



ANNUAL REPORT 2020/2021



SINGHE
Hospitals
quality healthcare



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VISION

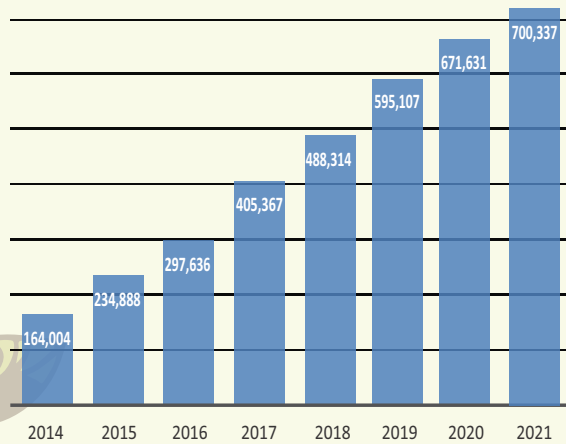
To provide safest & highest quality health care service and be the preferred health care provider in the country.

MISSION

To be the benchmark in quality healthcare in the country, by transforming the healthcare experience through a culture of good caring and quality service at affordable level.

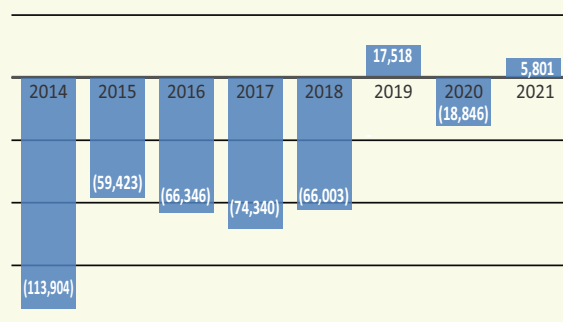
Company	2014	2015	2016	2017	2018	2019	2020	2021
Turnover (Rs.'000)	164,004	234,888	297,636	405,367	488,314	595,107	671,631	700,337
Profit/(Loss) before Tax (Rs.'000)	(113,904)	(59,423)	(66,346)	(74,340)	(66,003)	17,518	(18,846)	5,801
Profit/(Loss) After Tax (Rs.'000)	(131,590)	(68,405)	(74,035)	(77,951)	(49,046)	(11,873)	(5,750)	2,299
Fixed Assets - Net Book Value (Rs.'000)	699,882	674,659	802,340	844,343	791,290	787,089	824,633	803,304
Total Assets (Rs.'000)	717,416	948,339	962,877	940,409	874,050	881,116	934,789	952,033
Earnings Per Share(Rs.)	(3.02)	(0.23)	(0.25)	(0.20)	(0.12)	(0.03)	(0.01)	0.01
Net Asset Per Share (Rs.)	6.44	1.74	1.31	1.22	1.07	1.19	1.10	1.10

TURNOVER (Rs.'000)

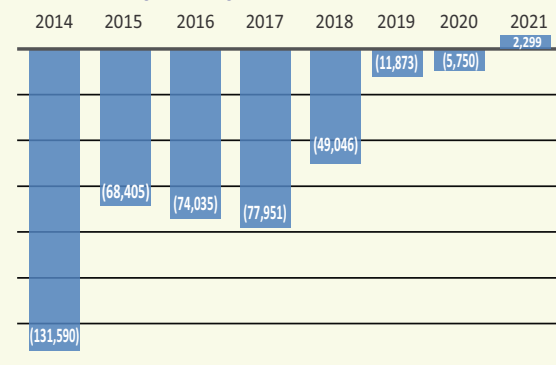


Singhe Hospitals has reported Rs. 2.3 Mn PAT for the Financial Year

PROFIT/(LOSS) BEFORE TAX (Rs. '000)

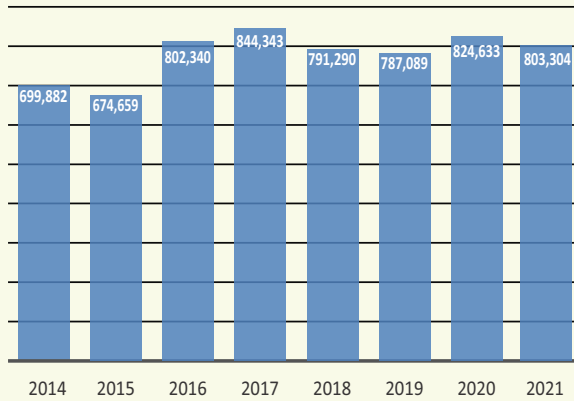


PROFIT/(LOSS) AFTER TAX (Rs. '000)

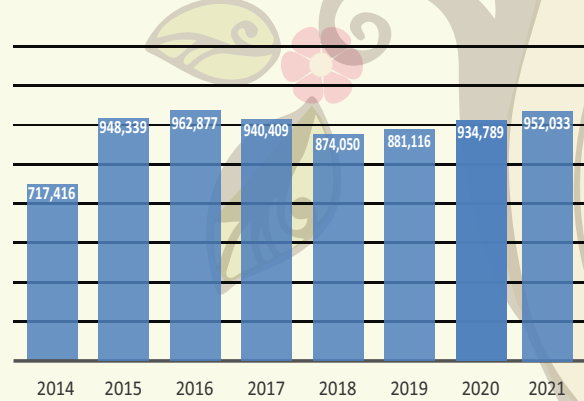


Financial Highlights

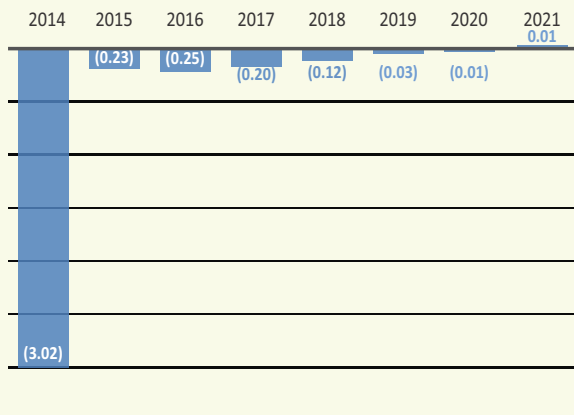
FIXED ASSET - NBV (Rs.'000)



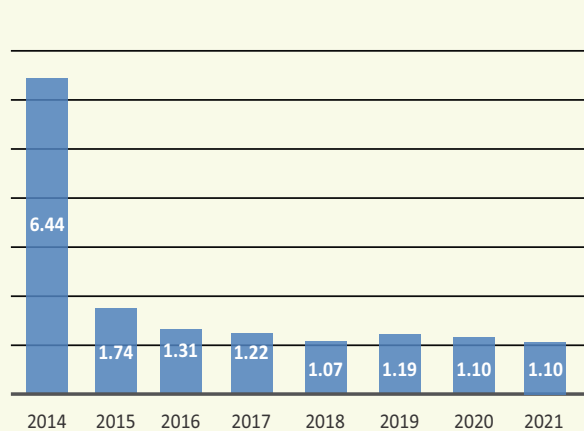
TOTAL ASSETS (Rs.'000)



EARNINGS PER SHARE (Rs)



NET ASSET PER SHARE (Rs)



The Company was incorporated on 01st December 2009 as a Board of Investment (BOI) approved the project to commence operation a Private Hospitals, including Laboratory and other related services. The Company started its commercial operation in June 2012. Today Singhe Hospitals is the best private hospital operating in Ratnapura District with modern health care facilities.

Singhe Hospitals is a fully equipped private hospital with 50 beds to accommodate patients with a wide range of medical specialties available throughout the day. Patients for indoor treatment are admitted under the care of Visiting Consultants and with the supervision of in-house medical officers. Singhe Hospitals is committed to continuous improvement of patient care and strives to deliver high quality, cost effective health care to the community.

The company was listed in the Colombo Stock Exchange on 21st April 2015. As stated at the IPO, the company has initiated expansion of laboratory services island wide. At Present we have laboratories in Ratnapura, Homagama, Kandy, Negombo, Bandarawella, Embilipitiya, Balangoda, Avissawella, Kahawatta, Weligama and Kalawana. We also see all possible opportunities to expand the laboratories across the Island.

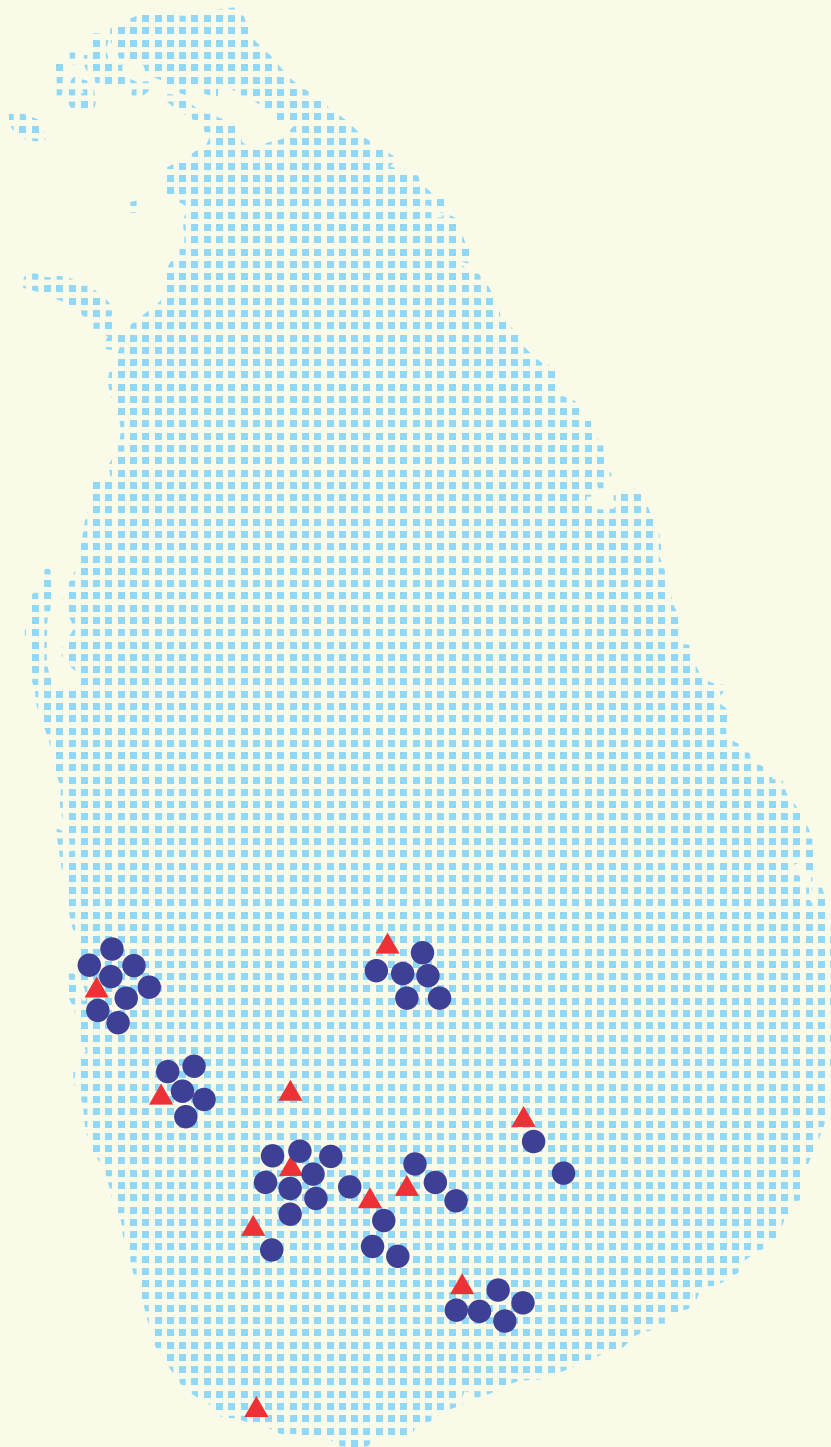
OUR SERVICES

- 24 Hour OPD Service
- Multi Specialist Consultants
- 24 Hour Radiology Facility
- 24 Hour Pharmacy
- Intensive Care Unit
- 24 Hour Laboratory
- Dental Unit
- 24 Hour Ambulance Service
- Wards/Rooms at Affordable Prices
- Ultrasound Scanning
- Emergency Treatment Unit
- Patient Parking Facility
- Home Nursing
- Cosmetic Clinic
- Cafeteria
- Corporate Medical Centre Management



Branch Network

Singhe Hospitals laboratory service has over 55 branches including 11 laboratories in Ratnapura, Homagama, Kandy, Negombo, Bandarawela, Kahawatta, Embilipitiya, Balangoda, Awissawella, Kalawana, Weligama and over 55 sample collection centers island-wide.



- ▲ Labs
- Collecting Center

- ▲ **Singhe Ratnapura Laboratory**
 - Singhe Urban Center
 - Singhe Eheliyagoda Center
 - Singhe Kuruwita Center
 - Singhe Kanlit Center
 - Singhe Kudugalwattha Center
 - Singhe Galaboda Center
 - Singhe Higgashena Center
 - Singhe Nivithigala Center

- ▲ **Singhe Homagama Laboratory**
 - Singhe Homagama Town Center
 - Singhe Kaluaggala Center
 - Singhe Padukka Center
 - Singhe Padukka MOH Center
 - Singhe Kottawa Center

- ▲ **Singhe Negombo Laboratory**
 - Singhe Thalahena Center
 - Singhe Pitipana Center
 - Singhe Andiambalama Center
 - Singhe Kochchikade Center
 - Singhe Ekala Center
 - Singhe Samusetha Center
 - Singhe Udugampola Center
 - Singhe Niwandama Center

- ▲ **Singhe Kandy Laboratory**
 - Singhe Theldeniya Center
 - Singhe Hanguranketha Center
 - Singhe Kandy Mother & Baby Care Center
 - Singhe Thalathuoya Center
 - Singhe Mathale Center
 - Singhe Rikillagaskada Center
 - Singhe Muruthalawa Center

- ▲ **Singhe Bandarawela Laboratory**
 - Singhe Wellawaya Center
 - Singhe Diyathalawa Center

- ▲ **Singhe Balangoda Laboratory**
 - Singhe Oluganthota Center
 - Singhe Bogawanthalawa Center
 - Singhe Weligepola Center

- ▲ **Singhe Kahawatta Laboratory**
 - Singhe Pelmadulla Center
 - Singhe Godakawela Center
 - Singhe Manandola Center
 - Singhe Pallebedda Center

- ▲ **Singhe Embilipitiya Laboratory**
 - Singhe Embilipitiya Town Center
 - Singhe Padalangala Center
 - Singhe Middeniya Center
 - Singhe Sooriyawewa Center
 - Singhe Angunakolapelessa Center

- ▲ **Singhe Avissawella Laboratory**

- ▲ **Singhe Kalawana Laboratory**
 - Singhe Delwala Center

- ▲ **Singhe Weligama Laboratory**

Our Business & Strategy

Singhe Hospitals PLC is one of the “Multi-specialty secondary Care General Hospital” and the leading healthcare sector in the Sabaragamuwa Region, offering an unmatched range of primary, secondary health care services. With a bed capacity of 50 and over 60 consultants, we serve over 200,000 patients annually amongst the largest patient volumes in the region.

A differentiation coupled with cost effective strategy centered on international standards, best-in-class patient care and advanced technology have enabled the hospital to sustain its unique competitive edge despite intensifying competitive pressure.

The hospital laboratory arm spreads across Sabaragamuwa, Western, Central, Uva and Southern Provinces. Singhe Hospitals operates over 55 branches including 11 laboratories and over 55 owned sample collection centers and a network of over 1000 third party sample collection centers.

The emergence of Covid-19 pandemic had pushed the Hospital towards many new challenges, one of the most challenging being continuing operations during lockdown periods. The management had devised necessary solutions to keep the Hospital in operation to make sure the public has access to much needed health services during these turbulent times.

Awards & Accreditations



We have been rewarded **Gold Award** under Extra Large Category Service Sector for "Sabaragamuwa Province Best Entrepreneur of the year" 2019, 2020 and **Silver Award** year 2018 at the Provincial Award Ceremony conducted by Sabaragamuwa Chamber of Commerce & Industry.

Management Discussion and Analysis

07

Singhe Hospitals, entering into its' 9th year anniversary of commercial operation has been showing continuous growth and has been able to further, establish its leadership in the private healthcare sector in Sabaragamuwa Province. During the previous year, we have able to strengthen our existing services and introduce additional services as well. While being equipped with most experienced doctors and staff, Singhe Hospitals also use the best equipment in the world to make sure our patients receive the best care at all time.

Cardiac Unit

Singhe Hospital's cardiac unit consists of general diagnostics facilities for cardiac patients. Apart from the state of the art ECHO Scan investigations, we also offer Exercise ECG and Holter Monitoring, introduced to Ratnapura for the first time in the private sector.



Obstetrics and Gynecology

Our Hospital is renowned for its superior maternity care. This is evident in the hospital recording its 1800th child birth during the nine years of operations. This was achieved with dedicated and specialized staff as well as the support and



Company Profile

guidance of our valued consultants. The hospital also consists of specially designed delivery rooms, superior operating theatres as well as luxury accommodation facilities to the patients.



Ophthalmology

We are also proud to be the first to introduce eye surgery as a Private Hospital in Ratnapura. In addition to cataract surgeries, other eye surgeries are performed at the hospital. These are performed at our state of the art Operating Theaters using cutting edge technology. The success of the Ophthalmology department can be attributed our dedicated experienced staff and our valued Consultants.

Dental Unit

Our Dental Unit consists of the latest in dental care technology imported from Japan. For the first time in Ratnapura, Singhe Hospitals has introduced a dental chair with video viewing facility enabling the consultant Dental Surgeon/Doctors to arrive at better diagnose and treat dental issues.





Surgical Department

In our multiple theatre complexes consist modular technology, laminar flow air conditioning system and world renowned Draeger theatre equipment's is second to none compared to any hospital in the country. This has become one of the core strengths in the hospital. Specially trained, dedicated theatre staff and our valued Consultants at the hospital have performed many numbers of surgeries and continually add new types of surgeries to the list.

Radiology Unit

This Unit is at the forefront of technology and consists of the best equipment in radiology. Our Siemens CT scanner from Germany, Digital CR X-Ray system from Shimadzu Japan and latest ultrasound equipment from Toshiba Japan is at the core of the department.

Emergency Care

Emergency Unit consists with Ambulance unit, Emergency Treatment Unit and the Intensive Care Unit. We are first to introduce private ICU facilities in Ratnapura. All these units consist of modern equipment and dedicated staff to handle all types of emergencies.



Laboratory Network

With the tremendous success of the main hospital laboratory, as stated at the IPO, expanded its laboratory service and continues to expand. Currently, 11 labs have been opened at Ratnapura, Homagama, Negombo, Bandarawela, Kandy, Embilipitiya, Balangoda, Kahawaththa, Kalawana, Weligama and Avissawella. The success of the laboratory network is due to the usage of superior equipment, reagents, other consumables and also the services rendered by highly qualified and experienced staff. We have able to produce accurate laboratory reports which are requested by the consultants to diagnose health issues correctly.



Home Nursing Service

Home Nursing Service was established to deliver the highest standard of nursing care to the patients who are bed ridden or immobile. Personal care, reliability and friendly service to clients, in all age groups who are living in their homes and require a little extra help and support to improve or maintain their health.



Management Discussion and Analysis

09

Assisting with artificial feeding, Changing sterile dressings, Catheter Insertion, changing bags, monitoring output, Tracheotomy care-oral suctioning, Ileostomy and colostomy care-changing of bags, IV cannulation & infusions, Health Education and support for Rehabilitation are few that the department is primarily focused.

Mobile Sample Collection Service

Singhe Hospitals introduced Mobile Laboratory Sample Collection for the first time in Ratnapura in order to facilitate patients who may be unable to visit the hospital or to reduce the difficulties faced to be present at the hospital to provide laboratory samples to perform tests requested by Doctors. Patients can schedule the required times and we will arrange all required resources to obtain the required samples on time at the comfort of their home.



Cosmetic Clinic

With the rising demand among the public, we established a Cosmetic Clinic to fulfill the demand in and around Sabragamuwa Region. A dedicated Surgeon is being assigned in order channel and obtain required services.



Social Responsibility

CSR Initiatives

● **World Children's Day - 2020**

This is a day for children, by children, all over the world to help save children's lives, fight for their rights and help them fulfil their potential. As usual we invited all the mothers together with their children who were born at Singhe Hospitals from day one. We also conducted free medical check-ups for children together with fun loving activities. End of the day they have been rewarded with valuable gifts.



● **Promotional Campaigns**

Further we have arranged many donation programmes through out the year. This is one of the annual CSR programs continuing from start of the hospital.



Medicine & Equipments donation to Ratnapura General Hospital



LED Television donation to Avissawella General Hospital



Wheel chairs donation to Embilipitiya General Hospital

● **World Elders Day 2020**

The Singhe Hospital, with the leadership of the directors celebrated the **World Elders Day 2020**, by spending time with grandparents & conducted a free medical camp at the hospital premises.



Social Responsibility

CSR Initiatives

● **Free Awareness Programms**

The Singhe Hospitals conducted number of free healthcare programms to the public.



Blood donation campaign



Free medical camps

Human Resources

We Singhe Hospitals understands that the proper management of the human resources is vital to the retention of clinical and nonclinical staff, maintaining staff morale, providing opportunities for professional development and in the ability of Singhe to deliver quality health care service and improve patient health outcomes. Process and policies are in place to provide staff with opportunities for career expansion, training and development in order to foster a happier environment to work in. Our human resource function aims to create a culture that recognise its people as a direct link to the success of the organisation.



Annual Sales Conference and Awards Ceremony 2020



Singhe Pulse - Magazine



Out bound training programme

There is really nothing
quite so sweet
as a little baby's smile

The littlest
feet makes
the biggest
footprints
in our hearts





Chairman's Message

We have a crisis management set-up and all the necessary measures in place to keep our business running without interruption, while still protecting the health and safety of our employees and their families. We are using a proprietary pandemic model to assess scenarios and enable active monitoring. We are devoting all our resources to help our patients and partners navigate the current circumstances.

The Board also worked closely with Singhe Hospital's Senior Management Team and the Risk Management organization to assess how the consequences from COVID-19 have influenced Singhe Hospitals' overall risk profile. We made tactical adjustments as needed, but the core elements of our business strategy remained essentially unchanged in the financial year ended 31st March 2021.

The foundational values of integrity, transparency, and accountability drive long-term success for our company as well as for the areas where we operate and the communities we serve. We reinforced Singhe Hospital's commitment to doing business in the right way during Financial Year ended 31st March 2021. Through our Governance structure and Business Ethics and Compliance program, which enable us to balance the risks inherent in our emerging markets with the considerable opportunities that exist there. To become even more transparent for our shareholders, we have changed how we report on executive compensation.

I have great confidence in the long-term success of the Hospital. We have a great management team, fully focused on the company's operation.

I wish to place on record my appreciation to all stakeholders, Visiting Consultants, Medical Officers, our Employees, Suppliers, and Banks, for their cooperation and support during the period under review. I also extend my sincere thanks to my colleagues on the Board of Directors and the senior managers of the company for their contribution.

It is a privilege to serve you.

A M WEERASINGHE

Dear Shareholders,

I have the pleasure of presenting your company's Audited Financial Statements, Auditor's Report, and Director's report for the financial year ended 31st March 2021.

The financial year ended 31st March 2021 is an extremely challenging year for the entire business world due to COVID 19 pandemic. The Singhe Hospital too faced the same challenge during this financial year. The first few months of the financial year were a struggle due to lockdown under the first wave of COVID 19. Further, we were under partial lockdown including our Homagama lab and Negambo labs under the second covid infection wave. Even with this challenging situation, Singhe Hospitals recorded annual revenue of Rs. 700 Mn. This is a growth of 4.3% over the previous year. This financial year was a remarkable year for the company because we have recorded a positive bottom line even though the external environment had brought up countless barriers. The Company has recorded Rs.2.3Mn profit after tax for the financial year 31st March 2021, this is the first financial year the company record a positive profit after tax from inception. I strongly believe this is the turning point of the company and the future performance will be more attractive. As always, during the year under review, we have been able to maintain safe and high-quality services to our patients.

We are living through a difficult time for society and our economies. The crisis around the COVID-19 pandemic has left no one untouched. The virus is not only claiming human lives – it is subjecting individual countries and the global political order to extraordinary stress rarely seen in peacetime. Supply and demand shifts have been dramatic, and the clear winners will be those who see and seize the opportunities in these seismic changes that the world is experiencing at present. But these challenges only reinforce our resolve to continue working towards Singhe Hospitals PLC's vision.



A M Weerasinghe

Chairman / CEO

Founder of Royal Ceramics Lanka PLC in 1990. Embarked on Gem Trade, Mr. Weerasinghe has been in the business field for more than 37 years involved in Real Estate, Construction and Transportation Industry. He is the Chairman of Weerasinghe Property Development (Pvt) Ltd., Weerasinghe Gems (Pvt) Ltd., Rocell Bathware Ltd. and Lanka Ceramics PLC and the Deputy Chairman of Royal Ceramics Lanka PLC, Lanka Tiles PLC and Lanka Wall Tiles PLC. He also serves as a Director of Swisstek (Ceylon) PLC and Swisstek Aluminium Ltd.



A M D H Navinda Weerasinghe

Managing Director

Mr. Navinda Weerasinghe holds a BBA in Business Management from Northwood University Florida USA and Post Graduate Diploma in Management from University of Leicester UK. He is the Managing Director of Singhe Hospitals since the inception of the company and also serves as a Director of Weerasinghe Property Development (Pvt) Ltd.



Lakshika Weerasinghe

Director

Mr. Lakshika Maduranga Weerasinghe holds a Bachelors' Degree in Business Administration from USA. He worked as a FINRA Authorized Investment advisor at NSM securities USA. Currently he is the Marketing Director of Singhe Hospitals PLC and also serves as a Director of Weerasinghe Property Development (Pvt) Ltd.



U B H Jayalath Kithsiri

Independent Non-Executive Director

Mr. Kithsiri is a member of the Institute of Chartered Accountants of Sri Lanka and has been in the manufacturing sector as Head of Finance over 24 years including a PLC. At present, he is working as General Manager - Finance & Administration of CBL Foods International (Pvt.) Ltd. He is the Director of Singhe Hospitals since the inception of the company and he is the Chairman of Audit Committee of Singhe Hospitals PLC.



H M A B Weerasekara

Independent Non-Executive Director

Mr. Weerasekara was appointed as a Director in Singhe Hospitals PLC from 27th May 2015. He retired from Bank of Ceylon as the Additional General Manager with more than 38 years of experience in both local and international banking sectors.

Mr. Weerasekara holds a Bachelors Degree in Economics (Special) and possesses a Degree in Bachelor of Philosophy in Industrial Management from University of Ceylon in 1972 and 1974 respectively. He also holds a Diploma in Banking from Institute of Bankers Sri Lanka.

Mr. Weerasekara possesses extensive experience in the areas of Domestic, Offshore, Corporate, Trade Finance Investment and Treasury Operations including experience in BOC London branch where he specialised in areas of Trade Finance Investment, Treasury Operations, Retail Banking & Corresponding Banking and Compliance. He had attended many training and seminars including areas such as Anti Money Laundering and Financial Crimes.

Mr. Weerasekara had been a Director of Merchant Credit of Sri Lanka for a period of six years since 2006 and had been the chairperson of the Risk Committee and Audit Committee until 2012. He had been the Chairman of the Investment Committee of BOC for six years and had been an observing Director at Ceylon Petroleum Corporation.

In addition to London experience, he has participated in many foreign trainings programme in Treasury operations and Cash Management in Malaysia, USA, UK, Singapore, Thailand and Hong Kong and many European countries.

He was the chairperson of integrated Risk Management and Nomination Committees of MBSL Savings Bank Limited where he was a Director for 3 years. Currently he is an independent Non Executive Director and he is the Chairman of The remuneration Committee.



A M A Cader

Independent Non-Executive Director

Mr A M A Cader is Fellow Chartered Management Accountant (London), Global Management Accountant CGMA (Lond), Masters Business Studies (Col), Master of Science IT (SLIIT), Post Graduate Diploma Econ (Col), Diploma Chartered Institute of Marketing (London).

25 years (1990-2015) Corporate Advisory, Capital Markets and Fund Management at Merchant Bank of Sri Lanka and Finance PLC.

Exposure nearly 41 years including Financial Management, Management Accounting, Treasury Management and Investment Banking with Multi Disciplinary in Finance, Economics, Marketing, and Business Administration. He was former Deputy General Manager has a proven track record of 25 years at Merchant Bank of Sri Lanka and Finance PLC, Corporate Advisory, Capital Markets and Fund Management. Presently Non Executive Director Singhe Hospitals PLC, Standard Capital PLC, Listed in Colombo Stock Exchange, Tess Agro.

Mr. Carder is specialised in services such as Share Issue Management, Pre-IPO Restructuring & Advisory, Business Plans, Corporate Valuations, Portfolio Management, Employee Share Option Plans, Debt Syndications, Securitizations, Dispute Resolutions, Mergers, Acquisitions and delivering training Programs locally and internationally to Corporates and Individuals.

Advisory in Business Restructuring extended to plantations, power, textiles, ceramics, leisure, housing and airlines was successful in carrying out two business plans to Public Sector Institution namely Utility Board and to a Budget Airline with Monitoring/ follow up.

Trained in Corporate Finance (Citibank), Capital Markets(Westpack), Restructuring / Management Consultancy (UNIDO), Management/Entrepreneurship (APO/JASTECA)

International Trainer Marcus Evans London/Malyasia, program in Dubai - UAE. Kuala Lumpur - Malaysia " Workforce Optimization, Combating Fraud and Crime, Real Estate Investment Trusts in years 2006 and 2007. Proactive Rural Marketing Strategies" Mumbai, India in the year 2008.

Presently UNIDO Restructuring Specialist/ADB Consultant Business Advisor, Managing Director, TW Corporate (Pvt) Ltd.



Dr. Harshana Sanjeewa Jayasinghe

Independent Non - Executive Director

Dr. Harshana Sanjeewa Jayasinghe has appointed to the Director Board on October 18, 2018 as an Independent Non Executive Director. He had obtained his Medical degree from Rostov State Medical University Russia and registered as a Medical Practitioner in Sri Lanka Medical Council. He also a member of the European Resuscitation Council. He has experience over 15 years in medical field.



A M Piyumal Navanjana Weerasinghe

Non Executive - Non Independent Director

Mr. Amarakoon Mudiyansege Piyumal Navanjana Weerasinghe received his Bachelor of Science (B.Sc. Hons) degree in Business Management (General) from Brunel University London, UK. He holds a Master's degree in Business Administration from Anglia Ruskin University Cambridge, Sri Lanka, and also completed a Certificate Course in Gemology at the Gemological Association of Great Britain (Gem-A). He also serves as a Director in Weerasinghe Property Development (Private) Limited.



Dinal Tharindu Gooneratne

Non-Executive Independent Director

Mr. Dinal Tharindu Gooneratne currently works at WSO2, a leading global software company, as the Head of Sales for the Middle East and African Region. Prior to working at WSO2, Mr. Dinal Gooneratne worked at MAS Holdings and Virtusa-Sri Lanka. He is a Dual Citizenship holder of New Zealand and Sri Lanka, and received his Bachelor of Information Technology, with a Major in Information Sciences and a Minor in Product Development Engineering from Massey University, New Zealand.



Mr. Bathiya Angamma
Deputy General Manager

Mr. Angamma holds a Post Graduate in Marketing and a MBA from Anglia Ruskin University UK, He has specialized in Brand Management (SLIM) and has experience working with Global Brands such as BAHCO part of Snap On USA., and has experience holding senior management positions of Solex Group of Companies and Lanwa. He has over 16 years of corporate experience.



Mr. Asanga Wickremanayaka
Head of Laboratory Operations

Mr. Asanga is having experience over 25 years as a Laboratory Professional and including 11 Years' experience in Laboratory Management positions in leading Hospitals. He holds a Diploma in Medical Laboratory Technology (NAITA), MCTS (Microsoft), ACS IT Professional, BMS (OUSL), and MSc in Hospital Administration (Asia e University), MBA in Healthcare Management (Asia e University), and Reading for Ph.D.



Mr. Chinthaka Kodithuwakku
Human Resource Manager

Mr. Kodithuwakku holds a BBA HRM (Sp.) Degree from the University of Ruhuna & completed Chartered Accountancy Intermediate Level. He has over 12 years of experience in the Human Resource field.



Mr. Asanka De Silva
Finance Manager

Mr. Silva holds a Bsc. Accounting (Sp.) Degree from Sri Jayawardenepura University and he is a Member of Institute of Chartered Accountants of Sri Lanka. He has over 16 years working experience in the mercantile sector.



Mr. Upul Silva
IT Manager

With an experience over 23 years in field of IT in Sri Lanka and United Kingdom. He holds a Master's degree in Information Technology Management from university of Gloucestershire - United Kingdom. Upul is a Microsoft Certified Systems Engineer and Microsoft Certified Systems Administrator and Member of the British Computer Society.



Mr. M. Wijeyadasa
Matron

Mr. Wijedasa is having over 40 Years' experience in the field of Nursing in leading Hospitals. He has completed 3 years Nursing Course N.T.S. NHSL. He also worked for Sri Lanka Army for various Hospital functions.



Mr. Pradeep Kumara
Accountant

Associated Member of AATSL (Association of Accounting Technicians of Sri Lanka) & Completed Chartered Accountancy Intermediate Level. He has over 08 years' experience in Finance field.

Management Team



A M D H Navinda Weerasinghe
Managing Director



A M L Maduranga Weerasinghe
Director



Dr. Harshana Sanjeeva Jayasinghe
Independent Non - Executive Director



Mr. Piyumal Weerasinghe
Non Executive - Non Independent Director



Mr. Bathiya Angammana
Deputy General Manager



Mr. Asanga Wickremanayaka
Head of Laboratory Operations



Mr. Chinthaka Kodithuwakku
Human Resource Manager



Mr. Asanka De Silva
Finance Manager



Mr. Upul Silva
IT Manager



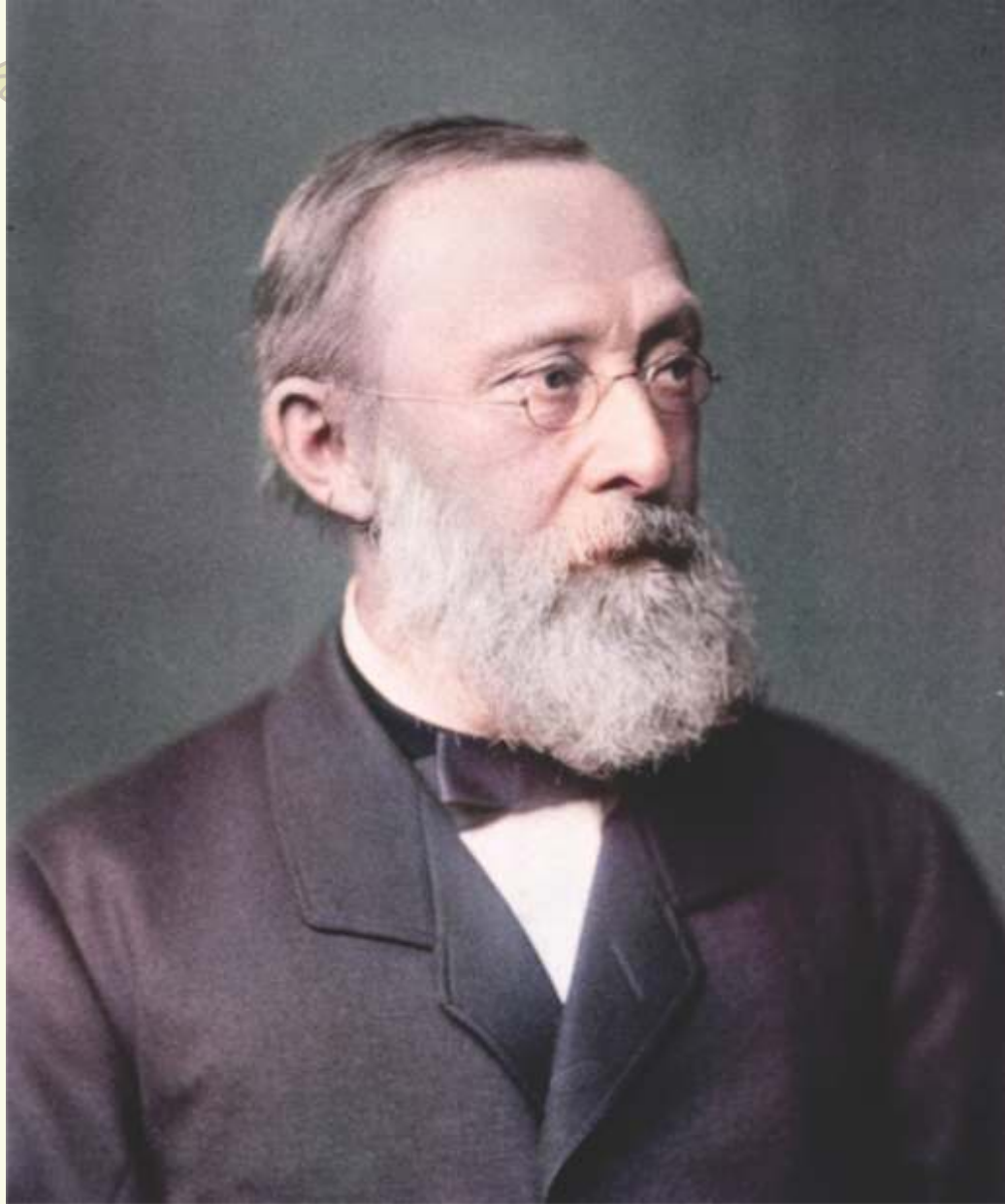
Mr. M. Wijeyadasa
Matron



Mr. Pradeep Kumara
Accountant



Mr. Nirosah Jayamaha
Manager OPD & Front Office



Rudolf Virchow
The Father of Modern Pathology

Only those who regard healing as the ultimate goal of their efforts can, therefore, be designated as physicians

The practices of good governance had been the hallmark of success of Singhe Hospitals PLC in its existence and it had been an integral part of its management and corporate culture. The Company recognizes, in a rapidly changing business environment the need to be professionally advised on how it should be directed and controlled and in total compliance with statutory and regulatory requirements especially with the regulatory standards laid down by the Colombo Stock Exchange and the Securities and Exchange Commission of Sri Lanka.

The procedure and methodology adopted by the Company to ensure good governance, involves all levels of management and they contribute through proper and extensive examination and review of information, practices and ideas encompassing the entire scope of the business operations of the Company. The foregoing description in brief gives an account of the most important best practices adopted by the Company.

Board of Directors

The Board consists of well-experienced and most respected business personalities and professionals from multi-faceted functional backgrounds. The Board is responsible for broad policy formation and implementation and for the development of overall business strategy.

The Board is responsible for the review and approval of the corporate plans and annual budgets prepared in line with the business strategy of the Company. The Board ensures reliability and integrity of the information, internal control systems and compliance with laws, regulations and ethical standards

The Board generally meets on a quarterly basis and convened 4 times during the year. Meeting agendas and Board papers are circulated to all Board members prior to Board and sub-committee meetings. The attendance of members at the Board meeting held is given below;

<i>Name of the Member</i>	<i>Attendance</i>
Mr. A M Weerasinghe	4/4
Mr. A M D H N Weerasinghe	4/4
Mr. A M L M Weerasinghe	4/4
Mr. U B H J Kithsiri	4/4
Mr. H M A B Weerasekera	4/4
Mr. A M A Cader	4/4
Dr. H S Jayasinghe	4/4
Mr. A M P N Weerasinghe (Appointed on 22 nd March 2021)	1/4
Mr. D T Gooneratne (Appointed on 22 nd March 2021)	1/4

Remuneration Committee

The present Remuneration Committee comprises of the following members.

Mr. H M A B Weerasekera	-	Chairman
Mr. A M A Cader	-	Member
Mr. U B H J Kithsiri	-	Member

This committee recommends the remuneration payable to Executive Directors and sets guidelines for the remuneration of the Senior Management of the Company. The Board makes the final determination having considered the recommendations of this committee and the performance of the Senior Management. The main objective of the remuneration policy of the Company is to retain attracted required human resources in order to sustain its operations, and to reward their performance.

Audit Committee

The Audit Committee oversees the preparation, presentation and adequacy of disclosures and the integrity of the Financial Statements, Risk Management processes and Internal Controls. It also oversees the organisations' compliance with financial reporting requirements, information requirements of the Companies Act No 07 of 2007 and other relevant financial reporting related regulations as well as the independence and performance of the External Auditors and monitors the internal audit function. The committee is responsible to ensure compliance with applicable laws and regulatory requirements and determine the appointment, evaluation, terms of engagement and fees of the Auditors.

The present Audit Committee comprises of the following members.

Mr. U B H J Kithsiri	-	Chairman
Mr. H M A B Weerasekera	-	Member
Mr. A M A Cader	-	Member

Related Party Transaction Review Committee

As per Section 9 of the Listing Rules and the Circular No. 01/2016 of the Colombo Stock Exchange, the Company has formed a Related Party Transaction Review Committee and The Committee comprises the following members.

Mr. A M A Cader	-	Chairman
Mr. A M Weerasinghe	-	Member
Mr. U B H J Kithsiri	-	Member
Mr. H M A B Weerasekera	-	Member

COMPLIANCE WITH CORPORATE GOVERNANCE RULES IN SECTION 7.6 OF THE LISTING RULES OF THE COLOMBO STOCK EXCHANGE

RULE NO.	SUBJECT	REQUIREMENTS	COMPLIANCE STATUS	EXTENT OF COMPLIANCE BY SINGHE HOSPITALS
7.6 (i)	Board of Directors	Names of persons who held the position of Directors during the financial year	Complied with	Refer Board of Directors
7.6 (ii)	Principal Activities	Principal Activities of the Company during the financial year and any changes thereon	Complied with	Note 1.3 of the Accounting Policies
7.6 (iii)	Shareholder Information	The names and the number of shares held by the 20 largest shareholders of voting and non-voting shares	Complied with	Page - 104
7.6 (iv)	Shareholder Information	The public holding percentage	Complied with	Page - 103
7.6 (v)	Director's holding	Directors' and Chief Executive Officer's holding in shares at the beginning and end of the financial year	Complied with	Annual Report of the Board of Directors
7.6 (vi)	Enterprise Risk	Information pertaining to material and foreseeable risk factors	Complied with	Note 33 to the Financial Statements
7.6 (vii)	Employees & Industrial relations	Detail of material issues pertaining to employees and industrial relations	Not reported	
7.6 (viii)	Investment Properties	Extents, locations, valuations and the number of buildings on the Company's land holdings and investment properties as at the end of the financial year	Not reported	
7.6(ix)	Stated Capital	Number of shares representing the stated capital as at the end of the financial year	Complied with	Note 17 to the Financial Statements
7.6 (x)	Shareholder Information	A distribution schedule stipulating the number of shareholders in each class of equity and the percentage of their total holdings as at the financial year end	Complied with	Share Information Page - 103-104
7.6 (xi)	Shareholder Information	Ratios and market price information, equity, Net Asset Value per share and market value per share	Complied with	Share Information Page - 103
7.6 (xii)	Property, Plant & Equipment	Significant changes in the entity fixed assets and the market value of land , if the value differs substantially from the book value	Complied with	Note 09 to the Financial Statements on Property, Plant & Equipment
7.6 (xiii)	Raise Funds	Details of funds raised through public issue and private placement during the financial year	N/A	
7.6 (xiv)	Employee Share Option	Information in respect of Employee Share Option Schemes	Not applicable	
7.6 (xv)	Section 7 of Listing Rule	Disclosures pertaining to Corporate Governance Practices in term of Rules 7.10.3,7.10.5 and 7.10.6 of Section 7 of the Listing Rules	Complied with	Pages - 22 - 23

The Company also confirms that it is in compliance with the Corporate Governance requirements of Section 7.10 of the Listing Rules of the CSE and disclosure of compliance with the said rules as given below.

RULE NO.	SUBJECT	REQUIREMENTS	COMPLIANCE STATUS	EXTENT OF COMPLIANCE BY SINGHE HOSPITALS
7.10.1.(a)	Non - Executive Directors	Two or One-third of the Directors, whichever is higher, should be Non - Executive Directors	Complied with	There were 9 Directors as of 31.03.2021 and as at the date of the Annual Report. Out of which 06 Directors are Non - Executive Directors
7.10.2.(a)	Independent Directors	Two or One-third of Non - Executive Directors, whichever is higher, should be independent	Complied with	The Board comprised 5 Independent Non - Executive Directors as of 31st March 2021 and as at the date of Annual Report
7.10.2. (b)	Independent Directors	Each Non - Executive Director should submit a declaration of Independence / Non independence in the prescribed format	Complied with	All the Directors have submitted declarations on Independence in the prescribed format
7.10.3.(a)	Disclosure relating to the Directors	Name of the Independent Directors should be disclosed in the Annual Report.	Complied with	Please refer to page 26 of this Report

RULE NO.	SUBJECT	REQUIREMENTS	COMPLIANCE STATUS	EXTENT OF COMPLIANCE BY SINGHE HOSPITALS
7.10.3.(b)	Disclosure relating to the Directors	In the event a Director does not qualify as an independent as per the rules of Corporate Governance, however the Board is of the opinion that the Director is nevertheless independent, it shall specify the basis of the the determination in the annual report	Complied with	All Independence Directors satisfy the 'Criteria of independence' as per the rules on corporate governance
7.10.3.(c)	Disclosure relating to the Directors	A brief resume of each Director should be published in the Annual Report including his/her area of expertise	Complied with	Please refer to page 14,15 & 16 of this Report
7.10.3.(d)	Disclosure relating to the Directors	A brief resume of any new Directors appointed to the Board should be provided to CSE	Complied with	Brief resumes of all newly appointed Directors have been provided to the Colombo Stock Exchange
7.10.5	Remuneration Committee	A listed company shall have a Remuneration Committee	Complied with	Please refer to page 28 of this Report
7.10.5.(a)	The composition of the Remuneration Committee	The Remuneration Committee shall comprise a minimum of two Independent Non - Executive or Non - Executive Directors, a majority of whom shall be independent, whichever is higher.	Complied with	As of 31st March 2021,the Remuneration Committee comprises three Independent Non - Executive Directors and as at the date of Annual Report, the composition has remained unchanged
	Chairman of the Remuneration Committee	One Non - Executive Director shall be appointed as Chairman of the Committee by the Board	Complied with	Mr.H.M.A.B.Weerasekera functioned as the Chairman of the Committee and he is a Non - Executive Director of the Board
7.10.5.(b)	Functions of the Remuneration Committee	The Remuneration Committee shall recommend the remuneration of the Chief Executive Officer and Executive Directors	Complied with	Please refer to the Scope of the Remuneration Committee on page 28 of this Report
7.10.5.(c)	Disclosures in the Annual Report	The Annual Report shall set out;		
		The names of the Directors that comprise the Remuneration Committee	Complied with	Please refer to page 28 of this Report
		Aggregate remuneration paid to Executive and Non - Executive Directors	Complied with	Please refer to page 72 of this Report
7.10.6	Audit Committee	A listed Company shall have an Audit Committee	Complied with	Please refer to page 31 of this Report
7.10.6.(a)	The composition of the Audit Committee	The Audit Committee shall comprise a minimum of two Independent Non - Executive Directors or Non - Executive Directors, a majority whom shall be independent which ever is higher	Complied with	As of 31st March 2021, and as of the date of Annual Report, the Audit Committee comprised three Independent Non - Executive Directors
		One Non - Executive Director shall be appointed as Chairman of the Audit Committee by the Board	Complied with	The Chairman of the Audit Committee Mr.U.B.H.J.Kithsiri is a Non - Executive Director in the Board
		The Chief Executive Officer and Chief Finance Officer shall attend Audit Committee meetings	Complied with	Chief Executive Officer and Chief Finance Officer attend meeting by invitation
		The Chairman or One member of the Committee should be a member of a recognized professional accounting body	Complied with	The Chairman of the Audit Committee is a member of Institute of Chartered Accountants of Sri Lanka
7.10.6.(b)		The Audit Committee shall have functions as set out in section 7.10 of Listing Rules	Complied with	Please refer to the Audit Committee Report on page 31
7.10.6.(c)		The Annual Report shall set out;		
		The name of Directors who comprise the Audit Committee	Complied with	Please refer to the Audit Committee Report on page 31
		The Audit Committee shall make a determination of the Independence of the Auditors and disclose the basis for such determination	Complied with	Please refer to the Audit Committee Report on page 31
		A report by the Audit Committee setting out the manner of compliance of the functions set out in section 7.10 of the listing rules.	Complied with	Please refer to the Audit Committee Report on page 31

Financial Reports



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Annual Report of the Board of Directors on the Affairs of the Company

GENERAL

The Directors have pleasure in presenting their report and the Audited Financial Statement of the Company for the year ended 31st March 2021 and the Auditor's Report on the Financial Statements. This report provides the information as requested by the Companies Act No. 07 of 2007, the Listing Rules of the Colombo Stock Exchange and recommended best practices on Corporate Governance. This report was approved by the Board of Directors on 14th June 2021.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The Company was incorporated on the 16th December 2009 as a Board of Investment (BOI) approved project to commence operations as a Private Hospital, including Laboratory and other related services. The Company started its commercial operations in June 2012. Today, Singhe Hospitals PLC is the best private hospital operating in Ratnapura District with modern health care facilities.

Singhe Hospitals is a fully equipped tertiary care hospital with 50 beds to accommodate patients with a wide range of medical specialties available throughout the day. Patients for indoor treatment are admitted under the care of visiting consultants and with supervision of in-house medical officers. Singhe Hospitals is committed to continuous improvement of patient care and strives to deliver high quality, cost effective healthcare to the communities. The company was listed in the Colombo Stock Exchange on the 21st April, 2015. As stated at the IPO, the company has initiated expansion of laboratory services island wide. Currently labs have been opened in Homagama, Negombo, Kandy, Bandarawela, Embilipitiya, Balangoda, Kahawatta, Avissawella, Kalawana and Weligama.

FINANCIAL STATEMENTS OF THE COMPANY

The Financial Statements of the Company duly certified by the Head of Finance and approved by two Directors in compliance with sections 152, 153 and 163 of the Companies Act No. 07 of

2007 are given from pages 38 to 101 of the Annual Report.

AUDITORS REPORT

External Auditors of the company Messer's B R De Silva & Company, Chartered Accountants performed the audit on the Financial Statements for the year ended 31st March 2021. The Auditors report on the Financial Statement is given on page 33 of the Annual Report as required by Section 168(1) c of the Companies Act No: 07 of 2007.

ACCOUNTING POLICIES

A summary of the significant accounting policies adopted in the preparation of the Financial Statements are given on Page 42 to 70 of the Annual Report as required by Section 168 (1) (d) of the Companies Act No: 07 of 2007. The policies adopted are consistent with those adopted in the previous financial year.

RESULTS AND DIVIDENDS

Gross Revenue

The total revenue of the company for the year ended 31st March 2021 was Rs 700,337,221/-.

Profit and Appropriation

The profit before income tax of the Company for the year ended 31st March 2021 was Rs. 5,801,074/- and the profit after the tax for the year ended 31st March 2021 was Rs. 2,299,121/-. The details of profit/(loss) relating to the Company is given on page 38 to this report.

Dividend on Ordinary Shares

The Directors have not recommended any dividend for the financial year ended 31st March 2021.

Provision for Taxation

Income Tax for 2020/21 has been provided on taxable income arising from the operations of the Company and has been disclosed in accordance with Sri Lanka Accounting Standards.

Information on Income Tax expenses and Deferred Taxes is given in the Notes to the Financial Statements in page 72 and 83 of this Annual Report.

Reserves

The Company's total reserves as at 31st March 2021 amounted to Rs. 108,332,429. The movement of the reserves are given on Page 40 under the Statement of Changes in Equity.

PPE, Investments Properties, Leasehold Properties and Intangible Assets

Details of capital expenditure incurred on Property Plant and Equipment are given in the Notes to the Financial Statements from Page 73 to 78

List of Directors

Names of the persons who held office as Directors of the Company as at 31st March 2021 and the names of the persons who ceased to hold office as Directors of the Company at any time during the year 2020/2021, as required by Section 168 (I) (h) of the Companies Act No: 07 of 2007 are given below:

Mr. A M Weerasinghe
Chairman

Mr. A M D H Navinda Weerasinghe
Managing Director

Mr. A M L Maduranga Weerasinghe
Director

Mr. H M A B Weerasekera
Independent Non-Executive Director

Mr. U B H J Kithsiri
Independent Non-Executive Director

Mr. A M A Cader
Independent Non-Executive Director

Dr. H S Jayasinghe
Independent Non-Executive Director

Mr. A M Piyumal Navanjana Weerasinghe
Non-Independent Non-Executive Director
(Appointed on 22nd March 2021)

Mr. D Tharindu Gooneratne
Independent Non-Executive Director
(Appointed on 22nd March 2021)

Election and Re- Election of Directors

In accordance with the Article No. 82 of the Articles of Association of the Company, Mr. H M A B Weerasekera and Mr. U B H J Kithsiri come up for re-election and the Board unanimously recommended their re-election.

In accordance with Article No.89 of the Articles of Association of the company, Mr. A M P N Weerasinghe and Mr. D T Gooneratne, who were appointed since the last meeting, come up for election and the Board unanimously recommended their election.

Amendment to Articles of Association

The Directors propose to amend the Articles of Association in order to facilitate the holding of virtual meetings. Special Resolutions are included in the notice of meeting for this purpose.

Disclosures of Directors Dealings in Shares

	No of Shares as at 31st March	
	2021	2020
Mr. A M Weerasinghe	372,697,415	330,425,885
Mr. A M H D N Weerasinghe	10	10
Dr. H S Jayasinghe	50,000	50,000

Remuneration and Other Benefits

Directors' remuneration and other benefits in respect of the Company for the financial year 31st March 2021 disclosed on Page 71 of this Annual Report.

Related Party Transaction

The Directors confirm that Section 09 of the CSE Listing Rules and the Code of Best Practices on Related Party Transactions issued by Securities and Exchange Commission of Sri Lanka pertaining to Related Party Transactions have been complied with by company.

STATED CAPITAL

The stated capital of the company as at 31st March 2021 was Rs. 375,000,000/-. Details of the stated capital are given in Note 17 to the Financial Statement on Page 80 to the Annual Report.

SHARE INFORMATION

Details of share related information are given on page 104 of this Annual Report.

PUBLIC HOLDING OF SHARE IN THE COMPANY

The public shareholding as at 31st March 2021 was 13.51%.

SUBSTANTIAL SHAREHOLDING

The Twenty Largest shareholders of the Company as at 31st March 2021 are indicated on page 104 of this Annual Report.

EQUITABLE TREATMENT TO SHAREHOLDERS

The Company has at all times ensured that all shareholders are treated equitably.

CORPORATE DONATIONS

During the year Company made donations to charity amounting to Rs. 80,690/-. The information given above on donations is as required by the Section 168 (I) (g) of the Companies Act No. 07 of 2007.

ENVIRONMENTAL PROTECTION

The Company have not, to the best of their knowledge engaged in any activity, which was detrimental to the environment.

STATUTORY PAYMENTS

The Directors, to the best of their knowledge and belief are satisfied that all statutory payments due to the Government and in relation to employees have been made to date.

EVENTS AFTER THE REPORTING PERIOD

There have been no material events accruing after the reporting date that would require adjustment to or disclosure in the Financial Statement other than disclosed on page 89 to this Annual Report.

GOING CONCERN

The Directors have made an assessment of the Company's ability to continue as a going concern and they certified that the company has adequate resources to

continue its operations in the foreseeable future. Therefore, these financial statements are prepared on going concern basis.

RISK MANAGEMENT AND SYSTEM OF INTERNAL CONTROL**Risk Management**

Specific steps that have been taken by the Company are detailed from page 95 to 101 of this Annual Report.

System of Internal Control

The Board of Directors has established an effective and comprehensive system of Internal Control to ensure that proper controls are in place to safeguard the assets of the company to detect and prevent fraud and irregularities to ensure that proper records are maintained and Financial Accounts are prepared, giving the management relevant, reliable and up to date Financial Statements and key performances indicators.

The Audit Committee reviews on a regular basis, the reports, policies and procedures to ensure that a comprehensive internal control framework is in place. More details in this regards can be seen from Page 31 to 32 of this Annual Report.

The Board has conducted a review of the controls covering financial, operational and compliance and risk management and have obtained reasonable assurance of their effectiveness and successful adherence there with for the period up to the date of signing the Financial Statements.

AUDIT COMMITTEE

The composition of the Audit Committee and their Report is given from Page 31 to 32 of this Annual Report.

RELATED PARTY TRANSACTION REVIEW COMMITTEE

As per Section 9 of the Listing Rules and the Circular No. 01/2016 of the Colombo Stock Exchange, the Company has formed a Related Party Transaction Review Committee and the committee comprises the following members:

Mr. A.M.A. Cader	- Chairman
Mr. A.M. Weerasingh	- Member
Mr. U B H J Kithsiri	- Member
Mr. H.M.A.B. Weerasekera	- Member

REMUNERATION COMMITTEE

The Remuneration Committee comprises the following members:

Mr. H.M.A.B. Weerasekera	- Chairman
Mr. A.M.A. Cader	- Member
Mr. U B H J Kithsiri	- Member

The Committee reviews and revises the company's recruitments, promotions, remuneration packages, annual increments, bonuses and incentive plans.

The Committee also review information related to executive compensation to ensure that it is in par with market/industry rates.

Determining the compensation and benefits of the key Management Personnel and establishing performance parameters in setting individual goals and targets. The attendance of members at the meetings held is given below.

<i>Name of the Member</i>	<i>Attendance</i>
Mr. H.M.A.B. Weerasekera	1/1
Mr. A.M.A. Cader	1/1
Mr. U B H J Kithsiri	1/1

CORPORATE GOVERNANCE

The Company is committed to high standards of Corporate Governance. The main Corporate Governance practice are set out page 21 of this Annual Report. The Directors acknowledge their responsibility for the company's corporate governance and the system of internal control.

OPERATIONAL EXCELLENCE

To increase efficiency and reduce operating cost, the company has ongoing initiatives to drive policy standardization and to optimize the use of existing technology platform.

APPOINTMENT OF EXTERNAL AUDITORS

The Financial Statements for the year have been audited by Messers B R & De Silva Company. Chartered Accountants, who offer themselves

for re-appointment. A resolution to re-appoint them as Auditors and authorise the Directors to fix their remuneration will be proposed at the Annual General Meeting.

AUDITOR'S REMUNERTAIION AND INTEREST IN CONTRACTS WITH THE COMPANY

The Company Audit Fees paid for the year 2020/2021 amounted to Rs. 600,000/-. Apart from that, the Company has engaged Messers. B.R. De Silva & Company, the External Auditors to advise on taxation and accounting matters for the year under consideration. As far as the Directors are aware, the Auditors do not have any other relationship or interest in contracts with the Company.

ANNUAL GENERAL MEETING

The 2020/21 Annual General Meeting of the Company will be held on 17th July 2021 at Singhe Hospitals PLC, Ratnapura at 10.00 A.M.

NOTICE OF MEETING

Notice of Annual General Meeting is published on page number 105 of the report.

ACKNOWLEDGEMENT OF THE CONTENTNS OF THE REPORT

As required by Section 168 (1) (k) of the Companies Act No: 07 of 2007 the Board of Directors hereby acknowledge the contents of this Report.

Sgd.

Director

Sgd.

Director

Sgd.

Nexia Coporate Consultants (Pvt) Ltd.
Secretaries

14th June, 2021

Statement of Directors' Responsibility

The following statement which should be Tread in conjunction with the Auditor's statement of responsibilities has been made with a view to distinguishing between the respective responsibilities of the Directors and the Auditors in relation to the financial statements.

Section 150, 152 (1) and 153 (1) of the Companies Act No. 07 of 2007 require that the Directors prepare the financial statements and circulate it among the shareholders. These financial statements comprise a Statement of Comprehensive Income, which presents a true and fair view of the profit or loss of the Company for its financial year as well as a Statement of Financial Position, which presents a true and fair view of the state of affairs of the Company as at the end of its financial year.

As the Directors are satisfied that the Company has adequate resources to continue in business for the foreseeable future, the financial statements continue to be prepared on a 'going concern' basis.

In preparing the financial statements as the Directors consider that the Company has used appropriate accounting policies that have been applied consistently and supported by reasonable and prudent judgment and estimates, while all accounting standards considered to be applicable and relevant have been followed.

The Directors are responsible for ensuring that the Company maintains accounting records which disclose with reasonable accuracy, the financial position of the Company while complying with the provisions of the Companies Act No. 07 of 2007.

The Directors have a general responsibility to take reasonable steps in safeguarding the assets of the Company, provide proper consideration towards the establishment of appropriate internal control systems with a view to

detecting and preventing frauds and other irregularities.

Compliance Report

The Directors confirm to the best of their knowledge that all taxes, duties, and levies payable by the Company, all contributions, levies and taxes payable on behalf of and in respect of the employees of the Company, all other known statutory dues which were due and payable by the Company as at the reporting date have been paid or where relevant provided for in arriving at the financial results for the year under review.

By order of the Board

Sgd.

Nexia Corporate Consultants (Pvt) Ltd,
Secretaries

14th June, 2021

The Board of Directors of Singhe Hospitals PLC adopted the Code of Best Practices on related party transactions issued by the Colombo Stock Exchange Commission (CSE) and established the Related Party Transactions Review Committee (RPTRC) on 28th May 2016.

As at the date of this report, the Committee of Singhe Hospitals PLC consists of four (04) Directors. The members of the Committee during the year were.

Mr. A M A Cader - Chairman
Mr. A M Weerasinghe - Member
Mr. H M A B Weerasekera - Member
Mr. U B H J Kithsiri - Member

Nexia Corporate Consultants (Pvt) Ltd, the Company Secretaries of the Company functions as the Secretary to the Committee. The Finance Manager of the Company attends to meetings by invitation.

The objective of the Committee is to exercise oversight on behalf of the Board of Directors by ensuring that all Related Party Transactions (RPT) of Singhe Hospitals PLC, together with the required disclosures are in compliance with Section 9 of the Colombo Stock Exchange (CSE) listing rules and made in a timely manner.

The responsibility of the Committee is to ensure that the interests of shareholders are collectively taken into account by the Company when entering into a RPT.

Accordingly, the Committee developed and recommended an RPT policy for adoption by the Board of Directors of Singhe Hospitals PLC. This policy which is consistent with the operating model and the delegated decision-making rights of the Singhe Hospitals PLC set out the following guidelines among others:

- Definition and establishment of threshold values for every RPT.
- Established and differentiated between RPTs which have to be pre-approved by the Board, requiring immediate market disclosure, requiring shareholder approval, and requiring disclosure in the Annual Report.

- Established principles that determine the RPTs requiring pre-approval of the Board and those that do not require prior Board approval, which can be reviewed retrospectively.
- Established a process to identify recurring RPTs.
- The introduction of a standard document to be used by the Company when presenting RPT information to the Committee.

Based on the criteria established for identifying and reporting RPTs for the year under review the RPT Review Committee:

- Identified the existing RPTs as per the rules set out under Section 9 of the CSE listing rules.
- Submitted Agreements / Memorandums of Understanding already entered into with related parties to the Board for their information and approval.
- Communicated the minutes of the RPT Review Committee Meeting to the Board, together with other relevant documents.

Conduct of Meetings

The Committee held four meetings during the financial year ended 31st March 2021. The attendance of the respective committee member is tabulated below.

<i>Name of the Member</i>	<i>Attendance</i>
Mr. A M A Cader - Chairman	4/4
Mr. A M Weerasinghe - Member	4/4
Mr. H M A B Weerasekera - Member	4/4
Mr. U B H J Kithsiri - Member	4/4

Sgd.

A M A Cader
 Chairman,
 Related Party Transactions Review Committee
 14th June 2021

Audit Committee Report

Composition of the Audit Committee

The Audit Committee, appointed by the Board of Directors of Singhe Hospitals PLC, comprises of three Independent Non-Executive Directors and is chaired by Mr. U B H Jayalath Kithsiri, who is an Associate Member of the Institute of Chartered Accountants of Sri Lanka. The members of the Board appointed Audit Committee are;

Mr. U B H Jayalath Kithsiri

Chairman of the Committee Non-Executive Independent Director

Mr. H M A B Weerasekera

Non-Executive Independent Director

Mr. A M A Cader

Non-Executive Independent Director

The profile of each member is set out on page 14 to 15 of this Annual Report.

Conduct of Meeting

The committee held four meetings during the financial year ended 31 March 2021. The Chairman, Managing Director, Executive Director, Head of Finance, Accountant, Manager IT, Manager HR and External Auditors also attended these meetings by invitation. The proceedings of these meetings with adequate details of matters are regularly reported to the Board of Directors. The attendance of members at the meetings held is given below.

<i>Directors</i>	<i>Attendance</i>
Mr. U B H Jayalath Kithsiri	4/4
Mr. H M A B Weerasekera	4/4
Mr. A M A Cader	4/4

Objective and Role

The Audit Committee is empowered to examine the financial reporting process and to review the adequacy of the internal controls established by the management, disclosure of Accounting policies, compliance with Sri Lanka Accounting Standards, compliance with statutory laws and corporate governance, the Internal Auditors reports,

External Auditors Management reports, the respective internal and external audit programme, Companies Act and rules and regulations of CSE and SEC.

The Audit Committee reviewed and discussed in detail, the quarterly Internal Audit Reports submitted by the Internal Auditors. The Internal Audit reports for these months covered all the areas of operations of the Company and were extensively documented. The observations detailed in the Internal Audit Reports together with their recommendations were discussed at the meetings with the Internal Auditors. They also reported to the Audit Committee the status of the implementation of their recommendations and consequently action was taken by the management to ensure that they are effectively carried out by the respective departmental heads of the Company. The Audit Committee is of the view that adequate internal controls and procedures have been established by the management to ensure the effectiveness of the operations of the Company and to safeguard its assets. The Internal Auditors submitted the Internal Audit Plan, to the Audit Committee and after a detailed review and discussion; the Internal Audit Plan was approved by the Audit Committee.

The Audit Committee reviewed the quarterly financial statements submitted to the Colombo Stock Exchange, prior to these statements being submitted to the Board of Directors for their approval.

Purpose of the Audit Committee

- I. Overseeing of the Company's financial reporting process and the disclosure of its financial information to ensure that the Financial Statements are correct, sufficient and credible.
- II. Reviewing, with the management, the Annual Financial Statements before submission to the Board for approval.
- III. Reviewing, with the management, the quarterly Financial Statements before submission to the Board for approval.
- IV. Reviewing, with the management,

performance of statutory and Internal Auditors and the adequacy of the internal control systems.

- V. Reviewing the adequacy of internal audit function, including the structure of the Internal Audit Department, staffing, and seniority of the official heading the department, reporting structure coverage and frequency.
- VI. Recommending to the Board, the appointment, re-appointment and, if required the replacement or removal of the Statutory Auditor and the fixing of audit fees.
- VII. Reviewing the independence and performance of the External Auditors.

consideration has been given to the nature of the services provided by the External Auditors and the level of an audit and non-audit fee received by them. The Audit Committee reviewed the performance of the External Auditors and recommended to the Board the re-appointment of Messrs B. R. De Silva, Chartered Accountants as the External Auditors of the company for the ensuing financial year, subject to the approval of the Shareholders at the Annual General Meeting.

U B H Jayalath Kithsiri

Chairman Audit Committee

14th June 2021

Internal Audit and Inspection

Messers Ernest & Young carries out the inspection of the company with the concurrence of the Board. The Audit Committee closely monitors the internal Audit and inspection function.

During the year, the Audit Committee reviewed the performance of the internal audit function, the findings of the audits completed which covered the head-office (Hospital), Out Laboratory reference to the internal controls, and the Department's resource requirements including succession planning. The Internal Audit Plan was also reviewed and approved by the committee and follow up actions were monitored regularly.

External Auditor

The committee meets the external Auditor and monitors their independence and performance. The external Auditors reports with management responses for the year under review were tabled at the Audit Committee Meeting.

The Committee is satisfied that the independence of the External Auditors had not been impaired by any event or service that give rise to a conflict of interest. Due

B.R.DE SILVA & CO.
Chartered Accountants



INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF SINGHE HOSPITALS PLC

Report on the Audit of the Financial Statements

Opinion

We have audited the Financial Statements of Singhe Hospitals PLC, which comprise the Statement of Financial Position as at 31st March 2021, and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the Financial Statements, including a summary of significant accounting policies and other explanatory notes.

In our opinion, the Financial Statements of the Company give a True and Fair view of, the Financial Position of the Company as at 31st March 2021, and of its Financial Performance and its Cash Flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Basis of Opinion

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

Key Audit Matters

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

Partners - N.S.C. De Silva FCA, FCMA(UK), L.C. Piyasena FCA, L.L.S. Wickramasinghe FCA,
F.S.N. Marikkar FCA, S.M.S.S. Bandara MBA, FCA, D.S. De Silva LLB, Attorney-at-Law
ACA, ACMA(UK)

Partner (Kandy) W.L.L. Perera FCA

22/4,
Vijaya Kumaranatunga Mw.,
Colombo 05.
Telephone : 0112 513 420-22
Fax : 0114 512 404

E-mail : brds@eureka.lk
www.brdesilva.com

Key Audit Matter	How the matter was Addressed
<p>1. <u>Recognition of Revenue</u></p> <p>Revenue of the Company is earned through the provision of the healthcare services and selling pharmaceuticals. During the year under review the company has earned a revenue of Rs. 700,337,221.</p> <p>Revenue is considered as a key audit matter due to significance of the total value, the number of transactions, judgement involved in the timing of recognition of revenue.</p> <p>Further revenue streams are captured and invoiced through the Hospital Management Software which is not fully integrated with the transaction recording modules.</p>	<ul style="list-style-type: none"> • Our audit procedures in relation to revenue recognition included both tests of controls as well as substantive procedures. • Our testing of the company's manual and automated controls focused on controls around the timely & accurate recording of sales transactions. • We reviewed the company's accounting policies in respect of revenue recognition and found them to be in compliance with Sri Lanka Accounting Standards. • We performed analytical review procedures to assess whether the recognized revenue was in line with the expected level. • Checked a sample of invoices raised to patients, to ensure revenue is recognized and measured in accordance with the contractual terms of the contracts and the Company's accounting policies. • Discussed with management regarding the contractual arrangements where consultant medical personnel are involved, and tested the appropriateness of the recognition of revenue on a gross or net basis. • Carried out substantive test in respect of cut off at the end of the year. • Assessed the adequacy of the disclosures in the financial statements.

Other Information

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

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

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Sri Lanka Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error. In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to Going Concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

We also:

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those Charged with Governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current year and are therefore the Key Audit Matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

CA Sri Lanka membership number of the engagement partner responsible for signing the independent auditor's report is 2972.



B. R. DE SILVA & CO.

Chartered Accountants
Colombo 05.



Date 14th June, 2021

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST MARCH, 2021**

	<u>Note</u>	<u>Rs.</u>	<u>2020</u> <u>Rs.</u>
Revenue	(3)	700,337,221	671,631,168
Cost of Sales		<u>(269,161,946)</u>	<u>(268,450,411)</u>
Gross Profit		431,175,275	403,180,757
Other Income	(4)	173,353	2,019,959
Administration Expenses		(365,468,585)	(346,252,921)
Selling & Distribution Expenses		(31,295,355)	(37,720,287)
Profit from Operating Activities		<u>34,584,688</u>	<u>21,227,508</u>
Finance Costs	(5)	<u>(28,783,614)</u>	<u>(40,073,569)</u>
Profit/(Loss) Before Taxation	(6)	5,801,074	(18,846,061)
Income Tax Expense	(7)	<u>(3,501,953)</u>	<u>13,096,300</u>
Profit/(Loss) For the Year		2,299,121	(5,749,761)
<u>Items That Will Not be Reclassified to Profit or Loss</u>			
Actuarial Gain/(Loss) from Valuation of Defined Benefit Plans		348,822	(918,621)
Gain on Revaluation of Property Plant & Equipment		9,436,533	-
Deferred Tax Impact on Revaluation Gain		(1,321,115)	-
Deferred Tax Impact on Defined Benefit Plan Actuarial Gain/(Loss)		(48,835)	183,724
Deferred Tax Charge on Revaluation Due to Change in Income Tax Rate		(7,049,292)	-
Other comprehensive Income for the Year		<u>1,366,113</u>	<u>(734,897)</u>
Total Comprehensive Income/(Loss) for the Year		<u><u>3,665,234</u></u>	<u><u>(6,484,658)</u></u>
Basic Earnings/(Loss) Per Share	(8.1)	<u><u>0.01</u></u>	<u><u>(0.01)</u></u>

The Notes to the Financial Statements in pages (42) to (101) form an integral part of these Financial Statements.

STATEMENT OF FINANCIAL POSITION
AS AT 31ST MARCH, 2021

	<i>Note</i>	<i>Rs.</i>	<i>2020</i> <i>Rs.</i>
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	(9)	739,616,377	755,820,381
Right of Use of Assets	(10)	55,872,538	62,151,151
Intangible Assets	(11)	7,815,277	6,661,481
		<u>803,304,192</u>	<u>824,633,013</u>
Current Assets			
Inventories	(12)	67,886,274	48,596,008
Trade and Other Receivables	(13)	49,460,387	38,536,609
Financial Investment	(14)	18,405	13,350
Income Tax	(15)	3,554,985	7,741,514
Cash and Cash Equivalents	(16)	27,809,044	15,268,834
		<u>148,729,095</u>	<u>110,156,315</u>
Total Assets		<u>952,033,289</u>	<u>934,789,328</u>
EQUITY AND LIABILITIES			
Capital and Reserves			
Stated Capital	(17)	375,000,000	375,000,000
Reserves	(18)	108,332,429	106,966,316
Retained Earnings		(6,821,476)	(9,120,597)
Total Equity		<u>476,510,953</u>	<u>472,845,719</u>
Non-Current Liabilities			
Retirement Benefit Obligations	(19)	10,410,768	8,520,868
Interest Bearing Borrowings	(20)	206,905,829	165,066,419
Lease liability	(10.1)	35,865,223	35,182,886
Deferred Tax	(21)	75,476,229	64,584,238
		<u>328,658,049</u>	<u>273,354,411</u>
Current Liabilities			
Bank Overdrafts	(22)	70,758,909	86,568,710
Trade and Other Payables	(23)	24,464,896	26,054,581
Interest Bearing Borrowings	(20)	34,859,078	28,259,078
Lease liability	(10.1)	15,109,293	23,302,114
Amounts Due to Related Parties	(24)	1,672,111	24,404,715
		<u>146,864,287</u>	<u>188,589,198</u>
Total Equity and Liabilities		<u>952,033,289</u>	<u>934,789,328</u>

These Financial Statements are prepared in compliance with the requirements of the Companies Act No.07 of 2007.



Mr. Asanka De Silva
Finance Manager

The Board of Directors is responsible for the preparation and presentation of these Financial Statements.
Signed for and on behalf of the Board by,



Mr. A M D H Navinda Weerasinghe
Managing Director



Mr. A M L Maduranga Weerasinghe
Director

The Notes to the Financial Statements in pages (42) to (101) form an integral part of these Financial Statements.

14th June, 2021
Rathnapura

SINGHE HOSPITALS PLC**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST MARCH, 2021**

	<u>Stated Capital</u>	<u>Revaluation Reserve</u>	<u>Gain/(Loss) on Defined Benefit Plan</u>	<u>Retained Earnings</u>	<u>Total</u>
	Rs.	Rs.	Rs.	Rs.	Rs.
Balance as at 01st April, 2019	914,351,790	105,176,755	2,524,458	(542,722,626)	479,330,377
Reduction of Stated Capital	(539,351,790)	-	-	539,351,790	-
Loss for the Year	-	-	-	(5,749,761)	(5,749,761)
Other Comprehensive Income	-	-	(918,621)	-	(918,621)
Deferred Tax Impact on Actuarial Gain/(Loss)	-	-	183,724	-	183,724
Balance as at 31st March, 2020	<u>375,000,000</u>	<u>105,176,755</u>	<u>1,789,561</u>	<u>(9,120,597)</u>	<u>472,845,719</u>
Balance as at 01st April, 2020	375,000,000	105,176,755	1,789,561	(9,120,597)	472,845,719
Profit for the Year	-	-	-	2,299,121	2,299,121
Other Comprehensive Income	-	9,436,533	348,822	-	9,785,355
Deferred Tax Impact on Actuarial Gain/(Loss)	-	-	(48,835)	-	(48,835)
Deferred Tax on Revaluation	-	(1,321,115)	-	-	(1,321,115)
Deferred Tax Charge on Revaluation due to Change in Income Tax Rate	-	(7,049,292)	-	-	(7,049,292)
Balance as at 31st March, 2021	<u><u>375,000,000</u></u>	<u><u>106,242,881</u></u>	<u><u>2,089,548</u></u>	<u><u>(6,821,476)</u></u>	<u><u>476,510,953</u></u>

The Notes to the Financial Statements in pages (42) to (101) form an integral part of these Financial Statements.

STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 31ST MARCH, 2021

	<u>Note</u>	Rs.	2020 Rs.
<u>Cash Flow from/(Used in) Operating Activities</u>			
Profit/(Loss) Before Income Tax Expenses	(6)	5,801,074	(18,846,061)
<u>Adjustments for :</u>			
Depreciation	(9.2-10)	69,391,705	71,838,025
Intangible Assets Amortisation	(11)	1,191,204	987,395
Interest Income	(4)	(16,369)	(590,087)
Other Income		-	(875,010)
Finance Cost	(5)	28,783,614	40,073,569
ESC Write Off	(15)	3,157,326	-
Provision for Retirement Benefit Obligations	(19.2)	3,207,789	2,453,651
		<hr/>	<hr/>
Operating Profit/(Loss) before Working Capital Changes		111,516,343	95,041,482
<u>Changes in Working Capital</u>			
(Increase)/ Decrease in Inventories		(19,290,266)	(9,227,647)
(Increase)/ Decrease in Trade & Other Receivables		(10,410,581)	(10,852,239)
Increase/ (Decrease) in Trade & Other Payables		(2,905,027)	8,039,389
Increase/ (Decrease) in Related Parties		(22,732,612)	-
		<hr/>	<hr/>
Cash Generated from/(Used in) Operating Activities		56,177,858	83,000,983
Finance Cost Paid	(5)	(27,981,470)	(34,861,531)
Defined Benefit Plan Costs Paid	(19.1)	(969,067)	(1,171,630)
Income Tax Paid		-	(3,385,904)
		<hr/>	<hr/>
Net Cash Generated from/(Used in) Operating Activities		27,227,321	43,581,918
<u>Cash Flows from/(Used in) Investing Activities</u>			
Acquisition of Property, Plant & Equipment	(9.1)	(20,966,514)	(35,347,306)
Acquisition of Right of Use of Assets	(10)	(11,684,324)	-
Down Payment Made for Right of Use of Assets		-	(4,499,113)
Acquisition of Capital Work in Progress	(9.4)	(4,821,716)	(2,347,225)
Acquisition of Intangible Assets	(11.1)	(2,345,000)	(1,590,000)
Fair Value (Gain)/Loss on Quoted Investments	(4)	(5,055)	1,220
Income from Investments - Interest Received	(4)	16,369	590,087
		<hr/>	<hr/>
Net Cash Generated from/(Used in) Investing Activities		(39,806,240)	(43,192,337)
<u>Cash Generated from/(Used in) Financing Activities</u>			
Proceeds from Interest Bearing Borrowings		48,439,407	6,790,000
Repayments from Interest Bearing Borrowings		-	(29,034,503)
Proceeds from Leases	(10.1)	15,098,826	-
Repayments of Leases Liability	(10.1)	(22,609,310)	(22,375,139)
Related Party Advances Received - Mr A M Weerasinghe		-	10,350,000
		<hr/>	<hr/>
Net Cash Generated from/(Used in) Financing Activities		40,928,923	(34,269,642)
Net Increase/ Decrease in Cash and Cash Equivalents		28,350,003	(33,880,061)
Cash and Cash Equivalents at the Beginning of the Year		(71,299,876)	(37,419,815)
		<hr/>	<hr/>
Cash and Cash Equivalents at the End of the Year		(42,949,875)	(71,299,876)
<u>Analysis of Cash and Cash Equivalents</u>			
Cash at Bank	(16)	6,670,191	2,128,964
Bank Overdrafts	(22)	(70,758,909)	(86,568,710)
Cash in Hand	(16)	21,138,853	13,139,870
		<hr/>	<hr/>
Cash and Cash Equivalents at the End of the Year		(42,949,875)	(71,299,876)

The notes to the Financial Statements in pages (42) to (101) form an integral part of these Financial Statements.
 Figures in brackets indicate deductions.

SINGHE HOSPITALS PLC**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021****1. GENERAL INFORMATION - REPORTING ENTITY****1.1. Legal Form**

Singhe Hospitals PLC (the Company) is a quoted public company with limited liability incorporated in Sri Lanka under the provisions of Companies Act No. 07 of 2007. Its registered office and principal place of business are located at No: 362, Colombo Road, Rathnapura.

1.2. Total Number of Employees

<i>Total Number of Employees</i>	<i>2020-21</i>	<i>2019-20</i>
Company	474	419

1.3. Principal Activities and Nature of Operations

The principal activities of the company, are maintaining of the Hospital by providing laboratory services and other healthcare related services. There were no significant changes in the nature of principal activities during the reporting year.

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**2.1. Basis of Preparation of Financial Statements and Statement of Compliance****2.1.1. Statement of Compliance**

The Financial Statements of the Company comprise the Statement of Profit or Loss and Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and together with the Notes to the Financial Statements.

These Financial Statements of the company have been prepared as per the Sri Lanka Accounting Standard comprising SLFRS/LKAS (hereinafter SLFRS) as issued by the Institute of Chartered Accountants in Sri Lanka and the requirements of Companies Act No. 07 of 2007.

2.1.2. Responsibility for Financial Statements

The Board of Directors of the Company is responsible for the preparation and presentation of the Financial Statements of the Company as per the provisions of the Companies Act No. 07 of 2007 and Sri Lanka Accounting Standards. The Board of Directors acknowledges their responsibility for Financial Statements as set out in the Annual Report of the Board of Directors, Statement of Directors' Responsibility, and the certification on the Statement of Financial Position.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021**2.1.3. Basis of Measurement**

The Financial Statements have been prepared on the historical cost basis and applied consistently with no adjustments being made for inflationary factors affecting the Financial Statements, except for the following material items in the Statement of Financial Position:

- Land and buildings, Motor Vehicles and Investment property are measured at fair value.
- Non-derivative financial instruments classified as “Loans and Receivables” and “Other Financial Liabilities” measured at amortized cost.
- Defined Benefit Obligations are measured at its present value, based on actuarial valuation as explained in Note 19.

The Financial Statements have been prepared on the basis that the Company would continue as a going concern for the foreseeable future.

2.1.4. Going Concern

1. The Company has recorded continuous losses from 2012/13 to 2019/20. The Accumulated Loss of Rs 9,120,597 as at the date of 31st March 2020. The company incurred a net profit of Rs 2,299,121 during the year ended 31st March 2021, the company's current assets exceeded its current liabilities by Rs. 1,864,817. The management is of the view that the investments made in the expansion of Laboratories will generate profits in the future as expected. The Board of Directors has paid special attention to overcome this situation.

Accordingly, the directors have assessed the Company's ability to continue as a going concern and they certified that the company has adequate resources to continue its operations in the foreseeable future.

Furthermore, the management is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, these financial statements are prepared on the assumption that the Company is a going concern.

- I. The Company has commenced an expansion project of establishing outstation Laboratories with effect from 1st April 2015, under that project, the company has opened Ten laboratories in Homagama, Negombo, Kandy, Embilipitiya, Kahawatta, Avissawella, Balangoda, Bandarawela, Kalawana and Weligama. The directors also have been seriously looking to this and review all product portfolio including outstation labs and main hospital's healthcare services.

SINGHE HOSPITALS PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

2.1.5. Going Concern (Cont'd)

- II. A new business plan has been prepared along with the revenue forecast supported by the revised financial budget. An External Consultant Team has been appointed to facilitate this Business Plan.
- III. The Chairman of the Company, Mr. A. M. Weerasinghe has given his consent to provide external funds to the company as and when the company needs external fund requirements.

2.1.6. Functional Currency and Presentation Currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (‘the functional currency’). The Financial Statements are presented in Sri Lankan Rupees, which is the Company’s functional and presentation currency. All financial information presented in Rupees has been rounded to the nearest Rupee.

2.1.7. Materiality and Aggregation

Each material class of similar items are presented separately in the Financial Statements. Items of dissimilar nature or functions are presented separately, unless they are immaterial as permitted by the LKAS 01 on “Presentation of Financial Statements”.

2.1.8. Comparative Information

The Financial Statements for the Comparative periods comprise results for the 12-months from 01st April 2019 to 31st March 2020. In this circumstance, the comparative information for the Statement of Financial Position, Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows and related notes are comparable with the current reporting period.

The previous year figures and phrases have been rearranged whenever necessary to confirm to the current year’s presentation.

2.1.9. Significant Accounting Judgments, Estimates and Assumptions

The presentation of Financial Statements in conformity with SLFRS/LKAS requires management to make judgments, estimates and assumptions that affect the application of Accounting Policies and reported amounts of assets, liabilities income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised on any future periods affected.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the Financial Statements is included in the under mentioned notes:

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021

Significant Accounting Judgments, Estimates and Assumptions (Cont'd)

a) **Assessment of Impairment - Key Assumptions Used in Discounted Cash Flow Projections**

The Company assesses at each reporting date whether there is an objective evidence that an asset or portfolio of asset is impaired. The recoverable amount of an asset or Cash Generating Unit (CGU) is the greater of its Value in Use (VIU) and its Fair Value (FV) less cost to sell. In assessing value in use, the estimated future cash flows are discounted to present value using appropriate discount rates that reflect the current market assessment of the time value of money and risks to specific to the asset.

b) **Useful Lifetime of the Property, Plant & Equipment**

The Company reviews the residual values, useful lives and method of depreciation of Property, Plant and Equipment at each reporting date. The judgment of the management is exercised in the estimation of these values, rates, methods and hence they are subject to uncertainty.

c) **Deferred Taxation - Utilization of Tax Losses**

Deferred tax assets are recognized for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the level of future taxable profits together with future tax planning strategies.

d) **Defined Benefit Plans**

The assessment of the present value of the defined benefit obligations involves a significant element of assumptions; including discount rates, future salary escalations, mortality rates and future pension increases and due to the long term nature of these plans, such estimations are subject to uncertainty.

e) **Current Taxation**

Current tax liabilities are provided for in the Financial Statements applying the relevant tax statutes and regulations, which the management believes reflect the actual liability.

2.2. Significant Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these Financial Statements by the Company unless otherwise indicated.

SINGHE HOSPITALS PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

2.2.1. Foreign Currency Translation

The Financial Statements of the Company are presented in Sri Lankan Rupees, which is the functional and presentation currency of the Company. Recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange prevailing at the date of Statement of Financial Position.

Non-monetary items that are measured in terms of historical cost in foreign currency are translated using the prevailing exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value denominated in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Foreign Currency differences arising on retranslation are generally recognized in profit or loss.

2.3 Valuation of Assets and their Measurement Bases

2.3.1 Inventories

Inventories are valued at the lower of cost and net realizable value, after making due allowances for obsolete and slow moving items. Net realizable value is the price at which inventories can be sold in the ordinary course of business less the estimated cost of completion and the estimated cost necessary to make the sale.

The cost of inventories is based on at actual cost. The costs incurred in bringing inventories to their present location and condition are accounted for as follows,

Pharmacy and Surgical	- At actual cost
General	- At actual cost

Net realizable value is the estimated price at which inventories can be sold in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

2.3.2 Cash and Cash Equivalents

Cash and Cash Equivalents are defined as cash in hand, demand deposits and short term highly liquid investments ready convertible to known amounts of cash and subject to an insignificant risk of changes in value.

For the purpose of cash flow statement, cash and cash equivalents consist of cash in hand and deposits in banks net of outstanding bank overdrafts that are repayable on demand and form an integral part of the company's cash management.

Investment with short term maturities i.e. three months or less from the date of acquisitions is also treated as cash equivalents.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021****2.3.2 Cash and Cash Equivalents (Cont'd)****Statement of Cash Flows**

The Statement of Cash Flows has been prepared using the 'indirect method'. Interests paid are classified as operating cash flows while interests received are classified as investing cash flows for the purpose of presentation of Cash Flow Statement.

For the purpose of Cash Flow Statement, Cash & Cash Equivalents consist of cash at bank and in hand and short term deposits net of outstanding bank overdrafts.

2.3.3. Property, Plant & Equipment**Recognition and Measurement**

Items of property, plant and equipment other than land and buildings and motor vehicles, are measured at cost less accumulated depreciation and accumulated impairment losses.

The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to working condition for its intended use. The cost of self-constructed assets includes the cost of materials, direct labor and any other costs directly attributable to bringing the asset to the working condition for its intended use, and borrowing costs if the recognition criteria are met.

Such cost includes the cost of replacing component parts of the Property, Plant and equipment and borrowing costs for long term construction projects if the recognition criteria are met. When significant parts of the property plant and equipment are required to be replaced at intervals, the company derecognizes the replaced part, and recognizes the new part with its own associated useful life and depreciation. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied.

All other repair and maintenance costs are recognized in the statement of comprehensive income as incurred. The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

All items of property, plant and equipment are recognized initially at cost.

Land and buildings and motor vehicles are measured at fair value less accumulated depreciation on building and impairment losses recognized after the date of the revaluation. Valuations are performed with sufficient frequency to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. Revaluation of Property, Plant & Equipment are undertaken by professionally qualified valuer.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021

Property, Plant & Equipment – Owned Assets (Cont'd)

Any revaluation surplus is recognized in other comprehensive income and credited to the revaluation surplus in equity in the asset revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognized in the statement Comprehensive Income, in which case the increase is recognized in the statement of Comprehensive Income, except to the extent that it offsets an existing surplus in the same asset recognized in the asset revaluation reserve. Any balance remaining in the revaluation surplus in respect of an asset is transferred directly to retained earnings in retirement or disposal of the assets.

The Company Policy is to revalue its land and building between 3-5 Years thereafter to comply with the requirement of Revaluation Model under the Sri Lanka Accounting Standard 16 – ‘Property, Plant & Equipment’.

Expenditure incurred for the purpose of acquiring, extending or improving assets of a permanent nature by means of which to carry on the business or to increase the earning of the business has been treated as capital expenditure.

The provision for depreciation is calculated by using straight line based on the cost or valuation of all Property, Plant and Equipment other than freehold land, in order to write off such amounts over the following estimated useful lives.

Depreciation

Depreciation is based on the cost of an asset less its residual value. Depreciation is recognized in the income statement on a straight line basis over the estimated useful lives of each component of an item of property, plant and equipment. Depreciation of an asset begins when it is available for use and ceases at the earlier of the date that the asset is classified as held for sale or on the date that the asset is disposed. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term.

The estimated useful lives of property plant and equipment are as follows:

Buildings	02%
Furniture & Fittings	10%
Computer Equipment	25%
Office Equipment	10%
Linen	50%
Computer Software	10%
Elevators	10%
Generator	10%
Tool Equipment	10%
Television	10%
Motor Vehicle	20%
Medical Equipment	10%
Laundry Equipment	10%
Housing Equipment	10%

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021

Depreciation (Cont'd)

Depreciation of an asset begins when it is available for use and ceases at the earlier of the date that the asset is classified as held for sale and the date that the asset is derecognized.

The cost of replacement of components of assets recognized in the carrying amount of property, plant and equipment is depreciated over the balance useful life of the asset. Depreciation methods, useful lives and the residual values are reviewed at each reporting date and adjusted accordingly.

(c) **Restoration Cost**

Expenditure incurred on repairs and maintenance of Property, Plant and Equipment in order to restore or maintain the future economic benefits expected from originally assessed standard of performance, is recognized as an expense when incurred.

(d) **De-Recognition**

The carrying amount of an item of property, plant and equipment is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the de-recognition of an item of property, plant and equipment is included in profit or loss when the item is de-recognized.

2.3.4 Leases

Policy Applicable as of 1 April 2019

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

(a) **The Company as Lessee**

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(b) **The Company as Lessor**

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021****Right of Use Assets**

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term.

Lease Liability

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (less any lease incentives receivable), variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses in the period in which the event or condition that triggers the payment occurs.

Policy Applicable before 1 April 2019**Finance Leases-Where the Company is the Lessee**

Finance leases which transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments.

A Leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shortest of the estimated useful life of the asset and the lease term.

The corresponding principal amount payable to the lessor is shown as a liability, lease payments are apportioned between the finance charges and reduction of the lease liability to achieve a constant rate of interest on the remaining balance of the liability.

The interest payable over the period of the lease is transferred to an interest in a suspense account. The interest element of the rental obligations applicable to each financial year is charged to the Statement of Comprehensive Income over the period of the lease.

2.3.5 Capital Work-In-Progress

The cost of Capital Work in Progress is the cost of purchase or construction together with any related expenses thereon.

Expenditure incurred on Capital Work-In-Progress for permanent nature or for the purpose of increasing the earning capacity of the business has been treated as capital expenditure.

Capital Work-In-Progress is transferred to the respective asset accounts at the time of the first utilization or at the time the asset is commissioned.

2.3.6 Investment Property**Recognition and Measurement**

A property that is held to earn rentals or for capital appreciation or both rather than for use in the production or supply of goods or services or for administrative purposes; or sale in the ordinary course of business, by the Company are accounted for as investment properties.

An investment property is measured initially at its cost. The cost of a purchased investment property comprises of its purchase price and any directly attributable expenditure. The cost of a self-constructed investment property is its cost at the date when the construction or development is complete.

Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the period in which they arise, including the corresponding tax effect. Fair values are determined based on a valuation performed by an accredited external independent valuer.

Subsequent expenditure is capitalized to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognized.

Changes in fair values are recognized in the income statement. Investment properties are derecognized when they have been disposed or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of de-recognition. The amount of consideration to be included in the gain or loss arising from the de-recognition of investment property is determined in accordance with the requirements for determining the transaction price in SLFRS 15.

SINGHE HOSPITALS PLC**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2021****Recognition and measurement (Cont'd)**

If an item of revalued owner-occupied property becomes an investment property because its use has changed, any difference resulting between the carrying amount and the fair value of the item at the date of transfer is treated in the same way as a revaluation under LKAS 16; Property, plant and equipment. Accordingly, the surplus on revaluation is recognized in the statement of comprehensive income to the extent that it reverses a previous impairment loss. Further, any resulting decrease in the carrying amount of the property is initially charged in the statement of comprehensive income against any previously recognized revaluation surplus, with any remaining decrease charged to profit or loss. The effect of depreciation on revalued property is also reversed within the statement of comprehensive income.

2.3.7 Intangible Assets**2.3.8 Initial Recognition and Measurement**

The Company recognizes intangible assets if it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably.

Separately acquired intangible assets are measured on initial recognition at cost. The cost of such separately acquired intangible assets includes the purchase price, import duties, non-refundable purchase taxes and any directly attributable cost of preparing the asset for its intended use.

The cost of intangible assets acquired in a business combination is the fair value of the asset at the date of acquisition.

The cost of an internally generated intangible asset arising from the development phase of an internal project which is capitalized includes all directly attributable costs necessary to create, produce, and prepare the asset to be capable of operating in the manner intended by the Management. Other development expenditure and expenditure on research activities, undertaken with the prospect of gaining new technical knowledge and understanding are expensed in the income statement as and when incurred.

2.3.9 Subsequent Costs

Subsequent expenditure on intangible assets is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates.

2.3.10 Subsequent Measurement

After initial recognition an intangible asset is stated at its costs less any accumulated amortization and any accumulated impairment losses.

The useful economic life of an intangible asset is assessed to be either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic life of the asset. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting date. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the income statement.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level.

The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Intangible assets recognized by the Company

Computer Software

All computer software costs incurred and licensed for use by the Company, which does not form an integral part of related hardware, which can be clearly identified and reliably measured with the probability of leading to future economic benefits, are capitalized under intangible assets.

Hospital Billing Management System's (Intangible Assets) amortization rate – 10% p.a.
Software License – Over four years

2.3.11 SLFRS 9 -Financial Instruments

Recognition and Initial Measurement

Trade receivables are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

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

Classification and Subsequent Measurement

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

SINGHE HOSPITALS PLC**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021****Classification and Subsequent Measurement (Cont'd)**

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

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

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount of outstanding.
- A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:
 - It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
 - Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

Financial Assets - Business Model Assessment:

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

- The stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;
- How the performance of the portfolio is evaluated and reported to the Company's management;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

Financial Assets - Business Model Assessment: (Cont'd)

- How managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- The frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets. Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

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

Policy Applicable from 1 April 2018

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

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

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

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

SINGHE HOSPITALS PLC**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021**

Financial Assets - Subsequent measurement and gains and losses:

- Amortized cost,
- Fair Value Through Other Comprehensive Income (FVOCI)
- Fair Value Through Profit or Loss. (FVTPL)

Financial Assets - Policy applicable prior to 01st April, 2018

The Company classified its financial assets into one of the following categories:

- Held-to-Maturity financial assets.
- Loans and Receivables
- Available for Sale

Financial Assets - Subsequent measurement and gains and losses**Policy applicable prior to 01st April, 2018**

- Financial assets at Fair Value Through Profit or Loss (FVTPL)
 - Measured at fair value and changes therein, including any interest or dividend income, were recognized in profit or loss.
- Held-to-Maturity financial assets
 - Measured at amortized cost using the effective interest method
- Loans and Receivables
 - Measured at amortized cost using the effective interest method.
- Available-for Sale financial assets
 - Measured at fair value and changes therein, other than impairment losses, interest income and foreign currency differences on debt instruments, were recognized in OCI and accumulated in the fair value reserve. When these assets were derecognized, the gain or loss accumulated in equity was reclassified to profit or loss.

Financial Liabilities - Classification, Subsequent Measurement

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

De-recognition**Financial Assets**

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expired, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains

De-recognition (Cont'd)Financial Assets (Cont'd)

substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

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

Financial Liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or canceled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. On de-recognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

Off setting

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

Impairment

Impairment policy: applicable from 01st April, 2018

Non-derivative financial assetsFinancial Instruments and Contract Assets

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information

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

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

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

SINGHE HOSPITALS PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

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

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

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

Measurement of ECLs

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

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

Credit-Impaired Financial Assets

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

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

- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as a default or being more than 180 days past due;
- The restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- It is probable that the borrower will enter bankruptcy or other financial reorganization;
or
- The disappearance of an active market to a security because of financial difficulties.

Presentation of Allowance for ECL in the Statement of Financial Position

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

Write-off

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021**

Impairment Policy: applicable prior to 01st April, 2018

Financial Assets (including receivables)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Company on terms that the Company would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, or the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

The Company considers evidence of impairment for receivables at both a specific asset and collective level. All individually significant receivables are assessed for specific impairment. All individually significant receivables 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 Company uses historical trends of the probability of default, 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 the actual losses are likely to be greater or less 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. Interest on the impaired asset continues to be recognized through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Impairment Policy: Non-Financial Assets

The carrying amounts of the Company's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For 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.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell.

SINGHE HOSPITALS PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

Impairment Policy: Non-Financial Assets (Cont'd)

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually 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.

An impairment loss is recognized if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss.

An impairment loss in respect of other assets, recognized in prior periods is assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the 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.

Accounting Policy applicable from 01st April, 2018

At the date of transition to SLFRS 9, the Company updates the hedge documentation for the existing hedging relationships under LKAS 39 that continue to comply with the SLFRS 9 documentation requirements. The expected changes are the incorporation of the hedge ratio and the expected sources of ineffectiveness and the removal of the retrospective effectiveness test (which is no longer required under SLFRS 9).

SLFRS 9 introduces the concept of 'rebalancing'. Rebalancing refers to adjustments to the designated quantities of either the hedged item or the hedging instrument of an existing hedging relationship for the purpose of maintaining a hedge ratio that complies with the hedge effectiveness requirements. This allows the Company to respond to changes that arise from the underlying or risk variables. Rebalancing does not result in de-designation and re-designation of a hedge, but it is accounted for as a continuation of the hedging relationship.

However, on rebalancing, hedge ineffectiveness is determined and recognized immediately before adjusting the hedge relationship. Rebalancing is consistent with the requirement of avoiding an imbalance in weightings at the inception of the hedge, but also at each reporting date and on a significant change in circumstances, whichever comes first.

When rebalancing a hedging relationship, the Company updates its documentation of the analysis of the sources of hedge ineffectiveness that are expected to affect the hedging relationship during its remaining term.

In some circumstances, rebalancing is not applicable (for example, where the changes in the hedge relationship – which might arise from changes in the derivative counterparty credit risk – cannot be compensated by adjusting the hedge ratio). In addition, if the risk management objective has changed, rebalancing is not allowed, and hedge accounting should be discontinued.

Accounting Policy applicable prior to 01st April, 2018

The Company formally designates and documents a hedge relationship between a qualifying hedging instrument and a qualifying hedged item at the inception of the hedge; and both at inception and on an ongoing basis, demonstrate that the hedge is highly effective.

The documentation includes identification of the hedge or transaction, hedging instrument, nature of the risk that is being hedged and the way in which the effectiveness of the hedge will assess at inception and during the period of the hedge.

The Company makes an assessment, both at the inception of the hedge relationship and on an ongoing basis, whether the hedging instrument is expected to be highly effective in offsetting the changes in cash flows derived from the respective hedged item during the period for which the hedge is designated, and whether the actual results of each hedge is highly effective. The effective portion of the gain or losses on the hedging instrument is recognized directly as other comprehensive income in the cash flow hedge reserve while any ineffective portion is recognized immediately in profit or loss. The amount recognized in the other comprehensive income is reclassified to profit or loss as a reclassification adjustment in the same period as the hedged cash flows affect profit or loss, and is recognized under the same line item in the income statement.

If the forecast transaction is no longer expected to occur, the hedge no longer meets the criteria for hedge accounting, the hedging instrument expires or is sold, terminated or exercised, or the designation is revoked, hedge accounting is discontinued prospectively and the amount accumulated in equity is reclassified to profit or loss.

2.4 Liabilities and Provisions

Liabilities classified as current liabilities on the statement of financial position are those, which fall due for payment on demand or within one year from the reporting date. Non-current liabilities are those balances that fall due for payment after one year from the reporting date. Provisions are recognized when the company has a present obligation (Legal or Constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to any provision is presented in the statement of Comprehensive Income net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a financial cost.

All known liabilities have been accounted for in preparing the Financial Statement.

SINGHE HOSPITALS PLC**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021****2.4.1 Retirement Benefit Obligations****(a) Defined Benefit Plan – Employee Benefits**

The liability recognized in the Statement of Financial Position in respect of defined benefit plan is the present value of the defined benefit obligation at the reporting date. Benefits falling due more than 12 months after the reporting date are discounted to present value.

The present value of the defined benefit obligations is calculated annually by independent actuaries using Projected Unit Credit Method (PUC) as recommended by LKAS 19 Employees benefits. The defined benefit liability is recognized in the Statement of Financial Position.

Employees are eligible to receive a gratuity payment of half month's salary per year of service at the end of service provided the employee has provided 5 years of service. Defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

The actuarial gains and losses are charged to the Statement of Comprehensive Income in the period in which they arise. The assumptions based in which the results of the actuarial valuation were determined as at 31st March 2021, are included in the Note 19 to the Financial Statements. Gratuity liability was computed from the first year of service for all employees in conformity with Sri Lanka Accounting Standard 19 (LKAS 19) – 'Employee Benefit'

However, according to the Payment of Gratuities Act No.12 of 1983, the liability for the gratuity payable to an employee arises only on the completion of 5 years of continued service with the Company.

The Company is liable to pay gratuity in terms of the relevant statute. The Liability is not externally funded.

(b) Defined Contribution Plans – Employees' Provident Fund & Employees' Trust Fund

Employees' Provident Fund and Employees' Trust Fund is a post-employment benefit plan under which an entity pays fixed contribution to a separate entity and will have no legal or constructive obligation to pay further amounts.

All employees who are eligible for Employees' Provident Fund and Employees' Trust Fund are covered by relevant contribution funds in line with the respective statutes. Employer's contribution to the defined contribution plans are recognized as an expense in the Statement of Comprehensive Income when incurred.

2.5 The Statement of Profit or Loss and Other Comprehensive Incomes**2.5.1 Revenue from Contracts with Customers**

The Company is in the business of providing healthcare and laboratory services. Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

The disclosures of significant accounting judgments, estimates and assumptions relating to revenue from contracts with customers are provided below.

2.5.1.1 Hospital Revenue

The Company recognizes revenue from hospital services over time, using an input method to measure progress towards complete satisfaction of the service, because the customer simultaneously receives and consumes the benefits provided by the Company.

Consultancy fees collected on behalf of the in house and visiting consultants by the Company do not form part of revenue are excluded from the revenue.

2.5.1.2 Pharmacy Revenue

Revenue from sale of goods is recognized at the point in time when control of the asset is transferred to the customer, generally on delivery of the medicine and related drug products.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of goods, the Company considers the effects of variable consideration and the existence of significant financing components.

Variable Consideration

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some contracts for the sale of goods provide customers with a right of return. The rights of return give rise to variable consideration.

Rights of Return

Certain contracts provide a customer with a right to return the goods within a specified period. The Company uses the expected value method to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Company will be entitled. The requirements in

SINGHE HOSPITALS PLC**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021****Rights of Return(Cont'd)**

SLFRS 15 on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, instead of revenue, the Company recognizes a refund liability.

Significant Financing Component

Generally, the Company receives short-term advances from its customers. Using the practical expedient in SLFRS 15, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

2.5.1.3 Rental Income from Investment Property

Rental income arising from renting of investment property is recognized as other income on a straight-line basis over the term of the agreement.

2.5.1.4 Interest Income

Interest income is recognized as it accrues in the income statement. For all financial instruments measured at amortized cost interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period where appropriate, to the net carrying amount of the financial asset or liability. When calculating effective interest rate, the Company estimates the future cash flows considering all contractual terms of the financial instrument, but not future credit losses.

Interest income is included under other income in the Statement of Comprehensive Income.

2.5.1.5 Other Income.

Other income comprises, gain on disposal of Property, Plant & Equipment and interest income. Net gains and losses of revenue nature resulting from the disposal of Property, Plant & Equipment have been accounted for in the Statement of Comprehensive Income.

2.5.2 Expenditure Recognition

- (a) Expenses are recognized in the statement of Comprehensive Income on the basis of a direct association between the cost incurred and the earning of specific items of income. All expenditure incurred in the running of the business and in maintaining the Property, Plant and Equipment in a state of efficiency has been charged to income in arriving at the profit for the year.

2.5.2 Expenditure Recognition (Cont'd)

- (b) For the purpose of the presentation of the Statement of Comprehensive Income, the Directors are of the opinion that the function of expenses method, presents fairly the elements of the Company's performance and hence, such presentation method is adopted.

2.5.3 Borrowing Costs

Borrowing costs are recognized as an expense in the period which they are incurred, except to the extent where borrowing costs are directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets.

All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.5.4 Dividends on Ordinary Shares

Dividends on ordinary shares are recognized as a liability and deducted from equity when they are approved by the company shareholders. Interim dividends are deducted from equity when they are declared and are no longer the discretion of the company.

2.5.5 Income Tax Expense

Income Tax Expense comprises current tax and deferred tax. The income tax expense is recognized in the income statement except, to the extent that it relates to the items recognized directly in the statement of other comprehensive income or statement of changes in equity, in which case it is recognized directly in the respective statements.

2.5.5.1 Current Taxation

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Taxation for the current and previous periods to the extent unpaid is recognized as a liability in the financial statements. When the amount of taxation already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognized as an asset in the financial statements.

Provision for taxation is based on the profit for the year adjusted for taxation purposes in accordance with the provisions of the Inland Revenue Act No 24 of 2017 commencing from 01st April, 2019.

SINGHE HOSPITALS PLC**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2021****2.5.5.1 Current Taxation (Cont'd)**

The Company enjoyed a five-year tax holiday period recorded from the year in which the enterprise commences to make profits or any year of assessment not later than two (02) year from the date of commencement of the commercial operations whichever year is earlier.

After the expiration of the tax exemption period, the profits and income of the enterprise shall be charged at the rate of 10% for the period of two years immediately succeeding the last date of tax exemption period.

Subsequent to the expiration of the aforesaid concessionary tax rate of 10%, the profits and income of the Enterprise shall for any year of assessment be charged at the rate of 20%, but according to the new amendment effective rate is 14%.

2.5.5.2 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 tax purposes.

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

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 at the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they related to taxes levied by the same tax authority on the same taxable entity or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will have realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible Temporary differences to the extent that it is probable that future taxable profits will be available against the which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to extent that it is no longer probable that the related tax benefit will be released, based on the level of future taxable profit forecast and tax planning strategies.

2.6 DETERMINATION OF FAIR VALUES

The Company accounting policies and disclosures require the determination of fair value, both financial and non-financial assets and liabilities. Fair Values have been determined for measurement and or disclosure purposes based on following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset and liability.

DETERMINATION OF FAIR VALUES (Cont'd)

When measuring the fair value of an asset or liability the company uses market observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1 – Quoted market price (unadjusted) in an active market of an identical assets or liabilities that the entity can access the measurement date.

Level 2 – Valuation techniques based on observable inputs, either directly (i.e., as prices) or indirectly (i.e., derived from prices), this category included instruments valued using: quoted market prices in active markets similar instruments; quoted prices for identical or similar instruments in markets are considered less than active; or other valuation techniques where all significant inputs are directly observable from market data.

Level 3 – Valuation techniques use significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable market data and the unobservable inputs have a significant effect on the instrument's valuation. (Unobservable Inputs)

If the inputs used to measure the fair value of an asset or a liability might categorize in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level inputs that is significant to the entire measurement.

Valuation techniques include net present value and discounted cash flow models, comparison to similar instruments for which market observable prices exist, other equity pricing models and other valuation models. Assumptions and inputs used in valuation technique include risk free and benchmark interest rates, credit spreads and other premium used in estimating discount rates, bond and other equity prices, foreign currency exchange rates, equity and equity index prices and expected price volatilities and correlations.

The objective of valuation techniques is to arrive at a fair value determination that reflects the price of the financial instruments at the reporting date that would have been determined by market participants acting at arm's length.

(a) Property, Plant & Equipment

The fair value of items of plant, equipment, fixtures and fittings is based on the market approach and cost approaches using the quoted market prices for similar items when available and depreciated replacement cost when appropriate. Depreciated replacement cost reflects adjustment for physical deterioration as well as functional and economic obsolescence.

SINGHE HOSPITALS PLC**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2021****(b) Inventories**

The fair value of inventories determined based on the estimated selling price in the ordinary course of business less the estimated cost of completion and sale and a reasonable profit margin based in the effort required to complete and sell the inventories.

(c) Trade and Other Receivables

The fair values of trade and other receivables, are estimated at present value of future cash flows, discounted at the measured date. Short term receivables with no stated interest rates are measured at the original invoice amount if the effect of discounting is immaterial. Fair value is determined at initial recognition and, for disclosure purposes, at each annual reporting date.

(d) Other Non-Derivative Financial Liabilities

Other non-derivative financial liabilities are measure at fair value, at initial recognition and for the disclosure purposes, at each reporting date. Fair value is calculated based on the present value of the future principal and interest cash flows, discounted at the market rate of interest at the measurement date.

For finance leases the market rate of interest is determined with reference to similar lease agreements.

2.7 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Companies' principal financial liabilities comprise interest bearing loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company has trade and other receivables, and cash and short-term deposits that arrive directly from its operations.

The Company is exposed to market risk, credit risk, and liquidity risk. The senior management of the Company oversees the management of these risks. The senior management of the Company determines on financial risks and the appropriate financial risk governance framework for the Company. The financial risk-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the company policies and risk appetite.

The Board of Directors reviews and agrees on policies for managing each of these risks which are summarized below.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprise four types of risk: interest rate risk, currency risk, commodity price risk and another price risk such as equity price risk. Financial instruments affected by market risk include loans and borrowings, equity investments classified as fair value through profit or loss.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long term debt and short term borrowings with floating interest rates. The Company manages its risk by striking a balance between long term and short term debts. The company has easy access to funds at competitive interest rates.

Interest Rate Sensitivity

The following table demonstrates the sensitivity to a possible change in interest rates on that portion of the long term and short term borrowings. With all other variables held constant, the Company profit before tax is affected through the impact on floating rate borrowings as follows;

	<i>Change in Interest Rate</i>	<i>Change in Profit Before Tax</i>
Year ended 31st March 2020	100(1%)	1,933,255
Year ended 31st March 2021	100(1%)	2,417,649

Credit Risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily for trade receivables) and from its financing activities, including deposits with banks.

Trade Receivables

Customer credit risk is managed in accordance with the Company's established policy, procedures and control relating to customer credit risk management. Individual credit limits are defined in accordance with the prior experience with the customers. Outstanding customer receivables are regularly monitored. The requirement for an impairment is analyzed at each reporting date on an individual basis for major clients. Additionally, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively.

The calculation is based on actually incurred historical data. The Company evaluates the concentration of risk with respect to trade receivables as low.

SINGHE HOSPITALS PLC**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021****Liquidity Risk**

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, and finance leases. The Company assesses the concentration of risk with respect to refinancing its debt and concluded it to be low. Access to sources of funding is sufficiently available and debt maturing within 12 months can be rolled over with existing lenders.

2.8 COVID-19 Impact on the Business/ Operations of the Company

With the beginning of the COVID-19 pandemic in early February 2020, like most other private sector hospitals in Sri Lanka, the company start a reduction in inpatient volumes and activity levels. This situation further deteriorated in April 2021 with the detection of COVID-19 patients in Sri Lanka.

Due to the prevailing pandemic circumstances in the country government imposed lockdown twice during the FY 2020. During the 1st wave of COVID-19, entire country was under lockdown from 17th March 2020 and lockdown restrictions were eased in other districts gradually whereas lockdown was extended in Colombo till 11th May 2020. However, again due to the arising of a 2nd wave of COVID-19 pandemic, the western province was again locked down for a 2 week period from 28th October 2020 to 08th November 2020.

With the onset of the COVID-19 pandemic, like most other private sector hospitals in Sri Lanka, the company started to witness a reduction inpatient volumes and activity levels. This situation further deteriorated in October 2020 due to the 2nd wave of COVID-19 pandemic. The company revenue which began falling in the first quarter and company experienced rapid decline due to low inpatient occupancy, the shutdown of all outpatient clinics including consultations and the closure of its island-wide laboratory network.

The utmost importance has been given to the health and safety of its employees and all stakeholders. The company has a crisis management set-up and all the necessary measures in place to keep our business running without interruption. We are using a proprietary pandemic model to assess scenarios and enable active monitoring. We are devoting all our resources to help our patients and partners navigate the current circumstances. The outpatient pharmacy at the hospital has been made operational 24/7 to assist the clients to purchase medicines during the lock-down period.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021**

	Rs.	2020 Rs.
(3) INCOME		
Healthcare Services	700,337,221	671,631,168
	700,337,221	671,631,168
(4) OTHER INCOME		
Interest on Fixed Deposits	-	590,087
Interest on Savings Accounts	16,369	2,582
Sundry Income	151,929	1,428,510
Change in Investments Valued at Fair Value Through Profit and Loss	5,055	(1,220)
	173,353	2,019,959
(5) FINANCE COSTS		
Bank Charges	876,196	1,060,194
Loan Interest - Term Loans	15,458,279	25,567,444
Interest on Related Party Advances	1,114,494	-
Finance Cost on Lease Liability	4,963,467	5,212,037
Credit Card Commission	1,984,722	2,059,238
Overdraft Interest	4,386,456	6,174,656
	28,783,614	40,073,569
(6) PROFIT/(LOSS) FROM ORDINARY ACTIVITIES BEFORE TAXATION		
Profit/(Loss) from ordinary activities before taxation is stated after charging all expenses including the following.		
Salaries and Wages	118,036,653	103,029,644
Allowances	16,252,700	14,782,662
EPF	14,156,180	12,363,603
ETF	3,602,391	3,088,050
Overtime	23,177,860	27,834,049
External Auditors' Remuneration	600,000	550,000
Depreciation	69,391,704	71,838,025
Amortization	1,191,204	987,395
Provision for Retirement Benefit Obligations	3,207,790	2,453,651
Charity & Donations	80,690	19,832
Emoluments Paid to Directors	5,642,000	6,826,640

SINGHE HOSPITALS PLC**NOTES TO THE FINANCIAL STATEMENTS
AS AT 31ST MARCH, 2021**

	<u>Note</u>	Rs.	2020 Rs.
(7) INCOME TAX EXPENSES			
Income Tax on Current Year Profit	(7.1)	1,029,204	422,501
(Reversal from) / Transferred to Deferred Taxation	(21)	2,472,749	(13,518,801)
		<u>3,501,953</u>	<u>(13,096,300)</u>

(7.1) RECONCILIATION OF TAXABLE PROFIT AND ACCOUNTING PROFIT & EFFECTIVE TAX RATES

Profit/ (Loss) before Income Tax	5,801,074	(18,846,061)
Items Considered as Separate Source of Income	(21,763)	(1,132,669)
Aggregated Non Deductible Expenses for Tax	80,880,610	80,512,160
Aggregated Deductible Expenses for Tax	(72,331,879)	(76,130,496)
Adjusted Profit/ (Loss) from Company	14,328,042	(15,597,066)
Income from Interest	-	968,930
Rent Income on Investment Property	-	540,000
Total Assesable Income	14,328,042	1,508,930
Tax Losses Claimed	(4,075,294)	-
Taxable Profit/ (Loss)	10,252,748	1,508,930
<u>Current Income Tax Expense</u>		
Taxation at 10% on Business Income	1,025,275	-
Taxation at 24% on Other Income	3,929	422,501
Tax Provision for the Year	1,029,204	422,501

The Company is enjoying a five year tax holiday period commencing from 16th August 2014, and a concessionary rate of Tax at 10% for two years thereafter, in terms of the agreement entered into with the Board of Investment.

Subsequent to the expiration of the aforesaid concessionary tax rate of 10%, the profits and income of the Company be charged for Tax at the rate of 20%, but according to the new amendment effective rate is 14%.

(8) EARNINGS / (LOSS) PER SHARE**(8.1) Basic Earnings Per Share**

Basic Earnings Per Share is calculated by dividing the net Profit for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.

Net Profit / (Loss) Attributable to Ordinary Shareholders (Rs)	2,299,121	(5,749,761)
Weighted Average Number of Shares Outstanding During the Year	431,300,895	431,300,895
Basic Earnings Per Share (Rs)	<u>0.01</u>	<u>(0.01)</u>

(8.2) Diluted Earnings Per Share

There was no dilution of ordinary shares outstanding at any time during the year. Therefore, diluted earnings per share is the same as basic earning per share as shown in Note 8.1

NOTES TO THE FINANCIAL STATEMENTS
AS AT 31ST MARCH, 2021

(9) PROPERTY, PLANT & EQUIPMENT

(9.1) Description of Assets	Opening Balance as at 01.04.2020 Rs.	Additions/ Transfers During the Year Rs.	Revaluation During the Year Rs.	Disposals/ Transfer During the Year	Closing Balance as at 31.03.2021 Rs.
<u>Cost or Valuations</u>					
<u>At Valuation</u>					
Land	84,800,000	89,100,000	3,550,000	-	177,450,000
Building	374,433,515	412,802	5,886,533	-	380,732,850
Motor Vehicles	18,080,395	247,900	-	-	18,328,295
	<u>477,313,910</u>	<u>89,760,702</u>	<u>9,436,533</u>		<u>576,511,145</u>
<u>At Cost</u>					
Air Conditioners	45,229,820	515,339	-	-	45,745,159
Computer Equipment	26,150,808	3,802,750	-	-	29,953,558
C.S.S.D.	14,056,936	-	-	-	14,056,936
Elevators	4,375,933	-	-	-	4,375,933
Fixtures and Fittings	60,769,167	3,362,438	-	-	64,131,605
Furniture and Fittings	14,364,708	1,612,990	-	-	15,977,698
Generator	16,913,910	328,500	-	-	17,242,410
Hospital Furniture	23,796,710	18,269	-	-	23,814,979
Housekeeping Equipment	1,044,971	-	-	-	1,044,971
Kitchen Equipment	9,229,006	57,490	-	-	9,286,496
Laundry Equipment	8,464,465	353,880	-	-	8,818,345
Office Equipment	4,024,193	1,050,139	-	-	5,074,332
Television	3,559,866	147,501	-	-	3,707,367
Tools and Equipment	2,802,935	38,880	-	-	2,841,815
Linen	2,320,244	-	-	-	2,320,244
UPS	5,377,529	312,000	-	-	5,689,529
Medical Equipment	281,184,525	4,949,625	-	-	286,134,150
Name Boards	5,845,238	3,575,831	-	-	9,421,069
CCTV Camera System	1,178,216	180,180	-	-	1,358,396
Mortuary	757,591	-	-	-	757,591
	<u>531,446,771</u>	<u>20,305,812</u>	<u>-</u>	<u>-</u>	<u>551,752,583</u>
Total	<u>1,008,760,681</u>	<u>110,066,514</u>	<u>9,436,533</u>	<u>-</u>	<u>1,128,263,728</u>

SINGHE HOSPITALS PLC

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31ST MARCH, 2021

(9.2) Depreciation

<i>Description of Assets</i>	<i>Opening Balance as at 01.04.2020 Rs.</i>	<i>Additions/ Transfers During the Year Rs.</i>	<i>Depreciation on Revaluation During the Year Rs.</i>	<i>Disposals During the Year Rs.</i>	<i>Closing Balance as at 31.03.2021 Rs.</i>
<u>Depreciation At Valuation</u>					
Buildings	23,056,622	7,182,076	-	-	30,238,698
Motor Vehicles	11,119,642	3,050,471	-	-	14,170,113
	<u>34,176,264</u>	<u>10,232,547</u>	<u>-</u>	<u>-</u>	<u>44,408,811</u>
<u>At Valuation</u>					
Air Conditioners	28,294,228	1,763,521	-	-	30,057,749
Computer Equipment	20,081,437	2,499,660	-	-	22,581,097
C.S.S.D.	9,312,708	497,048	-	-	9,809,756
Elevators	3,030,332	142,575	-	-	3,172,907
Fixtures and Fittings	24,993,616	2,374,328	-	-	27,367,944
Furniture and Fittings	5,680,052	1,421,630	-	-	7,101,682
Generator	10,751,144	1,593,257	-	-	12,344,401
Hospital Furniture	17,591,820	2,260,408	-	-	19,852,228
Housekeeping Equipment	368,309	97,502	-	-	465,811
Kitchen Equipment	6,546,673	848,727	-	-	7,395,400
Laundry Equipment	6,209,293	800,783	-	-	7,010,076
Medical Equipment	159,273,603	24,300,968	-	-	183,574,571
Office Equipment	2,747,819	395,938	-	-	3,143,757
Television	2,508,486	337,288	-	-	2,845,774
Tools and Equipment	1,927,177	267,499	-	-	2,194,676
UPS	4,037,216	534,135	-	-	4,571,351
Linen	2,072,338	208,576	-	-	2,280,914
Name Boards	1,938,675	684,076	-	-	2,622,751
CCTV Camera System	218,803	119,689	-	-	338,492
Mortuary	280,307	48,612	-	-	328,919
	<u>307,864,036</u>	<u>41,196,220</u>	<u>-</u>	<u>-</u>	<u>349,060,256</u>
Total	<u>342,040,300</u>	<u>51,428,767</u>	<u>-</u>	<u>-</u>	<u>393,469,067</u>
(9.3) Net Book Value	<u>666,720,381</u>				<u>734,794,661</u>

The number of buildings of the entity's land holding is one. That is located in No. 362, Colombo road, Ratnapura.

(9.4) CAPITAL WORK IN PROGRESS

	<i>Opening Balance as at 01.04.2020 Rs.</i>	<i>Additions/ Transfers During the Year Rs.</i>	<i>Revaluation During the Year Rs.</i>	<i>Transfers to Property, Plant & Equipment Rs.</i>	<i>Closing Balance as at 31.03.2021 Rs.</i>
Capital Work in Progress	-	4,821,716	-	-	4,821,716
	<u>-</u>	<u>4,821,716</u>	<u>-</u>	<u>-</u>	<u>4,821,716</u>

(9.4.1) Capital work-in-progress is stated at cost. These are expenses of a capital nature directly incurred on property plant and equipment.

(9.5) INVESTMENT PROPERTY

	<i>Opening Balance as at 01.04.2020 Rs.</i>	<i>Transfers During the Year Rs.</i>	<i>Closing Balance as at 31.03.2021 Rs.</i>
Land	89,100,000	(89,100,000)	-
	<u>89,100,000</u>	<u>(89,100,000)</u>	<u>-</u>

(9.6) NET BOOK VALUE OF PROPERTY PLANT AND EQUIPMENT AND CAPITAL WORK IN PROGRESS

Net Book Value	666,720,381	734,794,661
Investment Property	89,100,000	-
Capital Work in Progress	-	4,821,716
Total Net Book Value	<u>755,820,381</u>	<u>739,616,377</u>

SINGHE HOSPITALS PLC**NOTES TO THE FINANCIAL STATEMENTS
AS AT 31ST MARCH, 2021****(9.7) Revaluation of Land and Buildings**

"The following properties are revalued in the Financial Year 2021 and recorded under freehold land and buildings. Fair Value measurement disclosure for revalued land based on unobservable inputs are as follows,

(A) Quoted Price (unadjusted) in active markets for identical assets or liabilities **(Level - 1)**.

(B) Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is derived from prices) **(Level -2)**

(C) Input for the assets or liability that are not based on observable market data (that is, unobservable inputs) **(Level - 3)**.

<i>Company</i>	<i>Location</i>	<i>Property</i>	<i>Extent</i>	<i>Independent Valuer</i>	<i>Effective Date of Valuation</i>	<i>Valuation Details</i>	<i>Significant Unobservable Input/Price per Perch</i>	<i>Range (Rs)</i>	<i>Fair Value measurement sensitivity to unobservable input</i>	<i>Fair Value Measurement / Level 03 (Rs)</i>
Singhe Hospitals PLC	No. 362 Colombo Road, Rathnapura.	Land No. 01	0A-1R-13.00P	Mr D S N Perera	31st March, 2021	Open Market Based Approach	Land Value per perch	1,650,000 - 1,750,000	Significant increase/(decrease) in estimated price per perch in isolation would result in a significantly higher/(lower) fair value.	87,450,000
Singhe Hospitals PLC	No. 362 Colombo Road, Rathnapura.	Building (06 Levels)	49,158 Sq. Ft.	Mr D S N Perera	31st March, 2021	Direct Capital Comparison method adopting the depreciated value of building	Rate per Sq. Ft.	9,500 - 4,000	Significant increase/(decrease) in estimated price per perch in isolation would result in a significantly higher/(lower) fair value.	380,732,850
Singhe Hospitals PLC	No. 362 Colombo Road, Rathnapura.	Land No. 02	0A-1R-20.00P	Mr D S N Perera	31st March, 2021	Open Market Based Approach	Land Value per perch	1,500,000 - 1,850,000	A Significant increase/(decrease) in the estimated price per perch in isolation would result in a significantly higher/(lower) fair value.	90,000,000

Significant increases/ (decreases) in unobservable input/estimated price per unit in isolation would result in a significantly higher (lower) fair value.

SINGHE HOSPITALS PLC

NOTES TO THE FINANCIAL STATEMENTS
AS AT 31ST MARCH 2021

(9.8) Revaluation of Land and Buildings

The value of land which has been revalued by an independently qualified valuer is indicated above together with the last date of revaluation. The valuation was performed by Mr D S N Perera - Incorporated Valuer, (Chartered Valuation Surveyor-UK) using Market Approach and the Value of these Assets has been reflected in the Financial Statements at the revalued amounts.

Valuations are based on market prices, adjusted for any difference in nature, location or condition of the specific property.

The land No 01 is a commercial land directly faces to the Colombo Rathnapura main road and the hospital main building has been constructed in this land.

The land No 02 was a paddy field earlier and it has been developed to the company's car park. The Company had developed the land No 02 in the financial year 2014/15 and 2015/16 since the hospital didn't have a car park.

Further location is being developed as a health care hub and building value of the area is increasing continuously. Based on the Commercial developments explained above, the management has identified the requirements of the revaluation and decided to revalue the entire lands and the buildings as at 31st March 2017.

Valuation is as defined in the Sri Lanka Accounting Standards (SLFRS 13) made on Fair value measurement. The valuation is based on the price that would be received on selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The carrying amount of revalued assets that would have been included in the financial statements and the assets been carried at cost less depreciation is as follows:

Class of Asset	Cost	2020/21		2019/20		
		Transfer to PPE from IP	Accumulated Depreciation if Assets were Carried at Cost	Cost	Accumulated Depreciation if Assets were Carried at Cost	Carrying Amount as at 31st March, 2020
Free Hold Land	46,505,106	57,000,000	-	46,505,106	-	46,505,106
Building	282,929,248		42,508,570	282,929,248	36,849,985	246,079,263
	329,434,354	57,000,000	42,508,570	329,434,354	36,849,985	292,584,369

SINGHE HOSPITALS PLC**NOTES TO THE FINANCIAL STATEMENTS
AS AT 31ST MARCH, 2021****(10) RIGHT OF USE ASSETS**

Asset Details	Cost		Depreciation		Carrying Value	
	Balance as at 1st April 2020	Rs	Balance as at 31st March 2021	Rs.	Balance as at 1st April 2020	Rs.
Land & Building	61,922,704	11,684,324	73,607,029	16,181,187	30,037,109	43,569,920
Laboratory Machine	17,609,736	-	17,609,736	1,760,974	5,859,396	11,750,340
Motor Vehicle	1,489,298	-	1,489,298	20,777	937,020	552,278
Total	81,021,739	11,684,324	92,706,063	17,962,938	36,833,525	55,872,538

(10.1) Lease Liability

	Balance as at 1st April 2020		New Lease Additions		Interest Charge		Payments		Balance as at 31st March 2021	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Land & Building	44,627,458		10,135,359		3,932,586		18,907,555		39,787,848	
Laboratory Machine	13,350,308		-		1,009,441		3,205,382		11,154,367	
Motor Vehicle	507,233		-		21,440		496,373		32,300	
Total	58,484,999		10,135,359		4,963,467		22,609,310		50,974,515	
Amount Payable Within One Year										15,109,293
Amount Payable Within After One Year										35,865,223
										50,974,515

SINGHE HOSPITALS PLCNOTES TO THE FINANCIAL STATEMENTS
AS AT 31ST MARCH, 2021**(11) INTANGIBLE ASSETS**

	<i>Opening Balance as at 01.04.2020 Rs.</i>	<i>Additions For the Year Rs.</i>	<i>Disposals Rs.</i>	<i>Closing Balance as at 31.03.2021 Rs.</i>
(11.1) Cost				
Hospital Management System	10,892,416	2,287,500	-	13,179,916
	<u>10,892,416</u>	<u>2,287,500</u>	<u>-</u>	<u>13,179,916</u>
	<i>Opening Balance as at 01.04.2020 Rs.</i>	<i>Charge for the Year Rs.</i>	<i>Disposals Rs.</i>	<i>Closing Balance as at 31.03.2021 Rs.</i>
(11.2) Amortization				
Hospital Management System	4,230,935	1,191,204	-	5,422,139
	<u>4,230,935</u>	<u>1,191,204</u>	<u>-</u>	<u>5,422,139</u>
(11.3) Carrying Value	6,661,481		-	7,757,777
(11.4) Cost				
Capital Work in Progress	-	57,500	-	57,500
	<u>6,661,481</u>	<u>57,500</u>	<u>-</u>	<u>7,815,277</u>

NOTES TO THE FINANCIAL STATEMENTS
AS AT 31ST MARCH, 2021

	Rs.	<u>2020</u> Rs.
(12) <u>INVENTORIES</u>		
General Stock	46,756,057	29,235,262
Pharmaceutical & Surgical Items	21,130,217	19,360,746
	<u>67,886,274</u>	<u>48,596,008</u>
(13) <u>TRADE AND OTHER RECEIVABLES</u>		
Trade Receivables	20,970,258	19,558,829
Trade Receivables BHT	286,181	42,268
Doctor Receivables	2,175,500	-
Prepayments	10,095,490	8,219,752
Insurance Prepayment	399,400	300,588
Service Agreement Prepayment	1,237,627	652,318
Advance for Purchase	3,542,572	3,957,331
Staff Advances	550,596	1,394,925
Security Deposit Rent	2,353,500	2,293,500
CEB Deposit Receivables	562,500	562,500
Refundable Deposits	163,526	163,526
Staff Meals Receivable	6,268	-
Festival Advances	8,500	10,000
Sri Lanka Telecom - Bid Bond	100,000	100,000
Other Receivables	1,016,125	89,082
Staff Loans	43,000	594,597
Receivable - Iranga	84,194	84,194
Credit Cards Receivable	4,777,791	513,199
Outstanding Recovery	68,879	-
Receivable - Homagama Laboratory	1,018,480	-
	<u>49,460,387</u>	<u>38,536,609</u>
(14) <u>FINANCIAL INVESTMENTS</u>		
(14.1) <u>Investments Valued at Fair Value Through Profit and Loss</u>		
<u>Equity Investments in Quoted Public Companies</u>		
Market Value as at the Beginning of the Year	13,350	14,570
Gain / (Loss) in Market Value During the Year	5,055	(1,220)
Market Value as at the End of the Year	<u>18,405</u>	<u>13,350</u>

SINGHE HOSPITALS PLC**NOTES TO THE FINANCIAL STATEMENTS****AS AT 31ST MARCH, 2021**

	Rs.	2020 Rs.
(15) <u>CURRENT TAX LIABILITIES / (RECOVERABLE)</u>		
Opening Balance as at 01st April,	(7,741,515)	(4,778,111)
Income Tax Provision for the Year	1,029,204	422,501
	<u>(6,712,311)</u>	<u>(4,355,610)</u>
ESC Paid	-	(3,302,400)
WHT Paid	-	(83,504)
ESC Write-off	3,157,326	-
Closing Balance as at 31st March,	<u><u>(3,554,985)</u></u>	<u><u>(7,741,514)</u></u>
(16) <u>CASH AND CASH EQUIVALENTS</u>		
Cash at Bank	6,670,191	2,128,964
Petty Cash	1,652,354	1,529,752
Cash in Hand	19,486,499	11,610,118
	<u><u>27,809,044</u></u>	<u><u>15,268,834</u></u>
(17) <u>STATED CAPITAL</u>		
431,300,895 Ordinary Shares	<u><u>375,000,000</u></u>	<u><u>375,000,000</u></u>
The holders of ordinary shares confirm their right to receive dividends as declared from time to time and are entitled to one vote per share at a meeting of the Company. All shares rank equally concerning to the Company's residual assets.		
	<i>Note</i>	
(18) <u>RESERVES</u>		
Revaluation Reserves	(18.1) 106,242,881	105,176,755
Other Reserves - Gain / (Loss) on Defined Benefit Plan	2,089,548	1,789,561
	<u><u>108,332,429</u></u>	<u><u>106,966,316</u></u>
(18.1) <u>REVALUATION RESERVE</u>		
<u>On Property Plant and Equipment</u>		
Balance as at 01st April,	105,176,755	105,176,755
Revaluation During the Year	9,436,533	-
Deferred Tax Impact on Revaluation Gain	(1,321,115)	-
Deferred Tax Charge on Revaluation	(7,049,292)	-
Balance as at 31st March,	<u><u>106,242,881</u></u>	<u><u>105,176,755</u></u>

NOTES TO THE FINANCIAL STATEMENTS
AS AT 31ST MARCH, 2021

	Rs.	2020 Rs.
(19) RETIREMENT BENEFIT OBLIGATIONS		
<u>The Amount Recognized in the Statement of Financial Position</u>		
Present Value of Defined Benefit Obligations	10,410,768	8,520,868
(19.1) Movement in the Present Value of Defined Benefit Obligations (PV DBO)		
Balance at the Beginning of the Year	<i>Note</i> 8,520,868	6,320,226
Current Service Cost	(19.2) 2,398,307	1,790,027
Interest Cost	(19.2) 809,482	663,624
Payments Made	(969,067)	(1,171,630)
Actuarial (Gain) / Loss on PV DBO	(19.3) (348,822)	918,621
Balance at the End of the Year	10,410,768	8,520,868
(19.2) Amount Recognized in the Income Statement		
Current Service Cost	2,398,307	1,790,027
Interest Cost	809,482	663,624
	3,207,789	2,453,651
(19.3) Amount Recognized in Other Comprehensive Income		
Actuarial (Gains) / Losses recognized during the year	(348,822)	918,621
	(348,822)	918,621
(19.4) The retirement benefit liability of the company is based on the actuarial valuation carried out by Actuarial & Management Consultant (Pvt) Ltd, a qualified actuary. As recommended by the Sri Lanka Accounting Standard (LKAS 19 - Employee Benefits), the Projected Unit Credit (PUC) method has been used in this valuation.		
(19.5) Actuarial Assumptions	2021	2020
Discount Rate	8%	10%
Expected Rate of Salary Increase	4%	7%
Staff Turnover Rate - up to Age 50 Years	18%	32%
Retirement Age - As specified by the Company	55 Years	55 Years
In addition to above, demographic assumptions such as mortality and withdrawal disability were considered for the actuarial valuation. A 1967/70 mortality table issued by the Institute of Actuaries, London was taken as the base for the valuation.		
(19.6) Sensitivity Analysis of Present Value of Defined Benefit Obligations		
The Sensivity analysis depicted below have been determined based on a method that extrapolates the impact on employee benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The sensitivity analysis is based on a change in a significant assumption, keeping all other assumptions constant.		
The Sensitivity analysis may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation of one another.		
In order to illustrate the significance of the salary escalation rate and discount rate assumed in this valuation as at 31st March, 2021 assuming the following salary escalation rate and discount rate.		
	PV-DBO	
<u>Assumption Changed</u>	<u>2020/21 (Rs.)</u>	<u>2019 / 20 (Rs.)</u>
01% Increase in Discount Rate	10,000,092	8,310,041
01% Decrease in Discount Rate	10,857,031	8,743,575
01% Increase in Salary Increment Rate	10,842,205	8,723,889
01% Decrease in Salary Increment Rate	10,007,148	8,325,290
(19.7) Maturity Analysis of The Payments		
	<u>2020/21 (Rs.)</u>	<u>2019 / 20 (Rs.)</u>
Within the next 12 months	1,957,706	2,401,073
Between 1 and 2 years	1,603,318	1,812,646
Between 2 and 5 years	3,338,031	3,003,331
Between 5 and 10 years	2,509,959	1,149,071
Beyond 10 years	1,001,754	154,747
Total expected payments	10,410,768	8,520,868

SINGHE HOSPITALS PLC

NOTES TO THE FINANCIAL STATEMENTS
AS AT 31ST MARCH, 2021

(20) INTEREST BEARING BORROWINGS

(20.1) BORROWINGS - LONG TERM LOANS

	2020/21		2019/20		Total (Rs)
	<u>Re-Payable Within One Year (Rs)</u>	<u>Re-Payable After One Year (Rs)</u>	<u>Re-Payable Within One Year (Rs)</u>	<u>Re-Payable After One Year (Rs)</u>	
Sampath Bank PLC	20,640,000	135,200,000	20,640,000	138,640,000	159,280,000
Sampath Bank PLC	10,200,000	15,650,000	6,600,000	20,950,000	27,550,000
Sampath Bank PLC	-	17,174,000	-	-	-
National Development Bank PLC	1,019,078	4,381,829	1,019,078	5,476,419	6,495,497
Commercial Bank of Ceylon PLC	3,000,000	9,500,000	-	-	-
Bank of Ceylon	-	25,000,000	-	-	-
	<u>34,859,078</u>	<u>206,905,829</u>	<u>28,259,078</u>	<u>165,066,419</u>	<u>193,325,497</u>

NOTES TO THE FINANCIAL STATEMENTS
AS AT 31ST MARCH, 2021

		<u>2020</u>
(21) <u>DEFERRED TAX LIABILITY</u>	<i>Rs.</i>	<i>Rs.</i>
Balance as at Beginning of the Year - 01st April,	64,584,238	78,286,763
Provision/(Reversal) During the Year		
In Statement of Profit or Loss	2,472,749	(13,518,801)
In OCI - Actuarial Gain/(Loss)	48,835	(183,724)
In OCI - Revaluation	8,370,407	-
Balance as at End of the Year - 31st March, (21.1)	<u><u>75,476,229</u></u>	<u><u>64,584,238</u></u>
 (21.1) Deferred Tax Provision as at the End of Year is Made up as Follows;		
Deferred Tax Provision from:		
Temporary Difference of Property, Plant and Equipment	59,589,547	66,435,901
Temporary Difference of Retirement Benefit Obligation	(1,408,671)	(1,192,922)
Temporary Difference of Brought Forward Tax Loss	-	(658,741)
Temporary Difference of Revaluation of Property, Plant and Equipment	17,295,353	-
	<u><u>75,476,229</u></u>	<u><u>64,584,238</u></u>
 <u>Deferred Tax Provision as at the Reporting Date</u>		
	<i>Temporary Differences</i>	<i>Temporary Differences</i>
Property, Plant and Equipment	419,539,973	469,073,169
Intangible Assets	6,099,652	5,468,981
Retirement Benefit Obligations	(10,410,768)	(8,520,868)
Brought forward Tax Loss	-	(4,705,294)
	<u><u>415,228,857</u></u>	<u><u>461,315,988</u></u>
 (21.2) <u>Originating During the Year</u>		
Statement of Profit & Loss	<i>Note 21.3</i>	2,472,749
Statement of Other Comprehensive Income	<i>Note 21.4</i>	8,419,242
		<u><u>10,891,991</u></u>
 (21.3) <u>Amounts Recognized in Profit/Loss</u>		
Originating During the Year	2,472,749	(13,518,801)
	<u><u>2,472,749</u></u>	<u><u>(13,518,801)</u></u>
 (21.4) <u>Amounts Recognized in Other Comprehensive Income</u>		
Deferred Tax on Defined Benefit Plan Actuarial Gain/(Losses)	48,835	(183,724)
Deferred Tax on Revaluation Gain	1,321,115	-
Deferred Tax Charge on Revaluation Reserve	7,049,292	-
	<u><u>8,419,242</u></u>	<u><u>(183,724)</u></u>

SINGHE HOSPITALS PLC**NOTES TO THE FINANCIAL STATEMENTS****AS AT 31ST MARCH, 2021**

	<i>Rs.</i>	<i>2020</i>
	<i>Rs.</i>	<i>Rs.</i>
(22) <u>BANK OVERDRAFTS</u>		
Bank of Ceylon	-	4,451,662
Sampath Bank PLC	54,530,312	39,106,083
Hatton National Bank PLC - Ratnapura	1,724	1,001,598
Commercial Bank of Ceylon PLC - Ratnapura	-	11,334,169
Commercial Bank of Ceylon PLC - Foreign - Colombo -01	16,226,873	30,675,198
	<u>70,758,909</u>	<u>86,568,710</u>
(23) <u>TRADE AND OTHER PAYABLES</u>		
Trade Payables	15,976,661	18,410,934
Other Payables	8,488,235	7,643,647
	<u>24,464,896</u>	<u>26,054,581</u>

NOTES TO THE FINANCIAL STATEMENTS
AS AT 31ST MARCH, 2021**(24) AMOUNTS DUE TO RELATED PARTIES**

<i>Name of the Related Party</i>	<i>Relationship</i>	<i>Nature of the Transaction</i>	Rs.	2020 Rs.
Mr. A.M. Weerasinghe	Chairman	Advance	1,672,111	24,404,715
			<u>1,672,111</u>	<u>24,404,715</u>

(24.1) Nature of the Transaction

		Value Rs.
Balance as at 01st April,	24,404,714	14,054,715
Loan Interest Charged	1,114,494	-
<i>Less</i> - Repayments	(23,847,097)	-
Advances Granted	-	10,350,000
Balance as at 31st March,	<u>1,672,111</u>	<u>24,404,715</u>

SINGHE HOSPITALS PLC**NOTES TO THE FINANCIAL STATEMENTS****AS AT 31ST MARCH, 2021****(25) DIRECTORS' INTEREST IN CONTRACTS / RELATED PARTY TRANSACTIONS****(25.1) PARENT AND ULTIMATE CONTROLLING PARTY**

The Company doesn't hold ultimate parent or controlling party.

(25.2) IDENTIFYING THE RELATED PARTIES

The Company has related party relationships with the Affiliated Companies, Directors of the Company, Key Management Personnel of the Company and their Close Family Members.

(25.3) TRANSACTIONS HELD WITH KEY MANAGEMENT PERSONNEL

According to the Sri Lanka Accounting Statandard 'LKAS 24 - Related Party Disclosures', Key Management Personnel (KMP), are those having authority and responsibility for planning, directing and controlling the activities of the entity.

Accordingly, the Board of Directors (including Executive and Non Executive Directors) of Singhe Hospitals PLC have been classified as Key Management Personnel of the Company.

(25.3.1) <u>Compensation of Key Management Personnel</u>	<u>2021 / 2020</u>	<u>2019/2020</u>
Short Term Employee Benefits	4,872,000	6,176,640

(25.3.2) Loan from Chairman

<u>Name of the Related Party</u>	<u>Relationship</u>	<u>Nature of the Transaction</u>	<u>2021 / 2020</u>	<u>2019/2020</u>
Mr. A.M. Weerasinghe	Chairman	Balance as at 01st April	24,404,714	14,054,715
		Loan Interest Charged	1,114,494	-
		Repayments	(23,847,097)	-
		Advances Granted	-	10,350,000
		Balance as at 31st March	<u>1,672,111</u>	<u>24,404,715</u>

(25.3.3) Other Transactions Held with Key Management Personnel

As at the reporting date Directors of the Company hold 86.42% of the voting shares of the Company directly and indirectly.

Transactions held with Key Management Personnel and their Related Parties have been conducted on relevant commercial terms.

SINGHE HOSPITALS PLC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021

(25.4) TRANSACTIONS HELD WITH RELATED COMPANIES

The Company carries out transactions in the ordinary course of its business with parties who are defined as Related Parties in Sri Lanka Accounting Standard 'LKAS 24 - Related Party Disclosures', the details of which are disclosed below.

<i>Name of the Company</i>	<i>Relationship</i>	<i>Name of Director</i>	<i>Balance as at 01.04.2020 Payable Rs.</i>	<i>Nature of Transaction</i>	<i>Purchased during the Year Rs.</i>	<i>Amount Paid Rs.</i>	<i>Balance as at 31.03.2021 Receivable/ (Payable) Rs.</i>
Royal Ceramics Lanka PLC	Related Company Common Director	Mr. A M Weerasinghe	71,877	Outstanding Balance For Purchase of Goods	148,248	(220,125)	-

Further, the employees of Royal Ceramics Lanka PLC, are entitled to discount on Hospital Room Charges at a 10% rate and 50% on Hospital charges when they are getting OPD services from Singhe Hospitals PLC.

(25.4.1) Terms and Conditions of transactions held with related parties

Transactions held with related parties are carried out in the ordinary course of the business. Outstanding balances at the year end are unsecured and settlement will be occurs in cash.

All the transactions have been entered into with these related parties on an Arm's length basis under normal commercial terms and conditions.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021**(25.5) NON RECURRENT RELATED PARTY TRANSACTIONS**

There are no non-recurrent related party transactions which aggregate value exceeds 10% of the equity or 5% of the total assets which ever is lower of the Company as per 31st March 2021 audited financial statements, which required additional disclosures in the 2020/21 Annual Report under the Colombo Stock Exchange Listing Rule 9.3.2 and Code of Best Practices on Related Party Transactions under the Security Exchange Commission Directive issued under the Section 13(c) of the Security Exchange Commission Act.

(25.6) RECURRENT RELATED PARTY TRANSACTIONS

There were no recurrent related party transactions which in aggregate value exceeds 10% of the revenue of the Company as per 31st March 2021 audited financial statements, which required additional disclosures in the 2020/21 Annual Report under Colombo Exchange Listing Rule 9.3.2 and Code of Best Practices on Related Party Transactions under the Security Exchange Commission Directive issued under section 13(c) of the Security Exchange Commission Act.

(25.7) TRANSACTIONS, ARRANGEMENTS & AGREEMENTS INVOLVING WITH KEY MANAGEMENT PERSONNEL (KMP) & THEIR CLOSE FAMILY MEMBERS (CFM)

Close Family Members (CFM) of a Key Management Personnel (KMP) are those family members who be expected to influence, or be influenced by, that individual in their dealing with the entity.

They may include,

- (a) The individual's domestic partner and children;
- (b) Children of the individual's domestic partner ; and
- (c) Dependent of the individual or the individual's domestic partner CFM are related parties to the entity.

There were no transactions with CFM during the reporting year.

(26) CONTINGENT LIABILITIES

There were no significant Contingent Liabilities as at the reporting date that require adjustment to or disclosure in the Financial Statements except the following.

A court case has been filed against the Company by a patient, case no bearing 33371/M, which is pending at the District Court - Rathnapura

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021**(27) EVENTS OCCURRING AFTER THE REPORTING DATE**

There were no material events occurring after the balance sheet date that require adjustments or disclosure in the Financial Statements.

(28) COMMITMENTS**(28.1) CAPITAL EXPENDITURE COMMITMENTS**

There were no capital expenditure commitments as at the reporting date.

(28.2) FINANCIAL COMMITMENTS

As at the reporting date, the Company has the following Financial Commitments to a lending institutions.

<i>Institution</i>	<i>Facility for</i>	<i>Amount (Rs.)</i>
Sampath Bank PLC	To absorb the Loan Facility at Bank of Ceylon and Finance the expansion of Hospital.	247,000,000
Sampath Bank PLC	To meet working capital requirement of the Hospital & 08 Laboratories and to absorb part of the existing overdraft facility.	45,000,000
Sampath Bank PLC	To meet working capital requirement of the Hospital & to get Financial Assistance for lock down period.	18,400,000
Bank Of Ceylon	To meet working capital requirement of the Hospital & to get Financial Assistance for lock down period.	25,000,000
Commercial Bank of Ceylon PLC	To meet working capital requirement of the Hospital & 10 Laboratories and to absorb part of the existing overdraft facility.	15,000,000

SINGHE HOSPITALS PLC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021

(29) ASSETS PLEDGED AS COLLATERALS

Assets Pledged As Collaterals by the Company

The following assets of the Company have been pledged as collaterals for overdraft facilities and loans obtained by the Company to the respective financial institutions concerned.

<i>Name of the Financial Institution</i>	<i>Nature of the Facility</i>	<i>Facility Granted</i>	<i>Securities Pledged</i>	<i>Balance as at Reporting Date of 31st March 2021</i>
Sampath Bank PLC	Term Loan	292,000,000	Primary Mortgage Bond for Rs 272,000,000 over land and buildings at No 362, Colombo Road, Rathnapura, depicted as Lot No 01 in Plan No 1220 dated 10.01.2015 made by K A K L Edirisinghe (L.S.)	155,840,000
Sampath Bank PLC	Bank Overdraft Facility	25,000,000	Primary Mortgage Bond for Rs 272,000,000 over land and buildings at No 362, Colombo Road, Rathnapura, depicted as Lot No 01 in Plan No 1220 dated 10.01.2015 made by K A K L Edirisinghe (L.S.)	25,850,000
Commercial Bank Ceylon PLC	Bank Overdraft Facility	15,000,000	Primary Mortgage bond for Rs.30,000,000 over the property bearing Assessment No.23/4, Meneripitiya, Rathnapura despite as Lots No.1&2 in Plan No.425 dated 07/08/1995 drawn by Mr.K A Kapila Edirisinghe(L/S), owned by Mr.A M Weerasinghe (Chairman of Singhe Hospitals PLC)	16,226,873
Commercial Bank Ceylon PLC	Term Loan	15,000,000	Primary Mortgage bond for Rs.30,000,000 over the property bearing Assessment No.23/4, Meneripitiya, Rathnapura despite as Lots No.1&2 in Plan No.425 dated 07/08/1995 drawn by Mr.K A Kapila Edirisinghe(L/S), owned by Mr.A M Weerasinghe (Chairman of Singhe Hospitals PLC)	12,500,000

SINGHE HOSPITALS PLC**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021****(30) FINANCIAL INSTRUMENTS - FAIR VALUE AND RISK MANAGEMENT
(30.1) ACCOUNTING CLASSIFICATIONS & FAIR VALUES**

Financial Instruments are measured on an ongoing basis either at Fair Value or Amortized Cost. The summary of significant accounting policies describes how the classes of financial instruments are measured, and how income and expenses, including fair value gains and losses, are recognized.

The following methods and assumptions were used to estimate the fair values:

Cash & Cash Equivalents, Short Term Deposits, Trade and Other Receivables, Trade and Other Payables approximate their carrying amounts largely due to the short term maturities of these instruments.

Long Term Loans and Finance Leases approximate their carrying amount.

Fair Value Hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation techniques.

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

Level 2 : Inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3 : Techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

**(30.2) Fair Value vs Carrying Amounts
Classification as at 31st March, 2021**

	Financial Assets Recognized Through Profit or Loss (FVTPL)	Financial Assets at Fair Value Through Other Comprehensive Income (FVTOCI)	Rs	Rs	Financial Assets at Amortized Cost	Total Carrying Amount	Fair Value
	Rs	Rs	Rs	Rs	Rs	Rs	Rs
<u>Financial Assets</u>							
Financial Investments	18,405	-	-	18,405	18,405	18,405	18,405
Cash & Cash Equivalents	-	-	27,809,044	27,809,044	27,809,044	27,809,044	27,809,044
Trade and Other Receivables	-	-	49,460,387	49,460,387	49,460,387	49,460,387	49,460,387
Total Financial Assets	18,405	-	77,269,431	77,287,836	77,287,836	77,287,836	77,287,836
<u>Financial Liabilities</u>							
Interest Bearing Borrowings			Financial Liabilities at Amortized Cost	Rs	Rs	Rs	Rs
Finance Lease Liabilities				241,764,907	241,764,907	241,764,907	241,764,907
Amounts Due to Related Parties				50,974,515	50,974,515	50,974,515	50,974,515
Trade & Other Payables				1,672,102	1,672,102	1,672,102	1,672,102
Bank Overdrafts				24,464,896	24,464,896	24,464,896	24,464,896
				70,758,909	70,758,909	70,758,909	70,758,909
Total Financial Liabilities				389,635,329	389,635,329	389,635,329	389,635,329

SINGHE HOSPITALS PLC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021

(31) ACCOUNTING CLASSIFICATIONS & FAIR VALUES

(31.1) <i>Fair Value vs. Carrying Amounts</i> <i>Classification as at 31st March, 2021</i>	Held for Trading		Loans & Receivables		Other Financial Liabilities		Total Carrying Amount		Fair Value	
	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs
<u>Financial Assets</u>										
Financial Investments - Held for Trading	13,350	-	-	-	-	-	13,350	13,350	13,350	13,350
Cash & Cash Equivalents	-	15,268,834	-	-	-	-	15,268,834	15,268,834	15,268,834	15,268,834
Trade and Other Receivables	-	38,536,609	-	-	-	-	38,536,609	38,536,609	38,536,609	38,536,609
Total Financial Assets	13,350	53,805,443	-	-	-	-	53,818,793	53,818,793	53,818,793	53,818,793
<u>Financial Liabilities</u>										
Interest Bearing Borrowings	-	-	-	-	193,325,497	-	193,325,497	193,325,497	193,325,497	193,325,497
Finance Lease Liabilities	-	-	-	-	58,485,000	-	58,485,000	58,485,000	58,485,000	58,485,000
Amounts Due to Related Parties	-	-	-	-	24,404,714	-	24,404,714	24,404,714	24,404,714	24,404,714
Trade & Other Payables	-	-	-	-	26,054,581	-	26,054,581	26,054,581	26,054,581	26,054,581
Bank Overdrafts	-	-	-	-	86,568,710	-	86,568,710	86,568,710	86,568,710	86,568,710
Total Financial Liabilities	-	-	-	-	388,838,502	-	388,838,502	388,838,502	388,838,502	388,838,502

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021**

(32) FINANCIAL INSTRUMENTS - FAIR VALUE

(32.1) The following tables show an analysis of financial instruments at fair value & by levels of the fair value hierarchy.

As at 31st March 2021	Total Carrying Amount	Level 1	Level 2	Level 3	Fair Value
	Rs	Rs	Rs	Rs	Rs
Financial Assets Measured at Fair Value					
Investment in Quoted Equity Shares	18,405	18,405	-	-	18,405
	<u>18,405</u>	<u>18,405</u>	<u>-</u>	<u>-</u>	<u>18,405</u>
Financial Assets not Measured at Fair Value					
Trade and Other Receivables	49,460,387	-	-	49,460,387	50,000,387
Cash and Cash Equivalents	27,809,044	-	-	27,809,041	27,809,041
	<u>77,269,431</u>	<u>-</u>	<u>-</u>	<u>77,269,428</u>	<u>77,809,428</u>
Total Financial Assets	<u>77,287,836</u>	<u>18,405</u>	<u>-</u>	<u>77,269,428</u>	<u>77,827,833</u>
Financial Liabilities not measured at Fair Value					
Interest Bearing Borrowings	241,764,907	-	241,764,907	-	241,764,907
Other Financial Liabilities	72,431,011	-	71,763,623	-	71,763,623
	<u>314,195,918</u>	<u>-</u>	<u>313,528,530</u>	<u>-</u>	<u>313,528,530</u>
Total Financial Liabilities	<u>314,195,918</u>	<u>-</u>	<u>313,528,530</u>	<u>-</u>	<u>313,528,530</u>
As at 31st March 2020	Total Carrying Amount	Level 1	Level 2	Level 3	Fair Value
	Rs	Rs	Rs	Rs	Rs
Financial Assets measured at Fair Value					
Investment in Quoted Equity Shares	13,350	13,350	-	-	13,350
	<u>13,350</u>	<u>13,350</u>	<u>-</u>	<u>-</u>	<u>13,350</u>
Financial Assets					
Trade and Other Receivables	38,536,609	-	-	38,536,609	38,536,609
Short Term Investments	-	-	-	-	-
Cash and Cash Equivalents	15,268,834	-	-	15,268,834	15,268,834
	<u>53,805,443</u>	<u>-</u>	<u>-</u>	<u>53,805,443</u>	<u>53,805,443</u>
Total Financial Assets	<u>53,818,793</u>	<u>13,350</u>	<u>-</u>	<u>53,805,443</u>	<u>53,818,793</u>
Financial Liabilities					
Interest Bearing Borrowings	193,325,497	-	193,325,497	-	193,325,497
Other Financial Liabilities	110,973,424	-	110,973,424	-	110,973,424
	<u>304,298,921</u>	<u>-</u>	<u>304,298,921</u>	<u>-</u>	<u>304,298,921</u>
Total Financial Liabilities	<u>304,298,921</u>	<u>-</u>	<u>304,298,921</u>	<u>-</u>	<u>304,298,921</u>

SINGHE HOSPITALS PLC**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021****FINANCIAL INSTRUMENTS - FAIR VALUE****(32.2) Transfers Between Levels of Fair Value Hierarchy**

There were no transfers between Level 1, Level 2 and Level 3 during the year.

(32.3) Valuation Techniques and Significant Unobservable Inputs

The following table shows the valuation technique used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable Input used.

<i>Assets and Liabilities</i>	<i>Valuation Techniques</i>	<i>Significant Unobservable Input</i>
Interest Bearing Borrowings	Discounted cash flows The valuation model considers the present value of the expected payments, discounted using a risk adjusted discount rate.	Current market interest rates
Lease Liabilities	Discounted cash flows The valuation model considers the present value of the expected payments, discounted using a risk adjusted discount rate.	Current market interest rates

SINGHE HOSPITALS PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

(33) FINANCIAL RISK MANAGEMENT - OVERVIEW

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

- Credit Risk
- Liquidity Risk
- Market Risk

This note represents information about the Company's exposure to each of above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

RISK MANAGEMENT FRAMEWORK

The Board of Directors has the overall responsibility for the establishment & oversight of the company's Risk Management Framework.

The Company's risk management policies are established to identify and analyse the risk faced by the Company, to set appropriate risk limits and controls, and monitor risks and adhere to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and company's activities. The Company, through its training and management standards and procedures, aim to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

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

The Audit Committee is assisted in its role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of controls and procedures, the results of which are reported to the Audit Committee.

Further quantitative disclosures are included throughout these Company Financial Statements.

(33.1) Credit Risk

Credit risk is the risk of financial loss to the Company if a client or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's Receivables from customers.

Trade and Other Receivables

The company is exposed to the credit risk mainly from its normal course of business in terms of individual characteristics of each customer. The Management has established credit policy under which each new corporate customer is analyzed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered.

Management of Credit Risk Include Following components

- Formulating credit policies in consultation with business units covering credit assessment, risk grading and reporting, documentary and legal procedures and compliance with regulatory and statutory requirements.
- Establishing the authorisation structure for the approval.
- The carrying amount of financial assets represents the maximum credit exposure.

SINGHE HOSPITALS PLC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2021

FINANCIAL INSTRUMENTS

(34) RISK MANAGEMENT FRAMEWORK Cont'd

(34.1) Investments

Investments of surplus fund are made only with approved counterparties and within credit limits assigned to each counterparty. The limits are set to minimize concentration of risks and therefore mitigate financial loss through potential counterparty's failure.

Cash and Cash Equivalents

The Company held cash and cash equivalents of Rs.27,809,041 as at 31st March 2021 (2019/20- Rs 15,268,834) which represents its maximum credit exposure on these assets.

Company as at 31.03.2021

<i>Assets</i>	<i>Neither Past Due Nor Impaired</i>	<i>Past Due But not Impaired</i>	<i>Individually Impaired</i>	<i>Impairment Provision</i>	<i>Totals</i>
	<i>Rs</i>	<i>Rs</i>	<i>Rs</i>	<i>Rs</i>	<i>Rs</i>
Trade Debtors and Other Receivables	49,460,387	-	-	-	49,460,387
Cash & Cash Equivalents	27,809,044	-	-	-	27,809,044
<i>Total Financial Assets</i>	77,269,431	-	-	-	77,269,431

Company as at 31.03.2020

<i>Assets</i>	<i>Neither Past Due Nor Impaired</i>	<i>Past Due But not Impaired</i>	<i>Individually Impaired</i>	<i>Impairment Provision</i>	<i>Totals</i>
	<i>Rs</i>	<i>Rs</i>	<i>Rs</i>	<i>Rs</i>	<i>Rs</i>
Trade Debtors and Other Receivables	38,536,609	-	-	-	38,536,609
Cash & Cash Equivalents	15,268,834	-	-	-	15,268,834
<i>Total Financial Assets</i>	53,805,443	-	-	-	53,805,443

SINGHE HOSPITALS PLCNOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2021RISK MANAGEMENT FRAMEWORK - Cont'dAnalysis of Concentration of Risk

The following table shows the risk concentration by sector for the components of the Statement of Financial Position.

<u>Company as at 31.03.2021</u> <u>Sector Wise Breakdown</u>	<u>Cash & Cash</u> <u>Equivalents</u>		<u>Other</u> <u>Financial</u> <u>Assets</u>		<u>Interest</u> <u>Bearing</u> <u>Borrowings</u>		<u>Other</u> <u>Financial</u> <u>Liabilities</u>		<u>Totals</u>	
	<u>Rs</u>		<u>Rs</u>		<u>Rs</u>		<u>Rs</u>		<u>Rs</u>	
Corporate Institutions	6,670,191				241,764,907		-		248,435,098	
Others	21,138,853		-		-		1,672,102		22,810,955	
Total	27,809,044		-		241,764,907		1,672,102		271,246,053	

(34.2) Liquidity Risk

Liquidity risk is the risk that the Company will not have adequate financial resources to meet Company's obligations as and when they fall due. This risk arises from mismatches in the timing of cash flows.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdraft and bank loans. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to below. Access to source of funding is sufficiently available and debt maturing within 12 months can be rolled over with existing lenders.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2021**

RISK MANAGEMENT FRAMEWORK - Cont'd

Exposure to Liquidity Risk - Maturity Analysis of Financial Assets

The table below summarises the maturity profile of the company's financial assets as at reporting dates based on contractual undiscounted payments.

<u>Year Ended 31st March 2021</u>	<u>Carrying Amount</u>	<u>On Demand</u>	<u>Upto 1 Year</u>	<u>1 - 3 Years</u>	<u>3 - 5 Years</u>	<u>Over 5 Years</u>
<u>Assets</u>	<u>Rs</u>	<u>Rs</u>	<u>Rs</u>	<u>Rs</u>	<u>Rs</u>	<u>Rs</u>
Cash & Cash Equivalents	27,809,044	27,809,044	-	-	-	-
Trade and Other Receivables	49,460,387	-	49,460,387	-	-	-
As at 31st March 2021	77,269,431	27,809,044	49,460,387	-	-	-

<u>Year ended 31st March 2020</u>	<u>Carrying Amount</u>	<u>On Demand</u>	<u>Upto 1 Year</u>	<u>1 - 3 Years</u>	<u>3 - 5 Years</u>	<u>Over 5 Years</u>
<u>Assets</u>	<u>Rs</u>	<u>Rs</u>	<u>Rs</u>	<u>Rs</u>	<u>Rs</u>	<u>Rs</u>
Cash & Cash Equivalents	15,268,834	15,268,834	-	-	-	-
Trade and Other Receivables	38,536,609	-	38,536,609	-	-	-
Short Term Investments	-	-	-	-	-	-
As at 31st March 2020	53,805,443	15,268,834	38,536,609	-	-	-

SINGHE HOSPITALS PLCNOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2021RISK MANAGEMENT FRAMEWORK - Cont'dMaturity Analysis of Financial Liabilities

The table below summarises the maturity profile of the company's financial liabilities as at reporting date based on contractual undiscounted payments.

<u>Year Ended 31st March 2021</u> <u>Liabilities</u>	<u>Carrying Amount</u> Rs	<u>On Demand</u> Rs	<u>Upto 1 Year</u> Rs	<u>1 - 3 Years</u>		<u>3 - 5 Years</u>		<u>Over 5 Years</u>	
				Rs	Rs	Rs	Rs	Rs	Rs
Interest Bearing Borrowings	241,764,907	-	62,009,606	81,703,184	45,412,117	-	-	52,640,000	-
Trade and Other Payables	24,464,896	-	24,464,896	-	-	-	-	-	-
Amounts Due to Related Parties	1,672,102	-	1,672,102	-	-	-	-	-	-
Bank Overdrafts	70,758,909	-	70,758,909	-	-	-	-	-	-
As at 31st March 2021	338,660,814	-	158,905,513	81,703,184	45,412,117	-	-	52,640,000	-
<u>Year Ended 31st March 2020</u> <u>Liabilities</u>	<u>Carrying Amount</u> Rs	<u>On Demand</u> Rs	<u>Upto 1 Year</u> Rs	<u>1 - 3 Years</u>		<u>3 - 5 Years</u>		<u>Over 5 Years</u>	
				Rs	Rs	Rs	Rs	Rs	Rs
Interest Bearing Borrowings	193,325,497	-	27,240,000	59,580,000	58,630,000	-	-	47,875,497	-
Trade and Other Payables	26,054,581	-	26,054,581	-	-	-	-	-	-
Amount Due to Related Parties	24,404,714	-	24,404,714	-	-	-	-	-	-
Bank Overdrafts	86,568,710	-	86,568,710	-	-	-	-	-	-
As at 31st March 2020	330,353,502	-	164,268,005	59,580,000	58,630,000	-	-	47,875,497	-

SINGHE HOSPITALS PLC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2021

FINANCIAL INSTRUMENTS

(34.2.1) CREDIT QUALITY OF FINANCIAL ASSETS

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to the extent of collaterals provided by counterparties:

	2021	2020
<u>Counterparties without external credit ratings</u>		
Counterparties without external credit ratings & Cash in hand	21,138,853	13,139,870
	<u>21,138,853</u>	<u>13,139,870</u>
<u>Cash at bank and short-term bank deposits</u>		
Hatton National Bank PLC	1,197,300	4,028
Sampath Bank PLC	1,261,891	8,096
Bank of Ceylon	3,937,373	2,061,687
Commercial Bank of Ceylon PLC	273,625	55,153
Counterparties without external credit rating	21,138,853	13,139,870
	<u>27,809,042</u>	<u>15,268,834</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2021**

RISK MANAGEMENT FRAMEWORK - Cont'd

(34.3) Market Risk

Market Risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise four types of risks: Interest Rate Risk, Currency Risk, Commodity Price Risk and Other Price Risks.

Financial Instruments affected by market risk include loans and borrowings, short term deposits.

The objective of market risk management is to manage control and control market risk exposure within acceptable parameters, while optimizing the return.

(34.3.1) Management of Market Risk

All interest bearing borrowing rates are linked to AWPLR and SLIBOR. Hence, any movement will be in line with the market and have a corresponding impact.

(34.3.2) Interest Rate Risk

Interest Rate is the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company mainly borrows in the short term to fund its working capital requirement which is linked and floating interest rates. For other funding needs the Company maintains a proper mix of fixed and floating interest rates based on the predictability of future cash flow.

(34.3.3) Interest Rate Sensitivity

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument which will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The following table represents the sensitivity to a reasonable possible changes in interest rates, with all other variables held constant, of the Company's profit before tax (through the impact on floating rate borrowings)

	<u>2020/2021</u>	<u>2019/2020</u>
01% Increase in Interest Rate	(2,417,649)	(1,933,255)
01% Decrease in Interest Rate	2,417,649	1,933,255

(35) CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value.

Capital consists of Ordinary Shares, Retained Earnings and Revaluation Reserve of the Company.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payments to shareholders, retain capital to shareholders or issue new shares.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31st March, 2020 and 31st March, 2021.

The Company's policy is to keep the gearing ratio between 25% and 40%.

The Company's net debts to adjusted equity ratio as at the reporting date were as follows.

	<i>Note</i>	<u>2020/2021</u>	<u>2019/2020</u>
Interest Bearing Borrowings	(20)	241,764,907	193,325,497
Other Financial Liabilities	(10.1)	52,646,618	82,889,713
Trade and Other Payables	(23)	24,464,896	26,054,581
Bank Overdrafts	(22)	70,758,909	86,568,711
Less : Cash & Cash Equivalents	(16)	(27,809,044)	(15,782,032)
Net Debts		<u>361,826,286</u>	<u>373,056,470</u>
Total Equity		<u>476,510,952</u>	<u>472,845,719</u>
Adjusted Net Debt to Adjusted Equity Ratio		76%	79%

Value Added Statement

Value Added	Year Ended 31st March 2021		Year Ended 31st March 2020	
	Amount	%	Amount	%
Turnover	700,337,221		671,631,168	
Cost of Materials and Services	(416,909,404)		(416,046,541)	
Other Income	173,353		2,019,959	
	283,601,170		257,604,586	
<u>Distribution of Value Added</u>				
<u>To Employees</u>				
Salaries and Others	178,433,574	63%	163,551,658	63%
<u>To Government</u>				
Tax	3,501,953	1%	(13,096,300)	(5%)
<u>To Capital Providers</u>				
Bank Charges	28,783,614	10%	40,073,569	16%
Net Profit/(Loss) Attributable to Ordinary Share Holders	2,299,121	1%	(5,749,761)	(2%)
<u>To Expansion and Growth</u>				
Depreciation	70,582,908	25%	72,825,420	28%
	283,601,170	100%	257,604,586	100%

Ten Year Summary

Rs' 000	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
OPERATING RESULTS										
Turnover	700,337	671,631	595,107	488,314	405,367	297,636	234,887	164,004	33,344	-
Other Income	173	2,020	35,217	3,880	4,387	7,524	-	119	170	217
Profit/(Loss) Before Tax	5,801	(18,846)	17,518	(66,003)	(74,340)	(66,346)	(59,422)	(113,904)	(95,087)	(5,260)
Income Tax	(3,502)	13,096	(29,392)	16,957	(3,610)	(7,688)	(8,981)	(17,685)	(12,782)	(28)
Profit/(Loss) After Tax	2,299	(5,750)	(11,873)	(49,046)	(77,951)	(74,035)	(68,404)	(131,589)	(107,870)	(5,289)
BALANCE SHEET										
Assets										
Property, Plant & Equipment	803,304	824,633	787,089	791,290	844,343	802,340	674,659	699,882	621,756	353,688
Inventories	67,886	48,596	39,368	35,479	36,023	28,966	18,582	12,077	9,946	-
Receivables	53,034	46,291	32,477	26,062	43,300	26,692	253,157	4,388	1,673	659
Cash & Cash Equivalents	27,809	15,268	22,182	21,219	16,743	104,879	1,940	1,069	4,170	3,843
	952,033	934,789	881,116	874,050	940,409	962,877	948,338	717,416	637,545	358,190
Equity & Liabilities										
Share Capital	375,000	375,000	914,352	848,201	848,201	848,201	848,201	434,470	150,000	150,000
Reserves	101,511	97,846	(434,021)	(422,634)	(364,017)	(325,427)	(330,062)	(154,860)	(117,800)	(9,930)
Interest Bearing Borrowings	241,764	193,325	225,507	295,886	279,132	301,390	289,908	333,410	320,000	93,877
Trade & Other Payables	162,999	182,051	116,676	88,331	96,314	82,677	94,052	64,956	247,801	117,862
Overdraft	70,759	86,567	59,602	64,266	80,779	56,036	46,239	39,440	37,544	6,381
	952,033	934,789	881,116	874,050	940,409	962,877	948,338	717,416	637,545	358,190

Share Information

Distribution of Shareholders

Voting shares

Shareholding	Resident			Non - Resident		
	Number of Shareholders	No. of Shares	%	No of Shareholders	No. of Shares	%
1 - 1000	525	195,836	0.05%	1	200	0.00%
1001 - 10000	483	2,423,023	0.56%	0	-	0.00%
10001 - 100000	335	13,443,811	3.12%	0	-	0.00%
100001 - 1000000	80	21,134,254	4.90%	1	211,000	0.05%
Over 1,000,000	4	386,132,379	89.53%	1	7,760,392	1.80%
	1427	423,329,303	98.15%	3	7,971,592	1.85%

Categories of Shareholders

	Number of Shareholders	No. of Shares
Individuals	1391	415,042,216
Institutional	39	16,258,679
	1430	431,300,895

Public Shareholding

	2020 - 2021	2019 - 2020
Number of Share Holders	1426	711
Number of Shares	58,268,396	58,137,197
Percentage	13.51%	13.48%

Investor Ratios

	2020 - 2021	2019 - 2020
Earnings Per Share (Rs)	0.01	(- 0.01)
Net Assets Value Per Share (Rs)	1.18	1.10

Market Activities

Market Value Per Share

	2020 - 2021			2019 - 2020		
	Highest Traded Price	Lowest Traded Price	Last Traded Price	Highest Traded Price	Lowest Traded Price	Last Traded Price
Voting Shares (Rs)	3.90	1.20	2.00	1.80	1.40	1.40
Date	13th October 2020	26th May 2020	31st March 2021	10th March 2020	20th March 2020	20th March 2020

Share Trading Information

	2020 - 2021		2019 - 2020	
	Share Traded Numbers	Turnover Rs.	Share Traded Numbers	Turnover Rs.
	56,964,387	166,965,250	45,382,565	72,522,378

	2020 - 2021	2019 - 2020
Market Capitalization	862,601,790	603,821,253
Float adjusted Market Capitalization	116,537,500	81,395,104

Company maintains the minimum public holding under option 2 of the listing rule no.7.13.1(b).

Share Information

Top 20 Shareholders as at 31st March

S/ N	Name of the Shareholders	Country Residence	As at 31st March 2021		As at 31st March 2020	
			Number of Shares	Holding %	Number of Shares	Holding %
01	Mr. A. M. Weerasinghe	Sri Lanka	372,697,415	86.41%	372,697,415	86.41%
	Sampath Bank PLC/ Dr. T. Senthilverl	- Do -	-	0.00%	44,237,000	10.26%
02	Hatton National PLC/Carlines Holdings Pvt. Limited	- Do -	10,000,000	2.32%	-	0%
03	Srikumar Balasubramaniam	- Do -	7,760,392	1.80%	-	0%
04	Bank of Ceylon No. 1 Account	- Do -	1,937,863	0.45%	4,000,000	1%
05	Mr. K. K. D. P. A. P. Weligepola	- Do -	1,497,101	0.35%	1,497,101	3.5%
06	Mr.W.W.W.D.S. Waduge	- Do -	1,000,000	0.23%	-	0%
07	Mr. B.S.M. Abeysekara	- Do -	880,000	0.20%	-	0%
08	Merchant Bank of Sri Lanka & Finance PLC/S.Gobinath	- Do -	850,000	0.20%	-	0%
09	Dr.M.A.M.A. Akram	- Do -	805,338	0.19%	-	0%
10	Mr.W.I.P. De Silva	- Do -	710,248	0.16%	-	0%
11	Dr. K. B. Kannangara	- Do -	500,000	0.12%	500,000	0.12%
12	Mr.W.K.A.K. Premaratne	- Do -	465,511	0.11%	-	0%
13	Mr.L.M. Anthony	- Do -	450,000	0.10%	-	0%
14	Mr. L. E. Liyanage	- Do -	436,000	0.10%	436,000	0.01%
15	Mrs.J.L.S.D.Munasinghe	- Do -	416,338	0.10%	-	0%
16	Citizens Development Business Finance PLC/C.U.Gamage	- Do -	413,300	0.10%	-	0%
17	Mr.V. Sivalingam - Join Mrs. S.M. Sivalingam	- Do -	400,312	0.09%	-	0%
18	Sampath Bank PLC/ Mr.N.A.J.A.K.Nissanka	- Do -	400,000	0.09%	-	0%
19	Mr. S. Gobinath	- Do -	400,000	0.09%	-	0%
20	Mr.A.B. Thennakoon	- Do -	378,861	0.09%	-	0%
	Weerasinghe Property Development (Pvt) Ltd	- Do -	-	0.00%	416,273	0.01%
	Mr. M. C. C. K. Rodrigo	- Do -	-	0.00%	334,208	0.08%
	T.N. Attygalle	- Do -	-	0.00%	329,405	0.08%
	Mr.K. M. Jayathilaka	- Do -	-	0.00%	321,974	0.07%
	Mr.I.A.S. Karunaratne	- Do -	-	0.00%	300,000	0.07%
	Mr. A. M. L. M. Aththanayake	- Do -	-	0.00%	300,000	0.07%
	Mr. W.R.S.P. De Saram	- Do -	-	0.00%	271,107	0.06%
	Peoples Merchant Finance PLC/ Mr. Senevirathne	- Do -	-	0.00%	236,882	0.05%
	Mrs. V.S. Gooneratne	- Do -	-	0.00%	230,000	0.05%
	Mr. K. Wanigasekara	- Do -	-	0.00%	202,000	0.05%
	Mr. C. Kananathan	- Do -	-	0.00%	200,000	0.05%
	Mrs. U. D. S. Jayalath	- Do -	-	0.00%	200,000	0.05%
	Mr. L.G.H.M.Udayasiri	- Do -	-	0.00%	188,036	0.04%
	Mr.R.E. Rambukwella	- Do -	-	0.00%	163,184	0.04%
	Total		402,398,679	93.30%	427,060,585	99.02%

Notice of Meeting

Notice is hereby given that the Annual General Meeting of the Shareholders of Singhe Hospitals PLC, will be held at Singhe Hospitals PLC, No. 362, Colombo Road, Ratnapura on 17th July 2021 at 10.00 A.M.

The business to be brought forward before the meeting will be:

1. To receive and consider the Annual Report of the Directors and the Statement of Accounts for the year ended 31st March 2021 with the Report of the Auditors thereon. (Resolution 1)
2. To re-elect Mr. H M A B Weerasekara, who retires by rotation under Article 82 of the Articles of Association and being eligible offers himself for re-election. (Resolution 2)
3. To re-elect Mr. U B H J Kithsiri, who retires by rotation under Article 82 of the Articles of Association and being eligible offers himself for re-election. (Resolution 3)
4. To elect Mr. A M P N Weerasinghe, who was appointed since the last Annual General Meeting, in terms of Article No.89 of the Articles of Association. (Resolution 4)
5. To elect Mr. D T Gooneratne, who was appointed since the last Annual General Meeting, in terms of Article No.89 of the Articles of Association. (Resolution 5)
6. To re-appoint M/s B R De Silva & Company, Chartered Accountants, the retiring Auditors who have expressed their willingness to continue in office as Company's Auditors, until the conclusion of the next Annual General Meeting and to authorize the Board of Directors to determine their remuneration. (Resolution 6)
7. To authorize the Directors to determine donations for the year 2021/2022. (Resolution 7)
8. If thought fit to pass the following resolutions as Special Resolutions:

Special Resolution No.1

“Resolved that the Articles of Association of the Company be amended by deleting Article No.53 (Quorum) in its entirety and by inserting the following Articles numbered 53. (1) and 53. (2), in place thereof:

53. (1) No business shall be transacted at any General Meeting unless a quorum is present when the meeting proceeds to business.

Subject to provisions contained below, a quorum for a meeting of members shall be five (05) members entitled to vote at the meeting being present in person or by proxy or attorney or (in the case of a corporation) by an authorized representative, at the commencement of the meeting.

(2) Method of holding meetings

A meeting of shareholders may be held either

- (a) by a number of shareholders who constitute a quorum, being assembled together at the place, date and time appointed for the meeting; or
- (b) by means of audio, or audio and visual communication by which all shareholders participating and constituting a quorum, can simultaneously hear each other throughout the meeting. (Resolution 8)

Special Resolution No.2

“Resolved that the Articles of Association of the Company be amended by renumbering the existing Article 90 as 90(1) and by inserting the following Article numbered 90 (2), immediately after the existing Article numbered 90(1):

90 (2) Method of holding meetings

A meeting of Board may be held either

- (a) by a number of directors who constitute a quorum being assembled together at the place, date and time appointed for the meeting; or
- (b) by means of audio, or audio and visual communication by which all directors participating and constituting a quorum, can simultaneously hear each other throughout the meeting. (Resolution 9)

BY ORDER OF THE BOARD
NEXIA CORPORATE CONSULTANTS (PVT) LTD

SECRETARIES

14th June 2021

1. A shareholder entitled to attend and vote is entitled to appoint a proxy or proxies to attend and vote instead of him/her.
2. A proxy need not be a shareholder of the Company.
3. A form of proxy accompanies this notice.

Form of Attendance

I hereby record my presence at the Annual General Meeting of Singhe Hospitals PLC, held on 17th July 2021 at 10.00 A.M. at the Singhe Hospitals PLC, No. 362, Colombo Road, Ratnapura.

Full Name of Shareholder :

National Identity Card :

No. of Shareholder :

Address of Shareholder :

.....

.....

Name of Proxy holder :

(If applicable) :

National Identity Card :

No. of Proxy Holder :

Address of Proxy Holder :

No of Shares Held :

Share Certificate No. :

Signature of Shareholder :

Date :

Note :

Shareholders are requested to:

1. Bring the Form of Attendance when attending the Meeting and hand it over at the entrance to the meeting hall. Bring the National Identity Card or Passport.
2. Shareholders appointing persons (other than Directors of the Company) to attend the Meeting are requested to indicate the number of the National Identity Card of the Proxy holder on the Form of Proxy and request the proxy holder to bring with them their National Identity Card or Passport.



Form of Proxy Shareholders

I/We.....

.....of.....

.....being a

shareholder / shareholders of Singhe Hospitals PLC. hereby appoint

Mr. A M Weerasinghe	or failing him
Mr. A M D H Navinda Weerasinghe	or failing him
Mr. A M Lakshika Maduranga Weerasinghe	or failing him
Mr. U B H J Kithsiri	or failing him
Mr. H M A B Weeraseskara	or failing him
Mr. A M A Cader	or failing him
Dr. H S Jayasinghe	or failing him
Mr. A M P N Weerasinghe	or failing him
Mr. D T Gooneratne	or failing him

Mr./Mrs./Miss.....

.....of.....

as my/our proxy to attend (and vote for me/us) on my/our behalf at the Annual General Meeting of the Company to be held on 17th July 2021 and at any adjournment thereof.

Resolutions

	For	Against
1. To receive the Statement Accounts for the year ended 31st March 2021	<input type="checkbox"/>	<input type="checkbox"/>
2. To re-elect Mr. H.M.A.B. Weeraseskara , who retires by rotation	<input type="checkbox"/>	<input type="checkbox"/>
3. To re-elect Mr. U.B.H.J. Kithsiri, who retires by rotation	<input type="checkbox"/>	<input type="checkbox"/>
4. To elect Mr. A.M.P.N. Weerasinghe	<input type="checkbox"/>	<input type="checkbox"/>
5. To elect Mr. D.T. Gooneratne	<input type="checkbox"/>	<input type="checkbox"/>
6. To re-appoint auditors	<input type="checkbox"/>	<input type="checkbox"/>
7. To authorize Directors to determine donations	<input type="checkbox"/>	<input type="checkbox"/>
8. To pass the Special Resolution 1	<input type="checkbox"/>	<input type="checkbox"/>
9. To pass the Special Resolution 2	<input type="checkbox"/>	<input type="checkbox"/>

Mark your preference with "X"

Signed on thisday of

2021

.....
Signature



Note

1. A shareholder entitled to attend and vote is entitled to appoint a proxy or proxies to attend and vote instead of him/her.
2. Kindly perfect the Form of Proxy after filling legibly your full name and address by signing in the space provided and dating same.
3. If the Proxy Form is signed by an Attorney, the relative power of Attorney should also accompany the completed Form of Proxy, if it has not already been registered with the Company.
4. The complete Proxy Form should be deposited at the Registered Office of the Company at No. 362, Colombo Road, Ratnapura (not less than 48 hours before the time appointed for the holding of the meeting).

Corporate Information

NAME OF THE COMPANY

Singhe Hospitals PLC

LEGAL FORM

A quoted public company with limited liability incorporated in Sri Lanka under the companies act no 07 of 2007.

Company Registration Number

PB 70371 PQ

STOCKS EXCHANGE LISTING

The company ordinary share are listed on the Colombo Stock Exchange of Sri Lanka.

REGISTERED OFFICE

No 362, Colombo Road, Ratnapura.

BANKERS

Bank of Ceylon
Hatton National Bank PLC
Commercial Bank of Ceylon PLC
Sampath Bank PLC

AUDITORS

Messers BR De Silva & Co.
Chartered Accountants
No 22/4, Vijaya Kumarathunga Mawatha,
Colombo 05.

SECRETARIES

Nexia Corporate Consultants (Pvt) Ltd
No. 181, Nawala Road,
Narahenpita.

REGISTRARS

SSP Corporate Services (Pvt) Ltd
546, Galle Road,
Colombo 03.



Singhe Hospitals PLC

☎ 0457 555 555

No: 362,Colombo Road,Ratnapura.

www.singhehospital.com