company now assesses whether a contract is or contains a lease based on the definition of a lease under SLFRS 16.

Contracts that were not identified as leases under LKAS 17 and IFRIC 4 were not reassessed for whether there is a lease. Therefore, the definition of a lease under SLFRS 16 was applied only to contracts entered into or changed on or after 1st April 2019.

As a Lessee

The company previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying assets to the company.

Under SLFRS 16, the company recognises right - of - use assets and lease liabilities for most of the leases.

At commencement or on modification of a contract that contains a lease component, the company allocates the consideration in the contract to each lease component on the basis of its relative stand- alone price.

However, for lease of property the company has elected not to separate non-lease component and account for the lease and associated non-lease components as a single lease component.

Leases classified as operating leases under LKAS 17

At the inception, lease liabilities were measured at present value of the remaining lease payments discounted at the Company's incremental borrowing rate at 1st April 2019. Right-of-use assets are measured at either;

- Their carrying amount as if SLFRS 16 had been applied since the commencement date, discounted using the lessee's incremental borrowing rate at the date of initial application; or
- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments

The Company used the following practical expedients when applying SLFRS 16 to leases previously classified as operating leases under LKAS 17.

- Applied a single discount rate to a portfolio of leases with similar characteristics.
- Adjusted the right-of-use assets by the amount of LKAS 37 onerous contracts provision immediately before the date of initial application, as an alternative to an impairment review.

Notes to the Financial Statements

- Applied the exemption not to recognise right-of-use assets and liabilities for lease with less than 12 months of lease term.
- Excluded initial direct costs from measuring the right-of-use asset at the date of initial application.
- Used insight when determining the lease term if the contract contains options to extend or terminate the lease.

Leases previously classified as finance leases under LKAS 17

For leases that were classified as finance leases under LKAS 17, the carrying amount of the right-of-use asset and the lease liability as at 1st April 2019 are determined at the carrying amount of the lease asset and lease liability under LKAS 17 immediately before that date.

As a Lessor

The Company accounted for its leases in accordance with SLFRS 16 from the date of initial application. Under SLFRS 16, the company is required to assess the classification of a sub-lease with reference to the right of use asset, not the underlying asset. In which it acts as a lessor, except for the sub lease.

6 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been consistently applied to all periods presented in these financial statements, except if mentioned otherwise.

6.1 Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of the Company at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are

retranslated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss and presented within finance costs.

6.2 Financial instruments

6.2.1 Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provision of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

6.2.2 Classification and subsequent measurement

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI - debt investment; FVOCI - equity instrument; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Notes to the Financial Statements

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets - Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management.

The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Notes to the Financial Statements

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets -Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features)

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permit or requires prepayment at an annual amount that substantially represent the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Notes to the Financial Statements

Financial assets - Subsequent measurement and gains and losses.

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Financial liabilities - classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

6.2.3 De-recognition Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Notes to the Financial Statements

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On de-recognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

6.2.4 Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

6.3 Impairment

6.3.1 Non-derivative financial assets

The Company recognises loss allowances for ECLs on:

- financial assets measured at amortised cost;
- debt investments measured at FVOCI; and
- contract assets.

The Company measures loss allowance at an amount equal to lifetime ECLs, except for the following, which are measured at 12 - months ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and

- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowance for trade receivables and contract assets are always measured at an amount equals to life time ECLs.

When determining whether the credit risk of a financial has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligation to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is more than 180 days past due.

The Company considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

Notes to the Financial Statements

12 - month ECLs are the portion of ECLs that result from default events that are reported within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as default or being more than 90 days past due;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or

- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognised in OCI.

Write-off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Company has a policy of writing off the gross carrying amount when the financial asset is 180 days past due based on historical experience of recoveries of similar assets. For corporate customers, the Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

Non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than investment property) to determine whether there is any indication of impairment. If any such indicator exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are

Notes to the Financial Statements

largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have determined, net of depreciation or amortisation, if no impairment loss had been recognised.

6.4 Provisions

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

Provisions are reviewed at each statement of financial position date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

6.5 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes.

6.5.1 Rental income

Lease income from tenancy agreements (operating leases) are recognized on a straight line basis over the lease term. Lease incentive provided in negotiating / renewing an operating lease, including rent-free fit out periods and concessionary rental during the set up periods are recognised as an integral part of the total rental income and is amortized over the term of the lease.

However, as per LKAS/SLFRS, lease income from operating leases shall be recognized on a straight line basis over the lease term, unless another systematic basis is more representative of the time pattern in which the use benefit derived from the leased asset is diminished. It further elaborates that the benefits offered in terms of incentive provided in negotiating / renewing an operating lease, including rent-free fit out periods and concessionary rental during the set up periods be amortized over the term of the lease.

(a) Performance obligations and revenue recognition policies

Revenue is measured based on the

Notes to the Financial Statements

consideration specified in a contract with a customer. The Company recognises revenue when it transfers control over the goods or services to a customer.

The following table provides information about the nature and timing of the satisfaction of performance obligation in contracts with customers, including significant payment terms and the related revenue recognition policies.

Type of product/ service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition under SLFRS 15
Renting commercial spaces and residential apartments	Invoices for renting for commercial spaces is issued monthly / biannually / annually as permitted by individual lease agreements. Payments are usually payable within 30 days.	Company enters into agreement with tenants for leasing out premises and revenue is recognised from the effective date of the agreement period. The tenant has right to use the premises from the effective date stipulated in the agreement subject to term and conditions in the individual lease agreements.

6.6 Others

Other income is recognised on an accrual basis. Gains and losses on the disposal of Property, Plant and Equipment have been accounted for in statement of Profit or Loss.

6.7 Expenditure

All expenditure incurred in running the business and in maintaining the Property, Plant and Equipment and Investment Property in a state of efficiency has been charged to Statement of Profit or Loss in arriving at the profit/(loss) for the year. Expenditure incurred for the purpose of acquiring and extending or improving assets of a permanent nature by means of which to carry on the business or for the purpose of increasing the earning capacity of the business has been treated as capital expenditure.

6.8 Finance income and finance costs

The Company finance income and finance costs include:

- Interest income
- Interest expenses
- Dividend income
- The net gain or loss on the disposal of investments in debt securities measured at FVOCI
- Impairment losses (and reversals) on investments in debt securities carried at amortised cost or FVOCI:

Interest income or expense is recognised using the effective interest method.

6.5.2 Dividends

Dividend income is recognized when the shareholders' right to receive the payment is established.

Notes to the Financial Statements

The 'effective interest rate' is the rate exactly discounts estimated future cash payments or receipts through the expected life of the financial instruments to:

- The gross carrying amount of the financial assets ; or
- The amortised cost of the financial liability.

In calculating interest income and expenses, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit - impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised, cost of the financial asset. If the asset is no longer credit- impaired, then the calculation of interest income reverts to the gross basis.

6.9 Income tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in OCI.

i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of tax payable and receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantially enacted at the reporting date.

Current tax assets and liabilities are offset only if certain criteria are met.

ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for;

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits, and deductible temporary differences to the extent that it is probable that future taxable profit will be available against which can be used. Future taxable profits are determined based on the relevant taxable temporary differences. If the amount of taxable temporary difference is insufficient to recognise the deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will realised; such deductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has

Notes to the Financial Statements

become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantially enacted at the reporting date.

Deferred tax assets and liabilities are offset only if certain criteria are met.

6.10 Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with maturities of three months or less from the acquisition date 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.

6.11 Stated capital

Stated capital consists solely of ordinary share capital. Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown as a deduction, net of tax, in equity from the proceeds.

6.12 Statement of cash flows

The Statement of Cash Flows has been prepared using the 'Indirect method'. Interest paid are classified as operating cash flows, interest and dividends received are classified as investing cash flows for the purpose of presentation of the Statement of Cash Flow.

6.13 Related Party Transactions

Disclosure has been made in respect of the transactions in which one party has the ability to control or exercise significant influence over the financial

and operating decisions of the other, irrespective of whether a price is being charged.

6.14 Events Occurring After Reporting Period

All material post Balance Sheet events have been considered and where appropriate adjustments to or disclosures have been made in the respective notes to the financial statements.

6.15 Earnings per Share

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

6.16 Capital 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. All material capital commitments and contingencies of the Company are disclosed in the Notes to the financial statements.

7 NEW ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

Several amendments to Accounting Standards are effective for annual financial periods beginning on or after 1st January 2020, and earlier application is permitted. However, the Company has not early adopted the following amendments to Accounting Standards in preparing these Financial Statements as they are not expected to have a

Notes to the Financial Statements

significant impact on the Company's Financial Statements.

Amendments to references to conceptual framework in SLFRS Standards

CA Sri Lanka has issued a revised Conceptual Framework which will be used in standard setting decisions with immediate effect. Key changes include:

- increasing the prominence of stewardship in the objective of financial reporting
- reinstating prudence as a component of neutrality
- defining a reporting entity, which may be a legal entity, or a portion of an entity by revising the definitions of an asset and a liability
- removing the probability threshold for recognition and adding guidance on derecognition
- adding guidance on different measurement basis, and stating that profit or loss is the primary performance indicator and that, in principle, income and expenses in other comprehensive income should be recycled where this enhances the relevance or faithful representation of the financial statements.

No changes will be made to any of the current Accounting Standards. However, if the Group rely on the framework in determining certain accounting policies for transactions, events or conditions that are not otherwise dealt with under the accounting standards will need to apply the revised framework from 1st April 2020. The Company will need to consider whether those accounting policies are still appropriate under the revised Framework.

Definition of Material (Amendments to LKAS 1 and LKAS 8)

In November 2018, the CA Sri Lanka issued amendments to LKAS 1 and Sri Lanka Accounting Standard – LKAS 8 on "Accounting Policies, Changes in Accounting Estimates and Errors" to align the definition of 'material' across the standards and to clarify certain aspects of the term 'definition'. The new definition states that, 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general-purpose Financial Statements make on the basis of those Financial Statements, which provide financial information about a specific reporting entity'. The Company shall apply those amendments prospectively for annual financial periods beginning on or after 1st January 2020.

Notes to the Financial Statements

For the year ended 31st March		2020	2019
		Rs.	Rs.
8	NET FINANCE INCOME		
	Interest income under the effective interest method on:		
	Fixed deposits	6,731,671	5,559,492
	Savings deposits	31,507	410,763
	Corporate debt securities - at amortised cost (corporate debentures)	1,811,595	2,323,365
	Interest income on loans to related companies	6,531,106	5,578,721
	Total interest income arising from financial assets measured at amortised cost of FVOCI	15,105,879	13,872,341
	Dividend income:		
	Equity securities - at FVOCI	143,176	159,720
	Finance income - other	143,176	159,720
	Total finance income	15,249,055	14,032,061
	Finance Costs - impairment loss on debt securities (net of reversals)		
	Debt securities	(4,579,057)	561,010
	Fixed deposits	(211,700)	(26,100)
	Amounts due from related parties	(1,598,196)	1,592,923
	<i>Total finance costs - impairment loss on debt securities (net of reversals)</i>	(6,388,953)	2,127,833
	Interest expense on financial liabilities measured at amortised cost		
	Interest expense on bank overdrafts	(56,418)	-
	Finance costs - other	(56,418)	-
	Total finance cost	(6,445,371)	2,127,833
	Net finance income recognised in profit or loss	8,803,684	16,159,894
9	PROFIT BEFORE TAX		
	Is stated after charging all expenses including the following:		
	Directors' Fees	480,000	480,000
	Audit Committee Fees	90,000	90,000
	Remuneration & Nomination Committee Fees	90,000	90,000
	Auditors' Remuneration - Statutory Audit	180,000	220,000
	- Non-Audit Related Services	150,000	175,000
	Impairment reversal on trade receivables	133,355	-
10	INCOME TAX EXPENSE		
	Current Tax Expense		
	Taxation on Profit for the Year (Note 10.1)	3,218,031	3,052,756
	Under provision in respect of prior year	-	3,710,865
		3,218,031	6,763,621
	Deferred Tax Expense		
	Origination / (reversal) of temporary differences (Note 18)	(496,101)	526,476
		(496,101)	526,476
	Income Tax Expense in Income Statement	2,721,930	7,290,097

The income tax has been computed in accordance with the provision of Inland Revenue Act No. 24 of 2017.

Notes to the Financial Statements

For the year ended 31st March

10.1 Current Tax Expense

Reconciliation between Accounting Profit and Taxable Income

	2020 Rs.	2019 Rs.
Profit before Tax	4,802,080	13,111,358
Income not liable for tax	(135,518)	(159,720)
Total Disallowable Expenses	7,255,757	78,883
Total Disallowable Income	-	(2,127,821)
Total Taxable Income	11,922,319	10,902,700
Assessable Income from Business	11,914,661	10,902,700
Investment income liable to tax	7,658	-
Taxable profit	11,922,319	10,902,700

Income Tax expense for the year is made up as follows
Statutory Tax Rate

Assessable Income from Business

- Income tax @ 28%	2,502,079	3,052,756
- Income tax @ 24%	714,880	-
- Income tax @ 14%	1,072	-
Tax on income for the year	3,218,031	3,052,756

The income tax provision of York Arcade Holdings PLC which is resident in Sri Lanka, has been calculated on the adjusted profits from business at a rate of 28% for the first three quarters in terms of the Inland Revenue Act No.24 of 2017 and amendments thereto. The adjusted profits from the business for the last quarter has been tax at 24% and dividend income received from a resident company is tax at 14% effect from 01st January, 2020 as per the notices issued by Inland Revenue Department.

The provision is currently under discussion, however, the Company believes that it is probable that the proposal would be enacted and the taxable income for the last quarter would be liable for tax at a rate of 24% of the assessable income from business. If the proposal would not be enacted an additional tax expense of Rs.119,147 will be incurred and this will not have a material impact on the results.

11 EARNINGS PER SHARE

The Calculation of Earnings per Ordinary Share is based on profit attributable to Ordinary Shareholders and weighted average number of ordinary shares in issue during the year and is calculated as follows:

	2020	2019
Profit attributable to Ordinary Shareholders (Rs.)	2,080,150	5,821,261
Weighted Average Number of Ordinary Shares (Note 11.1)	750,000	750,000
Earnings per Share (Rs.)	2.77	7.76

11.1 Weighted Average Number of Ordinary Shares

Number of shares in issue as at 1st April	750,000	750,000
Weighted Average Number of Ordinary Shares at the end of the Year	750,000	750,000

11.2 There were no potentially dilutive shares in issue at any time during the year.

Notes to the Financial Statements

12 OTHER INVESTMENTS

The Company designated the investments shown below as equity securities at FVOCI since these equity securities represents investments that the Company intend to hold for the long term for strategic purposes.

As at 31st March

	Notes	2020 Rs.	2019 Rs.
Non-current investments			
Corporate debt securities - at amortised cost	12.1	10,820,999	13,677,336
Equity securities - at FVOCI	12.2	13,488,773	13,084,420
		24,309,772	26,761,756

12.1 Investment carried at amortised cost

	Debentures			
	2020	2019		
Kotagala Plantations PLC	100,000	150,000	17,269,817	15,547,097
Impairment Loss			(6,448,818)	(1,869,761)
			10,820,999	13,677,336

12.1.1 The Company has subscribed to 200,000 rated secured Debentures of Kotagala Plantations PLC at Rs. 100/- each having the the following maturities and interest rates :

Category	No. of Debentures	Term of Debentures	Interest Rates	Date of Maturity
Type A (Redeemed during the year)	50,000	4 Years	14.25%	27th May, 2018
Type B (Redeemed during the year)	50,000	5 Years	14.50%	27th May, 2019
Type C	50,000	6 Years	14.75%	27th May, 2020
Type D	50,000	7 Years	15.00%	27th May, 2021

12.2 Equity Securities - at FVOCI

	As at 31.03.2020			As at 31.03.2019		
	No. of Shares	Cost Rs.	Market Value Rs.	No. of Shares	Cost Rs.	Market Value Rs.
RELATED COMPANIES						
C M Holdings PLC	71,707	1,377,731	3,047,548	71,707	1,377,731	2,588,622
OTHERS						
Maskeliya Plantations PLC	800	12,000	4,960	800	12,000	8,640
Watawala Plantations PLC	5,058	10,290	101,160	5,000	9,000	92,500
Balangoda Plantations PLC	100	2,000	730	100	2,000	1,160
Kahawatte Plantations PLC	165	1,975	5,891	165	1,975	6,435
Nations Trust Bank PLC	3,354	79,316	251,550	3,354	79,316	301,525
Hatton Plantation PLC	6,000	45,720	25,200	6,000	45,720	40,200
RIL Properties PLC	6,666	53,328	27,331	6,666	53,328	42,662
Sierra Cables PLC	1,400	4,200	2,940	1400	4,200	2,240
		1,586,560	3,467,310		1,585,270	3,083,984
	No. of Shares	Cost Rs.	Value Rs.	No. of Shares	Cost Rs.	Value Rs.
UNQUOTED SHARES						
Imperial Hotels Ltd	500,000	5,000,000	10,021,463	500,000	5,000,000	10,000,436
		5,000,000	10,021,463		5,000,000	10,000,436
		6,586,560	13,488,773		6,585,270	13,084,420

No strategic investments were disposed during 2020, and there were no transfers of any cumulative gain or loss within equity relating to these investments.

The Company had invested 500,000 Ordinary Shares of Imperial Hotels Ltd (Formerly known as York Hotel Kandy (Pvt) Ltd) at an issue Price of Rs. 10/- per share as at 30th March, 2018 which is valued at a net asset price of Rs. 20.04 per share at present.

Notes to the Financial Statements

As at 31st March		2020	2019
		Rs.	Rs.
13	TRADE AND OTHER RECEIVABLES		
	Rent receivable	93,867	639,126
	Impairment of rent receivables	-	(269,348)
		93,867	369,778
	Deposits and Prepayments	79,873	122,543
	WHT Recoverable	13,376	231,453
	Other Receivables	7,714	428,991
		100,963	782,987
		194,830	1,152,765

Information about the company's exposure to credit and market risks, and impairment losses for trade receivables is included in Note 28.

As at 31st March		2020	2019
		Rs.	Rs.
14	AMOUNT DUE FROM RELATED COMPANIES		
		Relationship	
	The Colombo Fort Land & Building PLC	Parent	
	Colombo Fort Group Services (Pvt) Ltd	Common Parent	
	York Hotel Management Services Ltd	Common Ultimate Parent	
	Marawila Resorts PLC	Common Ultimate Parent	
		71,067,313	64,344,093
		1,562,812	1,675,004
		9,914,770	9,914,770
		59,429	-
		82,604,324	75,933,867
	Less: Provision for impairment for related party receivables (Note 14.1)	(3,266,664)	(1,668,468)
		79,337,660	74,265,399
14.1	Provision for impairment for related party receivables		
	The Colombo Fort Land & Building PLC	(791,273)	(520,258)
	Colombo Fort Group Services (Pvt) Ltd	(4,031)	(5,574)
	York Hotel Management Services Ltd	(2,470,068)	(1,142,636)
	Marawilla Resorts PLC	(1,292)	-
		(3,266,664)	(1,668,468)

Information about companies exposure to credit and market risks, and impairment losses for related party receivables is included in Note 29

As at 31st March		2020	2019
		Rs.	Rs.
15	OTHER FINANCIAL ASSETS - CURRENT		
	Favourable balances		
	Fixed Deposits - Short term Investments	65,752,258	61,747,002
	Interest Income recoverable	1,230,814	1,285,070
	Impairment loss	(254,878)	(43,178)
		66,728,194	62,988,894
16	CASH AND CASH EQUIVALENTS		
	Cash at bank	1,244,140	4,094,601
	Cash and cash equivalents in the statement of financial position	1,244,140	4,094,601
	Unfavourable balances		
	Bank overdraft repayable on demand and used for cash management purposes	(1,357,135)	-
	Cash and cash equivalents for the purpose of cash flows statement	(112,995)	4,094,601

Notes to the Financial Statements

As at 31st March		2020	2019
17	STATED CAPITAL	Number of Shares	
	Ordinary Shares as at beginning of the year	750,000	750,000
	Number of Shares at the end of the year	750,000	750,000
	Issued and Fully Paid		
		No of Shares	
		2020	2019
	No of shares	750,000	750,000
	Ordinary shares (Rs.)	14,400,000	14,400,000

All ordinary shares rank equally with regard to the Companies residual asset.

Holds of ordinary shares are entitled to dividend as declared from time to time and are entitled one vote per share at the general meeting of the company.

As at 31st March		2020	2019
		Rs.	Rs.
18	MOVEMENT IN THE DEFERRED TAX ASSETS/ (LIABILITIES)		
	Balance at the beginning of the year	(45,509)	7,455
	Adjustment of initial application of SLFRS 9	-	973,556
	Adjusted balance at the beginning of the year	(45,509)	981,011
	Origination (reversal) of temporary difference		
	Recognised in profit or loss	496,101	(526,476)
	Recognised in other comprehensive income	(2,103)	(500,044)
	Balance at the end of the year	448,489	(45,509)

Deferred Tax is provided using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred Tax has been computed, taking into consideration the effective tax rate, which is 28% for the Company and the Deferred Tax Liability on the fair value change in unquoted investment at 10%.

Composition of deferred tax assets and liabilities

	2020		2019	
	Temporary difference	Tax effect on temporary difference	Temporary difference	Tax effect on temporary difference
	Rs.	Rs.	Rs.	Rs.
Deferred tax liabilities attributes to:				
Fair value changes in unquoted investments	5,021,463	(502,146)	5,000,436	(500,044)
	5,021,463	(502,146)	5,000,436	(500,044)
Deferred tax assets attributes to:				
Impairment of financial assets				
Interest receivable - Fixed deposits	5,499	1,540	372	104
Interest receivable - Debentures	679,670	190,308	89,427	25,040
Interest receivable - Related Party	2,709,957	758,788	1,264,193	353,974
Provision for doubtful debtors	-	-	269,348	75,417
	3,395,126	950,636	1,623,340	454,535
Balance at the end of the year	-	448,489	-	(45,509)

The Company does not have a legally enforceable right to set off tax on capital gains against the tax on business income. Therefore, deferred tax liability arising from fair value change in unquoted investments are shown separately in the Statement of Financial Position.

Notes to the Financial Statements

AS AT 31ST MARCH

19 OTHER PAYABLES

Accrued expenses
Unclaimed Dividends

2020	2019
Rs.	Rs.
1,271,997	260,224
420,486	420,486
1,692,483	680,710
<hr/>	
-	54,550
-	<u>54,550</u>

20 AMOUNTS DUE TO RELATED COMPANIES

Colombo Fort Properties (Pvt) Ltd

21 RELATED PARTY DISCLOSURES

21.1 Recurrent and Non Recurrent Related Party Transactions

During the Year there were no Recurrent and Non Recurrent transactions which exceeded the disclosure threshold mentioned in section 9 of the Colombo Stock Exchange Rules.

21.2 Parent and Ultimate Controlling Party

The Company's parent undertaking and controlling party is The Colombo Fort Land and Building PLC, which is incorporated in Sri Lanka.

21.3 Identity of the Related Parties

Related Parties comprise of Affiliate Companies, Directors of the Company, Key Management Personnel of the Company and their close family members.

21.4 Transactions with Key Management Personnel

According to Sri Lanka Accounting Standards 24 'Related Party Disclosures', Key Management Personnel, are those having authority and responsibility for planning, directing, and controlling the activities of the entity. Accordingly, the Board of Directors (including Executive and Non Executive Directors), have been classified as Key Management Personnel of the Company.

(a) Loans to Key Management Personnel

No loans have been given to Key Management Personnel during the year.

(b) Key Management Personnel Compensation

Details of compensation are given in Note no 9 to the Financial Statements.

(c) Key Management Personnel Shareholding of the Company

The shareholding of the Key Management Personnel are disclosed on page 5 of this Annual Report.

(d) Transactions with Close Family Members

There were no transactions with the Close Family Members during the year.

There were no material related party transactions other than the above and those disclosed in Note no 21 of the Financial Statements.

Notes to the Financial Statements

FOR THE YEAR ENDED 31ST MARCH				2020	2019
				Rs.	Rs.
21.5 Related Party Transactions					
Company	Relationship	Nature of Transaction	Amount (Rs.) (Payments) / Receipts	Amount (Rs.) (Payments) / Receipts	
(a) The Colombo Fort Land & Building PLC					
Mr. A. Rajaratnam	Parent	- Loan granted	-	45,000,000.00	
Mr. S.D.R. Arudpragasam		- Loan recovered	-	(25,000,000.00)	
Mr. A.M. de S. Jayaratne		- Interest income receivable on short term loan	6,531,106	5,578,721	
Mr.S. Rajaratnam		- Provision for impairment for related party receivable	(271,015)	(520,258)	
		- Security Deposit Transferred	192,114		
(b) C M Holdings PLC					
Mr. A. Rajaratnam	Common Parent	- Dividend Income Due	133,153	143,424	
Mr. S.D.R. Arudpragasam		- Dividend Received	(133,153)	(143,414)	
Mr. A.M. de S. Jayaratne					
Mr. S. Rajaratnam					
(c) Colombo Fort Group Services (Private) Limited					
Mr. S.D.R. Arudpragasam	Common Parent	- Part settlement of outstanding	(112,192)	(118,637)	
		- Provision for impairment for related party receivable	1,543	(5,574)	
(d) Colombo Fort Properties (Private) Limited					
Mr.A. Rajaratnam	Common Parent	- Settlement of outstanding	(54,550)	-	
Mr.S. Shanmugalingam					
(e) Kotagala Plantations PLC					
Mr. S.D.R. Arudpragasam	Common Ultimate Parent	- Debenture interest income	1,722,720	2,323,365	
Mr. A.M. de S. Jayaratne		- Debenture interest received	-	(2,497,500)	
Mr. G.D.V. Perera		- Impairment of Investment carried at amortised cost	(4,579,057)	(1,869,761)	
(f) Marawila Resorts PLC					
Mr. S.D.R. Arudpragasam	Common Ultimate Parent	- Settlement of rent & expenses		(500,000)	
Mr.T.Theyagamurti		- Expenses during the year related party receivable	59,429	-	
Mr. S. Rajaratnam		- Provision for impairment	(1,292)	-	
(g) York Hotel Management Services Ltd					
Mr. S.D.R. Arudpragasam	Common Ultimate Parent	- Provision for impairment for related party receivable	(1,327,432)	(1,142,636)	
Mr. T. Theyagamurti					
Mr. S. Rajaratnam					
Mr.S. Shanmugalingam					

21.6 Transactions with related parties are carried out in the ordinary course of the business and were made on terms equivalent to those that prevail in arms length in transactions.

Notes to the Financial Statements

22 TRANSACTION WITH MANAGERS & SECRETARIES

The Company had the following transactions during the year under review with Corporate Managers & Secretaries (Private) Limited, the Managers & Secretaries to the Company.

For the year ended 31st March

	2020	2019
	Rs.	Rs.
Secretarial Expenses	(403,600)	(422,280)
Registrar's Fees	(484,704)	(506,736)
Administrative Expenses	(727,056)	(760,104)
Stationary, Photocopy, Postage and Premises Expenses	(135,740)	(165,020)
Settlement of Expenses	1,629,927	1,081,618

23 CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

There were no other material capital commitments and contingent liabilities as at the reporting date which require adjustments to or disclosure in the Financial Statements.

24 EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

There were no material events that have taken place after the reporting date, which require adjustments to or disclosures in the Financial Statements.

25 GOING CONCERN

The Board of the opinion that the Company will continue to derive dividend income from the investment portfolio and finance income from Company's investment in fixed deposits and debentures until the Directors evaluate alternative business opportunities for the Company to continue its operations.

Accordingly, the financial statements have been prepared on a going concern considering the business potential.

26 The impact of Covid 19 on the Business / Operations

The Company derives most of its income from Fixed Deposits and investments in corporate debts. With the decline in interest rates since the Covid Crisis, the returns on these investments have declined.

The Company does not employ any staff. All services are provided by Corporate Managers & Secretaries (Pvt) Ltd, who act as Managers & Secretaries. Due to the curfew restriction in the Country the Company faced operational restrictions, slight delays in finalization of Accounts and internal operations.

The Company will not incur any contingent liabilities due to the COVID-19 pandemic situation in the Country.

26.1 Response to the impact of Covid 19

The disruption caused by the closure of business did not have an impact on the Company. Most of the Company's activities are managed by its Managers & Secretaries. All necessary safety precautions are being taken by them to ensure the protection of its employees.

26.2 Expectation of the future impact of Covid 19 on the future operations and financial conditions

The Company will continue to monitor its investments and effectively manage them to maximize the returns to Shareholders.

27. Comparative Information

The comparative information has been rectified according to the current year classification whenever necessary to ensure comparability and better Presentation.

Notes to the Financial Statements

28 FINANCIAL INSTRUMENTS

28.1 Accounting classifications and fair value

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amounts is a reasonable approximation of fair value.

At 31st March 2020	Financial assets measured at amortised cost		FVOCI equity instruments		Other financial liabilities		Total		Level 1		Level 2		Level 3		Total		
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Financial assets measured at fair value																	
Equity securities - Quoted	-	3,467,310	-	3,467,310	-	3,467,310	-	3,467,310	-	-	-	-	-	-	-	3,467,310	-
Equity Securities - Unquoted	-	10,021,463	-	10,021,463	-	10,021,463	-	10,021,463	-	-	-	-	-	-	10,021,463	10,021,463	-
	-	13,488,773	-	13,488,773	-	13,488,773	-	13,488,773	-	-	-	-	-	-	10,021,463	13,488,773	-
Financial assets not measured at fair value																	
Debt Securities	10,820,999	-	-	10,820,999	-	10,820,999	-	10,820,999	-	-	-	-	-	-	-	-	-
Trade and Other receivables *	101,581	-	-	101,581	-	101,581	-	101,581	-	-	-	-	-	-	-	-	-
Amounts due from related companies	79,337,660	-	-	79,337,660	-	79,337,660	-	79,337,660	-	-	-	-	-	-	-	-	-
Short term investments	66,728,194	-	-	66,728,194	-	66,728,194	-	66,728,194	-	-	-	-	-	-	-	-	-
Cash and Cash equivalents	1,244,140	-	-	1,244,140	-	1,244,140	-	1,244,140	-	-	-	-	-	-	-	-	-
	158,232,574	-	-	158,232,574	-	158,232,574	-	158,232,574	-	-	-	-	-	-	-	-	-
Financial Liabilities not measured at fair value																	
Other payables	-	-	-	1,692,483	-	1,692,483	-	1,692,483	-	-	-	-	-	-	-	-	-
Amounts due to related parties	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bank overdrafts	-	-	-	1,357,135	-	1,357,135	-	1,357,135	-	-	-	-	-	-	-	-	-
	-	-	-	3,049,618	-	3,049,618	-	3,049,618	-	-	-	-	-	-	-	-	-

* Prepayments Rs. 79,873/- and WHT recoverable Rs. 13,376/- have been excluded as it is not a financial instruments.

Notes to the Financial Statements

28 FINANCIAL INSTRUMENTS (Continued)

28.1 Accounting classifications and fair value (Continued)

At 31st March 2019	Financial assets measured at amortised cost		FVOCI equity instruments		Other financial liabilities		Total		Level 1		Level 2		Level 3		Total	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Financial assets measured at fair value																
Equity securities - Quoted	-	3,083,984	-	3,083,984	-	3,083,984	-	3,083,984	-	3,083,984	-	-	-	-	-	3,083,984
Equity Securities - Unquoted	-	10,000,436	-	10,000,436	-	10,000,436	-	10,000,436	-	10,000,436	-	-	-	-	10,000,436	10,000,436
		13,084,420		13,084,420		13,084,420		13,083,984		3,083,984					10,000,436	13,084,420
Financial assets not measured at fair value																
Debt Securities	13,677,336	-	-	13,677,336	-	-	-	-	-	-	-	-	-	-	-	-
Trade and Other receivables *	798,769	-	-	798,769	-	-	-	-	-	-	-	-	-	-	-	-
Amounts due from related companies	74,265,399	-	-	74,265,399	-	-	-	-	-	-	-	-	-	-	-	-
Short term investments	62,988,894	-	-	62,988,894	-	-	-	-	-	-	-	-	-	-	-	-
Cash and Cash equivalents	4,094,601	-	-	4,094,601	-	-	-	-	-	-	-	-	-	-	-	-
	155,824,999	-	-	155,824,999	-	-	-	-	-	-	-	-	-	-	-	-
Financial Liabilities not measured at fair value																
Other payables	-	-	680,710	680,710	-	-	-	-	-	-	-	-	-	-	-	-
Amounts due to related parties	-	-	54,550	54,550	-	-	-	-	-	-	-	-	-	-	-	-
Bank overdrafts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	735,260	735,260	-	-	-	-	-	-	-	-	-	-	-	-

* Prepayments Rs. 122,543/- and WHT recoverable Rs. 231,453/- have been excluded as it is not a financial instruments.

Notes to the Financial Statements

29 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

29.1 Risk management

Overview

The Company has exposure to the following risks arising from financial instruments:

29.1.1 Credit risk

29.1.2 Liquidity risk

29.1.3 Interest risk

Risk Management framework

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

Risk management policies and system are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

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

29.1.1 Credit risk

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

The carrying amounts of financial assets represent the maximum credit exposure.

As at 31st March,

	Notes	2020 Rs.	2019 Rs.
Other investments	12	24,309,772	26,761,756
Trade receivables	13	93,867	369,778
Other receivables	13	7,714	428,991
Amounts due from related parties	14	79,337,660	74,265,399
Other financial assets - current	15	66,728,194	62,988,894
Cash and cash equivalents	16	1,244,140	4,094,601
Total		171,721,347	168,909,419

Impairment losses on financial assets recognised in profit or loss were as follows:

	2020 Rs.	2019 Rs.
Impairment loss on trade receivables	-	269,348
Impairment loss on amounts due from related parties	3,266,664	1,668,468
Impairment loss on fixed deposits	254,878	43,178
Impairment loss on debt securities at amortised cost	6,448,818	1,869,760
Total	9,970,360	3,850,754

Notes to the Financial Statements

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Trade receivables and amounts due from related parties

Impairment on amounts due from related parties and trade receivables has been measured on a life time expected credit loss basis and reflected the short maturities of the exposures.

The Company recognised impairment allowances as follows:

	Trade receivables Rs.	Amounts due from related parties Rs.
Impairment allowances	-	3,266,664

The ageing of trade and other receivables at the reporting date was:

	Carrying value	2020 ECL	Carrying value	2019 ECL
More than 365 days	254,511	-	1,152,765	269,348

Debt securities

The following table presents an analysis of the credit quality of debt securities at amortised cost. It indicates whether assets measured at amortised cost were subject to a 12 month ECL (Expected Credit Loss) or lifetime ECL.

	2020			2019		
	At amortised cost			At amortised cost		
	12 month ECL	Life time ECL- Not credit impaired	Life time ECL- credit impaired	12 month ECL	Life time ECL- Not credit impaired	Life time ECL- credit impaired
Credit Rating - C to CC	-	11,994,317	-	-	15,547,097	-
Loss allowance	-	(6,448,818)	-	-	(1,869,761)	-
Carrying amount / amortised cost		5,545,499	-	-	13,677,336	-

Fixed deposits

Impairment of fixed deposits has been measured on a 12 - month expected loss and reflect the short maturities of the exposures. The Company considers that fixed deposits have credit risk.

The Company uses similar approach for assessment of ECLs for fixed deposits to those used for debt securities.

Notes to the Financial Statements

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

For the year ended 31 March 2019

29.1.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities that are settled by deriving cash or other financial asset. The Company's approach to managing liquidity is to ensure as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed considerations, without incurring unacceptable losses or risking damages to the Company's reputation.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

As at 31 March 2020	Carrying amount	Contractual cash flows	12 months or less	1 - 2 years	2 - 5 Years	More than 5 years
Non-derivative financial liabilities						
Other Payables	1,692,483	(1,692,483)	(1,692,483)	-	-	-
Bank overdraft	1,357,135	(1,357,135)	(1,357,135)	-	-	-
	3,049,618	(3,049,618)	(3,049,618)	-	-	-
As at 31 March 2019	Carrying amount	Contractual cash flows	12 months or less	1 - 2 years	2 - 5 Years	More than 5 years
Non-derivative financial liabilities						
Other Payables	680,710	(680,710)	(680,710)	-	-	-
Amount due to affiliated companies	54,550	(54,550)	-	-	-	-
	735,260	(735,260)	(680,710)	-	-	-

29.1.3 Interest rate risk

At the reporting period the interest rate profile of the Company interest bearing financial instruments was;

	Carrying amount Company	
	2020 Rs.	2019 Rs.
Fixed rate instruments		
Financial assets	67,972,334	67,083,495
Financial liabilities	1,357,135	-
	69,329,469	67,083,495

Information to Shareholders and Investors

The issued Ordinary Shares of the Company are listed with the Colombo Stock Exchange.

DISTRIBUTION OF SHAREHOLDINGS

	31st March 2020			31st March 2019		
	No. of Share Holders	Total Share Holdings	%	No. of Share Holders	Total Share Holdings	%
1 - 1,000	1,273	158,757	21.16	1,297	161,579	21.54
1,001 - 10,000	54	153,426	20.46	53	150,804	20.11
10,001 - 100,000	3	68,322	9.11	3	68,122	9.08
100001 - 1,000,000	1	369,495	49.27	1	369,495	49.27
Over - 1,000,000	-	-	-	-	-	-
Total	1,331	750,000	100	1,354	750,000	100

Categories of Shareholders	31st March 2020			31st March 2019		
	No. of Share Holders	Total Share Holdings	Percentage of Total Shares	No. of Share Holders	Total Share Holdings	Percentage of Total Shares
Individuals	1,252	305,902	40.79	1,272	302,200	40
Institutions	79	444,098	59.21	82	447,800	60
Total	1,331	750,000	100	1,354	750,000	100

Public Holding

The percentage of shares held by the Public as at 31st March, 2020 was 48.47 (31st March, 2019 - 48.47%).

Public Shareholders

The number of public Shareholders as at 31st March, 2020 were 1,316.(31st March,2019-1,339)

The float Adjusted Market Capitalisation as at 31st March, 2020 was Rs.25.53 Million.

MARKET VALUE OF SHARES

The Market Value of an Ordinary Share of York Arcade Holdings PLC.

	2019/2020	2018/2019
	Rs.	Rs.
Highest Price	84.30	115.00
Lowest Price	53.50	70.10
Market value as at the year end	62.00	70.10

Information to Shareholders and Investors

TWENTY MAJOR SHAREHOLDERS OF THE COMPANY

	31st March 2020		31st March 2019	
	No. of Shares	Holding %	No. of Shares	Holding %
The Colombo Fort Land & Building PLC	369,495	49.27	369,495	49.27
Mr. A.M. Weerasinghe	38,844	5.18	38,844	5.18
Merchant Bank of Sri Lanka PLC / R.R.S. Ananda	16,051	2.14	16,051	2.14
Mr.D.P.Navaratnam	13,427	1.79	13,227	1.76
Mr.I.D.Bandarigodage	8,549	1.14	8,549	1.14
Mr. D.S.D. De Lanerolle	8,000	1.07	8,000	1.07
Mr. K.T.H. Kallugalla	8,000	1.07	8,000	1.07
Mr. R. Ganeshan	5,200	0.69	-	-
Colombo Investment Trust PLC	5,043	0.67	5,043	0.67
Mrs.M.R.C. Hettiarachchi	5,031	0.67	5,031	0.67
Merchant Bank of Sri Lanka PLC / J.A.S. Priyantha	5,004	0.67	5,004	0.67
U.C. Bandaranayake	5,000	0.67	5,000	0.67
Mr. L.L. Hettiarachchi	4,923	0.66	5,223	0.70
Chatham House Ltd	4,843	0.65	4,843	0.65
Darley Butler & Company Ltd	4,500	0.60	4,500	0.60
Mr. Y.A.H.Rajkotwala	4,200	0.56	4,200	0.56
Mr.P.K.S. Arachchige	3,770	0.50	3,770	0.50
Mr.P.I. Keembiyage	3,720	0.50	3,720	0.50
Mr. H.A.S.Madanayake	3,640	0.49	3,640	0.49
Merchant Bank of Sri Lanka PLC / W.G.M.L.K.Wanigasekara	3,566	0.48	3,566	0.48
	520,806	69.47	515,706	68.79

Financial Statistics

	2019/2020	2018/2019
Earnings per share	Rs. 2.77	Rs. 7.76
Net Assets per share	190.65	187.34

Notice of Meeting

NOTICE IS HEREBY GIVEN that the Thirty Fourth Annual General Meeting of York Arcade Holdings PLC will be held at the Grand Oriental Hotel, No. 2 York Street, Colombo 01 on 09th October, 2020 at 9.30 a.m. and the business to be brought before the meeting will be as follows:

1. To receive and consider the Annual Report of the Board of Directors and the Statement of Accounts for the year ended 31st March, 2020 with the Report of the Auditors thereon.
2. To re-elect as a Director, Mr. S. Shanmugalingam who retires in terms of Articles 84 and 85 of the Articles of Association.
3. To reappoint as a director Mr. A.M. de S. Jayaratne, who is over seventy years of age. A Special Notice has been received from a shareholder of the intention to pass a Resolution which is set out in the notes in relation to his reappointment (See Note No 4 below).
4. To reappoint as a Director Mr. A. Rajaratnam, who is over seventy years of age. A Special Notice has been received from a shareholder of the intention to pass a Resolution which is set out in the notes in relation to his reappointment (See Note No 5 below).
5. To reappoint as a Director Mr. S.N.P. Palihena, who is over seventy years of age. A Special Notice has been received from a shareholder of the intention to pass a Resolution which is set out in the notes in relation to his reappointment (See Note No 6 below).
6. To reappoint as a Director Mr. T. Theyagamurti who is over seventy years of age. A Special Notice has been received from a shareholder of the intention to pass a Resolution which is set out in the notes in relation to this reappointment. (see Note No 7 below)
7. To reappoint as Auditors, Messrs. KPMG, Chartered Accountants, and to authorize the Directors to determine their remuneration.
8. Special Business
To consider and if thought fit to pass the following Special Resolution to amend the Articles of Association of the Company in the manner following:

Special Resolution

- Resolved -
That the following words and meaning be included in the table under Article 2 of the Articles of Association immediately following the words "The Act" and the meaning set opposite:

Electronic Facility/ies	A system or method providing an electronic means of participating at a meeting including audio, or audio and visual communication by which all shareholders and or participants participating can simultaneously hear each other throughout the meeting.
-------------------------	--

and

That the meaning set opposite the words "In Writing" in the table under Article 2 of the Articles of Association be amended to read as follows:

In writing	Written or to the extent permitted By law in any other form
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Notice of Meeting

- That the existing Article 46 be renumbered as Article 46(1) and the following new Articles numbered 46(2) and 46(3) be included immediately after the renumbered Article 46(1) :
 - 46 (2) A General Meeting may be held-
 - (i) by means of audio, or audio and visual communication by which all Members participating and constituting a quorum, can simultaneously hear each other throughout the meeting; or
 - (ii) by the quorum being present and assembled together at the place, date and time appointed for the meeting; or
 - (iii) by simultaneous attendance and participation partly by means of an Electronic Facility/ies and by being assembled together at a place, where all Members participating and constituting a quorum, can simultaneously hear each other throughout the meeting.
 - (3) In the event all persons participating in the General Meeting cannot be accommodated in the meeting room where the Chairman will be, the Directors can arrange for any people who they consider cannot be seated in such main meeting room, to attend in an overflow room or rooms. Any overflow room must have a live video and two way sound link with the main room for the General Meeting, where the Chairman will be. The video and sound link must enable those in all the rooms to see and hear the proceedings of the other rooms. The notice of the General Meeting does not have to give details of any arrangements under this Article. However at the discretion of the Board the notice and or a circular accompanying the notice shall incorporate details on maximum number of Members to be accommodated in the main room. The Directors can decide on how to divide people between the main room and any overflow room. If any overflow room is used, the General Meeting will be treated as being held in the main room.
- That the following new Article 48(4) be included immediately after the existing Article 48 (3)
 - 48(4) In the case of any General Meeting being conducted partly or completely by an Electronic Facility/ies the notice and or a circular accompanying the notice shall provide details on the method of access and participation including how to speak and vote at the meeting.
- That the existing Article 52 be deleted and the following be substituted therefor:
 - 52 (1) No business shall be transacted at any General Meeting unless a quorum is present when the meeting proceeds to business. The quorum for all purposes shall be three (03) each being a Member or a proxy for a Member or attorney or (in the case of a corporation) by an authorized representative.
 - (2) In determining attendance at a General Meeting, it is immaterial whether any two or more members attending it are in the same place as each other.

Notice of Meeting

(3) Where a General meeting is held partly or completely by Electronic Facility/ies, the Board and the Chairman may stipulate any requirement that is reasonably necessary to ensure the identification of such participants and the security of the electronic communication.

- That the existing Article 56 be deleted and the following be substituted therefor:

56 (1) At any General Meeting a resolution put to the vote of the Meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by-

- (i) The Chairman of the meeting; or
- (ii) Not less than five persons present in person or by attorney or representative or by proxy and entitled to vote; or
- (iii) A Member or Members present in person or by attorney or representative or by proxy and representing not less than one-tenth of the total voting rights of all the Members having the right to vote at the Meeting.

A demand for a poll may be withdrawn. Unless a poll be demanded (and the demand be not withdrawn) a declaration by the Chairman of the Meeting that a resolution has been carried or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the minute book, shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded for or against such resolution.

(2) Notwithstanding the aforesaid provisions contained in Article 56(1) at any General Meeting held partly or completely by means of an Electronic Facility/ies, a resolution put to the vote shall be decided either by the members signifying their assent or dissent via electronic means or in the event of a poll, such poll votes may be cast by such electronic means as the Board deems appropriate.

- That the existing Article 93 be deleted and the following be substituted therefor:

93 The Board may concurrently participate either in person or by telephone, radio, conference television or similar equivalent communication or any other form of audio or audiovisual instantaneous communication by which all persons participating in the conference are able to hear and be heard by all other participants for the dispatch of business and adjourn and otherwise regulate the conference as they think fit or by a combination of such methods. All provisions relating to the convening of a meeting of the Board, including the giving of Notice thereof and Agenda, the quorum for such conference meeting and the votes to be cast shall be the same as is applicable under these Presents in relation to such Meetings.

Notice of Meeting

- That the existing Article 94 be deleted and the following be substituted therefor
 - 94 A resolution passed by such conference meeting may be constituted by an instrument in hard copy or electronic form (duly executed) and shall notwithstanding that the Directors are not present together at one place at the time of the conference, be deemed to have been passed at a conference of the Directors held on the day and at the time at which the conference was held and shall be deemed to have been held at the registered office of the Company unless otherwise agreed, and all Directors and other persons including the Secretary participating at that conference shall be deemed for all purposes to be present at the conference.
- That the existing Article 119 be deleted and the following be substituted therefor:
 - 119 The Directors shall cause minutes to be maintained either in books or electronic means as permitted by law for the purpose:-
 - (a) of all the appointments of officers made by the Directors;
 - (b) of the names of the Directors present at each meeting of the Directors and of any committee of the Directors;
 - (c) of all resolutions and proceedings at all Meetings of the Company, and of the Directors, and of committees of Directors;

and every Director present at any meeting of Directors or Committee of Directors shall sign his name on the attendance register to be kept for that purpose.

- That the existing Article 141 be deleted and the following be substituted therefor:
 - 141 A copy of every balance sheet and profit and loss account which is to be laid before a General Meeting of the Company (including every document required by law to be annexed thereto) together with a copy of every report of the Auditors relating thereto and of the Directors' report, shall not less than fifteen working days before the date of the meeting be sent by post or any other instantaneous method of communication, or made available on the Company's website and/or on the website of the Colombo Stock Exchange to every Member of, and every holder of debentures of the Company and to every other person who is entitled to receive notices from the Company under the provisions of the Act or of these presents (provided that this Article shall not require a copy of these documents to be sent to any person of whose address in Sri Lanka the Company is not aware or to more than one of the joint-holders, but any Member to whom a copy of these documents has not been sent, shall be entitled to receive a copy free of charge on application at the office).

Notwithstanding anything to the contrary and in accordance with section 167 of the Act, the Company may, in the first instance, send every Member by post or any other instantaneous method of communication, or made available on the Company's website and/or on the website of the Colombo Stock Exchange the Annual Report together with the Financial Statements in the summarised form as may be prescribed, in consultation with the Institute of Chartered Accountants of Sri Lanka. The Company shall inform each Member that he is entitled to receive, if he so requires, the full Financial Statement or a printed copy of the Annual Report within a stipulated period of time.

Notice of Meeting

- That the existing Article 148 be renumbered as Article 148(1) and the following new Article numbered 148(2) be included immediately after the renumbered Article 148(1) :

148(2) In the event of a postal disruption, the Company may issue communication/notices through the Company's website and/ or on the website of the Colombo Stock Exchange and/or by any other electronic means.
- That the existing Article 151 be deleted and the following be substituted therefor:

151 If a Member has no registered address in Sri Lanka, and has not supplied to the Company an address outside Sri Lanka for the giving of notices to him, a notice posted up in the registered office of the Company and/or on the Company's website and/or on the Colombo Stock Exchange website shall be deemed to be duly given to him at the expiration of 24 hours from the time when it is so posted. "

By Order of the Board,

CORPORATE MANAGERS & SECRETARIES (PRIVATE) LIMITED

Secretaries

Colombo

08th September, 2020

Note:

The aforesaid Annual General Meeting will convene on the assumption that no curfew will be in force by such date and that no restrictions will be imposed by the Authorities on conduct of meeting.

Notice of Meeting

NOTES

1. A member entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and vote in his/her stead.
2. A Proxy need not be a member of the Company. The Form of Proxy is enclosed.
3. The completed Form of Proxy should be deposited at the Registered Office of the Company, at 8-5/2, Leyden Bastian Road, York Arcade Building, Colombo 1, not less than forty eight hours before the time appointed for the holding of the meeting.
4. A Special Notice has been received by the Company from a Shareholder giving notice of the intention to move the following Resolution as an Ordinary Resolution at the Annual General Meeting.

Resolved -

"That Mr. A.M. de S. Jayaratne who is eighty years of age, be and is hereby reappointed a Director of the Company and it is further specially declared that the age limit of seventy years referred to in Section 210 of the Companies Act No. 07 of 2007 shall not apply to the said Director, Mr. A.M. de S. Jayaratne".

5. A Special Notice has been received by the Company from a Shareholder giving notice of the intention to move the following Resolution as an Ordinary Resolution at the Annual General Meeting.

Resolved -

"That Mr. A. Rajaratnam, who is seventy nine years of age, be and is hereby reappointed a Director of the Company and it is further specially declared that the age limit of seventy years referred to in Section 210 of the Companies Act No. 07 of 2007 shall not apply to the said Director, Mr. A. Rajaratnam".

6. Special Notice has been received by the Company from a shareholder giving notice of the intention to move the following Resolution as an Ordinary Resolution at the Annual General Meeting:

Resolved -

"That Mr. S.N.P. Palihena who is seventy three years of age be and is hereby reappointed a Director of the Company and it is further specially declared that the age limit of seventy years referred to in Section 210 of the Companies Act No.7 of 2007 shall not apply to the said Director, Mr. S.N.P. Palihena".

7. Special Notice has been received by the Company from a Shareholder giving Notice of the intention to move the following Resolution as an Ordinary Resolution at the Annual General Meeting.

Resolved -

"That Mr. T. Theyagamurti who is seventy two years of age be and is hereby reappointed a Director of the Company and it is further declared that the age limit of seventy years referred to in Section 210 of the Companies Act No 7 of 2007 shall not apply to the said Director Mr. T. Theyagamurti".

Notice of Meeting

Health and Safety

8. The Meetings will be held in compliance with the Health and Safety guidelines issued by the Ministry of Health and Indigenous Medical Services (Ministry of Health) and standards imposed by the venue to ensure the safety and well-being of all Meeting attendees. Please note that in compliance with such guidelines and standards:
 - a. All attendees will have to undergo a temperature check and sign a declaration form.
 - b. Persons who recorded temperatures in excess of norms prescribed by the Ministry of Health will not be permitted into the Meeting
 - c. Persons with respiratory infections of any type including cough, cold, sore throat or exhibiting other similar symptoms will not be permitted into the Meeting
 - d. Physical contact such as shaking hands will not be permitted and attendees will not be permitted to linger or remain after the conclusion of the Meeting
 - e. Any person not adhering to the health and safety guidelines and standards, including wearing a mask and maintaining the minimum social distance required, will be requested to leave the Meeting
 - f. Food and beverage offerings are not guaranteed and many be limited in keeping with health and safety standards and regulations
 - g. As social distancing measures will be implemented, once the hall capacity is reached as per the relevant Government guidelines, Members may not be permitted to enter.
 - h. A maximum total of forty shareholders will be accommodated at the Meeting venue. The number of shareholders at the Meeting venue has been limited as aforesaid to maintain 'social distancing' requirements in order to mitigate the risk factor associated with the spread of the Covid-19 Virus.
 - i. The selection of the shareholders eligible to participate physically will be made on a 'First come First served' basis.
 - j. In the event the Company is required to take any further action in relation to the meeting in the best interests of the meeting attendees due to COVID-19 Pandemic, and / or any communications, guidelines, directives or orders issued by the Government of Sri Lanka, Notice of such action shall be given by way of an announcement to the Colombo Stock Exchange.

Form of Proxy

I/We the undersignedof

.....

being a member/members of York Arcade Holdings PLC, do hereby appoint

.....of..... whom failing

Alagarajah Rajaratnam	of Colombo whom failing
Sri Dhaman Rajendram Arudpragasam	of Colombo whom failing
Thechanamurti Theyagamurti	of Colombo whom failing
Skiskandamoorthy Shanmugalingam	of Colombo whom failing
Ajit Mahendra de Silva Jayaratne	of Colombo whom failing
Shanthikumar Nimal Placidus Palihena	of Colombo whom failing
Ganegodage Dhamitha Vaamaka Perera	of Colombo whom failing
Sanjeev Rajaratnam	of Colombo

as my/our Proxy to represent me/us and to speak and to vote on my/our behalf at the Thirty Fourth Annual General Meeting of the Company to be held on 09th October, 2020 and at any adjournment thereof, and at every poll which may be taken in consequence thereof. I/We the undersigned hereby authorize my/our Proxy to vote on my/our behalf in accordance with the preferences indicated below:

RESOLUTIONS

Resolution Numbers as set out in the Notice convening the Meeting	1	2	3	4	5	6	7	8
For								
Against								

As witness, my / our * hands this.....day of Two Thousand and Twenty.

.....
Signature of Shareholder

Notes :

Please indicate with an 'X' in the space provided how your Proxy is to vote. If there is in the view of the Proxy doubt (by reason of the way in which the instructions contained in the Proxy have been completed) as to the way in which the Proxy should vote, the Proxy shall vote as he thinks fit.

A Proxy need not be a member of the Company.

Instructions as to completion appear on the reverse hereof.

Form of Proxy

INSTRUCTIONS AS TO COMPLETION

1. Please write legibly, your name, address and date and sign in the space provided.
2. The completed Form of Proxy should be received at the Registered Office of the Company at 8-5/2, Leyden Bastian Road, York Arcade Building, Colombo 1, not less than 48 hours before the time appointed for the holding of the meeting.
3. In case of a Company/Corporation, this Form of Proxy shall be executed either under its Common Seal or by its Attorney or by an officer on behalf of such Company/Corporation duly authorised in writing.
4. In the case of a Proxy signed by an Attorney, the Power of Attorney must be deposited at the Registered Office of the Company for registration.

Corporate Information

Name of Company

York Arcade Holdings PLC

Legal Form

A Public Quoted Company with limited liability incorporated in Sri Lanka under the Companies Act No. 17 of 1982 on 11th March 1983, and re-registered on 13th July 2008 under the Companies Act No 7 of 2007.

Company No.

PQ 181

Board Of Directors

A. Rajaratnam (Chairman)
(Alternate - Mr. S. D. R. Arudpragasam)
S. D. R. Arudpragasam
T. Theyagamurti
S. Shanmugalingam
A.M. de S. Jayaratne
S.N.P. Palihena
G.D.V. Perera
S. Rajaratnam

Managers & Secretaries

Corporate Managers & Secretaries (Private) Limited,
8-5/2, Leyden Bastian Road, York Arcade Building, Colombo 1.
☎ 0112344485 - 9

Registered Office

8-5/2, Leyden Bastian Road, York Arcade Building, Colombo 1.
☎ 0112344485 - 9

Stock Exchange Listing

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

Auditors

Messrs. KPMG
Chartered Accountants

Tax Advisers

Messrs. KPMG
Chartered Accountants

Bankers

Commercial Bank of Ceylon PLC
National Development Bank PLC
Sampath Bank PLC

Lawyers

Messrs. Julius & Creasy
Attorneys-at-Law

York Arcade Holdings PLC

8-5/2, Leyden Bastian Road,
York Arcade Building,
Colombo 1.