

SINGER®
TRUSTED EXCELLENCE

Singer (Sri Lanka) PLC
Annual Report 2014



A PICTURE IS WORTH A THOUSAND WORDS

The 3rd consecutive
Singer Lifestyle
Exhibition and Fun Fair
reinforced our 'public
preferred' status.

Singer has been in Sri Lanka since 1877, with the first batch of Singer sewing machines being showcased for sale at a Colombo store. From a single brand single product company, Singer has grown into a retail giant with revenue exceeding USD 200 million, continuing to be the favorite brand of Sri Lankans. The Company's successful multi-brand strategy combines products of world's top brands with the Company's own brands.

Today, Singer (Sri Lanka) PLC is a large, diversified company and remains a member of the worldwide franchise of Singer. It is one of the largest and most successful companies in Sri Lanka in the consumer durable sector. Singer's success over the years is attributed to its uncompromised focus on service excellence and the extensive island-wide presence. With over 412 sales outlets and over 100 service touch points, Sri Lankans are assured of a speedy and reliable pre and after sales service.

Its multi-brand, multi-channel business model, under the aegis of the world renowned Singer brand has been a success story throughout. The Company has earned many accolades from the business community as one of Sri Lanka's best corporate citizens among the numerous awards that the Company continues to win, year after year.

CONTENTS

6

Group at a Glance

We have over 500,000 online & mobile users and over 4.5 million household users. Our staff consists of 1,762 members.

7

Financial Highlights

16.5%

Group Revenue during the year grew by 16.5% to reach Rs. 29.7 billion, whilst revenue for the Company increased by 14.4% compared to prior year and reached Rs. 27.1 billion.

8

Chairman's Letter



We recognised the importance of after sales service in a consumer durable business as far back as 1985 when the service franchise network, which is today the largest such network in any industry, originated. By diligently mapping out the requirements of every sales outlets, we have a service point virtually at the door step of every consumer. The service network is monitored by 13 company owned service centres.

12

Group Chief Executive Officer's Review



The current year saw the Company further strengthening its brand portfolio with the introduction of SONY, SHARP, DELL, HP and MITSUBISHI brands.

18

Board of Directors

22

Management Team

26

Steering Ahead on Target



40

2014 Results in Perspective



Singer Group recorded its historically highest ever revenue of Rs. 29.7 billion, this was a growth of 16.5% over prior year. Correspondingly, the bottom line of both Group and Company grew by 49.7% to reach Rs. 781.6 million and 53.6% to Rs. 463.6 million respectively.

48

Shaping a Sustainable Society

As an employment creator we strive to establish jobs that are fulfilling and sustainable



86

The Way We Manage

122

Protecting Ourselves

128

Audit Committee Report

129

Remuneration Committee Report

133

Financial Reports

Profit for the Year

49.7%

2014 -	Rs. 781,634,227
--------	-----------------

2013 -	Rs. 522,065,724
--------	-----------------

Total Assets

10.5%

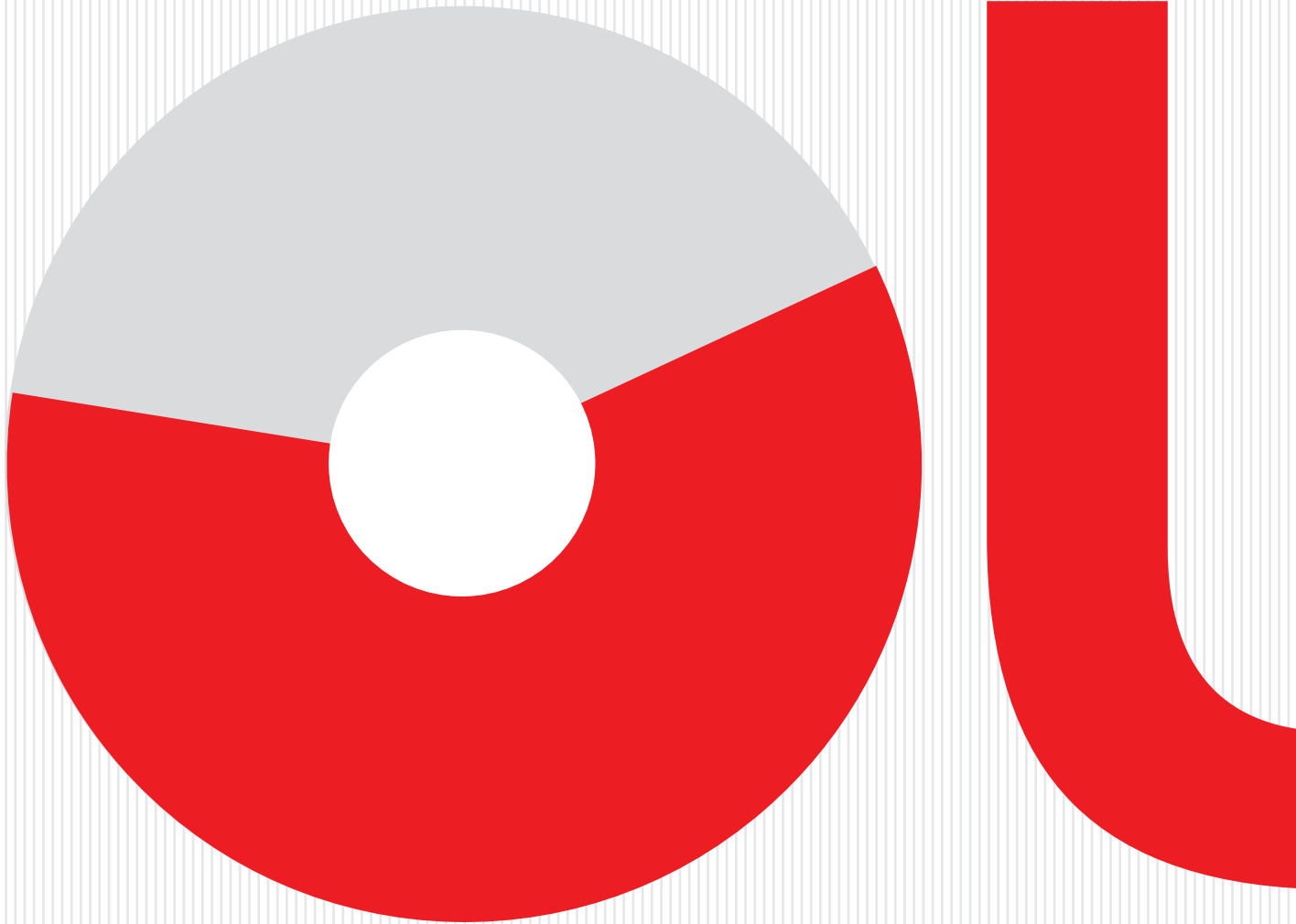
2014 -	Rs. 27,437,058,432
--------	--------------------

2013 -	Rs. 24,562,527,687
--------	--------------------

Annual Report of the Board of Directors on the Affairs of the Company	135
Statement of Directors' Responsibility	140
Independent Auditors' Report	141
Statement of Profit or Loss and Other Comprehensive Income	142
Statement of Financial Position	143
Statement of Changes in Equity	144
Statement of Cash Flows	146
Notes to the Financial Statements	147
A Decade in Perspective	200
Share Information	201
Distribution Network	205
Service Network and Fashion Academy Network	206
Glossary of Financial Terms	207
Notice of Annual General Meeting	208
Form of Proxy	Enclosed

VISION

To be the foremost
appliance retailer in
Asia Pacific



VALUES

Consumers

We live up to the expectations of a responsible organisation by contributing to the improvement in the quality of life of our customers through outstanding products and services

Shareholders

We provide a reasonable return while safeguarding their investment

Employees

We respect each other as individuals and encourage cross functional teamwork while providing opportunities for career development

OBJECTIVES

To be the market leader in our Product and Market Segment

Provide our consumers with the Best Service and Shopping Experience in the Island

Provide our Consumers with Products of Latest Technology

MISSION

To improve quality of life
by providing comforts and
conveniences at fair prices



Suppliers

We develop our suppliers to be partners in progress and we share our growth with them

Competitors

We respect our competitors and recognise their contribution to market value

Community

We conduct our business by conforming to the ethics of our country and share the social responsibility of the less fortunate

Environment

We make every effort to ensure that the environment is protected and conserved for future generations

Develop our Employees to achieve their real Potential

We respect our competitors and recognise their contribution to market value

Provide our Shareholders with steady Asset Growth and Return on Investment above our Industry Norm

Grow our Revenue and Profits at a rate above the Industry Norm

GROUP AT A GLANCE



Over 500,000

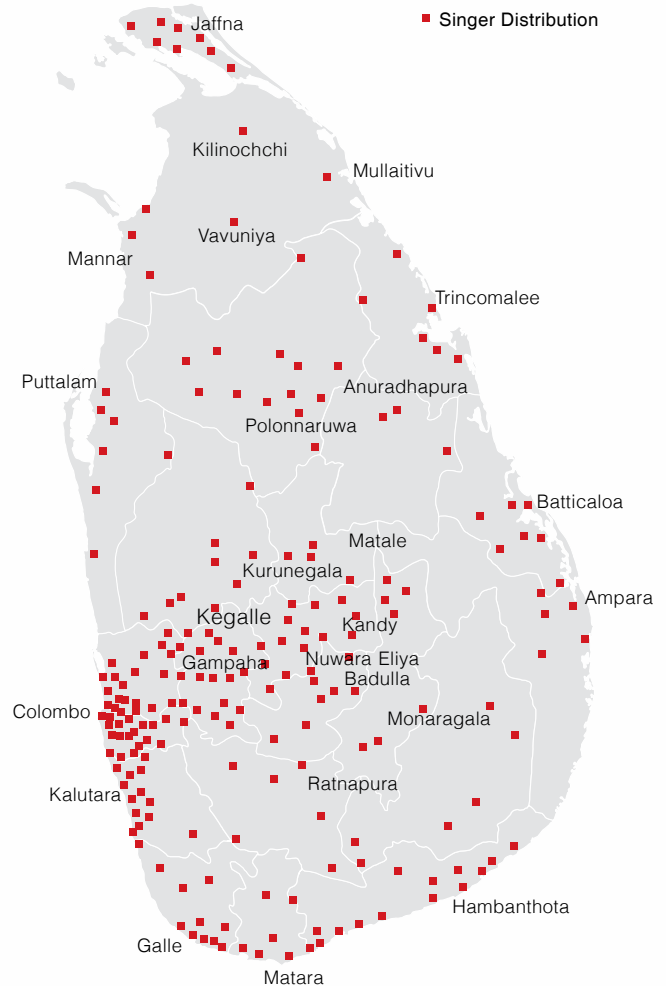
Online and Mobile Users

Over 4.5 million

Household Users

1,762 members

Singer Staff



Our Retail Presence

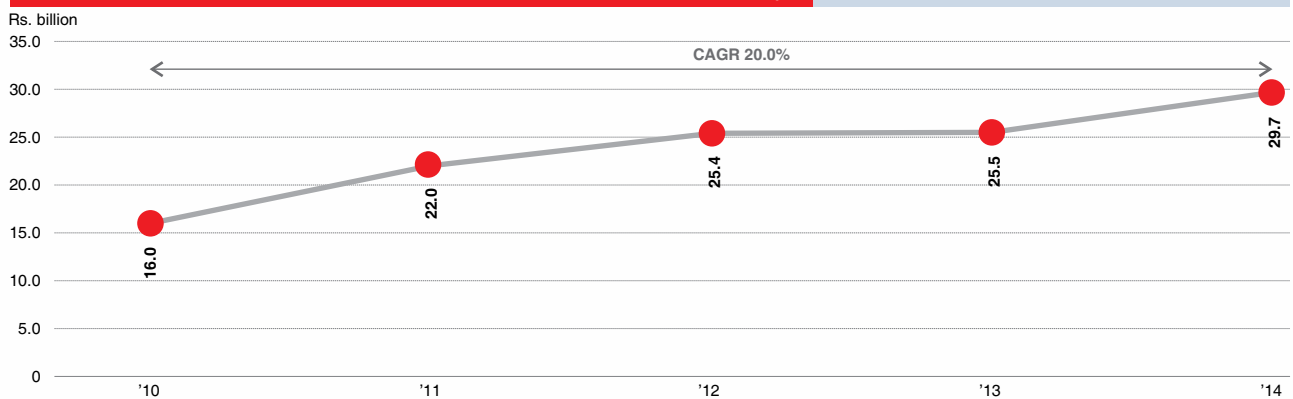
Province	Singer Mega	Singer Plus	Singer Homes	Satellite Shops	SISIL World	Total
Central	2	21	1	15	6	45
Eastern	-	20	-	3	2	25
Northern	-	10	-	2	4	16
Southern	-	25	1	17	6	49
Western	17	77	8	13	22	137
North Western	-	19	2	11	5	37
North Central	-	17	1	14	2	34
Uva	-	13	1	12	3	29
Sabaragamuwa	-	17	2	10	11	40
Total	19	219	16	97	61	412

Revenue

29.7
2014

Rs. billion

+ 16.5%



FINANCIAL HIGHLIGHTS

	Group			Company		
	2014 Rs. '000	2013 Rs. '000	Increased/ (Decreased) %	2014 Rs. '000	2013 Rs. '000	Increased/ (Decreased) %
Revenue - Net	29,699,602	25,485,561	16.5	27,130,594	23,717,117	14.4
Net Finance Cost	991,328	1,260,157	(21.3)	1,047,408	1,218,111	(14.0)
Share of Profit of Equity Accounted Investees (Net of Income Tax)	1,963	1,283	53.0	–	–	–
Profit before Tax	1,155,608	728,440	58.6	660,261	448,034	47.4
Profit for the Year	781,634	522,066	49.7	463,631	301,894	53.6
Total Comprehensive Income for the Year	891,279	519,059	71.7	574,839	299,210	92.1
Stated Capital	626,048	626,048	–	626,048	626,048	–
Revenue Reserve	3,842,675	3,447,544	11.5	3,082,301	2,928,810	5.2
Revaluation Reserve	870,358	762,034	14.2	870,358	762,034	14.2
Non-Controlling Interest	441,960	395,902	11.6	–	–	–
Total Equity	5,917,169	5,359,975	10.4	4,578,707	4,316,892	6.1
Property, Plant & Equipment - Net	2,667,909	2,505,355	6.5	2,603,691	2,434,878	6.9
Investments	72,250	70,287	2.8	1,201,545	1,196,545	0.4
Net-Current Assets	3,231,054	2,969,736	8.8	3,185,142	3,084,893	3.2
Gross Dividends*	N/A	N/A	–	313,024	313,024	–
Dividend per Share - Rs.	N/A	N/A	–	2.50	2.50	–
Dividend Payout Ratio - %	N/A	N/A	(35.3)	67.56	103.73	(34.9)
Earnings per Share - Rs.	5.70	3.69	54.5	3.70	2.41	53.5
Price Earnings Ratio - Times	N/A	N/A	–	31.86	36.93	(13.7)
Net Assets per Share - Rs.	43.73	39.65	10.3	36.57	34.48	6.1
Market Value per Share - 31st December - Rs.	N/A	N/A	–	117.90	89.00	32.5
Net Income to Net Turnover - %	2.63	2.05	28.5	1.71	1.27	34.3
Return on Average Net Assets/Equity - %	13.90	9.51	46.2	10.42	6.65	56.9
Debt Ratio - %	78.43	78.18	0.3	77.00	75.52	2.0
Gearing Ratio	0.65	0.66	(2.0)	0.68	0.68	–
Interest Cover - Times	2.17	1.58	37.3	1.63	1.37	19.2
Dividend Cover - Times	N/A	N/A	–	1.48	0.96	53.6
Current Ratio - Times	1.21	1.23	(1.6)	1.29	1.34	(3.6)
Acid Ratio - Times	0.85	0.83	2.4	0.82	0.77	5.9
Net Debt to Equity Ratio - Times	3.44	3.45	(0.3)	3.15	2.96	6.4

* Includes Authorised Final Dividends of the Company.

CHAIRMAN'S LETTER



Dear Shareholders,

This was an year where retail markets came alive towards the 2nd half. Perhaps the unprecedented expenditure in relation to Presidential Elections streamed goods and cash into the economy, reawakening a hitherto sluggish market towards the 4th quarter. G.D.P. growth estimated at 7.2% positions Sri Lanka in the forefront as the fastest growing South Asian nation, ahead of the regional average of 5.3%. The economy is dominated by the services sector with the key drivers wholesale and retail, transport and communications, banking, insurance and real estate, accounting for over 60% of overall G.D.P. These sector trends are expected to shape the economy upto the end of the 2nd decade of this new millennium.

Anticipating Sri Lanka's newly arising prosperity as a middle income nation, retail outlets expanded rapidly in the food and beverage and household consumer durables sectors, stimulating a competitive condition for these trades. Latecomers did find difficulty in 'footholding' in the market against long established, credible market leaders. By the end of this decade we foresee 3 players dominating each sector, following trends seen in Regional Markets. Share of private consumption expenditure at current market prices for furnishings and household goods remains at a lowly 4% and the real challenge for this sector is to collectively expand our share of business by revolutionary changes to goods, services, customer care and other deliverables. We must ask ourselves, who our real competitors are?

The 2015 National Budget initiatives which culminated in salaries of Government servants increasing will lead to consumer discretionary household spending budgets growing

Managing the marketing mix and befitting from the economies of scale of a **rapid expansion** of distribution will be the key to growth at the point of net return.

exponentially. Before adjusting for margin of error for households where both spouses are gainfully employed in government, this measure will favour 25% or 1.3 million of all households in Sri Lanka and deepen private consumption in retail markets. Whether the consumer durables sector can gain a larger than traditional share will depend on its dynamism to offer more attractive trades than other competitive sectors all chasing after a common pool of 'new income'.

In this background the Company revenue grew by 14.4% and the Group by 16.5% respectively. 'Same Store' sales increased by 11% with Singer Mega channel growing by 17%. All Retail channels grew by double digits and the sustainability of a multiplicity of channels is reassured.

The emerging evidence from the Durables retail market is:

- a) Early trends of an egalitarian society with strengthening of the rural base and a greater contribution to society from rural provincial administrations.
- b) Longevity of our consumer base and the increasing potential of the 'Lifetime Value' of our loyal customers.
- c) Emerging of the 'New millenials' with growing salaried youth in the middle market and late marriages, enhancing the buying power of single unmarried consumers.
- d) Advantage of cost effectiveness that follows rapid expansion of scale in the retailing landscape.
- e) Futuristic potent of web-related marketing communications and the opportunity for web based and traditional 'marcom' linking together to even out and deliver cost effective advertising.

Singer is positioned to benefit from each of these trends and be the industry pacesetter as the economy unfolds in the second half of this decade.

The Year's Review

Addition of 'SONY' to our portfolio as a key company managed brand was the highlight of the year. Previously, we held limited right to distribute 'SONY'. Now the landscape has expanded to cover the entire island. 'SONY' is a well loved heritage brand in Sri Lanka for the audio video arena and given the opportunity will return as a major player.

My comments will be limited to selected product/brand categories in response to limited space.

- Election years always stimulate sewing sales. A gift of a sewing machine is a good campaign idea to encourage cottage industry and single parent families, the fall out from a long protracted war. Artisan machines enjoying tariff concessions grew exponentially. 'Home built', machines with less revolutions per minute was less competitive in feature.
- Singer's policy of introducing 'home built' models periodically paid dividends as the Singer 'Geo' and SISIL 'Eco' refrigerators collectively sold close to 100,000 units taking command and promising sustainable growth.
- Washers recovered with double digit growth with auto models on the increase. When researching the White Goods market, while most Asian countries sell washers one for one with refrigerators, the local market is diminished with a low 50% ratio for washers. Singer is known for its role in finding strategic solutions for market aberrations and this is a challenge we have to confront as the dominant White Goods player in the block.
- Television market is now in slow growth phase with penetration nearing 100%. What is prominent is event related spikes such as elections and world cup cricket and rugby. Emergence of the panel units provoked an exciting replacement phase which is largely over. We can depend on Sony to edge out competition in the run up for 2015 and make the difference.
- I reiterate the comments reserved in my last few reports that Singer has a great opportunity of becoming the market leader in Furniture by 'say' 2020. As the distribution unfolds into the larger format Singer Plus stores, visibility and availability will increase in relevance. We need to focus on product development which is perpetual for home furniture.
- The rapid growth of Mobile Phones is a new phenomena of the category mix. Singer is emerging as a leader in Smartphones, with HUAWAI, SAMSUNG and SONY as the offer. While exponential growth in revenue has significant impact on our income statement low margins and high attrition rates, which are the characteristics of this volatile industry needs attention.

We recognised the importance of after sales service in a consumer durable business as far back as 1985 when the service franchise network, which is **today the largest such network in any industry, originated.**

Markets are expected to be buoyed by a high flush of money into consumer pockets and Singer is poised to gain from enhanced spending due to the versatility of its structure. Managing the marketing mix and befitting from the economies of scale of a rapid expansion of distribution will be the key to growth at the point of net return.

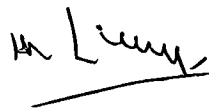
Our Service Platform

One of Singer's comparative advantages, if not its major, is After Sales Service. We recognised the importance of after sales service in a consumer durable business as far back as 1985 when the service franchise network, which is today the largest such network in any industry, originated. Buyers of White Goods and consumer electronics attach great importance to selecting a brand that has a proven track record in after sales service and parts delivery and is a key criteria before a buying decision is comprehended. This is therefore a by-product of the ultimate sales transaction which includes a whole set of privileges such as extended warranty. By diligently mapping out the requirements of every sales outlets, we have a service point virtually at the door step of every consumer. The service network is monitored by 13 company owned service centres. Outstanding service calls turnaround time and time taken for completing a job are K.P.I.'s and any outstanding job ticket is flagged by Senior Management for urgent remedial action. When dealing with a consumer base that is upto 4.5 Million households we have to maintain this high profile in service as the most popular brand by the "People's Choice" in the annual A.C. Nielsen Survey.

I will be retiring after the Annual General Meeting, having served the group for 42 and as your Chairman for 30 years. During this period, I was able to motivate and develop a wide spectrum of employees of every category to reach upto their true potential and to serve our consumers diligently as our lifetime partners by enhancing their life style with quality goods and services and wish to be remembered for these initiatives.

Finally, may I wish everyone connected with this great organisation every happiness as they wind their way through the 'long journey'.

Sincerely,



Hemaka Amarasuriya
Chairman
27th February 2015

Directorate

Deshabandu Ajit Jayaratne is not seeking re-election for another term. He served for 9 years as a Board Member. He chaired the important Board Sub Committee on Audit and Compliance and brought a wealth of experience from varied business disciplines and as a former Chairman of the Ceylon Chamber of Commerce and a long standing High Commissioner for his country. We wish him well as he continues his journey within the Business Community.

GROUP CHIEF EXECUTIVE OFFICER'S REVIEW

Dear Shareholders,

The Environment

Over the year 2014, quarter by quarter we witnessed an improvement in the business environment over that of the prior year. The year witnessed a severe drought impacting the crops and harvest, which then was followed by heavy rains and floods in the latter part of the year. During the year credit growth to the private sector remained low and impacted the markets negatively. Nevertheless, the continuous low interest regime helped to increase consumer spending. The electricity tariff reductions and gas price reductions in September also helped to increase consumer spending in the final quarter. Exchange rates remained stable during the year.

It was a very active year for politics - with Provincial Council Elections in March and September and in November/December the campaign for the Presidential Elections. The elections did not disrupt consumer or promotional activities, since to a great extent they were conducted peacefully. However, the country was rocked by religious unrest in the middle of 2014, causing deaths from riots after a lapse of 30 years.



The current year saw the Company further strengthening its brand portfolio with the introduction of SONY, SHARP, DELL, HP and MITSUBISHI, brands.

as a percentage of total market been replaced by Smartphones. In the White Goods sector, we pioneered the introduction of Refrigerators with R600a gas in Sri Lanka. This was however a technology available in the developed countries.

The Sri Lankan consumer continues to change his lifestyle and improve his living standards.

Our Strategies and Actions

Our Strategies and Actions during the year were as follows:

- a) We took defensive measures to counter the adverse business environment, especially in the early part of the year. These are elaborated in the next section.
- b) We took advantage of the opportunities brought up by the challenging environment. These included opportunities to get new brands and distributorships. There are very good locations which fall vacant in challenging times - we were able to get some of these. Further, it is easier to secure long-term leases on lower rents and we have done this.
- c) We continued to improve our products, brands, channels and infrastructure. All these are elaborated below in several sections under Products, Brands and Sourcing, Channels and Distribution, etc.
- d) We initiated actions, especially in the latter part of the year to grow the revenues and profits by increasing our advertisements and promotions, availability of inventory, etc.
- e) We initiated actions to reap the returns on investments made in the year and prior years to grow the business, revenue and profits.

Defensive Measures

When collections were difficult, the strong systems and culture at Singer supplemented by an online real time ERP system, use of Call Centre for collections, use of reminders by SMS for collections together with traditional collection drives ensured that our arrears were well under control. The Company controlled sales in the dealer channel to ensure that they did not get into arrears.

The Company continued to have several clearance sales and programmes to ensure that aging and obsolete inventory were cleared.

We believe that in the difficult environment, our control of arrears, control of aging inventory as well as sales were better than the industry and thereby we emerged stronger in our business environment.

Products, Brands and Sourcing

We continued to position ourselves to be the preferred consumer durable retailer/wholesaler to meet the requirements of the customers.

The current year saw the Company further strengthening its brand portfolio with the introduction of SONY, SHARP, DELL, HP and MITSUBISHI, brands. In order to rationalise brands, the Company continued to give up some brands, which did not live up to expectations.

In the current year all segments recorded growth except the transportation segment.

The largest segment - White Goods saw revenue increasing by 15% due to increase in sales of refrigerators and washing machines.

The refrigerator market remained dull, but with the introduction of the GEO range of refrigerators under Singer Brand and the ECO range of refrigerators under the SISIL brand, the Company embarked on a major marketing campaign and this resulted in a surge of sales for these models. These models use R600a gas which is environment-friendly and saves electricity for the consumers. Not only did we pioneer the use of this gas in Sri Lanka, but we changed the entire Sri Lankan market to change to sell refrigerators with R600a gas. Overall unit sales increased by 10%.

Washing machine sales increased by 32% due to marketing campaigns and promotions. Growth was also recorded in air conditioners, fans, air coolers and bottle coolers.

The second largest segment Electronics saw revenue increasing by 8%. Our panel televisions in unit terms increased by 14% but since

On the technological front the environment continued to have rapid changes, especially in the electronics and digital media sectors. As mentioned last year, LCD televisions are now an obsolete product replaced by LED televisions. Within the LED category we saw the emergence of 3D televisions, Smart televisions, Ultra High Definition televisions and Curved televisions. In the mobile phone sector, the Feature phones continue to decline

CRT television units declined due to lack of reliable global suppliers, total television unit sales grew only 3%. We saw a shift in preference for mid size televisions of 28" and 32" instead of 23" and 24". At the top end we sold 80" televisions and the Curved and UHD (Ultra High Definition) televisions in addition to 3D and Smart televisions. Audios recorded a decrease, while home theatres increased.

The third largest segment - the Communication and Digital Media consisting of computers, phones, etc., grew by 39% on top of a revenue growth of 80% in 2013 and 30% growth in 2012.

The main driver here was mobile phones. In unit terms, Smartphone sales increased by 174% and feature phone sales increased by 205%. During some quarters of the year, we estimate that our Group was the market leader for Smartphones. We market four key brands; HUAWEI, SONY, INTEX and SAMSUNG – In case of the first three, we are the sole distributor. SONY branded phones were introduced during this year.

In case of computers, the sales decreased by 11%. However, it picked up in the latter period. In the 3rd quarter we introduced DELL and HP brands to the portfolio.

To manage this sector better, the Company launched a new 100%-owned subsidiary named Singer Digital Media (Pvt) Ltd.

The sewing-related products segment increased by 27% as the demand picked up in the second half.

The furniture revenue grew by 8%. This was due to increase in distribution, introduction of new models and further improvements to our manufacturings.

The kitchen related products segment revenue increased by 17%. Agro segment increased by 30%, while transportation segment decreased by 8% as we decided to exist most of the motorbike segment due to its low profits.

The Singer Lifestyle Exhibition, which showcased the vast array of our products and brands to the public, was held once again at the BMICH in Colombo. We also conducted a lower scale exhibition in Galle in the month of April.

By using our strength and breath in sourcing of products, we were able to supply high quality products at very reasonable prices. We continued to introduce new product lines and new models. We continued to bring the latest models and latest technology within each product line.

Singer stepped up its presence in social media with the Singer Facebook Page counting over 200,000 fans.

Channels and Distribution

Singer continued to strengthen its Distribution channels.

The Digital Media channel which was introduced in 2012 continued to grow. After giving a growth of 602% in 2013, it grew by a further 198% in 2014 and is now one of our major channels. The channel works through distributors and reaches over 1,800 small outlets selling mobile phones, accessories and connections.

The Central Air Condition channel was the other new channel. It had won several contracts in 2013 and grew to a moderate channel in the current year. It is working on a number of projects and Singer is now recognised as a strong player in this sector.

Singer Plus channel opened 4 new outlets including Satellite showrooms, upgraded 8 Satellite showrooms to Singer Plus showrooms. SISIL World channel opened 4 new showrooms, Mega channel opened one new showroom and Singer Homes opened one new showroom. The total number of shops of Singer Group now stands at 412.

The Company renovated 26 existing shops. With the upgrades, new shops and renovations a total of 44 new shops were provided with a complete uplift to reach the high merchandising standards practiced by the Company. These will be compatible with market developments in future as well.

The new loyalty programme linked to our ERP system was launched in 2013. At the end of 2014, the membership increased to 310,000. We plan to give our loyal customers various benefits from other organisations as well as from Singer.

The Wholesale network too continued to strengthen with addition of new dealers.

The furniture section of the Wholesale channel expanded further and added new exclusive furniture dealers. The Furniture Wholesale channel, which grew by 75% on a small base, is expected to grow steeply in 2015.

During the year, the Company expanded its B2B operations especially in computers, furniture and air conditioners.

The Company's E-commerce business also grew sharply on a small base and apart from our own website, we partnered several E-commerce sites.

Financial Services and Credit

Under Financial Services, customers can enjoy the following services at all Singer shops:

- Pay utility bills, credit card bills and insurance premiums;
- Obtain mobile phone reloads;
- Collect funds remitted through Western Union; and
- Upload funds and withdraw funds using mobile cash.

During the year, the Company expanded its services to include Lanka Electricity Company (Pvt) Ltd.

Financial Services volumes increased by 7%, while the number of transactions grew by 3%. It is noteworthy that an average of 210,000 transactions took place in our shops each month and we collected/paid out Rs. 6.5 billion on financial services.

The Company continued to offer a wide range of easy payment plans through its own, through Singer Finance, through other banks and finance companies and through credit and debit cards. During the year, the Company tied up with Amāna Bank too to provide financing to our customers.

Human Resources

The Company places great emphasis on its Human Resources and details are given in the Sustainability Report. The Company had very good industrial relations during the year. The Company continued its engagement activities and events for employees as well as their families and increased the development and training for its staff as well as for our partners and their staff.

Among the new engagement and development activities undertaken were the creation of the Rotoract Club of Singer and the Inter-Departmental Quiz Competition. We were informed that we may have created history as the Rotoract Club is probably the world's first Rotoract Club in a corporate.

During the year, Singer was placed among the Top 15 Great Places to Work in Sri Lanka.

After Sales Service

Singer continued to have the best After Sales Offering to the consumers in Sri Lanka. A new Regional Service Centre was added in Badulla. During the year we took steps to further improve our service by using the call centre and by using special pick-up/delivery service in rural areas.

A project worked on in 2014, but which will be completed in 2015 is for an enhanced After Sales Service using Mobile Apps. This will initially commence for after sales service of mobile phones.

Manufacturing

The manufacturing division of the Company consists of Agro and Furniture factories. The value of production increased by 24% over the prior year.

The production of domestic pumps increased by 50% due to higher demand, arising out of weather conditions. The furniture production had a marginal increase.

The factory continued to introduce new models including a Submersible pump and a 0.8 HP Jet pump.

Information and Communication Technology

We continue to make enhancements to the ERP system. The online real-time system enables us to get updated information, so that corrective action can be taken without any delay.

Key enhancements done were on using a demand planning system for forecasting and enabling mobile interphase with the ERP system.

The Company continued to send out reminders to customers via SMS on their instalments due for payment. This state-of-the-art technology used by us is not even used by many banks and financial institutions.

The Company also continued to send marketing and promotional news to our customer data base. Outside of telecommunication companies, Singer probably has the largest communication by SMS to its customers.

The Call Centre had close to 344,000 inbound/outbound calls. These related to after sales service, marketing and promotions and follow up on hire purchase credit.

Singer Finance (Lanka) PLC

The Company's subsidiary Singer Finance (Lanka) PLC, recorded a strong performance amidst challenging business conditions for the entire finance company sector.

The Company obtained license from the Central Bank of Sri Lanka to issue credit and debit cards. Singer Finance is the first finance company in Sri Lanka to obtain a license for credit cards.

Under the Central Bank merger proposals, Singer Finance had the distinction of been categorised as an 'A' category finance company. The Company had several discussions to acquire another finance company, but as of date did not finalise any acquisition.

Singer Finance revenue increased by 5% to Rs. 1,949 million, while the net profit grew by 12% to Rs. 342.4 million. The lending portfolio in December 2014 had a 14% growth over the prior year.

Singer Finance (Lanka) PLC converted service outlets in Galle and Mahiyangana to branches during the year.

The Company continued to take over hire purchase lending operations at the Singer Mega outlets and increased its focus on consumer durable group sales with a view to converge on the strengths of the Parent Company.

Sustainability and Corporate Social Responsibility

Singer believes that it is our duty to safeguard the environment and to carry out Social Responsibility Projects. The work done on these areas are described in pages 48 to 78.

Singer is very proud to continue to be in the Top Ten Best Corporate Citizens in the country. In addition, Singer won the Sector Award for Environmental Value Addition and Governance.

The Financial Results for the Year

Whilst I would not go into details, as this is given in the '2014 Results in Perspective', it is important to list significant areas in this review.

The Singer Group ended the year with Revenue reaching Rs. 29.7 billion - a growth of 16.5% over the prior year. Over the year, we saw an improved trend for revenues, when comparing with the same period of the previous year.

Quarterly Revenue Growth Versus Prior Year (declines in brackets)

	2014 %	2013 %
1st Quarter	8	1
2nd Quarter	14	(1)
3rd Quarter	15	(3)
4th Quarter	27	3

The Group net profit for the year is Rs. 781.6 million, which is an increase of 50% when compared with prior year. In case of the Company, net profit for the year was Rs. 463.6 million, which is an increase of 54%.

The Group total comprehensive income for the year is Rs. 891.3 million, which is a 72% growth when compared with prior year. In case of the Company, total comprehensive income is Rs. 574.8 million, which is a 92% growth when compared with prior year.

Singer is very proud to continue to be in the **Top Ten Best Corporate Citizens in the country**. In addition, Singer won the Sector Award for Environmental Value Addition and Governance.

However we need to bear in mind that both the Group and the Company had a sharp decline in profits in 2013 and while there is a good recovery in 2014 over that of 2013, that the profit for the year as well as total comprehensive income is still below that of 2012.

The revenue and profit growth can be attributed to an improvement in the overall business environment as well as due to initiatives taken by the Group, which are mentioned in the preceding sections of this review.

Changes in the Board and the Management

Mr. Hemaka Amarasuriya, Chairman of Singer (Sri Lanka) PLC will retire after the Annual General Meeting.

Mr. Hemaka Amarasuriya began his very distinguished career in the Singer Group when he joined Singer Industries (Ceylon) PLC as the Administrative Accountant in 1973. He joined Singer (Sri Lanka) PLC when he was appointed as Finance Director in 1977. He was appointed as Managing Director of the Singer Group on 1st January 1985 and Chairman on 1st November 1985 and appointed as Non-Executive Chairman on 1st July 2010.

Mr. Hemaka Amarasuriya amongst other achievements, expanded the product portfolio of Singer, made it a multi branded and multi-channel retailer and set up the manufacturing complexes both at Singer (Sri Lanka) and Associate Companies during his tenure of office. Singer Finance (Lanka) PLC also commenced operations during this period.

I thank Mr. Hemaka Amarasuriya for his immense and valuable contribution to the Singer Group.

Dr. Saman Kelegama will succeed Mr. Hemaka Amarasuriya. Dr. Saman Kelegama has been associated with the Singer Group since June 2006 and is currently Chairman of Singer Finance (Lanka) PLC. Dr. Saman Kelegama is the Executive Director of the Institute of Policy Studies of Sri Lanka and an eminent economist. I welcome Dr. Saman Kelegama as Chairman of Singer Group and wish him all the best.

Deshabandu Ajit Jayaratne will not be seeking re-election at the Annual General Meeting. Deshabandu Ajit Jayaratne joined the Board of Singer

(Sri Lanka) PLC in June 2006. I wish to thank Deshabandu Ajit Jayaratne for his valuable advice and guidance during his term as an Independent Director of the Board.

Professor Uditha Liyanage joined the Board of Directors on 9th May 2014. He is Professor of Management of the Postgraduate Institute of Management (PIM), University of Sri Jayawardenapura and counts over 15 years of experience in industry followed by career in academia. I wish Professor Liyanage all the best.

Mr. Vidya Vidyaratne retired as the General Manager - Factories on 30th September 2014. Mr. Vidyaratne was an Alternate Director of Singer (Sri Lanka) PLC from August 2004. Mr. Vidyaratne started his career in the Singer Group in January 1982. In January 1988, he was transferred to Regnis (Lanka) PLC as Factory Manager. He was appointed as Group Manufacturing Director in 1992. Mr. Vidyaratne was instrumental in setting up Singer (Sri Lanka) PLC manufacturing complexes of water pumps and furniture.

Mr. Priyath Salgado, Finance Director retired on 30th June 2014. Mr. Salgado was an Alternate Director of Singer (Sri Lanka) PLC from May 2008. He joined the Company in November 1987 and held many positions including Credit Director and Finance Director. Mr. Salgado steered the finance and credit activities of the Company for many years.

I thank Mr. Vidya Vidyaratne and Mr. Priyath Salgado for the excellent work done by them over many years to the Singer Group.

Mr. Lalith Yatiwella succeeded as Finance Director with effect from 1st July 2014. He was appointed as an Alternate Director in August 2014. Mr. Yatiwella joined the Company in March 2003.

Mr. Ajith Paranavitane was appointed as an Alternate Director in November 2014. Mr. Ajith Paranavitane is the Director - Information Technology and is also a Vice-President of Singer Asia. Mr. Ajith Paranavitane had two stints at Singer (Sri Lanka) PLC firstly, from 1987 to 1999 and again from the year 2000.

I wish Mr. Lalith Yatiwella and Mr. Ajith Paranavitane continued success in the coming years.

Conclusion

I wish to place on record my appreciation of all our staff for their contribution and commitment in this year of recovery. There was exceptional contribution across all ranks and all Divisions and Departments in the Group.

I also thank the Chairman of Singer (Sri Lanka) PLC and the Chief Executive Officer of Singer Asia for their continued guidance, support and the encouragement in overcoming challenges.

I also thank the Board of Directors of the Company, and the Chairman and Board of Directors of Singer Asia for their valuable support and guidance.

I also thank all our Shareholders for their continued trust in the Board of Directors and the Management of the Company.

Sincerely,



Asoka Pieris
Group Chief Executive Officer

27th February 2015

BOARD OF



Hemaka Amarasuriya

Chairman

Chairman and former Managing Director of the Singer Group of Companies in Sri Lanka, Current Chairman of Sri Lanka Insurance Corporation Ltd. and former Chairman of National Development Bank PLC.

Mr. Amarasuriya holds Directorships in several listed and Non-listed companies. He is a former Vice-President of Retail Holdings Ltd., USA and of Singer Asia Ltd. and also a former Chairman of the Singer Business Council worldwide.

Founder President of the Industrial Association of Sri Lanka. Currently Chairman of Regional Industrial Service Committee (RISC), Southern Province of the Ministry of Industrial Development and Commerce. Former Chairman of Employers' Federation of Ceylon, Served on the Presidential Task Force on Science and Technology, on the Securities and Exchange Commission and Advisory Committee on Company Law at different times.

Fellow of The Institute of Chartered Accountants of Sri Lanka, Fellow of the Chartered Institute of Management Accountants - UK, Chartered Global Management Accountant, Fellow of the Chartered Institute of Marketing - UK, Diploma in Marketing Management and Strategy from New York University, USA. His role in the marketing field has been recognised by his appointment as the founder President of the Chartered Institute of Marketing (Sri Lanka Region) and by the 'Asia Retail Congress' with the 'Retail Leadership, Award for his contribution to retailing in Asia' and also by the Chartered Institute of Marketing - UK as a 'Visionary Business leader for his invaluable contribution to the marketing profession in initiating revolutionary changes in consumer markets.'



Dr. Saman Kelegama

Director

Joined the Board of Singer (Sri Lanka) PLC as Director on 1st June 2006.

Chairman of Singer Finance (Lanka) PLC, Director, Regnis (Lanka) PLC, S C Securities, Industrial Development Board (IDB), National Enterprise Development Authority (NEDA) and the Postgraduate Institute of Management (PIM).

Executive Director, Institute of Policy Studies of Sri Lanka, Fellow, National Academy of Sciences in Sri Lanka, former President and Honorary Fellow of the Sri Lanka Economic Association and author of several publications on the economy of Sri Lanka.

D.Phil (Economics), Oxford University, UK.



Deshabandu Ajit Jayaratne

Director

Joined the Board of Singer (Sri Lanka) PLC as Director on 1st June 2006.

Director of Singer Industries (Ceylon) PLC, ACL Cables Ltd., Overseas Realty (Ceylon) Ltd., C.W. Mackie & Co. Ltd., Colombo Fort Land & Building Co. PLC, Colombo Fort Investment PLC, Colombo Fort Investment Trust PLC, CM Holdings PLC, York Arcade Holdings PLC, Mireka Capital Land Ltd. and Kotagala Plantations PLC.

Former Chairman of Colombo Stock Exchange and Ceylon Chamber of Commerce and Former High Commissioner of Sri Lanka to Singapore.

BSc (Economics), University of Southampton, Fellow of The Institute of Chartered Accountants of Sri Lanka, Fellow of the Institute of Chartered Accountants of England and Wales.

DIRECTORS



Prof. Uditha Liyanage

Director

Joined the Board of Singer (Sri Lanka) PLC on 9th May 2014.

Professor of Management of the Postgraduate Institute of Management (PIM), University of Sri Jayawardenapura and Adjunct Professor of Management of University of Canberra, Australia. He counts over 15 years of experience in industry, having held senior marketing management positions in three leading companies in Sri Lanka. He, thereafter, joined the academia and read for the doctoral programme at the PIM of the University of Sri Jayawardenapura, Sri Lanka, where he has been the senior faculty member for Marketing over the past 20 years. He was the Director of PIM and the Chairman of the Institute's Board of Management. He has published many articles on Branding and Strategic Marketing in leading journals, both here and abroad, and addressed numerous local and international conferences. He also holds an MBA and is a Chartered Marketer, a Fellow of the Chartered Institute of Marketing (CIM), and the first Sri Lankan Honorary Fellow of the Sri Lanka Institute of Marketing (SLIM). He is also the first Sri Lankan Honorary Fellow of the Asia Marketing Federation (AMF).

Prof. Liyanage is a Marketing Consultant to a number of leading local companies and international agencies and a developer of senior managers. He is the Chairman of the Holcim Academy Education Council. He is on the Boards of Directors of a number of leading companies in Sri Lanka and a member of the Boards of Study of The Institute of Chartered Accountants of Sri Lanka and the Sri Lanka Institute of Marketing. He is a member of the Research Advisory Committee and Standing Committees on Staff Development, Management, Studies and Postgraduate Studies and Research of the University Grants Commission (UGC). He is also a member of the Advisory Council of the Ceylon Chamber of Commerce, Council member of the Employers' Federation of Ceylon and the member of the Advisory Council on Science, Technology and Innovation. He is the Editor of PIM's Sri Lankan Journal of Management and a member of the Editorial Board of the Journal of Multidisciplinary Studies, the Journal of the Centre for Banking Studies, Central Bank of Sri Lanka.

He is a Director of Commercial Bank of Ceylon PLC, Diesel & Engineering Motors PLC, Chemanex PLC, Arpico Plastic Sector, Ceylon Cold Stores PLC.



Peter O'Donnell

Director

Joined the Board of Singer (Sri Lanka) PLC on 1st October 2003.

Managing Director of UCL Asia Ltd. (Hong Kong), Director, Singer Asia Ltd., Observer, Singer Thailand Public Company Ltd.

Mr. O'Donnell is an alumnus of both Harvard College and Harvard Business School.

BOARD OF



John Hyun

Director

Joined the Board of Singer (Sri Lanka) PLC on 10th June 2011.

John Hyun is a Managing Director of UCL Ltd. Asia, one of Hong Kong's larger direct investment groups in terms of liquid capital.

Mr. Hyun began his career in finance more than 19 years ago as part of Bankers Trust's Asia Private Equity Investment team based in Hong Kong before relocating to Seoul to help establish its Mergers, Acquisitions and Advisory Group. He returned to Hong Kong in 1999 with Investor Asia, the Asian operations of Investor AB, the Swedish industrial holding group controlled by the Wallenberg family. Mr. Hyun joined UCL in 2003.

Mr. Hyun is a Director of Whittington Group (Pte) Ltd., Singer Finance (Lanka) PLC and several non-profit organisations active in Asia. He is an alumnus of the University of Chicago.

Gavin J. Walker

Director

Joined the Board of Singer (Sri Lanka) PLC as Director on 1st November 2005.

Mr. Walker is the President and Chief Executive Officer of Singer Asia Ltd. and was appointed to this position in August 2005.

Prior to joining the Company, Mr. Walker held offices as Managing Director and Chief Executive Officer of public quoted and private companies in the United Kingdom and South Africa.

Mr. Walker, served as Chief Executive Officer of a multi-brand retailer of electrical appliances and furniture with operations in 16 African countries and Australia (including SINGER® brand electrical appliances under license). Mr. Walker serves on the Board of a number of Singer Asia Subsidiaries.

Asoka Pieris

Director/Group Chief Executive Officer

Joined the Board of Singer (Sri Lanka) PLC on 1st August 2004. Appointed as Managing Director and Group Chief Executive Officer of Singer Group of Companies on 1st July 2010.

Director of Singer Industries (Ceylon) PLC, Regnis (Lanka) PLC, Reality (Lanka) Ltd., Regnis Appliances (Pvt) Ltd., Singer Digital Media (Pvt) Ltd. and Director of Equity Investments Lanka Ltd. Vice President of Singer Asia Ltd. and Retail Holdings N.V.

Prior to the present appointment, Mr. Asoka Pieris served in Hong Kong as Chief Financial Officer of Singer Asia Ltd. and Controller of Retail Holdings N.V.

Associate Member of The Institute of Chartered Accountants of Sri Lanka. Fellow Member of the Chartered Institute of Management Accountants, UK.

Mahesh Wijewardene

Alternate Director

Joined the Board of Singer (Sri Lanka) PLC on 1st June 2006.

Director - Marketing and Commercial of Singer (Sri Lanka) PLC. He is also a Director of Singer Digital Media (Pvt) Ltd. and Member of the Singer Asia Sourcing Committee.

Past Chairman of the Ceylon Chamber of Commerce - Import Section and Sri Lanka-China Business Council.

Serves in the Board of CSR Lanka (Guarantee) Ltd.

Holds a Master's in Business Administration from the University of Southern Queensland, Diploma in General Management.

DIRECTORS



Kumar Samarasinghe

Alternate Director

Joined the Board of Singer (Sri Lanka) PLC on 14th February 2011.

Director Sales and Sewing Marketing of Singer (Sri Lanka) PLC.

Holds a Diploma in Business Administration and Diploma in Marketing and MBA from University of London.

Lalith Yatiwella

Alternate Director

Joined the Board of Singer (Sri Lanka) PLC on 8th August 2014.

Director Finance Singer (Sri Lanka) PLC., He is also a Director of Singer Digital Media (Pvt) Ltd., Alternate Director of Singer Finance (Lanka) PLC, Company Secretary of Reality Lanka Ltd. and Singer Digital Media (Pvt) Ltd.

Mr. Yatiwella is an Associate Member of The Institute of Chartered Accountants of Sri Lanka and holds a BSc (Hons.) Special Degree in Business Administration from University of Sri Jayawardenapura.

Ajith P. Paranavitane

Alternate Director

Joined the Board of Singer (Sri Lanka) PLC on 13th November 2014.

Director - Information and Technology Singer (Sri Lanka) PLC and Vice-President, Information Service of Singer Asia Ltd.

Mr. Paranavitane has worked in the IT industry for nearly 30 years, starting as a Software Engineer in 1983. He joined Singer (Sri Lanka) PLC in 1987 and was responsible for setting up the IT division from inception. Mr. Paranavitane also spent a year in the United States working as a senior consultant for a software and engineering firm before returning to Singer (Sri Lanka) PLC as Deputy Director- IT in 2000. He was subsequently promoted to Director IT in 2005. He graduated from the University of Colombo - Sri Lanka in 1982 with a Bachelor of Science and from the National Institute of Business Management Sri Lanka in 1984 with a Diploma in Computer Systems Design. He also has a Postgraduate Diploma in Business and Financial Administration from The Institute of Chartered Accountant of Sri Lanka in association with University of Wageningen, Holland in 1997 and is a Chartered IT Professional and Fellow of the British Computer Society, United Kingdom.

A.C.M. Irzan

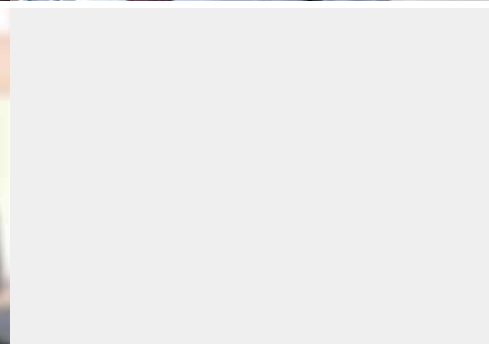
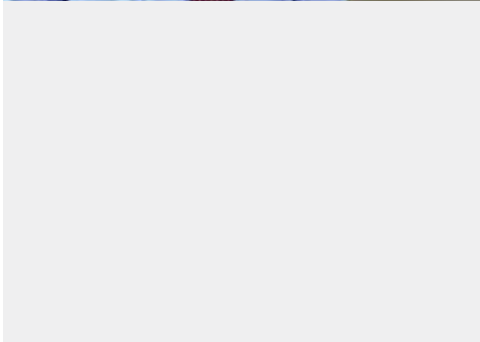
Secretary to the Board (Since 15th May 2008)

Alternate Director, Singer Industries (Ceylon) PLC, Group Factory Controller and Chief Financial Officer of Regnis (Lanka) PLC and Regnis Appliances (Pvt) Ltd.

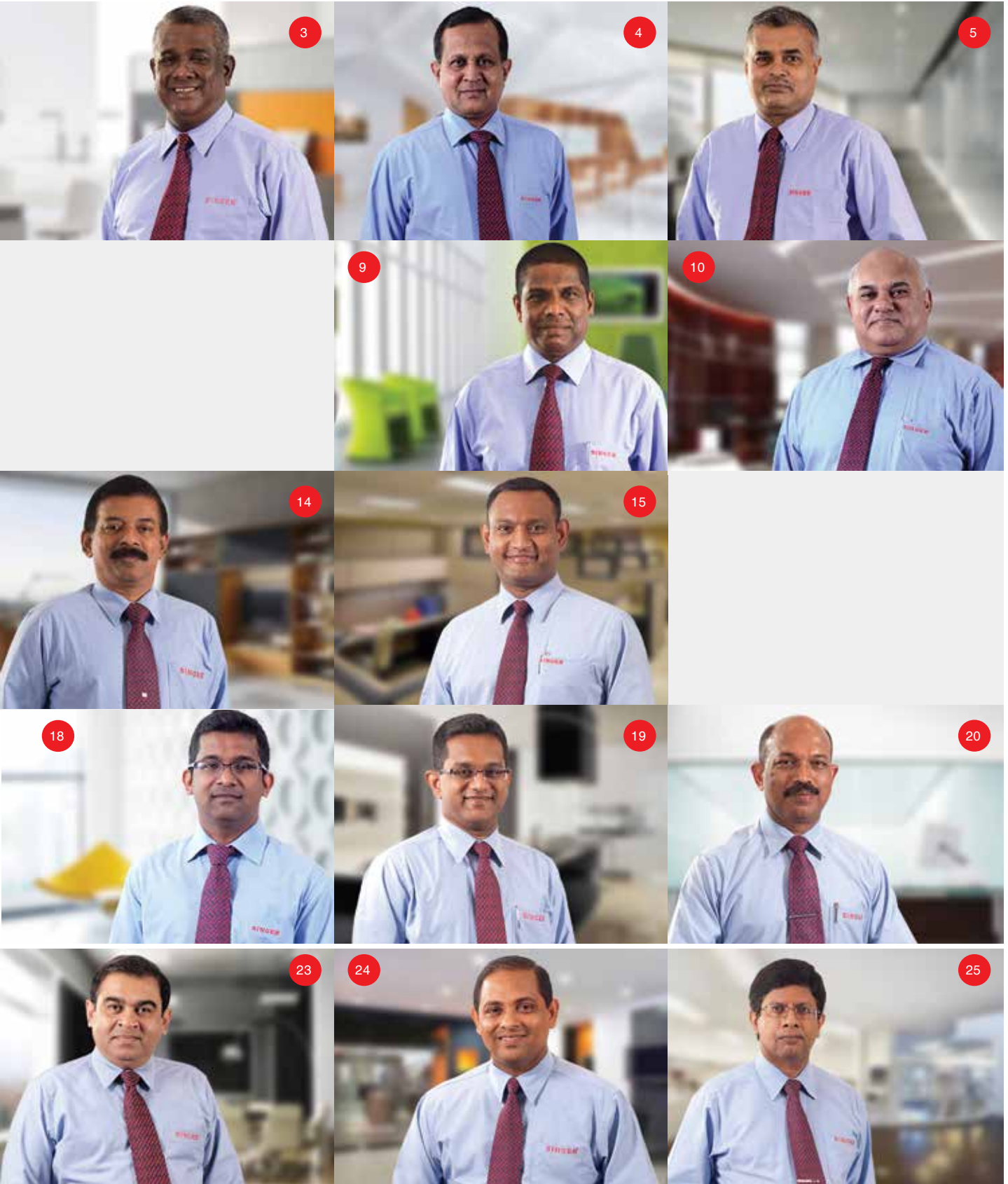
Company Secretary of Singer Industries (Ceylon) PLC and Regnis (Lanka) PLC which are public quoted companies and Regnis Appliances (Pvt) Ltd.

A Fellow of the Chartered Institute of Management Accountants, UK and holds an MBA in Marketing from the University of Colombo, Sri Lanka.

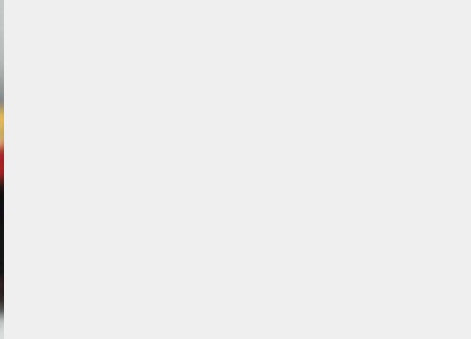
MANAGEMENT



MENT TEAM



MANAGEMENT

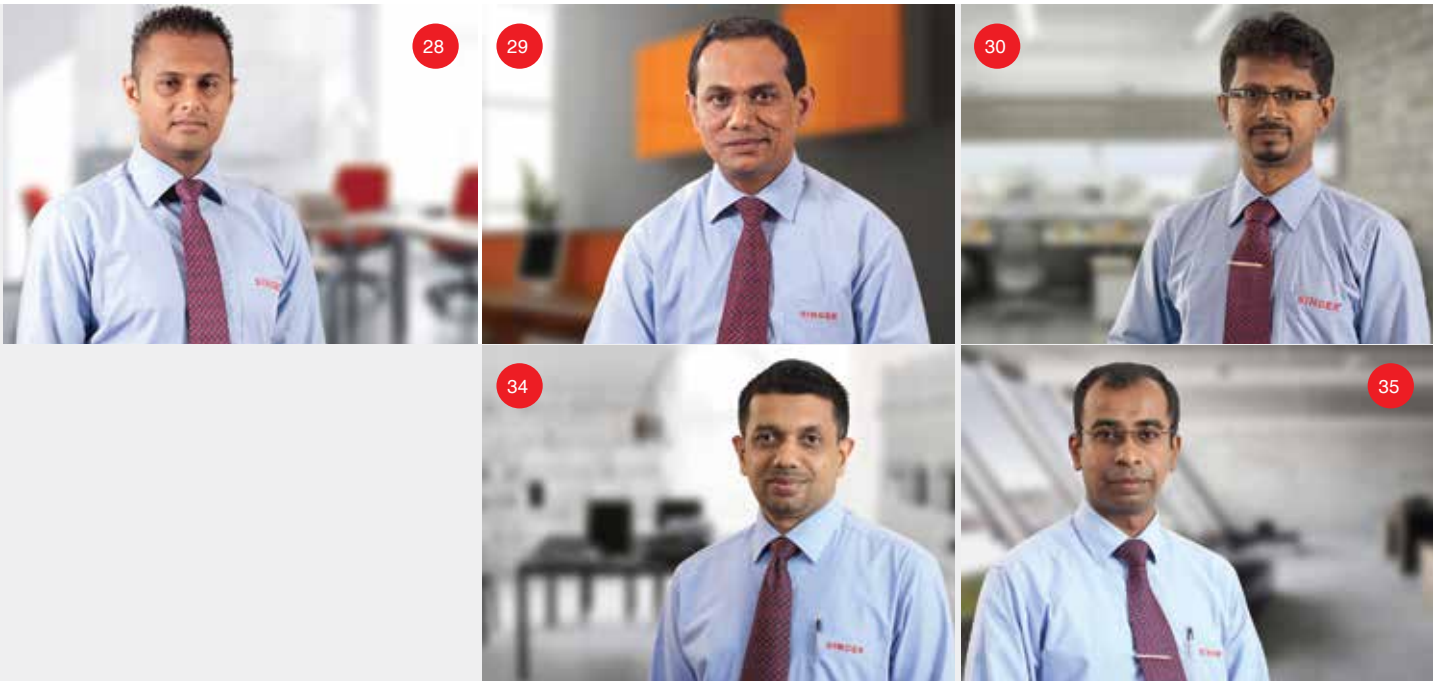


1. **R.S. Wijeweera** - Chief Executive Officer/Director - Singer Finance (Lanka) PLC
2. **S. Ramanathan** - Director - Logistics
3. **P.L.D.C. Perera** - Director - Human Resources
4. **P.J.P. De Silva** - Director - Operations
5. **J. Mendis** - Credit Director
6. **H.A.P.S. Perera** - Factory Director - Piliyandala Factory

7. **L.A.D.K. Perera** - Deputy Director - Information Technology
8. **C.A. Samarasinghe** - Deputy Director - Operations
9. **A.P. Manoratne** - Deputy Director - Service & Logistics
10. **R.C. De La Motte** - Business Development Manager - Wholesale Channel
11. **D.B. Wijesundera** - Marketing Manager - White Goods
12. **G.A.K. Weerasuriya** - Senior Manager - Inventory

13. **A.U. Karunaratne** - Senior Manager - Merchandise & Promotions
14. **T.G.S. Perera** - Senior Manager - Recoveries
15. **B.T.L. Mendis** - Head of Procurement
16. **I.A.S. Kolambage** - Commercial Manager - Piliyandala Factory
17. **C.L.T.P. Rupasinghe** - Senior Manager - Treasury
18. **M.M.C. Priyanjith** - Head of Risk Management

MENT TEAM



19. R.S. Singhabahu -
Business Development Manager -
Institutional Sales

20. M. Mahesharatnam -
Business Development Manager -
SISIL Channel

21. T.M.V. Tennekoon -
Marketing Manager - Electronics &
Digital Media

22. H.V. Gomes -
Senior Manager - Financial Services

23. O.D. Amarathunga -
Senior Manager - Service

24. W.L.I.A. Gunathilake -
Business Development Manager -
Retail Channel

25. K.R.L. Perera -
Group Administration Manager

26. A.R.N.P.K. Wijesundera -
Sales Manager - Agro &
Transportation

27. H.S. Perera -
Senior Manager - Budget &
Planning

28. T.S. Martyn -
Senior Manager - Apparel Solutions

29. K.D.J.M. Perera -
Business Development Manager -
Digital Media

30. N.L.D.W. Amarathunga -
Operations Manager - Furniture -
Piliyandala Factory

31. A.A. Sathyamoorthy -
Senior Manager - Trade Credit

32. J.P. Jayatilaka -
Senior Manager - Direct Marketing

33. T.L. Seneviratne -
Senior Manager - Information
Technology

34. D.D.W. Dassanayake -
Senior Manager - Credit

35. K.P. Peramunugamage -
Senior Manager - Human Resources
Development

STEERING AHEAD ON TARGET



Our Brand Power

SINGER - Trusted Excellence

Singer has been built on a strong foundation of brand development. Therefore, we continually strive to deliver excellence in brand quality. This is affirmed by the many accolades we have won over the years. These include the Peoples' Brand of the Year Award for 9 consecutive years, Consumer Brand of the Year Award, Youth Brand of the Year and the prestigious People's Award, based on island-wide research carried out by AC Nielsen and the Sri Lanka Institute of Marketing.

The Singer brand encompass a wide range of product categories such as consumer electronics, household appliances, sewing machines, air conditioners, furniture, agricultural implements, motor cycles, digital media products and personal computers. The strong interactions we maintain with our customers, coupled with our aggressive brand development and CSR activities have enabled us to achieve greater

success over the years. In addition, we passionately promote sports in Sri Lanka. Our close association with Sri Lanka Cricket, Schools Cricket League, Schools Rugby and the Bradby Shield is a testament to this fact.

Our uncompromised commitment to providing excellence in pre-sales and after sales service to our Sri Lankan consumers across the entire social spectrum has enabled us to uphold our brand promise - 'Trusted Excellence' year after year.



Singer has been built on a strong foundation of brand development. Therefore, we continually strive to **deliver excellence in brand quality.**



SISIL - The Cooling Specialist

SISIL was the first refrigerator brand to be manufactured in Sri Lanka, 50 years ago. We have leveraged on the strength of this brand, after purchasing the SISIL brand in year 2000. It now holds a dominant market share in refrigerators, kitchen appliances and washing machines.

SISIL has out performed many of the global brands in terms of trust and reliability. It is also renowned for service excellence and durability.

SAMSUNG - Turn on Tomorrow

SAMSUNG is recognised as the number one electronic brand in the world. It is a global giant in smartphones and LED televisions. The brand is rapidly gaining popularity in Sri Lanka with high brand recognition in urban areas. It is also the fastest growing brand within our brand portfolio.

Samsung Electronics Co., Ltd. inspires the world and shapes the future with transformative ideas and technologies, redefining Smart TVs, Smartphones, Wearable Devices, Tablets, Cameras, Digital Appliances, Printers, Medical Equipment, Network Systems and Semiconductor and LED solutions. Samsung employees around 307,000 people across 84 countries with an annual turnover of US \$ 196 billion. Its partnership with Singer was initiated in year 2007 and today Samsung plays a vital role in maintaining the international brand portfolio of Singer. Currently, Singer offers a range of Samsung products including TVs, Refrigerators, Smartphones, Tablets, Digital Cameras, Hi Fi Systems, Microwaves and Washers.

HITACHI - Inspire the Next

Hitachi is the largest electronic company in Japan and is among the top 100 companies in the world manufacturing high quality refrigerators with innovative technologies. We unveiled the Hitachi range of inverter refrigerators and inverter range of domestic air conditioners in Sri Lanka, The brand presents advanced Japanese technologies such as the

inverter X dual fan cooling technology; anti-bacterial, anti-mold and deodorising nano technology; energy-saving and eco-friendly, eco thermo sensors and R600a refrigeration; and flexible, humidity controlled and minus zero freezer compartments.

TCL - The Creative Life

TCL which is one of the fastest growing brands in China and one of the largest TV manufacturers in the world has gained the trust of Sri Lankan customers.

BEKO - Change for the Better

In partnership with Arçelik Group, the Singer Group launched Beko and Grundig brands in Sri Lanka in February 2013. Beko, which is sold in over 100 countries, has become the brand with the highest increase in market share per unit in the last 5 years. It is the 3rd largest brand in its sector in Europe the most preferred brand in Western Europe. Being the second largest appliance manufacturer in Europe and the seventh largest in the world, Beko offers smart technologies generated through its own research and development and high capacity production plants.

A full range of white goods including refrigerators, ovens, cooker tops and front-loading washing machines were offered by Beko as the initial offering in Sri Lanka.

As the sole distributor of Beko, the full product range of Beko will be available at all Singer Mega and selected Singer Plus and SISIL World outlets in Sri Lanka.

HUAWEI - Make it Possible



Huawei is a global leader in cutting-edge consumer technology. With a brand promise to 'make it possible', Huawei is geared to empower consumers with devices that break new frontiers. Reaching over one-third of the world's population, Huawei products are offered in over 140 countries. The Company is committed to providing innovative and customised solutions to create long-term value for its customers.

Today, Huawei is ranked among the world's best smartphone manufacturers, having spearheaded customer focused innovations. With its increased investments in product design and improvements, the company is poised to dominate the smartphone industry by enhancing software and user experience. Huawei is currently the number 2 Android smartphone brand in the world.

LENOVO - For Those Who Do

Lenovo was included in the Fortune magazine's prestigious list of 'World's Most Admired Companies' for the second consecutive year. We have brought world-class products to our Sri Lankan consumers through the offer of Lenovo laptops. The Lenovo laptops range from entry-level Intel Celeron models to hi-tech Intel Core i7 gaming notebooks and the latest touch screen notebooks.

HP - Make it Matter

We launched HP laptops in 2014 with a few of the popular Pavilion range laptops.

HP focuses on creating new possibilities for technology to have a meaningful impact on people, businesses, Governments and the society. HP's broad technology portfolio covers printing, personal systems, software, services and IT infrastructure.

New Brands

SONY - Be Moved



Sony is a multinational conglomerate renowned in the world over for a range of products including TVs, cameras, audio-video equipment, semiconductors, electronic components, professional solutions and even medical equipment. We were appointed the exclusive distributor for Sony Mobile Communications (Sony Mobile) in Sri Lanka in July 2014 since December 2014, we became the retail distributor of a wide range of Sony products including LED TVs, Smart TVs, Blu-Ray players, cameras and other electronic products. The flagship Sony Xperia Z3 and Xperia Z3 compact smartphones were introduced to the local market in July and November 2014 respectively.

DELL - Power to Do More

Dell which is a renowned global brand, delivers technology solutions enabling consumers to achieve more and realise their dreams anywhere in the world. We launched Dell laptops which is one of the most popular brands in Sri Lanka during the latter part of the year. An easy payment scheme and a 3-year extended warranty is offered by us on all Dell laptops. These laptops include entry-level Celeron models to the innovative Touch range 2-in-1 laptop/notebooks.

SHARP

Sharp Corporation of Japan is a leading innovator, having created many 'world's first' products. Amongst the many environmentally friendly energy saving products of Sharp includes its signature 4 colour 'Quattron Pro' LED TVs, 'Plasmacluster' air purifiers and 'Healsio' microwave ovens. We are happy to partner Sharp as their

sole agent for electronics and home appliances and as the preferred retail partner for office equipment. This has enabled us to offer the Sri Lankan market a range of cutting edge Sharp brand products including LED TVs, microwave ovens, air purifiers, vacuum cleaners, fans, multifunction printer/copiers and cash registers.

MITSUBISHI - Our Technologies Your Tomorrow

One of the new brands introduced to SINGER's branded portfolio is MITSUBISHI brand Air Conditioners from Mitsubishi Heavy Industries (MHI). MHI's air conditioners manufacturing company is located in Thailand as Mitsubishi Heavy Industries - Mahajak Air Conditioners Co., Ltd. (MACO).

MACO manufactures highly efficient superior quality air conditioners to cater to the residential and industrial air conditioning requirements comprised with low/high capacity inverter/non-inverter split type air conditioners and very high efficient Variable Refrigerant Flow (VRF) air conditioning systems. The company has gained the trust and reliance of its customers for its high quality products, reasonable price and environment-friendly technologies.

At MACO, quality is priority. The company realizes the importance of quality as a mechanism for achieving production standards, increasing competitive efficiency, as well as gaining acceptance worldwide. The company has adopted new technologies and international quality management systems to improve the quality of their products. MACO has strictly controlled every step of the production process starting from careful

selection of high-quality raw materials; monitoring work in progress using high technology equipment; gas leak test using helium for accurate testing; and final inspection before delivery to customers. MACO has invested heavily in a world-class laboratory centre to support every international standard. The lab is equipped with state-of-the-art technology for MACO's air conditioners testing to ensure safety and good performance. This facility is the first air-conditioning laboratory in Thailand.

Channels

SINGER Plus



Singer Plus is the largest and widest channel of our company. In terms of performance, results and functionality, SINGER Plus sets a benchmark for the consumer durables segment of Singer. They are customer centric in focus and maintain excellent customer relationships. Including the satellite outlets, the channel is spread over 316 locations across major towns and provinces in the country. The branch manager of a Singer Plus Showroom is generally a prominent and much respected person in his town or village. Therefore, he plays a significant role in building brand equity and brand loyalty. During the year under review, Singer Plus opened 3 new showrooms and 1 satellite shop. Another 8 satellite shops were upgraded to Singer Plus status.

The channel continued to launch many Below the Line (BTL) programmes during the year. These initiatives enabled to bring the brand even closer to the consumer and build solid, long-lasting relationships with new customers across the country. In the ensuing year, Singer Plus will continue to expand its presence and operations whilst consolidating its market leadership position in the consumer durables sector. They will also continue to preserve and promote the Singer brand in the country.



The Colour of Freshness and Taste

Our range of refrigerators do what they're manufactured to do so well...that it isn't a far stretch of the imagination to experience **'the colour of freshness and taste'** each time one opens the door to optimally cooled and preserved foods. Catering to **all segment at the market**, Singer also offers a complete multi-brand portfolio of premium appliances from some of the world's best marques. Of course, all of this is part of a greater mosaic of 'tone and colour' we add to life in myriad ways.

Hitachi

Refrigerator - 644L, 6 Doors
Model No. - H-RC6200S



Samsung
 Side-By-Side Refrigerator - 585L,
 Model No. SMGRS21HUTPN



Whirlpool
 Refrigerator - 480L,
 2 Doors
 Model No. WP-WTM555SS



Samsung
 Side-By-Side Refrigerator - 838L,
 3 Doors
 Model No. SMGRH77H90507



Beko
 Side-By-Side Refrigerator - 616L,
 Model No. B-GNE421



Singer Geo
 Refrigerator - 210L,
 2 Doors
 Model No. GEO-242D



SISIL Eco
 Refrigerator - 225L,
 2 Doors
 Model No. SL-ECO251NF

SISIL World



SISIL World is a prime example of our successful differentiation strategy. During the year, SISIL World continued to consolidate its positioning in the market as a premier consumer durables retailer. 4 new showrooms were opened during the year, whilst 5 branches were refurbished. This was in keeping with its retail strategy of providing customers with a more convenient shopping experience. Therefore, all SISIL World showrooms have a customer friendly ambiance.

SINGER Homes

Singer Homes is a retail channel that exclusively markets furniture for Singer (Sri Lanka) PLC. Singer Homes has 16 showrooms in a prominent city in Sri Lanka. The most recent showroom was opened in Chilaw in August 2014. All these showrooms display a wide range of stylish household and office furniture and cater to all customer segments.



Attractive designs which complemented the modern trends were introduced during the year. The main campaign of the year "sofa season is back" contributed immensely to the growth. Customer friendly payment options and promotions such as discounts, free offers and convenient payment options such as the Singer hire purchase scheme and credit card installment

payments further increased sales during the year. Singer Homes prides in offering its customers the best prices in the market compared to competitors.

A selection of wooden furniture ranging from modular, rubber wood, mahogany and teak wood are offered by Singer Homes. In addition, an imported range of furniture from China and Malaysia are also offered to the Sri Lankan market. Both local and international products are subject to stringent quality control procedures in order to maintain our standard of 'Trusted Excellence'.



Designs are reviewed periodically by industry professionals. Apart from its practical purpose, customers seek Singer furniture for its inspirational value as well. The furniture range consists of living room, bed room, kitchen, dining, children, verandah and office furniture which are stylish and comfortable. Customers can walk in to any Singer Homes store and avail themselves to a range of modern, stylish and long lasting furniture. During the latter part of the year, Singer Homes participated in the Lifestyle exhibition, showcasing 32 new designs of furniture. This brought in record revenue to the Company.

SINGER Mega

Singer Mega offers its valued consumers a truly big experience by providing them the widest range of world renowned brands and products under one roof with an unmatched customer service. Consumers can also experience the latest products with state-of-the-art technology from a variety of Electronics and Home appliances. Singer Mega also carries the entire range of Singer Homes Furniture in their stores.



Singer Mega recently added one very spacious store in Thalawattugoda to the branch network which now stands at 19. Singer Mega Negombo was also relocated in order to offer the consumers a much bigger and better shopping experience. High Standards of Customer Service, A Rewarding Loyalty Programme, Flexible Payment Schemes and an overall pleasant shopping experience is what Singer Mega offers to all its valuable Consumers.

Digital Media Channel

The Digital Media Channel, which consists of popular lifestyle products such as mobile phones, computers and digital cameras continued to record the fastest growth at Singer. Mobile phones have become the main product in this category driving a significant volume and revenue growth.

Since, the Digital Media Channel was revamped in June 2012, a consistent growth was witnessed in the sale of Digital Media products in the year under review. The Digital Media Channel at Singer consists of an impressive portfolio of products from some of the world's leading brands. These brands offer state-of-the-art technology and innovative solutions, enabling Sri Lankan customers to keep abreast with the latest technologies and trends available in other parts of the world. Today, the Digital Media Channel caters to over 1,700 digital media stores via 60 distributors located island-wide.

Due to the rapid growth in sales and the specific operational nature, this channel was restructured as a subsidiary of Digital Media (Pvt) Ltd. in May 2014.

Industrial Air Conditioners and Central Air Conditioners

Year 2014 was a remarkable year for air conditioners reflecting a significant growth over prior year. In order to meet the growing demand, certain structural changes, brand acquisitions and new product developments were done by us in the air conditioner segment.

In 2014, Singer Air Conditioner Division was established to offer a professional approach and to meet the air conditioning needs of corporates. This is in addition to the retail expansion and Singer ceiling cassette air conditioners which were introduced to strengthen the product

portfolio. A key milestone in the year 2014, was the getting distribution of the world renowned 'Mitsubishi' air conditioner brand of Mitsubishi Heavy Industries Limited. Under the Mitsubishi brand, a range of air conditions including inverter wall mount, ceiling cassette and ceiling suspended were introduced with high efficient cooling, energy saving and superior Japanese technology.

Staying ahead of competition, the Singer air conditioner business has grown across all sectors including domestic, corporate and SMEs.

Industrial Air Conditioning Division

Through the establishment of the Singer Industrial Air Conditioning Division, we successfully entered the industrial air conditioning market in Sri Lanka. The Division is manned by an outstanding group of professional engineers. Within a short span of time, the division has become a major player in the market by being awarded 10 major commercial projects worth over Rs. 200 million.

Globally reputed commercial A/C brands have tied-up with us as suppliers to the Industrial Air Conditioning Division. These include, the Japanese Mitsubishi inverter/standard unitary products and VRF systems, American Carrier unitary products/air cool ducted package units, Carrier VRF, Toshiba VRF systems and other light commercial products. Fujair supplies the full range of heating, ventilating and air conditioning (HVAC) products, which are used for domestic and commercial/industrial purposes.

Some of the high profile projects which are already completed by the Singer Industrial Air Conditioning Division include the Wayamba University Project with a capacity of 1.2 million Btu/hr. The other major projects are Holcim Lanka in Galle, CP Lanka Enterprises in Eheliyagoda, Edirisinghe Trust Investment in Borella and the Lemon Leisure Hotel in Colombo 04. In addition, there are two major ongoing projects namely, the Platinum 1 Apartment Building Project with a capacity of 3.9 million Btu/hr and the Commercial Building Main Street Branch Project. Such projects have resulted in positive word of mouth recommendations of the Division, which is poised for a promising future.

New Products

New Product Introductions

SINGER UHD 3D Smart TV

In keeping with our reputation as a company that provides cutting edge global technology at affordable prices to the Sri Lankan consumer, we introduced the Ultra-High Definition (UHD) technology to the market with the launch of the Singer UHD TV with 3D Smart features. UHD is the latest technology in global TVs and has enabled consumers to enter a world beyond full-HD, with greater picture clarity and sharper details which they have not experienced before.

The 55" 3D Smart UHD TV offers a display resolution of 3840 x 2160 pixels powered by digital sounds, wider viewing angle, Wi-Fi and Smart TV capabilities such as TV Tube, Skype, Facebook, 3D games, web browsing and other social media features.

The product is sold at an attractive price compared to all top brands in Sri Lanka and is complemented by our trusted 3 year comprehensive warranty.

Samsung Curved UHD TV

We were the first to launch the Samsung curved UHD TV in Sri Lanka which is a ground-breaking technology to the local market.

The curved UHD TV takes the UHD technology to a whole new level, providing an ultimate viewing experience. UHD technology provides a wider view and 4 times the quality of full HD. The curved screen ensures the contents displayed on the screen are uniform and are at the same distance from the viewer at any given time. When watching fast moving images, such as action movies and sports the viewing experience is enhanced considerably.

Four curved TVs were launched by us including two UHD curved TVs and two full HD models. The top of the range is the 65 inch UHD curved TV with a streamlined slim metal design that offers an enhanced picture quality and a future forward viewing experience. The main launch was held at the Samsung Showroom in Nugegoda while mini launches were held island-wide. All Samsung UHD TVs are backed by our trusted 3-year comprehensive warranty.

SONY Xperia™ Z3 Series

Flagship innovation presents world's best camera and video technology in a compact

The new Xperia™ Z series flagship smartphones – Xperia Z3 and Xperia Z3 Compact available in a 5.2 inch flagship smartphone or the compact 4.6 inch form factor, both premium smartphones combine all of the details that make Xperia smartphones grand – including the highest level of waterproofing, enhanced camera experiences and applications, up to two-day battery life, and best audio quality and PS4™ Remote Play2 for the very first time.

The Xperia Z3 Compact's rounded liquid reflection frame with tempered glass panels gives it an elegant, premium finish. The only smartphone to deliver uncompromised performance in a beautifully compact design that is just 8.6mm thick and 129 grams, Xperia Z3 Compact's design is perfect for one-handed use.

Huawei Ascend Mate7

The new 6-inch smartphone with superior single-touch fingerprint technology introduce smart performance in Sri Lanka

Huawei, unveiled the all new Huawei Ascend Mate7, a 6-inch ultra fast smartphone. The launch ceremony was held at the Singer Lifestyle Exhibition and Fun Fair at Colombo 2014 following its successful launch in Paris, Berlin and Bangkok recently.

Huawei's Ascend Mate7 features a big 6-inch screen with FHD display for enhanced entertainment viewing, a slimmer 7.9 mm body for increased comfort, a more powerful octa-core chipset for superior performance, and a longer-lasting 4100 mAh battery. The device also encompasses a new single-touch fingerprint technology and EMUI 3.0. Ascend Mate7 dials up the mobile experience to make it easier for users to live life to the fullest. The Huawei Ascend Mate7 comes with a two year Singer warranty.

SONY 4K LED TV

Sony has announced the expansion to its BRAVIA 4K line-up, starting with the premium flagship X9000B series, which employs the new technology X-tended Dynamic Range™ PRO² that is set to provide customers with truly brilliant

picture quality. The newly announced X9000B series also promises to deliver users an added experience, with a new wedge design and magnetic fluid speakers.

The X9000B series incorporates the new innovative "Wedge" structure – a form factor which was designed to increase stability in an era when screen size continues to increase. By lowering the TVs centre of gravity, Sony was able to achieve a smaller pedestal size than conventional TVs, allowing for a wide variety of installation options, despite a large screen size.

In addition to increase installation options, the TVs sound quality has also been improved. The wedge shape increases capacity and is used to incorporate a large speaker to provide deeper, more powerful sound, unprecedented for a flat-facing TV. X9000B delivers extremely clear sound via its highly acclaimed, front-facing Magnetic Fluid Speakers along with beautiful, detailed 4k images.

The 4K TV user experience will also be further enhanced with the new one-flick entertainment from Sony, which introduces a novel way to view content. One-Flick entertainment will offer users a new style of viewing that allows anyone to quickly select and enjoy content. This is not limited to just show and movies, but also includes digital hi-vision broadcasting and network contents, as well as personal photos.

Utilising its display technologies, Sony will also giving consumers accessibility to 500px⁶ a premier photography community, via the new BRAVIA TVs. With the TV, consumers are introduced to a world of stunning images with the best quality possible.

Pureit Ultima Hard Water Purifier

Singer in partnership with Unilever Sri Lanka, introduced the affordable Pureit Ultima 418 " water purifier to the Western and Central Provinces of Sri Lanka. This was mainly launched targeting the farming communities that are plagued by kidney diseases believed to have been caused by drinking water that is sullied by fertilizer. Pureit Ultima is the most powerful water purifier with the technology to convert hard water into safe and clean water for drinking.

Our industry best, island-wide distributor and service networks and strong community connections, gave us the necessary vision and capabilities to market Unilever's Pureit Ultima in Sri Lanka. We offered an easy payment scheme to allow customers to take home the product by paying Rs. 850 and settling the balance in 12 monthly installments. The product was launched in Kurunegala, Anuradhapura, Polonnaruwa, Trincomalee, Puttalam, Vavuniya, Killinochchi and Jaffna.

This also drives our CSR campaign 'Singer Water for Life' which was launched in 2012, to resolve the issue of water-borne diseases in Sri Lanka. The ongoing project includes celebrity endorsed awareness campaigns and a fund developed through a percentage of the sales of Singer-distributed water purifiers. The proceeds of the fund are directed towards purchasing machines that assist kidney disease patients. We have donated two top of the range dialysis machines to the Polonnaruwa Hospital.

SINGER Small Appliances Category

The latest additions to this range are the Pop Up Toaster and the Waffle Maker. These are upcoming appliances, which cater to the enhanced social lifestyle of Sri Lankan consumers as a result of rapid urbanisation and globalisation. Currently, these products are limited to the high end customers who are extremely brand conscious. As the market leader in the Sri Lankan consumer durable sector, we have taken the initiative to introduce these products to all segments of the society at an affordable price.

Moulinex & Tefal Small Appliances

Every year, we introduce innovative kitchen appliances under reputed international brands, which we hold the exclusive distributorship in the country. Groupe SEB, the global market leaders in small appliances are in the forefront of introducing innovative and versatile kitchen appliances, in line with the latest global market trends in food consumption, food preparation and related consumer habituations.

Moulinex 3-in-1 sandwich maker and Tefal Plancha compact electric grill are two such appliances which we

introduced during 2014. The Moulinex 3-in-1 sandwich maker has two additional non-stick cooking plates for panini (grill sandwiches) and waffles apart from the sandwich toast plates. Tefal Plancha electric grill is another versatile cum portable cooking appliance which enables grilling, frying and barbecuing meat, fish and vegetable and also making pan cakes.

Tefal Linen Care Range (Irons)

Since Tefal is the world's number one brand in linen care solutions; we expanded our linen care range under the Tefal brand, during 2014. Steamers have become the next generation of linen care solutions globally. In keeping abreast with the evolving market trends, we introduced the Tefal steamer range to the Sri Lankan market during the year. With this new introduction we now offer a comprehensive range of linen care solutions to our Sri Lankan consumers encompassing dry irons to advance steamers and steam stations. Steam stations are manufactured in France and are an ideal appliance for regular, heavy ironing of any type of linen with its in-built one litre water tank. Steamers are portable, convenient and safe to use for pressing delicate fabrics such as sarees, shalwars and party frocks.

Agro Products - Jet Water Pump

This is the first ever Jet water pump by Singer. The above pump was introduced to the up country with 0.8 HP and a 1" pipe dimension. This is the lowest priced Jet pump in the market of this category. It is mainly used for the domestic purposes. The water pump is directly imported from the China and assembled in our Piliyandala factory.

New Marketing Programmes

Developing Home Science Education with SINGER Kitchen Appliances

A successful collaboration between the Ministry of Education, (Home Science Unit) and Singer Sri Lanka, provided training to the Home Science teachers attached to Government schools during the year. Leveraging on the expertise of Singer on modern kitchen appliances, the much needed training was provided to the Home Science teachers to enhance their knowledge.



The training enabled the teachers to educate the school children following Home Science in Grades 10 and above, with educational materials provided by Singer Sri Lanka. The participants gained awareness and expertise on modern kitchen appliances marketed by us.

The exposure to modern cooking methods and appliances will benefit students as an essential part of their multifunctional future life style. As a part of our corporate social responsibility initiative to support education, our aim was to promote Home Science as an important subject in schools.

The teachers and the officials of the Educational Ministry were warmly welcomed at the Company head office and were offered the best facilities and care that made their training a memorable one. This was evident through the emotional feedback given by the teachers.

We were able to successfully complete workshops in approximately 700 schools in Colombo, Anuradhapura and Polonnaruwa within 8 days.

SINGER Finance (Lanka) PLC (SFLP)

Our subsidiary, SFLP recorded a strong performance amid challenging economic conditions that prevailed during the year. The Company obtained a license from the Central Bank of Sri Lanka to issue credit and debit cards, and thereby earning the distinction of being the first finance company in Sri Lanka to obtain such a license.

The Company plans to issue its first credit card in mid 2015 and amalgamate credit cards as a major component of its product portfolio. In addition, SFLP successfully ventured into micro financing in selected branches during the year. Especially in the Jaffna peninsula where the

market is saturated, SFLP plans to use micro financing to reach new customer segments. Two service outlets in Galle and Mahiyangana were converted into branches, as these locations had reached optimum capacity and have a high potential for growth in the years ahead.

Total revenue of the Company increased by 5% year on year to Rs. 1.949 billion, reflecting an increase of Rs. 97.6 million compared to Rs. 1.851 billion in 2013. Net profit grew by 12% to Rs. 342.4 million in 2014. The profit growth was supported by the low interest rate regime that prevailed in the market and Company's efforts in reducing the cost of funds. The interest cost for the year amounting to Rs. 704.7 million was Rs. 50.3 million lesser than the prior year. The reduction in administration and selling expenses to Rs. 315.7 million from Rs. 364.5 million in 2013 further contributed to the profit growth of the Company.

Total assets grew by 7.3% to Rs. 8.743 billion as at 31st of December 2014. The main contributors were the income earning receivables accruing from loans and advances which increased by 24.4% to Rs. 1.255 billion and Lease Rentals Receivables which increased by 5% to Rs. 3.886 billion compared to 2013.

Although the lending volume of the Company increased by 14% year-on-year, the interest income growth slowed down on account of the low interest rates that prevailed in the market. Credit expansion too was marginal due to the adverse economic conditions and the Company reducing its credit exposure due to increase in provisioning. The adverse weather conditions which prevailed during the year caused much hardship to the agricultural sector. This was a key factor for the 7% increase in provisioning, which amounted to Rs. 198.7 million. However, a recovery was experienced in the fourth quarter with provisioning declining by 20% to Rs. 36.5 million compared to the same quarter of 2013. The Management remains optimistic of the outlook for 2015 with expectation of credit expansion and seemingly lower inflation compared to 2014.

SINGER Fashion Academy

The Singer sewing machine is a legend and an iconic brand ambassador of Singer (Sri Lanka) PLC. It was also the

Our excellence in pre-sales and after-sales service to our Sri Lankan consumers across the entire social spectrum has enabled us to uphold our brand promise - **'Trusted Excellence'**

inspiration behind the Singer Fashion Academy which was established 57 years ago.



The Singer Fashion Academy provides education and training opportunities for the female population in Sri Lanka. A total of 68 Singer Fashion Academies have been established across the country to educate and train up to 36,000 individuals in the various forms of fashion art. For over 57 years the

Stay Cool... Live Well



Hitachi Inverter

Air Conditioner
Split Type 18000 BTU

Model No - H-RAS-X18CX

Today more than ever before, the world seems to be a warmer place. Singer understands the transition that air conditioning has passed through...from a luxury only a few years ago, to a necessity today. **We're in the business of cooling homes, offices, and almost every place imaginable with a premium range of air conditioners from top brand names...**all in the cause of helping people stay cool and live well.



Singer Inverter
Air Conditioner -
Inverter Split Type
18000 BTU

Model No.
SAS-I18YMD



Hitachi Inverter
Air Conditioner -
Split Type 13000
BTU

Model No.
H-RAS-X13CD



Mitsubishi Inverter
Air Conditioner -
Split Type 13000
BTU

Model No.
M-SRK 13YL-S



Whirlpool
Air Conditioner -
Split Type 12000
BTU

Model No.
SAR12S33MO

Academy has improved the quality of life of many individuals.

A total of 103 individuals graduated from the Singer Fashion Academy Diploma Programme in 2014. An awards ceremony and a fashion show was organised by the Academy to commemorate the achievement of the graduates.

In addition, the Academy has developed 15 short courses to encourage enthusiasts, stay-at-home-mothers and any interested individuals to learn the art of sewing. Through sales, fashion shows and exhibitions, the Singer Fashion Academy celebrates and promotes the achievements of its students.

Two new Academies were opened in Avissawella and Piliyandala during the year.

Many machines were sold through the Academy during the year, on account of the several sewing demonstrations that were conducted island-wide. We conducted these demonstrations on the request of various Private and Government schools, institutions, companies and NGOs in Batukotuwa, Hingurakgoda, Horana, Ratnapura, Awissawella and Middeniya. In addition several sewing projects were conducted for the MAS Group, the World Vision, the Nurses Training School and the Mahaweli Authority during the year.

68 students were awarded diplomas at a gala event held at the BMICH in September 2014. As in the previous years a fashion show was organised to display the talents of our students. 50 students who participated in the competition and were assessed on six categories of designs, which were created under the watchful guidance of their instructresses. The event was a huge success where over 375 well wishers attended.

The Academy undertook several CSR project during the year. 200 students from the Central province were trained for the Fashion Designer Show on the request of the Ministry of Youth. The semi finals were held in Pollgolla whilst the finals were held in Sampath Hall in Kandy. The five best students were awarded sewing machines by us.

A six month sewing project was conducted at the Deaf and Blind school in Ratmalana. Apart from providing the materials required for the project the sewing machines that were not in working condition were repaired as well. In addition an Over Lock machine was donated for the Home Science students. The award ceremony was held on the 1st of December 2014 at the school premises.



Two mini sewing exhibitions were held in December 2014 at the Singer Fashion Academies in Kandy and Negombo.

Financial Services

SINGER Express Pay

In our efforts to continually offer convenience to our customers the Singer Express Pay service was introduced. This facility offers customers convenience and innovation in making a wide range of bill payments, including credit cards, mobile phones, insurance, utility bills and ezi cash withdrawals, from any of our 425 retail outlets island-wide. The Ezi Cash Withdrawal is still the first in Sri Lanka facilitated on an ERP platform. This enables customers to use the mobile as the wallet to carry cash anywhere in the country conveniently and safely. In addition, third party payments are made possible as well. The customer is permitted to top up cash even after banking hours, 365 days of the year.



This service is available at all Singer Plus, Singer Mega, SISIL World or Singer Home retail outlets and at approved dealers island-wide. Our

monthly progress report bears witness to the overwhelming success and popularity of this product.

The latest addition to Singer Express Pay is Lanka Electricity Company (Pvt) Limited (LECO) which is a subsidiary of Electricity Board.

Our commitment to building strong customer relationships is reflected in the partnerships we have developed with the institutions involved in the Singer Express Pay service. Many leading companies of the country have signed up with us to offer their customers an added dimension of professionalism and convenience.

We continued to offer foreign currency remittance facilities such as Western Union Money Transfers. NDB Bank has tied up with us as the Principal Agent to facilitate this service.

Whether through our world-class portfolio of brands or through our novel Singer Express Pay counters, we strive to make life easier, more convenient and enjoyable for our customers. As we continue to expand our superior retail network, the customers can look forward to greater convenience in bill payments.

SINGER Service and Distribution Centre

SINGER Distribution Centre

The state-of-the-art Distribution Centre commissioned in 2004 at Piliyandala has been in operation for 11 years. Our aim is to provide an enhanced and speedier service in tandem with the anticipated increase in volume of our existing products and also additions of new brand and models.

A modern racking system was installed to our main warehouse. We are now equipped with a superior rack support system that has enhanced our storage facilities. As such, we can now accommodate spare parts of our newly introduced brands and models to offer a high quality service to our customers.

The ISO 9001 - 2000 Standard obtained in year 2005 for functions such as distribution of consumer durables and spare parts, inventory controls and transport processes was re-certified as meeting the requirements and upgraded to ISO 9001 2008.

Distribution Center is one of the key contributors to our Green initiative programme. Our employees actively engage in collecting e-waste and disposing them in an environmental friendly manner.

The Service Division

The Service Division opened a new regional service center in Badulla during the year. In addition, a CSR project was carried out by the Division by setting up a facility to provide drinking water and donation of books and 10 computers to Sri Palabeddala MMV at Palabeddala. Three annual regional get togethers were organised in Kuliypitiya, Pollonnaruwa and Jaffna with the participation of the staff members as well in 2014.



Research and Development Facility

Our Research and Development Facility was established in a new premises with a space of 1,500 square feet, in Colombo 08. It is equipped with state-of-the-art tools and equipments for product design validation. The Unit is strengthened with professional engineers and qualified technicians.

It Developments

SINGER Facebook a Hub for Generation Y

Singer (Sri Lanka) PLC is the preferred brand for Generation Y, having gained over 200,000 fans on Facebook, the number one social media platform in Sri Lanka and the media outlet of choice for Generation Y.

Generation Y is global in focused, knowledgeable and empowered as a result of their constant presence online. They depend on advanced technologies to progress in society. The high quality, world-class digital media products sold by us is a key reason for Generation Y to follow us on Facebook.

Brand loyalty for digital media products such as smartphones and laptops are being built online as opposed to traditional media channels. We have responded to this trend by including Facebook into our marketing mix. The recent launch of events for the Huawei Ascend P6 and the Sony Xperia Z2 smartphones as well as the Singer fashion show and loyalty card launch were streamed live on the Facebook page to enable fans to virtually experience the events. We have succeeded in retaining our Facebook fans which is a challenging task through effective initiatives taken by us.

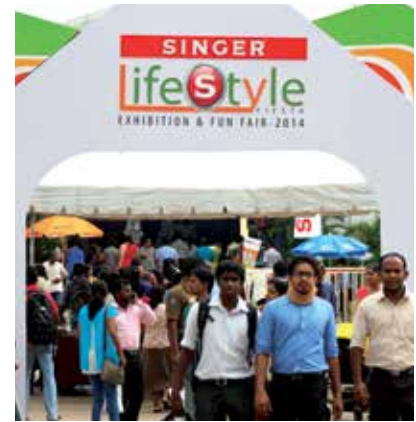
We also launched interactive campaigns to communicate with the technologically savvy customers online. For the pre-launch campaign of the brand new Huawei Honor 3C phone, we launched an exciting competition to our Facebook fans. An overwhelming 7000 site visits were recorded the day the new phones were gifted to lucky 5 winners.

Singer brand has crossed borders and generations. Our statistics indicate that fans from all over the world including USA, Bangladesh, Qatar, UAE and India log onto the Singer Sri Lanka Facebook page. We serve our overseas fans and customers through our website and Facebook page. We have over 200,000 fans at present.

SINGER Life Style Exhibition

A three day Singer Life Style Exhibition was held at BMICH with over 60,000 exhibition goers, checking out all the world class brands offered under the Singer umbrella. The event drew hundreds of vendors who made use of the opportunity to market their products to the captive audience. An extensive

portfolio of products were displayed at the Singer LifeStyle Fiesta including electronics, appliances, furniture and computers. The latest cutting edge products such as UHD curved TVs, Singer Geo and SISIL Eco refrigerators and a number of other energy efficient appliances were on display as well. Attractive discounts were offered for showcased products at the exhibition.



YEAR AT A GLANCE

January

Opened the following showroom
Singer Plus - Mawaramanidya

March

Opened the following showroom
Singer Plus - Trincomalee
Upgraded a satellite shop in Galgamuwa
to Singer Plus showroom
SISIL World Convention held on 6th March
2014 at Waters Edge, Battaramulla

May

A fully-owned Subsidiary Singer Digital
Media (Pvt) Ltd. was incorporated on
16th May 2014.
Singer Finance Annual Award Ceremony
held at Waters Edge on 13th of May

July

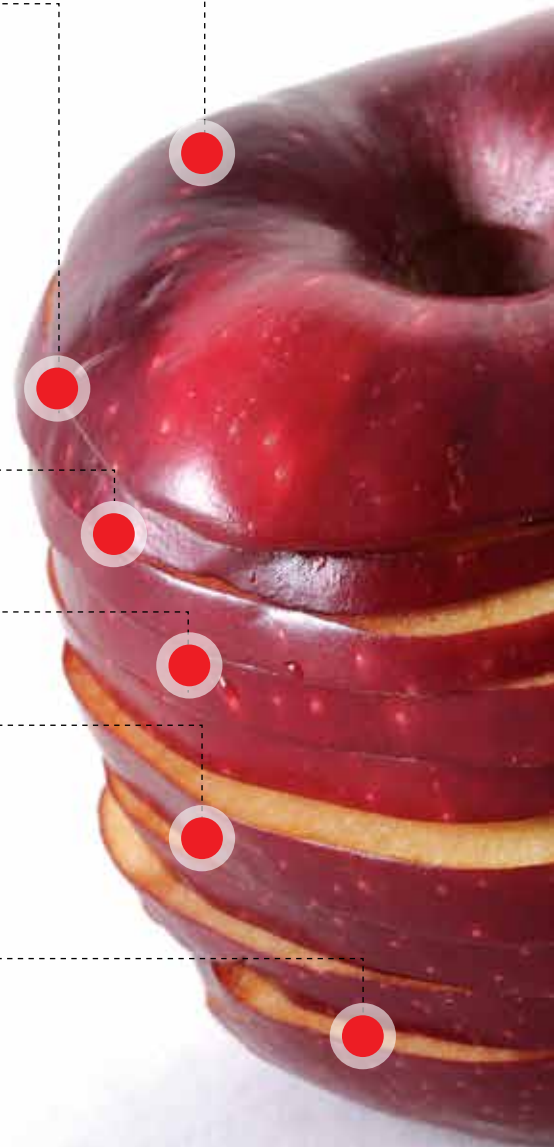
Opened a new SISIL Showroom in
Nuwara Eliya

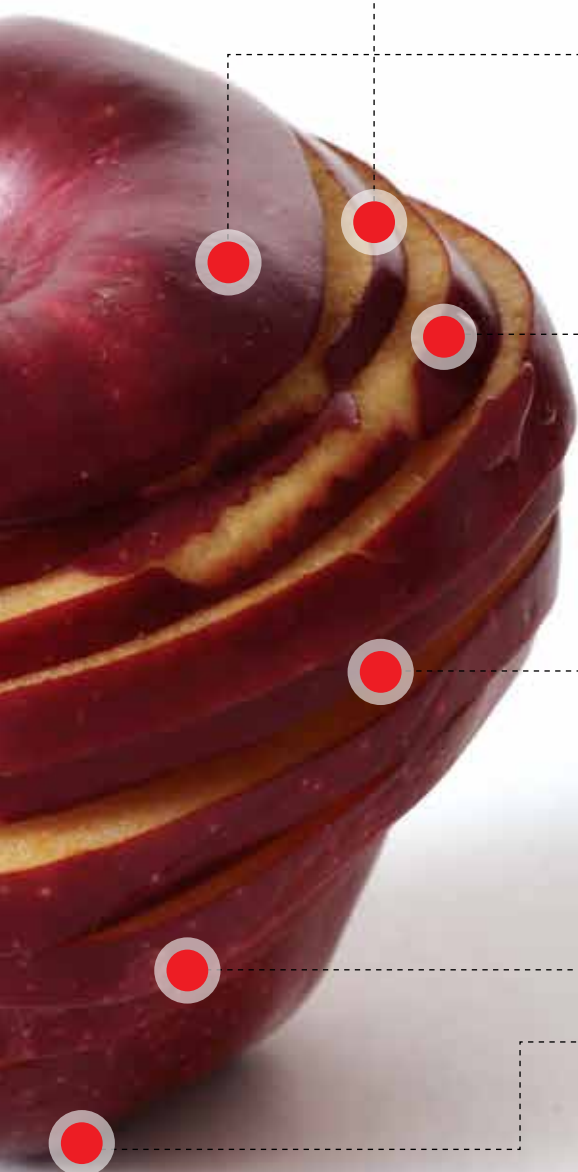
September

Singer Fashion Academy felicitated Best
students through a grand awards ceremony
on 5th September 2014 at the Bishop's
College Auditorium

November

Opened a new SISIL Showroom in Dickwella
Upgraded a satellite shop in Rattota to
Singer Plus Showroom
Singer Lifestyle Fiesta, exhibition and fair
was held for the 4th consecutive year
Sony Xperia and Xperia 23 compact
smartphones were officially launched
Huawei Ascend Mate 7 smartphone was
officially launched





February

The Annual Marketing Convention was held on 18th February 2014 at Waters Edge, Battaramulla

April

Opened a new Satellite Shop in Pallebadda
Upgraded a satellite shop in Nivithigala to Singer Plus showroom
Opened a new SISIL Showroom in Nikawaratiya
Opened new Service Centre in Badulla, on 25th April 2014

June

Opened the following showroom
Singer Plus Nugegoda - Samsung Showroom
Upgraded the following satellite shops to Singer Plus showrooms
Siyambalanduwa
Godakawela
Naula

August

Opened the following showrooms
Singer Homes - Chilaw
SISIL World - Homagama

October

Re-opened the newly refurbished Singer Plus showroom in Pitakotte

December

Opened a new Singer Mega Showroom in Thalawathugoda
Upgraded the following satellite shops to Singer Plus showrooms
Moarawaka
Yatyanthota
Singer, Sony partnership announced at new launch

2014 RESULTS IN PERSPECTIVE

Financial Review

The following discussion and analysis should be read in concurrence with the Audited Consolidated Financial Statements of the Group and the Company for the year ended 31st December 2014. In this Report, 'Group' refers to Singer (Sri Lanka) PLC and its subsidiary companies, Singer Finance (Lanka) PLC, Singer Digital Media (Pvt) Ltd. and affiliate company Reality (Lanka) Ltd. and 'Company' refers to Singer (Sri Lanka) PLC.

Preamble

In the year under review, Singer Group managed to grow despite the adverse economic and environmental conditions which affected consumer sentiments. Singer remained among the leading corporate giants in Sri Lanka and sustained its position again in the consumer durable market while the strengthening its brand image in retail business. The fact that, Singer was declared the 'Most Respected Consumer Electronics Company' in Sri Lanka and being placed amongst the Top 15 Most Respected Entities in the country endorses the ability to sustain its position during challenging times.

The unexpected heavy rainfall and flooding in many areas of the country in the 2nd half of the year adversely affected the consumers purchasing power. However, widely spread distribution network, backed by aggressive above the line and below

the line advertising and promotional campaigns helped Singer achieve a revenue growth of 16.5% over 2013. The wide range of our product portfolio, backed by a strong brand name 'Singer', and other world reputed brand names marketed by professional and aggressive sales teams, contributed to this achievement.

Singer Group recorded its historically highest ever revenue of Rs. 29.7 billion this was, a growth of 16.5% over prior year. Correspondingly, the bottom line of both Group and Company grew by 49.7% to reach Rs. 781.6 million and 53.6% to Rs. 463.6 million respectively.



The Group recorded a profit for the year of **Rs. 781.6 million** after tax for the financial year 2014.

Sri Lankan Economic Outlook

The Country was expected to have a GDP growth of 7.2% for 2014 following a 7.3% GDP growth in 2013 with exports, tourism, construction and IT playing a role in overall growth. The economy is dominated by the service sector which contributed significantly during the last five years to the economic growth in the country. Manufacturing and construction segments within the industry sector also have contributed significantly to the recent economic growth of the country.

Inflation rate is at mid-single digit level while Central Bank of Sri Lanka (CBSL) is confident of maintaining single digit interest rates into the foreseeable future considering the lower demand for credit and excess liquidity. Inflation remained at single digit level for the fifth consecutive year.

Basis of Preparation and Comparative Figures

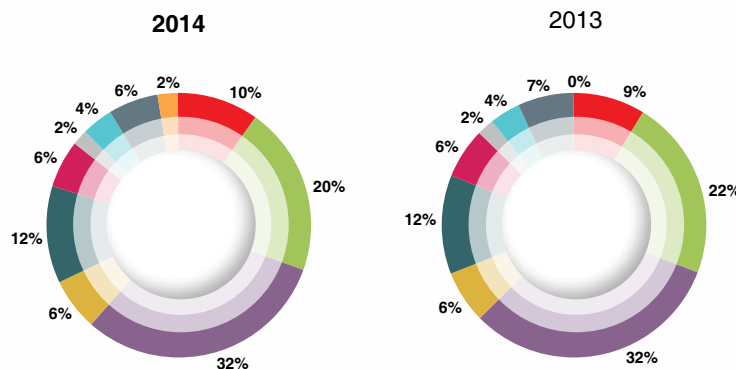
The Group Financial Statements for the year 2014, include the Financial Statements of Singer (Sri Lanka) PLC, Singer Finance (Lanka) PLC and Singer Digital Media (Pvt) Ltd. together with the share of profit or loss of associate, calculated on the equity method. The Company's Financial Statements represent the Financial Statements of Singer (Sri Lanka) PLC only.

The Financial Statements have been prepared in accordance with Sri Lankan Accounting Standards (hereafter referred to as SLFRSs) issued by The Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and the requirements of the Companies Act No. 07 of 2007 and Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995.

Comparative figures were not restated and presented in line with the presentation made in the Financial Statements for the year ended 31st December 2013 which was presented in year 2013 Annual Report. Details of the basis of preparation and comparative figures are disclosed in Note 1.2 of the Financial Statements on page 148.

Revenue

Revenue Analysis - Group



- Sewing Related Products
- Furniture
- Consumer Electronics
- Transportation
- White Goods
- Agro
- Kitchen Related Products
- Singer Finance (Lanka) Ltd.
- Communication
- Singer Digital Media (Pvt) Ltd.

Group Revenue during the year grew by 16.5% to reach Rs. 29.7 billion, whilst revenue for the Company increased by 14.4% compared to prior year and reach Rs. 27.1 billion. The strong growth generated from the communication and Digital media segment was aided by recent restructuring in the Digital Media distribution channel, under newly formed subsidiary company Singer Digital Media (Pvt) Ltd. Digital Media sales were primarily accounted under Company line in year 2013. The business environment continued to be difficult in the first half of the year with extreme drought conditions and slow growth in the economy which affected the consumer demand. In spite of the environmental adversities in the form of heavy rain, floods and landslides that occurred in the 2nd half of the year, economic and the market conditions in general can be described as better relative to the first half of the year. Group experienced enthusiastic consumer buying patterns and increasing trend in demand in the latter part of the year especially in the months of November and December.

Singer Group managed to sustain its volume growth in traditional products lines such as sewing machines, refrigerators, washing machines, panel televisions etc. and there were major gains due to significant volume growth in the mobile phones, furnitures and air conditioner segments.

Revenue growth in each channel was significant and all other segments other than transportation too reported substantial growth over prior year. In terms of sales growth on geographical basis, except the drought and flood affected areas, all other areas had significant growth compared to last year. A major hindrance were the floods that ravaged in the Eastern and the North Central areas of the country, in the latter part of the year where Singer has a strong presence in terms of hire purchase business. However, this was overcome by the higher sales in the other districts which was gained by capitalising the prevailing market opportunities during the year under review. The opportunities would be identified as introduction of new products, expansion of distribution channels, renovation and upgrading of existing showrooms and adding up new showrooms and customer service centres. In addition, The Company

continued with an aggressive approach to yield market opportunities not only through the traditional sales promotions but also through digital and social media such as SMS promotions, Facebook promotions etc.

Direct Interest Cost

Direct interest cost of the Group increased from Rs. 656.1 million in the previous year to Rs. 711.0 million, an increase of 8.4%. Included in direct interest cost is interest cost for customer deposits and interest on debentures of Singer Finance (Lanka) PLC. Customer deposits at Singer Finance (Lanka) PLC grew from Rs. 3,768.2 million to Rs. 4,494.6 million proving deposit holders' trust in Singer Finance (Lanka) PLC despite the fact that the Company decreased interest rates compared to prior year in line with market trends. Further, the Company utilised debenture proceeds to strengthen balance sheet position and to fund growth in higher purchase and lease receivables.

Gross Profit

Gross profit of the Group for the year under review reached Rs. 9,723.0 million compared with Rs. 8,764.5 million in the previous year, an increase of 10.9%. The Group's gross margin percentage marginally decreased from 34.4% to 32.7% over the prior year. The gross profit of the Company is Rs. 8,466.3 million as against Rs. 7,652.2 million in the previous year, an increase of 10.6%. Gross margin percentage of the Company was 31.2% (2014) vs 32.3% (2013), a decrease of 1.1%. In absolute terms, gross margin of both Group and Company increased over prior year mainly due to growth in revenue.

Gross margin percentage of both Group and the Company is impacted by lower mix of high margin product lines and discounts to flush out slow moving and provision for excess inventory. In addition, an increase in product margins was not a favourable strategy in challenging and difficult market conditions and instead the

Company focused more on retaining and expanding market share as a long terms strategic measure.

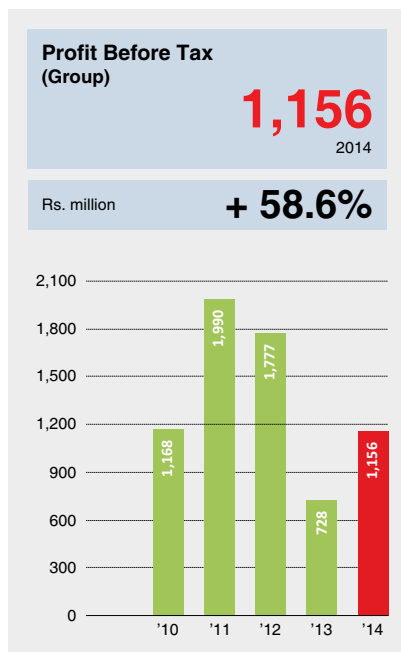
Other Income

Other income of the Group decreased from Rs. 131.2 million to Rs. 124.3 million, due to the decrease in miscellaneous income. Other income mainly comprises of commission income from financial services, Rs. 70.7 million and 7 miscellaneous income of Rs. 59.8 million. Miscellaneous income mainly comprises of the insurance commission income received by Singer Finance (Lanka) PLC.

At the Company level, other income decreased from Rs. 193.0 million to Rs. 165.7 million by Rs. 27.3 million mainly due to decrease in service fee income from Subsidiary Company, Singer Finance (Lanka) PLC on administration services rendered in maintaining loan accounts. Company's other income comprises of Rs. 77.8 million of dividend income received from Singer Finance (Lanka) PLC, Rs. 70.6 million from financial services and Rs. 23.5 million of miscellaneous income. However, inter-company dividends were eliminated in the Consolidated Financial Statements of the Group.

Selling and Administrative Expenses

Selling and administrative expenses of the Group increased over prior year by 10.4% from Rs. 6,653.6 million in 2013 to Rs. 7,345.5 million in 2014. Selling and administrative expenses of the Company increased over prior year by 11.1% from Rs. 5,961.9 million to Rs. 6,626.0 million.



Managing costs in a dynamic business environment is a challenge since the management needs to maintain a balanced approach on operational efficiency as well as catering to the growth of business prospects. Both Company and Group carefully managed costs without sacrificing expansion of the business for future prospects. At the Group and Company level, selling and administrative expenses grew over prior year mainly due to growth of selling-related expenses. These expenses are related to sales and have grown in line with the sales growth. Period expenses such as rent, renovation costs and some components of staff cost increased due to expansion of operations. Advertising and promotional costs increased due to aggressive marketing plans, above-the-line (ATL) and below-the-line (BTL) advertising and promotional campaigns to sustain and expand market share. Impairment on trade and other receivables at Group and Company levels increased year-on-year by Rs. 72.7 million and Rs. 44.2 million respectively due to difficulties faced in collections as a result of a challenging economy and adverse environmental conditions. As a percentage of revenue, Group and Company administrative and selling expenses decreased from 26.1% to 24.7% and 25.1% to 24.4% respectively.

Other Expenses

Other expenses represent depreciation on Property, Plant & Equipment and amortisation of Intangible Assets. Other expenses of the Group increased by 34.0% over prior year from Rs. 208.9 million to Rs. 279.9 million. The Company's other expenses increased by 33.7% from Rs. 195.1 million to Rs. 260.8 million. The increase in depreciation expenditure was due to capital expenditure incurred in shop renovations and leasehold improvements. Further to that in year 2013, Company reassessed economic useful life of fully-depreciated assets in line with the guidelines issued by The Institute of Chartered Accountants of Sri Lanka which had an impact of Rs. 34 million in reversals to the Income Statement in year 2013.

Net Finance Cost

Net finance costs of the Group sharply decreased from Rs. 1,260.2 million to Rs. 991.3 million, Company's net finance costs too decreased from Rs. 1,218.1 million to Rs. 1,047.4 million which was favourable by 14.0%. Group and Company borrowings grew over prior year by Rs. 431.4 million and Rs. 899.4 million respectively to fund business expansions and working capital growth. There was an impact from the growth in trade receivables and inventory as well as dividends paid in the month of March. Inventory growth was mainly to hold inventory levels for seasonal demand. Company has taken some corrective action to reduce inventory level. Interest on Intercompany loans and current account payables has been eliminated at the Group level.

Further, Company issued Rs. 1.5 billion redeemable debentures with a maturity period of 3 years to strengthen long-term financial position of the Company.

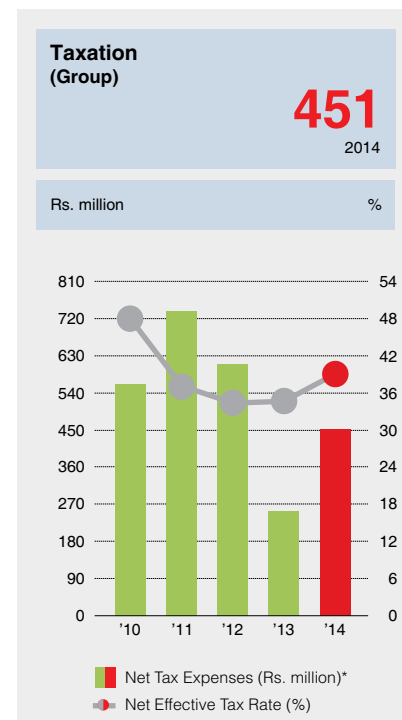
Finance income of the Group increased from Rs. 99.0 million to Rs. 112.4 million. At the Company level, finance income decreased from Rs. 141.0 million to Rs. 64.1 million due to decrease of interest income from Subsidiary Company Singer Finance (Lanka) PLC on its borrowings from the Parent Company, Singer (Sri Lanka) PLC. However, this income is offset in the Consolidated Financial Statements.

Share of Profit of Equity - Accounted Investee (Net of Income Tax)

The share of profit of Equity-Accounted Investee after tax is applicable only to Group results and share of profit for the period is Rs. 2.0 million vs profit of Rs. 1.3 million in 2013. Equity-accounted investments in the Group are limited to Reality Lanka Ltd.

Income Tax Expense

Income tax expense of the Group was Rs. 374.0 million as against Rs. 206.4 million in 2013. Income tax expense for the Company increased from Rs. 146.1 million to Rs. 196.7 million. The Current year income tax expense on ordinary activities of both Group and Company has risen due to the increase in profit from ordinary business. Singer (Sri Lanka) PLC and Singer Finance (Lanka) PLC is liable to income tax at 28% on taxable profits from 1st April 2011.



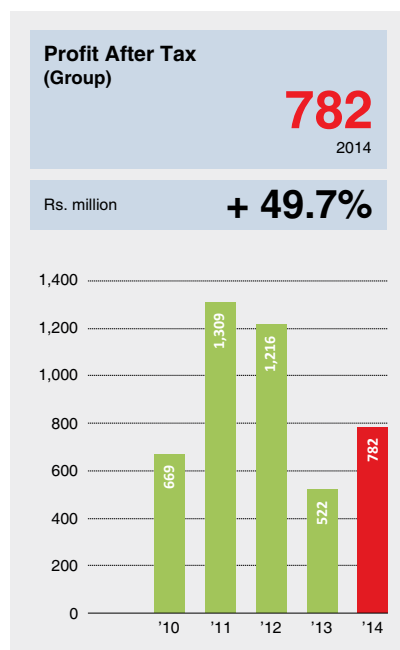
*Net tax expenses includes Income Tax, VAT on ECC, Deferred Tax and WHT on Dividend.

Group effective tax rate for the year is 32.4% vs. 28.3% in 2013 while for the Company was 29.8% vs. 32.6%. Including Value Added Tax on Financial Services, Group's effective tax for the year is 36.6% vs. 32.6% whereas Company's effective tax rate for the year is 33.6% vs. 35.8% in the last year. The effective tax rate increased

in Group due to add-back of expenses in Singer Finance (Lanka) PLC whilst the decrease of effective tax rate in Company level is mainly due to the deferred tax credit of Rs. 44.0 million in year 2014.

Profit for the Year

The Group recorded a profit for the year of Rs. 781.6 million after tax for the financial year 2014. This represents a growth of Rs. 259.5 million or 49.7% over last year mainly due to the performance contribution by Singer Finance (Lanka) PLC and Singer Digital Media (Pvt) Ltd., newly formed Subsidiary which was accounted under communication and digital media segment of Singer Company in prior year.



Singer (Sri Lanka) PLC's net profit for the year was Rs. 463.6 million vs. Rs. 301.9 million reported in the previous year, which is an increase of Rs. 161.7 million, a growth of 53.6% over prior year. This is a commendable improvement and recovery of operational performance compared to the previous year.

In the Group, profit attributable to equity holders was Rs. 714.2 million vs. Rs. 462.1 million in 2013. Profit attributable to non-controlling interest was Rs. 67.4 million vs. Rs. 60.0 million in 2013. Non-controlling interest pertains to Singer Finance (Lanka) PLC and is effective from 22nd December 2010 after allotment of IPO shares.

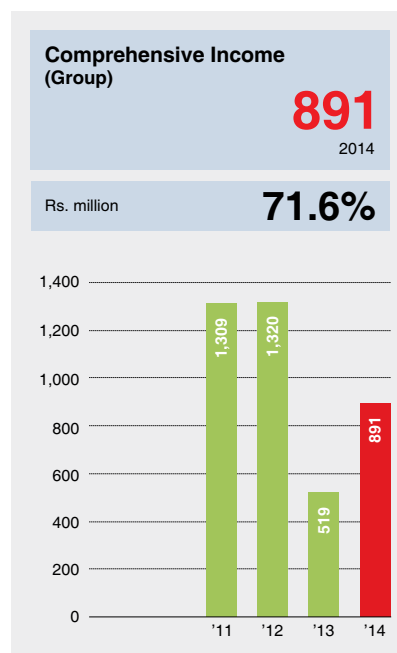
Comprehensive Income for the Year

Other Comprehensive Income for the year is limited to Revaluation gain on Property, Plant & Equipment and Remeasurement of Defined Benefit Obligation at both Group and Company level. Land and buildings of the Company were revalued in the financial year 2014 by Mr. Chulananda Wellappili, an Independent Valuer. The next valuation will fall due in financial year 2016.

The Group recorded a total comprehensive income of Rs. 891.3 million after tax for the year vs. Rs. 519.1 million which was above prior year by Rs. 372.2 million.

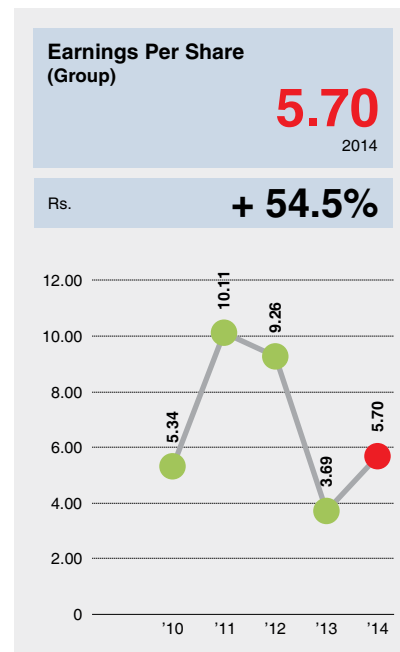
Singer (Sri Lanka) PLC's total comprehensive income for the year was Rs. 574.8 million vs. Rs. 299.2 million reported in the previous year, an increase of Rs. 275.6 million.

In the Group, total comprehensive income attributable to equity holders was Rs. 824.2 million vs. Rs. 459.1 million in 2013. Total comprehensive income attributable to non-controlling interest was Rs. 67.1 million vs. Rs. 60.0 million in 2013.



Earnings Per Share

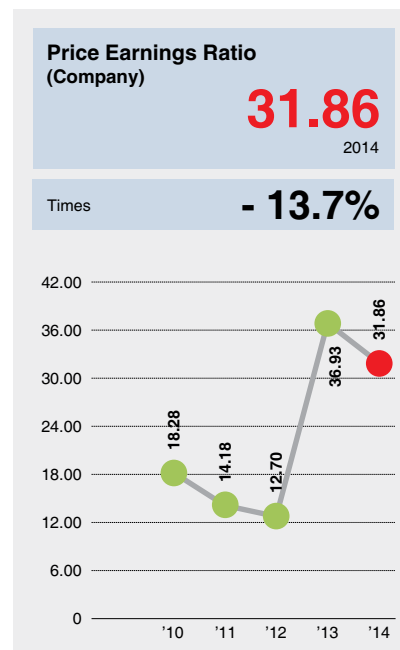
Group Earnings per Share (EPS) for the period under review was Rs. 5.70 vs. Rs. 3.69 in year 2013. Earnings per share of the Company were Rs. 3.70 vs. Rs. 2.41 in year 2013.



Price Earnings Ratio

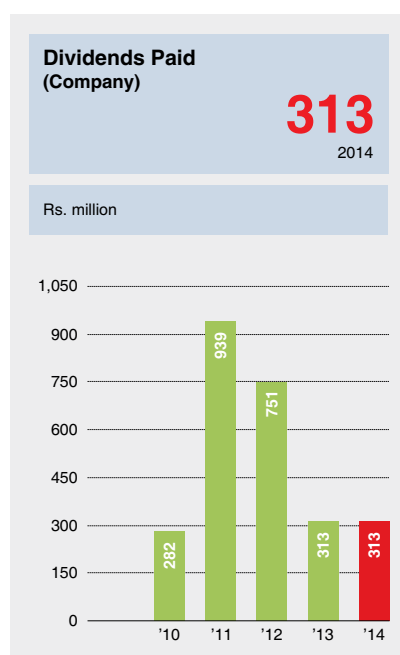
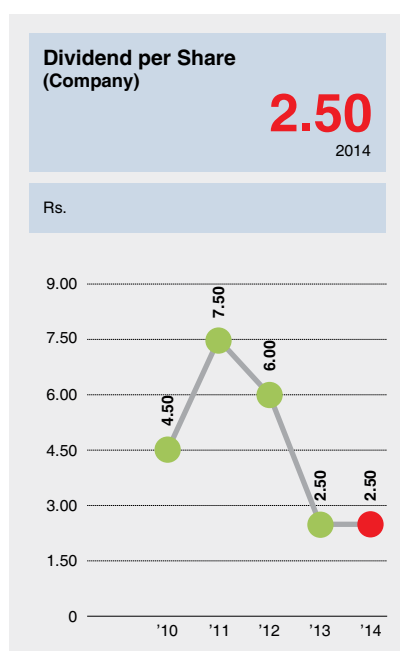
The price-to-earnings ratio of the Company as at 31st December 2014 was 31.9 times against 36.9 times as at 31st December 2013.

During the year under review, the Company's share price ranged between Rs. 82.00 and Rs. 128.90, closing the year at Rs. 117.90. Respective figures for 2013 were Rs. 80.10, Rs. 113.00 and Rs. 89.00.



Dividend

Company paid a final dividend of Rs. 2.50 per share amounting to Rs. 313.0 million during the year in respect of the year ended 31st December 2013. The Directors have approved a final dividend of Rs. 2.50 per share amounting to Rs. 313.0 million for the year ended 31st December 2014. In accordance with LKAS 10 on 'Events after the Reporting Period' the proposed final dividend subsequent to the reporting date is not recognised as a liability in the Financial Statements as at 31st December 2014. The Company has access to necessary funds to finance the payment of the final dividend.

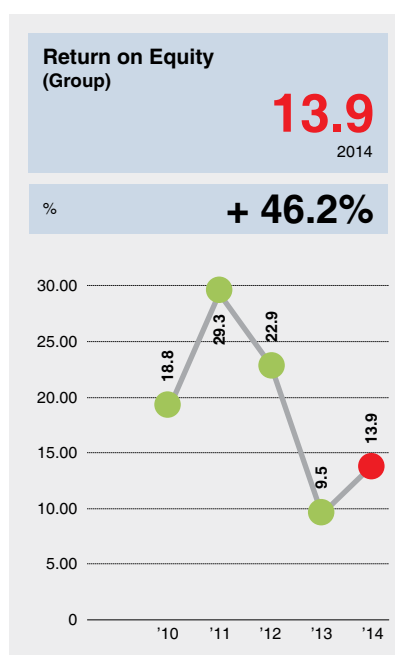


Solvency

Section 56 of the Companies Act No. 07 of 2007, requires that a solvency test be carried out prior to the payment of dividends. The Board of Directors will obtain a Certificate of Solvency from the Auditors prior to the date of dispatch of the final dividend payment.

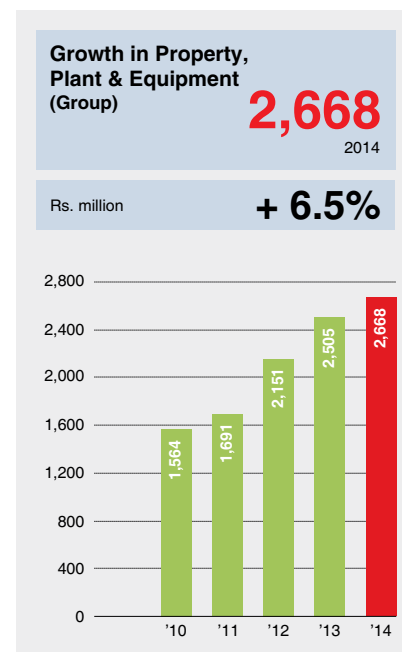
Return on Equity

Return on Group equity for the year under review is 13.9% whilst in the previous year it was 9.5%. Return on equity of the Company was 10.4% compared to 6.6% in the previous year. Return on equity has been computed by dividing the profit for the year by the average total equity as at the beginning and end of each financial year.



Non-Current Assets

Non-current assets of the Group increased from Rs. 8,562.0 million in 2013 to Rs. 8,947.0 million in 2014, an increase of Rs. 385.0 million. Non-current assets of the Company increased from Rs. 5,447.0 million to Rs. 5,754.7 million, an increase of Rs. 307.7 million. Trade and other receivables increased by Rs. 109.0 million in the Group and Rs. 50.6 million in the Company. An increase in Property, Plant & Equipment by Rs. 162.5 million for the Group and Rs. 168.8 million for the Company was mainly due to capital expenditure to improve leasehold premises, shop renovations, expansions and revaluation of land and buildings. Land and buildings were revalued in the year 2014 by Mr. Chulananda Wellappili, an Independent Valuer. The result of the valuation was incorporated in the Financial Statements. The assets were valued on open market value for existing use basis. The surplus arising from the revaluation was transferred to revaluation reserve in year 2014 and next revaluation is due on 31st December 2016.

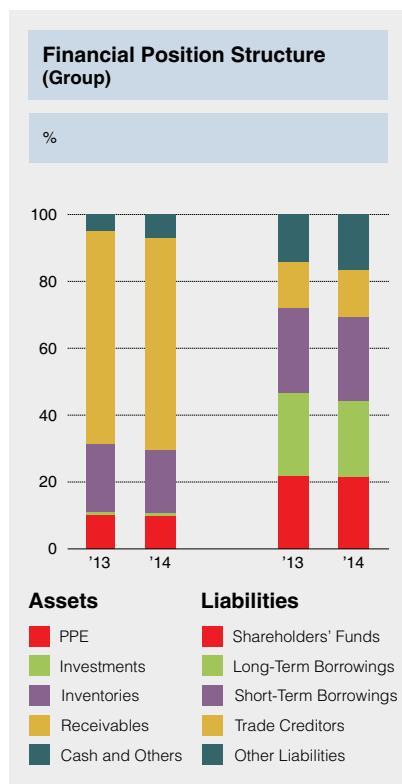


Current Assets

Current assets of the Group increased from Rs. 16,000.6 million in 2013 to Rs. 18,490 million as at 31st December 2014, an increase of Rs. 2,489.4 million or 15.6%. Current assets of the Company too increased by Rs. 1,964.0 million from Rs. 12,188.1 million in 2013 to Rs. 14,152.1 million in 2014. The increase is attributable to higher trade and other receivables and inventories in both Group and Company commensurate with expansion of business. Trade and other receivables increased due to growth in the lease assets and hire purchase receivables.

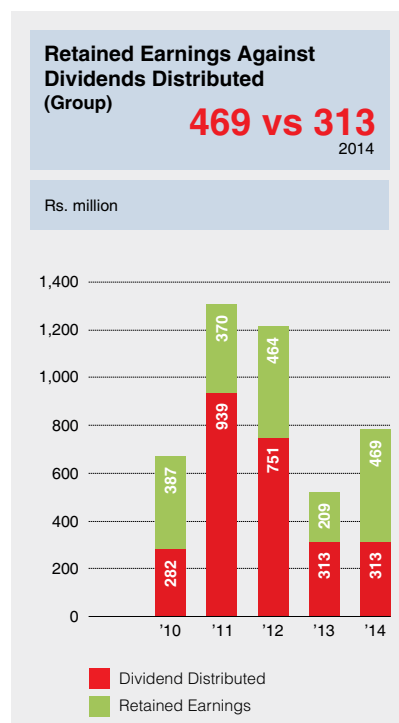
Total Assets

Total assets of the Group increased by 11.7% from Rs. 24,562.5 million to Rs. 27,437.1 million, an increase of Rs. 2,874.5 million compared to the 31st December 2013. Total assets of the Company increased by Rs. 2,271.7 million a percentage increase over the prior year of 12.9%.



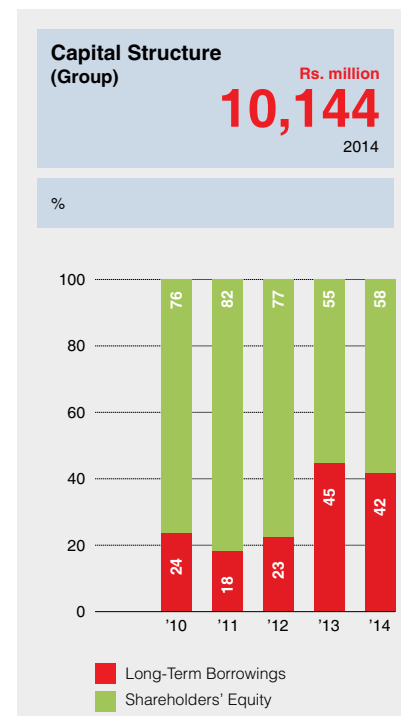
Total Equity

Total Group equity including non-controlling interest increased by Rs. 557.2 million over 2013 to stand at Rs. 5,917.2 million as at 31st December 2014. The increase was mainly due to increase in retained earnings over the prior year and increase in revaluation reserves following the revaluation of Land and Buildings in year 2014. Total Company equity increased by Rs. 261.8 million over the prior year to stand at Rs. 4,578.7 million due to same reason as stated.



Non-Current Liabilities

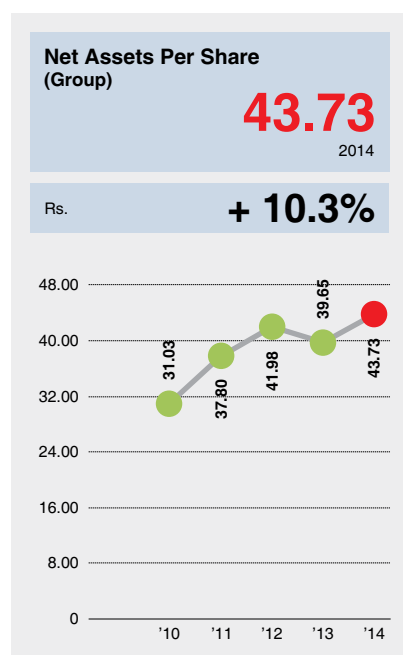
Non-current liabilities of the Group Increased from Rs. 6,171.7 million to Rs. 6,261.0 million. Non-current liabilities of the Company increased from Rs. 4,215.0 million to Rs. 4,361.1 million. The increase was largely due to the increase of Employee Security Deposits. During the financial year the Company issued new 2-3 years debentures amounting to Rs. 1,500 million and borrowed bank loans amounting to Rs. 5,517.6 million and issued commercial papers of Rs. 1,650 million to finance the business expansions.



Current Liabilities

Current liabilities of the Group increased from Rs. 13,030.8 million in 2013 to Rs. 15,259.0 million as at 31st December 2014, an increase of Rs. 2,228.2 million. At Company level, current liabilities increased by Rs. 1,863.8 million compared to 31st December 2013.

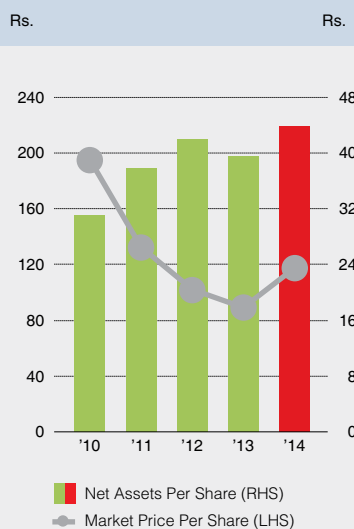
Current liabilities of the Group increased mainly due to increase in customers' deposits at Singer Finance (Lanka) PLC by Rs. 684.1 million. Loans and borrowings increased by Rs. 538.5 million mainly due to conversion of debentures from long-term borrowings to short-term borrowings which is due to be matured in 2015. Trade and other payable of the Group increased by Rs. 558.5 million to reach Rs. 3,818.0 million in 2014. In the Company's Financial Statements, movement in current liabilities was due to same reasons as explained above except the increase in customers' deposits.



Net Assets Per Share vs. Market Price Per Share

43.73 vs 117.90

2014



Operating Cash Flow

Group operating cash flow before working capital changes, finance costs and tax was Rs. 2,823.4 million compared to Rs. 2,462.7 million in 2013. Inventories increased by Rs. 409.4 million while trade debtors including hire purchase and lease receivables increased by Rs. 2,070.3 million. Trade and other payables increased by Rs. 838.5 million and customer deposits increased by Rs. 726.4 million.

Net operating cash inflows after finance costs and tax payments in the Group was Rs. 954.4 million. This increase was mainly due to decrease in changing of inventories, interest cost and income tax payments, whilst it was partly off-set by the increase in operating profit and trade receivables. Net operating cash inflow in the Company was Rs. 758.7 million, due to the same reasons reported in the Group except customer deposits.

Investing Cash Flow

During the year under review, the Group made investments amounting to Rs. 496.1 million. This figure includes cash out flow to acquire Property, Plant & Equipment and Intangible Assets of Rs. 398.6 million and investment in marketable securities by Subsidiary

Company, Singer Finance (Lanka) PLC of Rs. 225.5 million and part of this cash out-flows was off-set by cash inflows from interest received of Rs. 110.4 million and proceed from disposal of Property, Plant & Equipment of Rs. 7.5 million. During the year, the Company's net cash outflows from investment activities was Rs. 230.6 million, due to the same reasons stated above except investment in, marketable securities, and dividend received from Singer Finance (Lanka) PLC of Rs. 7.5 million. However, Company invested Rs. 379.5 million in acquiring Property, Plant & Equipment and Intangible Assets.

Financing Cash Flow

Net cash flows from financing activities at Group level declined from Rs. 621.1 million to Rs. 518.4 million during the year, mainly due to the repayment of interest-bearing loans and Borrowings.

The Company's net cash flows from financing activities was positive Rs. 965.7 million compared to negative Rs. 74.6 million in prior year. Mainly due to the raised of Nett debt amounting to Rs. 1,278.3 million.

Cash and Cash Equivalents

As at 31st December 2014, cash and cash equivalents of the Group increased from an unfavourable balance of Rs. 148.6 million to a favourable balance of Rs. 828.0 million. At the Company level, cash and cash equivalents increased from an unfavourable balance of Rs. 234.3 million to a unfavourable balance of Rs. 607.7 million, mainly due to the net cash inflow from financing activities as explained above.

Accounting Policies

Group and Company Financial Statements for the period ended 31st December 2014 in this Annual Report is prepared and presented in accordance with SLFRS and LKAS and applicable accounting policies with effect from 1st January 2012 and the requirements of the Colombo Stock Exchange and the Companies Act No. 07 of 2007 respectively.

SHAPING A SUSTAINABLE SOCIETY



With Singer, our customers are convinced that this is a **lifetime relationship** going beyond an ordinary sales contract.

**Sustainability
Report**

Dear Shareholders,

Singer differentiates from competition by being closer to the customer each day of our working life. It is not merely by spreading our sales points and service stations across the island nation, but also by knocking on the doors of customers, a tradition begun by our founder, Isaac Meritt Singer. With Singer, our customers are convinced that this is a lifetime relationship going beyond an ordinary sales contract.

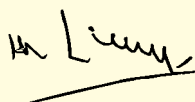
As living example to this credo we provide a service franchise network across the nation, to be at the doorstep of our consumers when it comes to after sales service. When consumers purchase consumer durables, it is with longevity in mind and the class of product category that we retail should never be sold and forgotten. This is why in a nation wide survey, Singer has been chosen as the People's Choice for the most popular brand for 9 consecutive years an achievement unparalleled elsewhere.

As an employment creator we strive to establish jobs that are fulfilling and sustainable, often lasting a lifetime. When an employee comes under our purview we ensure that he/she is mentored and developed until he reaches upto the fullness of his potential. We also give opportunities for employees to go beyond their chosen profession into areas where they show likely potential to excel via cross posting initiatives.

While we look after our customers, employees and shareholders, there is a world beyond us that needs addressing. Among many corporate social engagements we enter into, what stood out as exemplary is the continuing project 'Thirst For Life'. Kidney diseases are prevalent among the farmer community of the North-Central Province due to contaminated drinking water. This project allocates a share of money from each sale of 'Singer' and 'SISIL' water purifier towards purchasing dialysis machines for the afflicted community. This enables our consumers to share with us the act of helping the unfortunate who have been afflicted by the anti-social activity of others.

With the world population due to increase beyond 7 billion, each one of us has a responsibility to ensure that we sustain our neighbourhoods in a manner befitting a responsible corporate citizen. As you read through this Report you will realise the extraordinary contribution we as a corporate citizen makes towards sustaining the purity of our environment.

Sincerely,



Hemaka Amarasuriya
Chairman

27th February 2015
Colombo

As in many previous years, we are proud that Singer was recognised as a top corporate entity in many spheres of its operations, in Sri Lanka. The Best Corporate Citizen Sustainability Awards Ceremony conducted by the Ceylon Chamber of Commerce saw Singer being placed within the Ten Best Corporate Citizens in Sri Lanka and winning the 'Category Awards' for Projects for Environmental Value Addition, Governance and Merit Certificate under Long-Term Projects for Singer Fashion Academy.

Singer has been adjudged the 'Most Respected Consumer Electronics Company' in Sri Lanka and has been placed amongst the top 15 Most Respected Entities in the country, according to the results of a survey conducted by Nielsen on behalf of LMD.

It is undoubtedly a singular honour, because the survey is an independently conducted ranking which positions us among the most respected corporates in Sri Lanka. The benchmarks like the Most Respected Entities list is an important internal performance indicators.

For example, the Most Respected Entities ranking will be a blueprint enabling us to achieve our objectives, including gaining market leadership for our products and market segment, providing customers with the best service and shopping experience, optimising employee potential, and maximising shareholder wealth with steady asset growth and a return on investment that is above industry norms.

Singer has consistently won some of the country's most coveted accolades. For example, it has been named 'People's Brand of the Year', 'Youth Brand of the Year,' and 'Consumer Durables Brand of the Year.' The Company has also been rewarded with the SLIM-Nielsen People's Award for Brand of the Year for nine consecutive years. The SLIM-Nielsen People's Awards is a no strings attached awards presentation where the verdict comes straight from the people who are experiencing Sri Lankan products and services. Sri Lankans chose Singer as the most outstanding brand in all the related categories because Singer is the brand that is closest to the people, given the rich relationships Singer has built with Sri Lankans through its

products and services, the enduring strength and popularity of its brand comes as little surprise. These bonds are not limited to merely commercial ones. Singer is inextricably sewn into the fabric of Sri Lankan life through the Company's involvement in social responsibility projects,

Singer's strength in Customer Relations is a major reason for its brand power, with Singer taking a holistic approach to its customer relations where customer satisfaction is the key criterion.

These awards are a reflection of Singer's commitment to continually deliver enhanced value to its customers by evolving through continuous improvements to consistently satisfy customer requirements over time. Backed by the country's largest retail and service networks - numbering more than 412 retail outlets, 13 regional service centres and over 318 service agents - the Company remains dedicated to honouring its most important benchmark: giving Sri Lankans 'Trusted Excellence,' a commitment that has stood over many years.

Singer (Sri Lanka) PLC enhanced its reputation as an employer of choice by earning a coveted spot among the top 15 Great Places to Work in Sri Lanka, while being crowned as the best in the Large Enterprise category. Singer's is a grass roots human resource success story, where employees from all walks of life have found success, happiness and motivation by working at Singer.

Great Place to Work in collaboration with LMD and the Ceylon Chamber of Commerce, presented Singer with the Great Place to Work accreditation. The Great Place to Work Institute, which selected Sri Lanka's top employers, conducts the world's largest research study aimed at identifying, recognising, learning from, and spreading the best practices of organisations that achieve business objectives by being great workplaces.

The Great Place to Work survey is completed by the employees themselves. Singer's employees presented their opinion on three key relationships within the workplace: the employees' relationship with management; the employees' relationship with other employees; and the employees' relationship to their job. These relationships were

measured across three attributes of Trust (credibility, respect and fairness) as well as Pride and Camaraderie, accounting for 2/3 of the score. Statements made by Singer's employees consistently referred to attributes such as inspirational, personal-development, integrity, caring, collaboration and justice, as key motivating factors for choosing to work at Singer. The remaining 1/3 of the total score scrutinised the Company's culture (procedures, practices and policies) in relation to its employees. These results further affirmed that Singer is indeed the superior entity to work for in Sri Lanka.

Since being established in Sri Lanka in 1877, Singer has given the Sri Lankan people the opportunity to acquire many of the world's best home appliances and electronics via the largest retail network in the country. Those employed by Singer's island-wide retail network are the backbone of the organisation, and they too participated in the survey that endorsed Singer's employee relationship practices.

Upon surveying the feedback provided by Singer's employees, the Great Place to Work organisation highlighted several standout employee engagement activities initiated by Singer. The Singer Succession Plan identifies and develops high-achieving employees in order to support their careers. The internal mechanics at Singer follow an employee-first prioritisation process. Singer also has an open-door policy, for every level of employment.

Singer further encourages employees to spearhead CSR activities through the Company. The purpose of this scheme is to provide an opportunity for all employees to share in the Company's passion for being an outstanding Sri Lankan corporate citizen.

The Parameters of this Report

The Company adopts an annual reporting cycle, based on the Calendar Year. Singer (Sri Lanka) PLC financial year covered in this Report ended on 31st December, 2014, which coincides with the contents in section titled 'Shaping a Sustainable Society'. This was first included in our Annual Report for 2010 based on GRI Guidelines Version G3 in the previous year, we reported sustainability impacts in accordance with the GRI G 3.1

Guidelines. This year's report also has been compiled in compliance with Version G 3.1 and the disclosures have been drawn up to application level C+. We will be pleased to respond to any clarification/inquiry on this Report. Should this necessity arise, please use any facility at your disposal and contact:

Finance Division,
Singer (Sri Lanka) PLC,
No. 80, Navam Mawatha,
Colombo 2.

Report Boundary and Content

This Report is limited to the Company's operations in Sri Lanka, thus includes the operations of the Company's Subsidiaries, Singer Finance (Lanka) PLC, Singer Digital Media (Pvt) Ltd. and Associate Company, Reality Lanka Ltd.

The Company has considered the triple bottom line, i.e., economic, social and environmental parameters that affect the business when deciding the content of this Report.

Data Measurement Techniques and Bases of Calculation

Financial data presented in this Report have been extracted from Audited Financial Statements. Accounting policies used in preparation of the Financial Statements including the basis of preparation and significant assumptions are given on pages 147 to 156. Man hours in respect of training provided for the employees of the Company are computed based on scheduled time for each training session. The scope, boundary or measurement methods used in the preparation of this Report are the same as those used in the previous report issued in 2013. Information presented in this Report in respect of prior periods has not been restated.

Products and Services

The Company's principal business activities are marketing domestic and industrial sewing machines, consumer electronics, household appliances, air conditioners, furniture, agricultural equipment, motor cycles, two wheel tractors, personal computers and

digital media products, smartphones etc. The Company is also engaged in manufacturing of furniture, agricultural equipment, water pumps, assemblies, motor cycles and two wheel tractors. Further, the Company provides hire purchase and other financial services to customers. Outsourcing functions are limited to providing after sales services for its products and handled through a service franchise network, under the Company's thirteen (13) Regional Service Centres strategically located in the key towns of the country. Principal activities of Subsidiary Company, Singer Finance (Lanka) PLC are acceptance of deposits from the general public and financing sale or purchase of any goods, articles, vehicles or other items either by letting on hire, hire purchase, leasing and other methods of financing.

Principal business activity of newly formed fully-owned Subsidiary Company Singer Digital Media (Pvt) Ltd. is marketing mobile phones, computers and digital cameras through island-wide distributor to end customers.

The Company provides the customers a wide range of products that belong to local and international brands. These brands and their respective logos can be found on page 27 of this Report.

Operational Structure

The Group consists of four companies and one separate manufacturing division: Singer (Sri Lanka) PLC, Singer Finance (Lanka) PLC (a 80.4% owned subsidiary), Singer Digital Media (Pvt) Ltd. (a fully-owned Subsidiary) and Reality Lanka Ltd. – Associate Company and the Singer Manufacturing Factory, Piliyandala (which operates as a separate division). There had been no significant changes to the previous reporting other than the form of new subsidiary company.

Singer Umbrella Covers More Areas

The Group/Company serves all geographical regions of Sri Lanka. We further extended our frontiers in the island by opening 9 new showrooms and 1 satellite showroom. New showrooms were opened in - Mawaramandiya, Trincomalee, Nugegoda Samsung showroom, Nikaweratiya, Nuwara Eliya, Homagama Dickwella, Chillaw and Thalawathugoda

and one satellite showroom was opened in Pallebadda.

Distribution Network is available on page 205 of this Annual Report.

Awards, Achievements and Honours

The fact that Singer has remained among the elite corporate giants in Sri Lanka is amply demonstrated by the coveted awards bestowed on us during the year. These are:

Singer being placed within the Ten Best Corporate Citizens in Sri Lanka and winning the 'Category Awards' for Projects for Environmental Value Addition, Governance and Merit Certificate under Long-Term Projects for Singer Fashion Academy.

Singer has been adjudged the 'Most Respected Consumer Electronics Company' in Sri Lanka and has been placed amongst the top 15 Most Respected Entities in the country, according to the results of a survey conducted by Nielsen on behalf of LMD.

The Company has been rewarded with the SLIM-Nielsen 'People's Award for Brand of the Year' for the ninth consecutive year and company was rewarded with 'Youth Brand of the Year' and 'Consumer Durables Brand of the Year'.

Singer (Sri Lanka) PLC enhanced its reputation as an employer of choice by earning a coveted spot among the top 15 Great Places to Work in Sri Lanka, while being crowned as the best in the Large Enterprise Category.



Singer (Sri Lanka) PLC was listed as one of the best 15 Great Places to Work in Sri Lanka and also became the 1st in the large Enterprise Category.

The opening paragraph of our Sustainability Report contains fuller details of these awards.

Year 2013 Annual Report won the Gold Award under retail category in the 50th Annual Report Award competition



conducted by The Institute of Chartered Accountants of Sri Lanka and adjudged as the second runners up under manufacturing sector at the SAFA Best Presented Annual Report Award.

Annual Report 2013/14 of our Subsidiary Company, Singer Finance (Lanka) PLC was awarded Certificate of Appreciation in Finance Company Category in the same competition held by The Institute of Chartered Accountants of Sri Lanka.

Good Governance

Governance, Commitments and Engagements

Singer enshrines the highest ethical standards in the conduct of its business affairs. The Board of Directors is tasked with ensuring that the resultant regime of exemplary governance across all aspects of business is in the best interests of stakeholders.

The Chairman of the Board of Directors functions in a non-executive capacity. This strengthens the independence of the Board, the Independent and Non-Executive Directors.

The Board comprises of eight (8) Directors including the Chairman and the Chief Executive Officer.

We believe, given the size of our Company, the most effective way for shareholders to provide recommendations or direction is through General Meetings. Shareholders can also communicate in writing directly with our Compliance Officer or our Non-Executive Chairman.

Employees can communicate with the Board through their respective divisional heads. We hold monthly management review meetings and operations meetings, where all key, senior and relevant subject managers participate. We also encourage and foster a culture which enables all levels of employees to freely express their views and recommendations to all levels of management staff. The management staff has regular

Our successful history over **137 years in Sri Lanka** and 163 years worldwide as an upstanding corporate citizen is testament to our philosophy.

Touching Screens... Touching Lives

The world right now is different to what it was a minute ago. Change is that fast. **Singer electronics appreciate the needs of tech savvy customers...** and we have a range of appliances that are just right not only for 'here and now' but for the future as well. We have the sophistication, the technology and a premium range of world brands offering the gamut of electronic appliances to truly touch lives.



Samsung Galaxy S5
16 MP Cam,
Quad Core, 4G LTE

Model No.
SMG-SM-G900F



Huawei Honor 3C
5" HD, Quad Core,
8MP Cam,

Model No.
HU-HONOR-3C



Huawei Mediapad
8" IPS, Quad Core,
HD Video

Model No.
HU-S8-301U



Intel Core i3 Notebook
2.4GHz, 4GB,
500GB

Model No.
SINX I3-46

interactions with the Group CEO and other Directors. Other employees communicate with the Board through their respective divisional heads.

The Executive Committee, which comprises all key managers and four Deputy Directors, meets weekly to discuss and address current operational matters and issues of strategic nature and take prompt action.

Singer employs dynamic governance—a non-authoritarian organisational operating system that empowers people to make policy within their established domains, fostering better and clearer decisions. The Company

culture allows leadership to spring up when it is most needed, enabling the business to take effective action when needed.

This obviates the under utilisation of the knowledge, expertise and experience of lower-level employees when it's time to make decisions. In dynamic governance, every voice is heard for creating policies - and a management hierarchy exists for daily operations.

The unique thing about dynamic governance is that it encompasses both horizontal and vertical governance. Both the manager and the hierarchy stay in place and everybody has a voice that can't be ignored.

Dynamic governance often leads to higher morale, increased productivity and better decisions. We are getting more good ideas for our decisions and people are really putting energy into carrying them out. Dynamic governance makes Singer more vibrant as we have the information we need from all over the organisation.

Performance-Based Compensation

The Board has established two Governance Committees.

Audit Committee

The Audit Committee is empowered to review and monitor the financial reporting process of Singer Group so as to provide additional assurance on the reliability of the Financial Statements through a process of independent and objective review.

As such, the Audit Committee acts as an effective forum in assisting the Board of Directors in discharging their responsibilities on ensuring the quality of financial reporting and related communication to the shareholders and the public. As at year-end, the Audit Committee comprised of three Non-Executive Directors, the Head of Risk Management, functions as the Secretary to the Committee.

The Financial Director/Compliance Officer, Audit Staff, Representatives of External Auditors and when necessary, the Chairman/the Group Chief Executive Officer and relevant operation Directors and Managers attend the meetings by invitation.

Remuneration Committee

The Remuneration Committee consists of the 3 Non-Executive Directors and the Non-Executive Chairman of the Singer Group. The Finance Director acts as the Secretary to the Committee. The Committee is chaired by a Non-Executive Director. The Group Chief Executive Officer and the Finance Director assist the Committee by providing the relevant information and participating in its analysis and deliberations. The scope of the Committee is to 'look into fees, remuneration and perquisites of Chairman, Group Chief Executive Officer, Independent Directors and the Executive Directors of the Board of the Company including Alternate Directors and approve recommendations made by the Group Chief Executive Officer and the Corporate Office of Singer Asia Ltd. Singer Asia Ltd. is the Intermediate Parent of the Company. The Committee also reviews the policies pertaining to the remuneration and perquisites of the Key Managers of the Company.

Avoiding Conflicts of Interest

All our employees are bound by our written Code of Business Conduct which they sign to adopt as part of their written Contract of Employment. In order to refresh their sense of responsibilities and to avoid conflicts of interest and in order to ensure the adoption of revised Code, the Code of Business Conduct must be signed annually by each key and senior management employee. Our insistence on avoiding conflicts of interest is strengthened further by our Whistle-Blower Policy as well as the collective agreement we sign with the labour unions. Our Whistle-Blower Policy, introduced in 2009, enhanced transparency and promotes adherence to our Code of Ethics. It encourages any employee who suspects wrong doing at work, whether it is done by management, a peer or any other employee, to raise their concerns in this regard. Our Collective Agreements with our labour unions ensure that there

is an equitable balance between the interests of Singer (Sri Lanka) PLC and our employees, reducing any possible temptations that may lead to a conflict of interest. It is also important to note that by providing for the welfare needs of our employees, we ensured that they are motivated and eager to abide by the Code of Business Conduct, thereby further reducing any potential conflicts of interest.

We believe that by promoting a sense of community and ownership amongst our employees, through the provisions of general compensation we are able to encourage our employees to promote good corporate governance.

Eligibility of Board Members

When appointing new members to our Board of Directors, we assess their qualifications and expertise to ensure that we are in accordance with the rules and regulations published by the Colombo Stock Exchange, the Code of Best Practice on Corporate Governance issued jointly by The Institute of Chartered Accountants of Sri Lanka and the Securities and Exchange Commission of Sri Lanka and the Companies Act No. 07 of 2007.

We also identify and groom our executives for possible appointment to the Board in a well-structured process that includes extensive training and development. This may involve overseas assignment and training at foreign universities and other institutions.

We provide opportunities for current members of the Board of Directors to be exposed to new developments in key areas by conducting regular training programmes and having members serve in related committees.

Memberships in Associations

The Company Singer (Sri Lanka) PLC and Subsidiary Company Singer Finance (Lanka) PLC are members of the following associations:

- The Ceylon Chamber of Commerce
- Sri Lanka-China Business Council
- Import Section of the Ceylon Chamber of Commerce
- Sri Lanka-Canada Business Council
- The Employers' Federation of Ceylon
- CSR Lanka Guarantee Ltd.

Several of our Directors and Key Managers serve on a voluntary basis on the Executive Committees of the following associations, in order to contribute to the overall development of the industry:

- Director-Marketing and Commercial of Singer (Sri Lanka) PLC serves in the Executive Committee of the Ceylon Chamber of Commerce - import section and is a Past President Chairman of the Import Section of the Ceylon Chamber of Commerce. He is also the Past President of the Sri Lanka-China Business Council. As an indication of the Company's involvement in promotion sports and youth development, he is a Past President of the Mercantile Cricket Association.
- The Chief Executive Officer of Singer (Sri Lanka) PLC serves in the capacity of Vice-President of the Rotary Club of Colombo North.
- Director-Human Resources of Singer (Sri Lanka) PLC was an Executive Committee member of the Association of Human Resources Professionals and President of the Mercantile Hockey Association.

Fundamental Framework - Our Vision, Mission, Values and Objectives

Our Vision, Mission, Values and Objectives are found on pages 4 and 5 of this Report. As a Company that is committed to creating shared value, we ensure that our business practices are aligned with our social goals. Such values are built into the operational style and structure of the organisation so that these areas routinely get evaluated in the process.

We believe in working closely with our suppliers in order to create shared values, for both parties. As detailed in the Customer and Supplier Relations section, we try to help our suppliers reach new standards and share our market intelligence with them in order to improve existing products and develop new ones.

Overseeing Economic, Social and Environmental Performance

As the highest governance body, our Board of Directors is responsible for all strategic planning. This includes the formulation of our strategic vision and

mission, setting our overall corporate policy, monitoring performance and reviewing risks and all major investments.

The Board provides a mechanism for critically reviewing all aspects of the Company's operations. Board members exercise independent judgment in performing their responsibilities, which include strategy and risk management planning.

Both, Chairman and Group CEO ensure that good governance is practiced through the organisation, seeing to it that both Executive and Non-Executive Directors are able to participate effectively in decision-making and bring independent judgment to bear on issues of strategy, performance and risk. The Board also seeks independent professional advice from third parties such as the Company's External Auditors and other professional consultants when deemed necessary.

Finance, Sales, Marketing and Commercial Information Technology who participate in the Board as Alternate Directors also provide additional information and expertise to the Board. Operational decisions are taken by our Executive Committee which meets every Monday. In addition, a Management Review meeting is held once a month.

Our annual plan sets out the objectives and plans for all our business units and divisions. Management Committees translate these objectives into actionable tasks for Divisional Heads who do the same thing for their charges.

We hold ourselves to internationally agreed standards, codes of conduct and principles. For example, our Annual Report includes this shaping the sustainable society, based on Global Reporting Initiative Guidelines.

Evaluating Board Members' Performance

Our Board is constantly evaluating its own performance. Our interactions with stakeholders also allow us to assess our economic, social and environmental performance. In addition to critical self-analysis and stakeholder communication, we also rely upon independent judgments from externally-based professionals, such as our

External Auditors and other professional consultants.

The Company's performance is also judged and reviewed by the Singer Asia Board at Corporate Level as against the Annual Business Plan.

Through our implementation of Global Reporting Initiative Guidelines and our participation in forums, such as Annual Report Competition, we are able to get feedback on our Board's performance. Other awards and ranking competitions, such as SLIM AC Nielsen People's Brand of the Year Awards, Fitch Ratings and LMD's 'Most Respected Entities', and the 'Best Corporate Citizen' rankings, provide useful external evaluations of the Board's performance.

The Executive Directors on the Board are very much involved in the day-to-day operations of the business, constantly meeting key stakeholders such as: customers during field visits; meeting suppliers at their manufacturing locations (overseas and local) and also during suppliers' visit to the Company; regular interactions with employees; and other external bodies; such as Chamber of Commerce, rating agencies, Governmental agencies, industrial associations, etc., where direct feedback is received.

Our Response to Precautionary Approach

We understand the need to safeguard the public at large in conducting our businesses. We make every effort to ensure that our customers and the community at large are informed of any potential risk that they may face as a result of our operations. We believe in anticipating possible health or environmental risks and being proactive, instead of just responding to them when they arise. The shift in our furniture manufacturing plant from UV-based paints to water-based paints and very early adaptation to CFC free gas and early adaptation of zero ozone impact R600a natural refrigerant was not promoted by any legal regulations but rather by our concerns about possible environmental risks.

Our voluntary partnership with the Central Environmental Authority in the National Co-operate E-Waste Management Project was driven by our belief in the need to be proactive

in safeguarding the environment and the general public. As detailed in the Environmental Relations Section, we have led the way in collecting e-waste which may, one day pose a risk to the environment as well as to health and safety of the public.

We also strive to increase the recyclable content of all our products and packaging. For example, by substituting natural recyclable materials like recycled paper for polystyrene in our packaging, we have been ahead of the regulatory requirements.

Commitments to External Initiatives

As noted earlier, we act in accordance with the rules and regulations published by the Colombo Stock Exchange, the Code of Best Practice on Corporate Governance issued jointly by The Institute of Chartered Accountants of Sri Lanka and the Securities and Exchange Commission of Sri Lanka and the Companies Act No. 07 of 2007.

Our Annual Report included a Sustainability Report based on Global Reporting Initiative Guidelines.

We comply with all environmental regulations that are applicable to our operations and often go above and beyond our statutory duties to the environment. For example, we were one of the first companies to sign up with the Central Environmental Authority to ensure the efficient disposal of e-waste and have been the most active partner since.

Our manufacturing division - Piliyandala Factory and distribution centres have obtained and conform to many ISO 9001-2008 certifications.

Stakeholder Engagement

We engage with all stakeholders including customers, employees, shareholders, bankers, financial institutions, depositors, Government authorities, suppliers, competitors and the community at large.

However, we do not engage with parties that do not uphold the principles that Singer practices, based on our Code of Conduct. We do not entertain approaches by parties who are interested in illicit gains or who do not abide by our corporate values.

Our successful history over 137 years in Sri Lanka and 163 years worldwide as an upstanding corporate citizen is testament to our philosophy of engaging stakeholders on a fair and unbiased basis.

We view our Stakeholders as an integral part of our system of checks and balances, there to ensure that economic growth occurs in a sustainable way that benefits the largest segment of the population as possible. We respect stakeholders through respectful, meaningful communication. Yes, most of the time they know we are authentic.

Stakeholder engagement is an art Singer has perfected over the years. It's an exercise in patience, compromise, and periodic stumbles. Most of all, it's about knowing the system in which our business operates, understanding the drivers of all stakeholders in that system and making decisions (or compromises) based on those underlying drivers. We never impose our will on the system. We listen to what the system tells us, and discover how its properties and our values can work together to bring forth something much better than could ever be produced by our will alone.

Stakeholder	Method of Engagement	Frequency
Customers	Retail Channels, Call Centre	Ongoing
	Advertising and Promotion	Ongoing
Employees	Management and Divisional Meetings Initiatives by HR Division	Ongoing/Daily
Shareholders	Annual General Meetings	Annually
	Quarterly Reports and Correspondence	Quarterly, Ongoing
Suppliers	Visits, Consultations, Workshops	Ongoing
Community	Various Projects	Ongoing
Government	Timely Tax Payments, Complying with all Regulations	Ongoing

Economic Performance

Statement of Value Added – Group

Category	2014		2013	
	Rs. '000	%	Rs. '000	%
Group Turnover - Gross	31,615,360		27,105,097	
Other Income	124,311		131,154	
Less - Cost of Material and Services	23,829,520		20,270,255	
Value Added	7,910,151	100	6,965,996	100

Distribution of Value Added

To Employees and Dealers

Salaries, Commissions and Other Benefits	3,548,600	44	3,100,786	46
--	-----------	----	-----------	----

To Government

Income Taxes, Turnover Taxes, Value Added Tax and Other Taxes	2,354,662	30	1,914,567	27
---	-----------	----	-----------	----

To Banks, Deposit Holders and Other Lenders

Interest and Bank Charges on Borrowings and Customer Deposits	991,328	13	1,260,156	18
---	---------	----	-----------	----

To Suppliers of Capital

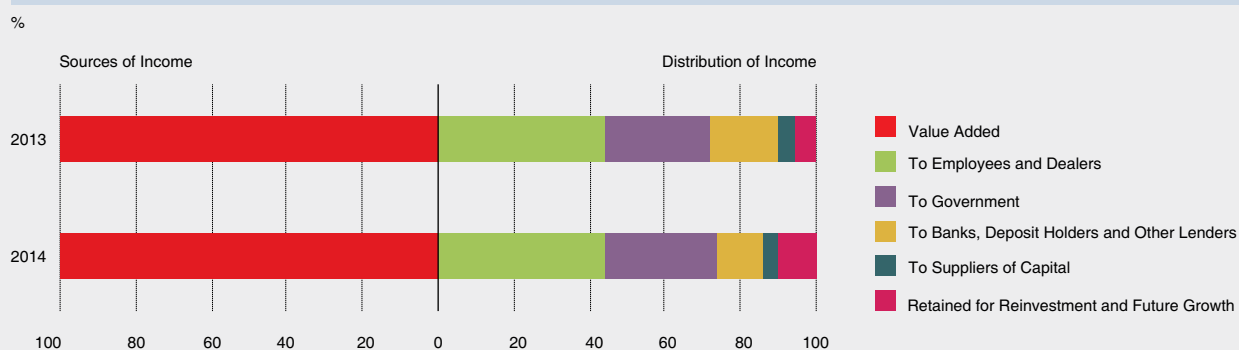
Dividends to Shareholders	313,024	4	313,024	4
---------------------------	---------	---	---------	---

Retained for Reinvestment and Future Growth

Depreciation	311,004	4	231,336	3
Retained Profits	391,533	5	146,127	2

Value Distributed	7,910,151	100	6,965,996	100
--------------------------	------------------	------------	------------------	------------

Sources and Distribution of Income



Environmental Performance

Global Highlights

2014 has been warmest year since the Nineteenth Century, according to NASA and the National Oceanic and Atmospheric Administration. The earth has become warmer by approximately 1.4° Fahrenheit since 1880, as a result of greenhouse gases released by humans. In addition 9 of the 10 warmest years on record have occurred since 2000.

The World Meteorological Organisation cited that average global air temperatures in 2014 was 0.57 higher than the long-term average of 14 °C (57.2 °F) for the period 1961-1990.

In 2014, record-breaking heat combined with torrential rainfall and floods in many countries and drought in some others was consistent with the expectation of a changing climate.

Global sea-surface temperatures also reached record levels. Although UN seeks to limit warming to no more than 2°C over pre-industrial revolution levels, scientists warn the Earth is heading for double that target - a scenario that could be catastrophic.

Carbon dioxide emissions continue to grow year after year. In 2013, more than 36 billion tons of carbon dioxide was released into the atmosphere from the burning of fossil fuels and cement production, a 2.3 % increase over the previous years. It is projected that carbon dioxide output will rise to 37 billion tons for 2014 and to 43.2 billion tons by 2019.

Climate scientists overwhelmingly agree that the greenhouse gas will cause a slew of future problems, from rising sea levels to warmer worldwide temperatures. The economic costs of carbon dioxide emissions, known as the 'social cost of climate change, is also a concern. This measurement looks at the damage caused by rising temperatures to human health and crop yields.

Singer Factory Integrating Sustainable Eco Practices

Singer as a responsible corporate citizen has taken many steps to mitigate the damage to environment. Our staff members at Piliyandala Factory adhere to environmentally friendly practices to preserve the lush

environment surrounding the factory. These practices mainly focusing on noise control, air pollution control, water pollution control, solid waste management, sound chemical management and up to the extent of energy and resource conservation.

Guidelines given by local and international authorities are followed by the factory in storing and transporting certain hazardous materials which are used for production. All chemicals are stored in sealed warehouse with restricted access. In order to obtain the CEA certification, our factory undergoes 2 independent environmental audits per year for the Furniture Factory and Agro Factory separately. In these audits they measure their compliance with environmental standards. In other words this clearly gives a sign that the factory operates under all these set standards and ensures to uphold our responsibilities as an eco-friendly company.



Environment friendly SISIL ECO refrigerators with R600a gas at the launch.

While ensuring that the factory is compliant with all environmental certifications, we manage our internal operations in line with this theme. As a result we replaced all our conventional paint booths with water curtain paint booths. This reduces air emission caused by spray painting to a greater extent and do not lead to toxic emission as well.

The sanding activities only are carried out inside an enclosed area incorporated with a proper dust extraction system. This help to do our main operation without polluting air and also create a safe environment for the employees who work in that particular area. The emission control system maintains regularly to ensure proper working order and designed efficiency at time.

We instil our environmentally sustainable policies in our suppliers and manufacturers during on-site evaluations of their processes

Conducted regularly. In the event of non-adherence to our guideline, we either discontinue them as an approved partner or take instant measures to up grade their standards.

Solid waste including sawdust arising from our operations is removed in environmentally safe manner. In consultation with the relevant local authorities we disposed solid waste through responsible third party contractors. These solid waste are used for making wood briquetting, burners and filling up of marsh lands etc.

We further keep evaluating on our suppliers/manufacturers and help them to upgrade their standards. We instil our environmentally sustainable policies in our suppliers and have done onsite evaluation of their process on regular basis. We further discontinue them as an approved partner, if we found that they have not adhered to our guidelines.

Saw Dust Collection

We continually focus on reducing, reusing and recycling saw dust, smoke, paint fumes, wood cut-offs, particle boards and plastic and iron scraps. Through installation of state-of-the-art machinery at our incineration and extraction plants, we ensure that saw dust is incinerated, pollutants and impurities are segregated and only clean air is released into the environment. Waste materials are then channelled into water troughs, where they are collected, treated and disposed in a proper manner. We have also installed a separate dust collection system in our Sofa Factory that uses fine filtration to prevent air pollution.

In order to recycle the saw dust that is disposed at our factory in Piliyandala, we initiated a new collaboration with a third party organisation that supply saw dust for boilers. Our factory has two chambers to collect saw dust prior to handing over to the supplier who voluntarily collects the saw dust thrice a week. Through this initiative, we are not only helping a third party but also optimise the use of waste from our manufacturing processes. In recognition of our immense contribution and unstinting support to reduce Sri Lanka's carbon footprints, we received a token of appreciation from the Central Environmental Authority.

Training and Educational Programmes for the Employees on Environmental Protection, Eco System Services and Conservation

Theme of the Week

This is an activity dedicated to providing Singer employees and customers with additional background information on new environmentally friendly and energy efficient initiatives of the Singer Group. Singer employees use the theme of the week to educate themselves and implement best practices into their work routines. Our messages on sustainability are effectively spread across the country through our employees represented in over 1,000 touch points. They maintain close relationships with locals. This year, we focused on two themes: the first being the Singer Geo Series which is our new range of environmentally friendly refrigerators; and the other on e-waste management. A better understanding about sustainable purchasing choices and product usage will render long-term environmental benefits.

e-Waste Collection Points Now Island-Wide

Singer Group has earned the reputation as a highly respected and responsible distributor of electrical appliances in the country. Therefore, the general public and the customers were more inclined to join the e-waste management campaign organised by us. Easy access was facilitated to the public, through the vast network of Singer outlets. We brought our e-waste campaign closer to our customers by placing e-waste collection bins at all Singer Plus, SISIL World, Singer Mega, Singer Home's Showrooms and Singer Service Centres. Awareness on the e-waste collections campaign was created through Below The Line (BTL) promotions, Public Relations (PR) articles, print advertisements, posters and created billboards.

Biodegradable Packaging

While Singer factories have already started using corrugated cardboard instead of regifoam as packaging material for our water pumps, research and planning are well underway to

expand our use of biodegradable material. Added to that is our strategy to switch to using shopping bags that are made out of biodegradable materials by next year.

Reducing Waste

Continuing e-Waste Management Leadership

Three years ago, the Singer Group went beyond its operational responsibilities to sign a Memorandum of Understanding with the Central Environmental Authority to address the issue of e-waste management. Accordingly, we became one of the few Sri Lankan companies to take on the responsibility of managing e-waste. Under the guidance of the Central Environmental Authority, the Singer Group secured a license that follows the UN BASEL Convention Regulations in collecting, transporting and storing e-waste for recycling. Thus far, we have collaborated with Green Link and Think Green e-waste managers that work in co-operation with e-waste recyclers in Singapore, China, South Korea and the



UK in a joint effort to reduce the world's carbon footprints.

The e-Waste Day serves as an annual reminder for all Sri Lankans about the opportunity to dispose of their e-waste through the vast and conveniently located Singer network. This year, on e-Waste Day, we conducted Sri Lanka's first ever, door-to-door e-waste collection campaign for all who contacted the dedicated e-Waste Day hotline. The general public was notified through an extensive advertising campaign about this initiative. Further, as a new initiative we created awareness by distributing leaflets to corporates and consumers, including distributing leaflets through leading banks and Super Market outlets.

Trade in Offers to Reduce Carbon Footprint

As the largest consumer durables retailer in the country, we take our responsibility very seriously. We maintain long-lasting and continuous relationships with our customers. Therefore, we strive to instill

environmentally friendly habits, while providing goods and services they need. The newly established Singer trade in offers motivates the customers to hand over their old electrical appliances for more energy-efficient and environmentally friendly products. This helps to reduce the impact on carbon footprints.

Pioneering and Promoting R600a Gas Refrigeration

Usage of CFC gasses was banned due to their negative impact on the ozone layer. Ten years before CFC gas refrigerants were phased out by the regulators. Subsequently, it was decided that 100% organic R600a gas would be the future of refrigerant gasses, as the global warming potential for R134a gas was considered to be too high. Although, the conversion to R600a gas was to be made compulsory in 2040, our Sister Company Regnis (Lanka) PLC which manufactures refrigerators, took on the responsibility early and invested in the technology needed to manufacture R600a gas refrigerators.

Company took aggressive steps to promote R600a gas refrigerators in Sri Lanka and all marketing communication targets to educate benefit and importance of R600a refrigerators. Following that the Company discontinued the selling of all R134a gas refrigerators and the Company sell R600a refrigerators only. Due to this marketing evolution, we have witnessed that the entire country is benefited.

Singer Now Represents Global Leaders of Sustainable Home Appliances

Singer now represents Arcelik, the undisputed leader of the home appliances sector in Turkey, Romania and South Africa. It is also the third largest company in its sector in Europe. The Group chose to partner with Arcelik due to its sustainability orientation as reflected in its new vision; 'Respects the Globe, Respected Globally'. Arcelik's aim is to provide a solution within the framework of sustainability, orienting the production and distribution of its brands towards climate change and protection of restricted resources. Grundig

Tactile Tone and Colour

There is something special about the wash experience from our washing machines. When the wash emerges from our machines, it does so with the **'tone'** of valuable fabrics preserved to pristine levels...the vibrancy of **'colour'** maintained at **'as new'** levels. We serve the top end of the market with a **multi brand portfolio** offering premium appliances from some of the world's best marques. Of course, all of this is part of a greater mosaic of 'tone and colour' we add to life in myriad ways.



Beko
Washer Dryer
Front Load,
Fully Auto

Model No.
B-WDA9144OW



Samsung
Washing Machine -
Top Loading
Fully Auto

Model No.
SMGWA85E5



Samsung
Washing Machine -
Front Loading,
Fully Auto

Model No.
SMGW700



SISIL
Washing Machine -
Top Loading
Fully Auto

Model No.
SL-SWMFR72



Whirlpool
Washing Machine -
Front Load,
Fully Auto

Model No.
WP-1055LC

Flat Screen Televisions and Beko Gas Ovens, Refrigerators, Washing Machines and Cooker Hoods that come under the Arcelik umbrella are now distributed through the Singer Group. Beko is the leading brand in the home appliances market in UK and recorded the highest increase in market share in Western Europe in 2012.

Waste Water Treatment Reuse and Water Conservation

Singer (Sri Lanka) PLC does not engage in activities that result in polluted water in any of its premises; in factory or retail showrooms. Therefore, no waste water treatment programme is necessary. We stress the importance of water conservation to all our workers, working in the factory and at our head office.

Social Performance

Labour Practices and Decent Work

Singer is committed to employee engagement that upholds individual dignity and respects human rights. Our employment practices are premised on attracting and retaining talent based only on merit. Its capability development agenda ensures the deepening and enhancement of skills of all its employees through customised training and development inputs. All Singer employees operate in a work environment that is benchmarked for the quality of its safety and health standards.

It is the overall responsibility of the Group Chief Executive Officer, through the members of our Management Committees, Human Resources Functions, to ensure that employment and practices in all Singer Units are in accordance with the policy outlined above and to ensure total compliance with all statutory provisions governing labour practices and decent work. Specific responsibilities are assigned to different individuals based on the roles being performed by them.

Monitoring and Follow-up: The human resources regularly monitor progress to ensure proper implementation of these policies, while the Unit Heads and the Divisional Management Committees follow-up periodically to ensure full compliance.

HR Policies and Procedures

Employees can communicate with the Board through their respective Divisional Heads. We hold monthly Management Review meetings and Operations meetings, where all key, senior and relevant subject managers participate. The Group's Executive Committee, which comprises all key managers and four Deputy Directors, meets weekly to discuss and address the work-in-progress and issues raised by employees with regard to but not limited to the Code of Business Conduct and the Whistle-Blower Policy. We maintain an open door policy to encourage a culture which enables all levels of employees to freely express their views and recommendations to all levels of management staff.

Singer is a successful Company because it is one with a motivated workforce - and hence allows 'doing good' to cascade throughout the communities in which they conduct business. It is one Company that melds embedding sustainability throughout its business while motivating employees.

Singer a Great Place to Work. Why?

'The strength of the team is each individual member. The strength of each member is the team.' Phil Jackson



Singer (Sri Lanka) PLC enhanced its reputation as an employer of choice by earning a coveted spot among the top 15 Great Places to Work in Sri Lanka, while being crowned as the best in the Large Enterprise category. The Great Place to Work initiative commended the efforts made by Singer to ensure that its employees maintain a healthy work-life balance. Singer organises various social and cultural activities throughout the year and encourages employees to gain membership into associations such as the Toastmasters Club and the Rotaract Club. Such support has been especially valuable for the Generation Y employees at Singer who feel that the Company provides a well-rounded environment in which to grow.

We believe we have received this much coveted award because:

We create a friendly and flexible, dialogue-oriented work environment stimulating co-operation and creativity.

Communicating regularly to employees the strategy, objectives and projects being carried out by the Company.

The culture of openness and dialogue is visible in our Company in continuing improvement of tools and modes of providing internal information, among other things. Regular meetings at all levels are the starting point. The management cyclically contacts employees and they regularly visit shops and branches and head office units.

Introducing and applying employee appraisal system supporting work engagement.

Annual Performance Appraisal Interview is a tool used in our organisation by employees at all levels. It facilitates career management, mapping development paths, enhancing effectiveness and motivation. The managers in turn obtain detailed information about their teams: resources, ambitions and readiness

Supporting the **educational development** of Sri Lankan children and youth has proved to be an extremely gratifying endeavour for Singer.

for a change. The Annual Performance Appraisal makes it possible to achieve better results, manage employee effectiveness and identify high-potential employees and employees requiring development.

All strategic information is provided to employees with the use of an internal magazine and meetings with the management.

Our employees feel the sense of professional fulfilment and have opportunities to develop.

We pay particular attention to development of people who manage employees. We believe that an educated leader translates into a well-integrated and effective team. We developed numerous development programmes for managers.

Building the culture of dialogue and feedback amongst the employees.

One of the most essential yet challenging tasks that distinguish top teams is their ability to engage in honest, candid and authentic dialogue. Dialogue means an exchange of ideas. In our interactions with teams, there is significant effort put to addressing the most important and often the most difficult issues within the team setting, to resolving them. At Singer, trust is a crucial factor. This requires leaders to encourage, openly dialogue with employees.

Trust arises through the changing dynamics within a team. It's a Driving operational excellence, up holding one's interests and credibility are all geared to building trust. It Trust supersedes peace.

The ability to have an authentic and comprehensive dialogue about the issues that matter is a critical and essential part of building Singer teams.

Promoting tools that support employees in building their career path.

Awards are given during annual conferences. In the retail and corporate sectors, results, the awards for above-average employees, teams and regions are granted annually. The list of the winners is then published in the Company's internal magazine.

We build the Company's image as a desirable and socially responsible employer.

Gender Diversity

Description	Female	Male	Total
Key and Senior Management	–	46	46
Middle Management	8	81	89
Junior Management	27	144	171
Executive	6	21	27
Non-Management	255	1,174	1,429
Total	296	1,466	1,762

Staff Strength

Description	2014	2013	2012	2011	2010
Key and Senior Management	46	43	42	41	38
Middle Management	89	93	92	63	58
Junior Management	171	170	146	145	133
Executive	27	10	–	–	–
Non-Management	1,429	1,321	1,195	979	918
Total	1,762	1,637	1,475	1,228	1,147

Age Analysis

Description	18 - 28	29 - 39	40 - 50	Above 50	Total
Key and Senior Management	–	4	22	20	46
Middle Management	2	35	39	13	89
Junior Management	33	103	27	8	171
Executive	8	17	2	–	27
Non-Management	499	578	273	79	1,429
Total	542	737	363	120	1,762

Description	2014	2013	2012	2011	2010
Staff Growth (%)	7.64	10.98	20.10	7.06	2.78
Turnover per employee (Rs. '000)	16,856	15,568	17,248	17,924	13,974
Profit After Tax per Employee (Rs. '000)	444	319	830	1,064	583
Asset per Employee (Rs. '000)	15,572	15,005	14,522	14,213	11,232
Personal cost per Employee (Rs. '000)	2,013	1,852	1,891	2,064	1,616

Employee Benefits

We strive to provide a fulfilling work experience for our employees assuring them, not only of their happiness, safety and well-being, but also the well-being of their families. Given below is a list of the employee benefits and working conditions that we offer to ensure our employees are comfortable in their working environment.

Ergonomics

Considering that our employees spend a significant amount of time at work, we ensure a conducive work

environment. As such, we look into aspects such as work space to employee ratio, airconditioning, noise pollution, desk and chair alignment, sanitary needs and adequate space for meals and relaxation.

Professional Subscriptions

As a company benefit scheme and to enrich their careers, we pay subscription fees to professional bodies on behalf of our employees. Many managers have benefited from this scheme.

At Singer we play a key role in **career development of employees**, encouraging staff to reach their career goals.

Internship Programme

Attracting the right talent and retaining the talent within the organisation is a major challenge. In order to attract talent, we have initiated several brand building activities and tied-up with State and Private Sector institutions to conduct awareness programmes. In order to attract youth into the organisation and provide them with an understanding of our brand and business practices, policies and vision for the future, we use the Internships Programme, which doubles as a CSR project, for students of both local and foreign degree programmes within the country and other professional education bodies (CA/CIMA). These included students from Finance, Marketing, Supply Chain and Human Resources Management Degrees. Interns are provided a comprehensive orientation to the operations of the organisation and in-depth practical training within their specialised areas. We are also focusing our attention on evaluating remuneration packages to be on par with industry norms. With respect to retaining talent, we will be introducing new rewards schemes to

recognise achievements. For example we are offering a foreign tour to the shop assistants who scored highly at product knowledge evaluation programmes.

Medical Benefits

We reimburse medical expenses of our employees incurred up to predetermined amounts calculated according to the employee grade. If the expenses exceed this specific amount, the employee and the Company share the balance equally. In some special cases, we fully reimburse all medical expenses. We also provide hospitalisation and OPD treatment coverage to all staff members and their immediate family members.

Accident Cover

This facility is extended to all staff members whose line of work exposes them to a greater risk of accidents, either at the workplace or due to extensive travel.

Travel Expenses

We provide several facilities to employees who engage in travel for official purposes, including vehicle maintenance, transport allowances and reimbursement of travel expenses. Employees who are divided into field staff and base staff categories receive travel benefits depending on their responsibilities, as well as the respective grade.

Discounted Sales

All our employees enjoy the convenience and added benefit of having access to all products marketed by Singer (Sri Lanka) PLC at special discounted prices and easy payment schemes.

Lodging

We reimburse all expenses incurred by field staff staying at approved hotels by the Company while on official business.

Housing Loans

Employees with five years of service are eligible for financial assistance from the Company. This assistance is given to cover the initial expenses of building a home while they await a loan from a financial institution.

Distress Loans

Distress loans are extended to employees in case of emergencies such as a sudden illness, a death in the family, damage to homes due to flooding or other natural causes, urgent home repairs or a family wedding, etc.

Vehicle/Motorcycle Loans

Permanent employees belonging to specified categories are eligible to apply for interest-free or low-interest loans through the Singer management in order to obtain a vehicle.

Educational Aid Scheme

Singer (Sri Lanka) PLC has two mechanisms in place to assist employees with their studies:

1. The Company grants a lump sum of Rs. 225,000/-, in exchange for which the employee must serve Singer (Sri Lanka) PLC for eight years. This facility must be repaid only if the employee leaves the Company before fulfilling the eight-year term. This is mostly granted for post graduate studies.
2. The Company reimburses two-thirds of the cost of a particular course fee on the successful completion of the final examination.

Death Donation

In the event of the death of an employee, his/her family will receive a sum of Rs. 50,000/- in addition to six month's salary. In the event of the death of an employee's spouse, child, parent or unmarried sibling, the employee will be given a sum Rs. 25,000/-. The Death Donation Fund is a contributory fund maintained by our permanent employees.

Employee Engagement

Singer *Poson Udanaya* and Inter-Department Lantern Competition

The events were held on the 10th June, at the *Gangarama Seemamalakaya*. All employees were welcome to participate in the three-part programme which also included a Buddhist sermon. The *Bakthi Gee Prasangaya* consisted of a choir of 26 Singer employees ranging from senior managers to general staff members.

There were 12 departments participated for the lantern competition.



26 Singer Employees took part in Poshon Bakthigee held at Gangarama Seemamalakaya.

Festival of Lights

The Piliyandala Factory celebrated Vesak through a Buddhist sermon followed by a friendly and fun filled lantern competition in May 2014.

Toastmasters Speech Contests

We fund the international membership and activities of the employees who are members of the Singer (Sri Lanka) Toastmasters Club. This year, the Club inaugurated the 'Speech Contest' which was open to employees aged above 25 years. The members of the club were given the opportunity to learn from guests such as Kumar De Silva of 'Bonsoir' and were involved in joint meetings with other clubs. They spiced up their meeting with themes for Christmas, Valentine's Day etc. Our Toastmasters Club was awarded 'President's Distinguish Club' status for the year 2013/14.

Rotaract Club

Singer (Sri Lanka) made history by becoming the first ever corporate organisation to initiate a Rotaract Club. The club caters to a young audience between the ages of 18 and 30 years and provides opportunity for 'Self-Development – Fellowship through Service'. With organisational performance being evaluated in the aspects of People, Profit and Planet (Triple bottom line), Rotaract enables the young employees of the Company to grow in the aspects of professional development, international relations, communication and network, by continuously making them thrive beyond the confinements of their jobs. The functioning of this club can be elaborated as a continuous training for the members conducted through 'Human Conditioning'. Subsequently all this is achieved by carrying out service projects spanning from community service to environmental conservation. The Rotaract Club of Singer Sri Lanka

already consists over 40 members from various departments of the Company and have completed six projects covering the above areas.



Installation ceremony of Singer (Sri Lanka) PLC Rotaract Club.

New Year at Singer

The New Year was embraced by Singer employees with the prayers and blessings of all religions at the head office as well as at the branches.

Celebrating the Sinhala - Hindu New Year

The employees across the Company (service centre, factory etc.) celebrated the April New Year with a variety of events ranging from New Year games, *hisatel gama* activity etc.

Sinera Magazine

The Sinera Magazine that is packed with employee news, company bulletins and images is freely distributed among Singer employees so that their widespread activities are known throughout the Group. The Sinera Magazine is published twice a year. We also started the Sinera Facebook page where we upload an electronic version of the magazine. 365 employees are active members of this page.

Singer Inter-Departmental Quiz Competition

The Human Resource team, under the guidance of the Group CEO and Director Human Resources organised the first-ever Inter-Departmental Quiz competition in the history of Singer Sri Lanka. The event was held on the 18th November 2014 at SLMO conference room. The quiz progressed with the identification of five major areas which constituted the five rounds. Subjects chosen were Singer business, entertainment and sports, current affairs, history and literature, and science and technology. The quiz was made vibrant by incorporating

videos to phrase the questions. A total of the 12 teams participated at this inaugural quiz. Legal Department emerged the overall winner of the quiz while the Singer Finance team became the runners-up. The Legal Department secured the prizes for history and literature and science and technology. The Singer business, current affairs and entertainment and sports were won by the Treasury, Singer Finance and Microchip teams respectively.

Free Health Camp and Awareness Programme



For the first time a free health campaign was organised for all employees.

For the first time, Department of Human Resources organised a 'Free Health Camp' for SLMO Employees at the Head Office premises. This was conducted by Lanka Hospitals PLC Health Awareness programme lecture Dr. Upali Weragama on 18th September 2014. More than 180 employees benefited through this camp. The employees got the opportunity to check on their BMI, random blood sugar, blood pressure, eye check up and also consult a doctor.

Monthly Movie

To make, Singer a "Great Place to Work", the Human Resources Department focused on many areas to increase the work life balance of the people. As a result the 'Monthly Movie' concept was introduced.

Initially, a selective movie will be shown on the last Friday of every month.

A high quality HD movie will be shown in the conference hall which will be converted into a movie theater.

Flexi Hours

The Singer believes healthy minds are created through an enhanced work life balance. In this respect the Company introduced flexible hours in 2014.

Mega Quiz 2014

All Singer Mega Showroom employees participated in the Mega Quiz 2014 that was conducted to evaluate their knowledge of products coming under their purview. Each team representing a showroom was graded according to their performance. The Grand Finale was held between the best two teams which resulted in a tie between Singer Mega, Maharagama and Singer Mega Wattala.

Ultimate Product Demonstrator Competition

This is an ongoing competition that will cover all Singer and SISIL Channels throughout the island. It was set-up to evaluate product knowledge, competitor awareness, selling skills and customer care of the shop staff. Thus far, this competition has been conducted in the Sabaragamuwa and Eastern Provinces.

Kids Art Competition

The Kids Art Competition for Employees' Children was held on 9th November 2014. Around 150 children participated in age categories of 4-6 years, 7-9 years and 10-12 years.



Winners of the Kids Art Competition.

Gents Excursion

The employees spent two enjoyable nights at the Habarana Village. A total of 35 employees participated in the excursion from 20th to 22nd June 2014.

Ladies Excursion

A total of 129 female employees and 48 of their children were treated to a two-night stay from the 23rd to the 25th of May 2014 at Chaaya Village, Habarana.

Singer Blood Donation Campaign

For the 3rd consecutive time singer blood donation camp was organised and 77 blood donors participated.



Singer Annual Blood Donation campaign.

Singer Sri Lanka Christmas Party

Singer (Sri Lanka) PLC Christmas Party was held on December 2014 at the Waters Edge Battaramulla with the participation of employees and their families.

Sports and Recreational Facilities

- The Hockey team of Singer Sri Lanka did the Company proud this year by emerging winners at the League and Knock-out Championship on 5th May 2014.
- A total of approximately 100 employees from the Singer Head Office, Distribution Centre, Service Centres and its factory participated in the Singer Inter-Divisional Badminton Tournament, held on the 21st September 2014.
- The South Service team get-together took place on 24th May 2014 at Akuressa.
- Inter-Departmental Volleyball Tournament was held on October 2014 at SSL Factory Complex. Agro factory employees emerged winners.
- Inter-Department Cricket Tournament was held on 3rd August 2014 at NCC Grounds. The event saw the participation of all employees from across the country. Singer Service Team C emerged Men's Champions with the Singer Mega A Team securing Runners-Up Place. Female title was won by Singer Finance with Head Office 'A' came second.
- Mercantile Netball League Tournament is now elevated to 'B' Division and clinched the 2nd Runner-Up slot at the Mercantile Netball League Tournament.
- Singer employees participated at the Annual Mercantile Athletic Meet and made their Company proud by placing the Company in the 12th position from a total of 27. The employees cumulatively earned 5 Gold, 6 Silver and 5 bronze medals.



Mercantile Athletic Team of Singer won a total number of 16 medals.

Collective Agreements

We have signed three separate Memorandums of Settlement (MOS) with the following branch/parent unions with regard to a salary revision:

- Commercial and Industrial Workers Union Clerical Branch, applicable to clerical allied and technical grade employees.
- Commercial and Industrial Workers Union Non-Clerical Branch, applicable to manual workers, Ex: drivers and packers.
- Inter-Company Employees Union, applicable to manual workers attached to our factory.

In addition to signing Collective Agreements, the management meets with branch unions to discuss any concerns and provide satisfactory solutions. Company's amicable relations with its employees prevent disputes arising in the work place.

Thomas Jefferson wrote that, 'Eternal vigilance is the price of liberty.' The same is true with human rights, including the right to freely associate and to earn respect in the workplace through collective bargaining.

Occupational Health and Safety

Safety and Welfare Committees

Considering the wide composition of our Group and the diversity of activities, we have instituted several proactive measures as well as keenly researched reactive measures to ensure the highest standards of occupational safety and health. Our employees are considered the backbone of our organisation. Therefore, they are treated with great respect and care. There is a wide spectrum of health and safety measures, including hygiene and accident safety practices that are implemented by our Safety and

Welfare Committee. Its members are representatives of the entire Company and meet once a quarter or in case of emergencies. Their responsibilities include -

- Monitor health and safety performance
- Assist in the development, monitoring and review of health and safety policies or procedures.
- Consider any proposal for, or changes to the workplace, policies, work practices or procedures which may affect the health and safety of the employees.
- Promote the importance of health and safety amongst employees.

A successful health and safety programme requires strong management commitment and worker participation.

Benefits of Promoting a Healthy Workforce

To the Organisation

- A well-managed health and safety programme
- A positive and caring image
- Improved staff morale
- Reduced staff turnover
- Reduced absenteeism
- Increased productivity
- Reduced health care/insurance costs
- Reduced risk of fines and litigation

To the Employee

- A safe and healthy work environment
- Enhanced self-esteem
- Reduced stress
- Improved morale
- Increased job satisfaction
- Increased skills for health protection
- Improved health
- Improved sense of well-being

Our Approach to Employees' Progression and Career Development

At Singer we play a key role in career development of employees, encouraging staff to reach their career goals not only to make individual's work lives more satisfying, but also ensuring the Company's continued success. By encouraging career development, we motivate our employees to achieve their

best work, which in turn increase their contributions to our organisation and help us reach our own goals.

As a committed employer, we encourage our employees to pursue career development opportunities and support their continued professional growth. Even in tough times, we allot time and money for classes, training, and other professional development opportunities.

Training of employees is carried out to improve their current skills. We have four categories of training, namely, major training, external training, operational training and product training. Training is conducted at the state-of-the-art training centre at the Group's Head Office in Navam Mawatha. This facility can accommodate up to 200 staff members at a given time. Field training is conducted as per the convenience and requirement of the trainees and trainers. Singer has also invested in training infrastructure at its seven regional centres, which can accommodate about 25 employees at a time.

External training is conducted at the British Council, Sponge Learning, IPM Sri Lanka, Ceylon Chamber of Commerce, Employees' Federation of Ceylon, CIMA Sri Lanka, McQuireRens and Jones, CINEC and other facilities. Our HR Division arranges customised training programmes depending on the specific job requirements of each employee. Programmes include areas such as motivational techniques, creative thinking, customer care, marketing and networking.

Training and Development

Our Training Philosophy

Turnover has high costs that range from 10% to 30% percent of the employee's annual salary. The costs are both direct expenses such as recruiting and the expense of the loss of productivity and institutional knowledge.

There is a wide array of both articulated and unarticulated reasons why someone leaves their job. Managers who focus on development and training their successors at every opportunity can avoid many of these reasons. These are the managers who see a thriving employee as someone who can be trusted and trained to take on new

responsibilities and potentially move into a management position. They build skills and leadership training into their daily interactions with staff. The impact of this perspective on culture can be immense, as staff will know they are highly valued by both their manager and the Company. It enables a culture of ongoing learning, innovation and team building, which is vital to a sustainable workplace. By empowering staff through training and developing new skills, companies can retain high performing, loyal staff and avoid the high costs of recruiting and training a new employee.

At Singer
we play a key
role in career
development
of employees,
encouraging
staff to reach
their career
goals.

By training your successor, it will increase the productivity, skill and innovation of your workforce, allow you to better retain top talent, and give you a faster, more effective response mechanism to change.

Finding new leaders is critical to the successful growth of any organisation. The fact is that this growth is greatly impacted by the number of leaders we recruit. Following are the steps we adopt though the concept of multiplying our leadership base:

Succession Plan (3 x 3 x 3)

For every management position, this initiative aims at select up to 3 employees, identifying 3 areas of development and grooms them over a 3-year period to take up critical management roles when they become open. As part of our Development and Succession Programme, the 3 x 3 x 3 initiative seeks to ensure that all Key Managers, including Senior Managers, Middle Managers and selected Junior Managers have identified and developed their successors.

These are the number of employees currently listed under each development programme.

Catch the Vision of Multiplication

One cannot to sell something unless believes in it.

Be Intentional

A conscious decision must be made to replace oneself. Multiplication must be a part of your strategy and there must be a system of leadership recruitment.

Start Early

Leaders must be replaced before they are needed.

Leaders must invest in their own personal growth. One cannot lead unless he/she has been there.

Humble Yourself

Leaders must not to be afraid of new leaders being better leaders. People must be allowed to shine under ones leadership, This will advance ones ability to lead.

The team will follow the leader if there is a direct benefit to them and also if they trust the integrity of the leader.

Share Responsibilities Early

Sharing responsibility at an early stage is the easiest way to foster learning. The more ownership you give to people on tasks, the more they will be motivated to participate and learn.

Identify Potential

Look for potential in people. Early identification of potential is key to being focused and appropriate training being given to individuals.

Create an Environment Conducive to Produce Leaders

Commitment to creating an environment that is conducive for learning and development is vital. An apt environment that welcomes engagement could lead to the creation of good leadership, shared responsibility and collective growth.

Recruit

Adherence to 'recruitment of quality', where the best quality people are identified and recruited. We find people with a personal ask.

Lead for Life Change

Identifying and nurturing potential leaders who have a knack for bold, mature and responsible decision making is part of our focus areas in creating a quality workforce.

Investment in Training and Number of People Trained

Category	Major Training	Product Training	Operational Training	External Training	Total
Investment (Rs.)	3,011,258	2,573,920	2,427,262	2,440,560	10,453,000
No. of Programmes	60	62	126	44	292
No. of Participants	1,681	1,568	2,602	101	5,952
No. of Training Hours	518	602	658	308	2,086
Investment per Participant (Rs.)	1,791	1,642	933	24,164	1,756

Identifying Skills that will be Required for the Future

For any business to grow, it will need to recruit and train employees who have the potential to lead the Company in the future. However, impressive academic credentials or a skill set that's well suited to the role applied for a would not suffice. In the modern business world so much more needs to be taken into account when making recruitments and training decisions.

It is impossible to list an exact skills set, both 'hard' and 'soft', which will be required by any business in its future leaders. After all, company culture is almost impossible to replicate and every organisation will have an image of their ideal professional in mind when recruiting. However, there are certain softer skills that are likely to suggest the individual would be well suited to a leadership position. The ability to take responsibility and get things done, for example, is one such attribute.

Singer's Approach to Training and Development

Performance Appraisal

We conduct individual performance appraisals on a quarterly basis with a final appraisal done at the end of every year. The appraisal form asks each line manager to assess the given employee's strengths, weakness and training and development needs, which are analysed and then incorporated into the training plan for the upcoming year.

Training Needs

Through our unique succession planning tool which is called '3x3x3 Succession Planning', we identify training and development needs of the individuals who have been identified for succession and they will be closely monitored through the respective divisional head and line manager.

Singer is a successful Company with a motivated workforce - and hence allows **'doing good'** to cascade throughout the communities.

Divisional Heads at Singer are required to give a detailed account of their division's training requirements in the third quarter of the year. After an analysis of these requirements, our Training Department schedules and implements tailor-made programmes to address training needs, either through external training that send individual employees to seminars, conferences and technical sessions or through internally conducted programmes that train groups of employees in particular skill sets. In addition, training needs are also identified at the annual performance appraisal. The line managers also have the flexibility to request for specific training programmes based on the requirement at any given time. Methods such as 'Mystery Shopper' programme and 'Call Centre Complaint' evaluations are used to assess the employees' skill levels and provide training as necessary.

Department Heads are also responsible for assessing skill shortages by studying his or her departments' annual performance appraisals whilst also considering the skill requirements needed to successfully navigate future challenges. The department heads, in consultation with the Training Department then decides on the training that will be needed to his or her staff in the year to come.

Major Training

High Flyers Development Programme

The High Flyer Development programme is being implemented yet again in 2014 for the high performers of the non-executive grade identified through the Divisional Heads. These nominated employees are those who are being groomed for the future executive positions that may arise in the different division of the Company. The first session of the multi-session development programme was held in April addressing the subject of 'managing the career path'. The programme was conducted by the well-known trainer and comedian, Mr. Wilson Gunaratne.

The selected pool of 29 top performers of the non-executive grade underwent a further series of training under the programme, following the first session of the programme earlier this year. These included three day Kingsoft Office

training, a presentation skills workshop and a professionalism building training session. The initial IT training was conducted through the Informatics Institute of Technology (IIT) while two latter programmes were conducted through in-house trainers of the Human Resources Department (HRD).

Executive Development Programme

A development programme was designed for the newly promoted executives which included sessions such as management development, performance appraisal, time management and delegation. The objective of the programme was to inculcate managerial qualities in these newly inducted executives. The executives were asked to do a presentation on how to improve their KPIs through knowledge gathered from the programme. The programme is scheduled to continue next year as well.

Capacity Building Programme for Field Supervision

A capacity building programme was designed in consultation with Director Sales, Director Operation and Mr. Prasanna Perera for the Area Manager and Zonal Manager of Singer Field Supervision. The programme consists of three sessions work, assignments and presentations by participants.

Strategic Brand Management in Multi-Brand Retailing for Brand Management

A two day marketing programme titled 'Strategic Brand Management in Multi-Brand Retailing' was conducted in consultation with Director Marketing and Commercial and Mr. Prasanna Perera for the brand management team. Participants were able to gather new insights into marketing and brand management enabling them to further improve on methods of brand management and multi-brand retailing. The programme was conducted in the month of September.

Motivations for Microchip Staff

A customised motivational training workshop was conducted through Mr. Mohan Palliyaguru – a qualified motivational trainer, for the staff attached to the Microchip Department on 20th September 2014. This activity

based programme was designed to take the staff away from routine work patterns and to give them an opportunity for team building while also providing them with a fun and relaxed break.

Workshop on Decision-Making, Beyond Common Sense and Intuition

A training workshop on the above was conducted for the Senior Management on 10th October 2014 at Hilton Residences, Colombo, by Dr. Errol Wirasinghe - developer of the XpertUS Decision Support System and the author of two books on decision-making. He has trained several Fortune 500 companies and is also a guest lecturer on decision-making at the University of Houston's MBA programme. Dr. Wirasinghe has published papers on topics relating to Management and Engineering. The training workshop was supported by software simulation on different scenario of decision-making.

Managing Key Accounts

Due to the presence of several channels and managers who handle key accounts in business to business sales, a customised training programme was carried out to a selected set of these Managers on the subject of handling key accounts. This programme was carried out through Mr. Prasanna Perera. The programme enabled the Managers to get better insights into key account handling and B2B sales.

Financial Management for Business Managers Programme

The programme was conducted from 22nd to 26th of July 2014. This is the most looked-forward-to programme in the Singer training calendar. This year the programme saw over 40 individuals participating in it, representing various departments/divisions of the organisation.

Supervisory Development Programme

A special development programme was conducted for those employees of the non-executive cadre who were identified to be promising senior officers in the future. This consisted of ten training sessions out of which 8 were conducted through the EFC facilitators while two were conducted by in-house

resource personnel. These sessions covered the areas of the management process, responsibilities of a supervisor, effective communication, leading work teams, employee discipline, quality & productivity, presentation skills and professionalism building.

Train-the-Trainer

A two day comprehensive training was conducted for a batch of 18 participants on the 24th and 25th of November 2014 at the Singer Sri Lanka Head Office, facilitated by Mr. Mario Fonseka of Good 2 Great Consulting. The participants consisted of those employees who conduct training for the field in the respective operational areas they are engaged in, in the Company. The training was well-received and highly appreciated.

Fire Fighting

Singer organised a training programme on fire fighting for employees at both regional service centres and distribution centres. This training programme included aspects such as the triangle fire, first aid fire appliance, rescue methods, different types of fire extinguisher fixed installations, evacuation procedures and a live fire demonstration. The programme was conducted by a senior fire officer of the Colombo Fire Brigade.

The first training programme took place on 18th July 2014 at the Kandy regional service centre premises for the employees stationed at the Anuradhapura, Ampara, Jaffna, Polonnaruwa and Badulla regional service centres.

The second training programme took place on 24th July 2014 at the distribution centre premises in Colombo, for the employees of the Colombo motor bike service centre, AC service, IPD and the employees of the regional service centres of Ratnapura, Matara and Kuliyaipitiya.

Graduate Training

Singer Sri Lanka supports the efforts made by educational institutions in Sri Lanka to support their fully or partially qualified graduates in obtaining employment. Thereby, students reading marketing, finance, production, supply chain, human resources and various management degrees are provided the opportunity to follow an internship programme

within the Singer Group. Students are placed in a suitable capacity within the organisation and are given the necessary exposure with comprehensive orientation and in-depth practical training.

Language Development Programmes

Singer believes in providing the best service to all its customers. The ability to understand and communicate effectively plays a pivotal role in this regard. Thus, with intention of assisting our employees to improve their linguistics, we organised and implemented 24 - hour English language development programmes for both general staff as well as for field credit officers.

Operational Training

Singer Retail Academy

In order to develop our most important asset 'our people' the Singer Retail Academy was established in 2009. The facility provides staff with training and advice on the following topics; retail, call centre, shop management, service centre administration, accounts verification, retail internal audit, retail district management and retail area management.

Finally, in line with guidelines from the Retail Academy, the training department carries out training programmes regularly and award the Singer Retail Diploma for exceptional customer care assistance within the Singer Mega channel. Plans are afoot to extend the same programme to other channels as well.

Sales and Customer Care

The sales and customer care programme which was started in the latter part of 2013, was continued throughout 2014. Geographical areas covered by the programme include Colombo North, Colombo South, Sabaragamuwa, East and Central areas. The programme was carried out by combining two operational districts together on two consecutive days enabling 100% participation of staff in the relevant districts. This programme was rated 'very good' by all participants and the field supervision. The programme will continue to cover the remaining areas of the Singer Plus channel and then will include the SISIL channel for the remainder of the year.

Best Practices

A best practices training was conducted for branch managers/ approved dealers of Singer Plus and the branch managers of SISIL World. The training programmes were completed in the Sabaragamuwa, Eastern, Colombo North, Central and Northern Areas for the retail channel and the Central Zone for SISIL World. These trainings were carried out with the assistance of Mr. Dilanth Dasanayaka (SCM-N), Mr. Manju Minneri (AM-S&R), Mr. Prabath Kumara (CM-S), Mr. Mario Vethanayagam (M-OT), Mr. Roshan Basnayaka (SAM-FC), Mr. Upul Premajith (SAM-FC) and, Mr. Vijayakanth Myivaganam (FCO).

Hire Purchase

The shop staff of Singer Homes were provided with an opportunity to participate in a seminar on the workings of hire purchase. The seminar was conducted by Mr. Upul Premajith of the Credit Division.

SIS and Singer Footprint

The BMs and ADs of the Anuradhapura, Dambulla, Vavuniya, Batticaloa, Polonnaruwa, Mahiyangana and Ampara Districts were provided with training programmes on SIS and the Singer Footprint programme. The session was carried out by the representatives of the IT division including Mr. Kapila Perera, Mr. Chathura De Silva, Mr. Lakmal Niroshan and Mr. Ragunath Karunamoorthy.

Inventory Handing

Mr. Rasika Sampath of ICD conducted a training programme for the district managers of the operations division on inventory handing-over procedures. The training proved to be very useful to the participants and provided useful insights that are applicable in the work place.

Credit Card and Treasury Functions

Mr. Chamil Ranaweera and Mr. Laknath Guruge of the Treasury Department carried out the training programme encompassing the credit card and treasury functions of employees. The programme was conducted for the BMs, ADs, SAs and shop staff members of the Negambo, Gampaha, Pettah, Peliyagoda, Ambalangoda, Galle, Kalutara, Moratuwa, Kaduwela, Bambalapitiya, Matara and Hambantota

Districts. The programme also included the participation of the SISIL South Zone.

Customer Care Program for Front Line Staff of Service Centres

Customer experience improvement in during and after sales, a specially designed customer care training programme on after sales was conducted for front line staff of all regional service centres and the programme was conducted by Mr. Mohan Palliyaguru.

Factory Visit

The above programme was carried out for head office based staff of SLMO and Singer Finance as well as for one batch of the distribution centre staff during the second half of the year. The objective behind this programme was to make each and every employee of Singer aware of the business the Company is in, thus enabling them to successfully align their efforts towards achieving the Singer goals and objectives.

Product Training

Sewing Machine Sales and Technical

Two different programmes on sewing machines started in the month of May. The first programme was covering the technical aspects which was conducted by SIC factory, while the second programme was on sales and demonstrations of sewing machines which was conducted by sewing instructresses in the field. We have been successful in covering the entire south area on technical training. The programme will continue on to other areas and channels during the year 2015.

Digital Media

With the rise of the digital media product range a novel methodology of training was introduced in order to make the sessions more interactive and practical. This particular programme accommodated digital cameras and mobile phones. The programme structure was not only focused on providing product knowledge but also on developing skills such as leadership, team work, communication and attractive presentation. Digital media training workshops are carried out continuously due to the dynamic nature of the product line.

Industrial Sewing Machine

Industrial sewing machine market is considered to be one of the rapidly developing markets in Sri Lanka. The Industrial Product Division is the wing which is dedicated towards catering to this growing market. With the expansion of the product sales, developing field awareness of the models available and the knowledge on the technical aspect of the industrial sewing machines were essential. Focusing on the above factors, training programmes were conducted district wise. Apart from training the sales staff, all sewing instructresses were trained on usage and technicalities of industrial sewing machines. Furthermore, technicians covering all regional service centres were trained thoroughly on the technical aspect of industrial sewing machines.

General Product

With the rise of the digital media product range, a novel methodology of training was introduced in order to make the sessions more interactive and practical. This particular programme accommodated digital cameras and mobile phones. The programme structure was not only focused on providing product knowledge but also on developing skills such as leadership, team work, communication and attractive presentation. Digital media training workshops are carried out continuously due to the dynamic nature of the product line.



A Trainer from Beko, Turkey giving away gifts to participant of a product training programme.

Samsung Televisions

This programme was mainly focused on Samsung televisions and it provided a model by model training for the participants. The programme audience consisted of Singer Plus, Singer Mega and SISIL World representatives. The programme locations were selected according to sales performances.

Training Programme on Latest Products and Technologies – Wholesale Channel

This was a special programme which was designed to cater to the dealer channel. The programme was focused on a selected set of products which included TCL LED TVs, Huawei mobile phones, Geo/Eco series refrigerators, Samsung digital cameras and Singer laptops. Apart from these products the participants were educated on energy conservation through usage of efficient products.

Kitchen Appliances

A special training programme including live demonstrations were carried out for the regional service centre staff and selected service franchisee agents. The focused training programme was organised simply due to observations made at field level that many of the service officials were getting inquiries regarding kitchen appliances. Furthermore similar programme were conducted for the sales promotion officers of the wholesale channel as well.

Product Training - Institutional Channel

Following a request made by the institutional channel, product training was conducted for Arpico Super Centre staff covering major product lines such as televisions, refrigerators and washing machines.

Hands-on Product Trainings on New Arrivals

With the addition of new brands and new products to the Singer product portfolio, the training department focused on training the showroom staff with hands-on experience. The trainings were carried out covering selected Singer Plus, SISIL World and all of Singer Mega locations. Furthermore, most of these product trainings were carried out with the presence of the foreign trainers. Sony, Philips, Sharp, Dell, Samsung, Beko and Grundig were the major brands covered under this programme.

Digital Media and Electronics/ Digital Media and Home Appliances

With the completion of the digital media product training workshop; a new product training programme was initiated by combining electronics

and home appliances to the digital media product training depending on requests from area sales staff. Prior to conducting this product training, a discussion is made with field supervision to decide on training specifics. Moreover, the last hour of these training programmes were dedicated specifically for questioning and role-plays, encouraging participants to engage more.

Intense Product

These product trainings are designed to impart comprehensive knowledge on selected product lines or products belonging to selected brands, within a short period of time. Ideally these product trainings are conducted at a selected showroom location, for all of the showroom staff members with hands-on experience of products. These training programmes are used mostly to get the sales staff ready prior to exhibitions, group sales or product launches. These trainings were conducted on Hitachi, Samsung and Beko/Grundig.

Product Training



Product training programmes were carried out throughout the year across the island.

Given below is a summarised list of product training ventures that were completed in the past year:

- Hitachi side-by-side refrigerators and LED television training conducted by Mr. Chen Yoon Khoo Michael from Hitachi, Home Electronics Asia Ltd., Singapore.
- Educational Workshop on the new range of Beko and Grundig branded home appliances conducted by foreign officials.
- Training sessions on product familiarisation conducted for new recruits of all sales channels in the Singer Plus, SISIL World, Singer Mega and Singer Homes showrooms.
- Singer Mega channel-specific seminar conducted for new recruits in the Ja-Ela Singer Mega Showroom.

- A total of 90 locations across Sri Lanka were targeted for a product workshop on the Quantum Fitness Products distributed through Singer Channels.
- A training programme was conducted on Industrial and Domestic Sewing Machines for SISIL employees based in the Northern Zone.
- Special training workshops for Singer sales staff across Sri Lanka were conducted on Blu-Ray technology, all-in-one PC, LED TV technology, digital cameras, pressure and induction cookers, mixer grinders and microwave ovens.

Training Programme on Furniture

This three day training programme is carried out by the Singer Piliyandala factory on a quarterly basis to enhance the furniture product knowledge of the staff. The programme includes a study of the furniture operation, understanding of strengths and also a familiarisation of the furniture product range. The most important part of this endeavour is to give hands-on experience and real site experience to shop staff in furniture assembling, dismantling of furniture, designing kitchen cupboards (as per the customer requirements), basic drawing concepts, product costing and material selection. We also educate them about the basics in communication with the factory staff to maintain proper links with them and the customer in order to deliver the right product at the right time. The programme audience consisted of Singer Homes, Singer Mega and Singer Plus sop staff.

Product Familiarisation

Product familiarisation programme is a monthly programme which provides the new recruits/appointees such as trainee district manager, trainee branch managers, sales agents and customer care assistants with the necessary product knowledge. Apart from the product knowledge, the new recruits are also educated on the latest technologies as well as the basics required in selling electrical and electronic appliances.

External Training

- Transport management
- Production supervisor training workshop
- Productivity Kaizen and 5S training
- Exit Interviews - An Effective HR tool
- Seminar on outsourcing arrangements

- Are you ready for amalgamation
- Laws related to recruitment
- Are you practicing the multi - dimensional growth model? Its the game changer
- Social media marketing and brand management
- Seminar on Legal and tax implications of mergers and acquisitions
- Journey Leadership development programme for managers
- EFC Seminar on outsourcing arrangements
- Train the Trainer
- The future of HR - Prof. Dave Ulrich
- Microsoft office excel 2013 - Advance Business Essentials
- HR for Non-HR managers
- CIMA Business Leaders summit
- A Secretarial Excellence Training
- Cashier skills programme
- EFC Certificate Programme on Occupational Safety & Health
- EFC Workshop on conducting preliminary investigations
- National HR conference 2014
- The good and great of financial accounting outsourcing and its export opportunity advantages

Service Awards

The Singer Service Awards felicitates the most loyal and dedicated employees who have made an outstanding contribution to the Group for a long period of time. An annual event in the Singer calendar.



Singer (Sri Lanka) Chairman Mr. Hemaka Amarasuriya receiving the service award for 40 years of service at the annual service awards.

Completed Years	No. of Award Winners
5 Years	46
10 Years	48
15 Years	24
20 Years	20
25 Years	7
30 Years	5
40 Years	2
	152

The World is Flat..and Curved



That's what people watching new generation TV are saying. The world today comes into drawing rooms everywhere via the modern TV set with its flat screen...and now curved screen, UHD, 3D & SMART

Samsung UHD

LED UHD TV SMART
65" SMART TV, Curved, 1920x1080, 60W
Model No. - SMGUA65HU9000



Singer
LED TV 3D UHD 4K SMART
55" SMART UHD TV, 3840x2160, 16W
Model No. - SLE55E6710



Sharp
Sharp Quattron
Pro 80" 3D SMART TV
Model No. - SHPLC80LE960X



Sony UHD
BRAVIA LED TV 3D 4K SMART
- 65" 3D 4K SMART TV, 3840x2160, 60W
Model No. - KD-65X9000B

Society

Shared Values vs Corporate Social Responsibility

While the notion of 'Corporate Social Responsibility' may have once been regarded as corporate philanthropy, it has fast become a crucial part of any large company's long-term strategy. As consumers are ever more concerned with where products come from, employees now want more from their employer than a paycheck, they want a sense of pride and fulfillment from their work, a purpose and importantly a company's whose values match their own.

In our commitment to be 'socially responsible', we in fact encourage all our employees to submit written proposals that include details such as resource allocation, objectives and outcomes of a CSR project of their choice. Employees have the freedom to propose a CSR activity that is a one-off project or one that can be integrated into the business processes. After all, we believe that better perspectives on the progress of our CSR agenda could be given by our employees themselves.

We seek for input from our employees regarding what they can do to enhance their CSR efforts. Employee engagement – in the form of feedback – helps our Company to constantly improve our CSR practices. By increasing accessibility to corporate sustainability, our aim is to crowd source the ideas that will take us to the next level of performance. We believe that through involvement in the Company's corporate responsibility practices, our employees could be exposed to valuable new skills that they could bring back to their regular roles within the Company, whilst also fostering a responsible and socially-alert workforce.

Once a Singer employee, department or branch makes a written proposal for a CSR project and it has been approved by our CSR Committee, the related Singer umbrella company ensures that the project is financed and resourced until completion. Meanwhile, it is the responsibility of the employees who initiated the CSR project to kick-start the activities and to ensure its success. We also solicit proposals from our community members.

The Singer CSR Committee evaluates, oversees and monitors all CSR projects carried out by the Company in order to maintain best practices when dealing with the communities. It is also the responsibility of the CSR Committee to ensure that CSR activities cover the entire spectrum of economic, social and environmental concerns.

We have found that philanthropic responsibility, which is not directly related to employees, has had a significant influence on the work attitudes and behaviours of our employees. By providing employees the necessary ways and means to see through CSR projects that they are passionate about, the Company has benefited from committed and passionate employees. Branches and departments that implement CSR projects have proved to be the better performing divisions within the organisation as the CSR activities have also doubled as team building exercises.

Singer Commitment towards Education

Businesses are shifting their focus to responsible supply chain management, waste reduction and water stewardship, yet the need to ensure a sustainable pool of talent is often missing from the corporate sustainability agenda. We at Singer believe that if companies do not take meaningful action soon, severe shortages in their labour supplies will be unavoidable. In this regard, we have identified and given priority towards supporting education in Sri Lanka.

We believe that learning is a lifelong process of keeping abreast of changes. Supporting the educational development of Sri Lankan children and youth has proved to be an extremely gratifying endeavour for Singer. We have been able to forge strong relationships with rural communities as well as teachers, parents and officials who work tirelessly to upkeep the education sector in the country. We believe education is one of the greatest gifts that one can give a society. We are especially proud to use our vast network to take the gift of education to rural Sri Lanka in the hope of building a future society that consists of educated and accomplished individuals.

Ongoing School Projects

In 2014, we renewed our commitment to education by continuing our efforts upon identifying particular needs for 30 schools and systematically providing for them by way of infrastructure, furniture, appliances, stationery, musical instruments and much more.

Attidiya Primary gets Tech Savvy

Donation of desktop computers to the Attidiya Primary School in order to uplift IT education of the children.

Welipitiya School Donation

The Singer team led by old boy Roshan Basnayake – Senior Assistant Manager for Field Credit, was instrumental in providing the much needed stage for the school hall.

Middeniya School Gets Fenced

The Middeniya Primary School was provided with protective fencing, where dual purposes of prevention of soil erosion as well as creating safer environment for students whilst at schools are met.

CSR Programme at Thambagalla Vidyalaya

Singer constructed a brand new library for the school in collaboration with our dealer New Silk Stores of Madampe.

CSR Programme at Jinasarana Primary School

Singer donated a water tank, a computer and three ceiling fans to the school.

School Chair Donation

The Mahanelubewa Viduhala of Hindogama was donated 150 plastic chairs.

Nikawewa Anura Maha Vidyalaya

Singer installed a new water pump and a 1,000 litre water tank in the school, to provide water to the 4 toilets, in addition to building 10 tap lines. Singer provided a 1 hp water pump and donated in cash as well.

Sport Equipment Donation

As requested by the Gonsalves School, volleyball equipment and volleyball gear were donated during the year.

Computing for Underprivileged

Singer donated 5 computers to the students of the Dharmasena Atigala Girls School at Kesbewa.

Stationery Donation

Donated stationery and other valuable school items to the WP/NEG/ Makalangamuwa Bandaranayake Vidyalaya.

Music to their Ears

Eastern music instruments were donated to the Kirama School.

Celebrating Children

In order to celebrate International Children's Day, Singer donated tables and chairs to the Middeniya Primary School.

The Gift of Music

The students of the Panadura Upadyaya Vidyalaya were gifted with musical instruments and CD players.



Musical Instruments were donated to Panadura Upadya Vidyalaya.

Other Educational Programmes

School Projects

- We sponsored four children of the Ceylon Deaf and Blind School. Five ceiling fans were donated to the Radaguru Edmund Peiris Vidyalaya in Chilaw. In addition, library books were donated to Weediyawatta Senarath Junior Model School - Udugampola with the assistance of S. Godage and Brothers.
- Equipment needed for the Home Science room were donated to the Nittambuwa Buddhist School whilst, chairs and library cupboards were donated to Balabowa Junior School.

A water tank, ceiling fans and a computer was donated to Jinasarana Primary School. 150 chairs were donated to Mahaneluduwa Vidyalaya and a

- water supply system was installed at the Thengallanda Maha Vidyalaya. A water supply system was installed, and the library and computer lab was upgraded at the Sri Pada Vidyalaya in Palabaddala.

Rewarding Top 10 Grade 5 Scholars

Singer (Sri Lanka) donated Singer X Series Notebooks to each of the top 10 Grade 5 scholarship winners. The prize-giving was organised by the Sri Lanka Rupavahini Corporation (SLRC) in order to celebrate the achievements of the country's best Grade 5 scholarship winners.

A Singer X Series Notebook, which is one of the leading PC brands in Sri Lanka, was presented to each of the top 10 Grade 5 scholarship winners by Mr. Vajira Tennekoon, Marketing Manager – Digital Media for Singer (Sri Lanka) PLC. Singer's active sponsorship of this event is a testament to the Company's continuous contribution towards empowering national education and greater community engagement.

Singer Sri Lanka Fashion Academy

In 2014 Singer Sri Lanka celebrated its 163th Anniversary selling sewing machines to the Ceylon market. Since then it has grown into a large conglomerate to become one of the top most companies in Sri Lanka. Commencing business with a hand operated machine, now it has become a digitally operated, computerised machine, which can compete with any other sewing machine in the world.

To promote the machine, fifty nine years ago (59) it was decided to start a 'Sewing School' to pioneer the art of sewing to the nation. Seventeen years (17) ago it was renamed the 'Fashion Academy of Singer Sri Lanka'. Now it has grown to sixty eight (68) academies and three franchises covering all major cities in the island having more than 2500 students. Whoever buys sewing machines in any city is entitled to a free demonstration from any academy at anytime closer to their town or village.

The not-for-profit Singer Sri Lanka Fashion Academy, which celebrated its 59th Anniversary in 2014, serves the dual purpose of promoting the Singer range of sewing machines and providing teaching and training for budding local designers.

At these academies scientific dress making and machine embroidery courses are conducted up to the diploma level. In addition, there are six month professional certificate courses and short-term courses for house wives and children. Some of these include tailoring, smocking, hand embroidery, saree jackets, home décor, needle painting, patchwork, and kiddies course.

Philanthropic Projects Undertaken

Every successful entrepreneur is bent towards philanthropy. Many donate money to charitable causes whilst others donate their time.

Philanthropy and entrepreneurship go hand in hand. By helping others, entrepreneurs generate positive feelings that help them overcome daily struggles, and achieve a sense of personal fulfillment. In addition, the very spirit of entrepreneurship - determination, creativity and optimism - is instrumental in inspiring others.

We wish to serve those who have served us. The Abimansala Wellness Resort provides villas for disabled soldiers and we at Singer have so far contributed in the past few years to build villas in Anuradhapura, Matara and Kurunegala.

Our continuous support has also extended towards donating over Rs. 1 million to the Tharu Dilena Reyak Musical Festival of Brave Hearts.

Some of our resources were also allocated to institutes such as HelpAge Sri Lanka, The Sri Lanka Cancer Society, Rotary Club of Colombo North, Sri Lanka Sumithrayo Colombo, St. Vincent De Paul Society - Wennappuwa and the My Wish Foundation. These well-deserving organisations were donated equipment and essential items in addition to aiding them with book launches and musical programmes.

Drought Donation

Under this campaign, 3 projects were organised in August. Three campaigns were implemented in Aranthalawa, Minneriya, Horowpathana, Gomarankadawala. Over 1000 liters of drinking water and 1000 kg of foods were donated

Kidney Testing Camp

The project was implemented by the Wholesale Channel in the North together with a Wholesale Dealer, Nirasha Marketing of Galenbidunuwewa. The project was carried out in November at the Kahatagasdigiliya Divisional secretariat's office. 750 people benefited from the programme and 8 person were diagnosed with kidney related diseases.

Jaffna District CSR

Jaffna District conducted two CSR campaigns. The first being the handing over of 3 water tanks by the Kilinochchi team to the public which will be a relief during the dry season. The second was the Chavakachcheri team donating a Singer refrigerator to the Chavakachcheriya base hospital. The Welikanda Singer Plus branch, donated water tanks to the Parakumyaya, Kudapokuna and Mahawalithanna villages as well.

CSR by SISIL

The SISIL World Channel donated essential items to the people who were affected by the earth slip in Koslanda.

CSR programme at Weeraketiya Base Hospital

Singer donated one 2-seater swing, 1 max slide, 1 spot lamp and 4 steel cupboards.

Donation of Water Tanks

Donated water tanks to the Parakumyaya, Kudapokuna and Mahawalithanna in order to prevent water born diseases.

Sri Lanka Cancer Society Annual Fundraising Campaign

Employees of Singer contributed generously for the annual fund-raising campaign of the society.

Singer Employee – Medical Assistance

An employee's nephew, aged 11, was diagnosed with a defect in the skull and needed urgent surgery. The management staff of Singer sponsored part of the surgery cost.

Blood Donation at SISIL Mawanella

In order to celebrate their 6th anniversary the branch arranged a blood donation camp in September.

Donation of a Refrigerator

A frost free refrigerator was donated to the Dr. Reijntejes School for the deaf.

Municipal Council Donation

A free refrigerator was donated to the Moratuwa Municipal Council.

CSR Kosgama Disaster

Donated funds and a quota of milk powder for 5 days to the families affected by the landslide.

Hospital Gets Cooling

Mannar Singer Plus Showroom donated 5 ceiling fans to the eye clinic of the Mannar Hospital.

Supplying Water to a Temple

The Company donated a water pump to the Sakyasingharamaya at Godampitiya in Talathuoya.

Water Tank Donation

A water tank was recently installed in Nagerewewa by the Data Processing Department.

TV for the University

Wayamba University was recently gifted with a 42 flat colour TV.

Ampara gets a Singer Chill

General Hospital of Ampara was provided with a refrigerator.

Building Hope

Donated a 15 NLI sewing machines to the Association of former International Civil Servants and provided training for the under-privileged and poverty stricken citizens.

It's TV Time

Morawinna Girl's Home was donated a 32" TV.

Hospital Projects



Donation of the 3rd Dialysis machine through Singer Thirst for life project.

Singer Thirst for Life is a fully integrated sustainable project that saw Singer respond to a marketing concern by adapting a broad based remedial and root cause targeting public service campaign over the issue of waterborne diseases. Singer found a direct link between the absence of filtered or purified water and the crisis over Chronic Kidney Diseases primarily found in the North Central Province. Singer devised the Thirst for Life campaign with both preventative and remedial purposes.

All Singer and Pureit marketing collateral informed the public that Rs. 100 of every purifier sold will be added to the Singer Thirst for Life fund that will be used to purchase dialysis machines for hospitals with backlog of Chronic Kidney Disease patients seeking treatments.

With the money collected by the fund and with a contribution by the CSR budget we have donated 3 Dialysis Machines worth more than 6 million including the one donated to Padaviya Hospital – Anuradhapura in 2014.

- The childrens' ward of the District Hospital in Sooriyawewa was renovated.
- Maternity ward of the Divisional Hospital in Gonaduwa was renovated.
- An air conditioner was donated to the Teaching Hospital in Kalubowila.
- 02 Zoje sewing machines were donated to the Base Hospital in Avissawella.
- Steed cupboards and equipment were donated to the Children's park in the Weeraketiya Hospital.

- The Lunawa Hospital was refurbished with clerical tables, chairs, ceiling fans and partitions with the help of the SSL factory.
- A Singer GEO refrigerator and a LED TV was donated to the Base Hospital in Meerigama.



Maternity ward of Lunawa hospital was renovated and donation of fans and chairs was done along with it.

Other Projects

MENHANDY which is a school for differently children, was donated for the teacher's fee. The New Year festival of the Deaf School Past Pupils Association was funded by us. In addition a Leadership Development seminar conducted by the University of Sri Jaywardenepura was funded by us. A water cooler was donated to the Rajamahaviharaya in Mihintale. The Mirenda Hemalatha Kala Ayathanaya was renovated and toilets were constructed at the Sudharshanarama Viharaya in Welikanda. 15 water tanks were donated to the drought-affected areas. Dry rations were donated to 600 families in Horowpathana. This project was funded by suppliers of Singer and CSR Budget. The beach clean up campaign of the Rotaract Club was conducted with the assistance of the Singer Sri Lanka employees, Singer participated in the Walk with a hero project of the Rotaract Club.



Rotaract Club of Singer (Sri Lanka) PLC did a beach clean up project at Wellawatta.

Singer Sri Lanka No. 1 Sports Promoter

We are the country's biggest sports promoter, considering the broad range of sports that we support. For more than twenty years, our name has been intertwined with Sri Lankan sports with

over Rs. 1 billion worth of investments made towards championing annual sports events as well as uplifting sportsmen and women and developing sporting infrastructure. Being a country with many sports fans and an abundance of talent, particularly in rural Sri Lanka, our aim is to harness this potential. We do this by extending our support towards the long-term development of sports and providing employment to our national sportsman, investing in the upkeep of sporting grounds, supporting international tournaments and nurturing a passion for sports in children. Our continued active participation in sports have benefited community relations as well. These have enabled us to achieve visibility as a good community citizen.

Rugby



Supporting School Rugby in Sri Lanka.

Singer League Tournament Support

We have sponsored the Singer League Tournament which is the country's largest schools rugby event since 2004. We facilitate 90 schools to participate in the event that spans over 300 games across 3 months and is organised by the Sri Lanka Schools Rugby Football Federation.

Sponsoring the Bradby Shield since 1989

This annual schools rugby fixture is Sri Lanka's oldest and most prestigious, featuring a battle between two of our most renowned schools. This year marked our 24th year of sponsorship of the event.

Club Rugby

We continue as a co-sponsor of the Kandy Sports Club.

For the past 14 years, we have sponsored that have assisted the club to renovate scoreboards, build new pavilions etc.

We also maintain the scoreboards of rugby stadiums in Nittawela and Bogambara, as well as pavilions of the Royal Sports Complex and the Pallekale Stadium. We have also signed up for advertising contracts with several sports venues, such as Havelock Sports Club, Royal College rugby grounds, St. Peter's rugby grounds, to fund annually to maintain and upgrade their infrastructure.



Pallekale Rugby Pavilion maintained by Singer.

Motor Sports

We sponsored the following races during the year:

- **Foxhill Motor Races** – We have co-sponsored the Foxhill Motor Races for the last 11 consecutive years.
- **Sigiriya Rally Cross** – In the last 4 consecutive years we have been providing sponsorships to the Sri Lanka Air Force in order to organise this race.
- **Walawe Super Cross** – We sponsored the Walawe Super Cross organised by the Sri Lanka Military Engineers for the 3rd consecutive year.
- **Gunner Super Cross** – We have been sponsoring the Gunner Super Cross since its inception 9 years ago.
- **Cavalry Super Cross** – We co-sponsored the motor race organised by the Sri Lanka Armed Forces.



Handing over the Sponsorship for the Mercantile League tournament.

Our retail network maintains close relationships with the communities in which they operate and a sport that they have been closely connected to through such relationships is cricket.

We sponsor a number of regional softball tournaments throughout the country, as we understand that these tournaments give young cricketers an opportunity to showcase their talents to Sri Lanka Cricket selectors.



Recognising the 'Singer School Boy Cricketer' of the year at Sri Lanka School Cricket Awards.

Hockey

We have been diligently working on promoting hockey in Sri Lanka for the last 30 years to bring it to the same standing enjoyed by rugby and cricket in the country. As such, the Mercantile 'A' Division Hockey Tournament has been sponsored by us since 1978. This year, we extended our support to the Royal College Hockey Club by sponsoring the prestigious Blue and Gold Hockey 7s, which we have sponsored for the last 12 years with over 50 schools participating from around the country.

Billiards

We sponsored the 61st National Billiards Championship conducted by the Billiards and Snooker Association of Sri Lanka. The event saw one of the top cueists vying for honours.

Tennis

Through our continued financial support of the Hill Club Annual Ranking Tennis Tournament, we support development of tennis in Sri Lanka.

Badminton

We sponsored the Inter School Under 19 Badminton Tournament, held at Royal College Colombo.

Public Policy

Singer does not fund or make contributions of any kind to political parties, politicians or related institutions. The Company is regularly invited by the Government of Sri Lanka to submit its proposals for consideration when formulating the National Budget.

Government Assistance

No financial assistance has been received by the Group.

Anti-Competitive Behaviour and Compliance

The Company did not encounter any legal action for anti-competitive behaviour, anti-trust and monopoly practices during 2014. We always obtain necessary local authority approval and strictly adhere to rules and regulations pertaining to display materials, audio/video materials, branding among other factors when conducting marketing/sales promotional activities.

We have not been subjected to any fines or sanctions during the year.

Human Rights

Grievance Handling and Sexual Harassment Policies

These two policies ensure the emotional well-being of our employees. The grievances policy provides employees the right to forward their grievances and dissatisfactions to the management and obtain a fair hearing. Our sexual harassment policy takes note of the distinct nature of a claim and provides disciplinary measures depending on the degree of sensitivity of the matter at hand.

Code of Business Conduct

All key and senior managers are bound by our written Code of Business Conduct which is an agreement signed as part of their written Contract of Employment. As per the agreement the signatory is responsible to comply with the Code and also ensure employees reporting to him/her also comply with the Code. The Code of Business Conduct is signed annually to refresh their knowledge on the contents and update themselves on new clauses and amendments to the Code.

Whistle-Blower Policy

The Whistle-Blower Policy provides a guided procedure for any employee to make a written or verbal complaint on any experience or suspect of illegal or unethical employment or business practices exercised by a colleague in any capacity in the governance hierarchy. All employees are taken

through the policy's procedures and assured of the confidentiality and anonymity upon induction to the Group.

Group takes necessary actions to prevent corruption or illegal activities and management takes necessary actions on above where it implemented for Whistle-Blower Procedures.

Fostering Human Rights and Equal Opportunity

Moving the Community Forward

As a result of the Sri Lankan people's affinity to Singer, the Company receives many requests from religious, educational and other institutions as well from people. Sri Lankans know that Singer is a compassionate and benevolent company and, as such, often turn to it in their moment of need.

Our island-wide reach means that we are present in some of the more remote areas of our country, giving us a unique perspective on the issues that affect the lives of our less fortunate countrymen and women. It is also important to note that our employees are often the biggest champions of particular community-relations projects and initiatives and are empowered to propose solutions to their own communities' needs.

As a responsible corporate that works for the benefit of the community, we have very close links with the society in which we operate. We work on the principle that we give something back by means of conducting many community support projects. This Report provides ample examples of the projects conducted by the Company within this year.

Product Responsibility

For us, product responsibility requires a combination of three things: the greatest possible customer benefit, the highest safety standards, and maximum environmental and climate compatibility. Our measure for environmentally compatible and energy-efficient product sourcing take into account the entire product life cycle - spanning production, product use, as well as disposal and recycling.

The Company policy remains that our consumers are repeatedly provided with products and services of world

class repute. The responsibility for the safety of the products we provide to our customers is essential all along the life cycle of products, down to their end-of-life and recycling.

Our customers are fully-informed about the properties of our products and their conditions of use. We play an active part in ensuring product safety throughout its entire lifecycle to minimise potential adverse impacts on people and the environment.

We visited overseas factories and conducted extensive research and quality checks prior to adding some of the most respected and widely consumed brands in the world to our repertoire. Our customers can always count on Singer for the latest technological developments.

Approximately 40% of products sold by Singer are manufactured through our three state-of-the-art local factories (Including our two sister Companies) that are certified by ISO standards and are manned by the country's highly qualified production managers, engineers and manual workforce who are experienced and highly capable of producing advanced and innovative products. We also used customer feedback and market trends to develop new products with the support of our long-standing third-party local suppliers. The Singer Geo and SISIL Eco series is the latest range of locally developed products to enter the Sri Lankan eco-friendly consumer durables market. Customers stand by our side assured with the knowledge that our quality assurance division that is manned by professional engineers put our products through stringent quality control procedures from sample evaluations to post-sale evaluations which ensure that our products are continuously enhanced and retains a lengthy life cycle.

Product Sourcing for Our Own Brands

We take strong measures to source products from the world's leading manufacturers upon thoroughly evaluating them on key areas such as industry ranking, company reputation, management style, financial stability, quality consciousness, delivery capabilities, and more.

Customer Feedback and Research

The consumer search for authenticity also includes their desire to buy from genuine companies that can articulate values that align with their own. Finally, consumers are demanding sourcing transparency. Our best research tool is our employee base. As a large customer centric organisation, our own customer service representatives are dotted across the country providing a personalised service. They are trained to collect feedback that is directly absorbed from customers and communicated to brand managers who in turn make presentations to our product and services research and development teams. We believe this is an immensely comprehensive research methodology and is as effective as consulting third party organisations. For example, our hire purchase customer base of 350,000 customers normally visits our showrooms and communicates with our staff almost on a monthly basis. We also invest significant resources on feedback forms, informal surveys, product surveys, data mining, mystery shoppers, local and international research teams, as well as our call center that records and reports on all customer complaints and feedback. We periodically utilise the services of research agencies such as Nielsen's and LMRB to identify changing consumer trends and widen our knowledge on consumer needs by conducting overall consumer market research or product specific research.

For the purpose of improving our products and services we also perform data mining on loyalty members to extract their preferences on a continuous basis, as well as obtaining customs imports statistics to measure market trends and market share movements as well.

Customer Complaints/ Suggestions and Avoiding/ Reducing Negative Impacts of Company's Products/Services on Customers

Singer being a renowned customer centric company treat all customer complaints with genuine concern. Whatever the cause, unhappy customers are still our guests and our hope for future business, and we want them to be satisfied again. Although

the customer may not always be right, he/she will always be the customer we want and we need. As such, we need to take control of customer complaints and turn them to our advantage.

The steps adopted in resolving customer complaints is stated below. We always promptly attend on customer complaints.

- 1. Listen Intently:** Listen to the customer, and never interrupt them as they need to tell their story and feel they have been heard.
- 2. Thank Them:** We thank the customer for bringing the problem to our attention. We can't resolve something we aren't completely aware of, or may be making faulty assumptions about.
- 3. Apologise:** We sincerely convey to the customer our apology for the inconvenience caused by the situation.
- 4. Seek the Best Solution:** We determine the customer requirement to provide a solution by inquiring.
- 5. Reach Agreement:** We seek to agree on the solution that will resolve the situation to their satisfaction. Our best intentions can miss the mark completely if we still fail to deliver what the customer wants.
- 6. Take Quick Action:** We act on the solution with a sense of urgency. Customers will often respond more positively to our focus on helping them immediately versus than on the solution itself.
- 7. Follow-up:** We follow-up to ensure the customer is completely satisfied.

As a customer-centric company, we are always focused on enhancing customer satisfaction, convenience and service quality. By expanding our distribution channels, we make it easier for customers to get the products and services they need. We also upgrade and refurbish our retail outlets at least once in every six/seven years. As a dynamic and evolving company with the change in customer lifestyles, we always focus on new market developments and effect changes to our product range like introducing digital media products, agro products etc.

We reward customers with loyalty programmes and provide customer guidelines, merchandising manuals and recipe books. Our Sanasuma extended

warranty programme gives shoppers confidence in their purchase. We also operate a call centre hotline to ensure that any issues are quickly directed to the relevant division so that a solution can be provided.

Customer Care Centre

We were the first consumer goods retailer in Sri Lanka to set up a call centre. Customer issues are directed to the right people as our call centres are linked to service franchise agents. Customers can dial the hotline to make suggestions, as well as lodge complaints regarding Singer products and services. Our customer representatives then liaises with our Service Centre or the relevant Singer party to ensure that the customer's complaint is attended to, tracking the internal progress of the customer's complaint. Following a complaint we take proactive measures to ensure that we comply with the highest industrial standards. We also move quickly to establish and adopt to our stringent internal product quality standards to mitigate the issue.

Call Volume	2014	2013
Inbound	148,623	128,815
Outbound	195,451	218,549
Total	344,074	347,364

Customer service is an integral part of our job and should not be seen as an extension of it. A company's most vital asset is its customers. Without them, we would not and could not exist in business. When we satisfy our customers, they not only help us grow by continuing to do business with us, but recommend us to friends and associates.

The practice of customer service should be as present on the show floor as it is in any other sales environment.

Marketing Outreach Programme

Our Singer Plus channel initiated a unique new marketing venture titled the 'Marketing Outreach Programme.' This is where we visit each home within target community clusters and discuss with home owners the status of their home appliances and offer advice on our latest products and services. The overall objective of the programme is to increase awareness of our Singer Plus Channel and enhance its status to match that of Singer.

Trusted Excellence is a brand promise that we seek to honour across all our channels. Preliminary efforts of the Marketing Outreach Programme have resulted in greater communication between Singer Plus customers and outlets. While providing a personalised service to our customers, the programme hopes to boost the confidence and morale of our field staff.



Ernst & Young
Chartered Accountants
201 De Saram Place
P.O. Box 101
Colombo 10
Sri Lanka

Tel : +94 11 2463500
Fax Gen : +94 11 2697369
Tax : +94 11 5578180
eysl@lk.ey.com
ey.com

Independent Assurance Report to the Board of Directors of Singer (Sri Lanka) PLC on the Sustainability Report - 2014

Introduction and scope of the engagement

The management of Singer (Sri Lanka) PLC engaged us to provide an independent assurance on the following elements of the Sustainability Report - 2014 ("the Report").

- Reasonable assurance on the information on financial performance as specified on page 56 of the Report.
- Limited assurance on Singer (Sri Lanka) PLC's self-declaration ("the self-declaration") in respect of the content of the Report prepared in accordance with the requirements of the Global Reporting Initiative G3.1 guidelines at application level "C+".

Basis of our work and level of assurance

We performed our procedures to provide limited assurance in accordance with Sri Lanka Standard on Assurance Engagements (SLSAE 3000): 'Assurance Engagements Other than Audits or Reviews of Historical Financial Information', issued by the Institute of Chartered Accountants of Sri Lanka ("CASL").

The evaluation criteria used for this limited assurance engagement are based on the Sustainability Reporting Guidelines ("GRI Guidelines") and related information in particular, the requirements to achieve GRI application level "C+" in the 'GRI Application Level' publication, publicly available at GRI's global website at "www.globalreporting.org".

Our engagement provides limited assurance as well as reasonable assurance. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement conducted in accordance with SLSAE-3000 and consequently does not enable to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement.

Management of Singer (Sri Lanka) PLC's responsibility for the Report

The management of the Singer (Sri Lanka) PLC is responsible for the preparation of the self-declaration, the information and statements contained within the Report, and for maintaining adequate records and internal controls that are designed to support the sustaining reporting process in line with the GRI Sustainability Reporting Guidelines.

Ernst & Young's responsibility

Our responsibility is to express a conclusion as to whether we have become aware of any matter that causes us to believe that the self-declaration contained in the Report has not been prepared, in all material respect, in accordance with the requirements of the GRI Guidelines at application level "C+". This report is made solely to Singer (Sri Lanka) PLC in accordance with our engagement letter dated 06 February 2015. We disclaim any assumption of responsibility for any reliance on this report to any person other than Singer (Sri Lanka) PLC or for any purpose other than that for which it was prepared. In conducting our engagement, we have complied with the independence requirements of the Code for Ethics for Professional Accountants issued by the CASL.

Key assurance procedures

We planned and performed our procedures to obtain the information and explanations considered necessary to provide sufficient evidence to support our limited assurance conclusions. Key assurance procedures included:

- Interviewing relevant Singer (Sri Lanka) PLC's personnel to understand the process for collection, analysis, aggregation and presentation of the self-declaration.
- Reviewing and validation of the information contained in the self-declaration and the Report.

- Checking the calculations performed by Singer (Sri Lanka) PLC on a sample basis through recalculation.
- Reconciling and agreeing the data on financial performance are properly derived from the Singer (Sri Lanka) PLC's audited financial statements for the year ended 31 December 2014.
- Comparison of the content of the Report against the criteria for a self-declaration at a "C+" level in accordance with the GRI Application Level publication.

Our procedures did not include testing electronic systems used to collect and aggregate the information.

Limitations and considerations

Environmental and social performance data are subject to inherent limitations given their nature and the methods used for determining, calculating and estimating such data.

Conclusion

Based on the procedures performed, as described above, we conclude that:

- The information on financial performance as specified on page 56 of the Report are properly derived from the audited financial statements of the Singer (Sri Lanka) PLC for the years ended 31 December 2013 and 31 December 2014.
- Nothing has come to our attention that causes us to believe the GRI self-declaration contained in page 85 of the Report has not been prepared, all material respects, in accordance with the requirements of the GRI Guidelines at application level "C+".

Chartered Accountants

27th February 2015
Colombo

Partners: A D B Talwatte FCA FCMA M P D Cooray FCA FCMA R N de Saram ACA FCMA Ms. N A De Silva FCA Ms. Y A De Silva FCA W R H Fernando FCA FCMA
W K B S P Fernando FCA FCMA Ms. L K H L Fonseka FCA A P A Gunasekera FCA FCMA A Herath FCA D K Hulangamuwa FCA FCMA LLB (Lond) H M A Jayasinghe FCA FCMA
Ms. A A Ludowyke FCA FCMA Ms. G G S Manatunga ACA N M Sulaiman ACA ACMA B E Wijesuriya ACA ACMA

A member firm of Ernst & Young Global Limited

Global Reporting Initiatives (GRI) Standard Disclosures Index

Index No.	Description	Report Section	Page
1. Strategy and Analysis			
1.1	Statement from the most senior decision-maker of the organisation	Shaping a Sustainable Society	49
1.2	Description of key impacts, risks and opportunities		Not Reported
2. Organisational Profile			
2.1	Name of the Organisation	Cooperate Information	Inner Back Cover
2.2	Primary brands, products and/or services	Shaping a Sustainable Society	27 - 29, 51
2.3	Operational structure of the organisation, including main divisions, operating companies, subsidiaries and joint ventures	Shaping a Sustainable Society	51
2.4	Location and organisation headquarters	Cooperate Information	Inner Back Cover
2.5	Number of countries where the organisation operates and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the Report	Shaping a Sustainable Society	51
2.6	Nature of ownership and legal form	Shaping a Sustainable Society	51
2.7	Markets served (including geographic breakdown, sectors served and types of customers/beneficiaries)	Shaping a Sustainable Society	6, 51
2.8	Scale of the reporting organisation	Shaping a Sustainable Society	2, 51, 61
2.9	Significant changes during the reporting period regarding size, structure, or ownership	Shaping a Sustainable Society	51
2.10	Awards received during the period	Shaping a Sustainable Society	51
3. Report Parameters			
3.1	Reporting period	Shaping a Sustainable Society	50
3.2	Date of most reason previous Report	Shaping a Sustainable Society	41, 50
3.3	Reporting cycle	Shaping a Sustainable Society	50
3.4	Contact point for questions regarding the Report or its contents	Shaping a Sustainable Society	51
Report Scope and Boundary			
3.5	Process for defining report content	Shaping a Sustainable Society	51
3.6	Boundary of the Report	Shaping a Sustainable Society	51
3.7	Any specific limitations on the scope or boundary of the Report	Shaping a Sustainable Society	51
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations and other entities that can affect comparability from period to period and/or between organisations	Shaping a Sustainable Society	51
3.9	Data measurement techniques and the bases of calculations	Shaping a Sustainable Society	51
3.10	Explanation of the effect of any restatement of information provided in earlier reports and the reasons for such restatement	Shaping a Sustainable Society	51
3.11	Significant changes from previous reporting in the scope, boundary or measurement methods applied in the Report	Shaping a Sustainable Society	51
GRI Content Index			
3.12	Table identifying the location of the Standard Disclosures in the Report	Shaping a Sustainable Society	80
Assurance			
3.13	Policy and current practice with regard to seeking external assurance for the Report	Shaping a Sustainable Society	79
4. Governance, Commitments and Engagement			
Governance			
4.1	Governance structure of the organisation	Shaping a Sustainable Society	52 - 55
4.2	Designators of the chair of the highest governance body	Shaping a Sustainable Society	52 - 55
4.3	The number and gender of members of the highest governance body that are independent and/or non-executive members	Shaping a Sustainable Society	52 - 55
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body	Shaping a Sustainable Society	52 - 55

Index No.	Description	Report Section	Page
4.5	Linkage between compensation for members of the highest governance body, senior managers and executives and the organisation's performance	Shaping a Sustainable Society	52 - 55
4.6	Process in place for the highest governing body to ensure conflicts of interest are avoided	Shaping a Sustainable Society	52 - 55
4.7	Process for determining the composition, qualifications and expertise of the members of the highest governance body and its committees including any consideration of gender and other indicators of diversity	Shaping a Sustainable Society	52 - 55
4.8	Internally developed statements of mission or values, codes of conducts and principles relevant to economic, environmental and social performance and the status of their implementation.	Shaping a Sustainable Society	52 - 55
4.9	Procedures of the highest governance body for overseeing the organisation's identification and management of economic, environmental and social performance	Shaping a Sustainable Society	52 - 55
4.10	Processes for evaluating the highest governance body's own performance	Shaping a Sustainable Society	52 - 55
Commitments to External Initiatives			
4.11	Elaboration of precautionary approach	Shaping a Sustainable Society	55
4.12	Externally developed economic, environmental and social charters, principles and other initiatives	Shaping a Sustainable Society	55
4.13	Membership in industry/business associations	Shaping a Sustainable Society	54
4.14	List of stakeholder group engaged by the organisation	Shaping a Sustainable Society	56
4.15	Basis for identification and selection of stakeholders with whom to engage	Shaping a Sustainable Society	51, 55
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group	Shaping a Sustainable Society	56
4.17	Key topics concerns raised through stakeholder engagement and the organisation's response	Shaping a Sustainable Society	56
Environmental			
Materials			
EN1	Materials used by weight or volume	Shaping a Sustainable Society	57
EN2	Percentage of materials used that are recycled input materials	Shaping a Sustainable Society	58
Energy			
EN3	Direct energy consumption by primary energy source		Not Reported
EN4	Indirect energy consumption by primary source		Not Reported
EN5	Energy saved due to conservation and efficiency improvements		Not Reported
EN6	Initiatives to provide energy-efficient or renewable energy-based products and services and reductions in energy requirements achieved		Not Reported
EN7	Initiatives to reduce indirect energy consumption and reductions achieved		Not Reported
Water			
EN8	Total water withdrawal by source		Not Reported
EN9	Water sources significantly affected by withdrawal of water	Shaping a Sustainable Society	60
EN10	Percentage and total volume of water recycled and reused	Shaping a Sustainable Society	60
Biodiversity			
EN11	Location and size of land owned, leased, managed in or adjacent to biodiversity in protected areas	Shaping a Sustainable Society	Not Reported
EN12	Description of significant impacts of activities, products and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	Shaping a Sustainable Society	Not Reported
EN13	Habitats protected or restored		Not Reported
EN14	Strategies, current action and future plans for managing impacts on biodiversity		Not Reported
EN15	Number of IUCN red list species and national conservation list species with habitats in areas affected by operations		Not Reported

Index No.	Description	Report Section	Page
Emissions, Effluents and Waste			
EN16	Total direct and indirect greenhouse gas emissions by weight	Shaping a Sustainable Society	59
EN17	Other relevant indirect greenhouse gas emissions by weight	Shaping a Sustainable Society	59
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved	Shaping a Sustainable Society	59
EN19	Emissions of Ozone-depleting substances by weight	Shaping a Sustainable Society	59
EN20	NO, SO, and other significant air emissions by type and weight		Not Reported
EN21	Total water discharge by quality and destination		Not Reported
EN22	Total weight of waste by type and disposal method	Shaping a Sustainable Society	58
EN23	Total number of volume of significant spills		Not Reported
EN24	Weight of transported, imported, exported or treated waste deemed hazardous under the terms of Basel Convention Annex I, II and IV and percentage of transport waste shipped internationally.		Not Reported
EN25	Identity, size, protected status and biodiversity value of water bodies and related habits significantly affected by the reporting organisation's discharges of water and run off		Not Reported
Products and Services			
EN26	Initiatives to mitigate environmental impact of products and services and extent of impact mitigation	Shaping a Sustainable Society	58
EN27	Percentage of products sold and their packaging materials reclaimed	Shaping a Sustainable Society	58
Compliance			
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations		Not Reported
Transport			
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organisation's operations and transporting members of the workforce		Not Reported
Overall			
EN30	Total environmental protection expenditure and investments by type		Not Reported
Human Rights			
Investment and Procurement Practices			
HR1	Percentage and total number of significant investment agreements and contracts on human rights clauses/human rights screening		Not Reported
HR2	Percentage of significant suppliers, contractors and other business partners who have undergone human rights screening and actions taken		Not Reported
HR3	Total hours and percentage of employee training on policies and procedures concerning aspects of human rights relating to operations		Not Reported
HR4	Total number of incidents of discrimination actions taken		Not Reported
Freedom of Association and Collective Bargaining			
HR5	Violations/Found at Risk in operations, the right to exercise freedom of association and collective bargaining and favourable actions taken	Shaping a Sustainable Society	64
Child Labour			
HR6	Measures taken to eliminate child labour		Not Reported
Forced and Compulsory Labour			
HR7	Measures taken to eliminate compulsory or forced labour		Not Reported
Security Practices			
HR8	Percentage of security personnel trained in organisation policies and procedures on human rights		Not Reported

Index No.	Description	Report Section	Page
Indigenous Rights			
HR9	Total number of violations of rights of indigenous people and actions taken	Shaping a Sustainable Society	76
Assessment			
HR10	Percentage and total number of operations subjected to human rights review and or impact assessments		Not Reported
Remediation			
HR11	Number of grievances related to human rights filed addressed and resolves through formal grievance mechanisms	Shaping a Sustainable Society	Not Reported
Labour Practices and Decent Work			
LA1	Total workforce by employment type, employment contract and region broken down by gender	Shaping a Sustainable Society	61
LA2	Total number and rate of employee hires and employee turnover by age group, gender and region		Not Reported
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operations	Shaping a Sustainable Society	61 - 62
Labour Management Relations			
LA4	Percentage of employees covered by collective bargaining agreements	Shaping a Sustainable Society	64
LA5	Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements	Shaping a Sustainable Society	64
Occupational Health and Safety			
LA6	Percentage of total workforce represented in formal joint management worker health and safety committees that help monitor and advice on occupational health and safety programmes	Shaping a Sustainable Society	64
LA7	Rate of injury, occupational diseases, lost days and absenteeism, and number of work-related fatalities by region and by gender		Not Reported
LA8	Education, training, counselling, prevention of diseases and risk-control programmes in place to assist workforce members, their families or community members regarding serious diseases	Shaping a Sustainable Society	65
LA9	Health and safety topics covered in formal agreements with trade unions	Shaping a Sustainable Society	65
Training and Education			
LA10	Average hours of training per year per employee by gender and employee category	Shaping a Sustainable Society	66
LA11	Programmes for skills management and life-long learning that support the continued employability of employees and assist them in managing career endings	Shaping a Sustainable Society	68
LA12	Percentage of employees receiving regular performance and career developments, reviews by gender	Shaping a Sustainable Society	66
Diversity and Equal Opportunity			
LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group, membership and other indicators of diversity		Not Reported
Equal Remuneration for Women and Men			
LA14	Ratio of basic salary of women to men by employee category by significant locations of operation		Not Reported
LA15	Return to work and retention rates after parental leave by gender		Not Reported

Index No.	Description	Report Section	Page
Society			
Local Community			
SO1	Percentage of operations with implemented local community engagement, impact assessments and development programmes	Shaping a Sustainable Society	72 - 76
SO9	Operations with significant potential or actual negative impacts on local communities		Not Reported
SO10	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities		Not Reported
Corruption			
SO2	Percentage and total number of business units analysed for risks related to corruption		Not Reported
SO3	Percentage of employees trained in organisation's anti-corruption policies and procedures		Not Reported
SO4	Actions taken in response to incidents of corruption		Not Reported
Public Policy			
SO5	Public policy positions and participation in public policy development and lobbying	Shaping a Sustainable Society	76
SO6	Total value of financial and in-kind contributions to political parties, politicians and related institutions by country	Shaping a Sustainable Society	76
Anti-Competitive Behaviour			
SO7	Total of legal actions taken for anti-competitive behaviour, anti-trust and monopoly practices and their outcomes	Shaping a Sustainable Society	76
Compliance			
SO8	Monitory value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	Shaping a Sustainable Society	76
Products Responsibility			
Customer Health and Safety			
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services category subject to such procedures.	Shaping a Sustainable Society	76 - 77
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services		Not Reported
PR3	Type of product and service information required by procedures and percentage of significant products and services subject to such information requirements	Shaping a Sustainable Society	77
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling		Not Reported
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction	Shaping a Sustainable Society	78
Marketing Communications			
PR6	Programmes for adherence to laws and voluntary codes related to marketing communications, including advertising, promotion and sponsorship	Shaping a Sustainable Society	78
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion and sponsorship by type of outcomes	Shaping a Sustainable Society	78
Customer Privacy			
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	Shaping a Sustainable Society	77

Index No.	Description	Report Section	Page
Economic			
Economic Performance			
EC1	Direct economic value generated and distributed	Shaping a Sustainable Society	56
EC2	Financial Implications and other risks and opportunities for the organisation's activities due to climate change		Not Reported
EC3	Coverage of organisation's defined benefit plan obligations	Notes to the Financial Statements	184
EC4	Significant financial assistance received from Government	Shaping a Sustainable Society	76
Market Presence			
EC5	Range of ratio of standards entry level wage by gender compared to local minimum wage at significant locations of operations		Not Reported
EC6	Policy, practices and promotion of spending on locally-based suppliers at significant locations of operation		Not Reported
EC7	Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation		Not Reported
Indirect Economic Impacts			
EC8	Development and impact of infrastructure investments and services provided primarily for public benefits through commercial, in-kind, or pro bono engagement	Shaping a Sustainable Society	73 - 74
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts		Not Reported

Report Application Level		C	C+	B	+B	A	+A
Standard Disclosures	Profile Disclosures	Report on: 1.1 2.1-2.10 3.1-3.8, 3.10-3.12 4.1-4.4, 4.14-4.15	Report Externally Assured	Report on all criteria listed for Level C plus: 1.2 3.9, 3.13 4.5-4.13, 4.16-4.17	Report Externally Assured	Same as requirement for Level B	Report Externally Assured
	Management Approach Disclosures	Not Required		Management Approach Disclosures for each Indicator Category		Management Approach Disclosures for each Indicator Category	
	Performance Indicators & Sector Supplement Performance Indicators	Report on a minimum of 10 Performance Indicators, including at least one from each of: Economic, Social and Environmental.		Report on a minimum of 20 Performance Indicators, at least one from each of Economic, Environmental, Human Rights, Labour, Society, Product Responsibility.		Report on each core G3 and Sector Supplement* Indicator with due regard to the Materiality Principle by either: a) reporting on the indicator or b) explaining the reason for its omission.	
			✔				

**Sector supplement in final version*

THE WAY WE MANAGE



Corporate Governance

Chairman's Statement

Dear Shareholders,

During an era of rapid growth in the economy, when the established norms are subject to changes and the yardsticks by which we measure the control environment needs constant review, sustainability of the corporate's future growth rests upon the extent to which management practices the Code of Corporate Governance in its fullness.

To recognise and respond to the changes expected above, we have entrusted Chartered Accountants, Messrs Ernst & Young to identify any gaps in the existing internal controls system, arising from expansion of business, such that management can swiftly respond with corrective measures to sustain the status quo. This process of monitoring the internal controls will be carried out periodically and should be a perpetual safeguard against weakness gaps if any. By this action, the Board of Directors and Senior Management have demonstrated their willingness and commitment to practice the highest standards of business ethics and righteousness expected. The Boards Audit Committee composed of 3 non-executive independent Directors have a huge responsibility in ensuring that Corporate Governance standards are maintained in conformity of the code of conduct. This in no way detracts from the responsibilities of Executive Directors, Management and Staff, as they are the watchdogs at the gate of righteous conduct. As we enter an era of Business prosperity and exponential growth, I have no doubt that our team will fulfill their obligations.

In the recently concluded Ceylon Chamber of Commerce 'Corporate Best Citizens Award' competition, we won 1st place in the sectoral category of 'Corporate Governance', thereby living upto our promise.

The Corporate Governance Report lays down the process through which we implement our Corporate Governance Ethics to safeguard shareholder stake and we invite you to spend time to read the contents.

Sincerely,

Hemaka Amarasuriya
Chairman
27th February 2015
Colombo

The Group believes that successfully run business enterprises are founded on a set of fundamental qualities - those that embed **transparency, accountability and responsibility** within the core of its business operations.

Corporate Governance

Group/Company ensures to comply with established best practices in corporate governance and ensures the highest ethical standards in conduct of its business. The Board adopts core values and standards which set out the conduct of staff in their dealings with shareholders, customers, colleagues, suppliers and other stakeholders. Once the core values are set and communicated to all levels of the organisation, the Company is of the belief that the highest standards of integrity will be maintained in business.

Governance Policy and Framework

Governance framework covers both corporate governance and business governance. Corporate governance and business governance are interrelated processes and one process is always linked to and dependent on the other process. Business governance enables us to focus on areas of value creation to the business. Corporate governance

process is to safeguard and ensure that the Group/Company achieve business performance maintaining a balance between accountability and assurance of the business process. Thus, we believe our business governance and corporate governance are interlinked to each other as depicted below:

In line with the above governance framework, the Group believes that successfully run business enterprises are founded on a set of fundamental qualities - those that embed transparency, accountability and responsibility within the core of its business operations. Translated into action, the Company's strong core qualities and guiding corporate governance functions ensure that we remain 'law abiding', strictly adhering to the laws and regulations of the country. Business integrity and accountability to stakeholders are top of the mind factors that we inculcate right across - from the Board of Directors to the shop floor.

Statement of Compliance

Singer Group is fully - compliant with the Code of Best Practices on Corporate Governance, issued in year 2013 jointly by The Institute of Chartered Accountants of Sri Lanka and the Securities and Exchange Commission of Sri Lanka as well as the Rules on Corporate Governance published by the Colombo Stock Exchange. In addition to the above, our Subsidiary Company Singer Finance (Lanka) PLC is fully -compliant with the requirement set out by the Finance Companies Act No. 78 of 1988 and subsequent amendments and Finance Companies Corporate Governance Direction No. 3 of 2008 issued by the Central Bank of Sri Lanka.

The following developments took place in 2014:

- Mr. M.P.A. Salgado Secretary to the Remuneration Committee, retired with effect from 30th June 2014 and consequent to his retirement Mr. K.K.L.P. Yatiwella has been appointed to the Remuneration Committee as a Secretary to the Committee with effect from 08th August 2014.
- Further improved IFS-ERP system to enhance efficiency and integrity of financial information and controls over financial reports.
- Enhance internal audit resources and frequency of audits to ensure that

strategic and key operational risks are well-managed and any deviations are escalated on a timely basis.

- In year 2012, Board of Directors appointed Messrs Ernst & Young - Chartered Accountants to carry out internal systems and controls review and to document said internal system and control procedures to enhance integrity of financial reporting, information and controls over financial reports. This assignment was completed and some of the areas of recommendations were implemented in year 2014 and Internal Auditors are assigned to follow up said recommendations whether were effectively implemented by the respective management.

Business Governance

Business governance (Performance Governance) is linked from Company's Vision Statement to Final Objective level of grass root level. Business governance process is started at the point of preparing the annual plan and annual plan is focused on future strategic direction, long-term objectives, medium-term objectives and short-term set targets. Annual plan is initially approved by Singer Asia Ltd., which is the Intermediate Parent Company and subsequently reviewed and approved by the Board. The Group CEO and Executive Committee review the strategic plan and budgets against the actual performance on a monthly basis and at more frequent intervals, as needed and Chairman and Board of Directors review actual performance at each Board meeting.

IT Governance

IT governance process of the Company ensures that IT objectives are aligned with business objectives that will meet its strategic and operational objectives. IT governance is an integral part of the corporate governance process and which deals primarily with optimising the linkage between Strategic Directions and Information Management of the Company. Competent and dedicated staff are deployed to support this need. Company investment in IT resources covers resources operated and managed centrally and resources deployed at various places. IT recourses include ERP system, other related business systems, internet, e-mails and other Company-wide data communication systems.

Impact of the IT governance to diverse functional areas of the Company is driven by certain core objectives which are set below:

Compliance	Investing in licensed software deployed in compliance with Intellectual Property Law with a view to educate and mandate compliance to such laws throughout the Company.
Operational Efficiency	Streamlining of inventory management, logistic management and credit management processes so that integrity is maintained across the value chain through near real-time processing.
Prudent Capital Expenditure	All major IT investments are carefully evaluated by the IT team and built into the business plan and carefully scrutinised at the planning level and approval is granted by both Board and Intermediate Parent Company. Final approval of IT capital expenditure is sought from the Group CEO and Intermediate Parent Company.
Customer Convenience	Ensuring process efficiencies to increase the contribution to customer convenience.
Green IT	Protecting the environment by reducing print through migration to e-mails and soft copies.

Governance Structure

External Regulations	Internal Regulations
Companies Act No. 07 of 2007	Articles of Association of the Company
Continues Listing Requirements of the Colombo Stock Exchange	Singer Finance Manual
Code of Best Practice of Corporate Governance issued in year 2013 jointly by The Institute of Chartered Accountants of Sri Lanka and Securities and Exchange Commission of Sri Lanka	Company's Code of Ethics, Human Resources Policies and Procedures
In case of Subsidiary Company, Singer Finance (Lanka) PLC, requirements set out by the Finance Companies Act No. 78 of 1988 and Subsequent Amendments and Finance Companies Corporate Governance - Direction No. 3 of 2008 issued by the Central Bank of Sri Lanka	Information Technology and Other Internal Manual Company's Standing Instruction and Policy and Procedures (P&P)



As diagrammatically presented above, Group governance structure is set up to create a distinction between the functions of the Board and Management team but ensuring effective co-operations and communication between two groups. Group Chief Executive Officer exercises triangular linking role between Board, Executive Management Committee and other Stakeholders i.e., Shareholders, Employees, Customers, Community and Environment. Group's Chief Executive Officer is the main communication link with the Board and Executive Management Committee. He also acts as a defacto officer to maintain a fair role on behalf of Shareholders, Employees, Customers, Community and Environment.

Business Ethics

The Group enshrines the highest ethical standards in the conduct of its business affairs and its Board of Directors are tasked with ensuring that the resultant regime of exemplary governance across all aspects of business are in the best interests of stakeholders. Ethically correct conduct comprising integrity, honesty, fair play and loyalty pervade all Group actions.

Transparency is encouraged in all public disclosures, as well as in the way business and communication take place with all stakeholders. A 'whistle-blowing policy' introduced internally in 2009 has increased the level of transparency towards a wider dimension.

All employees are bound by the Company's written Code of Ethics that include the following aspects:

- Exercise honesty, objectivity and diligence when performing ones duties.
- Avoid situations where personal interest might conflict with the interest of the Company; and if so, disclose such interest in advance.
- Maintain confidentiality of commercial and price-sensitive information.
- Work within applicable laws and regulations.
- Safeguard the Company's assets.
- Avoid conduct that will reflect badly on the person concerned or the Company's image.
- Strictly avoid giving or accepting any kind of bribe, either directly or indirectly.



Making Vibrancy and Style Yours...Sew Easy

Singer

Domestic Hi-Tec Sewing Machine,
125 Built in Embroidery Design

Model No.
FUTURA XL400

When your enterprise begins with a sewing machine, it stands to reason that over the years you'll update it, develop it and keep it relevant. **For over a century**, Singer has made its sewing machines the 'centrepiece' in homes across the world. Today, the Singer sewing machine is an icon...an invaluable medium by which countless people chart their own style, their own way. It is also the inspiration for the Singer Fashion Academy we began 57 years ago. It is a true world icon!



PFAFF
Creative 4.5 - Large
Embroidery Area, 480
Stitches, IDT System

Model No. -
SM-PFCRPF



Singer
Multi function
Domestic Sewing Machine

Model No. -
MC565



Singer
Portable - Domestic
Sewing Machine,
8 Built in Stitches

Model No. -
MC-8280



Singer
Portable - Domestic
Sewing Machine,
21 Built in Stitches

Model No. -
MC-8221

- Strictly avoid making contributions for political funds, either directly or indirectly.
- Strictly avoid any kind of sexual harassment.

The Company has implemented a formal whistle-blowing procedure and encourages any employee who suspects wrongdoing at work, whether by management, peers or any other employee, to raise their concerns.

Other Policies

In addition, the Company implements policies covering:-

- Recruitment and selection
- Financial integrity
- Use of Company property including computers
- Non-harassment in the workplace
- Environment, safety and health
- Security of IT system

Responsibility to Customers

The Company maintains an island-wide network of outlets and provides a wide choice of products and brands to its customers, augmented by easy payment opportunities. Outstanding customer care and world class after-sales service are two of seven propositions substantiating our claim to be a world-class Company. What is salient about the widespread nature of our distribution is that in most instances, a consumer living in any part of the country need not travel more than 10 km to obtain goods and services from the Company.

Products sold by the Company are of the highest quality and are rigorously tested prior to introduction. The Company extends warranties on its products. It maintains an island-wide network of service centres and franchise agents to facilitate product repairs. Customer grievances, if any, are handled promptly and solutions provided with exchange of merchandise in the unlikely event of a manufacturing defect.

Among developments relevant to customer relations in the year under review, was the growing popularity of our Contact Centre established in 2006 to deal with customer complaints and product performance issues as well as

to provide customer-related information. In addition to this, the Company conducts customer loyalty programmes and Customer-Service Clinics across the country where any customer can relate their grievances or obtain service for their product on site.

In service to our differently-abled customers, wheelchair ramps and other such infrastructure modifications and facilities are being added to the Company's retail outlets progressively as part of routine showroom renovations.

Environment

Social responsibility is regarded as a fundamental aspect of the Company's strategy and it is one of the core values of the business. As stated in our value statement 'we make every effort to ensure that the environment is protected and conserved for future generations' and in-line with this core value, the Company is committed to minimising any adverse impact the conduct of the business may have on the environment. Further to that, this core value encourages and ensures our products, processes and business does not unnecessarily damage the environment.

The Company is proud to present in this Annual Report, Shaping a Sustainable Society based on the Global Reporting Initiatives (GRI) Guidelines for the third time. The Company's Social and Environment Management initiatives are more fully described in Shaping a Sustainable Society chapter appearing on pages 48 to 85.

Code of Best Practice on Corporate Governance

We set out below, the corporate governance practices adopted and practiced by the Company, the extent of adoption of the Code of Best Practice on Corporate Governance issued in year 2013 jointly by The Institute of Chartered Accountants of Sri Lanka and the Securities and Exchange Commission of Sri Lanka and the Rule set out in Section 7.10 of the Colombo Stock Exchange Listing Rules on Corporate Governance.

Section A

This section covers companies extent of adherence to the requirements of the Code of Best Practice on Corporate Governance issued in year 2008 by the Securities and Exchange Commission of Sri Lanka and The Institute of Chartered Accountants of Sri Lanka. This reflects Company's governance in following six fundamental aspects:

- Directors
- Directors Remuneration
- Relationship with Shareholders
- Accountability and Audit
- Institutional Investors
- Other Investors

These are discussed in the sections that follow:

A. Directors

A.1 - The Board

Main Principle

Every public company should be headed by an effective Board, which should direct, lead and control the Company.

Corporate Governance Principle	SEC & ICASL Code Reference	Requirement of the Code	Compliant with the Code
Board Meeting	A.1.1	The Board should meet regularly, at least once in every quarter.	The Board meets at least four times a year and additional meetings are held if required. The Board sub-committees also met on a regular basis. Circular Resolutions are passed as per the requirements. The Board met 4 times during the financial year. Details of the meetings and attendance of the members are set out on page 121. The meetings convened by the Board sub-committees during 2014 are also provided on page 121.
Responsibility of the Board	A.1.2	Board should be responsible for matters including: Ensuring the formulation and implementation of a sound business strategy.	<p>The Board is responsible for the strategic planning process of the Company. This includes the responsibility for the formulation of the strategic vision and mission of the Company, setting the overall corporate policy and strategy, monitoring performance and reviewing risks and major investments. The Board also takes on the added responsibility of directing Company performance towards achieving the best results possible and increasing shareholder value. The Board sets the broad parameters of the Company's business. The Company's business units are then tasked with their application, in achieving specific targets and objectives.</p> <p>The profile of the Group CEO is provided in this Annual Report on page 20.</p> <p>While the Board of Directors is ultimately responsible for the operations and financial soundness of the Company, the day-to-day management of the Company is entrusted to the Group CEO. There is extensive staff participation in decision-making at all levels, with strategic recommendations on material matters flowing to the Board for final decision.</p> <p>The Group CEO chairs the Executive Committee and four Key Management members are Alternate Directors. The Executive Management Committee, comprising all Key Managers who are divisional heads four Deputy Directors, one Manager representing Finance Division and Factory and Group CEO, meets every week for a performance review and decision-making. The Group CEO chairs the meeting and four Key Managers are in the Committee are also Alternative Directors to the Main Board.</p>
		Ensuring that the CEO and Management team possess the skill, experience and knowledge to implement strategy.	

Corporate Governance Principle	SEC & ICASL Code Reference	Requirement of the Code	Compliant with the Code
--------------------------------	----------------------------	-------------------------	-------------------------

The Company's Annual Plan addresses the requirements of all business units and divisions. This ensures that the entire Company follows the set plans and objectives as articulated in the Annual Plan. These in turn become the primary objectives of the Management Committee which is represented by all Heads of Divisions and are shared with Divisional Heads and Heads of all SBUs. The Management Committee together with the Heads of Divisions and SBUs have the autonomy and freedom to translate these objectives to specific goals that are achievable.

Key programmes are identified by the Group CEO for each year in line with the Annual Plan after they are discussed at Executive Committee meetings. A review of progress on plan implementation is a key item on the agenda of the monthly Management Review meetings.

Ensuring the adoption of an effective CEO and Senior Management succession strategy.

Succession planning is given due recognition in the corporate culture. Effective succession planning is a criterion in the performance appraisals of the Senior Management and Key Management.

Addition to that, as part of the development and succession programme, the '3x3x3' initiative seeks to ensure that all positions of Key Managers, Senior Managers, Middle Managers and Junior Managers have been identified and are groomed for succession.

Ensure effective systems to secure integrity of information, internal control and risk management.

The Board has delegated this responsibility to the Board Audit Committee.

The Audit Committee is empowered to review and monitor the financial reporting process of Singer Group so as to provide additional assurance on the reliability of Financial Statements through a process of independent and objective review.

As such, the Audit Committee acts as an effective forum in assisting the Board of Directors in discharging their responsibilities on ensuring the quality of financial reporting and related communication to the shareholders and the public.

Audit Committee framework, composition, responsibilities and duties are given in the Audit Committee Report on page 128.

Risk Management framework is given in the Risk Management Report appearing from pages 122 to 127.

Ensuring compliance with laws, regulation and ethical standards.

The Board follows a policy of strict compliance with laws and regulatory requirements and ensures that stakeholder interests are considered in key corporate direction.

A compliance checklist is provided to Board Audit Committee and Board members in every quarter by the Compliance Officer, indicating compliance with applicable laws, regulations etc.

The Company has also issued a Code of Ethics and Human Resources Policies and Procedures applicable to all employees.

Corporate Governance Principle	SEC & ICASL Code Reference	Requirement of the Code	Compliant with the Code
		All stakeholders' interest are considered in corporate decisions.	<p>The Board adopted core values and standards which set out the conduct of staff in their dealings with shareholders, customers, community, environment, colleagues, suppliers and other stakeholders. Once the core values are set and communicated to all levels of the organisation, there is a belief that the highest standards of integrity are maintained in business.</p> <p>The Board relies on the integrity and due diligence of Key Managers, Senior Managers, Auditors and Advisors to oversee the Group's overall performance objectives, financial plans and annual budgets, investments, financial performance reviews, risk management and corporate governance practices.</p>
		The Company's values and standards are set with emphasis on adopting appropriate accounting policies and fostering compliance with financial regulations.	<p>The Group enshrines the highest ethical standards in the conduct of its business affairs and its Board of Directors are tasked with ensuring that the resultant regime of exemplary governance across all aspects of business are in the best interests of stakeholders. Ethically correct conduct comprising integrity, honesty, fair play and loyalty pervade all Group actions.</p> <p>Accounting policies are reviewed annually in light of changing business requirements, evolving international and local accounting standards and industry best practice. As mentioned above, significant emphasis is placed on compliance with applicable regulations. Group continues to adopt same accounting policies adopted in year 2013 and which are given as part of the Financial Reports in pages 149 to 156.</p>
		Fulfilling such other Board functions as relevant to the organisation.	<p>The Board makes every endeavour to ensure a balanced and objective assessment of the Company's position, performance and prospects.</p> <p>Members from professional accounting bodies and high scholar representatives from the field of economics are on the Board ensuring financial and economic acumen besides knowledge from other Board members with affiliations to other professional marketing bodies, ensure stimulation of marketing knowledge of the Board members.</p>
Compliance with laws and seeking independent professional advices	A.1.3	The Board collectively and Directors individually, must act in accordance with the laws of the country and there should be a procedure agreed by the Board of Directors to obtain independent professional advice where necessary, at the Company's expense.	<p>As mentioned above, there is a significant emphasis across the organisation to ensure compliance with applicable laws and regulations.</p> <p>The Board members are permitted to obtain independent professional advice from a third party, including the Company's External Auditors and other professional consultants, whenever deemed necessary at the expense of the Company.</p> <p>During the year under review, Board has obtained independent tax advised from Messrs Amarasekara and Company, Chartered Accountants of the Value Added Tax Act and its implementation to Singer (Sri Lanka) PLC.</p> <p>Neither Board nor except above, no Director obtained any independent professional advice during the year 2014.</p>

Corporate Governance Principle	SEC & ICASL Code Reference	Requirement of the Code	Compliant with the Code
Company Secretary	A.1.4	All Directors should have access to the advice and service of the Company's Secretary, who is responsible to the Board in ensuring, that the Board procedures are followed and that the applicable rules and regulations are complied with. Any question of the removal of the Company Secretary should be a matter for the Board as a whole.	The Company Secretary ensures that all Board Terms of Reference are followed and applicable rules and regulations are adhered to. The Company Secretary advises the Board and ensures that matters concerning the Companies Act, Board procedures and other applicable rules and regulations are followed. All Directors have access to the Company Secretary. The Secretary possesses the required qualifications as set out in the Companies Act.
Independent judgment of Directors	A.1.5	All Directors should bring independent judgment to bear on issues of strategy, performance, resources and standards of business conduct.	<p>The Chairman conducts Board meetings in a manner which ensures that there is effective participation from all Directors, their individual contribution and concerns are objectively assessed prior to making key decisions and that the balance of power is maintained.</p> <p>In advance of every Board meeting, each Director receives a comprehensive set of Board papers and any additional information requested by the Directors. It is the Group CEO's duty to ensure that all members are properly briefed.</p> <p>None of the Independent Directors have held executive responsibilities in the Company and have submitted a declaration confirming their independence in accordance with Section 07 of the CSE Listing Rules on Corporate Governance as at 31st December 2014.</p>
Dedication of adequate time and effort by the Directors	A.1.6	Every Director should dedicate adequate time and effort to matters of the Board and the Company, to ensure that the duties and responsibilities owned to the Company are satisfactorily discharged.	<p>The Board met on 4 occasions during the year.</p> <p>The Chairman attended all meetings and the attendance of other Directors are detailed on page 121.</p> <p>The Board is satisfied that the Chairman and the Non-Executive Directors committed sufficient time during 2014 to fulfil their duties.</p>
Training for new and existing Directors	A.1.7	Every Director should receive appropriate training when first appointed to the Board of a company and subsequently as necessary. The training curricular should encompass both general aspects of directorship and matters specific to the particular industry/company concerned. A Director must recognise that there is a need for continuous training and expansion of knowledge and skill required to effectively perform his duties as a Director.	<p>The Directors are given the opportunities to familiarise and obtain an in-depth understanding of the Company's business, its strategies, risks and processes, at their discretion.</p> <p>Training is provided to Executive Directors and Alternate Directors to equip themselves to discharge their responsibilities effectively. This includes training provided by principles, external and in-house training.</p> <p>Directors are briefed on changes in laws and regulations, tax laws and accounting standards from time-to-time either during the Board meetings or at specially convened sessions.</p>

A.2 Chairman and Group Chief Executive Officer (CEO)

Main Principle

Corporate Governance Principle	SEC & ICASL Code Reference	Requirement of the Code	Compliant with the Code
Separation of the roles of Chairman and Group CEO	A.2.1	The positions of Chairman and Group CEO are separated to ensure a balance of power and authority and to prevent any one individual from possessing unfettered decision-making authority.	<p>The Chairman's and Group CEO's functions are separated to ensure a balance of power of authority and this dual panel structure has been continued throughout the year 2014.</p> <p>The Chairman of the Board of Directors functions in a non-executive capacity with no activities involving the direct supervision of staff or senior management. The Group Chief Executive Officer functions as an Ex-Officio Director of the Board and is the apex executive in charge of the day-to-day management of operations and business of the Company, while providing the link between the Board, Board of the Intermediate Parent Company and Divisional Heads (Key Management).</p>

A.3 Chairman's Role

Main Principle

The Chairman's role in preserving good corporate governance is crucial. As the person responsible for running the Board, the Chairman should preserve order and facilitate the effective discharge of Board functions.

Corporate Governance Principle	SEC & ICASL Code Reference	Requirement of the Code	Compliant with the Code
Role of Chairman	A.3.1	<p>The Chairman should conduct Board proceedings in a proper manner and ensure, inter alia, that:</p> <ul style="list-style-type: none"> the effective participation of both Executive and Non-Executive Directors is secured; all Directors are encouraged to make an effective contribution, within their respective capabilities, for the benefit of the Company; a balance of power between Executive and Non-Executive Directors is maintained; the views of Directors on issues under consideration are ascertained; and the Board is in complete control of the Company's affairs and alert to its obligations to all shareholders and other stakeholders. 	<p>The Chairman is responsible for leading the Board and for its effectiveness. In practice, this means taking responsibility for the Board's composition, ensuring that the Board focuses on its key tasks and supports the Group CEO in managing the day-to-day running of the Company. The Chairman is also the ultimate point of contact for shareholders, particularly on corporate governance issues.</p> <p>The Chairman satisfies himself that the information available to the Board is sufficient to make an informed assessment of the Company's affairs as well as to discharge their duties to all stakeholders.</p> <p>The Chairman conducts Board meetings in a manner which ensures that there is effective participation from all Directors, their individual contribution and concerns are objectively assessed prior to making key decisions and that the balance of power is maintained.</p> <p>Chairman ensures that regular meetings are conducted at least once a quarter and the minutes of the meetings are accurately recorded.</p> <p>Chairman approves the agenda prepared by the Company Secretary.</p>

A.4 Financial Acumen

Main Principle

The Board should ensure the availability within it of those with sufficient financial acumen and knowledge to offer guidance on matters of finance.

Corporate Governance Principle	SEC & ICASL Code Reference	Requirement of the Code	Compliant with the Code
Financial acumen and knowledge	A.4.1	Availability of sufficient financial acumen and knowledge.	<p>The Chairman is a Fellow of The Institute of Chartered Accountants of Sri Lanka, Fellow of the Chartered Institute of Management Accountants - UK and Fellow of Chartered Institute of Marketing - UK. Group CEO is an Associate Member of The Institute of Chartered Accountants of Sri Lanka and Fellow of the Chartered Institute of Management Accountants - UK.</p> <p>In addition, the Board includes another member who is a Fellow of The Institute of Chartered Accountants of Sri Lanka. These members of the Board have the ability to offer guidance on matters of finance to the Board.</p>

A.5 Board Balance

Main Principle

It is preferable for the Board to have a balance of Executive and Non-Executive Directors such that no individual or small group of individuals can dominate the Board's decision-taking.

Corporate Governance Principle	SEC & ICASL Code Reference	Requirement of the Code	Compliant with the Code
Presence of strong team of Non-Executive Directors	A.5.1	<p>The Board should include Non-Executive Directors of sufficient calibre and number for their views to carry significant weight in the Board's decisions.</p> <p>The Board should include at least two Non-Executive Directors or such number of Non-Executive Directors equivalent to one-third of total number of Directors, whichever is higher. In the event, the Chairman and CEO is the same person, Non-Executive Directors should comprise a majority of the Board.</p>	Seven out of eight Directors on the Board are Non-Executive Directors which is well above the minimum prescribed by the Code. This ensures views of Non-Executive Directors carry a significant weight in the decisions made by the Board.
Independent Non-Executive Directors	A.5.2	Where the constitution of the Board of Directors includes only two Non-Executive Directors, both such Non-Executive Directors should be 'independent'. In all other instances two or one-third of Non-Executive Directors appointed to the Board of Directors whichever is higher should be 'independent'.	<p>Three out of seven Non-Executive Directors on the Board are independent-based on the criteria set by this Code and the Listing Rules of the Colombo Stock Exchange.</p> <p>The Name of the Independent Non-Executive Directors are disclosed on page 130 and Inner back page of the Annual Report.</p>

Corporate Governance Principle	SEC & ICASL Code Reference	Requirement of the Code	Compliant with the Code
Independence of Non-Executive Directors	A.5.3	For a Director to be deemed 'independent', such Director should be independent of management and free of any business or other relationship that could materially interfere with or could reasonably be perceived to materially interfere with the exercise of their unfettered and independent judgment.	The Company maintains the 'Interest Register' required by the Companies Act No. 07 of 2007, which also shows details of Director Interest in Contracts/Company or Group. A disclosure on related party transactions is available on pages 197 to 199.
Annual Declaration	A.5.4	Each Non-Executive Director should submit a signed and dated declaration annually of his/her independence or non-independence against the specified criteria set out in the Specimen in Schedule H.	Every Non-Executive Independent Director of the Company has made written submissions as to their independence against the specified criteria set out by the Company, which is in-line with the requirements of Schedule H of this Code.
Determination of Independence of Director	A.5.5	The Board should make a determination annually as to the independence or non-independence of each Non-Executive Director, based on such a declaration made of decided criteria and other information available to the Board and should set out in the Annual Report the names of Directors determined to be 'independent'. The Board should specify the criteria not met and the basis for its determination in the Annual Report, if it determines that a Director is independent notwithstanding the existence of relationships or circumstances which indicate the contrary.	The Board has determined the independence of Directors based on the declarations submitted by the Non-Executive Directors, as to their independence, as a fair representation and will continue to evaluate their independence on this basis annually. No circumstances have arisen for the determination of independence by the Board, beyond the criteria set out in the Code. Independent Non-Executive Directors are: <ul style="list-style-type: none"> • Dr. S. Kelegama • Deshabandu A.M.S. de Jayaratne • Professor U.P. Liyanage
Appointment of Alternate Director	A.5.6	If an alternate Director is appointed by a Non-Executive Director such alternate director should not be an executive of the company. If an alternate Director is appointed by an independent Director, the person who is appointed also should meet the criteria of independence and the provision on minimum number of independent Directors also should be satisfied.	Alternative Directors to the Non-Executive Directors are Executives of the Company. However, Board Balance is not affected since Board compliance with the code A 5.2. Alternative Directors are not appointed by the Independent Directors.

The Way We Manage

Corporate Governance Principle	SEC & ICASL Code Reference	Requirement of the Code	Compliant with the Code
Requirement to appoint 'Senior Non-Executive Director'	A.5.7	In the event the Chairman and CEO is the same person, the Board should appoint one of the Independent Non-Executive Directors to be the 'Senior Independent Director' (SID) and disclose this appointment in the Annual Report.	The requirement to appoint a Senior Independent Director does not arise as the roles of Chairman and Group CEO are separated.
Confidential discussion with Senior Independent Director	A.5.8	The Senior Independent Director should make himself available for confidential discussions with other Directors who may have concerns which they believe have not been properly considered by the Board as a whole and which pertain to significant issues that are detrimental to the Company.	Not Applicable.
Chairman's meetings with Non-Executive Directors	A.5.9	The Chairman should hold meetings with the Non-Executive Directors only, without the Executive Directors being present, as necessary and at least once each year.	Chairman meets with NEDs without the presence of Executive Directors, whenever necessary.
Recording of concerns in Board Minutes	A.5.10	Where Directors have concerns about the matters of the Company which cannot be unanimously resolved, they should ensure their concerns are recorded in the Board Minutes.	Concerns raised by the Directors during the year, if any, are recorded in the minutes of Board meetings with adequate details by the Company Secretary.

A.6 Supply of Information

Main Principle

The Board should be provided with timely information in a form and of a quality appropriate to enable it to discharge its duties.

Corporate Governance Principle	SEC & ICASL Code Reference	Requirement of the Code	Compliant with the Code
Management obligation to provide appropriate and timely information to the Board	A.6.1	Management has an obligation to provide the Board with appropriate and timely information, but information volunteered by management may not be enough in all circumstances and Directors should make further inquiries where necessary. The Chairman should ensure all Directors are properly briefed on issues arising at Board meetings.	<p>The Company ensures that the Directors receive adequate information in a timely manner. On urgent matters, every effort is made to provide the information, as early as possible.</p> <p>The Board receives a standard set of documents, which are timely, accurate, relevant and comprehensive. These papers include a detailed analysis of financial and non-financial information. The Board may call for additional information or clarify issues with any member of the Executive Committee.</p> <p>If necessary, all Directors are adequately briefed by the Group CEO on matters arising at Board meetings. The Secretary and the Compliance Officer ensure that Board Papers are circulated in advance prior to Board meetings.</p> <p>If necessary, members of the Executive Committee, External Auditors and Outside Consultancies make presentations on issues of importance.</p> <p>The Chairman ensures that all Directors are briefed adequately on issues arising at Board meetings.</p>
Adequate time for effective conduct of Board meetings	A.6.2	The minutes, agenda and papers required for a Board meeting should ordinarily be provided to Directors at least seven (7) days before the meeting, to facilitate its effective conduct.	The minutes, agenda and papers required for Board meeting are provided in advance to facilitate its effective conduct.

A.7 Appointments to the Board

Main Principle

There should be a formal and transparent procedure for the appointment of new Directors to the Board.

Corporate Governance Principle	SEC & ICASL Code Reference	Requirement of the Code	Compliant with the Code
Nomination Committee	A.7.1	A Nomination Committee should be established to make recommendations to the Board on all new Board appointments. Terms of Reference for Nomination Committees are set out in Schedule A. The Chairman and members of the Nomination Committee should be identified in the Annual Report.	<p>Although the formal Nomination Committee is not formed by the Board, new appointments are decided based on consent of the Chairman, all Board Directors and the consent from the Intermediate Parent Company and the final decision is made by the Board.</p> <p>Please refer page 137 for new appointment in year 2014.</p>

Corporate Governance Principle	SEC & ICASL Code Reference	Requirement of the Code	Compliant with the Code
Assessment of Board Composition by the Nomination Committee	A.7.2	The Nomination Committee or in the absence of a Nomination Committee, the Board as a whole should annually assess Board-composition to ascertain whether the combined knowledge and experience of the Board matches the strategic demands facing the Company. The findings of such assessment should be taken into account when new Board appointments are considered and when incumbent Directors come up for re-election.	Board as a whole annually assessed the composition of the Board to ensure that the combined knowledge and experience of the Board matches the strategic demand facing the Company. The findings of such assessments are taken into account when new Board appointments are considered.
Disclose of required details of new Directors to shareholders	A.7.3	Upon the appointment of a new Director to the Board, the Company should forthwith disclose to shareholders: <ul style="list-style-type: none"> • a brief résumé of the Director; • the nature of his expertise in relevant functional areas; • the names of companies in which the Director holds directorships or memberships in Board committees; and • whether such a Director can be considered 'independent'. 	All new appointments are communicated to the shareholders via the Colombo Stock Exchange. The details of the current Board of Directors are provided on pages 18 to 21 in this Annual Report.

A.8 Re-election

Main Principle

All Directors should be required to submit themselves for re-election at regular intervals and at least once in every three years.

Corporate Governance Principle	SEC & ICASL Code Reference	Requirement of the Code	Compliant with the Code
Re-election of Non-Executive Directors, Chairman and CEO	A.8.1	Non-Executive Directors should be appointed for specified terms, subject to re-election and to the provisions in the Companies Act relating to the removal of a Director, and their reappointment should not be automatic.	In terms of the Articles of Association, one-third of the Directors, except for Chairman, Managing Director/CEO, retire in rotation and may offer themselves for re-election at the AGM. By virtue of being the Chairman, Managing Director/CEO are not required to make themselves available for re-election as the Articles of Association. The Company's Articles of Association provides that any Director appointed by the Board to hold office until the next Annual General Meeting, may seek reappointment by the shareholders at the said AGM.
	A.8.2	All Directors including the Chairman of the Board, should be subject to election by shareholders at the first opportunity after their appointment and to re-election thereafter at intervals of no more than three years. The names of Directors submitted for election or re-election should be accompanied by a résumé minimally as set out in paragraph A.7.3 above, to enable shareholders to make an informed decision on their election.	Based on the article and the current composition of the Board, a Director has to come forward for re-election, every three years. A résumé of the Directors coming up for re-election at the AGM, 2015 is available on pages 19 and 20. The Chief Executive Officer does not retire by rotation.

A.9 Appraisal of Board Performance

Main Principle

Boards should periodically appraise their own performance in order to ensure that Board responsibilities are satisfactorily discharged.

Corporate Governance Principle	SEC & ICASL Code Reference	Requirement of the Code	Compliant with the Code
Annual performance evaluation of the Board and its Committee	A.9.1	The Board should annually appraise itself on its performance in the discharge of its key responsibilities as set out in A.1.2.	The performance of the Board and the sub-committee is reviewed and evaluated by the Board and Chairman based on a self-appraisal basis.
	A.9.2	The Board should also undertake an annual self-evaluation of its own performance and that of its Committees.	
	A.9.3	The Board should state how such performance evaluations have been conducted, in the Annual Report.	

A.10 Disclosure of Information in Respect of Directors

Main Principle

Shareholders should be kept advised of relevant details in respect of Directors.

Corporate Governance Principle	SEC & ICASL Code Reference	Requirement of the Code	Compliant with the Code
Details in respect of Directors	A.10.1	The Annual Report of the Company should set out the following information in relation to each Director:	
		i. Name, qualifications and brief profile;	Available on pages 18 and 21 of Board of Directors.
		ii. The nature of his/her expertise in relevant functional areas;	Available on pages 18 and 21 of Board of Directors.
		iii. Immediate family and/ or material business relationships with other Directors of the Company;	Not Applicable.
		iv. Names of Listed Companies in Sri Lanka in which the Director concerned serves as a Director;	Available on pages 18 and 21 of Board of Directors.
		v. Names of other companies in which the Director concerned serves as a Director, provided that where he/she holds directorships in companies within a Group of which the Company is a part, their names need not be disclosed; it is sufficient to state that he/she holds other directorships in such companies;	Available on pages 18 and 21 of Board of Directors.
		vi. Number/percentage of Board meetings of the Company attended during the year;	Available on page 121.
		vii. Committees in which the Director serves as Chairman or a member;	Available on page 137.
viii. Number/percentage of Committee meetings attended during the year.	Available on page 121.		

A.11 Appraisal of Group Chief Executive Officer

Main Principle

The Board should be required, at least annually, to assess the performance of the Group CEO.

Corporate Governance Principle	SEC & ICASL Code Reference	Requirement of the Code	Compliant with the Code
Setting annual targets and the appraisal of performance of the CEO	A.11.1	At the commencement of every fiscal year, the Board in consultation with the CEO, should set, inline with the short, medium and long-term objectives of the Company, reasonable financial and non-financial targets that should be met by the Group CEO during the year.	The Annual Budget is prepared setting up short-term, medium-term and long-term financial and non-financial goals. The Annual Budget is initially approved by the Intermediate Parent Company, Singer Asia Ltd. and subsequently approved by the Board. Assessment of performance of the Group CEO is carried out by both Intermediate Parent Company's Board and the local Board at the end of each year to ensure that pre-agreed targets have been achieved or if not, whether there are acceptable reasons for not achieving them.
	A.11.2	The performance of the Group CEO should be evaluated by the Board at the end of each fiscal year to ascertain whether the targets set by the Board have been achieved and if not, whether the failure to meet such targets was reasonable in the circumstances.	

B. Directors' Remuneration

B.1 Remuneration Procedure

Main Principle

Companies should establish a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual Directors. No Director should be involved in deciding his/her own remuneration.

Corporate Governance Principle	SEC & ICASL Code Reference	Requirement of the Code	Compliant with the Code
Establishment of the Remuneration Committee	B.1.1	To avoid potential conflicts of interest, the Board of Directors should set up a Remuneration Committee to make recommendations to the Board, within agreed terms of reference, on the Company's framework of remunerating Executive Directors. (These also include Post-Employment Benefits as well as Terminal Benefits). Terms of Reference for Remuneration Committees are set out in Schedule C.	The scope of the Committee is to 'look into fees, remuneration and perquisites of the Chairman, Group CEO, Independent Directors and Executive Directors of the Board of the Company including Alternate Directors and approve recommendations made by the Group Chief Executive Officer and the Corporate Office of Singer Asia Ltd.'. Singer Asia Ltd., is the Intermediate Partner of the Company.

Corporate Governance Principle	SEC & ICASL Code Reference	Requirement of the Code	Compliant with the Code
Composition of the Remuneration Committee	B.1.2	Remuneration Committees should consist exclusively of Non-Executive Directors, and should have a Chairman, who should be appointed by the Board.	<p>The Committee consists of the three Independent Non-Executive Directors and Chairman who is also a Non-Executive Director. Group CEO and Finance Director participate by invitation.</p> <p>The Committee is chaired by an Independent Non-Executive Director. The Chairman, the Group CEO and the Finance Director assist the Committee by providing the relevant information and participating in its analysis and deliberations.</p>
Chairman and Members of the Remuneration Committee	B.1.3	The Chairman and Members of the Remuneration Committee should be listed in the Annual Report each year.	Please refer page 129 of the Remuneration Committee Report for details of the Chairman and Members of the Board Remuneration Committee.
Determination of remuneration of Non-Executive Directors	B.1.4	The Board as a whole, or where required by the Articles of Association, the shareholders, should determine the remuneration of Non-Executive Directors, including members of the Remuneration Committee, within the limits set in the Articles of Association. Where permitted by the Articles, the Board may delegate this responsibility to a sub-committee of the Board, which might include the CEO.	After consideration of the recommendation made by the Group Chief Executive Officer and the Corporate Office of Singer Asia Ltd., Board as a whole decides the remuneration of the Non-Executive Directors. The Non-Executive Directors (three Non-Executive Independent Directors and Chairman in the Board) receive a fee for being a Director of the Board and an additional fee for either chairing or being a member of a Board sub-committee. They do not receive any performance/ incentive payments.
Consultation of the Chairman and access to professional advice	B.1.5	The Remuneration Committee should consult the Chairman and/or CEO about its proposals relating to the remuneration of other Executive Directors and have access to professional advice from within and outside the Company, in discharging their responsibilities.	The Committee has the authority to seek internal and external independent professional advice on matters falling within its purview, at the Company's expense. Views of the Chairman and Group CEO are obtained as they too are members of the said Board - sub-committee.

B.2 Level and Make - Up of Remuneration

Main Principle

Levels of remuneration of both Executive and Non-Executive Directors should be sufficient to attract and retain the Directors needed to run the Company successfully. A proportion of Executive Directors' remuneration should be structured to link rewards to corporate and individual performance.

Corporate Governance Principle	SEC & ICASL Code Reference	Requirement of the Code	Compliant with the Code
Executive Directors' remuneration package	B.2.1	The Remuneration Committee should provide the packages needed to attract, retain and motivate Executive Directors of the quality required but should avoid paying more than is necessary for this purpose.	The Board Remuneration Committee and also the Board ensure that Executive Director - Group CEO and another four Executive Directors - (Alternate Directors to the Non-Executive Directors) who are on the Board are provided with an attractive remuneration package.
Comparison of remuneration with other Companies/ Other Companies in the Group	B.2.2	The Remuneration Committee should judge where to position levels of remuneration of the Company, relative to other companies. It should be aware what comparable companies are paying and should take account of relative performance, but should use such comparisons with caution, mindful of the risk that they can result in an increase of remuneration levels with no corresponding improvement in performance.	A primary objective of compensation packages is to attract and retain a highly qualified and experienced workforce and reward performances. These compensation packages should provide compensation appropriate for each business within the Group and commensurate with each employee's level of experience and contribution, bearing in mind the business performance and long-term shareholder returns.
	B.2.3	The Remuneration Committee should be sensitive to remuneration and employment conditions elsewhere in the Company or Group of which it is a part, especially when determining annual salary increases.	
Performance-based remuneration of Executive Directors	B.2.4	The performance-related elements of remuneration of Executive Directors should be designed and tailored to align their interests with those of the Company and main stakeholders and to give these Directors appropriate incentives to perform at their highest levels.	Objectives for Executive Directors including Group CEO are set at the beginning of the year and the remuneration including the performance bonus is decided based upon the degree of achievement of such pre-set targets.

Corporate Governance Principle	SEC & ICASL Code Reference	Requirement of the Code	Compliant with the Code
Executive share options	B.2.5	Executive share options should not be offered at a discount (i.e., less than market price prevailing at the time the exercise price is determined), save as permitted by the Listing Rules of the Colombo Stock Exchange.	Presently the Company does not have an Executive Share Option Scheme.
Designing the remuneration of Executive Directors	B.2.6	In designing schemes of performance related remuneration, Remuneration Committees should follow the provisions set out in Schedule D.	Please refer Remuneration Committee Report on page 129.
Early termination of Executive Directors	B.2.7	Remuneration Committees should consider what compensation commitments (including pension contributions) their Directors' contracts of service, if any, entail in the event of early termination. Remuneration Committees should in particular, consider the advantages of providing explicitly for such compensation commitments to apply other than in the case of removal for misconduct, in initial contracts.	Not applicable to the Board except for Group Chief Executive Officer and other Executive Directors who are employees of the Company, and their terms of employment are governed by the contract of service/employment.
	B.2.8	Where the initial contract does not explicitly provide for compensation commitments, Remuneration Committees should, within legal constraints, tailor their approach in early termination cases to the relevant circumstances. The broad aim should be, to avoid rewarding poor performance while dealing fairly with cases where departure is not due to poor performance.	

Corporate Governance Principle	SEC & ICASL Code Reference	Requirement of the Code	Compliant with the Code
Level of remuneration of Non-Executive Directors	B.2.9	Levels of remuneration for Non-Executive Directors should reflect the time commitment and responsibilities of their role, taking into consideration market practices. Remuneration for Non-Executive Directors should not normally include share options. If exceptional options are granted, shareholder approval should be sought in advance and any shares acquired by exercise of the options should be held until at least one year after the Non-Executive Director leaves the Board. Holding share options could be relevant to the determination of a Non-Executive Director independence (as set out in provision A.5.5).	Independent Non-Executive Directors and Chairman of the Company are paid nominal fees commensurate with their time and role in the Company and taking into consideration, market practices and recommendations made by the Group Chief Executive Officer of Singer Asia Ltd., as the Intermediate Parent of the Company. Non-Executive Directors are not included in share options as there is no scheme in existence.

B.3 Disclosure of Remuneration

Main Principle

The Company's Annual Report should contain a Statement of Remuneration Policy and details of remuneration of the Board as a whole.

Corporate Governance Principle	SEC & ICASL Code Reference	Requirement of the Code	Compliant with the Code
Disclosure of Remuneration	B.3.1	The Annual Report should set out the names of Directors (or persons in the Parent Company's Committee in the case of a Group Company) comprising the Remuneration Committee, contain a statement of remuneration policy and set out the aggregate remuneration paid to Executive and Non-Executive Directors.	Please refer Remuneration Committee Report on page 129 for disclosure on the names of Remuneration Committee members and Remuneration Policy of the Company. Please refer Note 38.3 to the Financial Statements on page 199 for aggregate remuneration paid to Executive and Non-Executive Directors.

C. Relations with Shareholders

C.1 Constructive use of Annual General Meeting (AGM) and Conduct of General Meetings

Main Principle

Boards should use the AGM to communicate with shareholders and should encourage their participation.

Corporate Governance Principle	SEC & ICASL Code Reference	Requirement of the Code	Compliant with the Code
Use of Proxy Votes	C.1.1	Companies should count all proxy votes and should indicate the level of proxies lodged on each resolution and the balance for and against the resolution, after it has been dealt with on a show of hands, except where a poll is called.	The Company has in place an effective mechanism to count all proxy votes to allow to the Chairman the level of proxies lodged on each resolution and the number of votes for and against the resolution.
Separate resolution for all separate issues at the AGM	C.1.2	Companies should propose a separate resolution at the AGM on each substantially separate issue and should in particular propose a resolution at the AGM relating to the adoption of the report and accounts.	Company proposes a separate resolution at the AGM on each substantially separate issue. Further, adoption of the Annual Report of the Board of Directors on the affairs of the Company and Audited Financial Statements together with the Report of the Auditors thereon are considered as a separate resolution.
Availability of all sub-committee Chairmen	C.1.3	The Chairman of the Board should arrange for the Chairmen of the Audit, Remuneration and Nomination Committees to be available to answer questions at the AGM, if so requested by the Chairman.	The Chairman of the Company ensures that Chairmen of all Board sub-committees namely, Audit and Remuneration are present at the AGM to answer the questions under their purview.
Adequate Notice of the AGM	C.1.4	Companies should arrange for the Notice of AGM and related papers to be sent to shareholders at least as determined by statute, before the meeting.	A copy of the Annual Report including Financial Statements, Notice of Meeting and the Form of the Proxy are dispatched to each shareholder of the Company as per the legal requirement as requested by statute, in order to provide the opportunity to all shareholders to attend the AGM.
Procedures of Voting at AGM	C.1.5	Companies should circulate with every Notice of General Meeting, a summary of the procedures governing voting at General Meetings.	A summary of the procedures governing voting at General Meeting is circulated to shareholders with every Notice of General Meeting.

C.2 Communication with Shareholders

Main Principle

The Board should implement effective communication with shareholders.

Corporate Governance Principle	SEC & ICASL Code Reference	Requirement of the Code	Compliant with the Code
Channel to reach all shareholders of the company	C.2.1	There should be a channel to reach all shareholders of the Company in order to disseminate timely information.	<p>The primary modes of communication between Company and the shareholders are the Annual Report and AGM. Information is provided to the shareholders prior to the AGM to give them an opportunity to exercise the prerogative to raise any issues relating to the business of the Company, either verbally or in writing prior to the AGM.</p> <p>The Company used the following channels to disseminate timely information;</p> <ul style="list-style-type: none"> • Shareholder's, meetings • Financial and other notices, as and when required through the Colombo Stock Exchange • Corporate website • Press notices.
Policy and methodology for communication with shareholders	C.2.2	The Company should disclose the policy and methodology for communication with shareholders.	The Company will focus on open communication and fair disclosure, with emphasis on the integrity, timeliness and relevance of the information provided. The Company will ensure information is communicated accurately and in such a way as to avoid the creation or continuation of a false market.
Implementation of the Policy and methodology for communication with shareholders	C.2.3	The Company should disclose how they implement the above policy and methodology.	Printed copies of Annual Report are provided to all shareholders without charge.
Contact person for the communication	C.2.4 C.2.6	The Company should decide the person to contact in relation to shareholders' matters and should disclose the contact person for such communication.	Shareholders may, at any time, direct questions, request for publicly available information and provide comments and suggestions to Directors or management of the Company. Such questions, requests and comments should be addressed to the Company Secretary and in the absence of him/her the Chief Executive Officer.
Process to make Directors aware of major issues and concerns of shareholders	C.2.5	The Company should have a process to make all Directors aware of major issues and concerns of shareholders.	The Company Secretary shall maintain a record of all correspondence received and will deliver as soon as practicable such correspondence to the Board or individual Director/s as applicable. The Board or individual Director/s, as applicable, will generate an appropriate response to all validly received shareholder correspondence and will direct the Company Secretary to send the response to the particular shareholder.

C.3 Major Transactions

Main Principle

Further to compliance with the requirements under the Companies Act, Directors should disclose to shareholders, all proposed corporate transactions, which if entered into, would materially alter/vary the Company's net assets base or in the case of a Company with subsidiaries, the consolidated Group net asset base.

Corporate Governance Principle	SEC & ICASL Code Reference	Requirement of the Code	Compliant with the Code
Disclosure on 'Major Transaction'	C.2.1	Prior to a company engaging in or committing to a 'Major Transaction', involving the acquisition, sale or disposition of greater than half of the net value of the Company's assets or that of a subsidiary, which has a material bearing on the consolidated net assets of the Company, Directors should disclose to shareholders, all material facts of such transactions.	During the year, there were no major transactions as defined by Section 185 of the Company's Act No. 07 of 2007, which materially affect the Net Assets Base of the Company or Consolidated Group Net Asset Base. Transactions which materially affect the net assets base of the Company will be disclosed in the Quarterly/Annual Financial Statements, if any.

D. Accountability and Audit

D.1 Financial Reporting

Main Principle

The Board should present a balanced and understandable assessment of the Company's financial position, performance and prospects.

Corporate Governance Principle	SEC & ICASL Code Reference	Requirement of the Code	Compliant with the Code
Board's responsibility for Statutory and Regulatory Reporting	D.1.1	The Board's responsibility to present a balanced and understandable assessment extends to interim and other price-sensitive public reports and reports to regulators, as well as to information required to be presented by statutory requirements.	The Board is well aware of its responsibility to present regulatory and statutory reporting in a balanced and understandable manner and a statement to this effect is given in the Statement of Directors' Responsibility on page 140 confirming this position. The Company had strictly complied with the requirements of the Companies' Act No. 07 of 2007, in the preparation of Quarterly and Annual Financial Statements which are prepared and presented in conformity with Sri Lanka Financial Reporting Standards (SLFRS). Further, Company has complied with the reporting requirements prescribed by the regulatory authority, such as the Colombo Stock Exchange.

Corporate Governance Principle	SEC & ICASL Code Reference	Requirement of the Code	Compliant with the Code
--------------------------------	----------------------------	-------------------------	-------------------------

In case of Subsidiary Company - Singer Finance (Lanka) PLC has also complied with the requirements of the Finance Companies Act No. 78 of 1988 and amendments thereto and reporting requirements prescribed by the regulatory authorities such as the Central Bank of Sri Lanka and the Colombo Stock Exchange. Table containing the dates on which the annual and Interim Financial Statements were uploaded to the CSE website/dispatched to the shareholders in the year under review:

Report	Date of Dispatch or Upload	Status
Annual Report for the year ended 31 December 2013	28th February 2014	Compliant
1st Quarters 2014	9th May 2014	Compliant
2nd Quarters 2014	8th August 2014	Compliant
3rd Quarters 2014	13th November 2014	Compliant
4th Quarters 2014	27th February 2015	Compliant

Directors' Report in the Annual Report	D.1.2	<p>The Directors' Report, which forms part of the Annual Report, should contain declarations by the Directors to the effect that:-</p> <ul style="list-style-type: none"> the Company has not engaged in any activity which contravenes laws and regulations; the Directors have declared all material interests in contracts involving the Company and refrained from voting on matters in which they were materially interested; the Company has made all endeavours to ensure the equitable treatment of shareholders; the business is a going concern, with supporting assumptions or qualifications as necessary; and 	<p>The Annual Report of the Board of Directors on the Affairs of the Company given on pages 135 to 139 covers all these sections.</p> <p>Addition to that, company has established procedures to ensure compliance with all applicable statutory and regulatory requirements. The Accountants of respective companies within the Group act as Compliance Officers and are responsible for ensuring proper compliance with applicable laws and regulations.</p> <p>A compliance statement is tabled at each Board meeting by the Chief Compliance Officer.</p> <p>The Company's compliance with Section 7.10 of the Colombo Stock Exchange Listing Rules on Corporate Governance and details of such compliance are discussed on pages 119 and 120 of this Report.</p>
--	-------	--	---

Corporate Governance Principle	SEC & ICASL Code Reference	Requirement of the Code	Compliant with the Code
		<ul style="list-style-type: none"> they have conducted a review of the internal controls, covering financial, operational and compliance controls and risk management, and have obtained reasonable assurance of their effectiveness and successful adherence therewith, and, if it is unable to make any of these declarations, to explain why it is unable to do so. 	
Statements of Directors' and Auditors' Responsibility for the Financial Statements	D.1.3	The Annual Report should contain a statement setting out the responsibilities of the Board for the preparation and presentation of Financial Statements, together with a statement by the Auditors about their reporting responsibilities.	<p>The 'Statement of Directors' Responsibility' is given on Page 140.</p> <p>The 'Independent Auditors' Report' on Page 141 states the Auditor's responsibility.</p>
Management Discussion and Analysis	D.1.4	<p>The Annual Report should contain a 'Management Discussion and Analysis', discussing, among other issues:</p> <ul style="list-style-type: none"> industry structure and developments; opportunities and threats; risks and concerns; internal control systems and their adequacy; social and environmental protection activities carried out by the Company; financial performance; material developments in human resource/industrial relations; and prospects for the future. 	Please refer Chairman's Letter on Pages 8 to 11 Group Chief Executive Officer's Review on Pages 12 to 17 Review of Operation (Steering Ahead on Target) on pages 26 to 39 Shaping a sustainable society on page 49 and Result in Perspective on pages 40 to 47 of this Annual Report.

Corporate Governance Principle	SEC & ICASL Code Reference	Requirement of the Code	Compliant with the Code
Declaration by the Board on going concern of the business	D.1.5	The Directors should report that the business is a going concern, with supporting assumptions or qualifications as necessary. The matters to which the Board should give due consideration when adopting the going concern assumption are set out in Schedule E to this Code.	Please refer page 135 of this 'Annual Report to the Board of Directors' and the 'Statement of Directors' Responsibility' on page 140 for the required declaration.
Summon on EGM to notify serious loss of capital	D.1.6	In the event the net assets of the Company falling below 50% of the value of the Company's shareholders' funds, the Directors shall forthwith summon an Extraordinary General Meeting of the Company to notify shareholders of the position and of remedial action being taken.	Likelihood of such occurrence is remote. However, should the situation arise, an EGM will be called for and shareholders will be notified.
Disclosure of related party transaction	D.1.7	<p>Each related party to submit signed and dated quarterly declarations mentioning whether they have related party transactions with the Company as defined in this Code;</p> <p>The Company Secretary keeps a record on related party transactions and make necessary disclosures accordingly;</p> <p>A record/register in hard form on related party and related party transactions are kept by the Company;</p> <p>The Company captures information to comply with the respective related party disclosure requirements imposed by SEC/Accounting Standards/Auditing Standards and similar regulations.</p>	<ul style="list-style-type: none"> - Related Party Transactions are declared under Note 38 to the Financial Statements in pages 197 to 199. - Each Director signed and declared related party transactions with the Group/Company in each year under Directors' Interest and kept under the interest register.

D.2 Internal Control

Main Principle

The Board should maintain a sound system of internal control to safeguard shareholders' investments and the Company's assets.

Corporate Governance Principle	SEC & ICASL Code Reference	Requirement of the Code	Compliant with the Code
Annual Review of the effectiveness of Group's system of internal control	D.2.1	The Directors should, at least annually, conduct a review of the effectiveness of the Group's system of internal controls, so as to be able to report to shareholders as required in D.1.2. This could be made the responsibility of the Audit Committee.	<p>The Company's Directors are responsible for instituting a system of internal controls to ensure the effective implementation of all policies and decisions of the Board. This framework is designed to provide reasonable but not absolute assurance that all aspects are safeguarded.</p> <p>In year 2012, Board of Directors appointed Messrs Ernst & Young - Chartered Accountants to carry out internal system and control review and to document said internal system and control procedure to enhance integrity of financial reporting and information and controls over financial reports. This assignment was completed in year 2014 and some of the areas of recommendation were implemented in the year 2013 and 2014. Internal Auditors are assigned to follow up whether said recommendations were effectively implemented by the respective management.</p> <p>The Company employs personnel across different levels of operations to apply these internal controls, while the Internal Audit Department reviews the effectiveness of such controls.</p> <p>The Company's operations are also subject to review by the Corporate Internal Audit Division of Retail Holdings NV, the Ultimate Parent Company of Singer (Sri Lanka) PLC.</p> <p>The Company has its own internal audit processes, implemented to ensure that effective controls are in place. These processes extend across all Company operations.</p> <p>The internal audit function is headed by the Head of Risk Management, who reports to the Board Audit Committee and Group CEO and the Corporate Internal Auditor.</p> <p>In relation to the retail network, the internal audit function includes an individual risk assessment for every outlet directly operated by Singer (Sri Lanka) PLC, based on five criteria:-</p> <ol style="list-style-type: none"> 1. Receivables management 2. Inventory management 3. Cash management 4. Internal checks and balances 5. Effectiveness of internal controls <p>Each location is graded by the Internal Audit Department based on its adherence to controls and its administrative performance on the management of the five criteria mentioned above.</p>
Review the need for internal audit function	D.2.2	Companies which do not have an internal audit function should from time to time review the need for one.	This is not applicable as the Risk Management and internal audit is responsible for internal audit functions.

Corporate Governance Principle	SEC & ICASL Code Reference	Requirement of the Code	Compliant with the Code
Review of the process and effectiveness of risk management and internal controls	D.2.3	The Board should require the Audit Committee to carry out reviews of the process and effectiveness of risk management and internal controls, and to document to the Board	<p>The Internal Audit Division of the Company carries out regular reviews on the risk management function and internal control system including internal control over financial reporting.</p> <p>The Audit Committee monitors, reviews and evaluates the effectiveness of internal control system including the internal controls over financial reporting. In the year 2014, the Board of Directors was satisfied with the effectiveness of the system of internal controls of the Company. Refer the Statement of Directors' Responsibility on page 40 for details.</p>

D.3 Audit Committee

Main Principle

The Board should establish formal and transparent arrangements for considering how they should select and apply accounting policies, financial reporting and internal control principles and maintaining an appropriate relationship with the Company's Auditors.

Corporate Governance Principle	SEC & ICASL Code Reference	Requirement of the Code	Compliant with the Code
Composition of the Audit Committee	D.3.1	The Audit Committee should be comprised of a minimum of two Independent Non-Executive Directors (in instances where a company has only two Directors on its Board) or exclusively by Non-Executive Directors, a majority of whom should be independent, whichever is higher. The Chairman of the Committee should be a Non-Executive Director, appointed by the Board.	<p>All members of the Board Audit Committee are Independent Non-Executive Directors.</p> <p>Details of the members, invitees and Secretary of the Committee are found on page 128 of the 'Audit Committee Report' under the heading 'Composition of the Committee'.</p>
Duties of the Audit Committee	D.3.2	The duties of the Audit Committee should include keeping under review the scope and results of the audit and its effectiveness, and the independence and objectivity of the Auditors. Where the Auditors also supply a substantial volume of non-audit services to the Company, the Committee should keep the nature and extent of such services under review, seeking to balance objectivity, independence and value for money.	<p>As stated in the Report of the Audit Committee of the Company it regularly reviews scope, results and effectiveness of the Audit.</p> <p>Details of 'Duties of the Audit Committee' are found on page 128 of the 'Audit Committee Report' under the heading 'Responsibilities and Duties of the Committee'.</p>

Corporate Governance Principle	SEC & ICASL Code Reference	Requirement of the Code	Compliant with the Code
Terms of Reference of the Audit Committee	D.3.3	<p>The Audit Committee should have a written Terms of Reference, dealing clearly with its authority and duties. (As referred to in the Code)</p> <p>Detailed guidance on the scope and functions of the Audit Committee can be found in the Code of Best Practice on Audit Committees issued by The Institute of Chartered Accountants of Sri Lanka (ICASL) in 2002.</p>	<p>Terms of Reference of the Board Audit Committee is clearly defined in the Charter of the Audit Committee approved by the Board of Directors. This clearly explains the purpose of the Committee, its duties and responsibilities together with the scope and functions of the Committee. The Committee mainly deals with the matters pertaining to statutory and regulatory compliance in financial reporting, matters with regard to the External Auditors, internal audit and risk management procedures of the Company.</p>
Disclosure of names of the members of the Audit Committee	D.3.4	<p>The names of the Directors (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>The Committee should also make a determination of the independence of the Auditors and should disclose the basis of such determination in the Annual Report.</p> <p>The Annual Report should contain a Report by the Audit Committee, setting out the manner of compliance by the Company, in relation to the above, during the period to which the Annual Report relates.</p>	<p>Names of the members of the Audit Committee are given on page 128 under the section on the 'Composition of the Committee' and disclosure on the independence of the Auditors is found on page 139 under the 'Auditors' in the 'Annual Report of the Board of Directors on the Affairs of the Company' on pages 135 to 139.</p>

D.4 Code of Business Conduct and Ethics

Main Principle

Companies must adopt a Code of Business Conduct and Ethics for Directors and members of the senior management team and must promptly disclose any waivers of the Code for Directors or others.

Corporate Governance Principle	SEC & ICASL Code Reference	Requirement of the Code	Compliant with the Code
Disclosure of Code of Business Conduct and Ethics	D.4.1	<p>All Companies must disclose whether they have a Code of Business Conduct and Ethics for Directors and members of the senior management team and if they have such a Code, make an affirmative declaration in the Annual Report that all Directors and members of the senior management team have complied with such Code, and if unable to make that declaration, state why they are unable to do so.</p>	<p>Company has an internally-developed Code of Conduct. All employees including Directors, Key Managers and Senior Managers are bound by the Company's written Code of Ethics that includes the following aspects:</p> <ul style="list-style-type: none"> • Exercise honesty, objectivity and diligence when performing one's duties. • Avoid situations where personal interest might conflict with the interest of the Company; and if so, disclose such interest in advance. • Maintain confidentiality of commercial and price sensitive information. • Work within applicable laws and regulations. • Safeguard the Company's assets.
		<p>Each company may determine its own policies in the formulation of such a Code, but all companies should address the following important topics in their respective Codes:</p> <ul style="list-style-type: none"> • conflict of interest; • corporate opportunities; • confidentiality; • fair dealing; • protection and proper use of Company assets; • compliance with laws, rules and regulations (including insider trading laws); and • encouraging the reporting of any illegal or unethical behaviour. 	<ul style="list-style-type: none"> • Avoid conduct that will reflect badly on the person concerned or the Company's image. • Strictly avoid giving or accepting any kind of bribe, either directly or indirectly. • Strictly avoid making contributions for political funds, either directly or indirectly. • Strictly avoid any kind of sexual harassment. <p>The Company has implemented a formal whistle-blowing procedure and encourages any employee who suspects wrong doing at work, whether by management, peers or any other employee, to raise their concerns.</p> <p>Other Policies</p> <p>In addition, the Company implements policies covering:</p> <ul style="list-style-type: none"> • Recruitment and selection • Financial integrity • Use of Company property including computers • Non-harassment in the work place • Environment, safety and health • Security of IT system
Affirmative Statement by the Chairman	D.4.2	<p>The Chairman must affirm in the Company's Annual Report that he is not aware of any violation of any of the provisions of the Code of Business Conduct and Ethics.</p>	<p>Please refer Chairman's Letter on pages 8 to 11 in this Report.</p>

D.5 Corporate Governance Disclosures

Directors should be required to disclose the extent to which the Company adheres to established principles and practices of good Corporate Governance.

Corporate Governance Principle	SEC & ICASL Code Reference	Requirement of the Code	Compliant with the Code
Disclosure of Corporate Governance	D.5.1	The Directors should include in the Company's Annual Report a Corporate Governance Report, setting out the manner and extent to which the Company has complied with the principles and provisions of this Code.	This Report from page 86 to 121 sets out the manner and extent to which Singer (Sri Lanka) PLC has complied with the principles and provisions of the Code.

Shareholders

E. Institutional Investors

E.1 Shareholder Voting

Main Principle

Institutional shareholders have a responsibility to make considered use of their votes and should be encouraged to ensure their voting intentions are translated into practice.

Corporate Governance Principle	SEC & ICASL Code Reference	Requirement of the Code	Compliant with the Code
Communication with Shareholders	E.1.1	A listed company should conduct a regular and structured dialogue with shareholders based on a mutual understanding of objectives. Arising from such dialogue, the Chairman should ensure the views of shareholders are communicated to the Board as a whole.	<p>In order to avoid conflict of interest by nurturing the mutual understanding, the Board carries out dialogues with its shareholders at General Meetings. In this regards, the Annual General Meeting (AGM) of the Company plays a critical role. Voting of the shareholders is crucial in carrying a resolution at the AGM. The Chairman who plays the role of the agent and communicates the views and queries of the shareholders to the Board and the Key and Senior Management in order to ensure that the views are properly communicated to the Company.</p> <p>Shareholders are provided with Quarterly Financial Statements and the Annual Report, which the Company considers as its principal communication with them and other stakeholders. These reports are also available on the Company's website - www.singersl.com and are provided to the Colombo Stock Exchange.</p> <p>Any information that the Board considers as price sensitive is disseminated to the shareholders as necessary.</p>

E.2 Evaluation of Governance Disclosures

Corporate Governance Principle	SEC & ICASL Code Reference	Requirement of the Code	Compliant with the Code
Due weight by Institutional Investors	E.2.1	When evaluating companies' governance arrangements, particularly those relating to Board structure and composition, institutional investors should be encouraged to give due weight to all relevant factors drawn to their attention.	The Institutional Investors are at liberty to give due weight to matters relating to the Board structure and composition, when they consider resolutions relating to Board structure and composition.

F. Other Investors

F.1 Investing/Divesting Decision

Corporate Governance Principle	SEC & ICASL Code Reference	Requirement of the Code	Compliant with the Code
Individual Shareholders	F.1	Individual shareholders, investing directly in shares of companies should be encouraged to carry out adequate analysis or seek independent advice in investing or divesting decisions.	Individual investors are encouraged to carry out adequate analysis or seek independent advice in investing or divesting decisions.
Individual Shareholder Voting	F.2	Individual shareholders should be encouraged to participate in General Meetings of companies and exercise their voting rights.	Individual shareholders are encouraged to participate in General Meetings of the Company and exercise their voting rights.

SECTION B

This section covers the Company's extent of adherence to the requirements of the Continuous Listing Requirements Section 7.10 on Corporate Governance Rules for Listed Companies issued by the Colombo Stock Exchange. This reflects the Company's level of conformity to CSE's Listing Rules which comprise the following fundamental principles:

- Non-Executive Directors
- Independent Directors
- Disclosures Relating to Directors
- Remuneration Committee
- Audit Committee

The following table presents the details of the Company's compliance with Section 7.10 of the CSE Listing Rules on Corporate Governance as at 31st December 2014:

Section	Rule No.	Corporate Governance Rule	Details of Compliance
Board of Directors			
Non-Executive Directors	7.10.1	Number of Non-Executive Directors - One-third of the total number of Directors, subject to a minimum of two.	The Board of Directors comprises eight Directors, seven of whom are Non-Executive Directors.
Independent Directors	7.10.2 (a)	Number of Independent Directors - One-third of Non-Executive Directors, subject to a minimum of two.	Three of the Non-Executive Directors are independent.
	7.10.2 (b)	Each Non-Executive Director should submit a declaration of independence/non-independence	Independence Non-Executive Directors have submitted confirming their independence.
Disclosures relating to Directors	7.10.3 (a)	Names of Independence Directors should be disclosed in the Annual Report.	Please refer page 138
	7.10.3 (b)	The Board shall make a determination annually as to the Independence or Non-independence of each Non-Executive Director.	Not Applicable.
	7.10.3 (c)	A brief résumé of each Director should be included in the Annual Report including the area of experience.	Please refer Board of Directors section of this report on pages 20 to 21.
	7.10.3 (d)	Provide a brief Resumé of any new Director appointed to the Board.	Please refer Board of Directors section of this Report on pages 20 to 21.

Section	Rule No.	Corporate Governance Rule	Details of Compliance
Remuneration Committee			
Composition	7.10.5 (a)	Number of Independent Non-Executive Directors in the Committee to be -	The Committee comprises four Non-Executive Directors, three of whom are Independent Non-Executive Directors.
		<ul style="list-style-type: none"> a minimum of two (where a company has only two Directors on the Board), or in all other instances majority of whom to be independent. 	
		Separate committee to be formed for the Company or the Listed Parent's Remuneration Committee to be used.	A separate Remuneration Committee was formed for the Company.
		Chairman of the Committee to be a Non-Executive Director.	The Board of Directors has appointed a Non-Executive Independent Director as the Chairman of the Committee.
Function	7.10.5 (b)	Function of the Committee.	The Remuneration Committee Report sets out the functions of the Committee.
Disclosure in the Annual Report	7.10.5(c)	The Annual Report should set out -	Please refer page 129.
		<ul style="list-style-type: none"> Names of Directors comprising the Remuneration Committee Statement of Remuneration policy 	Please refer Remuneration Committee Report on page 129.
		<ul style="list-style-type: none"> Aggregate remuneration paid to Executive and Non-Executive Directors 	Please refer page 199.
Audit Committee			
Composition	7.10.6 (a)	Number of Independent Non-Executive Directors in the Committee to be -	The Committee comprise of three Directors who are Independent Non-Executive Directors.
		<ul style="list-style-type: none"> a minimum of two (where a company has only two Directors on the Board), or in all other instances majority of whom to be independent. 	
		Separate Committee to be formed for the Company or the Listed Parent's Committee to be used.	A separate Audit Committee was formed for the Company.
		Chairman of the Committee to be a Non-Executive Director.	The Board of Directors has appointed a Non-Executive Director as the Chairman of the Committee.
		Chairman or one member of the Committee to be a member of a recognised professional accounting body.	The Chairman of the Committee is a member of a recognised professional accounting body.
		CEO and CFO to attend committee meetings, unless otherwise determined by the Audit Committee.	Group CEO attends by invitation. CFO attends by invitation.
Function	7.10.6 (b)	Function of the Committee.	The Audit Committee Report sets out the functions of the Committee.
Disclosure in the Annual Report	7.10.6 (c)	<ul style="list-style-type: none"> Names of Directors comprising the Audit Committee 	Please refer page 128.
		<ul style="list-style-type: none"> The Audit Committee shall make a determination of the independence of the Auditors and disclose the basis for such determination 	Please refer Audit Committee report on page 128.
		<ul style="list-style-type: none"> The Annual Report shall contain a Report of the Audit Committee in the prescribed manner. 	Please refer Audit Committee report on page 128.

Board, Audit Committee and Remuneration Committee Attendance

The number of meetings of the Board Audit Committee and Remuneration Committee and individual attendance by members are as follows:

Number of Meetings, Circular Resolutions and Dates

Board Meetings	04
Audit Committee Meetings	08
Remuneration Committee Meetings	01
Circular Resolutions Passed	23

Board Meetings	Audit Committee Meetings	Remuneration Committee Meetings
28th February 2014	24th February 2014	19th August 2014
9th May 2014	1st April 2014	
8th August 2014	2nd May 2014	
13th November 2014	20th June 2014	
	1st August 2014	
	19th September 2014	
	31st October 2014	
	20th November 2014	

Individual Attendance

Name	Directorship Status	Board	Audit Committee	Remuneration Committee
Mr. H.D.S. Amarasuriya - Chairman	Non-Executive	4/4	–	1/1
Dr. S. Kelegama	Independent Non-Executive	4/4	8/8	1/1
Deshabandu A.M. de S. Jayaratne	Independent Non-Executive	3/4	7/8	1/1
Professor U. P. Liyanage - (Appointed w.e.f. 9th May 2014)	Independent Non-Executive	2/2	1/5	1/1
Mr. H.A. Pieris - Group CEO (Alternate Director Mr. L.N.S.K. Samarasinghe)*	Executive	4/4	–	1/1
Mr. G.J. Walker (Alternate Director Mr. M.H. Wijewardene)**	Non-Executive	4/4	–	–
Mr. P.J. O'Donnell (Alternate M.P.A. Salgado - Resigned 30th June 2014 and K.K.L.P. Yatiwella appointed on 9th August 2014)***	Non-Executive	4/4	–	–
Mr. J. Hyun - (Alternate Director Mr. V.G.K. Vidyaratne - Resigned on 30th September 2014 and A.S. Paranavitane appointed on 13th November 2014)****	Non-Executive	3/4	–	–

* Alternate Director Mr. L.N.S.K. Samarasinghe attended all meetings.

** Alternate Director Mr. M.H. Wijewardene attended three meetings.

*** Alternate Director Mr. M.P.A. Salgado attended one meeting and Mr. K.K.L.P. Yatiwella attended one meeting.

**** Alternate Director Mr. V.G.K. Vidyaratne attended one meeting.

PROTECTING OURSELVES

Risk Management



Risk is an integral part of any business. It is a matter of identifying the sources of risk, their likelihood of occurrence and impact, and then developing a comprehensive framework to address them. Such a systematic approach also raises a few questions, like determining one's appetite for risk and establishing thresholds, bearing in mind that risk and return go hand in hand. So it's a question of striking a balance and managing risk.

Over the years Singer has developed a set of clear risk management objectives and a well-established strategy to deliver them, through core risk management processes.

At a strategic level, our risk management objectives are:

- To identify the Company's significant risks.
- To formulate the Company's Risk Appetite and ensure that business profile and the plans are consistent with it.

- To optimise risk/return decisions by taking them as closely as possible to the business, while establishing strong and independent review and challenge structures.
- To ensure that business growth plans are properly supported by effective risk infrastructure.
- To manage risk profile to ensure that specific financial deliverables remain possible under a range of adverse business conditions.
- To help executives improve the control and co-ordination of risk taking across the business.

The Company's approach is to provide direction on - understanding the principal risks to achieving the Company strategy; establishing risk appetite; and establishing and

communicating the risk management framework. The process is then broken down into five steps: identify, assess, control, report, and manage/challenge.

The Company's risk management strategy is broadly unchanged from 2011.

The Risk Management Process

During the year under review, the Company continued to review and improve its risk management function in line with its Risk Management Objectives.

Steps	Activities
Data Collection and Analysis	<ul style="list-style-type: none"> • The management information system (MIS) to pick up relevant business-critical information. • review and validation before it is submitted to senior management.
Assess	<ul style="list-style-type: none"> • Agree and implement measurement and reporting standards and methodologies.
Control	<ul style="list-style-type: none"> • Establish key control processes and practices, including limit structures, impairment allowance criteria and reporting requirements. • Monitor the operation of the controls and adherence to risk direction and limits. • Provide early warning of control or appetite breaches. • Ensure that risk management practices and conditions are appropriate for the business environment.
Report	<ul style="list-style-type: none"> • Interpret and report on risk exposures, concentrations and risk-taking outcomes. • Interpret and report on sensitivities and Key Risk Indicators. • Communicate with relevant parties.
Manage	<ul style="list-style-type: none"> • Review aspects of the Company's risk profile. • Assess new risk-return opportunities. • Advise on optimising the Company's risk profile. • Review and challenge risk management practices.

Internal, External and Corporate Audit

Internal, external and corporate audits are crucial in the risk management process. Reports on the Group's operational and financial systems by these audits are reviewed and action taken to manage any risks that have been identified. Significant audit findings by the Auditors are immediately reviewed by the Board-appointed Audit Committee.

The Group's system of internal controls covers all policies and procedures, enabling significant strategic and operational risks to be managed.

The internal audit team meets with the Finance Department every month to share information and exchange perspectives. Issues identified at these discussions as being a potential risk are immediately subjected to a fuller investigation.

Risk	Mitigation Activities
------	-----------------------

1. Macroeconomic Factors

Economic Environment

The Group's business operations are sensitive to economic conditions and in particular to levels of consumer spending. Any delay in economic recovery could affect consumer expenditure and therefore our revenue. There is an ongoing risk to our business of increases in the cost of key products.

- A diversified portfolio of products and brands with a wide range of offers targeted at different consumer groups.
- A broad geographic spread.
- The Board and the Senior Management team regularly review the impact of the economic conditions on the Group's budget and strategic plans.
- Emphasise excellent quality, service, value for money and up-to-date product offers, we aim to broaden our appeal to customers.
- Renewal and transformation plan to improve our business performance irrespective of macroeconomic factors strategy and business planning which takes into account varying economic scenarios.

Market Specific Characteristics

Seasonality - A substantial proportion of revenue and operating profit is generated during the fourth financial quarter, which includes the Christmas and New Year season. Adverse trading in this relatively short period is likely to impact significantly the full year's results.

- Financial planning takes into account expected peaks and troughs during the year and the business is run accordingly.
- Increasing the proportion of internal promotion and various offers, which gives a regular stream of income over the course of the year.

Risk	Mitigation Activities
Price Deflation - Price deflation has been a common feature across most electrical goods categories for a number of years, primarily driven by technological advances and improved production efficiencies.	<ul style="list-style-type: none"> • Effective launches of new technologically involved products as it becomes available to the market. • Growth of services related business to increase the number and value of non-product sales. • Improve gross profit in renovated showrooms. • Control of stock and strong management of clearance and exit routes.

2. Competitor and Marketplace Risk

Competition

Competitors reduce the Group's market share and/or drive down margins in specific markets.

- Renovation and transformation plan is improving our showrooms, cost structure and service across all channels.
- Continuing development of strong international brands.
- Ensuring our prices offer good value, including a customer price index.
- Building ever stronger relationships with suppliers.
- Expand and improve after-sales service network.

Changing Technology/Consumer Preferences

Risk that we fail to capitalise on new technology or emerging trends to maximise revenues and fail to meet the expectations of customers.

- Strong supplier relationships.
- Delivery of Customer Plan to respond to identified changes in technology.
- Showrooms renovation to take into account emerging trends in showroom layouts.
- Exciting product launches to make our showrooms the destination for the latest technology.
- Continued focus on ensuring we have an excellent range across all price points.
- Customer service training for sales staff and product workshops to improve product knowledge.
- A loyalty programme that encourages customers to stay with the Singer brand and its products.

Product Risk

Products could turn out to be defective or inappropriate for the market in terms of price, functionality or perceived value. They are also liable to be rendered obsolete. In such instances, the Company is exposed to market risks arising from consumer dissatisfaction and consequent rejection of its products.

- The Company's plant and machinery are rigorously maintained and upgraded whenever necessary.
- Established quality control measures as well as product testing through sampling are performed on all product lines.
- The in-house Quality Surveillance Unit tests samples of new products or components from external suppliers before order placement.

3. Operational Risk

People

A failure to attract, retain, develop and motivate the best employees across all our showrooms and head office may impact our ability to deliver our operational and strategic objectives. Labour issues can affect product quality, output, market share as well as the Company goodwill and reputation.

- Recruit the best people with the right skills.
- Offer training and development programmes to ensure that we retain them.
- Remuneration packages are benchmarked to ensure that they remain competitive, including incentive arrangements where appropriate.
- Collective agreements with the labour unions to maintain an equitable balance between the interests of employer and employee and provide a basis for negotiations when issues arise.
- Procedures have also been laid down in responding to grievances and staff complaints.

Fraud, Compliance and Internal Controls

As the business grows in size and geographical scope, the potential for fraud and dishonest activity by our suppliers, customers and employees increase.

- Clear behavioural guidance given to employees through operational manuals.
- Appropriate procedures and controls set out and audited across the business to reduce fraud risks; Internal Audit and Corporate Audit undertake detailed investigations into all business areas and report their findings to the Audit Committee.
- Regular update and new introduction of relevant policies and procedures.
- Whistle-blower policy.
- Periodical review of the internal controls by outsourced consultants.

IT Systems and Infrastructure

Any significant failure in the IT processes of our retail operations would impact our ability to trade.

- The Company has installed comprehensive network security.
- Regular backups of all databases and mission-critical information.
- Off-site disaster-recovery system.
- Regular follow-up review on recommendation given by external IT risk assessment team.
- Investment in IT system improvements and innovating to improve business efficiency.
- Extensive controls and reviews to maintain integrity and efficiency of IT infrastructure and data.

Supply Chain

Timely distribution of products to our retail outlets is crucial. We work with a number of key overseas and local suppliers our business, could be at risk of both interruption of supply and of failure of such key suppliers and service providers.

- Regular review of distribution plan.
- Monthly operational meeting to review the forecast, level of inventory, and procurement requirement etc.
- Long-standing relationships with many suppliers help to minimise risks in this area.
- Reduce dependability on a single service provider.

Asset Risk

Risks associated with the physical assets of the Company include the destruction, loss or theft as well as technical and other defects.

- Every such asset is insured against all identifiable risks.
- The relevant insurance policies are subject to a comprehensive annual review, with modifications made as deemed necessary.
- Procedures in place to control technical and other defects include purchasing from reputable suppliers who comply with acceptable standards on product and service quality; active, standards-based (ISO 9001) quality assurance at all manufacturing facilities, distribution centres and service centres; and the maintenance of adequate spare parts.
- Provisioning is also made against obsolete inventory, warranty claims and doubtful debtors. Warranty costs are shared with the Company's partners. The extended warranty cost is comprehensively covered by a well-reputed insurance company.

4. Financial Risk

Liquidity Risk

Inadequate liquidity can have an adverse impact on ongoing operations, marketing and investment in new products and brands.

- The liquidity position of the Company is regularly reviewed and reported to the Board.
- Projected net borrowings are covered by committed facilities and a healthy industry-related gearing ratio is maintained.
- The Company's good relationships and facilities with many banks and other sources of finance ensure reliable access to funds.

Interest-Rate Risk

Increase in interest rates will have an adverse impact to the profitability.

- Fluctuating interest rates are minimised by striking a balance between short- and long-term borrowings.
- Floating-rate debentures are sometimes issued to capitalise on existing interest rates.
- The Company's strong brand strength and financial dependability help ensure ready access to funds at attractive rates.

Credit Risk

The Company is exposed to credit risk in the form of financial loss when a customer reneges on a hire-purchase agreement. Such exposure cannot be avoided entirely since consumer credit is an integral part of the Company's retail operations, and is used to encourage and enable consumers to purchase.

- Branch managers act as del credere agents.
- Undertaking a thorough appraisal of the client before credit is extended.
- Credit appraisals of dealers are undertaken to ascertain whether they have the capacity to pay for goods ordered; in doubtful cases, a bank guarantee or security deposit is requested.
- Details of customers and dealers who have defaulted on payments are recorded in a database, accessible to those staff whose duty is to undertake credit evaluations of customers and dealers.
- Risk-adjusted pricing.
- A fully-equipped and trained Credit Supervision team is available.

Investment Risk

While investment in new products and geographical expansion is vital for the Company to remain competitive, it raises fresh risks.

- Appraisal before an investment is made.
- A due diligence study ensures that projected budgets and forecasts can be met and examines the impact of technological and other factors on the investment decision.
- Post-investment analysis and performance tracking is in place including financial and customer measures through balance score card.

5. Other Risk

Governance Risk

These are risks to the Company arising from non-compliance with relevant health, safety and environmental statutes and leading to loss of reputation and goodwill, possible litigation and financial loss.

- Preventive action has been designed by the Company's Legal Department.
- Frequent internal, external and corporate audits-monitor compliance.
- The Company's management culture stresses ethical performance in this area. International best practices are followed wherever possible.
- Quality surveillance helps protect the Company against litigation and warranty claims. Provisioning ensures that such claims do not have an adverse impact on operational and other aspects of the Company.
- Detailed, established procedures to ensure product integrity.
- Group Compliance Officer reviews report to the Audit Committee compliance with laws and policies.

Socioeconomic Risks

Sri Lanka's socioeconomic and political environment has an impact on the consumer durables business as well as the investment climate.

- Reviewing prices in light of inflation and by negotiating with suppliers for lower input prices and credit terms.

Environment and Climate Change

Aside from the general risks to humankind posed by climate change, a specific business risk to which the Company is exposed concerns possible shortages of essential raw materials, such as wood for the manufacture of furniture and risks of environment pollution due to waste material.

- The use of alternative materials mitigates this risk while simultaneously opening up new marketing opportunities.
- Collaborate with Central Environmental Authority to assist in E-waste projects.
- All factories, warehouse and service centres complied with the requirement of environment regulations.
- Introduction of energy saving appliances.

Caveat

Although the key sources of risk and their mitigation have been discussed in this document, no assurance can be given that the Company is fully protected against all possible risks. As noted in the opening paragraph, the best that can be achieved is reasonable management of risks through a sound operational framework that identifies, evaluates and mitigates the negative impacts in a timely manner at multiple levels.

- The Company is confident that all material risk factors have been adequately assessed and managed to ensure the uninterrupted and profitable continuance of the business.

AUDIT COMMITTEE REPORT

Preamble

The Committee is empowered to review and monitor the financial reporting process of Singer Group so as to provide additional assurance on the reliability of the Financial Statements through a process of independent and objective review. As such, the Audit Committee acts as an effective forum in assisting the Board of Directors in discharging their responsibilities on ensuring the quality of financial reporting and related communications to the Shareholders and the Public.

Composition of the Committee

As at year-end, the Audit Committee comprised three Non-Executive Directors of the Board namely Deshabandu A.M. de S. Jayaratne, Dr. Saman Kelegama and Prof. U.P. Liyanage. The Head of Risk Management functions as the Secretary to the Committee. The Finance Director/ Compliance Officer, Audit Staff, Representatives of External Auditors and when necessary, the Chairman/ the Group Chief Executive Officer and relevant operation Directors and Managers attend the meetings by invitation.

Responsibilities and Duties of the Committee

The Audit Committee's authority, responsibilities and specific duties have been formalised through an Audit Committee Charter. By this, the Audit Committee is empowered among other things, to examine any matters relating to the financial affairs of the Singer Group and to review the adequacy of the internal control procedures, coverage of internal and external audit programmes, disclosure of Accounting

Policies and Compliance with Statutory and Corporate Governance requirements.

The Committee also provides a forum for the impartial review of the reports of internal and external audits and to take into consideration findings and recommendations stated therein relating to significant business risks and control issues.

The Audit Committee reviews significant business risks and internal control issues and suggests where necessary appropriate remedial measures.

The Committee along with the Board, Internal Audit and External Audit review the Quarterly Financial Results to ensure compliance with mandatory, statutory and other regulatory requirements laid down by the authorities.

The Audit Committee also reviews the Corporate Audit Report of the Corporate Internal Auditors of Singer Asia Ltd. The Corporate Auditors carry-out an audit at least once a year.

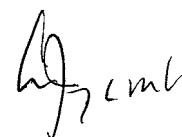
The Compliance Officer monitors the Singer Group's compliance with the applicable laws and regulations, including any internal policy codes of conduct of its employees.

Meetings of The Committee

During the year, eight Audit Committee meetings were held to discuss the reports of the Internal and External Auditors and quarterly accounts. The final accounts were also discussed at the meeting held on 23rd February 2015. The minutes of the meetings were tabled at the meetings of the Board of Directors for information and necessary action.

External Auditors

The Audit Committee recommended to the Board of Directors that Messrs KPMG Chartered Accountants be reappointed as the External Auditors for the year ending 31st December 2015, subject to the approval of the shareholders at the Annual General Meeting.



Deshabandu A.M. de S. Jayaratne
Chairman
Audit Committee

Colombo
27th February 2015

REMUNERATION COMMITTEE REPORT

Composition of the Committee

The Remuneration Committee consists of three Non-Executive Directors and Non-Executive Chairman of the Singer Group namely Dr. S. Kelegama, Deshabandu A.M. de S. Jayaratne, Prof. U.P. Liyanage and Mr. H.D.S. Amarasuriya. The Finance Director acts as the Secretary to the Committee. The Committee is chaired by a Non-Executive independent Director. The Group Chief Executive Officer and the Finance Director assist the Committee by providing the relevant information and participate in its analysis and deliberations.

Responsibilities and Duties of the Committee

The scope of the Committee is to 'look into fees, remuneration and perquisites of Chairman, Group Chief Executive Officer, Independent Directors and the Executive Directors of the Board of the Company including alternate Directors and approve recommendations made by the Group Chief Executive Officer and the Corporate Office of Singer Asia Ltd., Singer Asia Ltd., is the Intermediate Parent of the Company.

The Committee also reviews the policies pertaining to the remuneration and perquisites of the Executives of the Company.

A primary objective of compensation packages is to attract and retain a highly qualified and experienced work force, and reward performances. These compensation packages should provide compensation appropriate for each business within the Group and commensurate with each employee's level of experience and contribution, bearing in mind the business performance and long-term shareholder returns.

Committee Meetings

The Committee meets from time to time and reviews the Group's remuneration and fee structures to assure alignment with strategic priorities and with compensation offered by competitor companies.

The Committee met once during the period.

With the retirement of Mr. M.P.A. Salgado, Mr. K.K.L.P. Yatiwella was appointed as the Secretary to the Committee with effect from 8th August 2014. I wish to place on record the invaluable contribution made to the Committee by Mr. M.P.A. Salgado during his period on the Board and his valuable service to the Company in various ways. The Board is most grateful to Mr. M.P.A. Salgado for his valuable contributions.

I wish to thank the other members of the Committee for their valuable contributions to the deliberations of the Committee.

I also wish to thank Mr. H.A. Pieris for helping the Committee in its deliberations by providing the necessary information.



Dr. S. Kelegama
Chairman -
Remuneration Committee.

27th February 2015

Making Anywhere Comfy and Cosy

We're in the business of converting blank space... into anything you want. A living room...a kitchen...a bedroom... the kid's den...an office... the list goes on. The Singer range of premium furniture from our local and international catalogues inspires great ideas for design and function. Offered in an extensive range of materials and styles they **'tick all the boxes' in terms of customer preference - comfort, functionality, durability, modernity and more.** From home to office and everywhere in between, Singer makes life a comfy and cosy experience.



Winter Fabric Sofa Set
L Shaped Sofa
Model No - WFL-WINTER



Fantasy Sofa Set
U Shaped, Fabric
Model No - WF-FANTACY



Kelly Fabric Sofa Set
Consists Of 3 Seaters
Model No - WFL-KELLY



Tuscan Double Bed Queen Size

Solid Mahogany
Model No - WFL - TUSBDQ

Solid Mahogany with Treated Hardwood
Bed slats.
Mahogany color.



Diamond Dining Room Set

Rubberwood
Model No - WF-DIAMOND-DRS

Rubber wood
6 seaters
Table Top - Tempered Glass
Dark Brown Mahogany.



Legend Sofa Set
Treated Rubber

Model No - WF-LEGEND



Teak Double Bed
Teak Wood

Model No - WF-TEAK-BDQ



Okley Dining Room Set
6 Chairs + 1 Table

Model No - WFL-OK-8

Singer (Sri Lanka) PLC

Financial Reports

Annual Report of the Board of Directors on the Affairs of the Company	135
Statement of Directors' Responsibility	140
Independent Auditors' Report	141
Statement of Profit or Loss and Other Comprehensive Income	142
Statement of Financial Position	143
Statement of Changes in Equity	144
Statement of Cash Flows	146
Notes to the Financial Statements	147

Financial Calendar - 2014

Annual Report 2013 Approved
28th February 2014

Thirty-ninth Annual General Meeting
28th March 2014

Final dividend 2013 paid
20th March 2014

Interim Financial Statements in Terms of Rule 8.3 of the Colombo Stock Exchange

For the three months ended
31st March 2014 (unaudited)
09th May 2014

For the six months ended
30th June 2014 (unaudited)
08th August 2014

For the nine months ended
30th September 2014 (unaudited)
13th November 2014

For the twelve months ended
31st December 2014 (unaudited)
27th February 2015

Annual Report and Annual General Meeting

Annual Report 2014 Approved
27th February 2015

Fortieth Annual General Meeting
31st March 2015

Final Dividend 2014 Payable
19th March 2015

Proposed Financial Calendar - 2015

For the three months ending
31st March 2015 (unaudited)
May 2015

For the six months ending
30th June 2015 (unaudited)
August 2015

For the nine months ending
30th September 2015 (unaudited)
November 2015

For the twelve months ending
31st December 2015 (unaudited)
February 2016

Annual Report and Accounts for 2015
(audited)
March 2016

Forty-First Annual General Meeting
March 2016

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

The Board of Directors of Singer (Sri Lanka) PLC has pleasure in presenting their Report on the affairs of the Company together with the Audited Financial Statements of Singer (Sri Lanka) PLC and the Audited Consolidated Financial Statements of the Group for the year ended 31st December 2014.

Review of the Year

The Chairman's Letter (pages 8 to 11), the Group Chief Executive Officer's Review (pages 12 to 17) and Review of Operations titled 'Steering Ahead on Target' (pages 26 to 39), describe the Company's affairs and the Group's business and mention important events that occurred during the year, and up to the date of this Report. Results in Perspective on pages 40 to 47 elaborates the financial results of the Company/Group. These reports together with the Audited Financial Statements reflect the state of the affairs of the Company/Group.

Principal Activities

The Company is engaged in Retail and Wholesale Marketing, Financing, Assembling and Manufacturing and in Financial Services. The Company markets Domestic and Industrial Sewing Machines, Consumer Electronics, Household Appliances, Air Conditioners, Furniture, Agricultural Equipment, Motor Cycles, Two Wheel Tractors, Mobile Phones, Personal Computers, Laptops, Cameras and provides Financing through Hire Purchase. In addition, the Company manufactures Furniture, Water Pumps, and assembles Motor Cycles and Two Wheel Tractors. The Company also acts as Bill Collection Agent for HSBC Credit Card, Amex Credit Card, Standard Chartered Credit Card, Singer Finance, Mobitel, Etisalat, Airtel, Lankabell, Sri Lanka Telecom, Dialog, Dialog Television, Dialog Ez Cash, National Water Supply & Drainage Board, Ceylon Electricity Board and is also a sub-agent for Western Union Money Transfer.

The Company has two Subsidiaries and one Associate Company and their activities are given on page 199 of this Annual Report.

Independent Auditors' Report

The Independent Auditors' Report on the Financial Statements is given on page 141 in this Annual Report.

Financial Statements

The Financial Statements for the year ended 31st December 2014 are in accordance with the Sri Lanka Accounting Standards, SLFRS/LKAS, issued by The Institute of Chartered Accountants of Sri Lanka and the requirements of Section 151 (and Section 153 for consolidated entity) of the Companies Act No. 07 of 2007.

The Financial Statements duly signed by the Directors are provided on pages 142 to 199 in this Annual Report.

Accounting Policies

The accounting policies adopted in preparation of the Financial Statements are provided in details in the Notes to the Financial Statements on pages 147 to 199 Except for the changes to accounting policies disclosed in Note 1.2.7 of the Financial Statements, the Group has consistently applied the accounting policies as set out in Note 2 to all periods presented in these consolidated Financial Statements.

Property, Plant & Equipment

During the year under review, the Company and the Group invested a sum of Rs. 324,276,810/- (2013 - Rs. 544,836,683/-) and Rs. 332,269,114/- (2013 - Rs. 580,563,470/-) respectively in Property, Plant & Equipment.

Details of Property, Plant & Equipment and Intangible Assets and their movements are given in Notes 12 and 13 to the Financial Statements respectively.

Details of freehold land and buildings are given in Note 12.15 to the Financial Statements.

Market Value of Properties

The freehold property of the Company is revalued by an Independent Qualified Valuer every two years and where there is a substantial gain between the fair value and the carrying amount of the freehold property, it is transferred to a revaluation reserve. If there is a revaluation loss, it will be transferred to the Statement of Profit or Loss and Other Comprehensive Income.

The most recent valuation was carried out as at 31st December 2014. The details of the valuation are given in Note 12.12 to the Financial Statements on pages 165 to 166 in this Annual Report.

Investments

On 16th May 2014, the Company invested Rs. 5,000,000/- which 100% of initial Share Capital of newly formed subsidiary Company Singer Digital Media (Pvt) Ltd. Movement in investments during the year is disclosed under Notes 14,15 and 16 to the Financial Statements.

Directors' Responsibilities

The Statement of the Directors' Responsibility is given on page 140.

Corporate Governance

The Company has complied with Corporate Governance rules laid down under the Listing Rules of Colombo Stock Exchange. The Corporate Governance Section on pages 86 to 127 describes the good Corporate Governance Principles adopted by the Company.

Profit and Appropriations

	2014 Rs.	2013 Rs.
Group profit before tax for the year ended 31st December after deducting all expenses, providing for known liabilities and depreciation amounts to	1,155,608,457	728,440,352
From this has to be deducted the income tax expense	(373,974,230)	(206,374,628)
Non-controlling interest	(67,119,509)	(59,909,941)
Making a profit for the year of	714,514,718	462,155,783
Total Other Comprehensive Income	(9,651,405)	(2,943,203)
Total Other Comprehensive Income - Non-Controlling Interest	(306,402)	(63,141)
To this has to be added a balance brought forward from the previous year	634,520,185	527,137,626
Interim Dividend Year 2014 Rs. Nil per share (Year 2013 - Rs. Nil per share)	-	-
And adjustment due to realisation on revaluation surplus	11,278,572	11,278,572
Leaving a total available for appropriation of	1,350,355,668	997,565,637
The following appropriations have been approved:		
Transfer to General Reserve	(100,000,000)	-
Transfer to Investment Fund	5,748,800	(37,194,727)
Transfer to Reserve Fund	(13,429,842)	(12,826,700)
Final dividend approved: Gross Rs. 2.50 per share (2013 - Rs. 2.50 per share)	(313,024,025)	(313,024,025)
Making a total appropriation of	(420,705,067)	(363,045,452)
Leaving a balance on Group basis to be carried forward of	929,650,601	634,520,185
The balance to be carried forward on Company only basis will be	169,277,182	115,786,093

Dividends

In terms of Article 7 of the Articles of Association of the Company, a final dividend of Rs. 2.50 per share has been approved by the Directors for the financial year ended 31st December 2014, for payment on 19th March 2015. The Board has reasonable grounds for believing that the Company would satisfy the Solvency Test immediately after the distribution is made and accordingly, the Board of Directors has signed the Certificate of Solvency in accordance with Section 57 of the Companies Act No. 07 of 2007.

The Board of Directors will obtain a Certificate of Solvency from the Auditors prior to the date of despatch of the dividend payment.

Reserves (Excluding Non-Controlling Interest)

Group reserves and retained equity as at 31st December 2014 amounted to Rs. 5,475.2 million vs Rs. 4,964.1 million as at 31st December 2013. The breakup and movement are shown in the Statement of Changes in Equity in the Financial Statements.

Stated Capital

As per the terms of the Companies Act No. 07 of 2007, the Stated Capital of the Company was Rs. 626,048,050/- as at 31st December 2014 and was unchanged during the year. Details are given in Note 22 to the Financial Statements on page 175.

Events after the Reporting Period

No circumstances have arisen since the reporting date, which would require adjustment or disclosure except for the following event:

- (a) The Board of Directors has approved the final dividend of Rs. 2.50 per ordinary share for the year ended 31st December 2014, for payment on 19th March 2015.

Statutory Payments

The declaration relating to statutory payments is made in the Statement of Directors' Responsibility on page 140.

Directors' Interests and Interest Register

Details of transactions with Director-related entities are disclosed in Note 38 to the Financial Statements on pages 197 to 199 and have been declared at the Board Meetings, pursuant to Section 192 (2) of the Companies Act No. 07 of 2007.

Interest in Shares

There were no share transactions by the Directors during the year in the Company and in the Subsidiaries Singer Finance (Lanka) PLC and Singer Digital Media (Pvt) Ltd.

Board Committees

Audit Committee

Following are the names of the Directors comprising the Audit Committee of the Board:

Deshabandu A.M.de S. Jayaratne - Chairman
 Dr. S. Kelegama
 Prof. U.P. Liyanage
 Mr. M.M.C. Priyanjith - Secretary

The Report of the Audit Committee on page 128 sets out the manner of compliance by the Company in accordance with the requirements of the Rule 7.10 of the Listing Rules of the Colombo Stock Exchange on Corporate Governance.

Remuneration Committee

Following are the names of the Directors comprising the Remuneration Committee of the Board:

Dr. S. Kelegama - Chairman
 Deshabandu A.M. de S. Jayaratne
 Prof. U.P. Liyanage
 Mr. H.D.S. Amarasuriya
 Mr. K.K.L.P. Yatiwella - Secretary

The Report of the Remuneration Committee on page 129 contains a statement of the remuneration policy. The details of the aggregate remuneration paid to the Executive and Non-Executive Directors during the financial year are given in Note 38.3 to the Financial Statements on page 199.

Directors' Indemnity and Insurance

The Directors and Officers of the Company and Subsidiaries are covered in respect of Directors' and Officers' liability by the Insurance Policy obtained by the Ultimate Parent Company, as per the provisions in Article 44.

Share Information and Substantial Shareholdings

The distribution of shareholding, public holding percentage, market value of shares, twenty largest shareholders and record of scrip issues are given on pages 201 to 203.

Earnings per share, dividends per share, dividend pay out and net assets value per share are given in the Financial Highlights on page 7 of the Annual Report.

Directorate and Shareholding

The names of the Directors of the Company as at 31st December 2014 and their brief profiles are shown on pages 18 and 21 and the inner back cover.

In terms of Article 24 (4) of the Articles of Association of the Company, Mr. John J. Hyun retires by rotation and who being eligible, is being recommended for re-election.

In terms of Article 24 (10) of the Articles of Association of the Company, Prof. U.P. Liyanage was appointed as a Director of the Company on 9th May 2014, and being eligible is recommended for re-election.

Mr. M.P.A. Salgado, Alternate Director to Mr. P.J. O'Donnell resigned with effect from 30th June 2014. In terms of Article 24 (8) of the Article of Association of the Company, Mr. K.K.L.P. Yatiwella was appointed as the Alternate Director to Mr. P.J. O'Donnell with effect from 8th August 2014.

Mr. V.G.K. Vidyaratne, Alternate Director to Mr. J.J. Hyun resigned with effect from 30th September 2014. In terms of Article 24 (8) of the Articles of Association of the Company, Mr. Ajith S. Paranavithane was appointed as the Alternate Director to Mr. J.J. Hyun with effect from 13th November 2014.

Directors place on record their appreciation for the invaluable service rendered by Mr. M.P.A. Salgado and Mr. V.G.K. Vidyaratne during their tenure as Directors' of the Company.

Shareholdings of Directors and Chief Executive Officer at the beginning of the year and as at the end of the year are as follows:

	Shareholding 01.01.2014 No. of Shares	Shareholding 31.12.2014 No. of Shares	Debentures held 01.01.2014 No. of Debentures	Debentures held 31.12.2014 No. of Debentures	Shareholding of Singer Finance (Lanka) PLC 01.01.2014 No. of Shares	Shareholding of Singer Finance (Lanka) PLC 31.12.2014 No. of Shares
Mr. H.D.S. Amarasuriya	89,482	89,482	-	-	10,006	10,006
Mr. H.A. Pieris	2,000	2,000	-	-	51,002	51,002
Dr. S. Kelegama	-	-	-	-	-	-
Deshabandu A.M. de S. Jayaratne	-	-	-	-	-	-
Mr. P.J. O'Donnell	-	-	-	-	-	-
Mr. J.J. Hyun	-	-	-	-	-	-
Mr. G.J. Walker	-	-	-	-	-	-
Mr. V.G.K. Vidyaratne (Resigned on 30th September 2014)	23,831	23,831	-	-	-	-
Mr. M.H. Wijewardene	-	-	-	-	-	-
Mr. M.P.A. Salgado (Resigned on 30th June 2014)	4,000	4,000	-	-	68,442	68,442
Mr. L.N.S.K. Samarasinghe	4,124	4,124	-	-	265,000	265,000
K.K.L.P. Yatiwella	-	-	-	-	-	-

The names of Directors holding office at the end of the financial year in respect of Subsidiaries and Associate Company is given on page 199.

Independence of Directors

In accordance with Rule 7.10.2 (b) of the Colombo Stock Exchange (CSE) Listing Rules, Dr. S. Kelegama who is a Non-Executive Director of the Company, has submitted a signed and dated declaration as per the specimen given in Appendix 7A of continuing listing requirements of CSE.

Although, Dr. S. Kelegama has not met the criteria mentioned in item (g) of Rule 7.10.4 of the CSE Listing Rules, the Board of Directors of the Company is of the opinion that -

- (i) Dr. S. Kelegama is nevertheless independent on the following basis:
- (a) His high standing in the society and business sector.

(b) His experience and knowledge particularly in the field of economics will continue to be an asset to the Company.

(c) He does not participate in executive decision-making.

(Dr. S. Kelegama did not participate in these deliberations and decisions taken pursuant thereto as referred to above to avoid conflict of interests.)

Independent Non-Executive Directors

Deshabandu A.M. de S. Jayaratne
Dr. S. Kelegama
Prof. U.P. Liyanage

Employment

The number of persons employed by the Group and the Company as at 31st December 2014 was 1,762 (2013 - 1,637) and 1,512 (2013 - 1,402), respectively.

Details of human resource initiatives are given in the Employees' section of the Sustainability Report.

Corporate Governance

Directors' Declarations

The Directors declare that having considered all information and explanations made available to them that -

- (a) the Company complied with all applicable laws and regulations in conducting its business;
- (b) the Directors have declared all material interests in contracts involving the Company and refrained from voting on matters in which they were materially interested;
- (c) the Company has made all endeavour to ensure the equitable treatment of shareholders;
- (d) the business is a going concern with supporting assumptions or qualifications as necessary; and
- (e) have conducted a review of internal controls covering financial, operational and compliance controls and risk management and have obtained a reasonable assurance of their effectiveness and successful adherence herewith.

The Corporate Governance Report is given under the governance section of the Annual Report.

Donations

During the year, donations amounting to Rs. 658,700/- (2013 - Rs. 418,308/-) were made by the Group/Company, of which Rs. 74,000 /- was paid to Government-approved charities. Donations made by the Group is given in Note 9.

Auditors

The Financial Statements for the period under review were audited by Messrs KPMG, Chartered Accountants who offer themselves for reappointment for the ensuing year. The Directors propose the reappointment of Messrs KPMG, Chartered Accountants as Auditors of the Company for the year 2015 subject to the approval of the shareholders at the Annual General Meeting.

The audit and non-audit fees paid to the Auditors by the Company and Group are disclosed in Note 9 on page 159 in this Annual Report.

As far as the Directors are aware, the Auditors do not have any relationship or interest in the Company or its Subsidiaries.

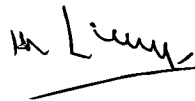
The Audit Committee reviews the appointment of the Auditor, its effectiveness and its relationship with the Company including the level of audit and non-audit fees paid to the Auditors. Details on the work of the Audit Committee are set out in the Audit Committee Report.

Notice of Meeting

The Fortieth Annual General Meeting will be held at the Registered Office of the Company, No. 80, Navam Mawatha, Colombo 2, on Tuesday, 31st March 2015 at 10.00 am.

The Notice of the Annual General Meeting to the shareholders is given on page 208.

For and on behalf of the Board,



H.D.S. Amarasuriya
Chairman



H.A. Pieris
Director/Group Chief
Executive Officer



A.C.M. Irzan, FCMA (UK)
Company Secretary
Singer (Sri Lanka) PLC

Colombo
27th February 2015

STATEMENT OF DIRECTORS' RESPONSIBILITY

The Companies Act No. 07 of 2007 requires Directors to ensure that the Company keeps accounting records, which correctly record and explain the Company's transactions and prepare Financial Statements that give a true and fair view of the Company's state of affairs as at the Reporting date and of the profit for the year. It further requires the Financial Statements of a Group to give a true and fair view of the state of affairs of the Group and the profit of the Group for the year.

The Directors are also required to ensure that the Financial Statements have been prepared and presented in accordance with the Sri Lanka Accounting Standards (SLFRS/LKAS) and the Rules of the Colombo Stock Exchange. They are also responsible for taking reasonable measures to safeguard the assets of the Company and in that context, to have proper regard to the establishment of appropriate systems of internal control with a view to prevention and detection of fraud and other irregularities.

The Directors are of the view that these Financial Statements have been prepared in accordance with the Sri Lanka Accounting Standards (SLFRS/LKAS) as laid down by The Institute of Chartered Accountants of Sri Lanka.

The Directors endeavour to ensure that the Company maintains sufficient records to be able to disclose, with reasonable accuracy, the financial position of the Company and to be able to ensure that the Financial Statements of the Company meet with the requirements of the Companies Act, Sri Lanka Accounting Standards (SLFRS/LKAS) and the Rules of the Colombo Stock Exchange.

The Directors have a reasonable expectation, that the Company and Group have adequate resources to continue in operational existence for the foreseeable future and therefore have continued to adopt the going concern basis in preparing the accounts.

As required by Section 56 (2) of the Companies Act and in terms of Article 7 (2) of the Articles of Association of the Company, the Board of Directors has authorised the payment of dividends, being satisfied, based on information available to it that the Company would satisfy the Solvency Test after such distributions in accordance with Section 57 of the Companies Act No. 07 of 2007. Accordingly, the Board of Directors has signed the Certificate of Solvency. In respect of the authorised final dividend, the Company shall forward to CSE, prior to the date of dispatch of the dividend payment, a Certificate by the Auditors to the effect that the Company is able to satisfy the Solvency Test immediately after the distribution.

Messrs KPMG, Chartered Accountants, the Auditors of the Company, have examined the Financial Statements made available by the Board of Directors together with all relevant financial records, related data, minutes of shareholders' and Directors' meetings and express their opinion in their Report on page 141 of this Annual Report.

Compliance Report

Based on the Report of the Compliance Officer, the Directors confirm that to the best of their knowledge and belief, all taxes, duties and levies payable by the Company and its Subsidiaries, all contributions, levies and taxes payable on behalf of and in respect of the employees of the Company and its Subsidiaries and all other known statutory dues as were due and payable by the Company and its Subsidiaries as at the Reporting date have been paid or were provided.

By Order of the Board,



A.C.M. Irzan, FCMA (UK)
Company Secretary
Singer (Sri Lanka) PLC

Colombo
27th February 2015

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
+94 - 11 254 1249
+94 - 11 230 7345
Internet : www.lk.kpmg.com

TO THE SHAREHOLDERS OF SINGER (SRI LANKA) PLC

Report on the Financial Statements

We have audited the accompanying financial statements of Singer (Sri Lanka) PLC, (the "Company"), and the consolidated financial statements of the Company and its subsidiaries (the "Group"), which comprise the statement of financial position as at 31st December 2014, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flow for the year then ended, and a summary of significant accounting policies and other explanatory notes set out on pages 142 to 199.

Board's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Sri Lanka Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Board, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as at 31st December 2014, and of its financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Report on Other Legal and Regulatory Requirements

As required by section 163 (2) of the Companies Act No. 07 of 2007, we state the following:

- a) The basis of opinion and scope and limitations of the audit are as stated above.
- b) In our opinion:
 - 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,
 - The financial statements of the Company give a true and fair view of its financial position as at 31st December 2014, and of its financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.
 - The financial statements of the Company and the Group comply with the requirements of sections 151 and 153 of the Companies Act No. 07 of 2007.

Chartered Accountants

27th February 2015
Colombo.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31st December	Note	Consolidated		Company	
		2014 Rs.	2013 Rs.	2014 Rs.	2013 Rs.
Revenue	3	29,699,602,382	25,485,560,907	27,130,594,150	23,717,117,022
Cost of Sales		(19,265,536,074)	(16,064,939,097)	(18,664,273,624)	(16,064,939,097)
Direct Interest Cost		(711,017,007)	(656,148,789)	–	–
Gross Profit		9,723,049,301	8,764,473,021	8,466,320,526	7,652,177,925
Other Income	5	124,310,642	131,154,096	165,714,877	192,964,984
Selling and Administrative Expenses		(7,345,509,358)	(6,653,632,708)	(6,625,967,276)	(5,961,869,214)
Other Expenses	6	(279,916,307)	(208,921,728)	(260,799,438)	(195,078,574)
Finance Cost	7.1	(1,103,694,553)	(1,359,130,146)	(1,111,556,493)	(1,359,130,146)
Finance Income	7.2	112,366,480	98,973,527	64,148,473	141,018,936
Net Finance Cost		(991,328,073)	(1,260,156,619)	(1,047,408,020)	(1,218,111,210)
Share of Profits of Equity Accounted Investees (Net of Income Tax)	8	1,963,175	1,282,586	–	–
Value Added Tax on Financial Services		(76,960,923)	(45,758,296)	(37,600,001)	(22,050,000)
Profit Before Tax	9	1,155,608,457	728,440,352	660,260,668	448,033,911
Income Tax Expense	10	(373,974,230)	(206,374,628)	(196,629,743)	(146,139,537)
Profit for the Year		781,634,227	522,065,724	463,630,925	301,894,374
Items that will Never be Reclassified to Profit or Loss					
Revaluation of Property, Plant & Equipment	12	134,237,410	–	134,237,410	–
Remeasurement of Defined Benefit Liability	28	(13,830,288)	(4,175,478)	(11,658,866)	(3,728,007)
Related Taxes	10.4	(10,762,072)	1,169,134	(11,370,070)	1,043,842
Other Comprehensive Income for the Year Net of Tax		109,645,050	(3,006,344)	111,208,474	2,684,165
Total Comprehensive Income for the Year		891,279,277	519,059,380	574,839,399	299,210,209
Profit Attributable to:					
Owners of the Company		714,208,316	462,092,642	463,630,925	301,894,374
Non-Controlling Interests		67,425,911	59,973,082	–	–
Profit for the Year		781,634,227	522,065,724	463,630,925	301,894,374
Total Comprehensive Income Attributable to:					
Owners of the Company		824,159,768	459,149,439	574,839,399	299,210,209
Non-Controlling Interests		67,119,509	59,909,941	–	–
Total Comprehensive Income for the Year		891,279,277	519,059,380	574,839,399	299,210,209
Earnings per Share - Basic	11.2	5.70	3.69	3.70	2.41
Dividends per Share (Including Proposed Final Dividend)	32			2.50	2.50

The Notes on pages 147 through 199 form an integral part of these Financial Statements.

Colombo
27th February 2015

STATEMENT OF FINANCIAL POSITION

As at 31st December	Note	Consolidated		Company	
		2014 Rs.	2013 Rs.	2014 Rs.	2013 Rs.
ASSETS					
Non-Current Assets					
Property, Plant & Equipment	12	2,667,908,506	2,505,354,567	2,603,690,913	2,434,877,797
Intangible Assets	13	243,646,117	198,081,666	205,413,030	166,101,003
Investment in Subsidiaries	14	–	–	987,241,596	982,241,596
Investments in Equity - Accounted Investees	15	55,188,967	53,225,792	48,000,000	48,000,000
Other Financial Assets	16.1	17,061,300	17,061,300	166,303,000	166,303,000
Trade and Other Receivables	19.1	5,778,199,328	5,669,229,121	1,564,675,080	1,514,131,546
Deferred Tax Assets	27.1	185,024,166	119,021,885	179,385,054	135,362,481
Total Non-Current Assets		8,947,028,384	8,561,974,331	5,754,708,673	5,447,017,423
Current Assets					
Inventories	17	5,475,790,817	5,155,665,980	5,178,215,346	5,155,665,980
Loans due from Related Parties	18	65,134,631	69,634,631	717,068,549	69,634,631
Income Tax Receivable		–	50,963,181	–	50,963,181
Trade and Other Receivables	19.2	10,963,329,510	9,489,986,789	7,043,914,247	6,371,541,790
Amounts due from Related Parties	20	45,072,914	–	298,388,734	21,246,027
Deposits with Banks		110,388,278	113,959,510	–	–
Other Financial Assets	16.2	653,380,275	427,885,421	–	–
Cash and Cash Equivalents	21.1	1,176,933,623	692,457,844	914,488,142	519,015,324
Total Current Assets		18,490,030,048	16,000,553,356	14,152,075,018	12,188,066,933
Total Assets		27,437,058,432	24,562,527,687	19,906,783,691	17,635,084,356
Equity					
Stated Capital	22	626,048,050	626,048,050	626,048,050	626,048,050
Capital Reserves	23	870,358,087	762,033,802	870,358,087	762,033,802
Statutory Reserve	24	136,127,587	128,446,545	–	–
Revenue Reserves	25	3,842,674,626	3,447,544,210	3,082,301,207	2,928,810,118
Total Equity Attributable to Equity Holders of the Company		5,475,208,350	4,964,072,607	4,578,707,344	4,316,891,970
Non-Controlling Interest		441,960,453	395,902,426	–	–
Total Equity		5,917,168,803	5,359,975,033	4,578,707,344	4,316,891,970
Non-Current Liabilities					
Interest-Bearing Loans and Borrowings	26	4,226,596,072	4,334,165,243	3,146,637,155	3,147,930,325
Defined Benefit Liability	28	383,912,062	320,032,869	362,593,372	305,782,867
Deferred Tax Liability	27.2	119,788,937	109,540,205	119,788,937	109,540,205
Security Deposits		732,124,370	651,765,090	732,124,370	651,765,090
Other Financial Liabilities	34	798,492,414	756,232,182	–	–
Total Non-Current Liabilities		6,260,913,855	6,171,735,589	4,361,143,834	4,215,018,487
Current Liabilities					
Trade and Other Payables	29	3,818,024,263	3,259,489,904	3,021,470,030	2,837,344,652
Deferred Revenue	30	235,333,686	20,878,350	235,333,686	20,878,350
Income Tax Payable		212,841,799	15,638,502	109,209,836	–
Dividends Payable	31	15,491,340	14,956,444	15,491,340	14,956,444
Amounts due to Related Parties - Trade	33.1	346,767,482	333,565,081	767,168,337	333,565,081
Amounts due to Related Parties - Non-Trade	33.2	90,246,223	69,126,269	90,246,223	69,126,269
Other Financial Liabilities	34	3,696,149,556	3,011,997,537	–	–
Interest-Bearing Loans and Borrowings	26	6,844,121,425	6,305,164,978	6,728,013,061	5,827,303,103
Total Current Liabilities		15,258,975,774	13,030,817,065	10,966,932,513	9,103,173,899
Total Equity and Liabilities		27,437,058,432	24,562,527,687	19,906,783,691	17,635,084,356

The Notes on pages 147 through 199 form an integral part of these Financial Statements.

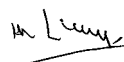
I certify that the Financial Statements of the Company comply with the requirements of the Companies Act No. 07 of 2007.



Lalith Yatiwella

Finance Director

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



Hemaka Amarasuriya

Director

Colombo

27th February 2015



H.A. Pieris

Director/Group Chief Executive Officer

STATEMENT OF CHANGES IN EQUITY

Consolidated										
Year ended 31st December 2014										
	Note	Attributable to Equity Holders of the Company							Non-Controlling Interest	Total
		Stated Capital	Reserve Fund	Investment Fund	Revaluation Reserves	General Reserves	Retained Earnings	Total		
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Balance at 01 January 2013		626,048,050	27,628,118	50,797,000	773,312,374	2,500,000,000	1,278,395,286	5,256,180,828	357,053,967	5,613,234,795
Realisation on Revaluation Surplus	23.1	-	-	-	(11,278,572)	-	11,278,572	-	-	-
Transferred to/(from) during the Year		-	12,826,700	37,194,727	-	-	(50,021,427)	-	-	-
Transactions with Owners of the Company, Recognised Directly in Equity										
Distributions to Owners of the Company										
Final Dividend - 2012		-	-	-	-	-	(751,257,660)	(751,257,660)	-	(751,257,660)
Dividend paid by Subsidiary Companies to Non-controlling interest - 2012		-	-	-	-	-	-	-	(21,061,482)	(21,061,482)
Total Distributions to owners of the Company		-	-	-	-	-	(751,257,660)	(751,257,660)	(21,067,482)	(772,326,142)
Total Comprehensive Income for the Year										
Profit for the Year		-	-	-	-	-	462,092,642	462,092,642	59,973,082	522,065,724
Other Comprehensive Income										
Re-measurement of Defined Benefit Liability	28	-	-	-	-	-	(4,087,782)	(4,087,782)	(87,696)	(4,175,478)
Related taxes	10.4	-	-	-	-	-	1,144,579	1,144,579	24,555	1,169,134
Total Other Comprehensive Income for the Year		-	-	-	-	-	(2,943,203)	(2,943,203)	(63,141)	(3,006,344)
Total Comprehensive Income for the Year		-	-	-	-	-	459,149,439	459,149,439	59,909,941	519,059,380
Balance at 31st December 2013		626,048,050	40,454,818	87,991,727	762,033,802	2,500,000,000	947,544,210	4,964,072,607	395,902,426	5,359,975,033
Realisation on Revaluation Surplus	23.1	-	-	-	(11,278,572)	-	11,278,572	-	-	-
Transferred to/(from) during the Year		-	13,429,842	(5,748,800)	-	100,000,000	(107,681,042)	-	-	-
Transactions with Owners of the Company, Recognised Directly in Equity										
Distributions to Owners of the Company										
Final Dividend - 2013	32	-	-	-	-	-	(313,024,025)	(313,024,025)	-	(313,024,025)
Dividend paid by Subsidiary Companies to Non-controlling Interest - 2013		-	-	-	-	-	-	-	(21,061,482)	(21,061,482)
Total Distributions to Owners of the Company		-	-	-	-	-	(313,024,025)	(313,024,025)	(21,061,482)	(334,085,507)
Total Comprehensive Income for the Year										
Profit for the Year		-	-	-	-	-	714,208,316	714,208,316	67,425,911	781,634,227
Other Comprehensive Income										
Revaluation of Property, Plant & Equipment		-	-	-	134,237,410	-	-	134,237,410	-	134,237,410
Re-measurement of Defined Benefit Liability	28	-	-	-	-	-	(13,404,729)	(13,404,729)	(425,558)	(13,830,288)
Related taxes	10.4	-	-	-	(14,634,553)	-	3,753,324	(10,881,229)	119,156	(10,762,072)
Total other Comprehensive Income for the Year		-	-	-	119,602,857	-	(9,651,405)	109,951,452	(306,402)	109,645,050
Total Comprehensive Income for the Year		-	-	-	119,602,857	-	704,556,911	824,159,768	67,119,509	891,279,277
Balance at 31st December 2014		626,048,050	53,884,660	82,242,927	870,358,087	2,600,000,000	1,242,674,626	5,475,208,350	441,960,453	5,917,168,803

The Notes on pages 147 through 199 form an integral part of these Financial Statements.

Colombo
27th February 2015

Company						
Year ended 31st December 2014	Note	Stated Capital Rs.	Revaluation Reserves Rs.	General Reserves Rs.	Retained Earnings Rs.	Total Rs.
Restated Balance at 1st January 2013		626,048,050	773,312,374	2,500,000,000	869,578,997	4,768,939,421
Realisation on Revaluation Surplus	23.1	-	(11,278,572)	-	11,278,572	-
Transactions with Owners of the Company, Recognised directly in Equity						
Distributions to Owners of the Company						
Final Dividend - 2012		-	-	-	(751,257,660)	(751,257,660)
Total Distributions to Owners of the Company		-	-	-	(751,257,660)	(751,257,660)
Total comprehensive income for the Year						
Profit for the Year		-	-	-	301,894,374	301,894,374
Other Comprehensive Income						
Deferred tax effect on Revaluation		-	-	-	-	-
Re-measurement of Defined Benefit Liability	28	-	-	-	(3,728,007)	(3,728,007)
Related taxes	10.4	-	-	-	1,043,842	1,043,842
Total Other Comprehensive Income		-	-	-	(2,684,165)	(2,684,165)
Total Comprehensive Income for the Year		-	-	-	299,210,209	299,210,209
Balances at 31 December 2013		626,048,050	762,033,802	2,500,000,000	428,810,118	4,316,891,970
Realisation on Revaluation Surplus	23.1	-	(11,278,572)	-	11,278,572	-
Transferred to /(from) during the Year		-	-	100,000,000	(100,000,000)	-
Transactions with Owners of the Company, Recognised directly in Equity						
Distributions to Owners of the Company						
Final Dividend - 2013	32	-	-	-	(313,024,025)	(313,024,025)
Total Distributions to Owners of the Company		-	-	-	(313,024,025)	(313,024,025)
Total Comprehensive Income for the Year						
Profit for the Year		-	-	-	463,630,925	463,630,925
Other Comprehensive Income						
Revaluation of Property, Plant & Equipment		-	134,237,410	-	-	134,237,410
Re-measurement of Defined Benefit Liability	28	-	-	-	(11,658,866)	(11,658,866)
Related taxes	10.4	-	(14,634,553)	-	3,264,483	(11,370,070)
Total Other Comprehensive Income		-	119,602,857	-	(8,394,383)	111,208,474
Total Comprehensive Income for the year		-	119,602,857	-	455,236,542	574,839,399
Balance at 31st December 2014		626,048,050	870,358,087	2,600,000,000	482,301,207	4,578,707,344

The Notes on pages 147 through 199 form an integral part of these Financial Statements.

Colombo

27th February 2015

STATEMENT OF CASH FLOWS

Year ended 31st December	Note	Consolidated		Company	
		2014 Rs.	2013 Rs.	2014 Rs.	2013 Rs.
Cash Flows from Operating Activities					
Profit before Income Tax Expense		1,155,608,457	728,440,352	660,260,668	448,033,911
Adjustments for:					
Depreciation on Property, Plant & Equipment	12	290,187,206	219,538,591	275,935,728	209,463,516
Share of Profit from Equity Accounted Investees	8	(1,963,175)	(1,282,586)	–	–
Amortisation of Intangible Assets	13.8	20,816,340	11,797,982	15,950,950	8,029,903
(Gain)/Loss on Disposal of Property, Plant & Equipment	5	6,220,984	(175,520)	6,220,984	(175,520)
Interest Expense	7.1	1,101,909,745	1,352,309,381	1,110,349,935	1,352,309,381
Interest Income	7.2	(112,366,480)	(98,890,340)	(64,148,473)	(141,018,936)
Impairment of Inventory	9	89,267,649	209,921	89,267,649	209,921
Impairment on Trade and Other Receivables	9	209,126,271	199,825,791	151,800,715	93,429,127
Dividend Income	5	(36,227)	(776,922)	(77,764,894)	(79,171,589)
Provision for Retiring Gratuity	9.1	64,626,429	51,745,950	59,729,162	48,494,250
Operating Profit Before Working Capital Changes		2,823,397,199	2,462,742,600	2,227,602,424	1,939,603,964
Increase in Inventories		(409,392,486)	(929,801,656)	(111,817,015)	(929,801,656)
Increase in Debtors falling due after One Year		(108,970,208)	(624,438,879)	(50,543,533)	(218,648,560)
(Increase)/Decrease in Debtors falling due within One Year		(1,685,303,496)	(1,363,660,239)	(827,007,674)	(1,165,454,785)
(Increase)/Decrease in Dues from Related Parties		(45,072,914)	134,856,653	(277,142,707)	139,075,255
Decrease in Dues to Related Parties		34,322,356	164,249,348	454,723,211	164,249,348
Increase in Security Deposits		80,359,272	75,116,679	80,359,281	75,116,679
Increase in Customer Deposit Liabilities		726,412,251	775,721,064	–	–
Increase in Trade and Other Payables		558,534,373	882,531,646	184,125,383	720,311,304
Increase in Deferred Liability		214,455,336	–	214,455,336	–
Cash Generated from Operations		2,188,741,683	1,577,353,216	1,894,754,696	724,451,549
Finance Costs Paid		(1,027,486,936)	(1,369,671,717)	(1,039,849,394)	(1,369,671,717)
Retiring Gratuity Paid	28	(14,577,523)	(6,428,030)	(14,577,523)	(5,798,030)
Income Tax Paid		(192,323,374)	(280,795,375)	(81,600,637)	(228,484,055)
Net Cash from/(Used in) Operating Activities		954,353,850	(79,541,912)	758,727,142	(879,502,257)
Cash Flows from Investing Activities					
Acquisition of Property, Plant & Equipment and Intangible Assets	12/13	(398,649,905)	(601,187,217)	(379,539,787)	(552,014,012)
Proceeds from Disposal of Property, Plant & Equipment		7,544,393	7,053,500	7,544,393	7,053,500
Investment in Subsidiary Companies		–	–	(5,000,000)	(149,283,000)
Acquisition of Marketable Securities		(225,494,854)	(109,165,514)	–	–
Net Withdrawals/(Investments) in Bank Deposits		3,571,231	(62,976,497)	–	–
Net Cash Flows from Loans Given to Related Companies		4,500,000	24,000,000	(647,433,918)	1,401,173,178
Interest Received		112,366,480	98,890,340	64,148,473	141,018,936
Dividend Received		36,227	1,424,926	77,764,894	79,171,589
Net Cash Flows used in Investing Activities		(496,126,428)	(641,960,466)	(882,515,945)	927,120,191
Cash Flows from Financing Activities					
Proceeds from Interest-Bearing Loans and Borrowings		9,773,448,268	10,165,538,555	9,418,376,351	8,590,579,637
Repayment of Interest-Bearing Loans and Borrowings		(8,921,492,587)	(8,776,296,809)	(8,140,138,063)	(7,918,073,844)
Net Payment to Minority Shareholders		(21,061,482)	(21,061,482)	–	–
Dividends Paid		(312,489,129)	(747,123,604)	(312,489,129)	(747,123,604)
Net Cash Flows from Financing Activities		518,405,070	621,056,660	965,749,159	(74,617,811)
Net Increase/(Decrease) in Cash and Cash Equivalents		976,632,490	(100,445,718)	841,960,356	(26,999,877)
Cash and Cash Equivalents at the beginning of the Year	21	(148,644,336)	(48,198,618)	(234,303,505)	(207,303,628)
Cash and Cash Equivalents at the end of the Year	21	827,988,154	(148,644,336)	607,656,851	(234,303,505)

The Notes on pages 147 through 199 form an integral part of these Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

Note 1	Corporate Information	147
Note 2	Significant Accounting Policies	149
Note 3	Revenue	157
Note 4	Operating Segments	157
Note 5	Other Income	158
Note 6	Other Expenses	158
Note 7	Net Finance Cost	159
Note 8	Share of Profit of Equity Accounted Investees - (Net of Income Tax)	159
Note 9	Profit Before Tax	159
Note 10	Income Tax Expense	160
Note 11	Earnings Per Share	161
Note 12	Property, Plant & Equipment	162
Note 13	Intangible Assets	167
Note 14	Investments in Subsidiaries - Company	169
Note 15	Investments in Equity Accounted Investees	170
Note 16	Other Financial Assets	172
Note 17	Inventories	172
Note 18	Loans Due from Related Parties	173
Note 19	Trade and Other Receivables	173
Note 20	Amounts Due from Related Parties	175
Note 21	Cash and Cash Equivalents	175
Note 22	Stated Capital	175
Note 23	Capital Reserves	176
Note 24	Statutory Reserves	176
Note 25	Revenue Reserves	177
Note 26	Interest-Bearing Loans and Borrowings	179
Note 27	Deferred Tax Assets/(Liabilities)	182
Note 28	Defined Benefit Liability	184
Note 29	Trade and Other Payables	185
Note 30	Deferred Revenue	185
Note 31	Dividend Payable	185
Note 32	Dividends	185
Note 33	Amounts due to Related Parties	186
Note 34	Other Financial Liabilities	186
Note 35	Financial Instruments	186
Note 36	Commitments and Contingencies - Group/Company	196
Note 37	Events after the Reporting Period	196
Note 38	Related Parties	197
Note 39	Subsidiaries/Associate Companies	199

1. Corporate Information

1.1 Reporting Entity

1.1.1 General

Singer (Sri Lanka) PLC is a limited liability company incorporated and domiciled in Sri Lanka. The Registered Office of the Company is located at No. 80, Navam Mawatha, Colombo 2 and the principal place of business is situated at the above address.

In the Report of the Directors and in the Financial Statements, 'the Company' refers to Singer (Sri Lanka) PLC as the Holding Company and 'the Group' refers to the Consolidated Financial Statements of Singer (Sri Lanka) PLC and its Subsidiaries, Singer Finance (Lanka) PLC and Singer Digital Media (Pvt) Ltd.

1.1.2 Companies in the Group

Subsidiaries

Singer Finance (Lanka) PLC

A 80.4% holding Subsidiary Singer Finance (Lanka) PLC, was incorporated on 19th April 2004 under the companies Act No. 17 of 1982 and its commercial operations commenced on 8th July 2004.

Singer Finance (Lanka) PLC issued 25% of its equity holding through an Initial Public Offering and allotted shares on 22nd December 2010. Shares of Singer Finance (Lanka) PLC were first traded on 17th January 2011 at the Colombo Stock Exchange. Pursuant to the Special Resolution passed by the shareholders on 21st December 2010, name of the Subsidiary Company was changed from Singer Finance (Lanka) Ltd. to Singer Finance (Lanka) PLC. The name change was gazetted on 18th February 2011.

Singer Digital Media (Pvt) Ltd.

A fully-owned Subsidiary, Singer Digital Media (Pvt) Ltd. was incorporated on 16th May 2014 under the Companies Act No. 07 of 2007 and its commercial operations commenced on 8th July 2014.

Associates

(Equity Accounted Investees)

Associate Companies of the Group, whose results have been included in the Consolidated Financial Statements are:

Reality Lanka Ltd.

Telshan Network (Pvt) Ltd.

All above companies are incorporated in Sri Lanka.

1.1.3 Principal Activities and Nature of Operations

Company

During the year, the principal activities of the Company were marketing domestic and industrial sewing machines, consumer electronics, home appliances, furniture, agricultural equipment and personal computers and manufacturing furniture and agricultural equipment.

Subsidiary -

Singer Finance (Lanka) PLC

Principal activities of Singer Finance (Lanka) PLC are financing of the sale or purchase of any goods, articles, vehicles or other items either by letting on hire, hire purchase, leasing and other methods of financing. In addition, Singer Finance (Lanka) PLC accepts deposits. Singer Finance (Lanka) PLC is a licensed finance company under Finance Companies act No 78 of 1988.

Subsidiary -

Singer Digital Media (Pvt) Ltd.

The principal activity of the Company was marketing mobile phones, computers and digital cameras.

1.1.4 Parent Enterprise and Ultimate Parent Enterprise

The Company's Parent undertaking is Singer (Sri Lanka) BV. The Company's Ultimate Parent undertaking and controlling party is Retail Holdings NV, which is incorporated in the Netherlands, Antilles.

1.1.5 Number of Employees

The number of employees of the Group at the end of the year was 1,762 (2013 - 1,637), Company - 1,512 (2013 - 1,402).

1.2 Basis of Preparation

1.2.1 Statement of Compliance

The Financial Statements have been prepared in accordance with Sri Lanka Accounting Standards (hereinafter referred to as SLFRS) issued by The Institute of Chartered Accountants of Sri Lanka (ICASL) and the requirements of the Companies Act No. 07 of 2007.

1.2.2 Approval of Financial Statements

The Board of Directors is responsible for preparation and presentation of the Financial Statements of the Company as per the provision of the Company Act No. 07 of 2007 and Sri Lanka Accounting Standards. The Directors' responsibility over Financial Statements is set out in detail in the Statement of Directors' Responsibility.

The Financial Statements for the year ended 31st December 2014 were authorised for issue in accordance with a resolution of the Board of Directors on 27th February 2015.

1.2.3 Basis of Measurement

The Financial Statements have been prepared on the historical cost basis, except for available for sale financial assets and items of Property, Plant & Equipment, which are measured at fair value and Defined Benefit Plans which are measured at present value of the Retirement Benefit Obligations as explained in the respective Notes to the Financial Statements.

1.2.4 Functional and Presentation Currency

The Financial Statements are presented in Sri Lankan Rupees which is the functional currency of the Company and its Subsidiary.

1.2.5 Use of Estimates and Judgments

The preparation of the Consolidated Financial Statements in conformity with SLFRS requires management to make judgments, estimates and assumptions that affect the application of 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 accounting estimates are recognised in the period in which the estimate is revised and any future periods affected.

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the Financial Statements is included in the following Notes:

- Note 13 - Measurement of Intangible Assets
- Note 17 - Provision for Inventories
- Note 28 - Measurement of Retirement Benefit Obligations
- Note 36 - Commitments and Contingencies

1.2.6 Going Concern

The Directors have made an assessment of the Group's ability to continue as a going concern in the foreseeable future, and they do not intend either to liquidate or cease trading.

1.2.7 Changes to Accounting Policies and Adaptation of New Accounting Standards

Except for the changes below, the Group has consistently applied the accounting policies as set out in Note 2 to all periods presented in these Consolidated Financial Statements.

The Group has adopted the following new standards and amendments to standards, including any consequential amendments to other standards, with a date of initial application of 1st January 2014:

- a. SLFRS 10 - 'Consolidated Financial Statements'
- b. SLFRS 12 - 'Disclosure of Interests in Other Entities'
- c. SLFRS 13 - 'Fair Value Measurement'

(a) Subsidiaries

As a result of SLFRS 10, the Group has changed its accounting policy for determining whether it has control over and consequently whether it consolidates other entities. SLFRS 10 introduces a new control model that focuses on whether the Group has power over an investee, exposure or rights to variable returns from its involvement with the investee and the ability to use its power to affect those returns. The Group reassessed its control conclusions as of 1st January 2014. There are no changes in control conclusion from previous year.

(b) Disclosure of Interests in Other Entities

As a result of SLFRS 12, the Group has expanded disclosures about its interests in subsidiaries and equity accounted investees.

(c) Fair Value Measurement

In accordance with the SLFRS 13, the Group has applied the new definition of fair value, it unifies the definition of fair value as the price that would be received to sell an asset or paid to transfer liability in an orderly transaction between market participants at the measurement date prospectively. The change had no significant impact on the measurements of the Group's assets and liabilities, but the Group has included new disclosures in the Financial Statements, which are required under SLFRS 13.

Measurement of Fair Values

A number of the Group's accounting policies and disclosures require the measurement of fair values for both financial and non-financial assets and liabilities.

Company regularly reviews significant unobservable inputs and valuation adjustments. If third party information is used to measure fair values, Company assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of SLFRS, including the level in the fair value hierarchy in which such valuations should be classified.

Significant valuation issues are reported to the Group's Audit Committee. When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised 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 the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

2. Significant Accounting Policies

Except for the changes explained in Note 1.2.7, the accounting policies set out below have been consistently applied to all periods presented in these Consolidated Financial Statements.

2.1 Basis of Consolidation

2.1.1 Subsidiaries

Subsidiaries are entities controlled by the Group. The Group 'controls' an entity if it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entities. The Financial Statements of Subsidiaries are included in the Consolidated Financial Statements from the date on which control commences until the date when control ceases.

2.1.2 Non-Controlling Interest (NCI)

NCI are measured at their proportionate share of the acquiree's identifiable net assets at the acquisition date. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

2.1.2.1 Acquisitions of Non-Controlling Interest

Acquisitions of non-controlling interest are accounted for as transactions with equity holders. Therefore, no goodwill is recognised as a result of such transactions.

2.1.3 Loss of Control

Upon loss of control, the Group derecognises the assets and liabilities of the subsidiary, anyone controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in the Income Statement. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value as at the date that control is lost. It is then accounted for an equity accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

2.1.4 Interest in Equity - Accounted Investees

The Group's interest in equity-accounted investees comprise interest in associate. Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. Interest in associates are accounted for using equity method. They are initially recognised at cost, which include transaction cost. Subsequent to initial recognition the Consolidated Financial Statements include the Group's share of profit or loss and Other Comprehensive Income of equity accounted investees, until the date on which significant influence ceases.

2.1.5 Transactions Eliminated on Consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions are eliminated in preparing the Consolidated Financial Statements. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

2.2 Foreign Currency Translation

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

Monitory assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the Reporting date. Non-monitory 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. Foreign currency differences are generally recognised in profits or loss. Non-monitory items that are measured based on historical cost in a foreign currency are not translated.

2.3 Property, Plant & Equipment

2.3.1 Recognition and Measurement

Items of Property, Plant & Equipment are measured at cost/fair value less accumulated depreciation and any accumulated impairment losses.

If significant part of an item of Property, Plant & Equipment have different useful lives, then they are accounted for as separate items (major components) of Property, Plant and Equipment. Any gain or loss on disposal of an item of Property, Plant & Equipment is recognised in profit or loss.

(a) Cost Model

The Group applies the cost model to Property, Plant & Equipment except for freehold land and buildings.

(b) Revaluation Model

The group applies the revaluation model to the entire class of freehold land and buildings. A revaluation is carried out when there is a substantial difference between the fair value and the carrying amount of the property, and is undertaken by professionally qualified valuers. Group reviews its assets once in every 2 years.

Increases in the carrying amount on revaluation is recognised in other comprehensive income and accumulated in equity in the revaluation reserve unless it reverses a previous revaluation decrease relating to the same asset, which was previously recognised as an expense. In these circumstances the increase is recognised as income to the extent of the previous write down.

Decreases in the carrying amount on revaluation that offset previous increases of the same individual assets are charged against revaluation reserve directly in equity. All other decreases are recognised in profit and loss.

The relevant portion of the revaluation reserve is transferred to retained earnings as the asset is depreciated with the balance being transferred on ultimate disposal.

(c) Subsequent Costs

The cost of replacing part of an item of Property, Plant & Equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within that part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of Property, Plant & Equipment are recognised in profit and loss as incurred.

(d) Depreciation

Depreciation is calculated over the depreciable amount, or other amount substituted for cost, less its residual value.

Depreciation is recognised in profit and loss on a straight-line basis over the estimated useful lives of each part of an item of Property, Plant & Equipment, since this most closely reflected the expected pattern of consumption of the future economic benefits embodied in the asset. Freehold land is not depreciated.

The estimated useful lives are as follows:

Motor Vehicles	over 7 years
Furniture and Equipment	over 10 years
Plant and Machinery	over 10 years
EDP Equipment	over 5 years
EDP Equipment - Computer Servers	7 years
Shop Furniture and Equipment	over 7 years
Improvement on Leasehold Premises	over 4 to 10 years
Freehold Buildings	over 37.5 to 50 years

Depreciation of an asset commences when the asset is available-for-use and ceases at the earlier of the date the asset is classified as held-for-sale and the date that the asset is derecognised.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(e) Derecognition

An item of Property, Plant & Equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains and losses arising on derecognition of the asset are determined by comparing the proceeds from disposal with the carrying amount of Property, Plant & Equipment and are recognised net within 'Other Income' in profit and loss.

2.3.2 Intangible Assets

An intangible asset is recognised if it is probable that future economic benefits will flow to the entity and the cost of the asset can be measured reliably in accordance with LKAS 38 - 'Intangible Assets'. Intangible assets with finite useful lives are measured at cost, less accumulated amortisation and accumulated impairment losses.

The useful lives of intangible assets are assessed to be either finite or indefinite.

(a) Subsequent Expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally-generated goodwill and brands are recognised in profit or loss as incurred.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates. Amortisation expense on intangible assets with finite lives is recognised in profit and loss on a straight-line basis over the estimated

useful lives, from the date they are available-for-use.

The estimated useful lives of intangible assets with finite lives are as follows:

The Class of Intangible Assets	Useful Life
Computer Software	10 years
Other Intangible Assets Externally Acquired	5 years

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. Such intangible assets are not amortised.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit and loss when the asset is derecognised.

Intangible assets with indefinite useful lives represent Trade Marks purchased and were recorded at cost.

2.4 Financial Instruments

2.4.1 Non-Derivative Financial Assets

The Group recognises financial assets in its Statement of Financial Position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of a financial asset or a liability (other than financial assets at fair value through profit or loss) are added or deducted from the fair value of the financial asset, as appropriate, on initial recognition. Transaction costs that are directly attributable to the acquisition of financial assets at fair value through profit or loss are recognised immediately in the Income Statement.

The Group derecognises financial assets when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial

assets in a transaction in which substantially all the risks and rewards of ownership of the financial assets are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount is presented when, and only when the Group has a legal right to offset the amount and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group categorises non-derivative financial assets held-to-maturity financial assets, loans and receivables and available-for-sale financial assets.

2.4.1.1 Held-to-Maturity Financial Assets

A non-derivative financial asset with fixed or determinable payments with fixed maturity where Group intends to hold to maturity is classified under this category.

Held-to-maturity financial assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition held-to-maturity financial assets are measured at amortised cost using the effective interest method, less any impairment losses.

Held-to-maturity financial assets comprise of Treasury Bills and Treasury Bonds.

2.4.1.2 Loans and Receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs.

Subsequent to initial recognition loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise of HP and lease receivable, related party loans, staff loans, cash and cash equivalents and trade and other receivables.

2.4.1.3 Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand, demand deposits and short-term highly liquid investments, readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

For the purpose of Cash Flow Statement, cash and cash equivalents consist of cash in hand and deposits in banks net of outstanding bank overdrafts.

2.4.1.4 Available-for-Sale Financial Assets

Available-for-sale financial assets are non-derivative financial assets that are recognised as available-for-sale or not classified in any previous categories. Available-for-sale financial assets are recognised initially at fair value plus any directly attributable transaction costs.

Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses, are recognised in the Other Comprehensive Income and presented in the available-for-sale reserve in equity. When an investment is derecognised, the cumulative gain or loss in Other Comprehensive Income is transferred to Profit or Loss.

Available-for-sale financial assets comprise of equity investments.

2.4.2 Non-Derivative Financial Liabilities

The Group initially recognises debt securities issued and subordinated liabilities on the date that they are originated. All other liabilities are recognised initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

The Group classifies non-derivative financial liabilities into other financial liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Other financial liabilities comprise interest-bearing borrowings, bank overdrafts and trade and other payables.

Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the Statement of Cash Flows.

2.4.2.1 Derecognition of Financial Liability

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expired. Financial assets and liabilities are offset and the net amount presented in the Statement of Financial Position when and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset or settle the liability simultaneously.

2.4.3 Stated Capital

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

2.4.4 Impairment

2.4.4.1 Impairment of Non-Derivative Financial Assets

Financial assets, other than those measured at fair value are assessed for indicators of impairment at the end of each Reporting period. Financial assets are considered to be impaired when there is objective evidence that as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash from the asset have been affected.

The Group assesses at each Reporting date, whether there is any objective evidence that a financial asset or a group of financial assets are impaired. A financial asset or a group of financial assets are deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset and

that loss event have an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

(a) Impairment Losses on Financial Assets Carried at Amortised Cost

Impairment losses on assets carried at amortised cost are measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the asset's original effective interest rate.

When the group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are write off.

Impairment losses are recognised in Profit or Loss and reflected in an allowance account against loans and advances. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through Profit or Loss.

(b) Impairment Losses on Available-for-Sale Financial Assets

Impairment losses on available-for-sale financial assets are recognised by the reclassifying losses accumulated in the fair value reserve to Profit or Loss. The amount reclassified is the difference between the acquisition cost (net of any principle repayment and amortisation) and the current fair value, less any impairment loss previously recognised in Profit and Loss. If the fair value of an impaired available-for-sale debt security subsequently increases and the increase can be related objectively to an event occurring after the impairment loss was recognised, then the impairment loss is reversed through Profit and Loss, otherwise, it is reversed through Other Comprehensive Income.

2.4.4.2 Impairment of Non-Financial Assets

The carrying amount of the Group's non-financial assets other than inventories and deferred tax assets are reviewed at each Reporting date to determine

whether there is an indication of impairment. If any such indication exists or when annual impairment testing for an asset is required, then the assets, recoverable amount is estimated.

For impairment testing, assets are grouped in to the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash flows of other assets or other cash-generating unit (CGU). Goodwill arising from business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of combination.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value, using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value, less costs to sell, an appropriate valuation model is used.

An impairment loss is recognised if the carrying amount of an asset or cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in Profit and Loss. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the assets 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.

2.5 Inventories

Inventories are measured at the lower of cost and net realisable value, after making due allowances for obsolete and slow moving items. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and selling expenses. Group assess the NRV by giving consideration to future demand and condition of inventory and make adjustments to the value by making required provisions.

The cost of each category of inventory is determined on the following basis:

Raw Materials	- At actual cost on first-in first-out basis.
Finished Goods (Excluding Factory)	- Weighted average cost.
Finished Goods and Work-in-Progress at Piliyandala Factory	- At the cost of direct materials, direct labour and an appropriate proportion of fixed production overheads, based on normal operating capacity.
Goods-in-Transit	- At actual cost.
Supplies and Parts	- Purchase cost, less issues for the period valued at a standard percentage of selling price (requires revision).
Repossessed Goods	- Half of its weighted average cost.

2.6 Provisions

A provision is recognised in the Statement of Financial Position when the company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation and the amount of the provision can be measured reliably in accordance with LKAS 37 - 'Provisions, Contingent Liabilities and Contingent Assets'. The amount recognised is the best estimate of the consideration required to settle the present obligation at the Reporting date, taking into account the risks and uncertainties surrounding the obligation at the date. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is determined based on the present value of those cash flows.

2.6.1 Provisions for Warranties

A provision for warranties is recognised when the underlying products or services are sold. The provision is based on historical warranty data and a weighing of all possible outcomes against their associated probabilities.

2.6.2 Capital Commitments and Contingencies

Capital commitments and contingent liabilities of the Group are disclosed in the respective Notes to the Financial Statements.

2.7 Employee Benefits

2.7.1 Defined Benefit Plan

The Group net obligation in respect of defined benefit plan is calculated by estimating the amount of future benefits that employees have earned in current and prior periods discounting that amount.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. Re-Measurement of the net defined benefit liability, which comprise actuarial gains and losses are recognised immediately in OCI. The Group determines the net interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then - net defined liability, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in Profit or Loss.

The liability is not externally funded.

2.7.2 Defined Contribution Plans - Employees' Provident Fund/Mercantile Services Provident Society and Employees' Trust Fund

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Employees are eligible for contributions to Employees' Provident Fund/Mercantile Services Provident Society and Employees' Trust Fund in line with the respective statutes and regulations. The Company contributes 12%, 12% and 3% of gross emoluments of employees to the Employees' Provident Fund, Mercantile Services Provident Society and the Employees' Trust Fund, respectively and is recognised as an expense in Profit and Loss in the periods during which services are rendered by employees.

2.7.3 Short-Term Benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus if the Group has a present legal or constructive obligation to pay this amount as a result of past services provided by the employee and the obligation can be measured reliably.

2.8 Statement of Profit or Loss and Other Comprehensive Income

2.8.1 Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue and associated costs incurred or to be incurred can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and turnover taxes. The following specific criteria are used for the purpose of recognition of revenue:

(a) **Sale of Goods (Normal Trading Transactions)**
Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to buyers, the recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods and the amount of revenue can be measured reliably. Revenue is measured net of returns and trade discounts.

(b) **Sale of Goods (Hire Purchase Transactions)**
At the time of effecting hire sales, the cash sales value is recognised as sales.

The unearned income is recognised as income over the term of hire purchase contract commencing from the month in which first rental is due, in proportion to the declining receivable balance, so as to produce a constant periodic rate of return on the hirer's net investment outstanding on the hire purchase.

(c) **Interest - Other**
Interest income is recognised in Profit and Loss as it accrues and is calculated by using the effective interest rate method.

(d) **Dividends**
Dividend income is recognised in Profit and Loss when the right to receive dividends is established.

(e) **Service Fee Income on Hire Purchase**
Service fee income is recognised over the length of hire purchase agreement using the effective interest rate method. In the event of early termination of the hire purchase contract or cash conversion remaining deferred, service income is recognised when such contract is recognised or converted.

(f) **Income on Suraksha and Extended Warranty Scheme**
Income is recognised over the period of contract. Unrecognised income is accounted for as deferred revenue.

(g) **Others**
Other income is recognised on an accrual basis.

Net gains and losses of a revenue nature on the disposal of Property, Plant & Equipment and other non-current assets including investments have been accounted for in Profit and Loss, having deducted from proceeds on disposal, the carrying amount of the assets and related selling expenses.

2.8.2. Revenue Recognition Policy of Singer Finance (Lanka) PLC

(a) **Hire Purchase, Lease and Loans and Advances**
The excess of aggregated contract receivables over the cost of the hired assets constitutes the total unearned income at the commencement of a contract. The unearned income is recognised as revenue as it is earned, using the effective interest rate method.

(b) **Interest**
Interest income and expense are recognised in profit or loss using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial assets or liability (or, where appropriate, a shorter period) to the carrying amount of the financial asset or liability. When calculating the effective interest rate, the Company estimates future cash flows considering all contractual terms of the financial instruments, but not future credit losses.

(c) **Fees and Commission**
Fees and commission income and expense that are integral to the effective interest rate on a financial asset or liability are included in the measurement of the effective interest rate. Other fees and commission income, including account servicing fees, are recognised as the related services are performed. Other fees and commission expense relate mainly to transactions and service fees, which are expensed as the services are received.

(d) Deposit Insurance Scheme

In terms of the Finance Companies Direction No. 2 of 2010 - 'Insurance of Deposit Liabilities' issued on 27th September 2010 all Registered Finance Companies are required to insure their deposit liabilities in the Deposit Insurance Scheme operated by the Monetary Board in terms of Sri Lanka Deposit Insurance Scheme Regulations No. 1 of 2010 issued under Sections 32 A to 32 E of the Monetary Law Act with effect from 1st October 2010.

Deposits to be insured include demand, time and savings deposit liabilities and exclude the following:

- Deposit liabilities to member institutions
- Deposit liabilities to Government of Sri Lanka
- Deposit liabilities to Directors, Key Management Personnel and other related parties as defined in Finance Companies Act Direction No. 3 of 2008 on Corporate Governance of Registered Finance Companies
- Deposit liabilities held as collateral against any accommodation granted
- Deposit liabilities falling within the meaning of dormant deposits in terms of the Finance Companies Act, funds of which have been transferred to Central Bank of Sri Lanka
- Registered Finance Companies are required to pay a premium of 0.15% on eligible deposit liabilities as at end of the month to be payable within a period of 15 days from the end of the respective month

(e) Reserve Fund

The Company is maintaining a reserve fund in compliance with Direction No. 1 of 2003 - Central Bank (Capital Funds) issued to Finance Companies and it will be used only for the purpose specified in the said Direction above. The details of the reserve fund are disclosed in Note 27 (a).

2.8.3 Expenditure Recognition

(a) Expenses are recognised in Profit and Loss on the basis of a direct association between the cost incurred and the earning of specific items of income. All expenditure incurred

in the running of the business and in maintaining the Property, Plant & Equipment in a state of efficiency has been charged to income in arriving at the profit for the year.

(b) For the purpose of presentation of the Income Statement, the Directors are of the opinion that 'function of expenses method' presents fairly the elements of the Company's performance and hence such presentation method is adopted.

2.8.4 Net Finance Cost

Finance income comprises interest income on funds invested and which is recognised as it accrues in Profit or Loss, using the effective interest method.

Finance cost comprises interest payable on borrowings. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in Profit or Loss using the effective interest method.

Foreign currency gains and losses are reported on a net basis as either finance income or finance cost, depending on whether foreign currency movements are in net gain or net loss position.

2.8.5 Taxation

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

(a) Current Taxes

The current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the Reporting date and any adjustment to tax payable in respect of previous years.

(b) Deferred Taxation

Deferred tax is recognised in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on tax laws that have been enacted or substantively enacted by the Reporting date.

A deferred tax asset is recognised for unused tax losses and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date and is reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset if there is legally enforceable right to offset deferred tax assets and liabilities and when the deferred tax relate to income tax levied on the same tax authority on the same taxable entity or on different tax entity but then intend to settle relevant tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Tax withheld on dividend income from subsidiaries and associates is recognised as an expense in the Consolidated Income Statement at the same time as the liability to pay the related dividend is recognised.

2.8.6 Regulatory Provisions Related to Singer Finance (Lanka) PLC

Investment Fund Account

As proposed in the Budget 2011, an Investment Fund has been established and operated in the manner described below. As and when taxes are paid 1st January 2011, following funds are transferred to the Investment Fund Account and build a permanent fund in the Company.

- 8% of the profits calculated for the payment of Value Added Tax (VAT) on financial services on the dates as specified in the VAT Act for the payment of VAT.
- 5% of the profit before tax calculated for payment of income tax purposes on dates specified in Section 113 of the Inland Revenue Act for the self-assessment payments of tax.

The Company shall utilise the funds in the Investment Fund Account as specified by the Direction.

The operation of this fund was ceased with effect from 1st October 2014.

2.9 Events After the Reporting Period

All material events after the Reporting date have been considered and where necessary adjustments made in these Financial Statements.

2.10 Earnings Per Share

The Group 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 number of ordinary shares outstanding during the period.

2.11 Segment Reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components. All operating results are reviewed regularly by the Group Chief Executive Officer (CEO) to make decisions regarding resources to be allocated to the segments and to assess its performance and for which discrete finance information is available.

Segment results that are reported to the Group CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Segment capital expenditure is the total cost incurred during the period to acquire Property, Plant & Equipment and intangible assets other than goodwill.

Segment information is presented in the respective Notes to the Financial Statements.

2.12 Cash Flow Statement

The Cash Flow Statement has been prepared using the indirect method.

2.13 New Accounting Standards Issued but Not Yet Effective

A number of new standards and amendments to the standards are effective or annual periods beginning after 1st January 2014.

However, the group has not applied the following new or amended standards in preparing these Consolidated Financial Statements:

New or Amended Standards	Summary of the Requirement	Possible Impact on Consolidated Financial Statements
SLFRS 9 – Financial Instruments	SLFRS 9, published in July 2014, replace the existing guidance in LKAS 39 - 'Financial Instruments: Recognition and Measurement'. SLFRS 9 includes revised guidance on the classification and measurement of financial instruments, including new expected credit loss model for calculating impairment on financial assets and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of the financial instruments from LKAS 39. SLFRS 9 is effective for annual reporting periods beginning on or after 1st January 2018, with early adoption permitted.	The Group is assessing the potential impact on its Consolidated Financial Statements resulting from the application of SLFRS 9
SLFRS 15, Revenue from Contracts with Customers	SLFRS 15 established a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition, guidance, including LKAS 18 - 'Revenue', LKAS 11 - 'Construction Contracts' and IFRIC 13 - 'Customer Loyalty Programmes'. SLFRS 15 is effective for annual reporting periods beginning on or after 1st January 2017, with early adoption permitted.	The group is assessing the potential impact on its Consolidated Financial Statements resulting from the application of SLFRS 15

The following new or amended standards are not expected to have a significant impact on the Group's Consolidated Financial Statements - SLFRS 14 - 'Regulatory Deferral Accounts'.

3. Revenue

Year ended 31st December	Consolidated		Company	
	2014 Rs.	2013 Rs.	2014 Rs.	2013 Rs.

3.1 Summary

Turnover	29,699,602,382	25,485,560,907	27,130,594,150	23,717,117,022
	29,699,602,382	25,485,560,907	27,130,594,150	23,717,117,022

3.2 Revenue

Sale of Goods	25,260,431,325	21,329,264,368	24,527,821,933	21,329,264,368
Rendering of Services	4,439,171,057	4,156,296,539	2,602,772,217	2,387,852,654
	29,699,602,382	25,485,560,907	27,130,594,150	23,717,117,022

4. Operating Segments

4.1 Segment

Products and Services

Sewing-Related Products	Domestic and Industrial Sewing Machines and General Merchandise.
Consumer Electronics	Televisions, Audios, DVD, Blu-ray Players, Speakers and Other Electronic Products.
White Goods	Refrigerators, Washing Machines, Deep Freezers, Bottle Coolers, Air Conditioners and Fans.
Kitchen-Related Products	Table Tops, Gas Ovens, Rice Cookers, Microwave Ovens, Electric Ovens, Grinders and Blenders.
Communications	Computers, Laptops, CDMA, Mobile Phones, Smartphones and Dialog Satellite Dishes.
Furniture	Wood and Layered Furniture, Sofa Sets and Steel Furniture.
Transportation	Motor Bikes and Bicycles.
Agro	Water Pumps, Paddy Threshers, Two - Wheel Tractors and Wood Working Machines.
Singer Finance (Lanka) PLC	Leasing, Hire Purchase and Loans.
Singer Digital Media (Pvt) Ltd.	Computers, Mobile Phones, Smartphones and Cameras.

4.2 Segmental Analysis of Revenue is as Follows:

	Consolidated		Company	
	2014 Rs. '000	2013 Rs. '000	2014 Rs. '000	2013 Rs. '000
Sewing-Related Products	3,024,830	2,385,026	3,024,830	2,385,026
Consumer Electronics	6,097,785	5,639,628	6,097,785	5,639,628
White Goods	9,015,325	7,828,143	9,015,325	7,828,143
Kitchen-Related Products	1,893,689	1,613,180	1,893,689	1,613,180
Communications	3,623,115	3,132,855	3,623,115	3,132,855
Furniture	1,709,626	1,578,659	1,709,626	1,578,659
Transportation	569,285	618,480	569,285	618,480
Agro	1,196,939	921,146	1,196,939	921,146
Singer Finance (Lanka) PLC	1,836,399	1,768,444	-	-
Singer Digital Media (Pvt) Ltd.	732,609	-	-	-
	29,699,602	25,485,561	27,130,594	23,717,117

4.3 Segmental Analysis of Profit before Tax is as Follows:

	Consolidated		Company	
	2014 Rs. '000	2013 Rs. '000	2014 Rs. '000	2013 Rs. '000
Sewing-Related Products	69,800	41,378	69,800	41,378
Consumer Electronics	160,309	99,714	160,310	99,714
White Goods	190,042	117,498	190,042	117,498
Kitchen-Related Products	54,383	32,928	54,383	32,928
Communications	41,023	35,816	41,023	35,816
Furniture	36,189	26,005	36,189	26,005
Transportation	3,113	2,770	3,113	2,770
Agro	27,637	12,754	27,636	12,754
Singer Finance (Lanka) PLC	489,998	357,537	-	-
Singer Digital Media (Pvt) Ltd.	81,115	-	-	-
Segment Result	1,153,609	726,400	582,496	368,863
Dividend from Associates/Subsidiary	36	759	77,765	79,172
Share of Profits on Equity Accounted Investee	1,963	1,283	-	-
	1,155,608	728,440	660,261	448,034

4.4 There are no separately distinguishable assets and liabilities for the above segments.

5. Other Income

	Consolidated		Company	
	2014 Rs.	2013 Rs.	2014 Rs.	2013 Rs.
Dividend Income - Quoted	-	18,000	77,764,667	77,764,667
- Unquoted	36,227	1,406,922	227	1,406,922
Gain/(Loss) on Disposal of Property, Plant & Equipment	(6,220,984)	175,520	(6,220,984)	175,520
Miscellaneous Income	59,828,524	62,461,786	23,504,092	45,878,007
Income from Financial Services	70,666,875	67,739,868	70,666,875	67,739,868
Less: Dividends Received from Equity Accounted Investees	-	(648,000)	-	-
	124,310,642	131,154,096	165,714,877	192,964,984

6. Other Expenses

Depreciation on Property, Plant & Equipment (Notes 12.7 and 12.14)	259,099,967	197,123,746	244,848,488	187,048,671
Amortisation of Intangible Assets with Finite Useful Lives (Note 13.8)	20,816,340	11,797,982	15,950,950	8,029,903
	279,916,307	208,921,728	260,799,438	195,078,574

	Consolidated		Company	
	2014 Rs.	2013 Rs.	2014 Rs.	2013 Rs.
7. Net Finance Cost				
7.1 Finance Cost				
Interest on Overdrafts and Loans	1,022,683,730	1,281,284,604	1,031,123,920	1,281,284,604
Interest on Security Deposits	79,226,015	71,024,777	79,226,015	71,024,777
Loss on Translation of Foreign Currency	1,784,808	6,820,765	1,206,558	6,820,765
	1,103,694,553	1,359,130,146	1,111,556,493	1,359,130,146

7.2 Finance Income

Interest Income - Related Parties	1,369,067	7,108,616	22,504,030	104,614,488
- Others	76,480,444	67,710,704	15,657,633	15,398,977
Unwinding Interest Income on Interest Free Employee Loans	34,516,969	24,071,019	25,986,810	21,005,471
Gain on Translation of Foreign Currency	-	83,188	-	-
	112,366,480	98,973,527	64,148,473	141,018,936
Net Finance Cost	991,328,073	1,260,156,619	1,047,408,020	1,218,111,210

8. Share of Profit of Equity Accounted Investees (Net of Income Tax)

	Consolidated	
	2014 Share of Profit Rs.	2013 Share of Profit Rs.
Reality Lanka Ltd. (Note 15)	1,963,175	1,282,586
	1,963,175	1,282,586

9. Profit Before Tax

	Consolidated		Company	
	2014 Rs.	2013 Rs.	2014 Rs.	2013 Rs.
Stated After Charging All Expenses Including the Following:				
Executive Directors' Emoluments	46,950,840	52,930,607	38,643,674	43,483,187
Non-Executive Directors' Fees	9,737,937	9,552,099	6,897,537	6,871,699
Auditors' Remuneration - Statutory Audit	2,260,000	1,950,000	1,755,000	1,600,000
- Audit-Related Services	1,360,000	1,700,000	680,000	1,120,000
- Non-Audit Services	-	-	-	-
Impairment on Trade and Other Receivables	209,126,271	199,825,791	151,800,715	93,429,127
Impairment of Inventories	89,267,649	209,921	89,267,649	209,921
Personnel Costs (Note 9.1)	3,546,556,529	3,032,520,928	3,308,806,302	2,844,198,332
Operating Lease Rentals	649,957,489	554,437,308	621,898,805	528,983,351
Donations	658,700	418,308	658,700	418,308

9.1 Personnel Costs

	Consolidated		Company	
	2014 Rs.	2013 Rs.	2014 Rs.	2013 Rs.
Staff Costs	3,185,338,410	2,724,952,925	2,969,148,393	2,554,245,380
Voluntary Retirement Scheme	-	-	-	-
Defined Benefit Plan Costs - Retiring Gratuity	64,626,429	51,745,950	59,729,162	48,494,250
Defined Contribution Plan Costs - EPF, ETF and MSPS	296,591,690	255,822,053	279,928,747	241,458,702
	3,546,556,529	3,032,520,928	3,308,806,302	2,844,198,332

10. Income Tax Expense

	Consolidated		Company	
	2014 Rs.	2013 Rs.	2014 Rs.	2013 Rs.
Current Income Tax Expense				
Current Tax Expense on Ordinary Activities for the Year - (Note 10.1)	437,821,412	175,772,955	247,137,734	144,575,241
(Over) Provision in Respect of Previous Year	(2,099,598)	(4,986,877)	(2,099,598)	(4,986,877)
Tax on Dividend Income				
WHT on Dividend Received from Singer Finance (Lanka) PLC	8,640,518	8,712,519	-	-
	444,362,332	179,498,597	245,038,136	139,588,364
Deferred Tax				
Expense/(Income) (Note 10.2)	(70,388,102)	26,876,031	(48,408,393)	6,551,173
	373,974,230	206,374,628	196,629,743	146,139,537

10.1 Reconciliation Between Current Tax Expense and the Product of Accounting Profit

	Consolidated		Company	
	2014 Rs.	2013 Rs.	2014 Rs.	2013 Rs.
Profit before Tax	1,155,608,457	728,440,353	660,260,667	448,033,911
Share of Profit/(Loss) of Associates	(1,963,175)	(1,282,586)	-	-
Aggregate Accounting Profit	1,153,645,282	727,157,767	660,260,667	448,033,911
Aggregate Disallowable Expenses	1,854,855,058	1,802,011,133	346,841,083	542,299,662
Aggregate Tax Deductible Expenses	(1,484,880,229)	(1,900,631,425)	(46,702,093)	(394,821,839)
Income Not Liable for Tax	-	(776,922)	(77,764,894)	(79,171,589)
Consolidation Adjustment on Unrealised Profit in Inventory	43,027,789	-	-	-
Taxable Profit	1,563,647,900	627,760,553	882,634,763	516,340,146
Current Income Tax Expense	437,821,412	175,772,955	247,137,734	144,575,241

The Group tax expense is based on the taxable profit of each Company in the Group. Singer (Sri Lanka) PLC and two subsidiary companies - Singer Finance (Lanka) PLC and Singer Digital Media (Pvt) Ltd. are liable to Income Tax at 28% on taxable profit.

10.2 Deferred Tax Expense/(Income)

	Consolidated		Company	
	2014 Rs.	2013 Rs.	2014 Rs.	2013 Rs.
Deferred Tax Charge/(Credit) arising due to - Origination and Reversal of Temporary Differences (Note 27.1)	53,954,437	31,262,150	(44,022,573)	10,937,292
Deferred Tax Effect on Unrealised Profit in Inventory	12,047,845	-	-	-
- Deferred Tax Effect in Realisation of Revaluation Surplus (Note 27.2)	(4,385,820)	(4,386,119)	(4,385,820)	(4,386,119)
	(70,388,102)	26,876,031	(48,408,393)	6,551,173

10.3 Deferred Tax has been computed using the enacted tax rate of 28%.

10.4 Tax Recognised in Other Comprehensive Income

	2014			2013		
	Before Tax Rs.	Tax Expense Rs.	Net of Tax Rs.	Before Tax Rs.	Tax Expense Rs.	Net of Tax Rs.
Group						
Revaluation Gain on Property, Plant & Equipment (Note 23.1)	134,237,410	(14,634,552)	119,602,858	-	-	-
Actuarial Loss on Obligation (Note 28)	(13,830,288)	3,872,480	(9,957,808)	(4,175,478)	1,169,134	(3,006,344)
	120,407,122	(10,762,072)	109,645,050	(4,175,478)	1,169,134	(3,006,344)
Company						
Revaluation Gain on Property, Plant & Equipment (Note 23.1)	134,237,410	(14,634,552)	119,602,858	-	-	-
Actuarial Loss on Obligation (Note 28)	(11,658,866)	3,264,482	(8,394,384)	(3,728,007)	1,043,842	(2,684,165)
	122,578,544	(11,370,070)	111,208,474	(3,728,007)	1,043,842	(2,684,165)

11. Earnings Per Share

11.1 Basic Earnings per Share is calculated by dividing the profit for the year attributable to the ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.

11.2 The following reflects the income and share data used in the Basic Earnings per Share computations:

	Consolidated		Company	
	2014	2013	2014	2013
Amounts used as the Numerator				
Profit for the Year (Rs.)	781,634,227	522,065,724	463,630,925	301,894,374
Profit Attributable to Ordinary Shareholders for Basic Earnings per Share (Rs.)	714,208,315	462,092,642	463,630,925	301,894,374
Number of Ordinary Shares Used as Denominator				
Weighted Average Number of Ordinary Shares in Issue Applicable to Basic Earnings per Share	125,209,610	125,209,610	125,209,610	125,209,610
Basic Earnings per Share (Rs.)	5.70	3.69	3.70	2.41

12. Property, Plant & Equipment

12.1 Gross Carrying Amounts - Consolidated

	Balance as at 01.01.2014 Rs.	Additions/ Transfers Rs.	Increase/ (Decrease) in Revaluation Rs.	Disposals/ Transfers Due to Revaluation Rs.	Balance as at 31.12.2014 Rs.
At Cost					
Motor Vehicles	271,349,353	14,920,482	–	(14,342,028)	271,927,807
Furniture and Equipment	217,355,380	18,571,443	–	–	235,926,823
Plant and Machinery	193,839,895	43,591,998	–	–	237,431,893
Culinary School Equipment	75,814	–	–	–	75,814
E.D.P. Equipment	197,672,266	22,857,208	–	(55,000)	220,474,474
Shop Furniture	408,834,493	59,508,207	–	(9,342,172)	459,000,528
Shop Equipment	456,339,406	90,048,865	–	(11,441,721)	534,946,550
Improvements on Leasehold Premises	551,400,247	82,770,911	–	(15,404,845)	618,766,313
	2,296,866,854	332,269,114	–	(50,585,766)	2,578,550,202
At Valuation					
Freehold Land	583,697,750	–	81,971,150	–	665,668,900
Freehold Buildings	589,718,054	–	52,266,260	(44,881,766)	597,102,548
	1,173,415,804	–	134,237,410	(44,881,766)	1,262,771,448
Total Gross Carrying Amount	3,470,282,660	332,269,114	134,237,410	(95,467,532)	3,841,321,650

12.2 Depreciation and Impairment Losses

	Balance as at 01.01.2014 Rs.	Charge for the Year/ Transfer Rs.	Disposals/ Transfers Due to Revaluation Rs.	Balance as at 31.12.2014 Rs.
Freehold Buildings	22,378,454	22,503,312	(44,881,766)	–
Motor Vehicles	103,080,644	20,847,308	(4,204,815)	119,723,137
Furniture and Equipment	108,998,906	22,188,387	–	131,187,293
Plant and Machinery	124,186,342	19,030,599	–	143,216,941
Culinary School Equipment	75,814	–	–	75,814
E.D.P. Equipment	114,436,895	27,421,788	(55,000)	141,803,684
Shop Furniture	105,268,378	53,729,756	(7,985,776)	151,012,358
Shop Equipment	142,943,362	56,132,987	(11,350,341)	187,726,009
Improvements on Leasehold Premises	243,559,296	68,333,069	(13,224,457)	298,667,908
Total Depreciation and Impairment Loss	964,928,091	290,187,206	(81,702,155)	1,173,413,144

12.3 Carrying Amounts

	Group	
	31st December 2014 Rs.	31st December 2013 Rs.
At Cost	1,405,137,058	1,354,317,217
At Valuation	1,262,771,448	1,151,037,350
Total Carrying Amount of Property, Plant & Equipment	2,667,908,506	2,505,354,567

12.4 During the financial year, the Group acquired Property, Plant & Equipment to the aggregate value of Rs. 332,269,114/- (2013 - Rs. 580,563,470/-) on cash basis.

12.5 Lands and buildings were revalued during the financial year 2014 by Mr. Chulananda Wellappili, an Independent Valuer. The results of such revaluation were incorporated in these Financial Statements from its effective date which is 31st December 2014. Such assets were valued on an open market value for existing use basis. The surplus arising from the revaluation was transferred to a revaluation reserve.

12.6 The carrying amount of the revalued assets that would have been included in the Financial Statements had the assets been carried at cost would be as follows:

	Carrying Amount Rs.
Land	583,697,750
Building	544,961,146
Total Carrying Amount	1,128,658,896

12.7 Depreciation charge for the year is included in the following line items in the statement of profit or loss and other comprehensive income:

	2014 Rs.	2013 Rs.
Cost of Sales	31,087,239	22,414,845
Other Expenses Excluding Amortisation of Software and Externally Acquired Intangible Assets	259,099,967	197,123,746
	290,187,206	219,538,591

12.8 Gross Carrying Amounts - Company

	Balance as at 01.01.2014 Rs.	Additions/ Transfers Rs.	Increase/ (Decrease) in Revaluation Rs.	Disposals/ Transfers Rs.	Balance as at 31.12.2014 Rs.
At Cost					
Motor Vehicles	264,369,353	14,920,482	-	(14,342,028)	264,947,807
Furniture and Equipment	186,382,763	15,729,630	-		202,112,393
Plant and Machinery	193,839,895	43,591,998	-		237,431,893
Culinary School Equipment	75,814		-	-	75,814
E.D.P. Equipment	174,773,552	21,390,724	-	(55,000)	196,109,276
Shop Furniture	408,834,494	59,508,207	-	(9,342,172)	459,000,529
Shop Equipment	456,339,407	90,048,865	-	(11,441,721)	534,946,551
Improvements on Leasehold Premises	492,685,555	79,086,904	-	(15,404,845)	556,367,614
	2,177,300,833	324,276,810	-	(50,585,766)	2,450,991,877
At Valuation					
Freehold Land	583,697,750	-	81,971,150	-	665,668,900
Freehold Buildings	589,718,054	-	52,266,260	(44,881,766)	597,102,548
	1,173,415,804	-	134,237,410	(44,881,766)	1,262,771,448
Total Gross Carrying Amount	3,350,716,637	324,276,810	134,237,410	(95,467,532)	3,713,763,325

12.9 Depreciation and Impairment Losses

	Balance as at 01.01.2014 Rs.	Charge for the Year/ Transfers Rs.	Disposals/ Transfers Rs.	Balance as at 31.12.2014 Rs.
Freehold Buildings	22,378,454	22,503,312	(44,881,766)	–
Motor Vehicles	101,753,978	20,657,784	(4,204,815)	118,206,947
Furniture and Equipment	99,423,346	18,992,018	–	118,415,364
Plant and Machinery	124,186,342	19,030,599	–	143,216,941
Culinary School Equipment	75,814	–	–	75,814
E.D.P. Equipment	101,859,752	24,168,328	(55,000)	125,973,080
Shop Furniture	105,268,378	53,729,756	(7,985,776)	151,012,358
Shop Equipment	142,943,364	56,132,987	(11,350,341)	187,726,010
Improvements on Leasehold Premises	217,949,412	60,720,944	(13,224,457)	265,445,899
Total Depreciation and Impairment Losses	915,838,840	275,935,728	(81,702,155)	1,110,072,413

12.10 Carrying Amounts

	31st December 2014 Rs.	31st December 2013 Rs.
At Cost	1,340,919,465	1,283,840,447
At Valuation	1,262,771,448	1,151,037,350
Total Carrying Amount of Property, Plant & Equipment	2,603,690,913	2,434,877,797

12.11 During the financial year, the Company acquired Property, Plant & Equipment to the aggregate value of Rs. 324,276,810/- (2013 - Rs. 544,836,683/-) on cash basis.

12.12 Lands and Buildings were revalued during the financial year 2014 by Mr. Chulananda Wellappili, an Independent Valuer. The results of such revaluation were incorporated in these Financial Statements from its effective date which is 31st December 2014. Such assets were valued on an open market value for existing use basis. The surplus arising from the revaluation was transferred to a revaluation reserve.

12.13 The carrying amount of the revalued assets that would have been included in the Financial Statements had the assets been carried at cost would be as follows:

	Carrying Amount Rs.
Land	583,697,750
Building	544,961,146
Total Carrying Amount	1,128,658,896

12.14 Depreciation charge for the year is included in the following line items in the Statement of profit or loss and other comprehensive income:

	2014 Rs.	2013 Rs.
Cost of Sales	31,087,239	22,414,845
Other Expenses Excluding Amortisation of Software and Externally Acquired Intangible Assets	244,848,489	187,048,671
	275,935,728	209,463,516

12.15 Information on the Freehold Land and Buildings of the Company

Location	Extent (Perches)	Buildings (Square Feet)	Cost or Revaluation of Land Rs. '000	Cost or Revaluation of Buildings Rs. '000	Total Value Rs. '000	Accumulated Depreciation Rs. '000	Net Book Value Rs. '000	Net Book Value as a % of Revalued Amount
Ambalantota								
Main Street, Ambalantota	6.6	1,885	8,250,000	4,241,250	12,491,250	1,266,141	11,225,109	89
Balangoda								
Ratnapura Road, Balangoda	6.2	2,080	13,950,000	6,630,000	20,580,000	3,747,013	16,832,987	82
Bandarawela								
Main Street, Bandarawela	3.69	1,535	5,535,000	4,585,500	10,120,500	1,395,281	8,725,219	86
Borella								
D.S. Senanayaka Mawatha, Borella	4.84	1,700	30,160,000	6,693,750	36,853,750	4,092,122	32,761,628	89
Chilaw								
Bazaar Street, Chilaw	13.05	4,120	22,837,500	13,132,500	35,970,000	3,942,135	32,027,865	89
Kollupitiya								
No. 143, Galle Road, Colombo 03	3.35	1,560	21,775,000	5,760,000	27,535,000	1,005,332	26,529,668	96
Eheliyagoda								
Ratnapura Road, Eheliyagoda	5.73	1,660	7,162,500	4,793,250	11,955,750	2,032,285	9,923,465	83
Galle								
Main Street, Galle	2.84	2,250	7,831,000	9,000,000	16,831,000	2,182,316	14,648,684	87
Gampaha								
Colombo Road, Gampaha	19.45	7,870	40,207,500	26,758,000	66,965,500	7,282,266	59,683,234	89
Hikkaduwa								
Galle Road, Hikkaduwa	8.74	2,400	13,110,000	6,930,000	20,040,000	2,131,636	17,908,364	89
Hingurakgoda								
Main Road, Hingurakgoda	15.25	2,145	15,250,000	6,448,407	21,698,407	2,805,573	18,892,834	87
Kadawatha								
Kandy Road, Kadawatha	3.8	1,150	6,050,000	3,320,625	9,370,625	1,146,107	8,224,518	88
Kandy - Mega								
Sirimavo Bandaranaike Mawatha, Kandy	9.55	12,840	26,225,000	44,424,000	70,649,000	12,522,890	58,126,110	82
Katugastota								
Madawala Road, Katugastota	4.875	535	6,431,200	4,280,000	10,711,200	155,430	10,555,770	98
Kirindiwela								
Gampaha Road, Kirindiwela	8.1	2,940	12,150,000	8,232,000	20,382,000	2,431,651	17,950,349	88
Kurunegala								
Bodhiraja Mawatha, Kurunegala	7.66	2,230	19,150,000	5,510,000	24,660,000	1,839,898	22,820,102	92
Maharagama								
High Level Road, Maharagama	6.2	2,700	18,600,000	9,180,000	27,780,000	2,375,347	25,404,653	91
Matara								
Anagarika Dharmapala Mawatha, Matara	10	3,520	25,200,000	12,516,000	37,716,000	3,612,579	34,103,421	90
Middeniya								
Katuwana Road, Middeniya	8.25	2,670	9,900,000	7,008,250	16,908,250	2,143,019	14,765,231	87
Mount Lavinia								
Galle Road, Mount Lavinia	7.5	1,900	26,250,000	6,460,000	32,710,000	1,899,965	30,810,035	94
Mount Lavinia - Mega								
Galle Road, Mount Lavinia	20	15,840	64,644,700	65,713,728	130,358,428	17,730,446	11,629,982	86

Location	Extent (Perches)	Buildings (Square Feet)	Cost or Revaluation of Land Rs. '000	Cost or Revaluation of Buildings Rs. '000	Total Value Rs. '000	Accumulated Depreciation Rs. '000	Net Book Value Rs. '000	Net Book Value as a % of Revalued Amount
Nawalapitiya								
Kotmale Road, Nawalapitiya	5.25	2,760	8,460,000	5,796,000	14,256,000	2,329,847	11,926,153	84
Negombo								
Greens Road, Negombo	6	2,040	16,500,000	5,533,500	22,033,500	1,877,430	20,156,070	91
Nuwara-Eliya								
Kandy Street, Nuwara-Eliya	4.65	1,700	13,020,000	5,440,000	18,460,000	1,703,808	16,756,192	91
Panadura								
Galle Road, Panadura	6.15	2,940	12,300,000	8,820,000	21,120,000	2,630,242	18,489,758	88
Piliyandala								
Gonamadiitta Road, Piliyandala	1151.95	116,410	137,322,000	281,070,663	418,392,663	61,584,223	356,808,440	85
Pussellawa								
Nuwara-Eliya Road, Pussellawa	12.43	3,295	15,537,500	8,402,250	23,939,750	3,137,170	20,802,580	87
Ratnapura								
Colombo Road, Ratnapura	5.8	2,735	11,600,000	8,136,625	19,736,625	2,613,229	17,123,396	87
Tangalle								
Matara Road, Tangalle	4.6	1,285	9,200,000	1,606,250	10,806,250	157,920	10,647,330	99
Trincomalee								
North Coast Road, Trincomalee	12.12	2,184	11,160,000	2,850,000	14,010,000	553,682	13,456,318	96
Wellawatta								
Galle Road, Wellawatta, Colombo 06	4.6	2,700	29,900,000	7,830,000	37,730,000	2,797,740	34,932,260	92
			665,668,900	597,102,548	1,262,771,448	157,124,723	1,105,646,725	

12.16 Measurement of Fair Values

(i) Fair Value Hierarchy

The fair value of property was determined by external independent property values having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued.

The fair value measurement for all of properties has been categorised as level 03 fair value based on the input to the valuation technique used.

(ii) Valuation Technique and Significant Unobservable Inputs

The following table shows the valuation technique used in measuring the fair value of property, as well as the significant unobservable inputs used:

Valuation Technique	Significant Unobservable Inputs	Interrelationship between Key Unobservable Inputs and Fair Value Measurements
Contractors Method: The contractor's method works on the basis that a property's value can be equated to its cost. Valuer assess the cost of the building if it would have constructed in current year, and deduct margin for usage of the property based on their year of construction.	<ul style="list-style-type: none"> Market value of land (Price per Perch), Valuer has used a range of prices for respective lands based on their recently transacted cost. Construction cost per square feet of a building. Depreciation rate for the usage of assets. 	<p>The estimated fair value would increase/(decrease) if</p> <ul style="list-style-type: none"> Market Value per perch was higher (lower) Cost per square feet was higher (lower) Depreciation rate for usage lower (higher)
Land value is based on the market prices of each land respectively. Value of property is considered as summation of land & building value.		

13. Intangible Assets

	Consolidated		Company	
	2014 Rs.	2013 Rs.	2014 Rs.	2013 Rs.
Trade Mark (Note 13.1)	93,512,500	93,512,500	93,512,500	93,512,500
Software (Note 13.2)	103,701,697	104,569,166	65,468,610	72,588,503
Other Intangible Assets Externally Acquired (Note 13.3)	46,431,920	–	46,431,920	–
	243,646,117	198,081,666	205,413,030	166,101,003

13.1 Trade Marks

	Consolidated		Company	
	2014 Rs.	2013 Rs.	2014 Rs.	2013 Rs.
Cost				
As at the beginning of the Year	93,512,500	93,512,500	93,512,500	93,512,500
As at the end of the Year	93,512,500	93,512,500	93,512,500	93,512,500
Less: Accumulated Impairment Loss	–	–	–	–
Net Carrying Amount	93,512,500	93,512,500	93,512,500	93,512,500

13.2 Software

	Consolidated		Company	
	31st December 2014 Rs.	31st December 2013 Rs.	31st December 2014 Rs.	31st December 2013 Rs.
Cost				
As at the beginning of the Year	219,234,490	157,810,460	167,628,752	119,651,141
Transferred from Property, Plant & Equipment	–	40,800,282	–	40,800,282
Acquired/Incurred during the Year	19,948,871	20,623,748	8,831,057	7,177,329
As at the end of the Year	239,183,361	219,234,490	176,459,809	167,628,752
Amortisation				
As at the beginning of the Year	114,665,324	68,467,075	95,040,249	52,610,079
Amortisation Charge for the Year	20,816,340	5,397,967	15,950,950	1,629,888
Transferred from Property, Plant & Equipment	–	40,800,282	–	40,800,282
As at the end of the Year	135,481,664	114,665,324	110,991,199	95,040,249
Carrying Amount				
As at the beginning of the Year	104,569,166	89,343,385	72,588,503	67,041,062
As at the end of the Year	103,701,697	104,569,166	65,468,610	72,588,503

13.3 Other Intangible Assets Externally Acquired

	Consolidated		Company	
	2014 Rs.	2013 Rs.	2014 Rs.	2013 Rs.
Cost				
As at the beginning of the Year	32,000,000	32,000,000	32,000,000	32,000,000
Acquired/Incurred during the Year (Note 13.7)	46,431,920	–	46,431,920	–
As at the end of the Year	78,431,920	32,000,000	78,431,920	32,000,000
Amortisation				
As at the beginning of the Year	32,000,000	25,599,985	32,000,000	25,599,985
Amortisation Charge for the Year	–	6,400,015	–	6,400,015
As at the end of the Year	32,000,000	32,000,000	32,000,000	32,000,000
Carrying Amount				
As at the beginning of the Year	–	6,400,015	–	6,400,015
As at the end of the Year	46,431,920	–	46,431,920	–
Total Net Carrying Amount	243,646,117	198,081,666	205,413,030	166,101,003

13.4 SISIL Trademark

The Company had acquired the 'SISIL' Trademark in December 2000, amounting to Rs. 55 million. The management is in the opinion that the aforementioned trademark has an indefinite useful life as their associated brand awareness and recognition has existed over 50 years and the Company intends to utilise and the said trademark for the foreseeable future. There are no legal, regulatory, contractual, competitive, economic, or other factors that may limit its useful life and accordingly, the carrying amount of this trademark is determined after testing for impairment annually. Following assumptions are made to test for any impairment as at 31st December 2014:

Annual Sales Growth for the Next Five Years	10%
Gross Margin	24%
Discount Rate	10.50%
Indefinite Growth Rate after Year 2019	2%

13.5 UNIC Trademark

The Company had acquired the 'UNIC' Trademark in 2006 amounting Rs. 38,512,500/-. This trademark is also considered to have an indefinite useful life due to the factors mentioned in the preceding paragraph and accordingly, the carrying amount of this trademark is determined after testing for impairment annually. Following assumptions are made to test for impairment as at 31st December 2014:

Annual Sales Growth for the Next Five Years	10%
Gross Margin	28%
Discount Rate	10.50%
Indefinite Growth Rate after Year 2019	2%

13.6 The Company took over the showrooms, retail operation of the Hayleys Electronic Retail Ltd. from 2nd January 2008 and agencies of Phillips and Kenwood from Hayleys Electronic Ltd. for Rs. 32 million. The entire purchase consideration was treated as Goodwill and is amortised over the determined useful life of 5 years commencing from the period beginning 1st January 2009.

13.7 SONY Distribution Rights

The Company had acquired the distribution rights of brand 'SONY' in 2014 amounting to Rs. 46,431,920/-. This assets are now carried at cost subject to annual impairment test and carrying amount as at 31st December 2014 was Rs. 46,431,920/-. This distribution right considered to have an indefinite useful life. Accordingly, the carrying amount of this trademark is determined after testing for impairment annually. Following assumptions are made to test for impairment as at 31st December 2014:

Annual Sales Growth for the Next Five Years	10%
Gross Margin	24%
Discount Rate	10.50%
Indefinite Growth Rate after Year 2019	2%

	Consolidated		Company	
	31st December 2014 Rs.	31st December 2013 Rs.	31st December 2014 Rs.	31st December 2013 Rs.
13.8 Amortisation Charge for the Year				
Amortisation of Software	20,816,340	5,397,967	15,950,950	1,629,888
Amortisation of Other Intangible Assets Externally Acquired	–	6,400,015	–	6,400,015
	20,816,340	11,797,982	15,950,950	8,029,903

14. Investment in Subsidiaries - Company

	Country of Incorporation	No. of Shares	No. of Shares	Carrying Value	Carrying Value	Market Value/ Directors Valuation	Market Value/ Directors Valuation
		2014	2013	2014 Rs.	2013 Rs.	2014 Rs.	2013 Rs.
Singer Finance (Lanka) PLC	Sri Lanka						
Investment on 1st January		132,931,054	80,000,000	982,241,596	400,000,000	1,855,293,332	1,096,000,000
Investment made during the Year		–	52,931,054	–	582,241,596	–	–
Investment as at 31st December		132,931,054	132,931,054	982,241,596	982,241,596	2,252,690,026	1,555,293,332
Singer Digital Media (Pvt) Ltd.	Sri Lanka						
Investment on 1st January		–	–	–	–	–	–
Investment made during the Year		500,000	–	5,000,000	–	–	–
Investment as at 31st December		500,000	–	5,000,000	–	94,382,793	–
Total Investment in Subsidiaries		–	–	987,241,596	982,241,596	2,620,072,819	1,555,293,332

15. Investments in Equity Accounted Investees

15.1 Investment in Equity Accounted Investees - Consolidated

	Holding %		Consolidated Carrying Amount	Share of Profit/(Loss) Net of Dividends Received for the Year	Consolidated Carrying Amount
	31st December 2014	31st December 2013	31st December 2014 Rs.	Rs.	31st December 2013 Rs.
Non-Quoted					
Reality Lanka Ltd. (Note 15.2)	40	40	55,188,967	1,963,175	53,225,792
Telshan Network (Pvt) Ltd.	23.56	23.56	-	-	-
Total Non-Quoted Investments in Equity Accounted Investees			55,188,967		53,225,792
Net Carrying Amount of Investments in Equity Accounted Investees			55,188,967		53,225,792

15.2 Share of Equity Accounted Investee Retained Profit

	Consolidated	
	31st December 2014 Rs.	31st December 2013 Rs.
Reality Lanka Ltd.		
Balance Brought Forward	5,225,792	4,663,206
Current Year Share of Profit	1,963,175	1,282,586
Less: Dividends Received - Gross	-	(720,000)
Total Share of Equity Accounted Investees Retained Profits	7,188,967	5,225,792
Cost of Equity Accounted Investees (Note 15.3)	48,000,000	48,000,000
Total Carrying Amount of Investment in Equity Accounted Investees	55,188,967	53,225,792

15.3 Movement of Investment - Cost

	Consolidated Balance as at 31st December 2013 Rs.	Increase/ (Decrease) in Investments Rs.	Consolidated Balance as at 31st December 2014 Rs.
Reality Lanka Ltd.	48,000,000	-	48,000,000
Telshan Network (Pvt) Ltd. (Note 15.6)	-	-	-
	48,000,000	-	48,000,000

15.4 Summarised Financial Information of Equity Accounted Investees

	2014 Rs.	2013 Rs.
Percentage of Ownership Interest	40%	40%
Non-Current Assets	207,101,500	200,493,632
Current Assets	1,393,778	3,575,110
Non-Current Liabilities	(6,273,015)	(512,173)
Current Liabilities	(64,249,845)	(70,492,096)
Net Assets (100%)	137,972,418	133,064,473
Group Share of Net Assets (40%)	55,188,967	53,225,792
Revenue	5,140,800	4,896,000
Change in Fair Value of Investment Property	6,607,868	-
Administrative Expense	(281,910)	(433,588)
Income Tax Expense	(6,558,820)	(1,255,947)
Profit for the year	4,907,938	3,206,465
Group Share of Profit (40%)	1,963,175	1,282,586

15.5 Investment in Equity Accounted Investees – Company

	No. of Shares		Carrying Amount	Market Value/ Directors' Valuation	Carrying Amount	Market Value/ Directors' Valuation
	2014	2013	2014 Rs.	2014 Rs.	2013 Rs.	2013 Rs.
Non-Quoted						
Telshan Network (Pvt) Ltd. (Note 15.6)	2,000,000	2,000,000	-	-	-	-
Reality Lanka Ltd.	4,800,000	4,800,000	48,000,000	55,188,967	48,000,000	53,225,789
Total Investments in Non-Quoted Equity Accounted Investees			48,000,000	55,188,967	48,000,000	53,225,789
Net Carrying Amount of Investment in Equity Accounted Investees			48,000,000	55,188,967	48,000,000	53,225,789

15.6 Investment in Telshan Network (Pvt) Ltd. amounting to Rs. 20,000,000/- had been written off since it carries negative net assets position.

16. Other Financial Assets

16.1 Non-Current Financial Assets

	No. of Shares		Consolidated		Company	
			Amount		Amount	
	2014	2013	2014 Rs.	2013 Rs.	2014 Rs.	2013 Rs.
a. Available-for-Sale Financial Assets						
Non-Quoted						
Equity Investment Lanka Ltd.	1,665,000	1,665,000	17,020,000	17,020,000	17,020,000	17,020,000
Credit Information Bureau of Sri Lanka	100	100	41,300	41,300	-	-
			17,061,300	17,061,300	17,020,000	17,020,000

b. Held-to-Maturity Financial Assets

Investments in Debentures

Singer Finance (Lanka) PLC	-	-	149,283,000	149,283,000		
(Fixed rate 14%, unsecured, redeemable, listed Debenture redeemable on 10th September 2016)	-	-	149,283,000	149,283,000		
			17,061,300	17,061,300	166,303,000	166,303,000

16.2 Current Financial Assets

a. Held-to-Maturity Financial Assets

Investment in Treasury Bills	653,380,275	427,885,421	-	-		
	653,380,275	427,885,421	-	-		

17. Inventories

	Consolidated		Company	
	2014 Rs.	2013 Rs.	2014 Rs.	2013 Rs.
Raw Materials	242,340,000	169,327,000	242,340,000	169,327,000
Work-in-Progress	33,410,000	39,182,000	33,410,000	39,182,000
Finished Goods	4,937,946,075	4,527,262,984	4,597,342,585	4,527,262,984
Supplies and Parts	404,285,186	392,379,408	404,285,186	392,379,408
Goods-in-Transit	218,830,187	263,705,983	218,830,187	263,705,983
	5,836,811,448	5,391,857,375	5,496,207,958	5,391,857,375
Less: Impairment of Inventories	(315,280,395)	(226,012,746)	(315,280,394)	(226,012,746)
Unrealised profit on Inventory	(43,028,018)	-	-	-
Consignment Inventories	(2,712,218)	(10,178,649)	(2,712,218)	(10,178,649)
Total Inventories	5,475,790,817	5,155,665,980	5,178,215,346	5,155,665,980

Raw materials, consumable and change in work-in-progress and finished goods are recognised at cost of sales by the Group and Company to the amount of Rs. 19,265,536,074/- (2013 - Rs. 16,064,939,097/-) and Rs. 18,664,273,624/- (2013 - Rs. 16,064,939,097/-) respectively.

18. Loans Due from Related Parties

Relationship	Consolidated		Company	
	2014 Rs.	2013 Rs.	2014 Rs.	2013 Rs.
Reality Lanka Ltd. Associate Company	65,134,631	69,634,631	65,134,631	69,634,631
Singer Digital Media (Pvt) Ltd. Subsidiary	-	-	651,933,918	-
	65,134,631	69,634,631	717,068,549	69,634,631

18.1 The Management intends to recover the above loans within one year from the Reporting date. The aforesaid loans are not secured.

19. Trade and Other Receivables

19.1 Non-Current

	Consolidated		Company	
	2014 Rs.	2013 Rs.	2014 Rs.	2013 Rs.
Hire Debtors	2,960,649,432	2,920,197,236	1,018,829,160	1,012,495,199
Less: Deferred Profit on Hire Sales	(545,825,486)	(587,593,193)	(172,793,425)	(181,641,639)
	2,414,823,946	2,332,604,043	846,035,735	830,853,560
Lease Rental Receivables				
Gross Installment in Lease	2,903,284,692	3,008,109,897	-	-
Rental Received in Advance	(921,061)	(1,038,401)	-	-
	2,902,363,631	3,007,071,496		
Less: Unearned Income	(562,541,165)	(639,026,957)	-	-
	2,339,822,466	2,368,044,539	-	-
Loan Debtors				
Consumer and Personal Loans	327,201,970	314,420,278	-	-
Rental Received in Advance	(5,101,919)	(4,807,526)	-	-
Less: Unearned Loan Interest Income	(48,168,122)	(55,105,871)	-	-
	273,931,929	254,506,881	-	-
Other Receivables	500,002,004	485,691,480	500,002,004	485,691,480
Loans to Employees (Note 19.3)	249,618,983	228,382,178	218,637,341	197,586,506
	749,620,987	714,073,658	718,639,345	683,277,986
	5,778,199,328	5,669,229,121	1,564,675,080	1,514,131,546

19.2 Current

	Consolidated		Company	
	2014 Rs.	2013 Rs.	2014 Rs.	2013 Rs.
Hire Debtors	6,117,963,729	6,143,311,392	4,817,608,784	4,765,009,448
Rental Received in Advance	(143,203)	(143,203)	-	-
Less: Deferred Profit on Hire Sales	(1,238,929,485)	(1,316,367,831)	(852,486,350)	(876,734,534)
Provision for Impairment	(92,659,009)	(73,650,972)	(37,576,524)	(35,052,000)
	4,786,232,032	4,753,149,386	3,927,545,910	3,853,222,914

	Consolidated		Company	
	2014 Rs.	2013 Rs.	2014 Rs.	2013 Rs.
Lease Rental Receivable				
Gross Installment in Lease	2,374,375,369	2,126,714,143	–	–
Less: Unearned Income	(697,858,695)	(721,458,785)	–	–
Provision for Impairment	(129,875,011)	(83,430,098)	–	–
	1,546,641,663	1,321,825,260	–	–
Loan Debtors				
Consumer and Personal Loans	1,154,743,565	876,101,539	–	–
Less: Unearned Loan Interest Income	(201,458,974)	(182,830,728)	–	–
FD Loans	63,873,506	89,793,397	–	–
Net Receivable	1,017,158,097	783,064,208	–	–
Less: Provision for Impairment	(35,524,073)	(34,551,360)	–	–
	981,634,024	748,512,848	–	–
Other Debtors				
Trade Receivables	2,522,653,617	1,546,948,055	2,097,342,764	1,511,688,518
Provision for Impairment	(59,371,589)	(30,468,192)	(59,371,589)	(30,468,192)
Advance and Other Receivables	1,345,004,730	1,172,857,410	1,330,778,372	1,138,016,826
Provision for Impairment	(435,855,329)	(322,058,118)	(435,855,329)	(315,482,535)
Shipping Guarantees	–	39,395,127	–	39,395,127
Prepayments	172,781,198	154,522,148	94,073,634	81,209,132
Loans to Employees (Note 19.3)	103,609,164	105,302,865	89,400,485	93,960,000
	3,648,821,791	2,666,499,295	3,116,368,337	2,518,318,876
	10,963,329,510	9,489,986,789	7,043,914,247	6,371,541,790

19.3 Loans to Company Employees

	Consolidated		Company	
	2014 Rs.	2013 Rs.	2014 Rs.	2013 Rs.
Movement				
Balance as at the beginning of the Year	333,685,044	307,694,506	291,546,506	275,193,905
Loans granted during the Year	114,683,000	124,483,360	97,440,860	98,265,860
Less: Repayments	(95,139,897)	(98,492,824)	(80,949,540)	(81,913,259)
Balance as at the end of the Year	353,228,147	333,685,043	308,037,826	291,546,506
Due within One Year	103,609,164	105,302,865	89,400,485	93,960,000
Due after One Year	249,618,983	228,382,178	218,637,341	197,586,506

19.4 Maturity Analysis of Higher Debtors, Lease Rental Receivables & Loan Receivables (Group)

	Less than 3 Months Rs.	3-12 Months Rs.	1-3 Years Rs.	3-5 Years Rs.	Over 5 Years Rs.	Total 2014 Rs.
Hire Debtors	1,564,279,617	3,854,180,169	1,422,920,558	359,675,634	–	7,201,055,978
Lease Rental Receivable	402,433,468	1,144,208,195	1,926,565,121	410,983,243	2,274,102	3,886,464,129
Loans Receivables	470,918,657	479,733,726	280,974,999	23,938,572	–	1,255,565,954
	2,437,631,742	5,478,122,090	3,630,460,678	794,597,449	2,274,102	12,343,086,061

20. Amounts Due from Related Parties

	Relationship	Consolidated		Company	
		2014 Rs.	2013 Rs.	2014 Rs.	2013 Rs.
Singer Finance (Lanka) PLC	Subsidiary	–	–	207,832,539	21,246,027
Singer Industries (Ceylon) PLC	Affiliate Company	44,711,792	–	44,711,792	–
Regnis Appliances (Lanka) Ltd.	Affiliate Company	361,122	–	361,122	–
Singer Digital Media (Pvt) Ltd.	Subsidiary	–	–	45,483,281	–
		45,072,914	–	298,388,734	21,246,027

21. Cash and Cash Equivalents

Components of Cash and Cash Equivalents

21.1 Favourable Cash and Cash Equivalents Balances

	Consolidated		Company	
	2014 Rs.	2013 Rs.	2014 Rs.	2013 Rs.
Cash and Bank Balances	1,176,933,623	692,457,844	914,488,142	519,015,324

21.2 Unfavourable Cash and Cash Equivalent Balances

Bank Overdrafts (Note 26.1 and 26.6)	(348,945,469)	(841,102,180)	(306,831,291)	(753,318,829)
Total Cash and Cash Equivalents for the Purpose of Cash Flow Statement	827,988,154	(148,644,336)	607,656,851	(234,303,505)

22. Stated Capital

	At the Beginning of the Year 01.01.2014 Number	Issued for Cash During the Year Number	Issued for Non-Cash Consideration Number	At the End of the Year 31.12.2014 Number
Number of Shares - Ordinary Shares	125,209,610	–	–	125,209,610
	125,209,610	–	–	125,209,610
	Rs.	Rs.	Rs.	Rs.
Rupees - Ordinary Shares	626,048,050	–	–	626,048,050
	626,048,050	–	–	626,048,050

22.1 Rights, Preference and Restrictions of Classes of Capital

The holders of ordinary shares are entitled to receive dividend as declared from time to time and are entitled to one vote per share at a meeting of the Company.

22.2 Shares Held by Group Companies

The shares of the Company held by the Group companies are as follows:

	2014 Number	2013 Number
Singer (Sri Lanka) B.V.	107,812,850	107,812,850

23. Capital Reserves

	Consolidated		Company	
	2014 Rs.	2013 Rs.	2014 Rs.	2013 Rs.
Revaluation Reserve				
Revaluation Reserve (Note 23.1)	870,358,087	762,033,802	870,358,087	762,033,802
	870,358,087	762,033,802	870,358,087	762,033,802

23.1 Revaluation Reserve

Balance as at the beginning of the Year	762,033,802	773,312,374	762,033,802	773,312,374
Revaluation during the Year (Note 12)	134,237,410	-	134,237,410	-
Deferred Tax on Revaluation Surplus (Note 27.2)	(14,634,553)	-	(14,634,553)	-
Realisation on Revaluation Surplus	(11,278,572)	(11,278,572)	(11,278,572)	(11,278,572)
Balance as at the end of the Year	870,358,087	762,033,802	870,358,087	762,033,802

The revaluation reserve relates to revaluation of freehold land and buildings and represents the fair value of the land and buildings as at the date of revaluation.

24. Statutory Reserves

	Consolidated		Company	
	2014 Rs.	2013 Rs.	2014 Rs.	2013 Rs.
(a) Reserve Fund				
Reserve Fund (Note 24.1)	53,884,660	40,454,818	-	-
	53,884,660	40,454,818	-	-

The balance in the reserve fund will be used only for the purposes specified in the Central Bank Direction No. 1 of 2003.

	Consolidated		Company	
	2014 Rs.	2013 Rs.	2014 Rs.	2013 Rs.
(b) Investment Fund				
Investment Fund (Note 24.2)	82,242,927	87,991,727	-	-
	82,242,927	87,991,727	-	-
Total Statutory Reserve	136,127,587	128,446,545	-	-

From 1st January 2012 onwards, Bank transferred 8% of the profit calculated for the payment of value added tax and 5% of profit before tax calculated for payment of income tax purposes to the investment fund account. The operations of this fund was ceased with effect from 1st October 2014.

	Consolidated		Company	
	2014 Rs.	2013 Rs.	2014 Rs.	2013 Rs.
24.1 Reserve Fund				
Balance as at the beginning of the Year	40,454,818	27,628,118	–	–
Transfer of Surplus during the Year	13,429,842	12,826,700	–	–
Balance as at the end of the Year	53,884,660	40,454,818	–	–

24.2 Investment Fund

	Consolidated		Company	
	2014 Rs.	2013 Rs.	2014 Rs.	2013 Rs.
Balance as at the beginning of the Year	87,991,727	50,797,000	–	–
Transfers to/(from) during the Year	(5,748,800)	37,194,727	–	–
Balance as at the end of the Year	82,242,927	87,991,727	–	–

	Consolidated		Company	
	2014 Rs.	2013 Rs.	2014 Rs.	2013 Rs.
25. Revenue Reserves				
Summary				
(a) General Reserve (Note 25.1)	2,600,000,000	2,500,000,000	2,600,000,000	2,500,000,000
	2,600,000,000	2,500,000,000	2,600,000,000	2,500,000,000
(b) Retained Earnings (Note 25.2)	1,242,674,626	947,544,210	482,301,207	428,810,118
	3,842,674,626	3,447,544,210	3,082,301,207	2,928,810,118

25.1 General Reserve

The general reserve which is a revenue reserve represents the amounts set aside by the Directors for general application.

The movement of general reserve is as follows:

	Consolidated		Company	
	2014 Rs.	2013 Rs.	2014 Rs.	2013 Rs.
At the beginning of the Year	2,500,000,000	2,500,000,000	2,500,000,000	2,500,000,000
Transferred from Retained Earnings	100,000,000	–	100,000,000	–
At the end of the Year	2,600,000,000	2,500,000,000	2,600,000,000	2,500,000,000

	Consolidated		Company	
	2014 Rs.	2013 Rs.	2014 Rs.	2013 Rs.
25.2 Retained Earnings				
Singer (Sri Lanka) PLC	482,301,207	428,810,118	482,301,207	428,810,118
Equity Accounted Investees (Note 15.2)	7,188,967	5,225,792	–	–
Subsidiary Companies	763,033,322	446,318,963	–	–
Consolidation Adjustment on Unrealised Profit in Inventory	(30,977,181)	–	–	–
Gain on Dilution of Equity Holding of Singer Finance (Lanka) PLC	176,573,748	176,573,748	–	–
Acquisition of Subsidiary with Non-Controlling Interest	(4,810,872)	(4,810,872)	–	–
Retained Earnings Attributable to Non-Controlling Interest (Note 25.3)	(150,631,563)	(104,573,536)	–	–
	1,242,677,626	947,544,210	482,301,207	428,810,118

25.3 Retained Earnings Attributable to Non-Controlling Interest

	Consolidated		Company	
	2014 Rs.	2013 Rs.	2014 Rs.	2013 Rs.
At the beginning of the Year	104,573,536	65,725,077	–	–
Profit Attributable to Non-Controlling Interest - for the Year	67,119,509	59,909,941	–	–
Dividend for Non-Controlling Interest - for the Year	(21,061,482)	(21,061,482)	–	–
At the end of the Year	150,631,563	104,573,536	–	–

25.4 Reconciliation for Non-Controlling Interest (NCI)

	Consolidated	
	2014 Rs.	2013 Rs.
NCI Percentage (%)	19.60	19.60
Non-Current Assets	4,373,662,586	4,308,825,828
Current Assets	4,369,683,340	3,833,732,449
Non-Current Liabilities	(5,819,877,477)	(5,185,567,757)
Current Liabilities	(668,355,795)	(936,889,804)
Net Assets	2,255,112,654	2,020,100,716
Carrying Amount of NCI	441,960,453	395,902,426
Revenue	1,792,189,044	1,736,729,537
Profit	344,042,174	306,013,950
Other Comprehensive Income	(1,563,423)	(322,178)
Total Comprehensive Income	342,478,751	305,691,772
Profit allocated to NCI	67,425,911	59,973,082
Other Comprehensive Income allocated to NCI	67,119,480	59,909,941
Cash Flow from Operating Activities	751,739,869	682,317,089
Cash Flow from Investment Activities	(233,592,027)	(221,315,215)
Cash Flow from Financing Activities	(529,334,361)	(534,447,714)
Net Increase in Cash and Cash Equivalents	(11,186,519)	(73,445,840)

26. Interest-Bearing Loans and Borrowings

26.1 Loans and Borrowings – Consolidated

	2014 Amount Repayable Within 1 Year Rs.	2014 Amount Repayable After 1 Year Rs.	2014 Total Rs.	2013 Amount Repayable Within 1 Year Rs.	2013 Amount Repayable After 1 Year Rs.	2013 Total Rs.
Debentures (Note 26.2)	2,000,000,000	3,479,958,918	5,479,958,918	–	3,979,958,918	3,979,958,918
Bank Loans (Note 26.3 a,b)	2,571,126,875	750,000,000	3,321,126,875	5,162,014,341	107,156,854	5,269,171,195
Bank Overdrafts (Note 21.2)	348,945,469	–	348,945,469	841,102,180	–	841,102,180
Commercial Papers (Note 26.4)	1,750,000,000	–	1,750,000,000	200,000,000	250,000,000	450,000,000
	6,670,072,344	4,229,958,918	10,900,031,262	6,203,116,521	4,337,115,772	10,540,232,293
Interest Payable	201,570,590	–	201,570,590	127,147,780	–	127,147,780
Transaction Cost	(27,521,509)	(3,362,846)	(30,884,354)	(25,099,323)	(2,950,529)	(28,049,852)
	6,844,121,425	4,226,596,072	11,070,717,498	6,305,164,978	4,334,165,243	10,639,330,221

26.2 Debentures – Consolidated

	As at 01.01.2014 Rs.	New Issues Rs.	Redemption Rs.	As at 31.12.2014 Rs.
Fixed rate 15.50%. Senior, unlisted, unsecured, rated debentures redeemable on 09.05.2015	59,000,000	–	–	59,000,000
Six month Gross TB +2.75%. Senior, unlisted, unsecured, rated debentures redeemable on 09.05.2015	340,000,000	–	–	340,000,000
Fixed rate 15.50%. Senior, unlisted, unsecured, rated debentures redeemable on 24.07.2015	1,000,000	–	–	1,000,000
Fixed rate 17.00%. Senior, unlisted, unsecured, rated debentures redeemable on 30.09.2015	644,000,000	–	–	644,000,000
Fixed rate 17.00%. Senior, unlisted, unsecured, rated debentures redeemable on 30.09.2015	356,000,000	–	–	356,000,000
Fixed rate 14.50%. Senior, rated, unsecured, redeemable, listed debentures redeemable on 30.05.2016	900,000,000	–	–	900,000,000
Fixed rate 14.50%. Senior, rated, unsecured, redeemable, listed debentures redeemable on 30.05.2015	600,000,000	–	–	600,000,000
Fixed rate 8.25%. Senior, rated, unsecured, redeemable, listed debentures redeemable on 22.12.2017	–	1,500,000,000	–	1,500,000,000
Fixed rate 14%. Debentures unsecured redeemable on 10.09.2016	409,914,933	–	–	409,914,933
Fixed rate 14.25%. Debentures unsecured redeemable on 10.09.2017	409,721,486	–	–	409,721,486
Fixed rate 14.5%. Debentures unsecured redeemable on 10.09.2018	409,605,499	–	–	409,605,499
Less: Investment in debentures in subsidiary	(149,283,000)	–	–	(149,283,000)
	3,979,958,918	1,500,000,000	–	5,479,958,918

26.3 Bank Loans – Consolidated

	Balance as at 01.01.2014 Rs.	Loans Obtained Rs.	Repayment Rs.	As at 31.12.2014 Rs.
(a) Bank Loans Repayable within One Year				
Bank Loans	5,162,014,341	5,872,667,872	8,463,555,338	2,571,126,875
	5,162,014,341	5,872,667,872	8,463,555,338	2,571,126,875

(b) Bank Loan Repayable after One Year

Company	Lender/Rate of Interest (p.a.)	Repayment	Security	2014 Rs.	2013 Rs.
Singer (Sri Lanka) PLC	E-Friends Loan @ 6.5%	At maturity	No assets pledged	–	880,854
	DFCC Bank @ AWPLR	At maturity	No assets pledged	750,000,000	–
				750,000,000	880,854
Singer Finance (Lanka) PLC	Sampath Bank AWPLR + 2 (Floor rate 22%) Rate Reviewed Quarterly	Monthly repayment	Hire purchase/Lease receivables	–	37,526,000
	Commercial Bank	Monthly repayment	Hire purchase/Lease receivables	–	68,750,000
				–	106,276,000
				750,000,000	107,156,854

26.4 Commercial Papers – Consolidated

	As at 01.01.2014 Rs.	New Issues Rs.	Redemption Rs.	As at 31.12.2014 Rs.
Commercial Papers	450,000,000	1,650,780,395	350,780,395	1,750,000,000
	450,000,000	1,650,780,395	350,780,395	1,750,000,000

26.5 Bank Facilities – Consolidated

	2014		2013	
	Utilised Rs.	Total Facility Rs.	Utilised Rs.	Total Facility Rs.
Overdraft	348,945,469	2,665,000,000	841,102,180	2,490,000,000
Term Loans	750,000,000	950,000,000	482,235,378	750,880,854
Short-Term Loans	2,571,126,875	9,751,400,000	5,236,935,816	7,964,900,000
Debentures	5,479,958,918	5,479,958,918	3,979,958,918	3,979,958,918
Total Bank Facility	9,150,031,262	18,846,358,918	10,540,232,292	15,185,739,772
Guarantees	210,172,019	550,000,000	213,635,167	450,000,000
Letter of Credit	2,643,750,504	2,525,000,000	2,261,817,907	2,540,000,000
Total Debt and Other Facilities	12,003,953,785	21,921,358,918	13,015,685,366	18,175,739,772

26.6 Interest-Bearing Loans and Borrowings – Company

	2014 Amount Repayable Within 1 Year Rs.	2014 Amount Repayable After 1 Year Rs.	2014 Total Rs.	2013 Amount Repayable Within 1 Year Rs.	2013 Amount Repayable After 1 Year Rs.	2013 Total Rs.
Debentures (Note 26.7)	2,000,000,000	2,400,000,000	4,400,000,000	–	2,900,000,000	2,900,000,000
Bank Loans (Note 26.8 a.b)	2,501,054,957	750,000,000	3,251,054,957	4,771,935,816	880,854	4,772,816,670
Bank Overdrafts (Note 21.2)	306,831,291	–	306,831,291	753,318,829	–	753,318,829
Commercial Papers (Note 26.9)	1,750,000,000	–	1,750,000,000	200,000,000	250,000,000	450,000,000
	6,557,886,248	3,150,000,000	9,707,886,248	5,725,254,645	3,150,880,854	8,876,135,499
Interest payable	197,648,322	–	197,648,322	127,147,781	–	127,147,781
Transaction Cost	(27,521,509)	(3,362,845)	(30,884,354)	(25,099,323)	(2,950,529)	(28,049,852)
	6,728,013,061	3,146,637,155	9,874,650,216	5,827,303,103	3,147,930,325	8,975,233,428

26.7 Debentures – Company

	As at 01.01.2013 Rs.	New Issues Rs.	Redemption Rs.	As at 31.12.2014 Rs.
Fixed rate 15.50%. Senior, unlisted, unsecured, rated Debentures redeemable on 09.05.2015	59,000,000	–	–	59,000,000
Six month Gross TB +2.75% Senior, unlisted, unsecured, rated Debentures redeemable on 09.05.2015	340,000,000	–	–	340,000,000
Fixed rate 15.50%. Senior, unlisted, unsecured, rated Debentures redeemable on 24.07.2015	1,000,000	–	–	1,000,000
Fixed rate 17.00%. Senior, unlisted, unsecured, rated Debentures redeemable on 30.09.2015	644,000,000	–	–	644,000,000
Fixed rate 17.00%. Senior, unlisted, unsecured, rated Debentures redeemable on 30.09.2015	356,000,000	–	–	356,000,000
Fixed rate 14.50%. Senior, Rated, Unsecured, Redeemable, Listed Debentures Redeemable on 30.05.2015	600,000,000	–	–	600,000,000
Fixed rate 14.50%. Senior, Rated, Unsecured, Redeemable, Listed Debentures Redeemable on 30.05.2016	900,000,000	–	–	900,000,000
Fixed rate 8.25%. Senior, Rated, Unsecured, Redeemable, Listed Debentures Redeemable on 22.12.2017	–	1,500,000,000	–	1,500,000,000
	2,900,000,000	1,500,000,000	–	4,400,000,000

26.8 Bank Loans – Company

	As at 01.01.2014 Rs.	Obtained Rs.	Repayment Rs.	As at 31.12.2014 Rs.
(a) Bank Loan Repayable within One Year				
Bank Loans	4,771,935,816	5,517,595,955	(7,788,476,814)	2,501,054,957
	4,771,935,816	5,517,595,956	(7,788,476,814)	2,501,054,957

(b) Bank Loan Repayable after One Year

Lender/Rate of Interest (p.a.)	Repayment	Security	2014 Rs.	2013 Rs.
E-Friend Loan @ 6.5%	At maturity	No assets pledged	–	880,854
DFCC Bank @ AWPLR	At maturity	No assets pledged	750,000,000	–
			750,000,000	880,854

26.9 Commercial Papers – Company

	As at 01.01.2014 Rs.	New Issues Rs.	Redemption Rs.	As at 31.12.2014 Rs.
Commercial Papers	450,000,000	1,650,780,395	350,780,395	1,750,000,000
	450,000,000	1,650,780,395	350,780,395	1,750,000,000

26.10 Bank Facilities - Company

	2014		2013	
	Utilised Rs.	Total Facility Rs.	Utilised Rs.	Total Facility Rs.
Overdraft	306,831,291	2,240,000,000	753,318,829	1,890,000,000
Term Loans	750,000,000	750,000,000	250,880,854	250,880,854
Short-Term Loans	2,501,054,957	9,251,400,000	4,971,935,816	7,564,900,000
Debentures	4,400,000,000	4,400,000,000	2,900,000,000	2,900,000,000
Total Debt Facility	7,957,886,248	16,641,400,000	8,876,135,499	12,605,780,854
Guarantees	210,172,019	550,000,000	213,635,167	450,000,000
Letter of Credit	2,137,016,876	2,525,000,000	2,261,817,907	2,540,000,000
Total Debt and Other Facilities	10,305,075,143	19,716,400,000	11,351,588,573	15,595,780,854

27. Deferred Tax Assets/(Liabilities)

	Consolidated		Company	
	2014 Rs.	2013 Rs.	2014 Rs.	2013 Rs.

27.1 Deferred Tax Assets

Balance as at the beginning of the Year	119,021,884	150,284,035	135,362,481	146,299,773
Origination and Reversal of Timing Differences - Recognised in Statement of Comprehensive Income (Note 10.2)	53,954,437	(31,262,150)	44,022,573	(10,937,292)
Consolidation adjustment on unrealised Profit in Inventory (Note 10.2)	12,047,845	–	–	–
Balance as at the end of the Year	185,024,166	119,021,885	179,385,054	135,362,481

27.2 Deferred Tax Liabilities

Balance as at the beginning of the Year	109,540,205	113,926,324	109,540,205	113,926,324
Origination of Deferred Tax Liability due to Revaluation of Building - Recognised in Other Comprehensive Income	14,634,552	–	14,634,552	–
Deferred Tax Effect on Realisation of Revaluation Surplus (Note 10.2)	(4,385,820)	(4,386,119)	(4,385,820)	(4,386,119)
Balance as at the end of the Year	119,788,937	109,540,205	119,788,937	109,540,205

27.3 Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against tax liabilities and when the deferred tax relate to the same fiscal authority.

The movement in deferred tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

27.3.1 Consolidated

	2014		2013	
	Assets Rs.	Liabilities Rs.	Assets Rs.	Liabilities Rs.
(a) Composition of Deferred Tax Assets				
Property, Plant & Equipment	–	181,583,078	–	143,961,449
Intangible Assets	–	11,902,883	–	8,978,377
Lease Rentals	–	56,325,554	–	55,761,437
Tax Losses	–	–	22,414,292	–
Inventories	98,913,476	–	63,283,569	–
Provision on Assets	228,426,726	–	152,416,084	–
Defined Benefit Obligations	107,495,479	–	89,609,203	–
	434,835,681	249,811,515	327,723,148	208,701,263
Net Deferred Tax	185,024,166	–	119,021,885	–

(b) Composition of Deferred Tax Liabilities

Property, Plant & Equipment	–	119,789,937	–	109,540,205
Net Deferred Tax	–	119,788,937	–	109,540,205

27.3.2 Company

	2014		2013	
	Assets Rs.	Liabilities Rs.	Assets Rs.	Liabilities Rs.
(a) Composition of Deferred Tax Assets				
Property, Plant & Equipment	–	172,685,984	–	137,166,696
Intangible Assets	–	5,938,800	–	3,964,450
Inventories	86,865,630	–	63,283,569	–
Provision on Assets	169,617,962	–	127,590,856	–
Defined Benefit Obligations	101,526,246	–	85,619,203	–
	358,009,838	178,624,784	276,493,628	141,131,146
Net Deferred Tax	179,385,054	–	135,362,481	–

(b) Composition of Deferred Tax Liabilities

Property, Plant & Equipment	–	119,788,937	–	109,540,205
Net Deferred Tax	–	119,788,937	–	109,540,205

28. Defined Benefit Liability

	Consolidated		Company	
	2014 Rs.	2013 Rs.	2014 Rs.	2013 Rs.
Present Value of Unfunded Gratuity	383,912,062	320,032,869	362,593,372	305,782,867
Total Present Value of the Obligation	383,912,062	320,032,869	362,593,372	305,782,867
Provision for Retiring Gratuity				
At the beginning of the Year	320,032,869	270,539,471	305,782,867	259,358,640
Actuarial (Gain)/Loss on Obligation	13,830,288	4,175,478	11,658,866	3,728,007
Current Service Cost	31,022,978	23,339,306	27,621,961	21,261,593
Interest on Obligation	33,603,451	28,406,644	32,107,201	27,232,657
	398,489,585	326,460,899	377,170,895	311,580,897
Benefit Paid	(14,577,523)	(6,428,030)	(14,577,523)	(5,798,030)
At the end of the Year	383,912,062	320,032,869	362,593,372	305,782,867

The Company maintains a non-contributory defined benefit plan providing for gratuity benefits payable to employees expressed in terms of final monthly salary and service.

As at 31st December 2014, the gratuity liability was valued under the Projected Unit Credit (PUC) method by a professionally qualified actuary firm Messrs Actuarial & Management Consultants (Private) Ltd.

The required accounting provision of the Company as at 31st December 2014, has been determined based on the recommendation on this Report.

Following key assumptions were made in arriving at the above figures:

(a) Rate of Discount - 10.5% p.a. (net of tax)

(b) Salary Increment Rate

Year 1 10%

Year 2+ 9%

(c) Retirement Age

Other than Factory General Staff

Males 60 years

Females 60 years

(d) Assumptions regarding future mortality are based on A67/70 Mortality Table, issued by the Institute of Actuaries, London.

The demographic assumptions underline the valuation are with respect to retirement age, early withdrawal from service and retirement on medical grounds.

The expense so recognised is included in Selling and Administrative expenses in the Income Statement.

28.1 Sensitivity Analysis

Reasonably possible changes at the Reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

	Consolidated		Company	
	31st December 2014		31st December 2014	
	Increase Rs.	Decrease Rs.	Increase Rs.	Decrease Rs.
Discount rate (1% movement)	(30,873)	36,919	(28,220)	32,439
Future Salary (1% movement)	36,922	(32,350)	33,622	(29,619)

29. Trade and Other Payables

	Consolidated		Company	
	2014 Rs.	2013 Rs.	2014 Rs.	2013 Rs.
Trade Payables	2,253,162,876	1,899,497,704	1,667,709,746	1,798,506,671
MSPS Payable	37,908,999	25,941,549	37,684,334	25,941,549
ETF Payable	9,480,639	6,825,765	9,480,639	6,825,765
Advances Received from Customers	292,308,523	167,411,031	292,308,523	167,411,031
Accrued Expenses	858,139,627	627,249,463	791,399,556	594,877,526
Other Payables	294,048,607	457,885,486	149,912,240	169,103,209
Warranty Provisions	72,974,992	74,678,901	72,974,992	74,678,901
	3,818,024,263	3,259,489,904	3,021,470,030	2,837,344,652

29.1 Warranty provisions have been recognised for expected warranty claims on products sold by the Company.

30. Deferred Revenue

	Consolidated		Company	
	2014 Rs.	2013 Rs.	2014 Rs.	2013 Rs.
Balance as at the beginning of the Year	20,878,350	22,329,750	20,878,350	22,329,750
Amounts Recognised during the Year	5,230,145	(1,451,400)	5,230,145	(1,451,400)
Amount transferred during the Year	209,225,191	-	209,225,191	-
Balance as at the end of the Year	235,333,686	20,878,350	235,333,686	20,878,350

30.1 Deferred Revenue includes deferred service fee on airconditioners, *Sanasuma* Insurance Scheme and amount deferred on motor bike services income as at 31st December 2014.

31. Dividend Payable

	Consolidated		Company	
	2014 Rs.	2013 Rs.	2014 Rs.	2013 Rs.
Unclaimed Dividends	15,491,340	14,956,444	15,491,340	14,956,444
	15,491,340	14,956,444	15,491,340	14,956,444

32. Dividends

	Company	
	2014 Rs.	2013 Rs.
Ordinary Shares		
Final Dividend 2014 Rs. 2.50/- (2013 - Rs. 2.50)	313,024,025	313,024,025
	313,024,025	313,024,025

33. Amounts Due to Related Parties

Relationship	Consolidated		Company		
	2014 Rs.	2013 Rs.	2014 Rs.	2013 Rs.	
33.1 Trade					
Singer Industries (Ceylon) PLC	Affiliate Company	153,993,131	104,330,912	153,993,131	104,330,912
Regnis (Lanka) PLC	Affiliate Company	147,362,861	167,224,499	147,362,861	167,224,499
Regnis Appliances (Pvt) Ltd.	Affiliate Company	45,411,490	62,009,670	45,411,490	62,009,670
Singer Finance (Lanka) PLC	Subsidiary Company	–	–	144,359,215	–
Singer Digital Media (Pvt) Ltd.	Subsidiary Company	–	–	276,041,640	–
		346,767,482	333,565,081	767,168,337	333,565,081

33.2 Non-Trade

Singer Asia Ltd.	Affiliate Company	90,246,223	69,126,269	90,246,223	69,126,269
		90,246,223	69,126,269	90,246,223	69,126,269

34. Other Financial Liabilities

Fixed Deposits at Amortised Cost

	Consolidated		Company	
	2014 Rs.	2013 Rs.	2014 Rs.	2013 Rs.
Balance as at the beginning of the Year	3,768,229,719	2,992,508,655	–	–
New Deposits	1,691,524,460	1,530,103,386	–	–
Capitalisation of Interest	217,825,326	198,514,749	–	–
	5,677,579,505	4,721,126,790	–	–
Repaid Deposits	(1,182,937,535)	(952,897,071)	–	–
Balance as at the end of the Year	4,494,641,970	3,768,229,719	–	–
Payable within One Year	3,696,149,556	3,011,997,537	–	–
Payable after One Year	798,492,414	756,232,182	–	–

35. Financial Instruments

Financial Risk Management

Overview

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk
- Operational risk

The note presents information about Group's exposure to each of above risks, the Group's objectives, policies and processes measuring and managing risk and the Group's management of capital. Further quantitative disclosures are included throughout these Consolidated Financial Statements.

Risk Management Framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

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

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Board of Directors oversees how management monitor compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Company's Directors are assisted in their oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of the risk management controls and producers, the result of which are reported to the Company's Directors.

Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's trade and other receivables.

Treasury Bills

Singer Finance (Lanka) PLC invests not less than 7.5% of the public deposits in Treasury Bills to comply with the Central Bank of Sri Lanka Direction No. 1 of 2009.

Trade and Other Receivables

The Group's exposure to credit risk relates to sale of products on installment credit/hire purchase which is an integral part of the business of the Group.

The Group's exposure to credit risk on installment credit/hire purchase contracts is influenced mainly by the individual characteristics of each customer. The demographics of the Group's customer base, including the default risks of the country in which customers reside, has a lesser influence on credit risk.

Geographically, there is no concentration of credit risk. Goods are sold, subject to collateral undertakings so that in the event of non-payment, the Group can have a secured claim. The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments. The main components of this allowance are a specific loss component that relates to individually significant exposure and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined, based on historical data of payment statistics for similar financial assets.

Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group'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 conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Group's income. The objective of market risk management is to manage and control market risk exposure within the acceptable parameters, while optimising the return.

Currency Risk

The Group is exposed to currency risk on purchases that are denominated in a currency other than the respective financial currencies of Group entities. The currency in which these transactions primarily are denominated is US Dollars. The currency risk is limited by the short-term nature of the period between the dates of the purchase and settlements of the related liability.

Interest Rate Risk

The Group manages interest rate risk on borrowings by using a combination of fixed and floating interest rate.

Operational Risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Group's processes, personnel, technology and infrastructure and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all Group's operations.

The Group's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Group's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risks is assigned to Senior Management within each business unit. This responsibility is supported by the development of overall Group standards for the managements of operational risk in the following areas:

- Requirements for the appropriate segregation of duties, including the independent authorisation of transactions.
- Requirements for the reconciliation and monitoring of transactions.
- Compliance with regulatory and other legal requirements.
- Documentation of controls and procedures.
- Requirements for the periodic assessment of operational risks faced and the adequacy of controls and procedures to address the risks identified.
- Requirements for the reporting of operational losses and proposed remedial action.
- Development of contingency plans.
- Training and professional development.
- Ethical and business standards.
- Risk mitigation, including insurance where this is effective.

Compliance with Group standards is supported by a programme of periodic reviews undertaken by internal audit. The results of internal audit reviews are discussed with the management of the business unit to which they relate, Senior Management of the Group and the Board of Directors.

Credit Risk

Exposure to Credit Risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Carrying Amount - Group		Carrying Amount - Company	
	2014 Rs.	2013 Rs.	2014 Rs.	2013 Rs.
Trade and Other Receivables	16,741,528,838	15,159,215,908	8,608,589,326	7,885,673,336
Cash at Bank	1,176,933,623	692,457,844	914,488,142	519,015,324
Amounts due from Related Parties	110,207,545	69,634,631	1,015,457,283	90,880,658
Other Financial Assets	670,441,575	498,172,509	1,201,544,596	1,196,544,596
Deposits at Bank	110,388,278	113,959,510	–	–
	18,809,499,859	16,533,440,402	11,740,079,347	9,692,113,914

The maximum exposure to credit risk for trade and other receivables at the Reporting date by type of counterparty was:

	Carrying Amount - Group		Carrying Amount - Company	
	2014 Rs.	2013 Rs.	2014 Rs.	2013 Rs.
Retail Customers	4,808,339,523	4,734,890,665	4,773,581,644	4,684,076,474
Wholesale Customers	2,037,971,174	1,481,220,326	2,037,971,174	1,481,220,327
Others	9,895,218,141	8,971,154,770	1,797,036,508	1,748,426,388
Total	16,741,528,838	15,187,265,761	8,608,589,326	7,913,723,189

Impairment losses

The aging of receivables at the reporting date was:

Group				
	Gross 2014 Rs.	Impairment 2014 Rs.	Gross 2013 Rs.	Impairment 2013 Rs.
Not past due	13,600,536,629	(2,667,653)	11,645,550,669	(2,027,610)
Past due 0 - 30 Days	1,551,580,075	(2,236,870)	1,426,626,291	(2,002,575)
Past due 31 - 120 Days	1,581,677,665	(38,094,991)	1,870,819,416	(31,016,373)
Past due more than 120 Days	761,019,482	(710,285,497)	788,428,125	(509,112,182)
	17,494,813,851	(753,285,011)	15,731,424,501	(544,158,740)

Company				
	Gross 2014 Rs.	Impairment 2014 Rs.	Gross 2013 Rs.	Impairment 2013 Rs.
Not past due	8,412,259,736	–	7,777,599,386	–
Past due 0 - 30 Days	166,794,623	–	128,303,504	–
Past due 31 - 120 Days	59,069,934	(29,534,967)	15,640,598	(7,820,299)
Past due more than 120 Days	503,268,475	(503,268,475)	373,182,428	(373,182,428)
	9,141,392,768	(532,803,442)	8,294,725,916	(381,002,727)

The movement in the allowance for impairment in respect of receivables during the year was as follows:

	Group		Company	
	2014 Rs.	2013 Rs.	2014 Rs.	2013 Rs.
Balance at the beginning of the Year	544,158,740	344,332,949	381,002,727	287,573,599
Impairment Loss Recognised	357,699,531	284,988,961	158,910,730	114,677,162
Amounts Written-off	(148,573,260)	(85,163,170)	(7,110,015)	(21,248,034)
Balance at the end of the Year	753,285,011	544,158,740	532,803,442	381,002,727

Total impairment as of Reporting date resulted from the following counterparties:

	Group		Company	
	2014 Rs.	2013 Rs.	2014 Rs.	2013 Rs.
Impairment for Hire Debtors	92,659,009	73,650,972	37,576,524	35,052,000
Impairment for Lease Rental Receivables	129,875,011	83,430,098	–	–
Impairment for Loan Debtors	35,524,073	34,551,360	–	–
Impairment for Trade Debtors	59,371,589	30,468,192	59,371,589	30,468,192
Impairment for Other Debtors	435,855,329	322,058,118	435,855,329	315,482,535
Total Impairment as of Reporting Date	753,285,011	544,158,740	532,803,442	381,002,727

Liquidity Risk

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

Group								
31st December 2014	Carrying Amount Rs.	Contractual Cash Flows Rs.	6 months or Less Rs.	6-12 Months Rs.	1-2 Years Rs.	2-5 Years Rs.	More than 5 Years Rs.	
Non-Derivative Financial Liabilities								
Secured Bank Loans	70,071,918	74,446,918	74,446,918	-	-	-	-	
Unsecured Bank Loans	3,251,054,957	3,459,572,158	1,202,562,158	-	1,349,653,836	907,356,164	-	
Unsecured Bond Issues	5,479,958,918	6,966,671,347	416,960,658	-	1,657,654,753	4,892,255,936	-	
Commercial Papers	1,750,000,000	1,776,387,671	1,776,387,671	-	-	-	-	
Trade and Other Payables	3,818,044,264	3,818,044,264	423,392,201	3,394,652,063	-	-	-	
Public Deposits	4,494,641,970	4,928,946,637	2,805,101,812	1,213,333,985	629,234,294	272,804,830	8,471,716	
Bank Overdraft	348,945,469	348,945,469	348,945,469	-	-	-	-	
Amounts Due to Related Parties - Trade	346,767,482	346,767,482	346,767,482	-	-	-	-	
Amounts Due to Related Parties - Non-Trade	90,246,223	90,246,223	90,246,223	-	-	-	-	
	19,649,731,201	21,810,028,169	7,484,810,592	4,607,986,048	3,636,542,883	6,072,216,930	8,471,716	
31st December 2013								
31st December 2013	Carrying Amount Rs.	Contractual Cash Flows Rs.	6 months or Less Rs.	6-12 Months Rs.	1-2 Years Rs.	2-5 Years Rs.	More than 5 Years Rs.	
Non-Derivative Financial Liabilities								
Secured Bank Loans	496,354,524	550,428,017	361,461,750	69,961,750	119,004,517	-	-	
Unsecured Bank Loans	4,772,816,670	4,861,382,868	3,474,809,658	1,386,573,210	-	-	-	
Debenture Issue	3,979,958,918	5,703,370,310	88,346,805	89,838,891	1,967,743,570	3,557,441,044	-	
Commercial Papers	450,000,000	492,978,082	201,890,411	-	291,087,671	-	-	
Trade and Other Payables	3,259,489,899	3,259,489,899	-	3,259,489,899	-	-	-	
Public Deposits	3,768,229,719	3,768,229,719	1,637,067,492	1,253,195,119	539,080,379	302,658,467	36,228,262	
Bank Overdraft	841,102,180	841,102,180	841,102,180	-	-	-	-	
Amounts Due to Related Parties - Trade	333,565,081	333,565,081	333,565,081	-	-	-	-	
Amounts Due to Related Parties - Non-Trade	69,126,269	69,126,269	69,126,269	-	-	-	-	
	18,097,791,040	19,476,981,075	6,604,678,296	6,059,058,869	2,916,916,137	3,860,099,511	36,228,262	

Company							
31st December 2014	Carrying Amount Rs.	Contractual Cash Flows Rs.	6 months or Less Rs.	6 - 12 Months Rs.	1-2 Years Rs.	2-5 Years Rs.	More than 5 Years Rs.
Non-Derivative Financial Liabilities							
Unsecured Bank Loans	3,251,054,957	3,459,572,158	1,202,562,158	–	1,349,653,836	907,356,164	–
Unsecured Bond Issues	4,400,000,000	5,235,309,219	416,960,658	–	1,142,331,438	3,676,017,123	–
Promissory Notes	1,750,000,000	1,776,387,671	1,776,387,671	–	–	–	–
Trade and Other Payables	3,297,531,668	3,297,531,668	–	3,297,531,668	–	–	–
Bank Overdraft	306,831,291	306,831,291	306,831,291	–	–	–	–
Amounts Due to Related Parties - Trade	491,126,697	491,126,697	491,126,697	–	–	–	–
Amounts due to Related Parties - Non-Trade	90,246,223	90,246,223	90,246,223	–	–	–	–
	13,586,790,836	14,657,004,927	4,284,114,698	3,297,531,668	2,491,985,274	4,583,373,287	–
31st December 2013							
31st December 2013	Carrying Amount Rs.	Contractual Cash Flows Rs.	6 months or Less Rs.	6 - 12 Months Rs.	1-2 Years Rs.	2-5 Years Rs.	More than 5 Years Rs.
Non-Derivative Financial Liabilities							
Unsecured Bank Loans	4,772,816,670	4,861,382,868	3,474,809,658	1,386,573,210	–	–	–
Debenture Issue	2,900,000,000	3,814,528,233	–	–	1,789,548,780	2,024,979,453	–
Commercial Papers	450,000,000	492,978,082	201,890,411	–	291,087,671	–	–
Trade and Other Payables	2,837,344,652	2,837,344,652	–	2,837,344,652	–	–	–
Bank Overdraft	753,318,829	753,318,829	753,318,829	–	–	–	–
Amounts Due to Related Parties - Trade	333,565,081	333,565,081	333,565,081	–	–	–	–
Amounts Due to Related Parties - Non-Trade	69,126,269	69,126,269	69,126,269	–	–	–	–
	12,116,171,500	13,162,244,013	4,832,710,247	4,223,917,862	2,080,636,451	–	–

Interest Rate Risk

Profile

At the Reporting date, the interest rate profile of the Group's interest-bearing financial instruments was:

	Group		Company	
	2014 Rs.	2013 Rs.	2014 Rs.	2013 Rs.
Fixed Rate Instruments				
Financial Assets	7,201,055,978	7,636,411,413	4,773,581,644	4,684,076,474
Financial Liabilities	(13,752,069,323)	(13,670,318,574)	(8,617,886,248)	(8,536,135,499)
	(6,551,013,345)	(6,033,907,161)	(3,844,304,604)	(3,852,059,025)
Variable Rate Instruments				
Financial Liabilities	(770,948,650)	(659,051,350)	(1,090,000,000)	(340,000,000)
	(770,948,650)	(659,051,350)	(1,090,000,000)	(340,000,000)

Cash Flow Sensitivity for Variable Rate Instruments

A reasonably possible change of 100 basis points (1%) in interest rate at the Reporting date would increased/(decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant:

	Profit or Loss		Equity Net of Tax	
	1% Increase Rs. '000	1% Decrease Rs. '000	1% Increase Rs. '000	1% Decrease Rs. '000
31st December 2014				
Variable Rate Instruments	(7,709)	7,709	(5,551)	5,551
Cash Flow Sensitivity (Net)	(7,709)	7,709	(5,551)	5,551
31st December 2013				
Variable Rate Instruments	(6,591)	6,591	(4,745)	4,745
Cash Flow Sensitivity (Net)	(6,591)	6,591	(4,745)	4,745

Fair Values

Fair Values Versus Carrying Amounts

The following table shows the carrying amounts and fair values of financial assets and liabilities, including their level 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 amount is reasonable approximation of fair value:

Group	Note	Available- for-Sale Rs.	Held-to- Maturity Rs.	Loans and Receivables Rs.	Other Financial Liabilities Rs.	Total Carrying Value Rs.	Fair Value Rs.	Fair Value Measurement Level
31st December 2014								
Investment in Equity Securities	16.1.a	17,061,300	–	–	–	17,061,300	–	–
Investment in Debentures	16.1.b	–	–	–	–	–	–	–
Loans Due from Related Parties	18	–	–	65,134,631	–	65,134,631	–	–
Trade and Other Receivables	19	–	–	16,741,528,839	–	16,741,528,839	–	–
Amounts Due from Related Parties	20	–	–	45,072,914	–	45,072,914	–	–
Cash and Cash Equivalents	21.1	–	–	1,176,933,623	–	1,176,933,623	–	–
Investment in Treasury Bills	16.2	–	653,380,279	–	–	653,380,279	653,623,111	Level 02
Deposits with Banks		–	–	110,388,278	–	110,388,278	–	–
		17,061,300	653,380,279	18,792,438,560	–	18,809,499,860	–	–
Debentures	26.2	–	–	–	5,479,958,918	5,479,958,918	5,653,403,955	Level 02
Bank Loans	26.3	–	–	–	3,321,126,875	3,321,126,875	–	–
Bank Overdraft	21.2	–	–	–	348,945,469	348,945,469	–	–
Commercial Paper	26.4	–	–	–	1,750,000,000	1,750,000,000	–	–

Group									
	Note	Available-for-Sale Rs.	Held-to-Maturity Rs.	Loans and Receivables Rs.	Other Financial Liabilities Rs.	Total Carrying Value Rs.	Fair Value Rs.	Fair Value Measurement Level	
31st December 2014									
Trade and Other Payables	29.0	-	-	-	3,818,044,263	3,818,044,263	-	-	
Dividend Payable	31.0	-	-	-	15,491,340	15,491,340	-	-	
Amounts Due to Related Parties	33.0	-	-	-	437,013,705	437,013,705	-	-	
Fixed Deposits	34.0	-	-	-	4,494,641,970	4,494,641,970	-	-	
Security Deposits		-	-	-	732,124,371	732,124,371	-	-	
Income Tax Payable		-	-	-	212,821,799	212,821,799	-	-	
		-	-	-	20,610,168,710	20,610,168,710	-	-	
31st December 2013									
Investment in Equity Securities	16.1.a	17,061,300	-	-	-	17,061,300	-	-	
Investment in Debentures	16.1.b	-	-	-	-	-	-	-	
Loans Due from Related Parties	18	-	-	69,634,631	-	69,634,631	-	-	
Trade and Other Receivables	19	-	-	15,187,265,761	-	15,187,265,761	-	-	
Amounts Due from Related Parties	20	-	-	7,619,556	-	7,619,556	-	-	
Cash and Cash Equivalents	21.1	-	-	692,457,844	-	692,457,844	-	-	
Investment in Treasury Bills	16.2	-	427,885,421	-	-	427,885,421	-	-	
Income Tax Receivable		-	-	50,963,181	-	50,963,181	-	-	
Deposits with Banks		-	-	113,959,510	-	113,959,510	-	-	
		17,061,300	427,885,421	16,114,280,927	-	16,559,227,648	-	-	
Debentures	26.20	-	-	-	3,979,958,918	3,979,958,918	4,333,189,447	Level 02	
Bank Loans	26.30	-	-	-	5,269,171,194	5,269,171,194	-	-	
Bank Overdraft	21.20	-	-	-	841,102,180	841,102,180	-	-	
Commercial Papers	26.40	-	-	-	450,000,000	450,000,000	-	-	
Trade and Other Payables	29.00	-	-	-	3,259,489,899	3,259,489,899	-	-	
Dividend Payable	31.00	-	-	-	14,956,444	14,956,444	-	-	
Amounts Due to Related Parties	33.00	-	-	-	402,691,350	402,691,350	-	-	
Fixed Deposits	34.00	-	-	-	3,768,229,719	3,768,229,719	-	-	
Security Deposits		-	-	-	651,765,090	651,765,090	-	-	
Income Tax Payable		-	-	-	15,638,502	15,638,502	-	-	
		-	-	-	18,653,003,296	18,653,003,296	-	-	

Company								
	Note	Available-for-Sale Rs.	Held-to-Maturity Rs.	Loans and Receivables Rs.	Other Financial Liabilities Rs.	Total Carrying Value Rs.	Fair Value Rs.	Fair Value Measurement Level
31st December 2014								
Investment in Equity Securities	16.1.a	17,020,000	–	–	–	17,020,000	–	–
Investment in Debentures	16.1.b	–	149,283,000	–	–	149,283,000	153,272,834	Level 02
Loans Due from Related Parties	18	–	–	65,134,631	–	65,134,631	–	–
Trade and Other Receivables	19	–	–	6,949,840,612	–	6,949,840,612	–	–
Amounts Due from Related Parties	20	–	–	950,322,652	–	950,322,652	–	–
Cash and Cash Equivalents	21	–	–	914,488,142	–	914,488,142	–	–
		17,020,000	149,283,000	8,879,786,037	–	9,046,089,037	–	–
Debtors	26.7	–	–	–	4,400,000,000	4,400,000,000	4,420,239,769	Level 02
Bank Loans	26.8	–	–	–	3,251,054,957	3,251,054,957	–	–
Bank Overdraft	21.2	–	–	–	306,831,290	306,831,290	–	–
Commercial Papers	26.9	–	–	–	1,750,000,000	1,750,000,000	–	–
Trade and Other Payables	29.0	–	–	–	3,297,531,668	3,297,531,668	–	–
Dividend Payable	31.0	–	–	–	15,491,340	15,491,340	–	–
Amounts Due to Related Parties	33.0	–	–	–	581,372,920	581,372,920	–	–
Security Deposits		–	–	–	732,124,371	732,124,370	–	–
Income Tax Payable		–	–	–	109,189,836	109,189,835	–	–
		–	–	–	14,443,596,380	14,443,596,380	–	–
31st December 2013								
Investment in Equity Securities	16.1.a	17,020,000	–	–	–	17,020,000	–	–
Investment in Debentures	16.1.b	–	149,283,000	–	–	149,283,000	–	–
Loans Due from Related Parties	18	–	–	69,634,631	–	69,634,631	–	–
Trade and Other Receivables	19	–	–	7,913,723,188	–	7,913,723,188	–	–
Amounts Due from Related Parties	20	–	–	21,246,027	–	21,246,027	–	–
Cash and Cash Equivalents	21	–	–	519,015,324	–	519,015,324	–	–
Investment in Treasury Bills	16	–	–	–	–	–	–	–
Income Tax Receivable		–	–	50,963,181	–	50,963,181	–	–
Deposits with Banks		–	–	–	–	–	–	–
		17,020,000	149,283,000	8,574,582,351	–	8,740,885,351	–	–

31st December 2013	Note	Available- for-Sale Rs.	Held-to- Maturity Rs.	Loans and Receivables Rs.	Other Financial Liabilities Rs.	Total Carrying Value Rs.	Fair Value Rs.	Fair Value Measurement Level
Debentures	26	-	-	-	2,900,000,000	2,900,000,000	1,112,833,192	Level 02
Bank Loans	26	-	-	-	4,772,816,670	4,772,816,670	-	-
Bank Overdraft	21	-	-	-	753,318,829	753,318,829	-	-
Commercial Paper	26	-	-	-	450,000,000	450,000,000	-	-
Trade and Other Payables	29	-	-	-	2,837,344,625	2,837,344,625	-	-
Dividend Payable	31	-	-	-	14,956,444	14,956,444	-	-
Amounts Due to Related Parties	33	-	-	-	402,691,350	402,691,350	-	-
Security Deposits		-	-	-	651,765,090	651,765,090	-	-
Income Tax Payable		-	-	-	-	-	-	-
		-	-	-	12,790,512,564	12,790,512,564	-	-

(I) Fair Value Versus Carrying Amounts

The following tables show the valuation techniques used in measuring level 02 fair values, as well as significant unobservable inputs used:

Type	Valuation Technique	Significant Unobservable Inputs
Debentures	Discount Cash Flows	- Forecasted Annual Cash in flows and out flows - Risk adjusted discount rate

Capital Management

The Board's policy is to maintain a strong capital base to maintain confidence of the investors, creditors and the market while sustaining future development of the business capital consists to total equity. The Board of Directors monitors the return on capital as well as the level of dividends to ordinary shareholders.

The Board of Directors seeks to maintain a balance between higher returns facilitated through a higher level of borrowings and the benefits and security afforded by a sound capital position.

The Capital Structure of the Group consists of debt and equity of the Group. The capital structure of the Group is reviewed by the Board of Directors.

The Group monitors capital using the ratio of net debt to equity. For this purpose adjusted net debt is defined as total liabilities comprising interest-bearing loans and borrowings and obligation under finance leases, less cash and cash equivalents.

	Group		Company	
	2014 Rs.	2013 Rs.	2014 Rs.	2013 Rs.
Total Liabilities	21,519,889,632	19,202,552,648	15,328,076,347	13,318,192,386
Less: Cash and Cash Equivalents	(1,176,933,622)	(692,457,844)	(914,488,141)	(519,015,324)
Adjusted Net Debt	20,342,956,009	18,510,094,804	14,413,588,205	12,799,177,062
Total Equity	5,917,168,803	5,359,975,033	4,578,707,343	4,316,891,970
Net Debt to Equity Ratio	3.44	3.45	3.15	2.96

36. Commitments and Contingencies - Group/Company

36.1 Financial Contingencies

Documentary credits effected for foreign purchases amounting to Group and Company respectively Rs. 2,643,750,504/- (2013 - Rs. 2,261,817,907/-) and Rs. 2,137,016,876/- (2013 - Rs. 2,261,817,907/-).

36.2 Capital Commitments

There were no significant capital commitments which have been approved or contracted for by the Company/Subsidiary as at reporting date except for following:

Operating lease commitment as at 31st December 2014 is as follows:

Within One Year	-	Rs. 537.5 million
Between One to Five Years	-	Rs. 1,969 million
Over Five Years	-	Rs. 452.3 million

36.3 Assets Pledged

Company has given a negative pledge over the Company's total assets, except immovable assets, for the following banks over the Loans and Overdrafts having a carrying value of Rs. 999.5 million as at the year-end:

- Commercial Bank of Ceylon PLC
- Deutsche Bank AG
- DFCC Vardhana Bank PLC
- MCB Bank
- Nations Trust Bank PLC
- NDB Bank PLC
- People's Bank
- Sampath Bank PLC
- Seylan Bank PLC

36.4 Contingencies

- (a) Guarantees given to banks and other lending institutions on behalf of Singer Industries (Ceylon) PLC, Regnis (Lanka) PLC and Singer Digital Media (Pvt) Ltd. amounts to Rs. 75 million, Rs. 455.5 million and Rs. 50 million respectively.
- (b) The Company has provided bank guarantees amounting to Rs. 192.2 million to the Director General of Customs to clear imports 2008 to 2014.
- The bank guarantee related to alleged additional duty payable on imports, is being contested by the Company in Courts. The Court of Appeal made order that the Director General of Customs to continue with investigation. The Company being aggrieved by the decision of the Court of Appeal, has filed an appeal which is pending before Supreme Courts.
- The Company lawyers are of the opinion that there is no basis that the Company is liable for the additional duty and hence, no provision is made in the Financial Statements.
- (c) Singer Finance (Lanka) PLC has provided guarantees to its Fixed Deposit Holders amounting to Rs. 750,000/- holding deposit holders' Fixed Deposits amounting to Rs. 1,004,892/- as security.

37. Events after the Reporting Period

(i) Final Dividend - 2014

On the 27th February 2015, Board of Directors approved a final dividend of Rs. 2.50 per share amounting to Rs. 313,024,025 million for the year ended 31st December 2014. Company had the required solvency in accordance with Section 57 of Companies Act No. 07 of 2007.

The dividend will be paid on 19th March 2015.

Except for the above there were no events after the reporting period, which require adjustments as disclosed in the Financial Statements.

38. Related Parties

38.1 Parent and Ultimate Controlling Party

The Company's Parent Undertaking is Singer (Sri Lanka) B.V. The Company's Ultimate Parent Undertaking and controlling party is Retail Holdings N.V.

38.2 Related Party Transactions

38.2 (a) Transactions with Parent Companies

(a) During the year, the Company had the following transactions with its Parent Companies:

Singer Asia Ltd. - (Intermediate Parent)

	2014 Rs. million	2013 Rs. million
Royalty Expenses	301.5	263.5
Royalty Payable Balance as at the Reporting date	98.1	76.7

Singer Asia Holdings B.V. (Intermediate Parent)

Royalty paid to Singer Asia Ltd. through Singer Asia Holdings B.V.

38.2 (b) Transactions with Subsidiary Companies

Name of the Company and Relationship	Name of Director	Nature of Transaction	2014 Rs. million	2013 Rs. million
Singer Finance (Lanka) PLC (Subsidiary Company)	Dr. S. Kelegama (Chairman)	Sales Financed through Singer Finance (Lanka) PLC	312.2	110.7
	Mr. H.D.S. Amarasuriya (Resigned w.e.f. 30.04.2013)	Short-term Loan Granted	-	795.0
	Mr. G.J. Walker	Interest Income/(Expense)	12.9	97.2
	Mr. H.A Pieris (Resigned w.e.f. 30.04.2014)	Payment to Singer (Sri Lanka) PLC on behalf of customers	1,501.7	1,043.6
	Mr. M.P.A. Salgado (Resigned w.e.f. 30.06.2014)	Short-term Loan Recovered	-	2,088.0
	Mr. J.J. Hyun	Dividend Received - Gross	86.4	86.4
	Mr. K.K.L.P. Yatiwella (Appointed w.e.f. 08.08.2014)	Cash Collection through Singer (Sri Lanka) PLC	2,018.1	620.4
	Mr. J.A. Setukavalar	Expenses Paid	208.0	191.4
	Ms. M. Tharmaratnam	Administrative Fee Charged	0.1	18.6
		Collecting Commission Paid through Singer (Sri Lanka) PLC	19.3	18.3
		Purchase of Assets	0.9	0.7
		Rent Reimbursed	11.8	12.1
		Royalty Paid through Singer (Sri Lanka) PLC	19.2	18.6
		Balance Receivable - Trade	207.8	21.2
		Balance Payable - Trade	144.4	-
Singer Digital Media (Pvt) Ltd.	Mr. H.A. Pieris	Capital Invested	5.0	-
	Mr. M.H. Wijewardena	Purchases	681.3	-
	Mr. K.K.L.P. Yatiwella	Expenses Reimbursed	8.0	-
		Interest Charged	11.0	-
		Loan Given	651.9	-
		Balance Receivable - Trade	45.4	-
		Loan Receivable	651.9	-
	Balance Payable - Trade	276.0	-	

38.2 (c) Transactions with Associate Companies

Name of the Company and Relationship	Name of Director	Nature of Transaction	2014 Rs. million	2013 Rs. million
Reality Lanka Ltd. (Associate Company)	Mr. H.D.S. Amarasuriya (Chairman)	Rent Expense	5.0	4.9
	Mr. G.J. Walker	Loan Receivable	65.1	69.6
	Mr. H.A. Pieris			
	Mr. V.G.K. Vidyaratne (Resigned w.e.f. 30.09.2014)			

38.2 (d) Transactions with Affiliate Companies

Name of the Company and Relationship	Name of Director	Nature of Transaction	2014 Rs. million	2013 Rs. million
Singer Industries (Ceylon PLC (Affiliate Company)	Mr. H.D.S. Amarasuriya (Chairman)	Purchases	817.1	673.9
	Late Dr. G.C.B. Wijeyesinghe	Lease Rental Paid	3.8	3.7
	Deshabandu A.M. de S. Jayaratne	Trade Creditor Settled	814.0	681.4
	Mr. G.J. Walker	Net Finance Income	-	0.5
	Mr. H.A. Pieris	Corporate Guarantee given	75.0	75.0
	Mr. V.G.K. Vidyaratne (Resigned w.e.f. 30.09.2014)	Expenses Reimbursed	1.6	9.2
		Balance Payable	109.3	-
Regnis (Lanka) PLC (Affiliate Company)	Mr. H.D.S. Amarasuriya (Chairman)	Purchases	2,566.5	2,007.5
	Late Dr. G.C.B. Wijeyesinghe	Sales Taxes	455.5	455.5
	Dr. S. Kelegama	Corporate Guarantees given	-	3.3
	Mr. G.J. Walker	Interest Income/(Expense)	366.6	286.8
	Mr. H.A. Pieris	Trade Settlements	2,941.5	2,182.6
	Mr. V.G.K. Vidyaratne (Resigned w.e.f. 30.09.2014)	Expenses Reimbursed	61.3	44.7
		Loans Receivables	-	80.0
		Loan Recovered	-	80.0
		Non-Trade Settlement	50.0	55.0
		Fixed Asset Purchases	0.1	0.4
	Balance Payable	147.4	167.2	
Regnis Appliances (Pvt) Ltd.	Mr. H.D.S. Amarasuriya (Chairman)	Purchases	608.1	852.1
	Mr. H.A. Pieris	Sales Taxes	86.9	147.3
	Mr. V.G.K. Vidyaratne (Resigned w.e.f. 30.09.2014)	Trade Settlements	711.7	810.3
	Mr. A.N. Majeed (Resigned w.e.f. 18.06.2013)	Expenses Paid	3.9	2.0
		Non-Trade Settlements	2.7	5.4
		Finance Charges	0.9	2.9
		Loan Granted	-	100.0
		Loan Recovered	-	120.0
		Balance Payable - Trade	45.4	62.1
		Balance Receivable - Trade	0.4	-

The amounts receivable from or payable by above related parties as at 31st December 2014, are disclosed in Notes 18, 20 and 33 respectively.

38.3 Transactions with Key Management Personnel

According to Sri Lanka Accounting Standard (LKAS) 24 - Related Party Disclosure, Key Management Personnel are those having authority and responsibility for planning, directing and controlling the activities of the entity. Accordingly, the Directors (Including Executive and Non-Executive Directors) of the Company and their immediate family members have been classified as Key Management Personnel of the Company.

	2014 Rs. million	2013 Rs. million
(i) Transactions with Key Management Personnel or Close Family Members		
Deposit Kept by Key Management Personnel or there close family members at Singer Finance (Lanka) PLC	83.2	71.7

	Group		Company	
	2014 Rs.	2013 Rs.	2014 Rs.	2013 Rs.
(ii) Compensation of Key Management Personnel				
Short-Term Employee Benefits	46,950,840	52,930,607	38,643,674	43,483,187
Post-Employment Benefits Paid	7,865,000	1,755,000	7,865,000	1,755,000

In addition to their salaries the Company provides non-cash benefits to the Key Management Personnel and contributes to a post-employment defined benefit plan on their behalf. Directors' emoluments are disclosed in Note 9 to the Financial Statements.

(iii) No transactions were carried out during the year with the parties/entities in which Key Management Personnel or their close family members have control, joint control or significant influence.

39. Subsidiaries/Associate Companies

	Principal Activity	Directors
Singer Finance (Lanka) PLC	<ul style="list-style-type: none"> Leasing 	Mr. H.D.S. Amarasuriya - Chairman (Resigned w.e.f. 30th April 2013) Dr. S. Kelegama - Chairman
Singer - Interest 80.4%	<ul style="list-style-type: none"> Hire Purchasing Lending and Accepting Deposits 	Mr. J.A. Setukavalar Mr. J.J. Hyun (Alternate Mr. S. Ramanathan) Ms. M. Tharmaratnam Mr. G.J. Walker (Alternate Director Mr. K.K.L.P. Yatiwella Appointed w.e.f. 08.08.2014) Mr. H.A. Pieris (Resigned w.e.f. 30.04.2013) Mr. J. Kan - Appointed w.e.f. 30.04.2013 (Alternate Mr. P.J.P. De Silva) Mr. M.P.A. Salgado (Resigned w.e.f. 30.06.2014)
Singer Digital Media (Pvt) Ltd.	<ul style="list-style-type: none"> Marketing Mobile Phones, Computers and Cameras 	Mr. H.A. Pieris
Singer - Interest 100%		Mr. M.H. Wijewardena Mr. K.K.L.P. Yatiwella
Reality Lanka Ltd.	<ul style="list-style-type: none"> Investment on Properties 	Mr. H.D.S. Amarasuriya - Chairman
Singer - Interest 40%		Mr. G.J. Walker Mr. H.A. Pieris Mr. V.G.K. Vidyaratne (Resigned w.e.f. 30.09.2014)

A DECADE IN PERSPECTIVE

Year ended 31st December	2014	2013	2012	2011	2010 (Restated)	2009	2008	2007	2006	2005
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
GDP Growth - %	7.2	7.3	6.0	8.3	7.0	3.5	6.0	6.8	7.7	6.2
Market Capitalisation Growth - %	32.5	(13.0)	(22.9)	36.1	102.0	123.0	-40.4	42.6	42.9	52.8
Trading Results										
Group Turnover - Net	29,699,602	25,485,561	25,441,494	22,031,653	16,028,534	11,913,503	13,734,093	13,776,425	12,216,067	10,865,994
Profit before Tax	1,155,608	728,440	1,777,160	1,990,012	1,167,862	247,729	255,074	602,913	792,656	750,220
Taxation	373,974	206,375	561,451	681,181	499,042	114,830	89,616	232,698	302,356	257,304
Profit for the Year	781,634	522,066	1,215,710	1,308,831	668,819	132,899	165,458	370,215	490,300	492,916
Total Comprehensive Income for the Year	891,279	519,059	1,320,383	1,308,831	-	-	-	-	-	-
Property, Plant & Equipment	2,667,909	2,505,355	2,151,208	1,691,107	1,564,240	1,285,728	1,445,078	1,198,303	1,063,614	842,794
Investment in Equity										
Accounted Investees	55,189	53,226	52,663	46,886	23,525	24,541	25,433	412,214	366,964	264,992
Other Investments	17,061	17,061	17,061	17,061	17,061	18,490	18,490	18,490	18,490	17,837
Deferred Tax Assets	185,024	119,022	150,284	143,450	110,226	143,053	96,481	68,642	48,363	29,717
Other Non-Current Assets	6,021,845	5,867,311	5,234,046	4,385,767	2,687,281	2,205,263	2,455,481	2,145,427	1,777,522	1,267,125
Total Non-Current Assets	8,947,028	8,561,974	7,605,262	6,284,271	4,402,333	3,677,075	4,040,963	3,843,076	3,274,953	2,422,465
Current Assets	18,490,030	16,000,553	13,795,274	11,164,888	8,477,132	7,176,378	8,612,254	8,219,439	7,477,565	5,699,334
Current Liabilities	15,258,976	13,030,817	12,849,830	10,043,948	6,602,195	6,392,896	7,668,414	5,853,413	4,555,752	3,390,742
Net Current Assets	3,231,054	2,969,736	945,444	1,120,940	1,874,937	783,482	943,840	2,366,026	2,921,813	2,308,592
Total Assets Less Current Liabilities	12,178,083	11,531,711	8,550,706	7,405,211	6,277,270	4,460,557	4,984,803	6,209,102	6,196,766	4,731,057
Security Deposit	732,124	651,765	576,648	487,449	403,894	359,516	334,837	301,558	270,623	235,391
Loans Re-payable after One Year	4,226,596	4,334,165	1,633,823	1,110,385	1,287,291	763,936	1,444,165	2,350,644	2,826,637	1,946,780
Provision for Gratuity	383,912	320,033	270,539	204,787	181,876	158,546	148,418	126,889	109,623	86,562
Public Deposits	798,492	756,232	342,535	503,142	195,995	150,001	81,077	443,444	235,006	96,048
Deferred Tax Liability	119,789	109,540	113,926	95,805	99,339	-	22,707	17,987	4,808	-
Net Assets	5,917,169	5,359,975	5,613,235	5,003,643	4,108,876	3,013,799	2,953,599	2,968,580	2,750,069	2,366,276
Share Capital and Reserves										
Stated Capital	628,048	626,048	626,048	626,048	626,048	626,048	626,048	626,048	626,048	500,838
Capital Reserves	870,358	762,034	773,312	655,454	664,542	412,127	407,098	233,598	233,335	208,895
Statutory Reserves	136,128	128,447	78,425	44,408	10,748	-	-	-	-	-
Revenue Reserves	3,842,675	3,447,544	3,778,395	3,421,739	2,583,363	1,975,624	1,920,453	2,108,933	1,895,495	1,656,543
Shareholders' Funds	5,475,208	4,964,073	5,256,181	4,747,648	3,884,701	3,013,799	2,953,599	2,968,579	2,754,878	2,366,276
Non-Controlling Interest	441,960	395,902	357,054	255,995	224,174	-	-	-	-	-
Total Equity	5,917,169	5,359,975	5,613,235	5,003,643	4,108,876	3,013,799	2,953,599	2,968,580	2,750,069	2,366,276
Ratio and Statistics										
Profitability										
Earning per Share - Rs.	5.70	3.69	9.26	10.11	5.34	1.06	1.32	2.96	3.92	3.94
Net Assets per Share - Rs.	43.73	39.65	41.98	37.91	31.03	24.07	23.59	23.71	22	18.9
Return on Average Net Assets - %	13.9	9.5	22.9	29.3	18.8	4.4	5.6	12.9	19.1	23.6
Dividends										
Amount - Rs. '000	313,024	313,024	751,258	939,072	281,722	-	250,419	125,210	156,512	125,210
Per Share - Rs.	2.50	2.50	6.00	7.50	4.50	-	4.00	2.00	2.50	2.50
Cover	1.48	0.96	1.37	1.2	1.5	-	1.8	1.7	2.7	3.0
Others										
Market Price per Share - Rs.	117.90	89.00	102.30	132.70	195.00	76.50	32.00	68.00	74.30	63.50
Price Earnings Ratio	31.9	36.9	12.5	14.3	18.3	36.1	12.1	11.5	9.5	8.1
Annual Sales Growth - %	16.5	0.2	15.5	37.3	34.5	-13.3	-0.3	12.8	12.4	26.1
Current Ratio	1.2	1.2	1.1	1.1	1.3	1.1	1.3	1.4	1.6	1.7
Average Annual Inflation - %	3.3	7.3	7.6	6.7	6.9	4.8	14.4	17.5	13.7	12.6
Net Income to Net Turnover - %	2.6	2.0	4.8	5.9	4.2	1.1	1.2	2.7	4.0	4.5

SHARE INFORMATION

1. Stated Capital

	31st December 2014	31st December 2013
Stated Capital (Rs.)	626,048,050	626,048,050
No. of Ordinary Shares	125,209,610	125,209,610
Class of Shares	Ordinary Shares	
Voting Rights	One Vote per Ordinary Share	
Subdivision	New share for every 1 existing share held on 31st March 2011	

2. Stock Exchange Listing

The issued ordinary shares of Singer (Sri Lanka) PLC are listed with the Colombo Stock Exchange of Sri Lanka.

3. Distribution of Shareholding - 31st December 2014

No. of Shareholders: 31st December 2014 - 2,523 (31st December 2013 - 2,694).

No. of Shares Held	Resident			Non-Resident			Total		
	No. of Shareholders	No. of Shares	%	No. of Shareholders	No. of Shares	%	No. of Shareholders	No. of Shares	%
1 - 1,000	1,500	363,902	0.29	21	8,078	0.01	1,521	371,980	0.30
1,001 - 10,000	757	2,662,436	2.13	13	53,654	0.04	770	2,716,090	2.17
10,001 - 100,000	205	5,638,689	4.50	10	415,163	0.33	215	6,053,852	4.83
100,001 - 1,000,000	15	3,847,472	3.07	-	-	-	15	3,847,472	3.07
Over - 1,000,001	1	4,407,366	3.52	1	107,812,850	86.11	2	112,220,216	89.63
Total	2,478	16,919,865	13.51	45	108,289,745	86.49	2,523	125,209,610	100.00

Categories of Shares	31st December 2014		31st December 2013	
	No. of Shares	No. of Shareholders	No. of Shares	No. of Shareholders
Individuals	9,680,195	2,356	10,739,171	2,524
Institutions	115,529,415	167	114,470,439	170
Total	125,209,610	2,523	125,209,610	2,694

4. Dividends

Final Dividend 2014 - Rs. 2.50 (2013 - Rs. 2.50)

5. Market Value Per Share

	2014 Rs.	2013 Rs.
Highest during the Year	128.90 - 18th November	113.00 - 24th January
Lowest during the Year	82.00 - 16th January	80.10 - 28th November
31st December	117.90	89.00

6. Twenty Largest Shareholders as at 31st December

Name	2014	
	No. of Shares	%
1. Singer (Sri Lanka) BV	107,812,850	86.11
2. Bank of Ceylon A/c Ceybank Unit Trust	4,407,366	3.52
3. Bank of Ceylon A/c Ceybank Century Growth Fund	617,254	0.49
4. Mrs. Mihiri Virani Fernando	610,000	0.49
5. Deutsche Bank Ag As Trustee for Jb Vantage Value Equity Fund Deut	576,759	0.46
6. People's Bank	350,000	0.28
7. Mrs. Zohra Taher Jafferjee	330,890	0.26
8. Dr. Nimal Ebenezer Herat Sanderatne	180,333	0.14
9. Mrs. Anoma Kamalika Amarasuriya	178,970	0.14
10. Mrs. Maria Tasneem Moosajee	154,257	0.13
11. Mrs. Kalutaravedage Jinangali Manel De Silva	131,248	0.11
12. Mr. Nalin Amita De Silva	126,326	0.10
13. Bank of Ceylon A/c Eagle Growth Fund	125,848	0.10
14. Jafferjee Brothers (Exports) Ltd.	125,200	0.10
15. Miss Nai Kaluge Ruvani Hemamala De Silva	118,195	0.09
16. Mrs. Enoka Kamali Wickramasinghe	112,644	0.09
17. Mr. Abeysiri Hemapala Munasinghe	109,548	0.09
18. Mrs. Jasbinderjit Kaur Piara Singh	91,268	0.07
19. Mr. Hemaka Devapriya Senarath Amarasuriya	89,482	0.07
20. Merchant Bank of Sri Lanka Ltd./Union Investments Ltd.	88,894	0.07
	116,337,332	92.91
Others	8,872,278	7.09
Total	125,209,610	100.00

Name	2013	
	No. of Shares	%
1. Singer (Sri Lanka) BV	107,812,850	86.11
2. Bank of Ceylon A/c Ceybank Unit Trust	4,225,986	3.38
3. Miss Ranjani Eileen Weeraratne Jayasuriya	609,782	0.49
4. Mrs. Mihiri Virani Fernando	600,000	0.48
5. Bank of Ceylon A/c Ceybank Century Growth Fund	598,068	0.48
6. Mrs. Zohra Taher Jafferjee	330,890	0.26
7. Dr. Nimal Ebenezer Herat Sanderatne	180,333	0.15
8. Mrs. Anoma Kamalika Amarasuriya	178,970	0.14
9. Sri Lanka Insurance Corporation Ltd. - General Fund	177,500	0.14
10. Sampath Bank PLC/Capital Trust Holdings (Pvt) Ltd.	143,360	0.11
11. Mrs. Kalutaravedage Jinangali Manel De Silva	131,248	0.11
12. Mr. Nalin Amita De Silva	126,326	0.10
13. Amāna Bank Ltd.	126,106	0.10
14. Jafferjee Brothers (Exports) Ltd.	125,200	0.10
15. Miss Nai Kaluge Ruvani Hemamala De Silva	118,195	0.09
16. Mrs. Enoka Kamali Wickramasinghe	112,644	0.09
17. Mrs. - Jasbinderjit Kaur Piara Singh	91,268	0.07
18. Mr. Hemaka Devapriya Senarath Amarasuriya	89,482	0.07
19. Merchant Bank of Sri Lanka Ltd./Union Investments Ltd.	88,894	0.07
20. Mr. Abeysiri Hemapala Munasinghe	83,986	0.07
	115,951,088	92.61
Others	9,258,522	7.39
Total	125,209,610	100.00

7. Share Trading

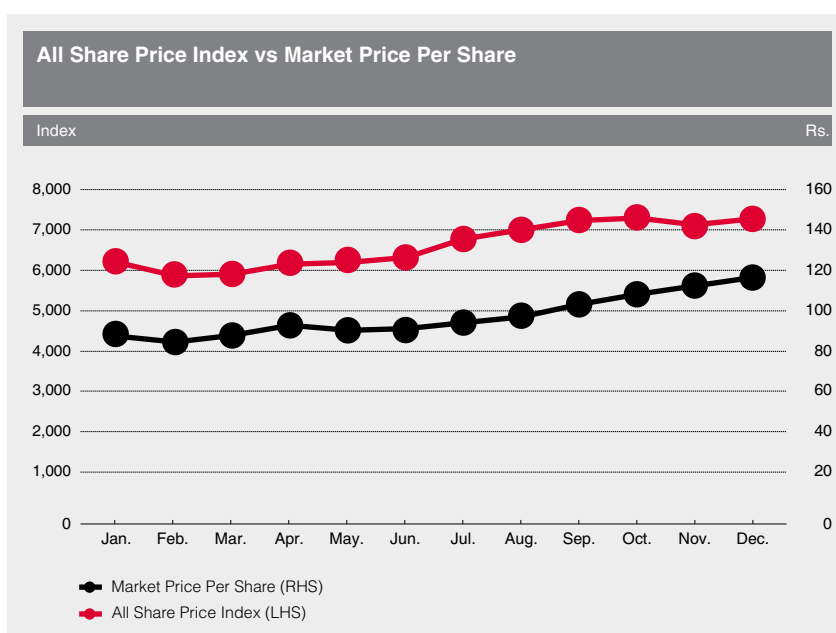
For the year ended 31st December	2014	2013
Number of Transactions	2,168	1,457
Number of Shares Traded	2,795,975	950,048
Value of Shares Traded (Rs.)	275,587,204	93,339,406

8. Public Holdings

The percentage of shares held by the public is 13.67% (2013 - 13.65%).

9. Record of Scrip Issues

Year ended 31st December	Issue	Basis	No. of Shares	Share Capital Rs. '000
1981	Prior to Public Issue	–	927,600	9,276
1982	Public Issue	–	1,391,400	23,190
1984	Bonus	1:02	1,159,500	34,785
1985	Bonus	1:03	1,159,500	46,380
1989	Bonus	1:01	4,638,000	92,760
1992	Bonus	1:04	2,319,000	115,950
1992	Rights (at Rs. 40/-)	1:08	1,449,375	130,444
1994	Bonus	1:15	2,608,875	156,533
1996	Bonus	2:09	3,478,500	191,318
1996	Rights (at Rs. 50/-)	1:09	1,855,766	209,875
1998	Bonus	3:11	5,723,868	267,114
2000	Bonus	1:15	5,342,276	320,537
2004	Bonus	1:04	8,013,415	400,671
2005	Bonus	1:04	10,016,769	500,838
2006	Bonus	1:04	12,520,961	626,048
2011	Subdivision	1 for 1	62,604,805	–
Total No. of Shares			125,209,610	626,048



10. Listed Debentures

Details regarding the listed debentures are as follows:

1. 17% senior rated unsecured redeemable on 30th September 2015.
2. 14.5% senior rated listed unsecured redeemable on 30th May 2015 and 30th May 2016.
3. 8.25% senior rated listed unsecured redeemable on 22nd December 2017.

Interest rate of comparable Government Securities as at date of issue, 25th October 2012 was 11.84%.

Interest Rate of Comparable Government Security as at 31st December 2014 was 6.66%.

Highest traded price, lowest traded price, last traded price as at 31st December 2014, interest yield and yield to maturity of trade are as follows:

	Highest Traded Price (Rs.)	Lowest Traded Price (Rs.)	Last Traded Price (Rs.)	Interest Yield %	Yield to Maturity %
1. 17% senior rated unsecured	99.98	99.98	99.98	17.003	17.013
2. 14.5% senior rated listed unsecured	106.64	106.64	106.64	13.59	13.59
3. 8.25% senior rated listed	100.00	100.00	100.00	8.25	8.25

Debt/equity ratio, interest cover and quick asset ratio are given in Financial Highlights on page 7 of this Report.

DISTRIBUTION NETWORK

As at 31st December 2014

Singer Plus Shops	Rajagiriya	Kandy	Polonnaruwa	Avissawella	Thurstan Road	Kandy
Ampara	Ratmalana	Digana	Bakamuna	Badulla	Wattala	Alawathugoda
Akkaraipattu	Thimbirigasyaya	Gampola	Hingurakgoda	Balangoda		Ankumbura
Ampara 'A'	Udahamulla - Merit	Geliyo	Kaduruwela 'A'	Bandarawela	Satellite Shops	Galagedara
Ampara 'B'	Union Place	Kandy	Kaduruwela 'B'	Battaramulla	Ampara	Galaha
Aralanganwila	Ward Place	Katugastota	Medirigiriya	Borella	Hingurana	Hatharaliyadda
Dehiattakandiya	Wellampitiya	Kundasale	Minneriya	Chilaw		Kadugannawa
Kalmunai 'A'	Wellawatta	Nawalapitiya	Naula	Chunnam	Anuradhapura	Menikhinna
Kalmunai 'B'		Peradeniya	Polonnaruwa	Dambulla	Eppawela	
Padiyatalawa	Galle	Pilimalalawa	Welikanda	Dickwella	Galnewa	Kegalle
Pottuvil	Ahangama	Poojapitiya		Digana	Kahatagasdigiliya	Bulathkohupitiya
Uhana	Ambalangoda	Rikillagaskada	Puttalam	Eheliyagoda	Kebithigollewa	Deraniyagala
	Baddegama	Wattegama	Anamaduwa	Embilipitiya	Nochchiyagama	Dippitiya
Anuradhapura	Elpitiya		Chilaw	Galle	Rambewa	Hemmatagama
Anuradhapura 'A'	Galle 'A'	Kegalle	Gampaha	Gampaha	Thalawa	Kotiyakumbura
Anuradhapura 'B'	Galle 'B'	Kegalle 'A'	Gampola	Homagama	Thirappane	
Anuradhapura 'C'	Hikkaduwa	Kegalle 'B'	Homagama	Horana	Wilachchiya	Kurunegala
Galenbindunuwewa	Neluwa	Mawanella	Horana	Ja-Ela		Bingiriya
Horowpatana	Gampaha	Rambukkana	Ja-Ela	Jaffna	Badulla	Dummalasuriya
Kekirawa	Delgoda	Ruwanwella	Kadawatha	Kadawatha	Diyatalawa	Hiripitiya
Medawachchiya	Divulapitiya	Warakapola	Kaduwela	Kahawatta	Ettampitiya	Ibbagamuwa
Tambuththegama	Gampaha		Kahawatta	Kalutara	Haldemulla	Pannala
	Ganemulla	Kurunegala	Kalutara	Katugastota	Hasalaka	Polpithigama
Badulla	Ja-Ela	Alawwa	Katugastota	Kegalle	Hettipola	Rideegama
Badulla	Kadawatha 'A'	Galgamuwa	Kegalle	Kekirawa	Keppetipola	
Bandarawela 'A'	Kadawatha 'B'	Giriulla	Kekirawa	Kilinochchi	Meegahakivula	Matale
Bandarawela 'B'	Kandana	Kuliyapitiya	Kilinochchi	Kuliyapitiya	Passara	Pallepola
Girandurukotte	Kiribathgoda 'A'	Kurunegala 'A'	Kurunegala	Maharagama	Udapussellawa	Wilgamuwa
Hali-Ela	Kiribathgoda 'B'	Kurunegala 'B'	Maharagama	Mahiyanganaya	Ududumbara	
Mahiyanganaya	Kirindiwela	Maho	Mahiyanganaya	Matale		Matara
Welimada	Kochchikade	Mawathagama	Matale	Matara		Pitabeddara
	Mawaramandiya	Melsiripura	Matara	Matugama	Batticaloa	Telijjawala
Batticaloa	Minuwangoda	Narammala	Matugama	Mawanelle	Gonagolla	Thihagoda
Batticaloa 'A'	Mirigama	Nikaweratiya	Mawanelle	Mirigama		Moneragala
Batticaloa 'B'	Negombo	Polgahawela	Mirigama	Mount Lavinia	Hanwella	Badalkumbura
Chenkaladi	Nittambuwa	Pothuhera	Mount Lavinia	Narammala	Kosgama	Thanamalwila
Kalawanchikudi	Ragama	Wariyapola	Narammala	Negombo	Moragahahena	
Kattankudy	Seeduwa		Negombo	Nikaweratiya	Nawam Mawatha	Nuwara Eliya
Valaichchenai	Veyangoda	Matara	Nikaweratiya	Nittambuwa	Padukka	Bogawantalawa
	Wattala	Akuressa	Nittambuwa	Nuwara Eliya		Ginigathena
Colombo	Weliweriya	Deniyaya	Nuwara Eliya	Panadura	Galle	Maskeliya
Angoda	Yakkala	Dikwella	Panadura	Pannipitiya	Batapola	Pundaluoya
Athurugiriya		Hakmana	Pannipitiya	Pelmadulla	Imaduwa	Ragala
Attidiya	Hambantota	Kamburupitiya	Pelmadulla	Piliyandala	Karandeniya	Walapane
Avissawella	Agunakolapelessa	Matara 'A'	Piliyandala	Ratnapura	Pinnaduwa	
Battaramulla	Ambalantota	Matara 'B'	Ratnapura	Ruwanwella	Pitigala	Polonnaruwa
Boralesgamuwa	Hambantota	Morawaka	Ruwanwella	Talawathugoda	Talgaswala	Diyabeduma
Borella	Middeniya	Urubokka	Talawathugoda	Tissamaharamaya	Udugama	Diyasenpura
Dehiwela	Suriyawewa	Weligama	Tissamaharamaya	Trincomalee	Uragasmanhandiya	Habarana
Delkanda	Tangalle		Trincomalee	Union Place	Wanduramba	Jayanthipura
Galle Face Court	Tissamaharamaya	Mannar	Union Place	Vavuniya	Yakkalamulla	Manampitiya
Gothatuwa		Mannar	Badulla	Warakapola		
Homagama	Jaffna		Chilaw	Welisara	Gampaha	Puttalam
Kaduwela	Chenkanai	Matale	Colpetty		Dompe	Abanpola
Katubedda	Chavakachcheri	Dambulla	Godagama		Katana	Kobeigane
Kirulapona	Chunnamkam	Galewela	Kadawata	Singer Mega	Marandagahamulla	Nattandiya
Kohuwala	Jaffna	Matale	Kalutara	Duplication Road	Naiwala	Norochcholai
Kollupitiya	Nelliady	Rattota	Kegalle	Gampaha	Pasyala	
Kotahena	Point Pedro		Kotte	Kandy		Ratnapura
Kottawa		Moneragala	Kurunegala	Kandy Mall	Hambantota	Dehiowita
Maharagama 'A'	Kalutara	Bibile	Maharagama	Kiribathgoda	Beliatta	Kalawana
Maharagama 'B'	Agalawatta	Buttala	Matale	K-Zone - Ja-Ela	Ranna	Kiriella
Malabe	Aluthgama	Kataragama	Negombo	K-Zone - Moratuwa	Walasmulla	Pallebadda
Maradana	Bandaragama	Moneragala	Nuwara Eliya	Liberty Plaza Digital	Weeraketiya	Rakwana
Milagiriya	Beruwala	Siyabalanduwa	Ratmalana	Maharagama		
Moratuwa	Bulathsinghala	Wellawaya	Ratnapura	Malabe	Jaffna	
Moratuwa	Darga Town			Mt. Lavinia	Kodikamam	Trincomalee
Nugegoda	Horana	Nuwara Eliya		Negombo	Manipay	Muttur
Pelawatte		Hatton	SISIL World	Nugegoda		
Peliyagoda	Kalutara 'A'	Nuwara Eliya 'A'	Akuressa	Panadura	Kalutara	
Pettah	Kalutara 'B'	Nuwara Eliya 'B'	Ambalantota	Rajagiriya	Baduraliya	Other
Piliyandala 'A'	Matugama	Pussellawa	Ampara	Thalawathugoda	Beruwala	Apparel Solutions
Piliyandala 'B'	Panadura	Talawakelle	Anuradhapura		Ingiriya	Katunayake Duty Free Store
Pitakotte	Wadduwa					

SERVICE NETWORK AND FASHION ACADEMY NETWORK

Singer Service

Regional Service Centres

Ampara
Anuradhapura
Badulla
Colombo
Jaffna
Kandy
Kuliyapitiya
Matara
Peliyagoda
Polonnaruwa
Ratnapura
Industrial Product Service
Centre - Union Place
Computer Repairing Centre -
Nawam Mawatha

Service Franchisee Agents

Colombo

Aloka Engineers
Anuradha Electricals
Ben Refrigerators
Chamath Enterprises
Chatu Spray Paint
Chirathma Electricals
Dineth Electronics
Direct Cool Ref Centre
E.M.P. Electricals
Electro Frost
G.M. Electricals
Issuru Kaveen Engineers
J & U Electricals
and Electronics
Kavia Engineering
Life Cool AC Engineers
Nuwan Engineers
Pace Electronics
Ruwan Electricals
S.K. Electricals
S.N.A. Ref Air
Saleena Electronics
Samagi Ref Centre
Sharp Electronics
Silicon Electronics
Sun Cool Enterprises
Super Tech Ref Engineers
Tech Way Services
Technico Electronics
Technicold Electronics

Kandy

Chandana Motor Garage
Dasuna Motors
I Tec Electronics
Kitshan Motors
Manjula Motors
Modern Air Condition
New PC House
New Leeds Electronics
New Vision Electronics
Nipuna Automobile
Ominda Electricals
Sahana Motors
Saman Service
Sandamini Multi Electrical
Engrs.
Sathsara Sound
Senadeera Ref Centre
Shane Motors
Shehan Multi Service
Siva Motors
Super Air Electrical Works
Tech Mart Ref

Techno Ref & Air Enterprises
Thilak Electricals
Thushara Electronics
Vimod Electricals
Wijesinghe Motors
World Air Conditioner

Kuliyapitiya

Adikari Electricals
Anuradha Electricals
Freezair
Mahesh Electricals
Modern Air
New Leeds
Samodha Electricals
Techno Frost
World Air

Matara

Ariyaratna Motor Garage
Chaminda Air Ref Eng. Ser.
Chathuranga Motors
G.A. Auto Electriclas
Hashini Motors
Hemantha Motors
Indika Motors
Janahitha Motors
Janapriya Electronics
K.S. Motors
K.U.K. Super Cool Service
Kalana Engineers
Lal Electronics
Nanayakkara Electronics
New Shiny Electronics
New Freeze Air
New Lion Radio
Nilanka Pathirana Ref Centre
Nuwan Motors
Penguin International
Premalal Motors
Prince Electricals
Rahula Motors
Rohan Ref Centre
Ruhunu Ref & Air Services
Sampath Engineering Works
Sampath Motor Service
Sarani Motors
Sausiri Electrical
Silver Dale Electronics
Siri Electrical & Ref Eng.
Sunil Motors
Suranjith Motors
Susantha Motors
U.D. Ref Engineering
Uduwella Ref
Victor Cycle Works
Vijitha Motors

Anuradhapura

Ambasewana Motors
Ayesha Electricals
Buddhika Electricals
Chandana Enterprises
Chandana Tractor Service
Derrick Motors
Emil Electronics
Ganegoda Motors
Indika Auto Service Centre
Indunil Ref & Electricals
Janith Motors
Kumari Welding Works
Kurunegala Motors
Lahiru Motors
Lasantha Motors

Luck Cool Ref Engineers
Luxman Ref & Electrical
M F Tractor Work Shop
Nathan Motors
Neel Motors
New Central Auto Service
Nihal Motors
Normal Iron Works
Power Wash
Premasiri Motors
Ravi Motors
Royal Motors
Samagi Motors
Samantha Motors
Sampath Auto Care
Shalini Auto Cool
Shantha Motors
Tharanga Motors
Thushari Service Station
Udani Electronics
Wijesinghe Motors

Ampara

Aira Motors
Aruna Electricals
Aruna Ref & Electrical
Chami Motors
Eastern Tech Institute
Hi Tech Electronics
Janudha Ref & Electricals
Jayarathne Motors
Kesala Electricals
Malaka Electricals
Mathews Motors
Mohan Motors
Mustafa Motors
Refco Electricals
Ruckshan Mechanical Shop
S G Enterprises
S S H Motors
Sahana Motors
Sameera Cooling Service
Sanjeeva Industries
Telstar Electronics
Vignesh Motors

Ratnapura

Air Tech Engineering
George Motor Cycle Centre
High Frost
Highcool Air & Ref Center
Mahanuwara Motors
Marriott Electricals
Multi Tech Engineers
Palpola Motors
Pathirana Ref Engineering
Perera Motors & Service
PNA Motors
PSD Motors
Quick Cool Ref
Rajapaksha Electricals
Roshan Electronics
Rupasinghe Motors
Samagi Diesel Engineering
Saman Motors
Sanjaya Electronics
Sasie Motors
Sena Motors
Senadheera Multi Ref
Solenta Electronics
Srilal Motors
Star Ref Electricals
Sunil Motors
Tele Lab
Tharindu Electricals

Thushara Motors
TV Centre

Jaffna

Ambiga Electricals
Anton Service Station
Babithurai Motor Cycle Service
Chill Air Refrigeration
City Link Coolers
Hero Service Station
Institute of Ace
NPM Electricals
Panchu Carage
Ragu Mechanic Centre
Vageetha Motors

Polonnaruwa

Arunasiri Eng.
Ashoka Ref
B.N.R. Enterprises
Dissnayake Lathe Shop
DJ Engineers
J & P Electronics
Jayathilaka Motors
Karunaratne Motors
Mahaweli Electronics
Mayura Ref & Electricals
Mudalige Electronics
Nissanka Motors
Prasanna Electronics
Sanath AC Engineering
Techno Engineering
Thilak Electronics
Thilanka Motors
Udarata Motors
Vishwalak Motors

Air Conditioning Division

Alwis Engineering Centre
Amal Ref & Electricals
Dhanushka Ref
Dynamic Ref Engineers
Hot & Cold
Lahiru Ref Engineers
Nushan Ref and Air Centre
R&T Ref Engineering
Re Cool
Ref Air Electricals
Royal Cool Enterprises
Serve Engineering Services
Susantha Ref Electricals
Temp Cool Engineers
Yellowma Airconditioning

Motor Bike Service - Peliyagoda

A & R Motors
Athula Motor Works
Brito Motors
Diaz Motors
Dilshan Motors
Gulf Motors
Isuru Engineers
Nisal Motors
Nishani Motors
Peo Motors
Raja Motors
Ransak Service Centre
Rasika Motors
Ravindra Motors
Sanjeeva Auto Works
Sathsara Auto Works
Sinethma Motors
Sumith Motor Works

Suriyarachchi Enterprises
Wimal Motor Works

Fashion Academies

Ambalangoda
Ambalantota
Ampara
Angoda
Anuradhapura
Avissawella
Baddegama
Badulla
Balangoda
Bandarawela
Battaramulla
Batticaloa
Borella
Chilaw
Dambulla
Dehiattakandiya
Dickwella
Eheliyagoda
Elpitiya
Embilipitiya
Galewela
Galle
Gampaha
Hatton
Hingurakgoda
Homagama - Franchise
Horana
Ja-Ela
Jaffna
Kaduruwela
Kaduwela
Kalutara
Kandana
Kandy
Kandy Mega
Katugastota
Kegalle
Kiribathgoda
(New Welcome Store)
Kiribathogoda - B
Kirindiwela
Kottawa
Kuliyapitiya
Kurunegala
Lankadhara
Mahiyanganaya
Maho
Malabe
Maradana
Matara
Mawanella
Middeniya
Minuwangoda
Moratuwa
Nawalapitiya
Negombo
Nelawa
Nittambuwa
Nuwara Eliya
Panadura
Peliyagoda
Piliyandala (Upali Trade
Centre) - Franchise
Piliyandala B
Ratnapura A
Ratmalana
Thambuttigama
Tissamaharama
Wellawatta
Wennappuwa

GLOSSARY OF FINANCIAL TERMS

Accounting Policies

Specific principles, bases, conventions, rules and practices adopted by an enterprise in preparing and presenting Financial Statements.

Amortisation

The expense of writing off over a fixed period, the initial value of an intangible asset such as goodwill, patents etc.

Available-for-Sale

All assets not in any of the three categories namely held to maturity fair value through profit or loss and loan and receivables. It is a residual category does not mean that the entity stands ready to sell these all the time.

Borrowings

All interest bearing liabilities.

Capital Employed

Total assets less interest free liabilities, deferred income and provisions.

Capital Reserves

Reserves identified for specific purposes and considered not available for distribution.

Cash Equivalents

Liquid investments with original maturity periods of three months or less.

Contingent Liabilities

Conditions or situations at Reporting date the financial effect of which are to be determined by future events which may or may not occur.

Credit Rating

An evaluation of a corporate's ability to repay its obligations or the likelihood of not defaulting, carried out by an independent rating agency.

Current Ratio

Current assets divided by current liabilities. A measure of liquidity.

Debt

Total liabilities, excluding deferred income.

Debt Ratio

Total liabilities divided by total assets.

Deferred Taxation

The net tax effect on items which have been included in the Income Statement, which would only qualify for inclusion on a tax return at a future date.

Dividend Cover

Profit attributable to ordinary shareholders divided by gross dividend. Measures the number of times dividend is covered by distributable profit.

Dividend Payout

Dividend per share divided by earnings per share.

Earnings Per Share

Profits attributable to ordinary shareholders divided by the weighted average number of ordinary shares in issue.

Equity

Shareholders' funds.

Fair Value

Fair value is the amount for which an asset could be exchanged between a knowledgeable, willing buyer and a knowledgeable, willing seller in an arm's length transactions.

Financial Instruments

Financial instrument is any contract that gives rise to both a financial assets in one entity and a financial liability or equity instrument in another entity.

Gearing

Proportion of borrowings to capital employed.

Gross Dividend

Portion of profits inclusive of tax withheld, distributed to shareholders.

Held-to-Maturity

Debt assets acquired by the entity with positive intention to be held-to-maturity.

Interest Cover

Profit before tax plus net finance cost divided by net finance cost. Measure of an entity's debt service ability.

Impairment

This occurs when recoverable amount of an asset is less than its carrying value.

Market Capitalisation

Number of shares in issue multiplied by the market value of a share at the reported date.

Net Assets Per Share

Shareholders' funds divided by the weighted average number of ordinary shares in issue. A basis of share valuation.

Non-Controlling Interest

Equities in a subsidiary not attributable, directly or indirectly, to a parent.

Price Earnings Ratio

Market price of a share divided by earnings per share as reported at that date.

Related Parties

Parties who could control or significantly influence the financial and operating policies of the business.

Return on Average Net Assets Equity

Attributable profits divided by average shareholders' funds/total equity.

Revenue Reserves

Reserves considered as being available for distributions and investments.

Segment

Constituent business units grouped in terms of similarity of operations and location.

Value Addition

The quantum of wealth generated by the activities of the Group measured as the difference between turnover and the cost of materials and services bought in.

Working Capital

Capital required to finance the day-to-day operations computed as the excess of current assets over current liabilities.

NOTICE OF ANNUAL GENERAL MEETING

SINGER (SRI LANKA) PLC

(Company Registration No. PQ 160)

NOTICE IS HEREBY GIVEN THAT THE FORTIETH ANNUAL GENERAL MEETING OF SINGER (SRI LANKA) PLC, will be held at the Registered Office of the Company, No. 80, Navam Mawatha, Colombo 02, on Tuesday, 31st March 2015 at 10.00 a.m. for the following purposes:

1. To receive, consider and adopt the Report of the Directors and the Audited Financial Statements for the year ended 31st December 2014 with the Report of the Auditors thereon.
2. To re-elect as a Director, Mr. John J. Hyun, who retires by rotation in terms of Article 24 (4) of the Articles of Association of the Company and who being eligible is being recommended for re-election. A brief profile of Mr. John J. Hyun is contained in the Board of Directors section of the Annual Report.
3. To re-elect as a Director, Professor Uditha Pilane Liyanage, who was appointed as a Director of the Company on 9th May 2014 in terms of Article 24(10) of the Article of Association of the Company and who being eligible is being recommended for re-election. A brief profile of Professor Uditha Pilane Liyanage is contained in the Board of Directors section of the Annual Report.
4. To authorise Directors to determine contributions to Charities.
5. To reappoint Messrs KPMG, Chartered Accountants as the Auditors of the Company for the ensuing year and to authorise the Directors to determine their remuneration.

By Order of the Board,

(Sgd.)

A.C.M. Irzan, FCMA (UK)

Secretary

Colombo

27th February 2015

Note

1. *The Transfer Books of the Company will be kept open.*
2. *A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of him/her and such proxy need not be a member of the Company. A Form of Proxy is enclosed for this purpose. The completed Form of Proxy should be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for the Meeting.*

FORM OF PROXY

SINGER (SRI LANKA) PLC
(Company Registration No. PQ 160)

I / We of ..
.....being a member/

members of Singer (Sri Lanka) PLC hereby appoint -

- | | |
|---|------------------|
| Mr. Hemaka Devapriya Senarath Amarasuriya | (or failing him) |
| Mr. Hiran Asoka Pieris | (or failing him) |
| Deshabandu Ajit Mahendra De Silva Jayaratne | (or failing him) |
| Dr. Saman Kelegama | (or failing him) |
| Professor Uditha Pilane Liyanage | (or failing him) |
| Mr. Gavin John Walker | (or failing him) |
| Mr. Peter O'Donnell | (or failing him) |
| Mr. John J. Hyun | (or failing him) |
| Mr. Mahesh Hiranya Wijewardene | (or failing him) |
| Mr. Loku Narangodage Sarath Kumara Samarasinghe | (or failing him) |
| Mr. Kukulu Korelege Lalith Priyantha Yatiwella | (or failing him) |
| Mr. Ajith Shirley Paranavitane | (or failing him) |

.....
.....of
.....

as my/our proxy to represent me/us on my/our behalf at the Annual General Meeting of the Company to be held on Tuesday, 31st March 2015 at 10.00 a.m. at the Singer (Sri Lanka) PLC, Registered Office at No. 80, Navam Mawatha, Colombo 02, and at any adjournment thereof and at every poll, which may be taken in consequence thereof. I/We the undersigned hereby authorise my/our proxy to vote on my/our behalf in accordance with the preferences indicated below:

	FOR	AGAINST
1. To receive, consider and adopt the Report of the Directors and the Audited Financial Statements for the year ended 31st December 2014 with the Report of the Auditors thereon.	<input type="checkbox"/>	<input type="checkbox"/>
2. To re-elect as a Director, Mr. John J. Hyun, who retires by rotation in terms of Article 24 (4) of the Articles of Association of the Company.	<input type="checkbox"/>	<input type="checkbox"/>
3. To re-elect as a Director, Professor Uditha Pilane Liyanage, who was appointed as a Director of the Company on 9th May 2014 in terms of Article 24(10) of the Articles of Association of the Company.	<input type="checkbox"/>	<input type="checkbox"/>
4. To authorise Directors to determine contributions to Charities.	<input type="checkbox"/>	<input type="checkbox"/>
5. To reappoint Messrs KPMG, Chartered Accountants as the Auditors of the Company for the ensuing year and to authorise the Directors to determine their remuneration.	<input type="checkbox"/>	<input type="checkbox"/>

As witness my/our hand this day of Two Thousand and Fifteen.

.....
Signature

Instructions for Completion of Form of Proxy

- If a proxy other than the names mentioned above is preferred, delete the names printed and add the name of the proxy preferred and initial the alteration.
- Please indicate how your proxy should vote by marking an 'X' in the cage provided for each resolution. If no indication is given, or if there is, in the view of the proxyholder, any doubt (be reason of the manner in which the instructions contained in the proxy have been completed) as to the way in which the proxyholder should vote, the proxyholder in his/her discretion may vote as he/she thinks fit.
- A Company/Corporation should execute the proxy under its seal in the manner authorised by its Articles of Association or Statute creating it or under the hand of an Officer or Attorney duly authorised.
- If the Form of Proxy is signed by an Attorney, a certified copy (certified by a Notary Public) of the relative Power of Attorney should also accompany the completed Form of Proxy, if it has not already been registered with the Company and the original of the Power of Attorney should be produced for inspection at the meeting if required.
- Unless the completed Form of Proxy is deposited at the Registered Office of the Company at No. 80, Navam Mawatha, Colombo 02, Sri Lanka, not less than 48 hours before the time of the meeting the same will not be valid.

CORPORATE INFORMATION

Name of the Company

Singer (Sri Lanka) PLC

Legal Form

Public company with limited liability incorporated as a public company in Sri Lanka on 30th December 1974 under the Companies Ordinance and re-registered under the Companies Act No. 07 of 2007 on 13th June 2008.

Founded in 1877 as a branch of Singer Sewing Machine Company, USA. The shares of the Company are listed on the Colombo Stock Exchange.

Accounting Year: 31st December

Registered Office

No. 80, Nawam Mawatha,
Colombo 2, Sri Lanka
Telephone: 94-11-2316316 (13 lines)
Facsimile: 94-11- 2423544
E-mail: singer@singersl.com
Website: www.singersl.com

Company Registration Number

Old - PBS 802 (S.P.)
New - PQ 160

Tax Payer Identification Number

124008026

Bankers

Bank of Ceylon
Commercial Bank of Ceylon PLC
Deutsche Bank
DFCC Vardhana Bank PLC
Hatton National Bank PLC
MCB Bank
Nations Trust Bank PLC
NDB Bank PLC
Pan Asia Bank PLC
People's Bank
Sampath Bank PLC
Seylan Bank PLC
Standard Chartered Bank
The Hongkong & Shanghai Banking Corporation Ltd.

Auditors

KPMG
Chartered Accountants
No. 32A, Sir Mohamed Macan Markar Mawatha,
P.O. Box 186,
Colombo 3

Registrars

Business Intelligence Ltd.
No. 8, Tickell Road,
Colombo 8

Secretary

A.C.M. Irzan FCMA (UK)

Lawyers

Neelakandan & Neelakandan
Attorneys-at-Law & Notaries Public,
M&N Building (Level 5),
No. 2, Deal Place,
Colombo 3

Directorate

H.D.S. Amarasuriya - Chairman
H.A. Pieris - Chief Executive Officer - Alternate L.N.S.K. Samarasinghe
A.M. de S. Jayaratne
Dr. S. Kelegama
Prof. U.P. Liyanage - Appointed 09.05.2014
P.J. O'Donnell - Alternate M.P.A. Salgado - Resigned 30.06.2014 and
K.K.L.P. Yatiwella Appointed 08.08.2014
G.J. Walker - Alternate M.H. Wijewardene
J. Hyun - Alternate V.G.K. Vidyaratne - Resigned 30.09.2014 and
A.S. Paranavitane Appointed on 13.11.2014

Management Team

H.D.S. Amarasuriya - Chairman
H.A. Pieris - Chief Executive Officer
M.H. Wijewardene - Director - Marketing & Commercial
L.N.S.K. Samarasinghe - Director Sales & Sewing Marketing
R.S. Wijeweera - Chief Executive Officer/Director - Singer Finance (Lanka) PLC
A.S. Paranavitane - Director - Information Technology
S. Ramanathan - Director - Logistics
P.L.D.C. Perera - Director - Human Resources
P.J.P. De Silva - Director - Operations
J. Mendis - Credit Director
H.A.P.S. Perera - Factory Director - Piliyandala Factory
K.K.L.P. Yatiwella - Finance Director
L.A.D.K. Perera - Deputy Director - Information Technology
C.A. Samarasinghe - Deputy Director - Operations
A.P. Manaratne - Deputy Director - Service & Logistics
R.C. De La Motte - Business Development Manager - Wholesale Channel
D.B. Wijesundera - Marketing Manager - White Goods
G.A.K. Weerasuriya - Senior Manager - Inventory
A.U. Karunaratne - Senior Manager - Merchandise & Promotions
T.G.S. Perera - Senior Manager - Recoveries
B.T.L. Mendis - Head of Procurement
I.A.S. Kolambage - Commercial Manager - Piliyandala Factory
C.L.T.P. Rupasinghe - Senior Manager - Treasury
M.M.C. Priyanjith - Head of Risk Management
R.S. Singhabahu - Business Development Manager - Institutional Sales
M. Mahesharatnam - Business Development Manager - SISIL Channel
T.M.V. Tennekoon - Marketing Manager - Electronics & Digital Media
H.V. Gomes - Senior Manager - Financial Services
O.D. Amarathunga - Senior Manager - Service
W.L.I.A. Gunathilake - Business Development Manager - Retail Channel
K.R.L. Perera - Group Administration Manager
A.R.N.P.K. Wijesundera - Sales Manager - Agro & Transportation
H.S. Perera - Senior Manager - Budget & Planning
T.S. Martyn - Senior Manager - Apparel Solutions
K.D.J.M. Perera - Business Development Manager - Digital Media
N.L.D.W. Amarathunga - Operations Manager - Furniture - Piliyandala Factory
A.A. Sathyamoorthy - Senior Manager - Trade Credit
J.P. Jayatilaka - Senior Manager - Direct Marketing
T.L. Seneviratne - Senior Manager - Information Technology
D.D.W. Dassanayake - Senior Manager - Credit
K.P. Peramunugamage - Senior Manager - Human Resources Development



SINGER
TRUSTED EXCELLENCE

Singer (Sri Lanka) PLC
Annual Report 2014