

York Arcade Holdings PLC

**Annual Report
2020/21**

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Financial Highlights

For year ended 31st March,

	2021	2020	% Change
	Rs.	Rs.	
Finance Income	11,259,988	15,249,055	-26%
Profit before Tax	8,911,720	4,802,080	86%
Income Tax Expense	(1,627,416)	(2,721,930)	40%
Profit for the year	7,284,304	2,080,150	250%

As at 31st March,

Total Equity	153,371,133	142,987,256	7%
Market Value per share	143.00	62.00	131%
Market Capitalisation	107,250,000	46,500,000	131%

Chairman's Review

On behalf of the Board of Directors it gives me great pleasure to welcome you to the 35th 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 2021.

The outbreak of COVID-19 adversely impacted the local economy with lockdown measures and other health and safety protocols imposed to combat the pandemic. The pandemic further eroded the economic recovery prospects during 2020 which was already grappling with 2019 Easter attacks. Consequently, the deepest recession since independence was recorded as the GDP growth of the country plunged to a negative 3.6% in 2020 compared to the positive 2.3% recorded in the previous year with unemployment rate rising above 5% following business closures reflecting subdued consumer and investor sentiments.

On the positive side, the regulator and Government took proactive and timely measures to revive the economy through debt moratoriums and concessionary loan schemes for impacted individuals and businesses. An accommodative monetary policy aimed at stimulating the economy through multiple reductions in the Policy Rates and Statutory Reserves Ratio led to sustained reductions in market interest rates. Driven by the low interest rate environment the benchmark All Share Price Index (ASPI) closed in 2020 recording a growth of 10.5%, the highest annual increase the index has recorded since 2014. The import restrictions imposed by the government stabilized the

exchange rate for the most part of the year with intermittent volatilities at the beginning of the pandemic and towards the end of the year. Further, the headline inflation moved broadly in the desired range of 4%-6% during the year 2020 while core inflation remained low throughout the year.

Against this backdrop, I am pleased to report that, the Company recorded a profit of Rs.7.3 Mn in an extremely challenging year compared to Rs.2.1 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.

S. D. R. Arudpragasam

Chairman

Colombo

04th August,2021

Board of Directors

Mr. A. Rajaratnam - Former Chairman

FCA

(Resigned 01/07/2021)

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. He relinquished his position as Chairman and resigned from the Board of Directors on 1st July, 2021.

Mr. S. D. R. Arudpragasam - Chairman

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. He was appointed Chairman of the Company on 1st July, 2021.

Mr. T. Theyagamurti - Director

AICB (Canada) MIEX (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 of the management of Regional Plantation Companies, he returned to Sri Lanka and joined Forbes Plantation Management Services Ltd., as

Board of Directors

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 and resigned from the said Directorates on 31st March 2021. 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.

Mr. Amrit Rajaratnam - Director

LLB (Notts.), Barrister-at-Law

Mr. Amrit Rajaratnam was appointed to the Board as a Non Executive Director on 1st July 2021. He holds a Bachelor's Degree in Law from the University of Nottingham and is a Barrister at Law (Lincoln's Inn). He began his career at the Law Firm of Julius & Creasy and later joined Lankem Ceylon PLC. He is also a Director of Beruwala Resorts PLC, Marawila Resorts PLC and Sigiriya Village Hotels PLC.

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, 2021.

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	
	31.03.2021	31.03.2020
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 2020/2021 is given in Note 10 to the Financial Statements on page 45.

Corporate Donations

No donations were made during the year.

Directorate

The names of the Directors who held office during the financial year and the appointment subsequent to the financial year end are given below and are profiled on pages 3 and 4.

Mr. A. Rajaratnam (Resigned w.e.f. 01/07/2021)	- Former Chairman Non-Executive
Mr. S.D.R. Arudpragasam (Appointed w.e.f. 01/07/2021)	- Chairman 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
Mr. Amrit Rajaratnam (Appointed w.e.f.01/07/2021)	- Non-Executive

Annual Report of the Board of Directors

Mr. A. Rajaratnam, relinquished his position as Chairman and resigned from the Board of Directors on 01st July, 2021. Mr. S. D. R. Arudpragasam was appointed as Chairman on 1st July 2021.

Mr. Amrit Rajaratnam the Director appointed on 1st July, 2021 retires in terms of Article 91 of the Article of Association and being eligible offers himself for re-election.

In terms of Articles 84 and 85 of the Articles of Association, Mr. S. Rajaratnam 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. Palihena 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.

Mr. S.D.R. Arudpragasam who would have attained the age of 70 years at the date of the Annual General Meeting 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/- (2020 - Rs.180,000/-) as audit fees by the Company. In addition they were paid Rs. 157,500/- (2020 - Rs.150,000/-) 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 last consecutive years.

Results

The Company made a profit before Tax of Rs. 8.9 Mn. against a profit of Rs. 4.8 Mn. in the Previous year.

Investments

Details of investments are listed in Note 13 to the Financial Statements.

Stated Capital & Reserves

The Stated Capital of the Company as at 31st March, 2021 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, 2021 amounts to Rs. 153 Mn., (31st March, 2020-Rs. 143 Mn) comprising General Reserve of Rs. 10 Mn. (31st March, 2020 - Rs. 10 Mn. classified as General Reserve), Retained Profits of Rs. 119 Mn. (31st March, 2020 - Rs. 112 Mn.) and Fair Value Reserve of Rs. 9.5 Mn. (31st March, 2020 - Rs. 6 Mn.).

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

Annual Report of the Board of Directors

Taxation

Taxation has been computed at the rates, given in Note 11 on pages 45 and 46 of the Financial Statements.

Share Information

Information relating to earnings, 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.

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.

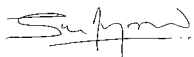
Internal Control

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.

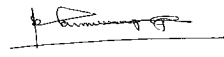
Going Concern

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,

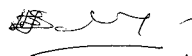


S. D. R. Arudpragasam
Chairman



S. Shanmugalingam
Director

By Order of the Board,



Corporate Managers & Secretaries (Private) Limited

Secretaries

Colombo

04th August, 2021

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 (Resigned w.e.f. 01/07/2021)	- Former Chairman Non-Executive
Mr. S.D.R. Arudpragasam (Appointed w.e.f. 01/07/2021)	- Chairman 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
Mr. Amrit Rajaratnam (Appointed w.e.f. 01/07/2021)	- 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 the Boards of certain subsidiary companies. He currently has a material business relationship with a subsidiary of the Parent Company. He has served on the Boards of some companies of which a majority of the Directors serve on the Board of another. He also held Directorships in some Companies which had 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

During the financial year the Board comprised 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.	Complied.	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. 	Complied. (Parent Company Audit Committee)	Audit Committee Report
		<ul style="list-style-type: none"> 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. 	Complied. (Parent Company Audit Committee)	Audit Committee Report
		<ul style="list-style-type: none"> A Non-Executive Director shall be appointed as the Chairman of the Committee. 	Complied.	Audit Committee Report
		<ul style="list-style-type: none"> Unless otherwise determined by the Audit Committee the Chief Executive Officer and the Chief Financial Officer shall attend Audit Committee Meetings. 	Not Applicable.	Corporate Governance
7.10.6 (b)	Audit Committee	<ul style="list-style-type: none"> Functions shall include; <ol style="list-style-type: none"> Overseeing the preparation, presentation and adequacy of disclosures in the Financial Statements in accordance with Sri Lanka Accounting Standards. 	Complied.	Audit Committee Report
		<ul style="list-style-type: none"> <ol style="list-style-type: none"> Ensuring Compliance with financial reporting requirements, information requirements of the Companies Act and other relevant financial reporting related regulations and requirements. 	Complied.	

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

Corporate Governance

CSE Rule No.	Subject	Applicable Requirement	Compliance Status	Applicable Section in Annual 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;		
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>	
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

Corporate Governance

CSE Rule No.	Subject	Applicable Requirement	Compliance Status	Applicable Section in Annual Report
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 Company	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 two occasions due to the COVID Pandemic. Further two resolutions in writing have been passed which is construed as meetings been held.	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
9.2.5	Access to knowledge and expert advice	Directors of the Committee should ensure that they have, or have access to, enough knowledge or expertise to assess all aspects of proposed Related Party Transactions, and where necessary, they should obtain appropriate professional and expert advice from an appropriately qualified person.	Complied.	Related Party Transactions Review Committee Report
9.3	Disclosures			
9.3.1	Immediate Disclosures	<p>(i) The Company shall make an immediate announcement to the exchange of any Non-Recurrent Related Party Transaction with value exceeding 10% of the equity or 5% of the total assets which ever is lower, of the entity as per the latest Audited Financial Statements.</p> <p>OR</p> <p>of the latest transaction if the aggregate value of all Non-Recurrent Related Party Transactions entered into with the same Related Party during the same Financial year amounts to 10% of the equity or 5% of the total assets which is lower, of the entity as per the latest Audited Financial Statements.</p> <p>Listed entity shall disclose subsequent non-recurrent transaction which exceeds 5% of the equity of the entity, entered into with the same Related Party during the financial year.</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
9.3.2	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>	Not Applicable.	The aggregate value of all Non-Recurrent transactions were below the threshold
		<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>	Not Applicable.	The aggregate value of all recurrent transactions were below the threshold.
		<p>(c) Report by the Related Party Transactions Review Committee</p>	Complied.	Related Party Transactions Review Committee Report
		<p>(d) A declaration by the Board of Directors</p>	Complied.	Related Party Transactions Review Committee Report and Annual Report of the Board of Directors

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 a 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>	Not Applicable. Not Applicable.	

Corporate Governance

CSE Rule No.	Subject	Applicable Requirement	Compliance Status	Applicable Section in Annual Report
9.4.3		<p>Rule 9.4.1 does not apply to</p> <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		<p>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.</p>	Not Applicable.	
9.4.5		<p>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</p>	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 two occasions in respect of York Arcade Holdings PLC during the year ended 31st March, 2021 due to the COVID Pandemic and the attendance was as follows :

Mr. R. Seevaratnam	- Chairman (2/2)
Mr. A.M. de S. Jayaratne	- (2/2)
Mr. S.D.R. Arudpragasam	- (2/2)

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, 2021 appears in Note 10 to the Financial Statements.

The Committee has recommended the reappointment of Messrs. KPMG as External Auditors for the financial year ending 31st March, 2022, 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.



R. Seevaratnam
Chairman
Audit Committee

Colombo
04th August, 2021

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 two occasions in respect of York Arcade Holdings PLC during the year ended 31st March 2021 due to the COVID Pandemic and the attendance was as follows:

Mr. R. Seevaratnam	-	Chairman (2/2)
Mr. A. M. de S. Jayaratne	-	(2/2)
Mr. S. D. R. Arudpragasam	-	(2/2)

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

Further during the year on two occasions the Related Party Transaction Review Committee has reviewed and recommended Related Party Transactions by resolution in writing which the committee For

purpose hereof construe as equivalent to meetings being held.

Policies And Procedures

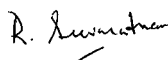
The Committee as part of its responsibility to review the Related Party Transactions, has identified the persons considered as "Related Parties". Declarations are obtained from each Director of the Company to identify such "Related Parties". Managers are requested to inform and obtain the approval prior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



R. Seevaratnam

Chairman
Related Party Transactions Review Committee
Colombo
04th August, 2021

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
Fax +94 - 11 244 5872
+94 - 11 244 6058
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 31 March 2021, 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 of 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 31 March 2021, 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.

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M.R. Mihular FCA
T.J.S. Rajakarier FCA
Ms. S.M.B. Jayasekara ACA
G.A.U. Kanuniaratne 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. Abeyaratne 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, W. A. A. Weerasekara CFA, ACMA, MRICS

Independent Auditors' Report



The Key Audit Matter	Our Response
<p>Impairment allowance of financial assets classified as amortised cost</p> <p>Refer Note 6.3, Note 13.1, Note 15 and Note 16 to the financial statements.</p>	
<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"> • 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 sample of financial assets measured at amortised cost to verify the calculation accuracy of the credit loss allowance. • Evaluating the adequacy of disclosures made in the financial statements according to Sri Lanka Accounting Standards (SLFRS).

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 Auditors' Report is 1224.

KPMG
CHARTERED ACCOUNTANTS

Colombo, Sri Lanka

04th August, 2021

Statement of Comprehensive Income

For the year ended 31st March	Notes	2021 Rs.	2020 Rs.
Revenue		-	-
Other Operating Income/(Expense)		-	-
Administrative Expenses		(4,487,953)	(3,001,445)
Write -off of VAT and NBT receivable		-	(1,000,159)
(Impairment)/reversal of impairment of Financial Assets	8	2,189,084	(6,388,953)
Net Finance Income	9	11,210,589	15,192,637
Profit before Income Tax	10	8,911,720	4,802,080
Income Tax Expense	11	(1,627,416)	(2,721,930)
Profit for the Year		7,284,304	2,080,150
Other Comprehensive Income			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Equity investments at FVOCI - net change in fair value		3,100,150	403,062
Related Tax		(578)	(2,102)
		3,099,572	400,960
Total Comprehensive Income for the year		10,383,876	2,481,110
Earnings per Share	12	9.71	2.77

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

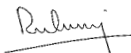
(Figures in brackets indicate deductions.)

Statement of Financial Position

As at 31st March	Notes	2021 Rs.	2020 Rs.
ASSETS			
Non - Current Assets			
Financial Assets - Non Current	13	23,228,886	24,309,772
Deferred Tax Assets	19	896,688	950,636
Total Non-Current Assets		<u>24,125,574</u>	<u>25,260,408</u>
Current Assets			
Trade and Other Receivables	14	7,917,290	194,830
Amounts due from Related Companies	15	83,091,992	79,337,660
Other Financial Assets-Current	16	50,908,264	66,728,194
Cash and Cash Equivalents	17	4,519,951	1,244,140
Total Current Assets		<u>146,437,497</u>	<u>147,504,824</u>
TOTAL ASSETS		<u>170,563,071</u>	<u>172,765,232</u>
EQUITY AND LIABILITIES			
Equity			
Stated Capital	18	14,400,000	14,400,000
General Reserve		10,000,000	10,000,000
Fair Value Reserve of Financial Assets at FVOCI		9,494,565	6,394,993
Retained Earnings		119,476,567	112,192,263
Total Equity		<u>153,371,132</u>	<u>142,987,256</u>
Non-Current Liabilities			
Deferred Tax Liabilities	19	502,724	502,146
Total Non-Current Liabilities		<u>502,724</u>	<u>502,146</u>
Current Liabilities			
Other Payables	20	1,454,140	1,692,483
Income Tax Payable		14,414,252	26,226,212
Bank Overdraft	17	820,823	1,357,135
Total Current Liabilities		<u>16,689,215</u>	<u>29,275,830</u>
Total Liabilities		<u>17,191,939</u>	<u>29,777,976</u>
TOTAL EQUITY AND LIABILITIES		<u>170,563,071</u>	<u>172,765,232</u>

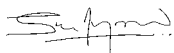
The Accounting Policies and Notes on pages 33 to 59 an integral part of these Financial Statements.

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

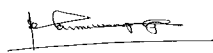


M. V. M. Paulraj
Director
Corporate Managers & Secretaries (Private) Limited

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



S. D. R. Arudpragasam
Chairman



S. Shanmugalingam
Director

Colombo
04th August, 2021

Statement of Changes in Equity

	Stated Capital	General Reserve	*Fair Value Reserve	Retained Earnings	Total
	Rs.	Rs.	Rs.	Rs.	Rs.
Balance as at 01st April 2019	14,400,000	10,000,000	5,994,033	110,112,113	140,506,146
Profit for the year	-	-	-	2,080,150	2,080,150
Other Comprehensive Income	-	-	400,960	-	400,960
Total Comprehensive income for the year	-	-	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
Profit for the year	-	-	-	7,284,304	7,284,304
Other Comprehensive Income	-	-	3,099,572	-	3,099,572
Total Comprehensive income for the year	-	-	3,099,572	7,284,304	10,383,876
Balance as at 31st March 2021	14,400,000	10,000,000	9,494,565	119,476,567	153,371,132

* The Fair Value Reserve comprises of

- The cumulative net change in the 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	2021 Rs.	2020 Rs.
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before Income Tax Expense		8,911,720	4,802,080
Adjustments for :			
Interest Income	9	(10,860,450)	(15,105,879)
Interest Expense	9	49,399	56,418
Impairment/ (reversal of impairment) of financial assets	8	(2,189,084)	6,255,598
Dividend Income	9	(399,538)	(143,176)
VAT and NBT write off		-	1,000,159
Loss before Working Capital Changes		(4,487,953)	(3,134,800)
(Increase) / Decrease in Trade and Other Receivables		111,830	90,247
(Increase) / Decrease in Amount due from Related Companies		180,559	(139,351)
Increase / (Decrease) in Trade and Other Payables		(238,345)	1,011,773
Increase / (Decrease) in Amount due to Related Companies		-	(54,550)
Cash used in Operating activities		(4,433,909)	(2,226,681)
Interest Expense paid		(49,399)	(56,418)
Income Tax paid		(13,385,429)	(4,968,320)
Net Cash Flow Generated from Operating Activities		(17,868,737)	(7,251,419)
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividend Income Received		399,538	142,772
Upliftment/ (Increase) in Fixed Deposit		15,159,469	(4,005,256)
Funds advanced to Corporate Managers & Secretaries (Pvt) Ltd		(7,834,290)	-
Debenture Redeemed		5,000,000	-
Interest Income Received		8,956,143	6,906,307
Net Cash Flows Generated from / (Used in) Investing Activities		21,680,860	3,043,823
Net Cash Increased in Cash & Cash Equivalents		3,812,123	(4,207,596)
Cash & Cash Equivalents at the beginning of the year	17	(112,995)	4,094,601
Cash & Cash Equivalents at the end of the year	17	3,699,128	(112,995)

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 04th August, 2021.

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 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.

Information about assumptions and uncertainties as at 31 March 2021 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;
- 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

The Company has consistently applied the accounting policies to all periods presented in these financial statements.

Notes to the Financial Statements

A number of new standards are effective from 1 April 2020 but they do not have a material effect on the Company's financial statements.

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.

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

Notes to the Financial Statements

- 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.

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.

Notes to the Financial Statements

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 possible 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.

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 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.

Notes to the Financial Statements

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 been 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 Dividends

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

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:

Notes to the Financial Statements

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

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 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 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.

Notes to the Financial Statements

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 Leases

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

The contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified.

- The Company has the right to obtain substantially all of the economic benefits from the use if the asset throughout the period of use; and

- The Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either;

- The Company has the right to operate the asset; or

- The Company designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or reassessment of a contract that contains a lease component. The Company allocates the considerations in the contract to each lease component on the basis of their relative standalone price.

As a Lessor

When the company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to the ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As a part of this assessment, the company considered certain indicators such as whether the lease was for the major part of the economic life of the asset.

If an arrangement contains lease and non-lease components, then the group applies SLFRS 15 to allocate the consideration in the contract.

Notes to the Financial Statements

6.13 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.

6.14 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.

6.15 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.

6.16 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.

6.17 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

A number of new standards are effective for annual periods beginning after 1 January 2020 and earlier application is permitted; however, the Company has not early adopted the new or amended standards in preparing these financial statements. The following amended standards and interpretations are not expected to have a significant impact on the Company's financial statements:

- Onerous Contracts - Cost of fulfilling a contract (Amendments to LKAS 37);
- Interest Rate Benchmark Reform - Phase 2 (Amendments to SLFRS 9, LKAS 39, SLFRS 7, SLFRS 4, SLFRS 16);
- Other standards
 - Covid-19 Related Rent Concessions (Amendments to SLFRS 16)
 - Property, Plant and Equipment: Proceeds before Intended Use (Amendments to LKAS 16)
 - Reference to Conceptual Framework (Amendments to SLFRS 3)
 - Classification of Liabilities as Current or Noncurrent (Amendments to LKAS 1)
 - Annual improvements to SLFRS standards 2018 - 2020, which are not effective as at reporting date

Notes to the Financial Statements

For the year ended 31st March		2021	2020
		Rs.	Rs.
8	(IMPAIRMENT)/REVERSAL OF IMPAIRMENT OF FINANCIAL ASSETS MEASURED AT AMORTISED COST		
	Debt securities	2,810,736	(4,579,057)
	Fixed deposits	232,293	(211,700)
	Amounts due from related parties	(853,945)	(1,598,196)
		2,189,084	(6,388,953)
9	NET FINANCE INCOME		
	Interest income under the effective interest method on:		
	Fixed deposits	4,520,714	6,731,671
	Savings deposits	98,493	31,507
	Corporate debt securities - at amortised cost (corporate debentures)	1,452,407	1,811,595
	Interest Income on loans to related Companies	4,788,836	6,531,106
	Total interest income arising from financial assets measured at amortised cost of FVOCI	10,860,450	15,105,879
	Dividend income:		
	Equity securities - at FVOCI	399,538	143,176
	Finance income - other	399,538	143,176
	Total Finance income	11,259,988	15,249,055
	Interest expense on financial liabilities measured at amortised cost		
	Interest expense on bank overdrafts	(49,399)	(56,418)
	Finance Costs - other	(49,399)	(56,418)
	Net Finance Income	11,210,589	15,192,637
10	PROFIT BEFORE TAX		
	Profit before taxation 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	180,000
	- Non-Audit Related Services	157,500	150,000
	Impairment reversal on trade receivables	-	133,355
11	INCOME TAX EXPENSE		
	Current Tax Expense		
	Taxation on Profit for the Year (Note 11.1)	1,573,469	3,218,031
		1,573,469	3,218,031
	Deferred Tax Expense		
	Origination / (reversal) of temporary differences (Note 19)	53,947	(496,101)
		53,947	(496,101)
	Income Tax Expense in Income Statement	1,627,416	2,721,930

Notes to the Financial Statements

For the year ended 31st March

11.1 Current Tax Expense

Reconciliation between Accounting Profit and Taxable Income

	2021 Rs.	2020 Rs.
Profit before Tax	8,911,720	4,802,080
Profit and Income not liable to income tax	(64)	-
Income not liable for tax	-	(135,518)
Total Disallowable Expenses	-	866,804
Impairment/ (Reversal) of Impairment	(2,189,084)	6,388,953
Taxable Profit	6,725,572	11,922,319
Assessable Income from Business	6,323,098	11,914,661
Investment Income liable to tax	399,474	7,658
	6,722,572	11,922,319

Income Tax expense for the year is made up as follows;

-Income tax @ 28%	-	2,502,079
-Income tax @ 24%	1,517,543	714,880
-Income tax @ 14%	55,926	1,072
Tax on income for the year	1,573,469	3,218,031

As instructed by the Ministry of Finance on 31st January 2020, changes to the current tax rate was proposed, pending formal amendments being made to the Act and to be implemented with effect from 01st January, 2020. The Bill to amend the Inland Revenue Act No. 24 of 2017 was gazetted and issued on 18th March 2021. The Bill was presented at the Parliament for first reading and approved on 26th March 2021. Accordingly, a tax rate of 24% for business income have been considered to be substantially enacted as at reporting date for the current and deferred tax computations for the year ended 31st March 2021. The taxable income for the first three quarters for the year ended 31st March, 2020 has been calculated at a tax rate of 28%.

Capital gain from sale of listed shares are exempt from chargeability to income tax. Dividend income from another resident company is subject to income tax at 14% excluding any part of the dividend income attributable or derived from another dividend received by that resident company.

12 EARNINGS PER SHARE

12.1 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:

	2021 Rs.	2020 Rs.
Profit attributable to Ordinary Shareholders (Rs.)	7,284,304	2,080,150
Weighted Average Number of Ordinary Shares (Note 12.1.1)	750,000	750,000
Earnings per Share (Rs.)	9.71	2.77

12.1.1 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

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

Notes to the Financial Statements

13 FINANCIAL ASSETS - NON CURRENT

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 strategic purposes.

As at 31st March	Notes	2021 Rs.	2020 Rs.
Non-current investments			
Corporate debt securities - at amortised cost	Note 13.1	6,639,962	10,820,999
Equity securities - at FVOCI	Note 13.2	16,588,924	13,488,773
		23,228,886	24,309,772
13.1 Investment carried at amortised cost			
	Debentures		
	2021	2020	
Kotagala Plantations PLC	50,000	100,000	10,278,044
Impairment Loss			(6,448,818)
			6,639,962

13.1.1 The Company had subscribed to 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 C (Redeemed during the year)	50,000	6 Years	14.75%	27th May, 2020
Type D (Restructured*)	50,000	6 Years	7.5%	31st August, 2026

* The Rated Secured Redeemable Debenture Type D issued by Kotagala Plantations PLC in terms of the Trust Deed dated 5th May 2014 was restructured with the requisite consent of the Debenture Holders of Kotagala Plantations PLC at a meeting convened by the Trustees on 17th September 2020. The Term Sheet for the restructured Rated Secured Redeemable Debentures Type D applicable for the Company which is a Related Party of Kotagala Plantations PLC are as follows:

Tenor of Debenture for Related party	: 6 years starting from 1st September, 2020
Coupon Rate	: 7.5% per annum
Redemption of Debentures for Related party	: 31st August, 2026

Notes to the Financial Statements

13.2 Equity Securities - at FVOCI

	As at 31.03.2021			As at 31.03.2020		
	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	5,951,681	71,707	1,377,731	3,047,548
OTHERS						
Maskeliya Plantations PLC	800	12,000	8,800	800	12,000	4,960
Watawala Plantations PLC	5,058	10,290	288,812	5,058	10,290	101,160
Balangoda Plantations PLC	100	2,000	1,070	100	2,000	730
Kahawatte Plantations PLC	165	1,975	4,768	165	1,975	5,891
Nations Trust Bank PLC	3,354	79,316	202,246	3,354	79,316	251,550
Hatton Plantation PLC	6,000	45,720	52,200	6,000	45,720	25,200
RIL Properties PLC	6,666	53,328	44,129	6,666	53,328	27,331
Sierra Cables PLC	1,400	4,200	7,980	1400	4,200	2,940
	1,586,560	6,561,686		1,586,560		3,467,310
	No. of Shares	Cost Rs.	Value Rs.	No. of Shares	Cost Rs.	Value Rs.
UNQUOTED SHARES						
Imperial Hotels Ltd	500,000	5,000,000	10,027,238	500,000	5,000,000	10,021,463
		5,000,000	10,027,238		5,000,000	10,021,463
		6,586,560	16,588,924		6,586,560	13,488,773

No strategic investments were disposed during 2021, and there were no transfers of any cumulative gain or loss within equity relating to these investments.

Equity securities - The Company valued the FVOCI on unquoted equity securities based on the net assets of the investee.

Imperial Hotel Ltd's shares were valued at a Net Asset price of Rs. 20.05 per share as at the reporting date.

Notes to the Financial Statements

As at 31st March		2021	2020
		Rs.	Rs.
14	TRADE AND OTHER RECEIVABLES		
	Rent receivable	-	93,867
	Impairment of trade receivables	-	-
		<u>-</u>	<u>93,867</u>
	Deposits and Prepayments	83,000	79,873
	Due from Corporate Managers & Secretaries (Pvt) Ltd	7,834,290	-
	WHT Recoverable	-	13,376
	Other Receivables	-	7,714
		<u>7,917,290</u>	<u>100,963</u>
		7,917,290	194,830
15	AMOUNT DUE FROM RELATED COMPANIES		
		Relationship	
	The Colombo Fort Land & Building PLC (Note 15.1)	Parent	75,856,149 71,067,313
	Colombo Fort Group Services (Pvt) Ltd	Common Parent	1,441,682 1,562,812
	York Hotel Management Services Ltd	Common Ultimate Parent	9,914,770 9,914,770
	Marawila Resorts PLC	Common Ultimate Parent	- 59,429
			<u>87,212,601</u> 82,604,324
	Less: Provision for impairment of related party receivable (Note 15.2)		<u>(4,120,609)</u> (3,266,664)
			83,091,992 79,337,660
15.1	Loan granted	50,000,000	50,000,000
	Interest Income Receivable	17,644,841	12,856,005
	Related Party Receivable	8,211,308	8,211,308
		<u>75,856,149</u>	<u>71,067,313</u>

The Company charges interest at AWPLR +2% on loan of Rs.50,000,000/- granted to The Colombo Fort Land & Building PLC. The loan is recoverable on demand.

Balance outstanding from Colombo Fort Group Services (Pvt) Ltd and York Hotel Management Services Ltd is recoverable on demand.

Notes to the Financial Statements

As at 31st March		2021	2020
		Rs.	Rs.
15.2	Provision for impairment of related party receivables		
	The Colombo Fort Land & Building PLC	(732,735)	(791,273)
	Colombo Fort Group Services (Pvt) Ltd	(13,179)	(4,031)
	York Hotel Management Services Ltd	(3,374,695)	(2,470,068)
	Marawila Resorts PLC	-	(1,292)
		(4,120,609)	(3,266,664)

Information about the Company's exposure to credit and market risks, and impairment losses for related party receivables is included in Note 28 to the financial statements.

As at 31st March		2021	2020
		Rs.	Rs.
16	OTHER FINANCIAL ASSETS - CURRENT		
	Favourable balances		
	Fixed Deposits - Short term Investments	50,592,789	65,752,258
	Interest Income receivable	338,060	1,230,814
	Impairment loss	(22,585)	(254,878)
		50,908,264	66,728,194
17	CASH AND CASH EQUIVALENTS		
	Cash at bank	4,519,951	1,244,140
	Cash and cash equivalents in the statement of financial position	4,519,951	1,244,140
	Unfavourable balances		
	Bank overdraft repayable on demand and used for cash management purposes	(820,823)	(1,357,135)
	Cash and cash equivalents for the purpose of cash flows statement	3,699,128	(112,995)

As at 31st March		Number of Shares	
		2021	2020
18	STATED CAPITAL		
	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	
		2021	2020
	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 assets.

The holders of ordinary shares are entitled to dividend as declared from time to time and are entitled to one vote per share on a poll at meetings of the shareholders of the Company.

Notes to the Financial Statements

As at 31st March		2021	2020
		Rs.	Rs.
19	MOVEMENT IN THE DEFERRED TAX ASSETS/ (LIABILITIES)		
	Balance at the beginning of the year	448,489	(45,509)
	Origination and reversal of temporary difference		
	Recognised in profit or loss	(53,947)	496,101
	Recognised in other comprehensive income	(578)	(2,103)
		393,964	448,489

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 24% 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

	2021		2020	
	Temporary difference	Tax effect on temporary difference	Temporary difference	Tax effect on temporary difference
	Rs.	Rs.	Rs.	Rs.
Deferred tax liabilities				
Fair value changes in unquoted investments	5,027,238	502,724	5,021,463	502,146
	5,027,238	502,724	5,021,463	502,146
Deferred tax assets				
Impairment of financial assets				
Interest Receivable - Fixed deposits	150	36	5,499	1,540
Interest Receivable - Debentures	98,418	23,620	679,670	190,308
Interest Receivable -Related party dues	3,637,632	873,032	2,709,957	758,788
	3,736,200	896,688	3,395,126	950,636
Balance at the end of the year	-	393,964	-	448,490

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

	2021 Rs.	2020 Rs.
20 OTHER PAYABLES		
Accrued expenses	1,033,654	1,271,997
Unclaimed Dividends	420,486	420,486
	1,454,140	1,692,483

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 & 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. 10 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				2021 Rs.	2020 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	- Interest income on short term loan	4,788,836	6,531,106	
Mr. S.D.R. Arudpragasam		- (Provision)/reversal of impairment of related party receivable	58,538	(271,015)	
Mr. A.M. de S. Jayaratne		- Security Deposit Transferred		192,114	
Mr. S. Rajaratnam					
(b) C M Holdings PLC					
Mr. A. Rajaratnam	Common Parent	- Dividend Income	358,535	133,153	
Mr. S.D.R. Arudpragasam		- Dividend Received	(358,535)	(133,153)	
Mr. A.M. de S. Jayaratne					
Mr. S. Rajaratnam					
(c) Colombo Fort Group Services (Private) Limited					
Mr. S.D.R. Arudpragasam	Common Parent	- Part recovery of outstanding (Provision) for impairment of related party receivable	(121,130)	(112,192)	
			9,148	1,543	
(d) Colombo Fort Properties (Private) Limited					
Mr.A. Rajaratnam	Common Parent	- Recovery of Outstanding	-	(54,550)	
Mr.S. Shanmugalingam					
(e) Kotagala Plantations PLC					
Mr. S.D.R. Arudpragasam	Common Parent	- Debenture interest income	1,452,407	1,811,595	
Mr. A.M. de S. Jayaratne		- Debenture redeemed	(5,000,000)	-	
Mr. G.D.V. Perera		- Debenture interest received	(3,444,180)		
(Resigned w.e.f. 31.03.2021)		- (Provision) /Reversal for impairment of related party receivable	2,810,736	(4,579,057)	
(f) Marawila Resorts PLC					
Mr. S.D.R. Arudpragasam	Common Parent	- Recovery of rent & expenses	(59,429)	-	
Mr.T.Theyagamurti		- Expense during the year related party receivables	-	59,429	
Mr. S. Rajaratnam		- (Provision)/Reversal for impairment of related party receivable	1,292	(1,292)	
(g) York Hotel Management Services Ltd					
Mr. S.D.R. Arudpragasam	Common Parent	- (Provision) for impairment of related party receivable	(904,627)	(1,327,432)	
Mr. T. Theyagamurti					
Mr. S. Rajaratnam					
Mr. S. Shanmugalingam					

21.6 The above Note should be read in conjunction with Note 15 to the financial statements.

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	2021 Rs.	2020 Rs.
Secretarial Expenses	(360,000)	(403,600)
Registrar's Fees	(432,000)	(484,704)
Administrative Expenses	(648,000)	(727,056)
Stationery, Photocopy, Postage and Premises Expenses	(177,590)	(135,740)
Funds Advanced	(7,834,290)	-
Settlement of Expenses	1,683,604	1,629,927

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

The Company converted to a loan a sum of Rs. 7.8 Mn out of the funds advanced to Corporate Managers & Secretaries (Pvt) Ltd disclosed in Note 14 to the financial statements, at an interest rate of AWPLR + 2% commencing from 1 April 2021. The loan is repayable on demand. There are no other events after the reporting date, which require adjustment to or disclosure in the financial statements.

25 GOING CONCERN

The Company suspended commercial operations on discontinuance of the lease with The Colombo Fort Land & Building PLC on 31st August 2017. The Board of Directors is currently evaluating the various business opportunities. Therefore, the consideration of going concern is appropriate as the Company will continue the business operations.

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.

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.

Notes to the Financial Statements

27 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT

27.1 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 2021	Financial assets measured at amortised cost		FVOCI equity instruments	Other financial liabilities		Total	Level 1	Level 2	Level 3	Total
	Rs.	Rs.		Rs.	Rs.					
Financial assets measured at fair value										
Equity securities - Quoted	-	6,561,686	-	-	6,561,686	6,561,686	-	-	-	6,561,686
Equity Securities - Unquoted **	-	10,027,238	-	-	10,027,238	-	-	10,027,238	-	10,027,238
	-	16,588,924	-	-	16,588,924	6,561,686	-	10,027,238	-	16,588,924
Financial assets not measured at fair value										
Debt Securities	6,639,962	-	-	-	6,639,962	-	-	-	-	-
Trade and Other receivables *	7,834,290	-	-	-	7,834,290	-	-	-	-	-
Amounts due from related companies	83,091,992	-	-	-	83,091,992	-	-	-	-	-
Short term investments	50,908,264	-	-	-	50,908,264	-	-	-	-	-
Cash and Cash equivalents	4,519,951	-	-	-	4,519,951	-	-	-	-	-
	152,994,459	-	-	-	152,994,459	-	-	-	-	-
Financial Liabilities not measured at fair value										
Other payables	-	-	-	1,454,140	1,454,140	-	-	-	-	-
Amounts due to related parties	-	-	-	-	-	-	-	-	-	-
Bank overdrafts	-	-	-	820,823	820,823	-	-	-	-	-
	-	-	-	2,274,963	2,274,963	-	-	-	-	-

* Trade and other receivables that are not financial assets (Prepayments Rs. 83,000/-) are not included.

** Equity Securities – The Company valued the FVOCI on unquoted equity securities based on the net assets of the investee.

Notes to the Financial Statements

27 FINANCIAL INSTRUMENTS (Continued)

27.1 Accounting classifications and fair value (Continued)

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
Equity Securities - Unquoted	-	10,021,463	-	-	-	10,021,463	-	-	-	-	-	-	10,021,463	-	-	10,021,463
		13,488,773				13,488,773	3,467,310	-	-	-	-	-	10,021,463	-	-	13,488,773
Financial assets not measured at fair value																
Debt Securities	10,820,999	-	-	-	-	10,820,999	-	-	-	-	-	-	-	-	-	-
Trade and Other receivables *	101,581	-	-	-	-	101,581	-	-	-	-	-	-	-	-	-	-
Amounts due from related companies	79,337,660	-	-	-	-	79,337,660	-	-	-	-	-	-	-	-	-	-
Short term investments	66,728,194	-	-	-	-	66,728,194	-	-	-	-	-	-	-	-	-	-
Cash and Cash equivalents	1,244,140	-	-	-	-	1,244,140	-	-	-	-	-	-	-	-	-	-
	158,232,574	-	-	-	-	158,232,574	-	-	-	-	-	-	-	-	-	-
Financial Liabilities not measured at fair value																
Other payables	-	-	-	-	-	1,692,483	1,692,483	-	-	-	-	-	-	-	-	-
Amounts due to related parties	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bank overdrafts	-	-	-	-	-	1,357,135	1,357,135	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	3,049,618	3,049,618	-	-	-	-	-	-	-	-	-

* Trade and other receivables that are not financial assets (Prepayments Rs. 79,873/-, WHT recoverable Rs. 13,376/-) are not included.

Notes to the Financial Statements

28 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

28.1 Risk management

Overview

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

28.1.1 Credit risk

28.1.2 Liquidity risk

28.1.3 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.

28.1.1 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	2021 Rs.	2020 Rs.
Other investments	13	23,228,886	24,309,772
Trade receivables	14	-	93,867
Other receivables	14	7,834,290	7,714
Amounts due from related parties	15	83,091,992	79,337,660
Other financial assets - current	16	50,908,264	66,728,194
Cash and cash equivalents	17	4,519,951	1,244,140
		169,583,383	171,721,347

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

	2021 Rs.	2020 Rs.
Impairment loss on amounts due from related parties	4,120,609	3,266,664
Impairment loss on fixed deposits	22,585	254,878
Impairment loss on debt securities at amortised cost	3,638,082	6,448,818
	7,781,276	9,970,360

Notes to the Financial Statements

28 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	-	4,120,609

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

	2021		2020	
	Carrying value	ECL	Carrying value	ECL
More than 365 days	-	-	93,867	-

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.

	2021			2020		
	12 month ECL	At amortised cost Life time ECL- Not credit impaired	Life time ECL- credit impaired	12 month ECL	At amortised cost Life time ECL- Not credit impaired	Life time ECL- credit impaired
Credit Rating - C to CC	-	10,278,044	-	-	17,269,817	-
Loss allowance	-	(3,638,082)	-	-	(6,448,818)	-
Carrying amount / amortised cost	-	6,639,962	-	-	10,820,999	-

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 fixed deposits have credit risk.

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

Details of the counter parties in which the Company has short term deposits are as follows:

Name of the Bank	Rating	Amount (Rs.)
Commercial Bank of Ceylon PLC	AA-(lka)	21,149,490
Sampath Bank PLC	AA-(lka)	7,414,720
National Development Bank PLC	AA-(lka)	22,028,579
Total		50,592,789

Notes to the Financial Statements

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

For the year ended 31 March 2021

28.1.2 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 consideration, 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 2021	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	1,454,139	(1,454,139)	(1,454,139)	-	-	-
Bank overdraft	820,823	(820,823)	(820,823)	-	-	-
	2,274,962	(2,274,962)	(2,274,962)	-	-	-
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)	-	-	-

28.1.3 Interest rate risk

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

	Carrying amount	
	Company	2020
	2021	2020
	Rs.	Rs.
Fixed rate instruments		
Financial assets	55,428,215	67,972,334
Financial liabilities	820,823	1,357,135
	56,249,038	69,329,469
Variable rate instruments		
Financial assets	-	-
Financial liabilities	-	-
	-	-

Ten Year Summary

31st March,	SIFRS									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
TRADING RESULTS										
Revenue	-	-	-	36,632	80,205	61,511	53,469	48,091	45,011	43,152
Profit before Tax	8,912	4,802	13,111	12,886	44,081	20,574	9,561	9,462	8,784	9,148
Income Tax Expense	(1,627)	(2,722)	(7,290)	(5,868)	(10,999)	(4,928)	(2,100)	(3,170)	1,306	(1,754)
Profit for the period	7,285	2,080	5,821	7,018	33,082	15,646	7,461	6,292	10,090	7,394
CAPITAL EMPLOYED										
Stated Capital	14,400	14,400	14,400	14,400	14,400	14,400	14,400	14,400	14,400	14,400
Property Development Reserve	-	-	-	10,000	10,000	10,000	10,000	10,000	10,000	10,000
General reserve	10,000	10,000	10,000	-	-	-	-	-	-	-
Retained Earnings	119,477	112,192	110,112	109,296	178,778	149,296	136,050	133,388	131,896	126,607
Fair Value Reserve	9,994	6,395	5,994	4,241	4,292	5,345	7,937	4,722	4,696	13,444
Total Equity	153,371	142,987	140,506	137,937	207,470	179,041	168,387	162,510	160,992	164,451
Total Debt	821	1,357	-	445	448	1,505	2,563	1,375	1,078	-
	821	1,357	-	445	207,918	180,546	170,950	163,885	162,070	164,451
ASSETS EMPLOYED										
Investment Property	-	-	-	-	91,569	102,867	114,164	125,461	136,758	148,055
Property, Plant & Equipment	-	-	-	-	12,922	12,438	3,544	3,201	3,537	3,964
Other Non Current Assets	24,126	25,260	27,216	31,540	26,493	27,554	30,732	7,390	7,957	16,368
Current Assets	146,437	147,505	142,502	138,904	129,564	86,020	70,930	80,618	69,589	54,911
Liabilities net of Debt	16,371	27,918	28,711	32,062	52,631	48,333	48,419	52,784	55,771	58,847
	15,868	200,683	198,439	202,506	313,179	277,213	267,789	269,454	273,612	282,145
CASH FLOW										
Net Cash Generated from/(Used in) :										
Operating Activities	(17,869)	(7,251)	(11,621)	9,612	33,067	15,984	7,206	6,949	10,993	10,993
Investing Activities	21,681	3,043	(27,992)	90,983	(33,540)	(4,844)	(17,821)	3,718	1,583	1,584
Financing Activities	-	-	-	(76,500)	(3,600)	(2,400)	(4,800)	(4,800)	(2,672)	(2,672)
KEY INDICATORS										
Return on Shareholders' Equity	5%	1%	4%	5%	16%	9%	4.43%	3.87%	6.27%	4.50%
Earnings Per Share (Rs.)	9.71	2.77	7.76	2.41	2.76	1.30	0.62	0.52	0.84	0.62
Net Asset Per Share (Rs.)	204.49	190.65	187.34	183.92	17.29	14.92	14.03	13.54	13.42	13.70
Market Value Per Share (Rs.)	143.00	62.00	70.10	110.00	12.50	13.00	15.00	13.00	15.00	16.80
Market Capitalisation (Rs.'000)	107,250	46,500	52,575	82,500.00	150,000	156,000	180,000.00	156,000	180,000	201,600
Price Earnings Ratio (Times)	14.73	22.38	9.03	45.64	4.52	10.00	24.19	27.79	17.84	27.10
Current Ratio (Times)	8.94	5.03	4.96	4.27	4.82	5.00	4.47	5.10	4.38	4.38

Information to Shareholders and Investors

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

DISTRIBUTION OF SHAREHOLDINGS

	31st March 2021			31st March 2020		
	No. of Share Holders	Total Share Holdings	%	No. of Share Holders	Total Share Holdings	%
1 - 1,000	1,191	135,859	18.11	1,273	158,757	21.16
1,001 - 10,000	45	116,901	15.59	54	153,426	20.46
10,001 - 100,000	3	127,745	17.03	3	68,322	9.11
100001 - 1,000,000	1	369,495	49.27	1	369,495	49.27
Over - 1,000,000	-	-	-	-	-	-
Total	1,240	750,000	100	1,331	750,000	100

Categories of Shareholders	31st March 2021			31st March 2020		
	No. of Share Holders	Total Share Holdings	Percentage of Total Shares	No. of Share Holders	Total Share Holdings	Percentage of Total Shares
Individuals	1,178	265,268	35.37	1,252	305,902	40.79
Institutions	62	484,732	64.63	79	444,098	59.21
Total	1,240	750,000	100	1,331	750,000	100

Public Holding

The percentage of shares held by the Public as at 31st March, 2021 was 48.47 (31st March, 2020 - 48.47%).

Public Shareholders

The number of public Shareholders as at 31st March, 2021 were 1,225. (31st March, 2020-1,316) The applicable option under CSE Rule 7.13.1 on minimum Public holding is option two and the Float Adjusted Market Capitalization as of 31st March, 2021 was Rs. 51.98 Million.

MARKET VALUE OF SHARES

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

	2020/2021 Rs.	2019/2020 Rs.
Highest Price	325.00	84.30
Lowest Price	53.00	53.50
Market value as at the year end	143.00	62.00

Information to Shareholders and Investors

TWENTY MAJOR SHAREHOLDERS OF THE COMPANY

	31st March 2021		31st March 2020	
	No. of Shares	Holding %	No. of Shares	Holding %
The Colombo Fort Land & Building PLC	369,495	49.27	369,495	49.27
Myland Developments (Pvt) Ltd	76,500	10.20	-	-
Mr. A.M. Weerasinghe	38,844	5.18	38,844	5.18
Mr.D.P.Navaratnam	12,401	1.65	13,427	1.79
Mr. K.T.H. Kallugalla	8,000	1.07	8,000	1.07
Mr. D.S.D. De Lanerolle	7,400	0.99	8,000	1.07
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
U.C. Bandaranayake	5,000	0.67	5,000	0.67
Mr. L.L. Hettiarachchi	4,923	0.66	4,923	0.66
Chatham House Ltd	4,843	0.65	4,843	0.65
Darley Butler & Company Ltd	4,500	0.60	4,500	0.60
Mrs.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 & Finance PLC / S.S.De Fonseka	3,459	0.46	-	-
Mrs.J.A.I.S.Perera	3,200	0.43	-	-
Ms.M.A.I. Nilupa	3,000	0.40	-	-
Mr.W A.D.Siriwardhana	2,781	0.37	4,200	0.56
Creasy Foods Limited	2,500	0.33	3,566	0.48
	568,050	75.76	520,806	69.47

Financial Statistics

	2020/2021 Rs.	2019/2020 Rs.
Earnings per share	9.71	2.77
Net Assets per share	204.49	190.65

Notice of Meeting

NOTICE IS HEREBY GIVEN that the THIRTY FIFTH Annual General Meeting of YORK ARCADE HOLDINGS PLC will be held as a virtual meeting and conducted from the Registered Office of the Company, 8-5/2, Leyden Bastian Road, York Arcade Building, Colombo 1, on Wednesday, 22nd September 2021 at 10.00 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, 2021 with the Report of the Auditors thereon.
2. To re-elect as a Director Mr. Amrit Rajaratnam who retires in accordance with Article 91 of the Articles of Association.
3. To re-elect as a Director, Mr. S. Rajaratnam who retires in terms of Articles 84 and 85 of the Articles of Association.
4. 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 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 a Director, Mr. S.D.R. Arudpragasam, who would have attained the age of seventy years as at the date of the Annual General Meeting. Special Notice has been received from a shareholder of the intention to pass a resolution which is set out below in relation to his reappointment. (See Note No 8 below)
8. To reappoint as Auditor, Messrs. KPMG, Chartered Accountants, and to authorize the Directors to determine their remuneration.

By Order of the Board,

CORPORATE MANAGERS & SECRETARIES (PRIVATE) LIMITED

Secretaries

Colombo

04th August, 2021

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. Please refer the "Circular to Shareholders" dated 4th August 2021 for further instructions relating to the Annual General Meeting and for joining the Meeting virtually.
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.M. de S. Jayaratne who is eighty one 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".

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. Paliheha who is seventy four 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. Paliheha".

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 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. T. Theyagamurti".

8. Resolved -

"That Mr.S.D.R.Arudpragasam who would have attained the age of seventy years as at the date of the Annual General Meeting, 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.S.D.R Arudpragasam."

Form of Proxy

I/We the undersignedof

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

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

Sri Dhaman Rajendram Arudpragasam	of Colombo whom failing
Thechanamurti Theyagamurti	of Colombo whom failing
Sriskandamoorthy 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 whom failing
Amrit Rajaratnam	of Colombo

as my/our Proxy to represent me/us and to speak and to vote on my/our behalf at the Thirty Fifth Annual General Meeting of the Company to be held on 22nd September, 2021 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 one.

.....
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

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