RETAIL HOLDINGS N.V.

2015 SUMMARY
ANNUAL REPORT

March 2016

Strategy Statement

ReHo, the holding company of Retail Holdings N.V. (the "Company"), has three principal assets:

1. A 54.1% equity interest in Sewko Holdings Limited ("Sewko"), the parent company of Singer Asia Limited, with retail and financial services businesses in Bangladesh, Cambodia, India, and Sri Lanka. Sewko's core business is the distribution of consumer durable products, primarily for the home, with supportive manufacturing, and with consumer credit and other financial services.

2. Cash and cash equivalents.

3. The SVP Notes, arising from the sale of the Singer worldwide sewing business and trademark in 2004.

The Company has no operating activities other than those carried out through Sewko.

ReHo's strategy is to maximize and, ultimately, to monetize the value of its assets. ReHo intends to make regular cash distributions to its shareholders and, with a targeted two to four year time horizon, effectively liquidate and distribute the resulting funds and any remaining assets to its shareholders.

The Company will seek to enhance the liquidation value of Sewko through profitable growth of its core business alongside initiatives to exploit ancillary opportunities that leverage the Singer brand and Sewko's unique distribution footprint. The catalyst for the ultimate liquidation of ReHo will be the sale of Sewko, either through a listing and subsequent sale of the Sewko shares, a sale of Sewko, or a sale of the shares of the Sewko public company subsidiaries, either in a single transaction or in a series of such transactions.

Pending the disposition of its stake in Sewko, any ultimate realization on the SVP Notes, and ReHo's ultimate liquidation, ReHo's strategy is to minimize holding company personnel and other administrative costs, and to use cash in excess of requirements to pay dividends and distributions to shareholders and/or to purchase Shares. In the period 2007 through April 2016, ReHo will have made dividend and distribution payments to shareholders totaling $15.75 per Share. ReHo has also purchased a total of 1,663,535 Shares through negotiated and open market transactions. It is ReHo's intention to maintain a regular dividend/distribution program and to opportunistically purchase additional Shares.

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NOTES

As used herein, except as the context otherwise requires, the term “Company” refers to Retail Holdings N.V., together with its subsidiaries; the term “ReHo” refer to the holding company, Retail Holdings N.V., only; the term “Sewko” refers to Sewko Holdings Limited, together with its subsidiaries; the term “Singer Asia” refers to Singer Asia Limited, together with its subsidiaries.

The Company prepares its consolidated financial statements in U.S. dollars, in accordance with International Financial Reporting Standards (“IFRS”). Totals may not add due to rounding.

The Company’s registered office is located at Kaya W.F.G. (Jombi) Mensing 36, Willemstad, Curaçao, and its telephone number is + 599-9-461-1299. Certain administrative matters are handled in the United States by the Company’s subsidiary, NV Adminservice Corporation, located at 118 North Bedford Road, Mt. Kisco, New York, 10549, telephone number 1-914-241-3404. ReHo’s share transfer agent is Computershare Shareowner Services LLC at P.O. Box 30170 College Station, Texas 77842-3170, telephone number 800-851-9677 (or from outside the United States, +1-201-680-6578). Overnight delivery, 11 Quality Circle, Suite 210, College Station, Texas 77845. The Company’s website is: www.retailholdings.com.

Price quotations for ReHo’s common shares (the “Shares”) are available on the OTC Pink (“Pink Sheets”) quotation service under the symbol “RHDGF”. The Shares’ Cusip number is N74108106. Investor relation questions should be addressed to Ms. Amy Pappas, Company Secretary, at the NV Adminservice Corporation office (see above), email: apappas@retailholdings.com.

The information included in this Summary Annual Report does not purport to be inclusive of all of the information that might be included in a Form 20-F annual report. It only contains summary information that, in the opinion of management, is most relevant for understanding the Company’s financial results during 2015. All information in this Summary Annual Report is presented as at December 31, 2015, unless otherwise indicated.

CAUTIONARY STATEMENT WITH RESPECT TO FORWARD-LOOKING STATEMENTS

Statements made herein with respect to the Company's current plans, estimates, strategies and beliefs, and other statements that are not historical facts, are forward-looking statements about the future performance of the Company. Forward-looking statements include, but are not limited to, those using words such as believe, expect, anticipate, plans, strategy, prospects, forecast, estimate, project, may or might, and words of similar meaning in connection with a discussion of future operations, financial performance, financial position, capital resources, and strategy and plans and objectives of management. From time to time, oral or written forward-looking statements may also be included in other materials released to the public. All forward-looking statements are based on management's assumptions and beliefs, which are expressed in light of the information available to management at the time; the ultimate outcome in many cases is outside of management's control and may be substantially different than anticipated. The Company cautions that no assurance can be given that expectations reflected in forward-looking statements will prove to be correct, that a number of important risks and uncertainties could cause actual results to differ materially from those discussed in the forward-looking statements, and, therefore, that you should not place undue reliance on such forward-looking statements. You should not assume that the information contained in this Summary Report is accurate as of any date other than the date for which the information is presented. You should not rely on any obligation to update or revise any information, including any forward-looking statements, whether as a result of new information, future events or otherwise. The Company disclaims any such obligation. Risks and uncertainties that might affect the Company include, but are not limited to: general economic, political and security conditions, particularly in Asia, including levels of consumer spending; exchange rates, particularly between the U.S. dollar and the currencies in which Sewko makes significant sales or in which assets and liabilities are denominated; Sewko's ability to continue to win acceptance of its products and services, which are offered in highly competitive markets; Sewko's continued ability to collect on outstanding receivables due from retail and wholesale customers; continuing relationships with financial institutions, suppliers and other creditors; and the outcome of contingencies.

Important information regarding risks and uncertainties is also set forth elsewhere herein including, without limitation, in the section "Certain Risk Factors", and in the audited consolidated financial statements included in Financial Statements.

INFORMATION ABOUT REHO

Background

ReHo (formerly known as Singer N.V.) was organized as a new corporate entity in Curaçao (formerly part of the Netherlands Antilles) in 1999. Pursuant to a reorganization plan, effective September 2000, ReHo became the parent company of several operating companies formerly owned by The Singer Company N.V. ("Old Singer").

ReHo is a holding company with three principal assets:

1. A 54.1% equity interest in Sewko. Sewko was formed in 2013 to acquire the entire equity of Singer Asia and to pursue additional business opportunities in Asia. Sewko has operations in Bangladesh, Cambodia, India, and Sri Lanka. Additional information about Sewko and Singer Asia is included in the next section, "Information About Sewko Holdings Limited".

2. Cash of $0.7 million at December 31, 2015. ReHo has no external debt.

3. Seller notes (the "SVP Notes"), arising from the sale of the Singer worldwide sewing business and trademark in September 2004, with a notional value of $27.5 million at December 31, 2015 and nil book value. Additional information about the SVP Notes is included below and in Note 16 to the Financial Statements.

The Company has no operating activities other than those carried out through Sewko.

Sewko acquired all of the equity of Singer Asia in 2013. Singer Asia had been formed in 2003 to hold ReHo's interests in the operating companies in Asia. In July 2003, ReHo concluded the placement with a private investment fund, UCL Asia Partners, L.P. (the "Fund"), of a minority equity interest in Singer Asia. The Fund now has a 41.1% equity interest in Sewko. A 4.8% equity interest in Sewko is owned by that company's Chief Executive Officer as a result of the exercise of his options. The Company consolidates the Sewko financial results in its own financial statements.

In September 2004, ReHo completed the sale of the Singer worldwide sewing business and of the ownership of the SINGER trademark to KSIN Holdings, Ltd., now called SVP Holdings Ltd. ("SVP"), an affiliate of funds managed by Kohlberg & Co., LLC. Singer Asia continues to have an exclusive royalty bearing license for the use of the SINGER trademark (except for sewing machines) for all of Asia, except for Korea and Japan, and for Australia, New Zealand and the Asia Pacific area. Singer Asia is also the exclusive distributor of Singer-brand sewing machines in all of the markets in which it operates.

Strategy and Valuation

ReHo's strategy is to maximize and, ultimately, to monetize the value of its assets. ReHo intends to make regular cash distributions to its shareholders and, with a targeted two to four year time horizon, to effectively liquidate and distribute the resulting funds and any remaining assets to its shareholders.

The Company will seek to grow, to enhance the profitability of, and to increase the liquidation value of Sewko, with the objective of monetizing ReHo's investment in Sewko within two to four years, either through a listing and subsequent sale of the Sewko shares, a sale of Sewko, or a sale of the shares of the Sewko public company subsidiaries, either through sales in the local equity markets or to strategic investors, either in a single transaction or in a series of such transactions.

In June 2015, the Company sold its entire 40.0% equity stake in Singer Thailand, and in January 2016, its entire 70.3% equity stake in Singer Pakistan (effective at year-end 2015), in the local equity markets in Thailand and Pakistan through sales to local investors. In addition, during the fourth quarter of 2015, the Company sold 2.2% of its equity stake in Singer Bangladesh in the local equity market in Bangladesh. The total consideration received from these sales was approximately $48.7 million. See Note 6 to the Financial Statements.

The book value of the Company's investment in Sewko at December 31, 2015 was $78.4 million. The market value of the shares owned by Sewko in its principal operating companies, all of which are public companies, together with the book value of the non-public operations and the $52.6 million in cash at the Sewko holding companies at December 31, 2015 (pro forma for the sale of Singer Pakistan), totaled $324.4 million, assuming no control premium, of which $175.5 million is attributable to ReHo, equivalent to $33.16 per Share. See the "Market Valuation" subsection in "Information About Sewko Holdings Limited". **There can be no assurance that this $175.5 million amount, or any higher or lower amount, will be realized by ReHo from a public or private market sale of Sewko and/or its subsidiaries in any particular time frame.**

There is no market for the SVP Notes. The notional value of the SVP Notes at December 31, 2015 was $27.5 million. ReHo management in accessing the fair value of the SVP Notes has come to the conclusion that it is more likely than not that SVP will not be able to repay the SVP Notes at their current maturity date, September 2018, and is unlikely to pay any cash interest on the SVP Notes for the foreseeable future. At June 30, 2015, and at December 31, 2015, SVP did not make the minimum cash interest payments then due pursuant to the terms of the SVP Notes. Consequently, ReHo management has determined that the fair value of the SVP Notes at December 31, 2015 is nil and ReHo has recognized a resulting impairment loss of $23.8 million in 2015. Any future cash received with respect to the SVP Notes, either interest or principal, will be recognized as income if, and when received. See Note 16 to the Financial Statements.

Pending the ultimate disposition of ReHo's stake in Sewko, any ultimate realization on the SVP Notes, and ReHo's ultimate liquidation, ReHo's strategy is to minimize holding company personnel and other administrative costs and to use cash in excess of requirements to pay dividends and distributions to shareholders and/or to purchase Shares.

Dividends/Distributions

During 2007, ReHo introduced a dividend/distribution program, paying a special dividend of $1.00 per Share in that year. During 2008, ReHo made a distribution to shareholders of $0.75 per Share, during 2009 a distribution of $0.20 per Share, during 2010 a distribution of $0.80 per share, during 2011 and 2012 a distribution each year of $2.50 per Share, and during 2013, 2014 and 2015, a distribution each year of $1.00 per Share - - a total dividend/distribution of $10.75 per Share since 2007. ReHo has announced its intention to pay on or about April 13, 2016, a distribution of $5.00 per Share to shareholders of record on April 5, 2016, and a possible further distribution later in 2016, bringing the total distributions since inception of the program in 2007 to at least $15.75 a Share. ReHo has also purchased a total of 1,663,535 Shares through negotiated and open market transactions. See the section, “Share and Shareholder Information”.

INFORMATION ABOUT SEWKO HOLDINGS LIMITED

Introduction

Sewko is a Cayman Islands company that is the parent company of Singer Asia Limited, with operating subsidiaries in the South Asian countries of Bangladesh, Cambodia, India, and Sri Lanka.

In June 2015, Singer Asia sold its entire 40.0% equity interest in Singer Thailand through the Stock Exchange of Thailand. In January 2016, effective at year-end 2015, Singer Asia sold its entire 70.3% equity interest in Singer Pakistan through the Karachi Stock Exchange. The companies in Thailand and Pakistan have sub-licenses from Singer Asia to continue to use the Singer name on stores, products and services in their markets.

The subsidiaries in Bangladesh, Cambodia and Sri Lanka are retail businesses engaged in the sale and distribution of a wide variety of consumer durable products, providing consumer credit and other financial services to qualified customers. In Bangladesh and Sri Lanka, Sewko operates nationwide chains of company retail stores, supplemented by extensive networks of wholesale distributors and dealers, e-commerce platforms, and supportive manufacturing operations. In each of these markets, Sewko is the number one retailer of durables for the home with the largest number of stores, and is the leading provider of related consumer credit. Store size averages approximately 1,000 square feet, with the largest store in Sri Lanka being approximately 15,000 square feet.

The subsidiary in India is primarily a wholesale distributor and manufacturer of sewing products and a wholesale distributor of small appliances, although that company also has a number of retail locations and a unique right to retail nationwide. Sewko entered the Cambodian market in late 2014; at year end, the subsidiary in Cambodia operated three retail stores.

The number of distribution points by country at December 31, 2015 was as follows:

	Retail Outlets	Distributors and Dealers
Sri Lanka	415	896
Bangladesh	374	395
India	42	1,324
Cambodia	3	-
Total	834	2,615

Sewko has been operating in South Asia since the late 1800’s. It is recognized by consumers as a trusted source of reliable, quality, consumer products, as well as being identified with the availability of consumer credit. The business has the potential for long-term growth along with the emerging economies of the existing countries of operation and the expansion of their middle-and lower-income class consumers.

ReHo owns 54.1% of the equity of Sewko, the Fund owns 41.1% of the equity, and Mr. Gavin Walker, the Sewko President and CEO, owns 4.8% of the equity, reflecting the exercise of his options.

For additional information regarding Sewko, see the Sewko/Singer Asia website: www.singerasia.com.

Sewko Operational Plans

Sewko will continue to seek to grow revenue and profit through 2016 and beyond. Sewko's operational plans includes:

- Increasing the number of retail stores, focusing on rural areas in Bangladesh and Sri Lanka, while renovating and modernizing the existing retail network, including introducing new store layouts and designs, and increasing store size where possible.

- Increasing the range and penetration of certain products, in particular, furniture and IT products in Bangladesh and Sri Lanka, and small appliances in India.

- Expanding the range of third party brands being sold.

- Extending the range and penetration of the financial services offering, including the public launch of a Singer Visa® credit card in Sri Lanka.

- Investing in additional plant and machinery to enhance local manufacturing and assembly operations, including a new refrigerator factory in Bangladesh, realizing additional duty and tax advantages.

- Expanding the existing e-commerce platforms to offer products and services both in the local market in Bangladesh, India and Sri Lanka and to overseas workers from these markets.

- Improving operating profit margins from the levels achieved in 2015, while further driving down the total cost to revenue ratio.

- Maintaining the high quality of the consumer credit receivables.

- Improving the investor relations function at each of the public companies, while increasing their public share float.

Unique Attributes

The unique attributes of Sewko include:

- **Number One Retailer of Durables for the Home –** In Bangladesh and Sri Lanka, where Sewko has traditionally operated retail stores, Sewko is the number one retailer of durables for the home, with broad, multi-channel distribution and with significant market shares across many product categories.

- **Offer of Consumer Credit and Financial Services –** Sewko is the leading provider of consumer credit (other than for homes and autos) to middle-and lower-income consumers in Bangladesh and Sri Lanka, primarily to purchase Sewko products. Sewko, at December 31, 2015, had a total of 438,606 active installment accounts and an installment accounts receivable of $116.5 million. Sewko is building on this strong base to provide additional financial services to these consumers, many of whom do not have access to the banking sector.

- **Powerful Brand –** Singer Asia has an exclusive, perpetual, royalty-bearing license allowing it to use the Singer name and trademark. The brand's strengths include: exceptionally high brand awareness, positive emotional consumer tie-in, and consumer association of the brand with trust, with reliable products for the home and with reasonable prices and available credit. The Singer brand has been recognized as the number one consumer product brand in several of the Sewko operating markets.

- **Superior Management –** Sewko has the benefit of a very strong management team with exceptional local market knowledge, long service with the Company, and a commitment to international financial and governance standards.

- **Strong Product Offering –** Sewko successfully sources a broad range of competitively featured and competitively priced products from leading third-party manufacturers that it markets under the Singer brand, in addition to the products that it manufactures. An increasing array of products is also being sold using a variety of other well-known brands, often under exclusive brand distribution arrangements.

- **Public Market Presence –**All of the principal Sewko operating companies – one each in Bangladesh, and India and four companies in Sri Lanka – are public companies. Public ownership enhances the image and prestige of each of the operating subsidiaries in customer, lender and investor perceptions, particularly in regard to professionalism, transparency and financial reporting.

- **Additional Assets –** Sewko has substantial additional assets including cash of $52.6 million at the Sewko Holding company (pro forma for the sale of Singer Pakistan) and $78.8 million in unutilized, confirmed bank facilities. The operating companies also have a large portfolio of owned properties and long-term leaseholds.

Products

Sewko distributes a broad range of household consumer durable products classified into the following categories (in order of revenue contribution):

Home appliances

Home appliances include: air conditioners, air coolers, dishwashers, freezers, kitchen ranges, refrigerators, washing machines, water purifiers and small appliances such as grinders, irons, kettles, mixers and rice cookers. In the large appliance categories, Sewko carries brands such as Singer, Sisil (an alternative in-house brand in Sri Lanka), Beko, Dawlance, Godrej, Haier, Hitachi, Samsung, Videocon and Whirlpool. In the small appliance categories, Sewko carries brands such as Singer, Krups, Moulinex, Preethi, Prestige and Tefal.

Sewing Machines

Sewing machines and sewing related products are generally marketed under the Singer and Merritt (an alternative in-house brand in all markets) brands for both household and commercial use and include straight stitch, zig zag, artisan and some industrial models.

Consumer electronics

Consumer electronics include: audio equipment, Blu-ray players and home theater systems, DVD players and televisions. The key brands Sewko carries are Singer, Unic (an alternative in-house brand in Sri Lanka), Grundig, Haier, Hitachi, Philips, Samsung, Skyworth, Sony, TCL, and Videocon.

IT products

IT products include: computers (both desktop and laptop) and computer accessories; mobile products including smart phones and accessories; and photography products, such as camcorders, digital cameras and photographic accessories. The key brands Sewko carries are Singer, Apple, Asus, Dell, HTC, Huawei, Lenovo, Microsoft, Samsung and Sony.

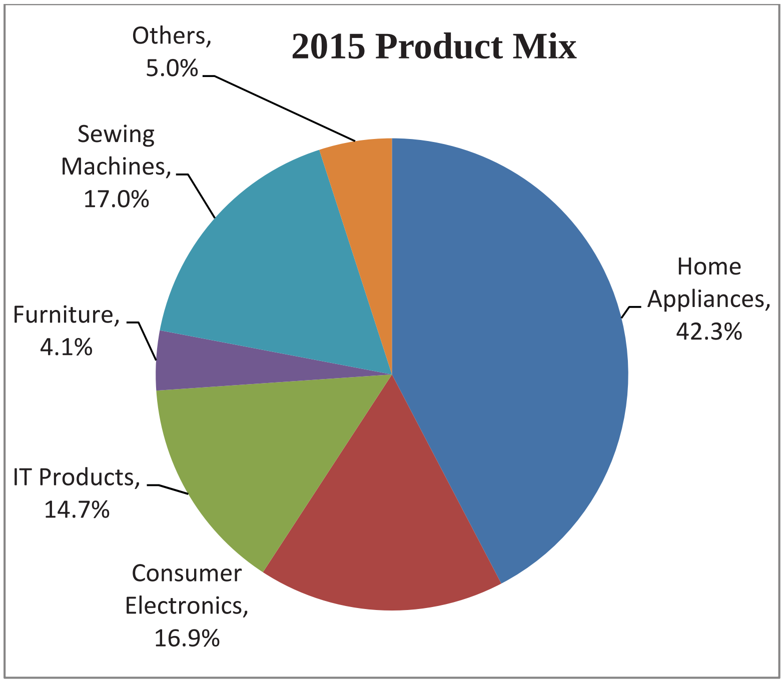
Furniture

Furniture includes bedroom, dining room and living room sets, book cases, chairs, dressers, headboards, mattresses, office furniture, sofas, tables and wardrobes. The majority of furniture is branded Singer.

Other products

Other products Sewko distributes include: agricultural equipment such as paddy threshers, small tractors and water pumps; bicycles; fitness equipment; motorcycles and water heaters.

The range of products varies by location, but all of the retail businesses offer a core range of home appliances and consumer electronics. Sewko broadens and updates the product offering on a continuing basis.



Most products continue to be sold using Sewko house brands -- Singer, Sisil, Merritt and Unic -- especially the Singer brand, although a meaningful share, especially in Sri Lanka, and, to a lesser extent, in Bangladesh, are now being sold using a variety of the other well-known brands, often under exclusive brand distribution arrangements. Reflecting the multi-brand offering, most Sewko shops in the retail markets have been re-branded “Singer Plus” or “Singer Mega”.

Many of the household consumer durable products sold by Sewko are sourced from third party manufacturers, either in fully assembled or kit form. Sewko has maintained strong historical relationships with several leading global and local Asian manufacturers.

In some cases, where there are local efficiencies or tax or duty incentives, manufacture or assembly of certain products is carried out by the local Sewko operating company, as indicated below:

- Sri Lanka - agricultural and domestic water pumps, furniture, paddy threshers, refrigerators, sewing cabinets and washing machine are manufactured, and air conditioners, and sewing machines are assembled.
- Bangladesh - furniture is manufactured, air conditioners and televisions are assembled (with the inauguration of a new factory early in 2016, refrigerators will also be manufactured).
- India - sewing machines are both manufactured and assembled.

Consumer Credit Operations and Financial Services

Extension of consumer credit has been an integral part of the Company's operations since shortly after the business was founded 164 years ago. Consumer credit is a key element of the sales offering in the emerging markets in which Sewko operates as other forms of credit are less readily available for middle- and lower-income consumers in these markets than is the case in more developed countries.

Approximately 35.9% of Sewko's sales during 2015 were on credit. In addition to providing a strong impetus to sales, consumer credit continues to be an important component of revenue and profit. Finance charges on consumer installments represented approximately 7.4% of Sewko's total revenue in 2015.

Sewko's credit activities generate installment accounts receivable which are outstanding from three to 36 months and bear interest at rates based upon prevailing consumer interest rates in the various local markets. These accounts receivable are financed by the local Sewko operating companies. It is Sewko's consistent practice to finance such accounts receivable by borrowing funds in the country and in the currency where such accounts receivable originate.

Sewko had a total of 438,606 active installment accounts at December 31, 2015, with a total installment accounts receivable, net of unearned finance charges and allowances, of $116.5 million as detailed below. The Sewko collection histories, maintained in each of the countries in which the subsidiaries have traditionally provided consumer credit, are often the largest consumer finance data bases in these markets.

	Number of installment accounts receivable	**Net amount of installment accounts receivable ($ millions)**
Sri Lanka	368,603	104.3
Bangladesh	69,553	12.1
Cambodia	450	0.1
Total	438,606	116.5

Sewko continually reviews and updates its credit granting and collection procedures. This includes: monitoring and refreshing point scoring systems; use of call centers for customer verification and collection follow up; use of blacklists and credit bureaus, where available; use of third-party collection agencies; and enforcing strict repossession policies. Sewko's collection experience has been extremely good.

The percentage of installment receivables in arrears for Sewko at December 31, 2015 was 1.0%. At December 31, 2015, 50.9% of the accounts had excess or pre-payments on future installments.

In addition to credit, Sewko also offers a variety of consumer protection plans including extended warranties, protection against product loss or damage due to fire, theft or natural calamities, and debt forgiveness in the event of the death or other extraordinary interruption in a customer's repayment ability.

Sewko has significantly broadened the scope of the financial products and services offered to customers. These include bill collection on behalf of utility companies and financial institutions, disbursement of remittances from overseas, mobile wallet services and the sale of mobile phone air-time. Sewko successfully completed 8.1 million financial services transactions during 2015.

A subsidiary finance company in Sri Lanka, Singer Finance, launched a Singer Visa credit card late in 2015, initially to Singer staff and beginning in early 2016, to the Sri Lanka public. The credit card, which will be targeted at middle and lower-middle income consumers who do not currently have credit cards, will be issued by Singer Finance with the credit decision to be made by Singer Finance and the receivables to be retained by Singer Finance. Singer Finance has a unique ability to issue cards to this segment of the market because of Singer Sri Lanka's extensive credit database drawn from past Singer Sri Lanka and Singer Finance credit customers. Singer Finance also offers lease and hire purchase financing for automobiles and capital equipment, factoring, various types of other consumer financing, and other financial services including acceptance of consumer and institutional deposits and money brokering.

License

Singer Asia has a royalty bearing license from a subsidiary of SVP, the owner of the Singer trademark, allowing Singer Asia: to use the Singer name in its company name and in the name of its subsidiaries, where Singer Asia has 50% or more of the voting equity; to use the Singer trademark on its subsidiaries' and affiliates' stores and dealer locations, and on the non-sewing products it, or they manufacture or source, subject to appropriate quality and other standards; and, to sub-license the Singer trademark (except for use on sewing machines) to third party licensees in all of Asia except Korea and Japan, and in Australia, New Zealand, and the Asia Pacific area. The royalty paid to SVP is set at 1.0% of Singer Asia's consolidated U.S. GAAP revenue. Royalty due to SVP for 2015 totaled $4.4 million. Singer Asia has entered as licensor into royalty bearing sub-license arrangements with third-party licensees in Malaysia and Australia and now also has sub-licenses with the former Sewko subsidiaries in Thailand and Pakistan.

Organizational Structure

Sewko's investment portfolio of public operating companies at December 31, 2015 was as follows:

Name	Country of Incorporation	Sewko's Equity Ownership (%)
Singer Bangladesh Limited	Bangladesh	72.8
Singer India Limited	India	75.0
Singer (Sri Lanka) PLC	Sri Lanka	86.1
also in Sri Lanka		
Regnis (Lanka) PLC	Sri Lanka	58.3
Singer Finance (Lanka) PLC	Sri Lanka	*
Singer Industries (Ceylon) PLC	Sri Lanka	83.6

* owned 69.2% through Singer Sri Lanka
ReHo's economic interest, in each case, is 54.1% of Sewko's economic interest.

Offices

Sewko and its principal operating companies maintain management or administrative offices in the following locations:

Bangladesh, Dhaka	5-B, Road #126, Gulshan -1, Dhaka -1212
Cambodia, Phnom Penh	Apartment 302, 3rd Floor, Building 03, St. 360, Sangkat Boeung Keng Korng, Sangkat Boeung Keng Korng, Khan Chamkamorn, Phnom Penh
Hong Kong, PRC	Asia Administration: 7th Floor, Baskerville House, 13 Duddell Street, Central
India, New Delhi	A26/4 IInd Floor, Mohan Co-operative Industrial Area, New Delhi 110044
Sri Lanka, Colombo	No. 80, Nawam Mawatha, Colombo 2

Market Valuation

The shares of all of Sewko's principal operating companies, and of the three subsidiaries in Sri Lanka, are publicly traded. The public companies and the market values (in US$ millions) of Sewko's stakes in the public companies at December 31, 2015 (in turn, 54.1% of which accrues to ReHo) are as follows:

Company	**Listing**	**Value of Sewko's Holding December 31, 2014 ($ millions)**
Singer Bangladesh Limited	Dhaka and Chittagong	$ 128.8
Singer India Limited	Bombay	26.2
Singer (Sri Lanka) PLC	Colombo	102.8
Singer Finance (Lanka) PLC	Colombo	-
Two Sri Lanka subsidiaries (Regnis and SIC)	Colombo	12.1
		$ 269.9

Singer Finance is owned through Singer Sri Lanka; the 69.2% stake owned by Singer Sri Lanka had a market value of $19.1 million at December 31, 2015. In early January 2016, the 58.3% of the Regnis Lanka (Regnis) equity and the 83.6% of the Singer Industries (SIC) equity owned directly by Singer Asia in Sri Lanka was sold to Singer Sri Lanka.

In addition, Sewko at December 31, 2015 had a net equity investment of $0.2 million in a 100% owned second subsidiary in India, a $1.6 million investment in a newly established company in Cambodia, and $52.6 million in cash at the Sewko holding companies (pro forma for the sale of Singer Pakistan). Sewko has no debt at the holding company level; all debt is owed by the individual local operating companies without parent guarantee or other support.

For additional information about each of the Sewko operating subsidiaries, see their respective websites, listed below, and the annual reports and periodic financial and press statements of the respective public companies.

Sewko Holdings	http://www.sewko.com
Singer Bangladesh	http://www.singerbd.com
Singer India	http://www.singerindia.net
Singer Sri Lanka	http://www.singersl.com

For additional information about each of the Sewko sub-licensees, see their respective websites, listed below, and their financial and press statements.

Blessington (Australia)	http://www.singerco.com.au
Singer Malaysia	http://www.singer.com.my/
Singer Pakistan	http://www.singer.com.pk
Singer Thailand	http://www.singerthai.co.th

Individual Operations - Retail

Singer in Sri Lanka

US $ Millions	2015	2014	% Change
Revenue	283.7	226.6	25.2
Net Income	11.1	6.9	61.1

The Singer Sri Lanka Group of companies includes four public companies: Singer (Sri Lanka); Regnis (Lanka) PLC, (Regnis); Singer Industries (Ceylon) PLC, (SIC); and Singer Finance (Lanka) PLC, (Singer Finance). Singer Sri Lanka is the principal company in the Sri Lanka Group and the marketing arm for the Group. Regnis is a manufacturer of refrigerators, washing machines and related products, and SIC is a manufacturer of sewing cabinets and stands and an assembler of sewing machines. A division of Singer Sri Lanka manufactures furniture and agricultural and domestic water pumps and other agricultural products. The four companies in Sri Lanka have a total of 2,121 employees. Sewko has operated in Sri Lanka since 1877.

Revenue in local currency for the Sri Lanka Group increased by 30.7% in 2015 as compared to prior year. The five year revenue CAGR (compound annual growth rate) 2011-2015 is 15.1%. Net income in local currency for the Group increased by 68.7 % in 2015 as compared to 2014. Revenue and profit in 2015 were boosted by more buoyant economic conditions.

The Sri Lanka Group's plan is to continue to boost revenue and profit margins in 2016 and later years, while maintaining the Sri Lanka Group's strong balance sheet. Singer Sri Lanka intends to increase the number of sales locations, to broaden and extend the product range and e-commerce offerings, and to increase the financial services product offering and coverage including the distribution of a Singer Visa credit card. The Sri Lanka Group has approximately $50.8 million of unutilized, confirmed credit facilities available to help fund expansion.

Singer Sri Lanka operates:

- 316 "Singer Plus" retail stores;
- 20 "Singer Mega" stores, a larger format store offering a wider range of consumer durable brands and products including a wider furniture offering. One of the Singer Mega stores is the largest consumer durables, department store in the country;
- 64 "Sisil World" retail stores, offering a somewhat different product and brand mix, under the Sri Lanka heritage brand Sisil; and
- 15 "Singer Homes" furniture showrooms, offering a large variety of modern and traditional bedroom, dining room and occasional furniture and accessories.

In addition, Singer Sri Lanka has 896 independent dealers and over 1,200 small phone shops serviced through distributors.

Singer Sri Lanka is the largest retailer in Sri Lanka of durables for the home with an approximate 30% overall market share and very significant market shares across several product categories, including a 55% market share in refrigerators, a 30% market share in washing machines, a 33% market share in televisions, as well as an 80%market share in consumer sewing machines. Sales of non-sewing products represent about 90% of Singer Sri Lanka's total sales.

Products traditionally have been sold by Singer in Sri Lanka using the Singer brand, recognized again in 2015 as one of Sri Lanka's "top brands", and by an A.C. Nielsen countrywide poll, as the "Most Popular Brand in Sri Lanka" for the tenth consecutive year. Singer Sri Lanka over the past several years has introduced additional brands, often under exclusive brand distribution arrangements. Singer Sri Lanka is currently the exclusive distributor or co-distributor in Sri Lanka for Beko, Dell, Grundig, Hitachi, Huawei, Philips, Samsung, Sony, Skyworth, TCL and Whirlpool, among others.

At the end of 2015, Singer Sri Lanka and Singer Finance had 368,603 active consumer accounts with a total installment accounts receivable, net of unearned finance charges and allowances, of $104.3 million. Singer Sri Lanka operates a call center and has a customer loyalty program.

Singer Bangladesh

US $ Millions	2015	2014	% Change
Revenue	88.7	92.8	(4.4)
Net Income	4.8	3.9	23.1

Singer Bangladesh Limited has 1,064 employees. Sewko has operated in the geographic area of Bangladesh since 1870.

Singer Bangladesh's revenue in local currency declined by 4.0% in 2015 as compared to prior year, reflecting the very difficult trading conditions at the start of the year due to political disturbances, general strikes ("hartels") and transport disturbances. The five year revenue CAGR is 6.3% Net income in local currency for Singer Bangladesh increased by 22.4% in 2015 as compared to 2014.

Singer Bangladesh's plan is to seek to further boost revenue and profit by: increasing the number of sales locations, particularly in rural areas; modernizing and improving existing outlets; expanding the range of financial services offered; opening a new refrigerator factory which will enable Singer Bangladesh to offer more competitively priced products; and improving and broadening the product and e-commerce offerings. The Bangladesh company has approximately $27.6 million of unutilized, confirmed credit facilities available to help fund expansion.

Singer Bangladesh operates 355 "Singer Plus" retail stores and 19 "Singer Mega" stores. The Bangladesh company also has 395 independent dealers.

Singer Bangladesh is the largest retailer in Bangladesh of durables for the home. Sales of non-sewing products represent approximately 94.7% of Singer Bangladesh's total sales.

Products traditionally have been sold in Bangladesh using the Singer brand. During 2005, the Bangladesh company began to offer non-Singer brand home appliances and electronics, some of which brands, such as Dawlance, Godrej, Haier, Huawei, Samsung, Siemens, Videocon, and Whirlpool, are being sold under exclusive or co-exclusive brand distribution arrangements.

At the end of 2015, Singer Bangladesh had 69,553 active installment accounts with a total installment accounts receivable, net of unearned finance charges and allowances, of $12.1 million. Singer Bangladesh operates a call center and has introduced a customer loyalty program.

Singer Bangladesh has its own manufacturing facility that presently manufactures furniture and assembles air conditioners and televisions. A new separate facility is commencing refrigerator manufacturing at the beginning of 2016.

Individual Operations - Wholesale

Singer in India

US $ Millions	2015	2014	% Change
Revenue	45.8	43.5	5.3
Net Income	1.6	1.1	45.5

Sewko operates a primarily wholesale distribution business in India. The business is carried on through Singer India, with a second Indian company, Brand Trading (India) Pvt. Limited, now being liquidated. Singer India has a total of 362 employees

Singer India's revenue measured in local currency grew by 10.5% in 2015 as compared to prior year. The five year revenue CAGR is 22.7%. Net income in local currency increased by 35.4% in 2015 as compared to 2014.

Singer India's plan is to continue to grow revenue and profit by increasing market share in the domestic sewing market and by growing the small appliance business, a market segment which Singer India reentered in late 2010.

Singer India sells Singer and Merritt brand consumer sewing machines and other sewing related products to distributors and dealers throughout India, through its own small retail network of 42 "Singer" shops, some in highly attractive locations and to certain government agencies and to military canteens. Singer India has about a 33% share of the organized sewing market. The new small appliance line is being sold through a separate network of distributors and dealers, as well as through the Singer shops. Sales of sewing products represent 86.0% of Singer India's sales.

Singer India manufactures and also assembles, through contract arrangements, some of the sewing machines that it sells; sewing machines are also purchased from outside suppliers in India and from SVP. Singer India's manufacturing operations are intended to meet a portion of its own requirements and to export to other Singer Asia locations and to SVP.

OPERATING AND FINANCIAL REVIEW

Management Discussion and Analysis

The following discussion and analysis should be read in conjunction with the audited, consolidated financial statements of the Company for the year ended December 31, 2015. Certain comparative figures for the year ended December 31, 2014 are restated. Additional information about the restatement is included below and in Note 6 to the Financial Statements.

Results of Operations

<u>Year Ended December 31, 2015 and December 31, 2014</u>

Overview

The Company's results for the year ended December 31, 2015 were impacted significantly by one-time developments:

1. The sale by the Company in June 2015 of its entire 40.0% shareholding in Singer Thailand, and the decision by the Company at year end and subsequent sale in January 2016 of its entire 70.3% shareholding in Singer Pakistan. As a consequence, Singer Thailand and Singer Pakistan are shown as discontinued operations for 2015 (including five months operating results for Singer Thailand and twelve months operating results for Singer Pakistan) with a net gain on disposal of $22.4 million. 54.1% of this gain is attributable to the ReHo shareholders. As Singer Thailand and Singer Pakistan were not previously classified as "held-for-sale", the comparative consolidated statements of income and comprehensive income for the year ended December 31, 2014 have been restated to show discontinued operations separately from continuing operations.

2. The decision by the Company to reduce the carrying value of the SVP Notes to zero, part in June 2015 and part in December 2015, reflecting uncertainties regarding the SVP Notes future cash flows. This resulted in an impairment loss of $23.8 million. The impairment loss is borne entirely by the ReHo shareholders. See Note 16 to the Financial Statements.

Continuing operations
(Continuing operations exclude Singer Thailand and Singer Pakistan for the full years 2015 and 2014)

For the year ended December 31, 2015, the Company's consolidated revenue was $419.3 million, compared to consolidated revenue of $363.5 million for the same period of 2014, an increase of $55.8 million or of 15.3%. Consolidated revenue measured at constant exchange rates (assuming no change in the average exchange rate of each of the foreign currencies against the U.S. Dollar in 2015 as compared to 2014) grew 19.5% for the year.

Revenue at the Company’s operations in Sri Lanka, boosted by more buoyant local economic conditions, increased 25.2% to $283.7 million, for the year ended December 31, 2015. Revenue at the retail operating unit in Bangladesh declined 4.4% to $88.7 million, for the year ended December 31, 2015, reflecting the very difficult trading conditions at the beginning of the year largely due to political disturbances. Revenue at Singer India increased 5.3%, to $45.8 million, for the year ended December 31, 2015.

The currencies of several of Sewko’s countries of operation declined against the U.S. Dollar in 2015, negatively impacting results when measured in U.S. Dollars. The depreciation was relatively severe in India (4.9%) and Sri Lanka (4.2%) and modest in Bangladesh (0.4%).

The Company’s revenue for the year ended December 31, 2015 includes $31.1 million of finance earnings, compared to $30.3 million in finance earnings for the same period of 2014. Finance earnings did not grow as much as revenue because of declining lending rates and a somewhat higher proportion of cash sales.

Gross profit for the year ended December 31, 2015 was $126.2 million, an increase of 11.1% over prior year, representing a gross profit as a percentage of revenue of 30.1%, compared to $113.6 million gross profit and a gross profit percentage of 31.2% for the same period prior year. The reduction in gross profit percentage is mainly due to a change in product mix with sales of IT products, particularly smart phones, which have relatively lower margins, increasing more as compared to other product categories.

Other income for the year ended December 31, 2015 was $1.9 million, compared to $1.6 million in other income for the year ended December 31, 2014. Other income mainly consists of commission income and fees from the provision of financial services and penalty charges on late payments.

S&A expenses for the year ended December 31, 2015 were $90.2 million, representing 21.5% of revenue, compared to $83.0 million and 22.8% of revenue for the year ended December 31, 2014. The reduction in selling and administrative expenses as a percentage of revenue reflects tighter cost management and the benefits of greater scale in Sri Lanka, where fixed costs did not grow as fast as revenue.

Other expenses, representing royalty payments to SVP for the use of the Singer trade name and trademark, amounted to $4.4 million for the year ended December 31, 2015, compared to $3.8 million for the year ended December 31, 2014. Royalty expense is equal to 1.0% of Singer Asia’s consolidated U.S. GAAP revenue (including discontinued operations).

Results from operating activities for the year ended December 31, 2015 were a profit of $33.5 million, compared to a profit of $28.4 million for the same period and operations in 2014, an increase of 18.0% from prior year, largely reflecting the flow through of the growth in revenue and lower S&A expenses relative to revenue, offset, in part, by a decline in gross profit margin.

In 2015, the Company did not receive any cash interest from SVP on the SVP Notes. Based on continuing discussions with SVP management, the Company’s management has come to the conclusion that it is unlikely that SVP will be able to repay the SVP Notes at their current maturity date in September 2018, and that SVP is unlikely to pay any cash interest on the SVP Notes for the foreseeable future. Consequently, an impairment loss of $23.8 million, reducing the carrying value of the SVP Notes to zero, was recognized in 2015.

Finance income was $0.8 million for the year ended December 31, 2015 compared to finance income of $3.5 million for the year ended December 31, 2014. The reduction in finance income is mainly due to non-payment of cash interest from SVP, as detailed above.

Finance costs, which represent interest expense on borrowings at the Sewko operating companies to finance working capital, was $13.5 million and $14.7 million for the years ended December 31, 2015 and December 31, 2014, respectively. Finance costs decreased by $1.2 million compared to the same period in 2014 primarily because of reductions in interest rates, particularly in Sri Lanka. Funded debt on a like-to-like basis, excluding Singer Thailand and Singer Pakistan, increased from $120.7 million at December 31, 2014 to $128.0 million at December 31, 2015.

The Company's loss from continuing operations before tax was $3.2 million for the year ended December 31, 2015, compared to a profit before tax from continuing operations of $17.2 million for the same period in 2014. The decline in profit before tax of $20.4 million reflects the flow through of the growth in results from operating activities, more than offset by the impairment loss of $23.8 million relating to the SVP Notes.

Tax expense increased to $9.5 million for the year ended December 31, 2015 from $7.0 million for the same period prior year. The effective tax rate, which is calculated based on total tax expense as a percentage of profit before tax, excluding the impairment loss, was 45.3% for the year ended December 31, 2015, compared to an effective tax rate of 40.4% for the year ended December 31, 2014. The effective tax rate for the year ended December 31, 2015 increased compared to the same period in 2014 mainly because of the increase in the share of profit contribution from Sri Lanka, where tax rates are somewhat higher than in Bangladesh and India.

The Company's loss from continuing operations for the year ended December 31, 2015, net of tax, was $12.6 million, compared to a profit from continuing operations of $10.3 million for the same period in 2014. The decrease in profit of $22.9 million reflects the flow through of the lower profit before tax coupled with an increase in tax expense.

Discontinued operations

As indicated, the results of Singer Thailand and Singer Pakistan are reclassified as discontinued operations for the full year ended December 31, 2015 and for the full year ended December 31, 2014.

In June 2015, the Company disposed of its entire 40.0% shareholding in Singer Thailand for a cash consideration of $43.4 million, resulting in a gain on disposal of $26.6 million. In December 2015, the Company's management decided to sell all of its 70.3% shareholding in Singer Pakistan; consequently, Singer Pakistan was classified as an asset held-for-sale. The Company's stake in Singer Pakistan was subsequently sold in January 2016 for a cash consideration of $2.3 million resulting in an impairment loss on disposal and reclassification of foreign currency differences, recognized for the year ended December 31, 2105, of $1.7 million and $2.5 million, respectively.

Singer Thailand's profit from operating activities from January to May 2015, and Singer Pakistan's loss from operating activities for the full year 2015, together with the gain on disposal of Singer Thailand and impairment loss on Singer Pakistan, resulted in a net profit of $24.6 million from discontinued operations in the year ended December 31, 2015, compared to a net profit of $8.7 million from the operations of Singer Thailand and Singer Pakistan in the year ended December 31, 2014.

The Company's profit for the year ended December 31, 2015 was $12.0 million, compared to a profit of $18.9 million for the same period in 2014. The profit decline of $6.9 million is mainly due to the impairment loss relating to the SVP Notes, partially offset by the gain on the sale of Singer Thailand.

Total comprehensive income for the year ended December 31, 2015 was $11.4 million compared to $25.6 million in comprehensive income for the year ended December 31, 2014. The $14.2 million drop in comprehensive income reflects the flow through of the $6.9 million drop in profit for the year ended December 31, 2015 as compared to prior year, and the absence in 2015 of a property revaluation. The Company's biennial revaluation of property, plant and equipment in the twelve months ended December 31, 2014 generated $7.9 million in other comprehensive income net of tax.

The loss attributable to ReHo shareholders is $8.3 million for the year ended December 31, 2015, compared to a profit of $6.4 million for the same period prior year. A profit of $20.3 million is attributable to non-controlling interests for the year ended December 31, 2015, compared to a profit of $12.5 million for the year ended December 31, 2014. The sharp drop in ReHo shareholder's share of profits is largely due to the impairment loss of $23.8 million on the SVP Notes incurred in the current year, which loss is not shared by the minority interests either in Sewko or in the Sewko subsidiary operating companies.

The loss attributable to equity holders of the Company is equivalent to basic and diluted loss per Share of $1.57, for the year ended December 31, 2015, compared to a basic and diluted profit per share attributable to equity holders of the Company of $1.20 for the year ended December 31, 2014.

Liquidity and Capital Resources

Year Ended December 31, 2015

For the year ended December 31, 2015, the Company had a net cash inflow from operations of $2.6 million, despite an increase in net working capital of $23.3 million, primarily reflecting a decrease in trade and other payables and an increase in provisions and employee benefits, offset, in part, by a reduction in trade and other receivables, inventory and other assets.

Net cash from investing activities for the year ended December 31, 2015 was an inflow of $42.3 million, primarily reflecting the $46.3 million received from disposal of interests in subsidiaries and sale of investments offset, in small part, by capital expenditures of $5.0 million.

Distributions to the Company's shareholders and to non-controlling interests during the year ended December 31, 2015, utilized $5.3 million and $5.5 million of cash, respectively. Net borrowings, excluding bank overdrafts, decreased by $25.9 million during the year.

The net effect of the cash flow movements and exchange rate fluctuations was to increase the Company's net cash and cash equivalents by $45.1 million for the year ended December 31, 2015. As a result, cash and cash equivalents, net of bank overdrafts, were $55.3 million as at December 31, 2015 as compared to $10.2 million as at December 31, 2014.

Current assets less current liabilities at December 31, 2015 were $129.4 million, an increase of $24.6 million from the corresponding $104.8 million at December 31, 2014.

Neither the Company nor Sewko, nor any of the Company's other subsidiaries were in default at December 31, 2015, at December 31, 2014, or at any time during 2015 or 2014 with respect to any interest or principal payments or with respect to any financial covenants under any of their lending arrangements.

For a discussion of liquidity and capital resources during 2014, see the Company's 2014 Annual Report, dated March 2015.

Other

Research and Development

The Company does not carry out significant research and development, thus amounts spent on research and development for the years ended December 31, 2015 and December 31, 2014 were not material.

Environment

The Company is subject to a variety of environmental and pollution control laws and regulations in many jurisdictions in which it operates, and faces exposure from actual and potential claims involving such matters. The Company believes that any costs resulting from environmental matters known to it will not have a material, adverse impact on the Company's results of operation or financial condition. The amount spent on environmental and pollution matters was not material for the years ended December 31, 2015 or December 31, 2014.

Legal Proceedings

The Company is engaged in the ordinary course of business either as a defendant or a plaintiff in a variety of lawsuits or other contested legal proceedings in a number of jurisdictions. Most of these cases relate to claims made by subsidiaries of the Company for delinquent amounts past due under installment purchase contracts. The Company believes that any ultimate, uninsured liability with respect to any litigation known to it, will not have a material adverse impact on the Company's results of operations or financial condition. The amount spent in settlement or for assessed damages was not material for the years ended December 31, 2015 or December 31, 2014.

Market Risks

For a discussion of credit risk, liquidity risk, currency risk and interest rate risk, see Note 26 to the Financial Statements.

The Company does not have any derivative financial instruments outstanding. The Company does not hold or issue financial instruments for trading purposes. The Company does not have any foreign exchange forward contracts outstanding, other than a U.S. Dollar forward contract in Sri Lanka to hedge a U.S. Dollar loan of the same amount and maturity. The Company does not have any interest rate forward contracts outstanding.

Accounting Policies

The Company's financial statements and accompanying notes are prepared in accordance with International Financial Reporting Standards. The significant accounting policies used by the Company in preparing its consolidated financial statements are described in Note 37 to the Financial Statements, which should be read to ensure a proper understanding and evaluation of the estimates and judgments made by management in preparing the Financial Statements. Recent accounting pronouncements are described in Note 38.

Preparing financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expense. These estimates are based on management's application of accounting policies, historical experience and assumptions that are believed to be reasonable.

CERTAIN RISK FACTORS

There are a number of important risks to the Company, certain of which are discussed below.

Economic Developments and Exogenous Events May Adversely Impact Results

Purchases of Sewko's products are to a significant extent discretionary. National economic policies could depress consumption in individual markets important to Sewko. Similarly, economic uncertainty globally, and in certain markets, could depress consumption in Asia generally during 2016 and beyond, including in Sewko's major markets (Bangladesh and Sri Lanka). These developments could adversely impact the Company's revenue, results of operations and financial condition. Any adverse impact would likely vary by sector and by country.

The level of consumer spending in Sewko's markets may also be negatively impacted by exogenous, unanticipated political or natural events.

Foreign Exchange Fluctuations May Negatively Impact Results

Local currency denominated financial results in each of Sewko's operations are translated into U.S. Dollars by applying the weighted average market exchange rate during each financial reporting period. Local currency denominated assets and liabilities are translated into U.S. Dollars by applying the market exchange rate at the end of each financial reporting period. Accordingly, the financial results as reported in the consolidated income statement, and the assets and liabilities as reported in the consolidated balance sheet, are subject to foreign exchange rate fluctuations. Currency changes will also affect the cost of imported products and components, impacting margins, prices and affordability. Generally, a strong U.S. Dollar, as was, for example, the pattern in 2015, has a negative influence on the Company's revenue, results of operations and financial condition as measured in U.S. Dollars.

There are Intense Competitive Pressures

Sewko's operations face a broad range of competitors and potential competitors, from large international companies to small independent dealers. Some of these competitors have greater financial, technical and marketing resources available to them than does Sewko. Others may be willing to engage in unethical or illegal business practices that may give them at least a temporary advantage. If Sewko is unable to effectively respond to these competitive pressures, this may adversely affect the Company's revenue, results of operations and financial position.

The Consumer Finance Business is Subject to Non-Performance Risks

Extension of consumer credit is an integral part of Sewko's operations. Most accounts receivable are financed by the local operating companies, who rely primarily on bank lending. A significant economic downturn in a market, a sharp drop in the market price of products sold on credit, a negative exogenous shock, a loss of critical personnel, changes in local laws or practice, or civil disorder, among other factors, could reduce collection performance, impairing the value of Sewko's receivables, negatively impacting the Company's results of operations and financial condition.

International Operations Have Special Risks

All of Sewko's operating activities are conducted in emerging markets. There are a number of special risks inherent in doing business in these markets, including, among others, less stable political systems, uncertainty with respect to regulatory and legal procedures, potential breakdowns in civil order, reduced protection for intellectual property rights, and potential adverse changes in tax regimes. If Sewko is unable to manage the risks inherent in its international activities, this may adversely affect the Company's results of operations and financial condition.

ReHo's Incorporation Outside the United States Imposes Additional Risks

As a company incorporated in Curaçao, ReHo is subject to Curaçao law. As a consequence, the rights of shareholders may differ from the rights associated with companies governed by other laws, including the laws of the United States. Holders of the Company's securities could face difficulties in enforcing U.S. judgments against the Curaçao company, its directors and executive officers, and others.

ReHo's Shares are Currently Quoted Only on "Pink Sheets"

ReHo does not anticipate that its Shares will be listed on any U.S. or overseas securities exchange, the NASDAQ National Market System, the NASDAQ Small Cap Market, the OTC Bulletin Board, or a similar trading system. Price quotations for ReHo's Shares currently are available only on the OTC Pink ("Pink Sheets") quotation service, under the symbol "RHDGF". If the Shares cease to be traded on the Pink Sheets quotation service or on an alternative trading system, shareholders seeking to sell or buy Shares will only be able to do so with considerable difficulty and at prices that may not reflect the Shares' inherent value. Even to the extent that quotations on the Pink Sheets quotation service continue, there is no assurance that there will be adequate liquidity or that there may not be wide swings in prices and significant differences between "bid" and "asked" prices, which could make trading difficult and cause prices for ReHo's Shares to deviate substantially from their inherent value.

ReHo Provides Only Limited Disclosure

Pursuant to the laws and regulations of Curaçao, ReHo is required to provide certain information to shareholders on an annual and semi-annual basis. ReHo only provides a Summary Annual Report, including audited, full-year, consolidated financial statements and notes, with limited commentary, and a Summary Semi-Annual Report, including unaudited, six-month financial statements, with limited notes and commentary, all prepared in accordance with IFRS. ReHo's decision not to provide quarterly reports and more comprehensive annual and semi-annual reports could make it more difficult for investors to assess ReHo and its results and prospects and could result in reduced liquidity for ReHo's Shares and prices that may not reflect the Shares' inherent value.

DIRECTORS, EXECUTIVE OFFICERS AND EMPLOYEES

Board of Directors

The Board of ReHo has four Directors, with each Director serving until the conclusion of the next Annual General Meeting ("AGM").

The table below and the following text set forth certain information regarding the ReHo Directors:

Name	Age	Position
Stephen H. Goodman................................	71	Director, Chairman of the Board, President and Chief Executive Officer of ReHo; Executive Director and Chairman of the Board of Sewko and of Singer Asia
Antonio Costa	73	Director of ReHo and of Sewko
Alex Johnston..	51	Director of ReHo and of Sewko
Stewart M. Kasen......................................	76	Director, Chairman of the Audit Committee of ReHo

Stephen H. Goodman. Mr. Goodman was elected a Director, Chairman, President and Chief Executive Officer of ReHo in September 2000. From the beginning of 1998 through that date, he was a Director, President and Chief Executive Officer of Old Singer. Prior to joining Old Singer, Mr. Goodman was a Managing Director at Bankers Trust Company. Mr. Goodman is Executive Director and Chairman of the Board of Sewko and of Singer Asia and is a member of the board and serves as Executive Director and President of a Company subsidiary.

Antonio Costa. Mr. Costa is an independent retail consultant and also provides management support to several non-profit social and sports associations in Portugal. From 2000 to 2007, he was the President and a Director of Singer Produtos Electricos S.A. ("Singer Produtos"). Singer Produtos and certain of its affiliates, which operated consumer products distribution businesses in Portugal and Spain, were acquired from Old Singer by an investor group in September 2000. Mr. Costa was elected a ReHo Director in August 2001. Mr. Costa serves on the Sewko board.

Alex Johnston. Mr. Johnston is currently Chief Marketing Officer at Touchpress, a leading digital publisher based in London. Mr. Johnston is also a Director of Freuds, a leading UK consumer public relations agency. From 2010-2012, Mr. Johnston was Executive Vice President of Omnicom, a leading international holding company for advertising and marketing service organizations. Prior to joining Omnicon, Mr. Johnston was a senior communications advisor to PepsiCo, Inc. From 2005 to 2008, he was the Managing Partner of Fleming Media, a rights and media acquisition fund backed by the Fleming family. Mr. Johnston was elected a ReHo Director in September 2000. Mr. Johnston serves on the Sewko board.

Stewart M. Kasen. Mr. Kasen is an independent retail consultant. He serves as lead independent director of Markel Corp., a property and casualty insurer, and is on the board of Gordmans. From 2007 to 2011, he was Chairman of the Board of Lenox Group Inc. From 2002 to 2007, he was President and Chief Executive Officer of S&K Famous Brands, Inc. Mr. Kasen was elected a ReHo Director in September 2000; he serves as Chairman of the Audit Committee.

The Board of Directors met eight times during 2015 including two joint meetings with the Board of Directors of Sewko.

Messrs. Kasen (Chairman), Costa, and Johnston are members of the Audit Committee of the Board of Directors, which is authorized to act on behalf of the Board in respect to matters relating to the selection of auditors and audit and accounting issues. The Audit Committee of the Board of Directors met three times during 2015 including three executive sessions without the Company's management present, once with ReHo's external auditors and twice with the Company's head of internal audit.

Messrs. Costa (Chairman), Kasen, and Johnston are members of the Compensation and Nominating Committee of the Board, which is authorized to act on behalf of the Board in respect of matters relating to compensation and benefits and to select nominees to the Board. The Compensation and Nominating Committee of the Board of Directors met once during 2015 including an executive session without the Company's management present.

The Board of Directors has determined that at least one member of the Audit Committee of the Board of Directors, Mr. Stewart M. Kasen, Chairman of the Audit Committee, is an audit committee financial expert as that term is defined in Regulations under the United States Securities Exchange Act of 1934, as amended. Each of ReHo's directors, other than Mr. Goodman, meet the independence standards contained in the New York Stock Exchange Listed Company Manual, although the Company is not listed on and is not subject to the rules and regulations of the New York Stock Exchange. The Audit Committee and the Compensation and Nominating Committee consist only of independent directors.

In addition to Messrs. Goodman (Chairman), Costa and Johnston, Mr. John Hyun and Mr. Peter James O'Donnell, both representatives of the Fund, Mr. Malcolm Matthews, an independent director, and Mr. Gavin Walker, the Chief Executive of Sewko, serve as directors of Sewko. Messrs. O'Donnell (Chairman), Costa, Hyun, Johnston and Matthews are members of the Sewko Audit Committee. Mr. Hyun joined the Sewko Board and Audit Committee in December 2015 in the place of Mr. Tobias Brown, who died in October 2015. The Sewko Board acknowledges with gratitude the substantial contribution made by Mr. Brown to the Sewko Board over the last several years.

Messrs. Goodman (Chairman), O'Donnell and Walker serve as directors of Singer Asia.

Executive Officers

The following information sets forth certain information regarding the other executive officers of ReHo at December 31, 2015:

Name	Age	Position
Gavin J. Walker	46	Vice President of ReHo; Director, President and Chief Executive Officer of Sewko and of Singer Asia
Joe Kan……………................................	49	Controller of ReHo; Chief Financial Officer of Sewko and of Singer Asia
Amy Pappas…………………………….	56	Secretary of ReHo

Gavin J. Walker. Mr. Walker was elected a Vice President of ReHo in August 2005. Prior to joining ReHo, Mr. Walker held offices as Managing Director and Chief Executive Officer of publicly 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 is Director, President and Chief Executive Officer of Sewko and of Singer Asia and serves as a director of a number of other Sewko subsidiaries.

Joe Kan. Mr. Kan was appointed Controller of ReHo in November 2011. Mr. Kan serves as Chief Financial Officer of Sewko and of Singer Asia. Prior to joining Singer Asia in September 2010, Mr. Kan was Head of Finance at Octopus Cards Limited, the developer and operator of the largest smart card payment system in the world. Mr. Kan is a member of the Institute of Chartered Accountants of England and Wales and of the Hong Kong Institute of Certified Public Accountants. Mr. Kan serves as a director of a number of other Sewko subsidiaries.

Amy Pappas. Ms. Pappas was appointed Secretary of ReHo in August 2007. From August 2006 until that date, she served as Assistant Secretary of ReHo. Prior to that time, Ms. Pappas was an executive assistant at Growth Capital Partners, a venture capital firm. Ms. Pappas serves as a director of a ReHo subsidiary.

In addition to Messrs. Walker and Kan, Mr. Rajeev Bajaj (Vice President, India), Mr. Asoka Pieris (Vice President, Sri Lanka), Mr. Hamim Rahmatullah (Vice President, Bangladesh), Mr. Gelmart Gellecanao (Vice President, Risk Management), Mr. Ajith Paranavitane (Vice President, Information Services), and Karen Tse (Controller) serve as officers of Sewko and of Singer Asia.

Employees

At December 31, 2015, (pro forma for the sale of Singer Pakistan), the Company had 3,589 employees, of whom only three were not employees of Sewko or its subsidiaries. The work locations of all but one of the Sewko employees are in Asia; the three non-Sewko employees work in Mt. Kisco, New York. The Company anticipates that the number of employees will grow modestly over the next several years.

Employees by segment and geographic location are shown in the following table:

	United States	Asia	Total Company
ReHo Administrative Office	3	-	3
Sewko Administrative Office	1	7	8
Bangladesh Management	-	1,064	1,064
Cambodia Management	-	31	31
India Management	-	362	362
Sri Lanka Management	-	2,121	2,121
	4	3,585	3,589

Some of the Company's employees in the various field managements belong to unions and are covered by individual or countrywide union contracts. Employee relations are generally good.

The Company is strongly committed to the personal and career growth of its employees. Various in-house and external management training programs provide staff with problem solving and teamwork skills. A wide variety of other training and development programs are offered to employees in every operation and at all levels. An important focus of the Company's training is to improve the quality of customer interaction, particularly in respect of front-line sales staff in the marketing channels.

The Company has adopted a Code of Business Conduct that applies to all of its directors and to all of its employees including all of its executive officers and other key employees. The text of the Code of Business Conduct is posted on the Corporate/Investor section of the Company's website at www.retailholdings.com.

Executive Compensation

An aggregate of approximately $1.7 million in compensation, including salary, bonus and director fees, was paid by the Company to all of ReHo's current directors and executive officers as a group (seven individuals) in the year ended December 31, 2015. The corresponding amount in the year ended December 31, 2014 (paid to seven individuals) was $1.6 million. Such amount does not include amounts expended by the Company for business expenses (including business travel) reimbursed to directors and officers, a housing allowance and school fees paid to an officer in a non-U.S. location, employer paid taxes, and the cost of medical and similar plans available to two employees in a non-U.S. location.

ReHo has put in place a special bonus program for ReHo's Chief Executive Officer which provides a deferred cash award in the event that aggregate dividends and distributions to shareholders exceed a certain threshold amount. An award of $152,657 was accrued under the program for 2015, with payment of the award deferred until January 2019. Going forward, the award for each year through December 2018, at which time the program terminates, will be equal to 3.5% of the dividends/distributions paid to shareholders in that year, with the payout of each year's award deferred until January 2019. No awards were previously made under this program.

In 2012, ReHo introduced a three year stock award program for ReHo directors and officers. The program is more fully described in the "Share and Shareholder Information" section. The cost for the program (not included above) was $60,000 in 2014; the program was no longer in effect in 2015.

Sewko had adopted a short-term bonus plan for 2015 (the Executive Bonus Plan "EBP") which provides a deferred cash award to selected senior managers, with the amount of each award based on an assessment of each participant's and their business unit's contribution towards achieving Sewko's objectives for the year. Employees eligible to participate in the EBP include general managers of Sewko business units and other key Sewko managers, but not the Sewko Chief Executive Officer. Awards under the 2015 EBP are up to 120% of each eligible employee's base salary with the bonus pool for all of the key managers in each management, other than the general manager of that business unit, not to exceed 60% of all such managers' cumulative base salary. A similar short-term bonus plan has been introduced for 2016. Approximately $0.7 million in bonuses are being distributed in 2016 under the 2015 EBP. Approximately $0.4 million in bonuses were distributed in 2015 under the bonus plan for the year 2014.

In lieu of participation in the EBP, the Sewko Chief Executive Officer was awarded in 2005, stock options equal to 4.8% of the Sewko shares on a fully-diluted basis. In October 2013, the Sewko Chief Executive received an interest free loan from Sewko of $1.9 million, which he used to exercise his remaining unexercised options. The loan is repayable on his resignation, termination for cause or after five years (extendable in certain circumstances up to a maximum of seven years). Any dividends or other distributions on the shares received from exercise of these options must be used to repay the loan; during 2014, the Sewko Chief Executive repaid $0.2 million of the loan from the distribution received. The balance of the loan still outstanding, $1.6 million, will be forgiven in three equal annual installments in 2017, 2018 and 2019, as a result of a closing of a transaction (as defined).

In addition to salaries and bonuses, employees also receive a variety of other remuneration and benefits that vary by management, ranging from medical and accident insurance to special programs intended to cover special need and contingencies. These special programs may include: company discounts, death benefits, distress loans, educational aid schemes, housing assistance, professional subscription assistance, subsistence allowances, travel expense reimbursement, uniforms and vehicle loans.

The Sewko Chief Executive and one other employee of Sewko participate in a plan, similar to a 401(k) plan that provides for contributions equal to 3% of their base salary. Sewko provided contributions to these plans of less than $20,000 in each of 2015 and 2014.

Neither ReHo nor Sewko have any corporate pension or severance plans for their employees except for a statutory severance plan covering all employees of the Hong Kong office. Some of the individual Sewko operating units have pension, severance or equivalent plans for their executive officers and other employees. See Notes 12 and 13 to the Financial Statements.

Social Responsibilities

The Company takes very seriously its responsibility towards the communities in which it resides, and to society at large. Established procedures are in place to help ensure compliance with all applicable statutory and regulatory requirements and with the Company's Code of Business Conduct with respect to relations with current, past and potential customers, suppliers and fellow employees.

The Company's operations use energy and materials, generate waste, and otherwise may impact the environment. The Company is committed to keeping this impact as small and as benign as possible. This involves substantial recycling, productivity improvements to reduce the use of energy and other consumables, and the control and treatment of factory waste and pollutants, among other measures. Environmental impact is part of the planning of any activity or project. The Company complies with all applicable national and international environmental standards.

In the Indian subcontinent, the plight of the disadvantaged, particularly of women, has led the operating companies to set up sewing and fashion academies as well as other schools offering vocational training; this training helps graduates to earn steady incomes. The academies also undertake projects aimed at helping children and the elderly.

Where reasonably possible, underprivileged females and handicapped individuals are employed in the Company's distribution, manufacturing and assembly operations. The Company also provide training on a continuing basis to young people working as trainees, apprentices and technicians within the network of marketing, manufacturing and service facilities.

The Company operates in many communities. While the needs of the different communities vary, four of the most common needs are addressed through: donations and support for the disadvantaged; donations, sponsorship and support for the elderly; donations and support for medical facilities and programs, particularly in rural and outlying areas; and donations, sponsorship and support for education, sports and youth.

SHARE AND SHAREHOLDER INFORMATION

Shareholding

The following chart summarizes ReHo's share capital at December 31, 2015:

Class	Shares Authorized	Shares Issued, Outstanding and Fully-Paid	Par Value per Share
Preferred Shares			
Series A	40	0	$0.01
Other Preferred	999,960	0	$0.01
Shares	20,000,000	5,291,443*	$0.01

*Excludes 50,256 Treasury Shares

In 2000, holders of allowed, general unsecured claims against Old Singer received substantially all of the Shares of ReHo. A total of 8,121,828 Shares were distributed, including 2,030,127 Shares received by ReHo subsidiaries or forfeited and subsequently transferred to ReHo; 8,939 Shares were forfeited in 2015, nil in 2014. During 2014, 3,000 Shares were issued to the four ReHo directors and to the ReHo Secretary, 600 Shares each, as the final tranche of a three year program. In the period, 854,277 options for Shares were exercised and Shares issued. No options for Shares remain outstanding.

ReHo, in 2000, issued 40 shares of Series A Convertible Preferred Stock ("Preferred Shares"), all of which shares were purchased by a subsidiary of ReHo in 2003, and cancelled in 2006.

ReHo has periodically sought to reduce the number of Shares and options for Shares outstanding. In the 2002-2013 period, ReHo, through negotiated transactions and open market purchases, purchased 1,663,535 Shares. No shares were purchased in 2015 or 2014.

The 3,693,662 Shares transferred to, or purchased by ReHo and its subsidiaries, initially were treated as Treasury Shares. Subsequently, 3,625,406 Shares were cancelled. 50,526 Shares remain as Treasury Shares. None of the cancelled Shares or remaining Treasury Shares is included as outstanding in the Financial Statements.

5,291,443 Shares were issued and outstanding at December 31, 2015. 5,300,382 Shares were issued and outstanding at December 31, 2014. There are no differences in voting rights among the Shares.

To ReHo's knowledge, it is not directly owned or controlled by any other corporation, by any government, or by any other natural or legal person, severally or jointly. ReHo is not aware of any arrangement, which would result in a change of control of ReHo. ReHo management believes that several shareholders may each own more than 5.0% of the outstanding Shares; the shareholders do not believe that they have any obligation to file a Schedule 13G or any other form or notification under the rules and regulations applicable to ReHo or its shareholders. ReHo has less than 500 shareholders of record corresponding to an estimated 1,200 individual shareholder accounts. ReHo does not have sufficient data to accurately estimate the number of outstanding Shares held by residents of the United States.

Director and Employee Share Ownership

At December 31, 2015, the total number of Shares of ReHo beneficially owned by the persons listed in the previous section under "Board of Directors" and "Executive Officers" was 888,601 Shares, representing approximately 16.8% of the total Shares outstanding. To ReHo's knowledge, none of the persons listed beneficially owns more than 1.0% of the Shares outstanding other than Stephen H. Goodman, who, together with his spouse, beneficially own 866,251 Shares, representing approximately 16.4% of ReHo's total Shares. Three trusts for which Mr. Goodman's spouse is the trustee own an additional 446,828 Shares, representing approximately 8.4% of ReHo's total Shares outstanding.

Trading

ReHo's Shares are quoted on the Pink Sheets quotation service under the symbol "RHDGF". A link to the prices for the Shares may also be found at the Corporate/Stock Price section of the Company's website: www.retailholdings.com.

The following table sets forth the high and low closing sales prices of ReHo's Shares on the Pink Sheets quotation service for the periods indicated:

	High	Low
Annual highs and lows		
The year ended December 31, 2015	22.00	15.79
The year ended December 31, 2014	22.00	17.25
The year ended December 31, 2013	21.75	17.35
The year ended December 31, 2012	24.00	15.75
The year ended December 31, 2011	19.90	12.85
Quarterly highs and lows		
1st Quarter 2016 (Through March 24, 2016)	19.00	16.00
The year ended December 31, 2015		
4th Quarter	18.00	15.79
3rd Quarter	20.50	17.50
2nd Quarter	21.00	18.75
1st Quarter	22.00	18.40
The year ended December 31, 2014		
4th Quarter	22.00	17.25
3rd Quarter	20.46	18.90
2nd Quarter	19.98	18.50
1st Quarter	20.50	19.19

	High	Low
Monthly highs and lows		
2016		
March (through March 24, 2016)	19.00	17.83
February	18.30	17.25
January	18.00	16.00
2015		
December	16.30	15.79
November	16.95	16.35
October	18.00	16.68

The last reported sale price of the Company's Shares on the Pink Sheet quotation service, at March 24, 2016, was $19.00.

Trading volume in ReHo's Shares is often low with no Shares trading on many days. In the fourth quarter of the last several years, however, trading volume had jumped substantially, with 315,214 Shares trading in the fourth quarter of 2015, 172,963 Shares trading in the fourth quarter of 2014, and 1,234,631 Shares and 1,584,317 Shares trading in the fourth quarter of 2013 and 2012, respectively.

Distributions

During 2015, ReHo made a distribution to shareholders of $1.00 per Share. The distribution, totalling $5.3 million, was made on October 6, 2015 to shareholders of record on September 8, 2015. The distribution was classified as a non-dividend distribution reflecting a return of capital for U.S. federal income tax purposes.

During 2008, 2009, 2010, 2011, 2012, 2013, and 2014, ReHo made distributions to shareholders of $0.75, of $0.20, of $0.80 of $2.50, of $2.50, of $1.00 and of a $1.00 per Share, respectively. All of these distributions were classified as non-dividend distributions reflecting a return of capital for U.S. Federal income tax purposes. During 2007, the Company paid a special dividend to shareholders of $1.00 per Share. This distribution was classified as an ordinary (non-qualified) dividend for U.S. Federal income tax purposes.

A total of $10.75 per Share has been paid to shareholders since inception of the dividend/distribution program in 2007.

It is ReHo's intention to maintain a regular dividend/distribution program. ReHo's Board of Directors has approved an initial distribution of $5.00 per Share for 2016, to be paid on or about April 13, 2016 to shareholders of record on April 5, 2016, with a possible further distribution later in 2016. This will bring the total dividend/distributions to shareholders since 2007 to at least $15.75 per Share.

During 2015, ReHo returned to equity $919,214 of the 2010 distribution and certain later year distributions, representing unclaimed distributions of non-U.S. shareholders generally outstanding over five years; an additional $49,653 was escheated. During 2014, ReHo returned to equity $45,535 of the 2009 distribution of non-U.S. shareholders, representing unclaimed distributions of non-U.S. shareholders outstanding over five years; an additional $13,032 was escheated. Distributions payable of $729,577 remain outstanding as of December 31, 2015.

Additional Shareholder Information

Articles of Association; Shareholders' Meetings

ReHo is a corporation registered with the Curaçao Chamber of Commerce Commercial Register in Willemstad, Curaçao, under the registration number 83676.

The rights of holders of ReHo Shares are laid down and described in the Company's Articles of Association (the "Articles"). ReHo has posted the text of the Articles on the Corporate/Investor section of the Company's website, at www.retailholdings.com. There are no restrictions in the Articles that might have the effect of delaying, deferring or preventing a change in control of the Company other than the requirement that any resolution presented at a shareholders meeting, that has not been included in the notice of that meeting, may only be approved if all of the ReHo shareholders are present at the meeting.

The Articles require that all shareholders' meetings be held in Curaçao. An AGM must be held to adopt the financial statements of the Company within nine months after the end of the preceding fiscal year. Such financial statements and the annual financial report must be prepared within six months after the close of the preceding fiscal year and made available to the shareholders. The financial statements and the annual financial report must be presented at the AGM. The next ReHo AGM is scheduled for September 2016.

Enforceability of Foreign Judgments

ReHo has been advised by its Curacao counsel, that in the absence of an applicable treaty between the United States and Curacao, a judgment rendered by a court in the United States will not be enforceable in Curacao. In order to obtain a judgment that is enforceable in Curacao the claim must be re-litigated before a competent Curacao court. A judgment rendered by a court in the United States will be recognized by a Curacao court if: (i) the competency of the court in the United States is based on internationally accepted standards; (ii) the judgment results from proceedings compatible with Curacao concepts of due process; (iii) the judgment does not contravene public order of Curacao; and (iv) the judgment is not incompatible with a court ruling between the same parties rendered by a Curacao court, or with a previous court ruling by a foreign court, rendered in proceedings between the same parties and in relation to the same circumstances, in case such previous foreign court ruling is susceptible to recognition in Curacao.

If the judgment is recognized by a Curacao court, it will generally grant the same award without review of the merits of the case.

RETAIL HOLDINGS N.V. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2015
(WITH INDEPENDENT AUDITORS' REPORT THEREON)

RETAIL HOLDINGS N.V. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2015

KPMG

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To the Board of Directors of
Retail Holdings N.V.

We have audited the accompanying consolidated financial statements of Retail Holdings N.V. (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2015, the consolidated statement of income, the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated 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 consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 management, as well as evaluating the overall presentation of the consolidated 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 consolidated financial position of the Group as at 31 December 2015, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

KPMG Phoomchai Audit Ltd

KPMG Phoomchai Audit Ltd.
March 23, 2016
Bangkok

RETAIL HOLDINGS N.V. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

In thousands of U.S. Dollars

	Note	31 December 2015	31 December 2014
ASSETS			
Property, plant and equipment	*19*	44,392	70,712
Intangible assets and goodwill	*20*	7,313	6,810
Trade and other receivables	*16*	46,442	83,156
Equity-accounted investee	*21*	2,200	-
Deferred tax assets	*14*	2,116	7,397
Other non-current assets		9,772	10,690
Total non-current assets		**112,235**	**178,765**
Inventories	*15*	74,332	85,484
Trade and other receivables	*16*	109,462	150,964
Cash and cash equivalents	*17*	61,598	30,150
Other current assets		11,388	19,556
Assets held for sale	*18*	22,379	-
Total current assets		**279,159**	**286,154**
Total assets		**391,394**	**464,919**
EQUITY	*22*		
Share capital		53	53
Treasury shares		-	-
Share premium		37,655	41,961
Reserves		(7,229)	(3,821)
Retained earnings		44,165	50,687
Total equity attributable to owners of the Company		**74,644**	**88,880**
Non-controlling interest		**89,605**	**109,823**
Total equity		**164,249**	**198,703**
LIABILITIES			
Loans and borrowings	*24*	61,820	60,180
Employee benefits	*12*	6,366	14,427
Deferred income	*26*	571	553
Warranty provision	*27*	254	438
Deferred tax liabilities	*14*	781	1,968
Other non-current liabilities		7,611	7,302
Total non-current liabilities		**77,403**	**84,868**
Bank overdrafts	*17*	6,279	19,908
Current tax liabilities		3,935	2,476
Loans and borrowings	*24*	59,942	87,521
Trade and other payables	*25*	55,537	67,067
Deferred income	*26*	2,474	2,468
Warranty provision	*27*	1,521	1,908
Liabilities held for sale	*18*	20,054	-
Total current liabilities		**149,742**	**181,348**
Total liabilities		**227,145**	**266,216**
Total equity and liabilities		**391,394**	**464,919**

The notes on pages 46 to 99 are an integral part of these consolidated financial statements.

RETAIL HOLDINGS N.V. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF INCOME
FOR THE YEAR ENDED 31 DECEMBER
In thousands of U.S. Dollars

	Note	2015	2014 Restated *
Continuing operations			
Revenue	*7*	419,303	363,510
Cost of sales	*8*	(293,125)	(249,948)
Gross profit		**126,178**	**113,562**
Other income	*8*	1,895	1,628
Selling and administrative expenses	*8*	(90,173)	(82,955)
Other expenses	*8*	(4,363)	(3,814)
Results from operating activities		**33,537**	**28,421**
Impairment loss on SVP Notes	*16*	(23,840)	-
Finance income		808	3,504
Finance costs		(13,492)	(14,698)
Net finance costs	*9*	**(12,684)**	**(11,194)**
Share of loss of equity-accounted investee, net of tax	*21*	(177)	-
(Loss) / profit before tax		**(3,164)**	**17,227**
Tax expense	*14*	(9,452)	(6,958)
(Loss) / profit from continuing operations		**(12,616)**	**10,269**
Discontinued operations			
Profit from discontinued operations, net of tax	*6*	24,579	8,650
Profit for the year		**11,963**	**18,919**
Attributable to:			
Owners of the Company		(8,314)	6,375
Non-controlling interests		20,277	12,544
Profit for the year		**11,963**	**18,919**
(Loss) / earnings per share (U.S. Dollars)	*10*		
Basic (loss) / earnings per share		(1.57)	1.20
Diluted (loss) / earnings per share		(1.57)	1.20
(Loss) / earnings per share – Continuing operations (U.S. Dollars)			
Basic (loss) / earnings per share		(5.89)	0.63
Diluted (loss) / earnings per share		(5.89)	0.63

* See Note 6

The notes on pages 46 to 99 are an integral part of these consolidated financial statements.

RETAIL HOLDINGS N.V. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER
In thousands of U.S. Dollars

	Note	2015	2014
Profit for the year		**11,963**	**18,919**
Other comprehensive income			
Items that will never be reclassified to profit or loss			
Revaluation of property, plant and equipment		-	8,424
Remeasurement of defined benefit asset / (liability)	*12*	(78)	255
Related tax	*14*	22	(619)
		(56)	**8,060**
Items that are or may be reclassified subsequently to profit or loss			
Foreign operations – foreign currency translation differences		(548)	(1,339)
Other comprehensive income, net of tax		**(604)**	**6,721**
Total comprehensive income		**11,359**	**25,640**
Total comprehensive income attributable to:			
Owners of the Company		(8,372)	9,114
Non-controlling interests		19,731	16,526
		11,359	**25,640**

The notes on pages 46 to 99 are an integral part of these consolidated financial statements.

RETAIL HOLDINGS N.V. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2015

In thousands of U.S. Dollars

		Attributable to owners of the Company								
	Note	**Share capital**	**Share premium**	**Translation reserve**	**Revaluation reserve**	**Legal reserve**	**Retained earnings**	**Total**	**Non-controlling interest**	**Total equity**
Balance at 1 January 2015		53	41,961	(18,213)	14,148	244	50,687	88,880	109,823	198,703
Total comprehensive income										
Profit for the year		-	-	-	-	-	(8,314)	(8,314)	20,277	11,963
Other comprehensive income	*22*	-	-	(294)	90	(244)	390	(58)	(546)	(604)
Total comprehensive income		-	-	(294)	90	(244)	(7,924)	(8,372)	19,731	11,359
Transactions with owners of the Company										
Contributions and distributions										
Treasury shares purchased	*22*	-	-	-	-	-	-	-	-	-
Unclaimed dividend		-	985	-	-	-	-	985	-	985
Dividends to owners of the Company	*22*	-	(5,291)	-	-	-	-	(5,291)	-	(5,291)
Dividends to non-controlling interests of subsidiaries		-	-	-	-	-	-	-	(5,465)	(5,465)
Total contributions and distributions		-	(4,306)	-	-	-	-	(4,306)	(5,465)	(9,771)
Changes in ownership interests										
Divestment of interests in subsidiaries		-	-	(1,503)	(1,457)	-	1,402	(1,558)	(34,484)	(36,042)
Total changes in ownership interests		-	-	(1,503)	(1,457)	-	1,402	(1,558)	(34,484)	(36,042)
Total transactions with owners of the Company		-	(4,306)	(1,503)	(1,457)	-	1,402	(5,864)	(39,949)	(45,813)
Balance at 31 December 2015		53	37,655	(20,010)	12,781	-	44,165	74,644	89,605	164,249

The notes on pages 46 to 99 are an integral part of these consolidated financial statements.

RETAIL HOLDINGS N.V. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED) (RESTATED)
For the year ended 31 December 2014

In thousands of U.S. Dollars

		Attributable to owners of the Company								
	Note	**Share capital**	**Share premium**	**Translation reserve**	**Revaluation reserve**	**Legal reserve**	**Retained earnings**	**Total**	**Non-controlling interest**	**Total equity**
Balance at 1 January 2014		53	47,152	(18,217)	11,616	261	44,092	84,957	104,512	189,469
Total comprehensive income										
Profit for the year		-	-	-	-	-	6,375	6,375	12,544	18,919
Other comprehensive income	*22*	-	-	4	2,532	(17)	220	2,739	3,982	6,721
Total comprehensive income		-	-	4	2,532	(17)	6,595	9,114	16,526	25,640
Transactions with owners of the Company										
Contributions and distributions										
Issuance of shares	*11*	-	60	-	-	-	-	60	-	60
Unclaimed dividend		-	49	-	-	-	-	49	-	49
Dividends to owners of the Company	*22*	-	(5,300)	-	-	-	-	(5,300)	-	(5,300)
Dividends to non-controlling interests of subsidiaries		-	-	-	-	-	-	-	(11,215)	(11,215)
Total transactions with owners of the Company		-	(5,191)	-	-	-	-	(5,191)	(11,215)	(16,406)
Balance at 31 December 2014		53	41,961	(18,213)	14,148	244	50,687	88,880	109,823	198,703

The notes on pages 46 to 99 are an integral part of these consolidated financial statements.

RETAIL HOLDINGS N.V. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER
In thousands of U.S. Dollars

	Note	2015	2014 Restated
Cash flows from operating activities			
Profit for the year		11,963	18,919
Adjustments for:			
Amortization of intangible assets and goodwill	*20*	202	133
Depreciation	*19*	4,352	4,502
Impairment loss of property, plant and equipment	*19*	30	31
(Gain) / loss on sale of property, plant and equipment		(26)	41
Gain on sale of discontinued operation, net of tax	*6*	(26,611)	-
Impairment loss on remeasurement of disposal group	*6*	4,248	-
Impairment loss on SVP notes	*16*	23,840	-
Impairment loss on accounts receivable	*5*	5,040	10,783
Net finance costs	*9*	12,684	14,844
Share of loss of equity-accounted investee, net of tax	*21*	177	-
Income tax expense	*14*	9,452	5,836
		45,351	**55,089**
Changes in			
- inventories		5,431	(7,550)
- trade and other receivables		9,878	(21,162)
- other current and non-current assets		7,126	(3,458)
- trade and other payables		(37,730)	7,894
- provision and employee benefits		(8,061)	(1,051)
- deferred income		24	(2,099)
Cash from operating activities		**22,019**	**27,663**
Interest paid		(12,337)	(17,802)
Income tax paid		(7,114)	(4,846)
Net cash from operating activities		**2,568**	**5,015**
Cash flows from investing activities			
Acquisition of property, plant and equipment		(4,150)	(5,405)
Acquisition of intangible assets		(819)	(209)
Interest received		809	3,568
Proceeds from sale of property, plant and equipment		153	326
Proceeds from sale of investment		9,855	-
Proceeds from disposal of interests in subsidiary, net of cash disposed of		36,484	-
Net cash from / (used in) investing activities		**42,332**	**(1,720)**
Cash flows from financing activities			
Distribution to non-controlling interest		(5,465)	(11,215)
Distribution to owners	*22*	(5,291)	(5,300)
Proceeds from borrowings		37,628	27,315
Repayment of borrowings		(30,979)	(19,978)
Unclaimed dividend		985	49
Net cash used in financing activities		**(3,122)**	**(9,129)**
Net increase / (decrease) in cash and cash equivalents		**41,778**	**(5,834)**
Cash and cash equivalents at 1 January		10,242	11,110
Effect of exchange rate fluctuations on cash held		3,299	4,966
Cash and cash equivalents at 31 December	*17*	**55,319**	**10,242**

The notes on pages 46 to 99 are an integral part of these consolidated financial statements.

RETAIL HOLDINGS N.V. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Reporting entity

Retail Holdings N.V. ("ReHo" or the "Company") is a company domiciled in Curaçao (formerly part of the Netherlands Antilles). The address of the Company is at Kaya W.F.G. (Jombi) Mensing 36, Willemstad, Curaçao. These consolidated financial statements comprise the Company and its subsidiaries (collectively the "Group" and individually "Group entities"). The Group is engaged principally in the distribution of consumer durable products primarily for the home in selected emerging markets in Asia, with supportive manufacturing and with consumer credit and other financial services.

The Company is a holding company with three principal assets:

1. A 54.1% equity interest in Sewko Holdings Limited ("Sewko"). Sewko was formed in May 2013 to acquire and to become the parent company of Singer Asia Limited ("Singer Asia") and to pursue additional opportunities in Asia outside the "Singer" umbrella. Sewko currently has operations in Bangladesh, Cambodia, India and Sri Lanka;
2. Cash and cash equivalents; and
3. Seller notes, arising from the sale of the Singer worldwide sewing business and trademark in September 2004.

2. Basis of accounting

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs). They were authorised for issue by the Company's Board of Directors on 23 March 2016.

Details of the Group's accounting policies are included in Note 37.

3. Functional and presentation currency

These consolidated financial statements are presented in U.S. Dollars which is the Company's functional currency. All financial information presented in U.S. Dollars has been rounded to the nearest thousands, unless otherwise indicated.

4. Use of judgements and estimates

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

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

(a) Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognized in the consolidated financial statements is included in the following notes:

- Note 29 and 37(a)(iii) – consolidation: whether the Group has de facto control over an investee.

(b) Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 December 2015 is included in the following notes:

- Note 12(d)(i) and 37(e)(iv) – measurement of defined benefit obligations: key actuarial assumptions;
- Note 14(f) and 37(g)(ii) – recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used;

- Note 20 and 37(n) – impairment test: key assumptions underlying recoverable amounts; and
- Note 27, 34 and 37(o) – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

4. Use of judgements and estimates (continued)

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.

The Group has an established control framework with respect to the measurement of fair values. The finance and accounting department in each subsidiary has responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the CFO and the Audit Committee of each subsidiary.

The finance and accounting department regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the finance and accounting department assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which such valuations should be classified.

Significant valuation issues are reported to the Group CFO and Group Audit Committee.

When measuring the fair value of an assets or a liability, the Group uses market observable 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 liability might be categorised in 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.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 11 – Share-based payment arrangements
- Note 19 – property, plant and equipment
- Note 28 (b) – financial instruments: measurement of fair values

5. Operating segments

The Group's operating segment reporting format is geographical because the risks and return are affected predominantly by the different geographical areas in which it operates and the Group's management structure and internal reporting system to the CEO is set up accordingly. A geographical segment is a distinguishable component of the Group that is engaged in providing products and services within a particular economic environment, which is subject to risks and return that are different from those of other segments.

Operating segments that are considered significant in terms of their risks and returns are presented on a standalone basis as reportable segments. Other business units including the corporate administrative and management office and investment holding are aggregated and presented as "Unallocated Amounts".

5. Operating segments (continued)

The following is a summary of the Group's consolidated results and financial position by operating segments:

31 December 2015

In thousands of U.S. Dollars	**Bangladesh**	**India**	**Pakistan (discontinued)**	**Sri Lanka**	**Thailand (discontinued)**	**Cambodia**	**Unallocated Amounts**	**Inter-segment Elimination**	**Total**
External revenue	88,738	44,971	17,037	283,717	45,421	827	1,050	-	481,761
Inter-segment revenue	-	801	-	-	-	-	-	(801)	-
Depreciation	918	118	335	2,690	243	38	10	-	4,352
Amortisation of intangible assets	74	-	-	100	-	-	28	-	202
Impairment loss on accounts receivable	558	33	436	1,893	2,120	-	-	-	5,040
Impairment (credit) / loss on inventory	82	(2)	-	1,147	-	-	-	-	1,227
Interest income	24	116	24	626	21	2	23	-	836
Interest expenses	859	13	1,546	12,173	685	-	-	-	15,276
Share of loss of equity-accounted investee	177	-	-	-	-	-	-	-	177
Profit / (loss) before tax	6,770	2,032	(1,738)	17,288	2,989	(535)	4,849	(10,759)	20,896
Capital expenditure of property, plant and equipment	506	-	-	3,331	-	163	150	-	4,150
Acquisition of intangible assets	738	-	-	81	-	-	-	-	819
Total assets	47,888	18,808	-	244,284	-	1,599	122,305	(43,490)	391,394
Total liabilities	28,332	11,392	-	181,859	-	2,164	3,902	(504)	227,145
Net assets / (liabilities)	19,556	7,416	-	62,425	-	(565)	118,403	(42,986)	164,249

5. Operating segments (continued)
31 December 2014

In thousands of U.S. Dollars	Bangladesh	India	Pakistan (discontinued)	Sri Lanka	Thailand (discontinued)	Cambodia	Unallocated Amounts	Inter-segment Elimination	Total
External revenue	92,852	42,462	17,860	226,560	105,623	53	1,583	-	486,993
Inter-segment revenue	-	1,080	-	-	-	-	-	(1,080)	-
Depreciation and amortization	837	93	447	2,801	447	3	7	-	4,635
Impairment loss on accounts receivable	479	40	1,341	2,830	6,093	-	-	-	10,783
Impairment loss on inventory	(91)	(4)	(907)	708	(173)	-	-	-	(467)
Profit / (loss) from operating activities	6,730	1,460	(682)	23,620	10,813	(159)	(2,183)	-	39,599
Interest income	514	78	48	680	16	-	2,619	(387)	3,568
Interest expenses	1,440	15	1,980	13,641	1,807	-	-	(387)	18,496
Income tax charge / (credit)	1,698	435	(1,119)	3,773	-	(31)	1,080	-	5,836
Profit / (loss) before tax	5,816	1,530	(2,541)	10,642	9,022	(159)	19,736	(19,291)	24,755
Capital expenditure	1,531	-	206	3,008	500	187	182	-	5,614
Total assets	50,550	16,704	28,680	226,122	106,357	900	121,699	(86,093)	464,919
Total liabilities	29,611	9,798	21,500	166,149	53,471	1,027	4,167	(19,507)	266,216
Net assets / (liabilities)	20,939	6,906	7,180	59,973	52,886	(127)	117,532	(66,586)	198,703

Intra-group sales and other transactions were made on an arm's length basis or at market prices.

6. Discontinued operations See accounting policies 37(c).

In June 2015, the Group sold its entire shareholding in Singer Thailand Public Company Limited ("Singer Thailand") for USD 43,362 thousand. In December 2015, management committed to a plan to sell all of its shareholding in Singer Pakistan Limited ("Singer Pakistan"). Singer Thailand and Singer Pakistan were not previously classified as held-for-sale or as discontinued operations. The comparative consolidated statement of profit or loss and OCI has been restated to show the discontinued operations separately from continuing operations.

A. Results of discontinued operations

		2015			2014		
In thousands of U.S. Dollars	*Note*	**Thailand ***	**Pakistan**	**Total**	**Thailand**	**Pakistan**	**Total**
Revenue		45,421	17,037	62,458	105,623	17,860	123,483
Expenses		(41,986)	(18,775)	(60,761)	(95,545)	(20,407)	(115,952)
Results from operating activities		3,435	(1,738)	1,697	10,078	(2,547)	7,531
Income tax credit	*14(c)*	-	519	519	-	1,119	1,119
Gain on disposal on sale of discontinued operation		26,611	-	26,611	-	-	-
Impairment loss on remeasurement of disposal group		-	(1,699)	(1,699)	-	-	-
Cumulative foreign currency translation differences previously recognised in OCI		-	(2,549)	(2,549)	-	-	-
Profit / (loss) from discontinued operations, net of tax		30,046	(5,467)	24,579	10,078	(1,428)	8,650
Basic earnings / (loss) per share (U.S. Dollars)		2.86	(0.52)	2.34	0.41	(0.10)	0.31
Diluted earnings / (loss) per share (U.S. Dollars)		2.86	(0.52)	2.34	0.41	(0.10)	0.31

* Include January to May 2015 only

Of the profit from discontinued operations of USD 24,579 thousand (2014: USD 8,650 thousand), an amount of USD 12,376 thousand (2014: USD 1,637) is attributable to the owners of the Company. Of the loss from continuing operations of USD 12,616 thousand (2014: profit of USD 10,269 thousand), an amount of USD 20,690 thousand is attributable to the owners of the Company (2014: profit of USD 4,738 thousand).

6. Discontinued operations (continued)

B. Cash flows from / (used in) discontinued operations

		2015			2014		
In thousands of U.S. Dollars	***Note***	**Thailand**	**Pakistan**	**Total**	**Thailand**	**Pakistan**	**Total**
Net cash from/(used in) operating activities		(1,239)	172	(1,067)	11,112	(143)	10,969
Net cash from/(used in) investing activities		34,377	-	34,377	(3,053)	(4,014)	(7,067)
Net cash from/(used in) financing activities	*6C*	(467)	(121)	(588)	(6,634)	502	(6,132)
Net cash flows for the year		32,671	51	32,722	1,425	(3,655)	(2,230)

C. Effect of disposal on the financial position of the Group

In thousands of U.S. Dollars	***Note***	**2015**
Property, plant and equipment		11,702
Inventories		9,365
Trade and other receivables		65,009
Cash and cash equivalents		7,179
Loans and borrowings		(31,320)
Trade and other payables		(14,204)
Other assets and liabilities		2,591
Net assets and liabilities		50,322
Consideration received, satisfied in cash		43,362
Cash and cash equivalents disposed of		(7,179)
Bank overdrafts disposed of		301
Net cash inflows	*6B*	36,484

For details of impairment loss and assets and liabilities of Singer Pakistan, please see Note 18.

7. Revenue

See accounting policies in Note 37(d).

In thousands of U.S. Dollars	**Continuing operations**		**Discontinued operations**		**Total**	
	2015	**2014**	**2015**	**2014**	**2015**	**2014**
Finance charges	31,099	30,328	11,905	27,451	43,004	57,779
Rendering of services	4,587	4,200	1,840	2,389	6,427	6,589
Sale of goods	381,281	326,189	48,708	93,516	429,989	419,705
Others	2,336	2,793	5	127	2,341	2,920
	419,303	363,510	62,458	123,483	481,761	486,993

As at 31 December 2015, the Group has deferred revenue of USD 2,302 thousand (2014: USD 2,295 thousand) mainly relating to its extended warranty and customer protection program (see Note 27).

8. Income and expenses

(a) Other income

In thousands of U.S. Dollars	**2015**	**2014 Restated**
Commission income on financial services	180	668
Gain / (loss) on sale of property, plant and equipment	20	(30)
Penalty charge on late payment	793	828
Others	902	162
	1,895	1,628

(b) Other expenses

In thousands of U.S. Dollars	**2015**	**2014**
Royalty expense	4,363	3,814

Royalty is for the use of the SINGER trademark by the Group.

(c) Expenses by nature

In thousands of U.S. Dollars	***Note***	**2015**	**2014 Restated**
Change in inventories of finished goods and work-in-progress	*15*	396	(5,110)
Semi-finished goods and materials used	*15*	292,729	255,058
Advertising and promotion		11,502	9,705
Depreciation and amortization expenses		3,976	3,741
Employee benefits expenses	*13*	43,520	36,615
Rental and occupancy		12,214	11,418
Warranty expenses	*27*	3,073	2,686
Others		15,888	18,790
Total cost of sales, selling and administrative expenses		383,298	332,903

9. Net finance costs

See accounting policies in Notes 37(f) and (l)

In thousands of U.S. Dollars	**2015**	**2014 Restated**
Interest income on bank deposits	159	658
Interest income from Treasury Bills	342	360
Other	307	2,486
Finance income	808	3,504
Interest expense	13,045	14,712
Net foreign exchange loss / (gain)	447	(14)
Finance costs	13,492	14,698
Net finance costs recognized in profit or loss	12,684	11,194

10. (Loss) / earnings per share

The calculation of (loss) / earnings per share has been based on the loss attributable to ordinary shareholders of USD 8,314 thousand (2014: profit of USD 6,375 thousand) and a weighted average number of ordinary shares outstanding of 5,293 thousand (2014: 5,298 thousand).

Weighted average number of ordinary shares

In thousands of shares	***Note***	**2015**	**2014**
Issued ordinary shares at 1 January	*22*	5,300	5,297
Effect of ordinary shares (forfeited) / issued		(7)	1
Weighted average number of ordinary shares at 31 December		5,293	5,298

Diluted (loss) / earnings per share

The calculation of diluted earnings per share has been based on the loss attributable to ordinary shareholders of USD 8,314 thousand (2014: profit of USD 6,375 thousand) and a weighted average number of ordinary shares outstanding of 5,293 thousand (2014: 5,300 thousand), calculated as shown below.

Weighted average number of ordinary shares

In thousands of shares	***Note***	**2015**	**2014**
Weighted average number of ordinary shares (basic)		5,293	5,298
Effect of Director Share Incentive Scheme	*11*	-	2
Weighted average number of ordinary shares at 31 December		5,293	5,300

11. Share-based payment arrangements

See accounting policies in Note 37(e)(ii).

Directors Share Incentive Scheme

In September 2012, a Directors Share Incentive Scheme was approved whereby 9,000 of the Company's Treasury Shares were to be distributed as part of a three year program. During 2014, the remaining 3,000 shares were issued to the four directors and to the Company Secretary, 600 shares each, as the third and final tranche of the program. The Company did not recognize any stock-based compensation expense in 2015 (2014: USD 60 thousand), based on the fair value of the awards.

12. Employee benefits

See accounting policies in Notes 37(e)(i), (e)(iii), (e)(iv), (e)(v) and (e)(vi).

In thousands of U.S. Dollars	**2015**	**2014**
Net defined benefit liability	6,151	11,110
Liability for long service leave	215	176
Gratuity	-	3,141
Total employee benefit liability	6,366	14,427

For details on the related employee benefit expenses, see Note 13.

The Group makes contributions to non-contributory defined benefit plans that provide benefits for employees upon retirement. Plans vary from location to location. Most plans entitle a retired employee to receive a lump sum payment equal to 10 to 45 days of the final salary for each year of service that the employee provided. Other plans entitle a retired employee to receive an annual payment equal to a percentage of final salary, based on the years of service.

(a) Funding

Some of the plans are fully funded by the Groups' subsidiaries and some are unfunded. The funding requirements for the fully funded plans are based on the pension funds' actuarial measurement framework set out in the funding policies of the plan. For the unfunded plans, the employee benefit liability is recognized as a liability in the subsidiary's balance sheet.

The Group expects to pay USD 10 thousand to its funded plans and USD 3,051 thousand to its unfunded plans in 2016.

12. Employee benefits (continued)

(b) Movement in net defined benefit (asset) / liability

In thousands of U.S. Dollars	**Defined benefit obligations**		**Fair value of plan assets**		**Net defined benefit liability**	
	2015	**2014**	**2015**	**2014**	**2015**	**2014**
Balance at 1 January	**12,401**	**11,233**	**(1,291)**	**(1,133)**	**11,110**	**10,100**
Included in profit or loss						
Current service cost	548	1,015	-	-	548	1,015
Interest cost / (income)	570	836	-	(126)	570	710
Transfer to liabilities held for sale	(1,206)	-	1,121	-	(85)	-
Disposal	(5,353)	-	-	-	(5,353)	-
	(5,441)	1,851	1,121	(126)	(4,320)	1,725
Included in OCI						
Remeasurement loss / (gain)						
- Actuarial loss / (gain) arising from:						
- financial assumptions	94	575	-	(260)	94	315
- experience adjustment	-	(416)	-	-	-	(416)
- Return on plan assets excluding interest income	-	-	(16)	(154)	(16)	(154)
Effect of movement in exchange rates	(470)	55	10	(42)	(460)	13
	(376)	214	(6)	(456)	(382)	(242)
Other						
Contribution paid by the employer	-	-	(33)	12	(33)	12
Benefits paid	(236)	(897)	12	412	(224)	(485)
	(236)	(897)	(21)	424	(257)	(473)
Balance at 31 December	**6,348**	**12,401**	**(197)**	**(1,291)**	**6,151**	**11,110**
Represented by:						
Net defined benefit liability					6,151	11,110

(c) Plan assets

Plan assets comprise:

In thousands of U.S. Dollars	**2015**	**2014**
Government securities	-	943
Cash and cash equivalents	-	178
Others	197	170
	197	1,291

The plan assets in 2014 relate to a pension fund managed in Pakistan. At each reporting date, an Asset-Liability Matching study is performed by the pension fund's asset manager, in which the consequences of the strategic investment policies are analysed. The strategic investment policy of the pension fund can be summarised as follows:

12. Employee benefits (continued)

(c) Plan assets (continued)

- Total investment in listed securities shall not exceed 30% of the fund;
- Investment in shares or other listed securities of a particular company shall not exceed 5% of its paid up capital;
- In the case of investment in the shares of listed companies, it shall be made only where such companies:
  i. Have a minimum operational record of 5 years; and
  ii. Have paid not less than 15% dividend to their shareholders during the 3 preceding consecutive years.
- In the case of investment in securities other than shares of listed companies, it shall not be made unless such securities have been rated as an investment grade with minimum rating of "BBB" by a credit rating company registered with the Securities and Exchange Commission of Pakistan, and with rating is maintained as such at the time of investment; and
- Investment shall not be made in a security if it is publically known that the issuer of the security has committed default while availing of any financing facility.

(d) Defined benefit obligation

(i) Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages):

	2015	**2014**
Discount rate	8.1% - 10.5%	2.7% - 10.5%
Future salary growth	8.0% - 9.0%	6.0% - 9.0%
Future pension growth	8.8%	8.8%

Assumptions regarding future mortality are based on published statistics and mortality tables. The current longevities underlying the values of the defined benefit obligations at the reporting date were as follows:

	2015	**2014**
Longevity at age 65 for current pensioners		
Male	-	21
Female	-	24
Longevity at age 65 for current members aged 45		
Male	31	21
Female	-	24
Weighted-average duration of the defined benefit obligation at reporting date	16	26

(ii) 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:

	2015		**2014**	
	Increase	**Decrease**	**Increase**	**Decrease**
Discount rate (1% movement)	(147)	163	(1,736)	2,001
Future salary growth (1% movement)	178	(310)	1,726	(1,564)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

13. Employee benefit expenses

See accounting policy in Note 37(e).

In thousands of U.S. Dollars	**Note**	**2015**	**2014 Restated**
Social security contributions		28	40
Contributions to defined contribution plans		3,191	2,895
Expenses related to post-employment defined benefit plans	*12*	1,118	1,670
Wages and salaries		37,151	31,631
Others		2,032	379
		43,520	36,615

14. Income taxes

See accounting policy in Note 37(g).

(a) Amounts recognized in profit or loss

In thousands of U.S. Dollars	**2015**	**2014 Restated**
Current tax expense		
Current period	10,991	7,494
Adjustment for prior periods	(33)	(143)
	10,958	7,351
Deferred tax expense		
Change in previously unrecognized tax losses	(17)	(107)
Change in tax rate	(25)	-
Origination and reversal of temporary differences	(1,577)	(266)
Other	113	(20)
	(1,506)	(393)
Total income tax expense on continuing operations	9,452	6,958

(b) Amounts recognized in Other Comprehensive Income

In thousands of U.S. Dollars	**2015**			**2014**		
	Before tax	Tax (expenses) / benefit	Net of tax	Before tax	Tax (expenses) / benefit	Net of tax
Revaluation of property, plant and equipment	-	-	-	8,424	(553)	7,871
Foreign operations – foreign currency translation differences	(548)	-	(548)	(1,339)	-	(1,339)
Remeasurement of defined benefit liability / (asset)	(78)	22	(56)	255	(66)	189
	(626)	22	(604)	7,340	(619)	6,721

14. Income taxes (continued)

(c) Reconciliation of effective tax rate

In thousands of U.S. Dollars	**2015**	**2015**	**2014**	**2014 Restated**
	%		%	
(Loss) / profit before tax		(3,164)		17,227
Weighted average tax using the tax rates in the jurisdictions where the Group operates	(250.41)	7,923	28.93	4,984
Withholding tax on dividends paid	(50.92)	1,611	10.18	1,754
Adjustment for prior periods	1.01	(32)	(0.83)	(143)
Change in tax rate	0.79	(25)	-	-
Permanent differences	2.15	(68)	3.08	530
Changes in valuation allowance	-	-	(0.48)	(82)
Tax on pension scheme reclassified to OCI	-	-	(0.36)	(62)
Exchange differences	(1.36)	43	(0.13)	(23)
	(298.74)	9,452	40.39	6,958

The weighted average tax rate for the Group is dependent on the prevailing income tax rates in the countries in which the Group operates and the proportion of each of these countries' profit in relation to the Group's total profit.

Tax expense on continuing operations excludes the tax credit from discontinued operations of USD 519 thousand (2014: USD 1,119 thousand), which has been included in "profit from discontinued operations, net of tax".

14. Income taxes (continued)
(d) Movement in deferred tax balances

2015

						Balance at 31 December		
In thousands of U.S. Dollars	Net balance at 1 January	Recognized in profit or loss	Recognized in OCI	Sale of discontinued operation	Effects from movements in exchange rate	Net	Deferred tax assets	Deferred tax liabilities
Employee benefit plans	2,837	280	22	(1,413)	(146)	1,580	1,580	-
Finance charges on instalment sales	21	69	-	(53)	(3)	34	34	-
Inventories	1,078	484	-	(156)	(90)	1,316	1,316	-
Property, plant and equipment	(9,742)	318	-	4,734	382	(4,308)	-	(4,308)
Provision	566	244	-	(96)	(33)	681	681	-
Receivables	4,231	132	-	(2,835)	(148)	1,380	1,380	-
Tax loss carried forward	(994)	437	-	-	201	(356)	-	(356)
Others	7,432	(458)	-	(5,914)	(52)	1,008	1,008	-
Tax assets / (liabilities) before set-off	5,429	1,506	22	(5,733)	111	1,335	5,999	(4,664)
Set off of tax							(3,883)	3,883
Net tax assets / (liabilities)							2,116	(781)

14. Income taxes (continued)
(d) Movement in deferred tax balances (continued)

2014

					Balance at 31 December		
In thousands of U.S. Dollars	**Net balance at 1 January**	**Recognized in profit or loss**	**Recognized in OCI**	**Effects from movements in exchange rate**	**Net**	**Deferred tax assets**	**Deferred tax liabilities**
Employee benefit plans	2,682	287	(66)	(66)	2,837	2,837	-
Finance charges on instalment sales	(90)	288	-	(177)	21	21	-
Inventories	964	141	-	(27)	1,078	1,078	-
Property, plant and equipment	(5,762)	(1,747)	(553)	(1,680)	(9,742)	-	(9,742)
Provision	482	84	-	-	566	566	-
Receivables	3,520	915	-	(204)	4,231	4,231	-
Tax loss carried forward	(532)	(464)	-	2	(994)	-	(994)
Others	3,242	4,589	-	(399)	7,432	7,432	-
Tax assets / (liabilities) before set-off	4,506	4,093	(619)	(2,551)	5,429	16,165	(10,736)
Set off of tax						(8,768)	8,768
Net tax assets / (liabilities)						7,397	(1,968)

14. Income taxes (continued)

(e) Unrecognized deferred tax liabilities

The Group does not provide for deferred taxes on the accumulated, undistributed earnings of subsidiaries and affiliates as the amounts of dividend to be declared are subject to approvals by the Boards of Directors, and in some cases, by shareholders at the Annual General Meeting of these subsidiaries and affiliates. The aggregate amount of the unrecognized deferred tax liabilities in this respect amounted to USD 2,852 thousand as at 31 December 2015 (2014: USD 3,286 thousand).

(f) Unrecognized deferred tax assets

Deferred tax assets have not been recognized in respect of the following items:

In thousands of U.S. Dollars	**2015**	**2014**
Deductible temporary differences	25	1,682

15. Inventories

See accounting policy Note 37(h)

In thousands of U.S. Dollars	**2015**	**2014**
Raw materials and consumables	6,272	7,337
Work in progress	1,329	1,148
Finished goods	66,731	76,999
	74,332	85,484

In 2015, raw materials, consumables and changes in finished goods and work in progress recognized as cost of sales amounted to USD 293,125 thousand (2014 (restated): USD 249,948 thousand).

Impairment losses, their reversal and other write-offs are included in cost of sales.

At 31 December 2015, inventories with a carrying amount of USD 5,738 thousand (2014: USD 52 thousand) are collateralized to secure bank loans (see Note 24).

16. Trade and other receivables

See accounting policy Notes 37(l)(i) and (l)(ii)

In thousands of U.S. Dollars	**2015**	**2014**
Trade receivables	175,884	245,684
Less: Unearned finance charges	(28,198)	(47,911)
	147,686	197,773
Other receivables	8,218	36,347
	155,904	234,120
Non-current		
Trade receivables	44,798	57,671
Other receivables	1,644	25,485
	46,442	83,156
Current		
Trade receivables	102,888	140,102
Other receivables	6,574	10,862
	109,462	150,964
	155,904	234,120

16. Trade and other receivables (continued)

Non-current other receivables as at 31 December 2014 include unsecured, subordinated promissory notes received by the Group as part of the consideration for the sale in 2004 of the Singer worldwide sewing business and the ownership of the Singer and related trademarks (the "SVP Notes"). The SVP Notes are guaranteed by SVP Holdings Limited, the ultimate parent company of the SVP/Viking/Husqvarna and Pfaff international sewing business, and owner of the related trademarks. The interest rate on the SVP Notes is 12% each year, payable semi-annually in arrears. A minimum of 7% of principal is payable in cash and a balance of up to 5% is payable in additional SVP Notes.

Reflecting the subordinated character of the SVP Notes in the highly leveraged SVP capital structure, the Company's management determined, effective July 1, 2014, to recognize as income only the cash received from the SVP Notes, and to defer recognition of the income received in the form of additional SVP Notes. At June 30, 2015, SVP did not make the minimum cash interest payment of USD 855 thousand then due to the Group pursuant to the terms of the SVP Notes. At that time, the Company's management elected to fix the fair value of the SVP Notes at June 30, 2015, subject to review and possible future adjustments, at USD 12,951 thousand, requiring an impairment charge at that time of USD 10,889 thousand.

While SVP is currently not in default with respect to its amended senior or mezzanine bank credit agreements, these amended agreements prohibit SVP from making any cash interest payments on the SVP Notes. Based on continuing discussions with SVP's management, the Company's management has come to the conclusion that it is now more likely than not that SVP will not be able to repay the SVP Notes at their current maturity date in September 2018, and is unlikely to pay any cash interest on the SVP Notes for the foreseeable future. Consequently, an impairment charge of USD 12,951 thousand, equal to the remaining carrying value of the SVP Notes, was made in December 2015, reducing the carrying value of the SVP Notes to nil. The total impairment loss for the full year 2015 is USD 23,840 thousand. The nominal value of the SVP Notes at December 31, 2015 is USD 27,457 thousand. Going forward, the Group will only recognize income based on any cash actually received as principal or interest payments on the SVP Notes.

At 31 December 2015, trade receivables with a carrying amount of USD 6,490 thousand (2013: USD 2,803 thousand) are collateralized to secure bank loans (see Note 24).

The Group's exposure to credit and currency risks and impairment losses related to trade and other receivables are disclosed in Note 28.

17. Cash and cash equivalents

See accounting policy Note 37(l)(ii).

In thousands of U.S. Dollars	**2015**	**2014**
Bank balances	59,971	28,712
Call deposits	1,627	1,438
Cash and cash equivalents	61,598	30,150
Bank overdrafts	(6,279)	(19,908)
Cash and cash equivalents in the statement of cash flows	55,319	10,242

The Group's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are disclosed in Note 28.

18. Disposal group held for sale

See accounting policy Note 37(k).

In December 2015, management committed to a plan to sell all of its shareholding in Singer Pakistan. Accordingly, Singer Pakistan is presented as a disposal group held for sale. The Group sold its entire shareholding in Singer Pakistan in January 2016.

A. Impairment loss relating to the disposal group

Impairment loss of USD 4,248 thousand for the write-downs of Singer Pakistan to the lower of its carrying amount and its fair value less costs to sell have been included in "Profit from discontinued operations, net of tax" (see Note 6). The impairment loss has been applied to reduce the carrying amount of property, plant and equipment within Singer Pakistan.

B. Assets and liabilities of disposal group held for sale

At 31 December 2015, Singer Pakistan was stated at fair value less costs to sell and comprised of the following assets and liabilities.

In thousands of U.S. Dollars	**2015**
Property, plant and equipment	6,133
Inventories	3,048
Trade and other receivables	9,372
Cash and cash equivalents	721
Other assets	3,105
Assets held for sale	22,379
Trade and other payables	4,626
Loans and borrowings	13,929
Other liabilities	1,499
Liabilities held for sale	20,054

C. Cumulative income or expenses included in OCI

There are no cumulative income or expenses included in OCI relating to the disposal of Singer Pakistan.

D. Measurement of fair value

Fair value hierarchy

The non-recurring fair value measurement for Singer Pakistan of USD 2,325 thousand has been categorised as a Level 2 fair value based on the consideration received from the disposal of Singer Pakistan subsequent to the reporting date (see Note 36).

19. Property, plant and equipment
See accounting policy Notes 37(i),(l)(ii)and (n).

In thousands of U.S. Dollars	Land and buildings	Leasehold improvements	Plant and equipment	Fixtures and fittings	Under construction	Total
Cost or revalued						
Balance at 1 January 2014	41,723	11,443	20,529	10,755	792	85,242
Additions	67	1,569	2,275	1,494	-	5,405
Disposals	(201)	(382)	(892)	(203)	-	(1,678)
Transfers	-	-	-	792	(792)	-
Revaluation of land and buildings	7,903	-	-	-	-	7,903
Effect of movements in exchange rates	678	(112)	31	(28)	-	569
Balance at 31 December 2014	50,170	12,518	21,943	12,810	-	97,441
Balance at 1 January 2015	50,170	12,518	21,943	12,810	-	97,441
Additions	35	1,019	1,906	1,190	-	4,150
Disposals	(12,714)	(1,493)	(3,618)	(1,497)	-	(19,322)
Reclassification to assets held for sale	(8,363)	(1,138)	(2,615)	(442)	-	(12,558)
Effect of movements in exchange rates	1,464	(518)	(2,443)	(901)	-	(2,398)
Balance at 31 December 2015	30,592	10,388	15,173	11,160	-	67,313
Depreciation and impairment losses						
Balance at 1 January 2014	167	6,267	12,317	5,185	-	23,936
Depreciation charge for the year	381	1,224	1,713	1,184	-	4,502
Disposals	-	(336)	(736)	(193)	-	(1,265)
Impairment loss	31	-	-	-	-	31
Revaluation of land and buildings	(521)	-	-	-	-	(521)
Effect of movements in exchange rates	42	10	(1)	(5)	-	46
Balance at 31 December 2014	100	7,165	13,293	6,171	-	26,729

19. Property, plant and equipment (continued)

In thousands of U.S. Dollars	Land and buildings	Leasehold improvements	Plant and equipment	Fixtures and fittings	Under construction	Total
Depreciation and impairment losses						
Balance at 1 January 2015	100	7,165	13,293	6,171	-	26,729
Depreciation charge for the year	515	1,130	1,433	1,274	-	4,352
Disposals	(1,743)	(1,286)	(2,942)	(1,408)	-	(7,379)
Impairment loss	30	-	-	-	-	30
Reclassification to assets held for sale	(274)	(1,000)	(1,438)	(312)	-	(3,024)
Effect of movements in exchange rates	3,708	(260)	(800)	(435)	-	2,213
Balance at 31 December 2015	2,336	5,749	9,546	5,290	-	22,921
Carrying amounts						
At 1 January 2014	41,556	5,176	8,212	5,570	792	61,306
At 31 December 2014	50,070	5,353	8,650	6,639	-	70,712
At 31 December 2015	28,256	4,639	5,627	5,870	-	44,392

19. Property, plant and equipment (continued)

Measurement of fair values

(i) Fair value hierarchy

The fair value of property was determined by external independent property valuers, having appropriate recognized 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 3 fair value based on the inputs 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 assesses 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. Land value is based on the market prices of each land respectively. Value of property is considered as summation of land & building value.	• Market value of land: 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	The estimated fair value would increase / (decrease) if: • Market Value was higher / (lower) • Cost per square feet was higher / (lower) • Depreciation rate for usage lower / (higher)

Leased plant and machinery

The Group leases production equipment under a number of finance lease agreements. At 31 December 2015 the net carrying amount of leased plant and machinery was USD 446 thousand (2014: USD 389 thousand).

Security

As at 31 December 2015, properties with a carrying amount of USD 446 thousand (2014: USD 9,788 thousand) were collateralized to secure bank loans (see Note 24).

20. Intangible assets and goodwill

See accounting policy Notes 37(j) and (n)(ii).

In thousands of U.S. Dollars	Trademarks and Trading License	Goodwill	Software License	Total
Cost				
Balance at 1 January 2014	3,915	15,031	1,281	20,227
Acquisitions	-	-	209	209
Effect of movements in exchange rates	(3)	-	(4)	(7)
Balance at 31 December 2014	3,912	15,031	1,486	20,429
Balance at 1 January 2015	3,912	15,031	1,486	20,429
Acquisitions	-	-	819	819
Effect of movements in exchange rates	-	-	(114)	(114)
Balance at 31 December 2015	3,912	15,031	2,191	21,134
Impairment losses				
Balance at 1 January, 31 December 2014	-	12,760	-	12,760
Balance at 1 January, 31 December 2015	-	12,760	-	12,760
Amortization				
Balance at 1 January 2014	-	-	726	726
Amortization for the year	-	-	133	133
Balance at 31 December 2014	-	-	859	859
Balance at 1 January 2015	-	-	859	859
Amortization for the year	-	-	202	202
Balance at 31 December 2015	-	-	1,061	1,061
Carrying amounts				
At 1 January 2014	3,915	2,271	555	6,741
At 31 December 2014	3,912	2,271	627	6,810
At 31 December 2015	3,912	2,271	1,130	7,313

Intangible assets with indefinite useful lives are tested for impairment loss on at least an annual basis.

The recoverable amount of the operating company with goodwill allocated to it was estimated based on the fair value less cost to sell of the operating company, determined based on the closing price of the shares of the operating company listed on its stock exchange at the reporting date. The fair value measurement was classified as a Level 1 fair value based on the inputs in the valuation technique used.

The recoverable amounts of trademarks and trading license were determined based on their values in use. The values in use were determined using an income approach based on cash flow projections. The key assumptions used in the estimation of value in use were the weighted average cost of capital of the operating company holding the trademarks and trading license of 18.8%, which was based on external sources of information, and the terminal growth rate of nil, which was based on management's past experience.

21. Equity-accounted investee

See accounting policies in Note 37(a)(v).

In December 2014, International Appliances Limited ("IAL") was incorporated in Bangladesh. One of the Company's subsidiaries, Singer Bangladesh Limited ("Singer Bangladesh"), acquired 73.85% of IAL. Two partners acquired the remaining 26.15%. Under an option agreement entered into between Singer Bangladesh and one of the partners (currently owning 6.15%), that partner is entitled to purchase 33.85% of the shares in IAL from Singer Bangladesh at a formula price at any time before 1 March 2023. As this partner is likely to exercise its option to purchase the shares in IAL, management believes that Singer Bangladesh does not have control, consequently IAL is being accounted for as an associate.

The table below summarises the financial information of IAL as included in its own financial statements, prepared under the Group accounting policies. The information presented in the table below includes the results of IAL from 1 January to 31 December 2015.

In thousands of U.S. Dollars	**2015**
Non-current assets	4,484
Current assets	254
Current liabilities (excluding amounts due to the Group)	(2,053)
Net assets (100%)	2,685
Group's share of net assets (73.85%)	1,983
Amounts due to the Group	217
Carrying amount of interest in associate	2,200
Loss from continuing operations	240
Group's share of loss	177

22. Capital and reserves

See accounting policies in Note 37(m).

(a) Ordinary shares and preferred shares

In thousands of shares	**Ordinary shares**		**Preferred shares**	
	2015	**2014**	**2015**	**2014**
On issue at 1 January	5,300	5,297	-	-
Forfeited	(9)	-	-	-
Issued	-	3	-	-
On issue at 31 December	5,291	5,300	-	-

As at 31 December 2015, the authorized capital of the Company comprised USD 210 thousand (2014: USD 210 thousand) divided into (a) 20,000,000 ordinary shares with a par value of USD 0.01 per share (the "Shares") and (b) 1,000,000 preferred shares with a par value of USD 0.01 per share.

Preferred shares can be issued in series. To date, the Company has issued Series A Convertible Preferred Stock, consisting of 40 preferred shares. The Company repurchased the outstanding preferred shares in 2003 and cancelled them in 2006.

22. Capital and reserves (continued)

(a) Ordinary shares and preferred shares (continued)

To date, the Company has issued 8,976,105 Shares, and has acquired 3,693,662 Shares through purchase, forfeiture and pursuant to the terms of the original share distribution plan (nil shares purchased in 2015 and 2014, in 2015, 8,939 shares were forfeited to the Company). All Shares purchased have been cancelled other than the Shares purchased in 2010, 2012 and 2013. Of the Shares remaining, a total of 9,000 shares were granted to Directors in 2012, 2013 and 2014 as part of a Directors Share Incentive Scheme (see Note 11). As at 31 December 2015, 50,256 Shares remain as Treasury Shares and are not included as outstanding in the Financial Statements.

All Shares have equal voting rights.

(b) Nature and purpose of reserves

Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

Revaluation reserve

The revaluation reserve relates to the increase in the carrying amount of land and buildings.

(c) Distributions

The following returns of capital were made to owners.

In thousands of U.S. Dollars	**2015**	**2014**
USD 1.00 per ordinary share (2014: USD 1.00)	5,291	5,300

22. Capital and reserves (continued)
(d) OCI accumulated in reserves, net of tax

In thousands of U.S. Dollars	Attributable to owners of the Company						
	Translation reserve	Revaluation reserve	Legal reserve	Retained earnings	Total	Non-controlling interests	Total OCI
2015							
Remeasurement of defined benefit (liability)/ asset	-	-	-	(35)	(35)	(21)	(56)
Foreign operations – foreign currency translation differences	(294)	279	(8)	-	(23)	(525)	(548)
Transfers	-	(189)	(236)	425	-	-	-
Total	(294)	90	(244)	390	(58)	(546)	(604)
2014							
Remeasurement of defined benefit (liability)/ asset	-	-	-	74	74	115	189
Revaluation of property, plant and equipment	-	3,059	-	-	3,059	4,812	7,871
Foreign operations – foreign currency translation differences	4	(398)	-	-	(394)	(945)	(1,339)
Transfers	-	(129)	(17)	146	-	-	-
Total	4	2,532	(17)	220	2,739	3,982	6,721

23. Capital management

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Group defines as the profit for the reporting period divided by the total equity at the reporting date, as well as the level of dividends to ordinary shareholders.

The Board of Directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position. The Group's return on capital in 2015 was 6.6% (2014: 9.7%). The weighted-average interest expense on interest-bearing borrowings (excluding liabilities with imputed interest) in 2015 was 8.8% (2014: 11.3%).

The Group monitors capital using a ratio of adjusted net debt to total equity. For this purpose, adjusted net debt is defined as total interest-bearing loans and borrowings, and obligations under finance leases, excluding bank overdrafts, less cash and cash equivalents.

In thousands of U.S. Dollars	**2015**	**2014**
Total loans and borrowings, and obligations under finance leases, excluding bank overdrafts	121,762	147,701
Less: cash and cash equivalents	(55,319)	(10,242)
Net debt	66,443	137,459
Total equity	164,249	198,703
Net debt to total equity ratio	**0.40**	**0.69**

24. Loans and borrowings

See accounting policies in Notes 37(l)(i), (l)(iii) and (p)

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings, which are measured at amortized cost. For more information about the Group's exposure to interest rate, foreign currency and liquidity risk, see Note 28.

In thousands of U.S. Dollars	**2015**	**2014**
Non-current liabilities		
Finance lease liabilities	-	133
Public deposits	4,475	6,083
Secured bank loans	921	1,011
Unsecured bank loans	12,140	10,515
Unsecured debentures	44,284	42,438
	61,820	60,180
Current liabilities		
Current portion of finance lease liabilities	2	79
Promissory notes	-	13,332
Public deposits	18,283	26,854
Current portion of secured bank loans	2,604	2,343
Current portion of unsecured bank loans	30,955	22,091
Current portion of unsecured debentures	8,098	22,822
	59,942	87,521

24. Loans and borrowings (continued)

Information about the Group's exposure to credit and market risks, and fair value measurement, is included in Note 28(c).

(a) Terms and debt repayment schedule

Terms and conditions of outstanding loans were as follows:

In thousands of U.S. Dollars	Currency	Nominal interest rate (%)	Year of maturity	31 December 2015 Face value	31 December 2015 Carrying amount	31 December 2014 Face value	31 December 2014 Carrying amount
Finance lease liabilities	PKR	14.0	2014-2019	-	-	212	212
Finance lease liabilities	SLR	9.5	2016	2	2	-	-
Promissory notes	SLR	9.0	2014-2015	-	-	13,332	13,332
Public deposits	INR	12.0	2016	4	4	4	4
Public deposits	SLR	9.2	2016-2020	22,754	22,754	32,933	32,933
Secured bank loans	PKR	10.9	2014-2019	-	-	1,669	1,669
Secured bank loans	SLR	8.1	2016-2019	3,525	3,525	1,685	1,685
Unsecured bank loans	SLR	7.3	2016-2018	43,095	43,095	24,769	24,769
Unsecured bank loans	THB	4.5	2015-2017	-	-	7,837	7,837
Unsecured debentures	SLR	10.2	2016-2020	52,382	52,382	41,898	41,898
Unsecured debentures	THB	5.4	2015-2016	-	-	23,362	23,362
Total interest-bearing liabilities				121,762	121,762	147,701	147,701

Security

Certain bank loans are secured by plant and equipment, inventories and receivables with the following carrying amounts:

In thousands of U.S. Dollars	2015	2014
Property, plant and equipment	446	9,788
Inventories	5,738	52
Receivables	6,490	2,803
	12,674	12,643

(b) Finance lease liabilities

Finance lease liabilities are payable as follows:

In thousands of U.S. Dollars	Future minimum lease payments 2015	Interest 2015	Present value of minimum lease payments 2015	Future minimum lease payments 2014	Interest 2014	Present value of minimum lease payments 2014
Less than one year	2	-	2	98	19	79
Between one and five years	-	-	-	155	22	133
	2	-	2	253	41	212

25. Trade and other payables

See accounting policies in Notes 37(l)(i) and (l)(iii).

In thousands of U.S. Dollars	**2015**	**2014**
Trade payables	23,244	29,734
Non-trade payables and accrued expenses	32,293	37,333
	55,537	67,067

The Group's exposure to currency and liquidity risks related to trade and other payables is disclosed in Note 28.

26. Deferred income

See accounting policies in Note 37(d)(iii).

Deferred income relates mainly to the extended warranty that the Group entities sell to their customers. The income is deferred and recognized as income over the additional warranty period on a straight line basis.

27. Warranty provision

See accounting policies in Note 37(o).

In thousands of U.S. Dollars	**2015**	**2014**
Balance at 1 January	2,346	2,249
Provisions made during the year	3,073	3,782
Provisions used during the year	(3,644)	(3,685)
Balance at 31 December	1,775	2,346
Non-current	254	438
Current	1,521	1,908
	1,775	2,346

The provision for warranty relates mainly to products sold during 2014 and 2015. The provision has been estimated based on historical warranty data associated with similar products.

28. Financial instruments – Fair values and risk management

(a) Accounting classifications and fair values

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

31 December 2015

	Carrying amount			**Fair value**	
	Loans and receivables	Other financial liabilities	Total	Level 2	Total
Financial assets not measured at fair value					
Trade and other receivables	155,904	-	155,904		
Cash and cash equivalents	61,598	-	61,598		
	217,502	-	217,502		
Financial liabilities not measured at fair value					
Bank overdrafts	-	6,279	6,279	6,279	6,279
Finance lease liabilities	-	2	2	2	2
Public deposits	-	22,758	22,758	22,758	22,758
Secured bank loans	-	3,525	3,525	3,525	3,525
Trade and other payables *	-	32,115	32,115		
Unsecured bank loans	-	43,095	43,095	43,095	43,095
Unsecured debentures	-	52,382	52,382	52,382	52,382
	-	160,156	160,156		

***** Accrued expenses that are not financial liabilities (USD 23,422 thousand) are not included.

28. Financial instruments – Fair values and risk management (continued)
(a) Accounting classifications and fair values (continued)

31 December 2014

	Carrying amount			Fair value	
	Loans and receivables	Other financial liabilities	Total	Level 2	Total
Financial assets not measured at fair value					
Trade and other receivables	234,120	-	234,120		
Cash and cash equivalents	30,150	-	30,150		
	264,270	-	264,270		
Financial liabilities not measured at fair value					
Bank overdrafts	-	19,908	19,908		
Finance lease liabilities	-	212	212	217	217
Promissory notes	-	13,332	13,332	13,332	13,332
Public deposits	-	32,937	32,937	32,937	32,937
Secured bank loans	-	3,354	3,354	3,536	3,536
Trade and other payables *	-	40,238	40,238		
Unsecured bank loans	-	32,606	32,606	32,606	32,606
Unsecured debentures	-	65,260	65,260	65,260	65,260
	-	207,847	207,847		

***** Accrued expenses that are not financial liabilities (USD 26,829 thousand) are not included.

(b) Measurement of fair values
Valuation techniques and significant unobservable inputs
The following table shows the valuation technique used in measuring Level 2 fair values, as well as the significant unobservable inputs used.

Financial instruments not measured at fair value:

Type	Valuation technique	Significant unobservable inputs
Other financial liabilities	Discounted cash flow	Not applicable

(c) Financial risk management
The Group has exposure to the following risks arising from financial instruments:
- credit risk (see (c) (ii))
- liquidity risk (see (c) (iii))
- market risk (see (c) (iv))

28. Financial instruments – Fair values and risk management (continued)

(c) Financial risk management (continued)

(i) Risk management framework

The Company's 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 analyze the risks faced by the Group, to set appropriate risk 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 monitors 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 Board of Directors is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Board of Directors.

(ii) 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.

The carrying amount of financial assets represents the maximum credit exposure.

Trade and other receivables

The Group's exposure to credit risk relates principally 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 risk 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 exposures, 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.

At 31 December 2015, the maximum exposure to credit risk for receivables by geographic region was as follows.

	Carrying amount	
In thousands of U.S. Dollars	**2015**	**2014**
Asian countries	155,904	210,279
Other countries	-	23,841
	155,904	234,120

28. Financial instruments – Fair values and risk management (continued)

(c) Financial risk management (continued)

(ii) Credit risk (continued)

Trade and other receivables (continued)

At 31 December 2015, the maximum exposure to credit risk for receivables by type of counterparty was as follows.

	Carrying amount	
In thousands of U.S. Dollars	**2015**	**2014**
Retail customers	116,951	110,908
Wholesale customers	31,171	25,268
Direct sale customers	4,392	60,532
Others	3,390	37,412
Total	155,904	234,120

Impairment

At 31 December 2015, the aging of receivables that were not impaired was as follows.

In thousands of U.S. Dollars	**2015**	**2014**
Neither past due nor impaired	137,134	161,305
Past due 0-30 days	12,513	5,167
Past due 31-90 days	8,533	2,352
Past due 91-120 days	981	507
Past due more than 120 days	2,074	7,567
	161,235	176,898

Based on historic default rates, the Group believes that no impairment allowance is necessary in respect of trade receivables not past due; the balances relate to customers that have a good track record with the Group.

An analysis of the credit quality of trade and other receivables that are neither past due nor impaired is as follows.

In thousands of U.S. Dollars	**2015**	**2014**
Retail and direct sale customers, and others	133,256	158,237
Wholesale customers with four or more years of trading history with the Group	2,831	1,882
Wholesale customers with less than four years of trading history with the Group	1,047	1,186
	137,134	161,305

The movement in the allowance for impairment in respect of receivables during the year was as follows.

In thousands of U.S. Dollars	**Individual impairments**	**Collective impairments**
Balance at 1 January 2014	3,533	11,273
Impairment loss recognized	2,830	7,953
Amounts written off	(1,411)	(9,078)
Balance at 31 December 2014	4,952	10,148
Impairment loss recognized	1,893	3,147
Amounts written off	(1,863)	(12,653)
Balance at 31 December 2015	4,982	642

28. Financial instruments – Fair values and risk management (continued)

(c) Financial risk management (continued)

(ii) Credit risk (continued)

Impairment (continued)

The Group believes that the unimpaired amounts that are past due are still collectible in full, based on historic payment behaviour and extensive analysis of customer credit risk, including underlying customers' credit ratings if they are available.

Cash and cash equivalents

The Group held cash and cash equivalents, net of bank overdrafts, of USD 55,319 thousand at 31 December 2015 (2014: USD 10,242 thousand).

Guarantees

The Group's policy is not to provide financial guarantees to subsidiaries.

(iii) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. 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.

Exposure to liquidity risk

The following are the contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

31 December 2015

			Contractual cash flow				
In thousands of U.S. Dollars	**Carrying amount**	**Total**	**2 months or less**	**2-12 months**	**1-2 years**	**2-5 years**	**More than 5 years**
Non-derivative financial liabilities							
Bank overdrafts	6,279	6,279	5,695	584	-	-	-
Finance lease liabilities	2	2	-	2	-	-	-
Public deposits	22,758	24,822	2,292	17,649	4,651	158	72
Secured bank loans	3,525	3,811	2,426	381	741	263	-
Trade and other payables	32,115	32,115	13,790	18,325	-	-	-
Unsecured bank loans	43,095	45,444	18,968	12,492	13,984	-	-
Unsecured debentures	52,382	59,041	167	7,510	17,827	33,537	-
	160,156	171,514	43,338	56,943	37,203	33,958	72

28. Financial instruments – Fair values and risk management (continued)
(c) Financial risk management (continued)
(iii) Liquidity risk (continued)
Exposure to liquidity risk (continued)

31 December 2014

In thousands of U.S. Dollars	**Carrying amount**	**Total**	**Contractual cash flow** 2 months or less	2-12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities							
Bank overdraft	19,908	19,908	6,536	13,372	-	-	-
Finance lease liabilities	212	253	16	82	66	89	-
Promissory notes	13,332	13,533	11,592	1,941	-	-	-
Public deposits	32,937	37,555	5,076	25,542	4,794	2,078	65
Secured bank loans	3,354	3,601	130	2,304	691	476	-
Trade and other payables	40,238	40,238	11,650	28,588	-	-	-
Unsecured bank loans	32,606	34,670	9,445	13,328	10,105	1,792	-
Unsecured debentures	65,260	77,750	11,986	8,482	33,783	23,499	-
	207,847	227,508	56,431	93,639	49,439	27,934	65

(iv) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Currency risk

The Group is exposed to currency risk on purchases that are denominated in a currency other than the respective functional currencies of Group entities. The currency in which these transactions primarily are denominated is U.S. Dollars. The currency risk is limited by the short-term nature of the period between the dates of the purchase and the settlements of the related liability.

Exposure to currency risk

The significant foreign currency during the year for the Group was the U.S. Dollar held at Bangladesh, Pakistan and Sri Lanka, where the functional currencies of the Group entities are the Bangladesh Taka (BDT), Pakistan Rupee (PKR) and Sri Lanka Rupee (SLR), respectively. The Group's exposure to foreign currency risk in terms of notional amounts was as follows:

28. Financial instruments – Fair values and risk management (continued)
(c) Financial risk management (continued)
(iv) Market risk (continued)
Exposure to currency risk (continued)

Net exposure consists of:

In thousands of U.S. Dollars	**2015** U.S. Dollar held at		**2014** U.S. Dollar held at		
	Bangladesh	Sri Lanka	Bangladesh	Pakistan	Sri Lanka
Secured and unsecured bank loans	-	(10,105)	-	-	(10,171)
Trade payables	(1,187)	(1,634)	(844)	(1,054)	(539)
Net statement of financial position exposure	**(1,187)**	**(11,739)**	**(844)**	**(1,054)**	**(10,710)**
Next six months forecast purchases	(725)	-	(600)	-	-
Net forecast transaction exposure	**(725)**	**-**	**(600)**	**-**	**-**
Forward exchange contracts	**-**	**966**	**-**	**-**	**(712)**
Net exposure	**(1,912)**	**(10,773)**	**(1,444)**	**(1,054)**	**(11,422)**

The following significant exchange rates applied during the year.

U.S. Dollar	**Average rate** 2015	**2014**	**Reporting date Spot rate** 2015	**2014**
BDT 1	77.95	77.61	78.50	77.95
PKR 1	102.77	101.04	104.85	100.97
SLR 1	135.94	130.60	144.15	131.26

Sensitivity analysis
A 10 percent strengthening of the U.S. Dollar against the following currencies at 31 December would have increased / (decreased) equity and profit by the amounts shown below. This analysis assumes that other variables, in particular interest rates and purchases of inventory denominated in U.S. Dollars, remain constant. This analysis is performed on the same basis for 2014 and 2015 as indicated below:

In thousands of U.S. Dollars	**Equity**	**Profit**
31 December 2015		
BDT	(72)	(119)
SLR	(1,174)	(1,174)
31 December 2014		
BDT	(61)	(84)
PKR	(69)	(105)
SLR	(1,071)	(1,071)

28. Financial instruments – Fair values and risk management (continued)

(c) Financial risk management (continued)

(iv) Market risk (continued)

Sensitivity analysis (continued)

A 10 percent weakening of the U.S. Dollars against the above currencies at 31 December would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

Interest rate risk

The Group manages interest rate risk on borrowings by using a combination of fixed and floating interest rates.

Exposure to Interest rate risk

The interest rate profile of the Group's interest-bearing financial instruments as reported to management of the Group is as follows.

In thousands of U.S. Dollars	**2015**	**2014**
Fixed rate instruments		
Financial assets	85,417	145,628
Financial liabilities	(120,794)	(136,579)
	(35,377)	9,049
Variable rate instruments		
Financial assets	51,051	6,577
Financial liabilities	(8,430)	(33,063)
	42,621	(26,486)

Fair value flow sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit and loss. Therefore, a change in interest rate at the reporting date would not affect the consolidated statement of income.

A change of 100 basis points in interest rates would have increased or decreased total equity by USD 160 thousand (2014: USD 90 thousand).

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased / (decreased) equity and profit by the amounts shown below. This analysis assumes that other variables, in particular foreign currency rates, remain constant.

	Profit		**Equity, net of tax**	
In thousands of U.S. Dollars	**100 bp increase**	**100 bp decrease**	**100 bp increase**	**100 bp decrease**
31 December 2015				
Variable rate instruments	426	(426)	(360)	360
Cash flow sensitivity	426	(426)	(360)	360
31 December 2014				
Variable rate instruments	(178)	178	319	(319)
Cash flow sensitivity	(178)	178	319	(319)

29. List of group entities

See accounting policy in Note 37(a).

Significant group entities	Country of incorporation	The Group's Ownership Interest	
		2015	**2014**
Singer Asia Limited	Cayman Islands	100.0	100.0
Singer Bangladesh Limited	Bangladesh	72.8	75.0
Singer India Limited	India	75.0	75.0
Singer Pakistan Limited	Pakistan	70.3	70.3
Singer (Sri Lanka) PLC	Sri Lanka	86.1	86.1
Singer Thailand PCL	Thailand	-	40.0

Brand Trading (Cambodia) Limited was incorporated in May 2014 to engage in retail operations in Cambodia.

Although the Group owned less than half of Singer Thailand and had less than half of its voting power, management had determined that the Group controlled this entity. The Group had control over Singer Thailand, on a de facto power basis, because the remaining voting rights in the investee were widely dispersed and there is no indication that all other shareholders exercise their votes collectively.

There are no significant restrictions on the ability of the Group's subsidiaries to transfer funds to the parent except for Singer Bangladesh Limited, where, pursuant to an agreement with the Department of Industries of Bangladesh in 1979 when Singer Bangladesh Limited was incorporated, the Company agreed not to remit from Bangladesh any distributions received from certain shares, representing 20% of the capital stock of the Bangladesh company. The accumulated unremitted distributions on these shares, totalling USD 14,139 thousand at 31 December 2015, are presently held by Singer Bangladesh Limited.

30. Acquisition and disposal of interests in group entities

See accounting policy in Note 37(a).

In June 2015, the Company disposed of its entire shareholding in Singer Thailand for a cash consideration of USD 43,362 thousand. The Company's share of Singer Thailand's assets on the date of disposal was USD 20,128 thousand.

31. NCI (Non-controlling interests)
See accounting policies 37(a)(ii)

The following table summarises the information relating to each of the Group's subsidiaries that has material NCI, before any intra-group eliminations.

31 December 2015

In thousands of U.S. Dollars	Singer Asia Ltd	Singer Bangladesh Ltd.	Singer India Ltd.	Singer (Sri Lanka) PLC	Singer Finance (Lanka) PLC	Other individually immaterial subsidiaries and discontinued operations	Intra-group eliminations	Total
NCI percentage	**45.9%**	**60.6%**	**59.4%**	**53.4%**	**62.5%**			
Non-current assets	48,901	17,847	2,299	39,297	1,067			
Current assets	76,011	30,041	11,910	121,373	69,348			
Non-current liabilities	-	(19,900)	(25)	(53,041)	(21,991)			
Current liabilities	(2,775)	(8,432)	(6,999)	(71,062)	(31,438)			
Net assets	122,137	19,556	7,185	36,567	16,986			
Net assets attributable to NCI	**56,061**	**11,851**	**4,268**	**19,527**	**10,616**	**11,469**	**(24,187)**	**89,605**
Revenue	1,050	88,738	45,772	244,403	13,494			
Profit	17,460	4,780	1,551	5,972	3,134			
OCI	(105)	(97)	(446)	(2,310)	655			
Total comprehensive income	17,355	4,683	1,105	3,662	3,789			
Profit allocated to NCI	**8,014**	**2,897**	**921**	**3,189**	**1,959**	**1,942**	**1,355**	**20,277**
OCI allocated to NCI	**(48)**	**(59)**	**(265)**	**(1,234)**	**409**	**(770)**	**1,421**	**(546)**
Cash flows from / (used in) operating activities	2,887	5,682	568	(5,802)	(3,546)			
Cash flows from / (used in) investing activities	21,283	(1,763)	117	(3,647)	(376)			
Cash flows from / (used in) financing activities	(3,041)	(3,164)	(271)	8,295	3,419			
Net increase / (decrease) in cash and cash equivalents	**21,129**	**755**	**414**	**(1,154)**	**(503)**			
Dividends paid to NCI	**-**	**5,174**	**241**	**1,258**	**965**			

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31. NCI (Non-controlling interests) (continued)

31 December 2014

In thousands of U.S. Dollars	Singer Asia Ltd	Singer Bangladesh Ltd.	Singer India Ltd.	Singer Pakistan Ltd.	Singer (Sri Lanka) PLC	Singer Finance (Lanka) PLC	Singer Thailand PCL	Other individually immaterial subsidiaries	Intra-group eliminations	Total
NCI percentage	**45.9%**	**59.4%**	**59.4%**	**62.0%**	**53.4%**	**62.5%**	**78.4%**			
Non-current assets	70,218	15,982	2,728	11,454	37,139	726	18,705			
Current assets	24,117	34,568	9,616	15,802	107,520	64,924	87,468			
Non-current liabilities	-	(18,543)	(27)	(2,355)	(32,918)	(15,814)	(29,083)			
Current liabilities	(2,411)	(11,068)	(5,640)	(17,721)	(76,359)	(32,839)	(24,204)			
Net assets	91,924	20,939	6,677	7,180	35,382	16,997	52,886			
Net assets attributable to NCI	**42,193**	**12,438**	**3,966**	**4,452**	**18,894**	**10,623**	**41,463**	**10,897**	**(35,103)**	**109,823**
Revenue	1,583	92,852	43,542	17,860	207,700	13,234	105,623			
Profit / (loss)	(1,644)	3,916	1,063	(1,428)	3,448	2,518	9,022			
OCI	(93)	1,630	12	4,317	1,758	44	338			
Total comprehensive income	(1,737)	5,546	1,075	2,889	5,206	2,562	9,360			
Profit / (loss) allocated to NCI	**(755)**	**2,326**	**631**	**(885)**	**1,841**	**1,574**	**7,073**	**946**	**(207)**	**12,544**
OCI allocated to NCI	**(43)**	**968**	**7**	**2,677**	**939**	**28**	**265**	**(21)**	**(838)**	**3,982**
Cash flows from / (used in) operating activities	8,279	2,630	455	(89)	380	(4,110)	8,707			
Cash flows from / (used in) investing activities	(1,188)	(1,975)	23	(2,488)	(2,202)	(98)	(2,392)			
Cash flows from / (used in) financing activities	(6,113)	(8,449)	(152)	311	4,839	3,226	(5,198)			
Net increase / (decrease) in cash and cash equivalents	**978**	**(7,794)**	**326**	**(2,266)**	**3,017**	**(982)**	**1,117**			
Dividends paid to NCI	**3,672**	**12,235**	**154**	**-**	**1,279**	**516**	**2,903**			

32. Operating leases

See accounting policy in Note 37(p).

Leases as lessee

The Group leases a number of shops, warehouses and factory facilities under operating leases. The lease periods vary and may contain an option to renew after the end of the lease term. Some lease payments increase at regular intervals to reflect market rentals.

During the year ended 31 December 2015, USD 880 thousand was recognized as an expense in the income statement in respect of operating leases (2014: USD 2,021 thousand).

(i) Future minimum lease payments

At 31 December, the future minimum lease payments under non-cancellable lease rentals are payable as follows.

In thousands of U.S. Dollars	**2015**	**2014**
Less than one year	305	1,766
Between one and five years	241	1,288
	546	3,054

(ii) Amounts recognized in profit or loss

In thousands of U.S. Dollars	**2015**	**2014**
Lease expense	880	2,021

33. Capital commitments

As at 31 December 2015, the Group was committed to incur capital expenditure of USD 85 thousand to acquire plant and equipment (2014: USD 212 thousand).

34. Contingencies

See accounting policy in Note 37(o).

The Company is subject to a number of environmental and pollution control laws and regulations in some jurisdictions in which it operates and has operated, and may face exposure from actual or potential claims involving such matters. The Company believes that any costs resulting from environmental matters known to it will not have a material adverse impact on the Company’s financial position, results of operations or liquidity.

35. Related parties

Transactions with key management personnel

(i) Loan to director

During 2013, an unsecured loan of USD 1,864 thousand was made to a director to exercise his remaining 28,904 outstanding stock options in Singer Asia Limited, subsequently converted to shares in Sewko Holdings Limited. The loan is repayable at the earlier of his resignation, termination of employment for cause or at the fifth anniversary of the grant of the loan (extendable in certain circumstances up to a maximum of seven years). Any dividends on the shares received from the exercise of these options must be used to repay the loan. The loan would be forgiven (to the extent still outstanding) in three equal instalments following closing of a transaction (as defined). At 31 December 2015, the balance outstanding was USD 1,644 thousand (2014: 1,644 thousand) and is included in "trade and other receivables" (see Note 16).

During 2015, an unsecured loan of USD 493 thousand was made to a director. The loan carries an interest rate of 2% per annum and is repayable by 31 May 2016. At 31 December 2015, the balance outstanding was USD 495 thousand.

(ii) Key management personnel compensation

In addition to their salaries, the Group also provides other benefits to directors and executive officers. Key management compensation comprised:

In thousands of U.S. Dollars	**2015**	**2014**
Short-term employee salaries and benefits	2,103	2,410
Other long-term benefits	83	68
	2,186	2,478

Key management personnel and directors of the company hold 17.0% of the voting shares of the Company.

36. Subsequent events

In January 2016, the Group disposed of its entire shareholding in Singer Pakistan for USD 2,325 thousand. The Group's share of Singer Pakistan's assets on the date of disposal was USD 4,024 thousand. Cumulative foreign currency translation differences previously recognised in OCI of USD 2,549 thousand have been reclassified to profit or loss for the year ended 31 December 2015, resulting in a total impairment loss of USD 4,248 thousand (see Note 6).

On 19 January 2016, the Company declared a dividend of USD 5 per share, which will be paid on or about 13 April 2016.

37. Significant accounting policies

Set out below is an index of the significant accounting policies, the details of which are available on the pages that follow.

(a) Basis of consolidation

(i) Business combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group (see (a)(iii)). The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment (see (k)(ii)). Any gain on a bargain purchase is recognized in profit or loss immediately. Transaction costs are expensed as incurred.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognized in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

(ii) Non-controlling interests (“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.

(iii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when 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 entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

37. Significant accounting policies (continued)

(a) Basis of consolidation (continued)

(iii) ***Subsidiaries (continued)***

Transactions that result in changes in ownership interests while retaining control are accounted for as transactions with owners in their capacity as owners. Any gain or loss on such changes is recognized in equity.

(iv) ***Loss of control***

When the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognized in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

(v) ***Interests in equity-accounted investee***

The Group's interests in equity-accounted investee comprises interests in an associate.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. Interests in associates are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and OCI of equity-accounted investees, until the date on which significant influence or joint control ceases.

(vi) ***Transactions eliminated on consolidation***

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. 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.

(b) Foreign currency

(i) ***Foreign currency transactions***

Transactions in foreign currencies are translated to the respective functional currencies of Group companies at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated to the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are generally recognized in profit or loss. Non-monetary items that are measured based on historical cost in a foreign currency are not translated.

(ii) ***Foreign operations***

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to U.S. Dollars at the exchange rates at the reporting date. The income and expenses of foreign operations are translated to U.S. Dollars at the average monthly exchange rate in the month of the transactions.

Foreign currency differences are recognized in OCI and accumulated in the translation reserve, except to the extent that the translation difference is allocated to NCI.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary, but retains control, then the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

37. Significant accounting policies (continued)

(b) Foreign currency (continued)

(ii) Foreign operations (continued)

If the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, then foreign currency differences arising from such item form part of the net investment in the foreign operation. Accordingly, such differences are recognized in OCI and accumulated in the translation reserve.

(c) Discontinued operations

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

- Represents a separate major line of business or geographic area of operations;
- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographic area of operations; or
- Is a subsidiary acquired exclusively with a view to re-sale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held-for-sale.

When an operation is classified as a discontinued operation, the comparative statement of profit or loss and OCI is re-presented as if the operation had been discontinued from the start of the comparative year.

(d) Revenue

(i) Sale of goods

Revenue is recognized when the significant risks and rewards of ownership have been transferred to the customer, 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, trade discounts and volume rebates.

(ii) Finance charges

Finance charges on installment sales are recognized using the effective interest method.

(iii) Services

Revenue from rendering of services is recognized in profit or loss in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed with reference to surveys of work performed.

(iv) Royalty and license income

Royalty and license fees paid by third parties and affiliates for the right to use the SINGER name for certain products, services and locations in selected markets are included in revenue.

(v) Commissions

If the Group acts in the capacity of an agent rather than as the principal in a transaction, then the revenue recognized is the net amount of commission made by the Group.

(e) Employee benefits

(i) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

37. Significant accounting policies (continued)

(e) Employee benefits (continued)

(ii) ***Share-based payment transactions***

The grant-date fair value of options granted to employees is generally recognized as an expense, with a corresponding increase in equity, over the vesting period of the options. The amount recognized as an expense is adjusted to reflect the actual number of share options for which the related service and non-market vesting conditions are met, such that the amount ultimately recognized is based on the number of options that meet the related service and non-market performance conditions at the vesting date.

(iii) ***Defined contribution plans***

Obligations for contributions to defined contribution pension plans are expensed as the related service is provided. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

(iv) ***Defined benefit plans***

The Group's net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprises actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income. The Group determines the net interest expense /(income) on the net defined benefit liability / (asset) 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 benefit liability / (asset), taking into account any changes in the net defined benefit liability / (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(v) ***Other long-term employee benefits***

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognized in profit or loss in the period in which they arise.

(vi) ***Termination benefits***

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring. If benefits are not expected to be wholly settled within 12 months of the end of the reporting period, then they are discounted.

(f) Finance income and finance costs

The Group's finance income and finance costs include:

- Interest income;
- Interest expense;
- dividend income; and
- the foreign currency gain or loss on financial assets and financial liabilities.

37. Significant accounting policies (continued)

(f) Finance income and finance costs (continued)

Interest income or expense is recognized using the effective interest method. Dividend income is recognised in profit and loss on the date on which the Group's right to receive payment is established.

(g) Income tax

Income tax expense comprises current and deferred tax. It is recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity, or in other comprehensive income.

(i) ***Current tax***

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

(ii) ***Deferred tax***

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

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

Deferred tax assets are recognized for unused tax losses, unused tax credit and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

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

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

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

(h) Inventories

Inventories are measured at the lower of cost and net realizable value.

The cost of inventory is based on the weighted average principle.

Cost includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and estimated costs necessary to make the sale.

37. Significant accounting policies (continued)

(i) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses except for land and buildings which are measured at fair value. Revaluations are made with sufficient regularity to ensure that their carrying amounts do not differ materially from their fair values at the reporting date.

When an asset is revalued, any increase in the carrying amount is credited directly to a revaluation reserve within equity unless it reverses a previous impairment relating to the same asset, which was recognized as an expense at the time. In these circumstances, the increase is recognized as income to the extent of the previous write down. When an asset's carrying amount is decreased as a result of a revaluation, the decrease is recognized as an expense unless it reverses a previous surplus relating to that asset, in which case it is charged against any related revaluation reserve, to the extent that the decrease does not exceed the amount held in the revaluation reserve in respect of that same asset. Any balance remaining in the revaluation reserve in respect of an asset, is transferred directly to retained earnings on retirement or disposal of the asset.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the following:

- The cost of materials and direct labour;
- Any other costs directly attributable to bringing the assets to a working condition for their intended use;
- When the Group has an obligation to remove the assets or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located; and
- Capitalized borrowing costs.

Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gains and losses on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognized in profit or loss. When revalued assets are sold, the amounts included in the revaluation surplus reserve are transferred to retained earnings.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only when it is probable that the future economic benefits associated with the expenditure will flow to the Group. Ongoing repairs and maintenance are expensed as incurred.

(iii) Depreciation

Items of property, plant and equipment are depreciated from the date they are available for use or, in respect of self-constructed assets, from the date that the asset is completed and ready for use.

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line basis over their estimated useful lives. Depreciation is generally recognized in profit or loss, unless the amount is included in the carrying amount of another asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated.

37. Significant accounting policies (continued)
(i) Property, plant and equipment (continued)
(iii) Depreciation (continued)

The estimated useful lives for the current and comparative years of significant items of property, plant and equipment are as follows:

Buildings and leasehold improvements	10 - 50 years
Plant and equipment	2 - 20 years
Fixtures and fittings	2 - 10 years

(j) Intangible assets
(i) Goodwill

Goodwill that arises upon the acquisition of subsidiaries is presented with intangible assets. For the measurement of goodwill at initial recognition, see Note 33(a)(i).

Goodwill is measured at cost less accumulated impairment losses. In respect of equity accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment, and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity accounted investee.

(ii) Trademarks and trading license

The useful lives of the trademarks and trading license are determined after considering the specific facts and circumstances related to each trademark and license. Factors that are taken into account when determining useful lives include the contractual term of any agreement related to the trademark and the license, its historical level of acceptance and performance, the Company's long-term strategy for using the trademark and the license, any laws or other local regulations which could impact its useful life, and other economic factors, including competition and specific market conditions.

Trademarks and trading license which have indefinite useful lives are measured at cost less accumulated impairment losses.

(iii) Other intangible assets

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.

(iv) Subsequent expenditure

Subsequent expenditure is capitalized 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, is recognized in profit or loss as incurred.

(v) Amortization

Except for goodwill and trademark, intangible assets are amortized on a straight-line basis in profit or loss over their estimated useful lives, from the date that they are available for use.

The estimated useful lives for the current and comparative years are as follow:

- Software 10 years

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

37. Significant accounting policies (continued)

(k) Assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for-sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying value and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, investment property or biological assets, which continue to be measured in accordance with the Group's other accounting policies. Impairment losses on initial classification as held-for-sale or held-for-distribution and subsequent gains and losses on remeasurement are recognised in profit or loss.

Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortised or depreciated, and any equity-accounted investee is no longer equity accounted.

(l) Financial instruments

The Group classifies non-derivative financial assets into following categories: loans and receivables and cash and cash equivalents.

(i) ***Non-derivative financial assets and financial liabilities – recognition and derecognition***

The Group initially recognises loans and receivables on the date when they are originated. All other financial assets and financial liabilities are initially recognized on the trade date.

The Group derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred assets. Any interest in such derecognized financial assets that is created or retained by the Group is recognized as a separate asset or liability.

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire.

Financial assets and liabilities are offset and the net amount presented in the consolidated statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

(ii) ***Non-derivative financial assets - measurement***

Receivables

Receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition receivables are measured at amortized cost using the effective interest method, less any impairment losses.

Receivables comprise trade and other receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments.

Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the consolidated statement of cash flows.

37. Significant accounting policies (continued)

(l) Financial instruments (continued)

(iii) ***Non-derivative financial liabilities - measurement***

Non-derivative financial liabilities are initially recognized at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortized cost using the effective interest method.

(m) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognized as a deduction from equity, net of any tax effects.

(n) Impairment

(i) ***Non-derivative financial assets***

Financial assets not classified as at fair value through profit or loss, including an interest in an equity-accounted investee, are assessed at each reporting date to determine whether there is objective evidence of impairment.

Objective evidence that financial assets are impaired includes default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise or indications that a debtor or issuer will enter bankruptcy.

Financial assets measured at amortized cost

The Group considers evidence of impairment of receivables at both a specific asset and collective level. All individually significant receivables are assessed for specific impairment. Those found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Receivables that are not individually significant are collectively assessed for impairment by grouping together receivables with similar risk characteristics.

In assessing collective impairment the Group uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgment as to whether current economic and credit conditions are such that actual losses are likely to be greater or lesser than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss and reflected in an allowance account against receivables. When an event occurring after the impairment was recognized causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

(ii) ***Non-financial assets***

At each reporting date, the Group reviews carrying amounts of its non-financial assets, other than inventories and deferred tax assets, to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit", or "CGU"). Goodwill arising from a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination

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

37. Significant accounting policies (continued)

(ii) ***Non-financial assets (continued)***

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

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

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

(o) Provisions

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

Warranties

A provision for warranties is recognized when the underlying products are sold, based on historical warranty data and a weighting of possible outcomes against their associated probabilities.

(p) Leases

(i) ***Determining whether an arrangement contains a lease***

At inception of an arrangement, the Group determines whether the arrangement is or contains a lease.

At inception or on reassessment of an arrangement that contains a lease, the Group separates payments and other consideration required by the arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognized at an amount equal to the fair value of the underlying asset; subsequently, the liability is reduced as payments are made and an imputed finance cost on the liability is recognized using the Group's incremental borrowing rate.

(ii) **Leased assets**

Assets held by the Group under leases that transfer to the Group substantially all the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases are classified as operating leases and are not recognized in the Group's consolidated statement of financial position.

(iii) **Lease payments**

Payments made under operating leases are recognized in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognized as an integral part of the total lease expense, over the term of the lease.

Minimum lease payment made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

38. New standards and interpretations not yet adopted

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2015 and early adoption is permitted, however, the Group has not early applied the following new or amended standards in preparing these consolidated financial statements.

New or amended standards	**Summary of the requirements**	**Possible impact on consolidated financial statements**
IFRS 9 *Financial Instruments*	IFRS 9, published in July 2014, replaces the existing guidance in IAS 39 *Financial Instruments: Recognition and Measurement*. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. IFRS 9 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted.	The Group is assessing the potential impact on its consolidated financial statements resulting from the application of IFRS 9.
IFRS 15 *Revenue from Contracts with Customers*	IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including IAS 18 *Revenue*, IAS 11 *Construction Contracts* and IFRIC 13 *Customer Loyalty Programmes*. IFRS 15 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted.	The Group is assessing the potential impact on its consolidated financial statements resulting from the application of IFRS 15.

The following new or amended standards are not expected to have a significant impact on the Group's consolidated financial statements.

- Clarification of Acceptable Methods of Depreciation and Amortization (Amendments to IAS 16 and IAS 38).
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28).
- Annual Improvements to IFRSs 2012–2014 Cycle – various standards.
- Investment Entities: Applying the Consolidation Exemption (Amendments to IFRS 10, IFRS 12 and IAS 28).
- Disclosure Initiative (Amendments to IAS 1).

Directors:

Stephen H. Goodman
Chairman of the Board, Retail Holdings N.V.
also Chairman of the Board, Sewko Holdings Limited

Antonio Costa
Director
also Director, Sewko Holdings Limited

Alex Johnston
Director
also Director, Sewko Holdings Limited

Stewart M. Kasen
Director
also Chairman of the Audit Committee

Corporate Officers:

Stephen H. Goodman
President and CEO

Gavin Walker
Vice President

Joe Kan
Controller

Amy Pappas
Corporate Secretary

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