



# SINGER<sup>®</sup>

Trusted Excellence



SINGER (SRI LANKA) PLC

INTERIM FINANCIAL STATEMENTS FOR THE  
YEAR ENDED 31ST DECEMBER 2014

## Group Chief Executive Officer's Review

The Singer Group ended the year with Revenue reaching Rs. 29.7 Billion - a growth of 16.5% over the prior year.

The revenue growth can be attributed to an improvement in the overall business environment as well as due to initiatives taken by the Group. We believe that the low interest regime led to a gradual improvement in the business environment.

As we mentioned in our last review, when we look at the last eight quarters in the table below, we see an improved trend for revenues, when comparing with the same period of the previous year.

Quarterly Revenue Growth (declines in brackets)		
	2014	2013
1st Quarter	<b>8%</b>	1%
2nd Quarter	<b>14%</b>	(1%)
3rd Quarter	<b>15%</b>	(3%)
4th Quarter	<b>27%</b>	3%
Full Year	<b>16.5%</b>	0.2%

The revenue growth was driven by the Communication and the Digital Media segment which grew by 39%. At the same time, all other segments other than transportation had a growth. Agro segment grew by 30%, sewing products by 27%, kitchen - related products by 17%, white goods by 15%, consumer electronics by 8% and furniture by 8%.

During the year under review, the company was made a Distributor for several internationally renowned brands - namely SONY, DELL, SHARP and MITSUBISHI Air Conditioners, thereby significantly strengthening its brand offering to the customers.

The Group Net Profit for the year is Rs. 781 Million, which is an increase of 50% when compared with prior year. In case of the Company, Net Profit for the year was Rs. 463 Million, which is an increase of 54%.

The Group total comprehensive income for the year is Rs. 891 Million, which is a 71% growth when compared with prior year. In case of the Company, total comprehensive income is Rs. 575 Million, which is a 92% growth when compared with prior year.

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

The Company's Subsidiary Singer Finance (Lanka) PLC, had increase of revenue by 3% and an increase of Net Profit by 12%, for the full year ended 31st December 2014.

I wish to place on record my appreciation of all our staff for their contribution and commitment in effecting a recovery during this year.

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

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

### Asoka Pieris

Group Chief Executive Officer

Colombo

27th February 2015

## Statement of Comprehensive Income

<i>For the quarter ended 31st December</i>	<b>Group</b>		<b>Company</b>		<b>Variance</b>		<b>Variance</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>	<b>Group</b>	<b>%</b>	<b>Company</b>	<b>%</b>
	<b>Rs.'000</b>	<b>Rs.'000</b>	<b>Rs.'000</b>	<b>Rs.'000</b>	<b>Rs.'000</b>		<b>Rs.'000</b>	
Revenue	<b>8,839,987</b>	6,940,929	<b>7,793,256</b>	6,497,707	1,899,058	+ 27	1,295,549	+ 20
Cost of Sales	<b>(6,038,124)</b>	(4,512,810)	<b>(5,540,374)</b>	(4,512,810)	(1,525,313)	+ 34	(1,027,564)	+ 23
Direct Interest Cost	<b>(160,755)</b>	(176,612)	—	—	(15,857)	— 9	—	—
Gross Profit	<b>2,641,108</b>	2,251,507	<b>2,252,882</b>	1,984,897	389,601	+ 17	267,986	+ 14
Other Income	<b>19,585</b>	27,496	<b>20,745</b>	24,409	7,911	— 29	3,664	— 15
Selling and Administration Expenses	<b>(1,977,052)</b>	(1,842,660)	<b>(1,811,718)</b>	(1,672,586)	(134,390)	+ 7	(139,133)	+ 8
Other Operating Expenses	<b>(76,283)</b>	11,737	<b>(71,318)</b>	11,968	(88,022)	+ 750	(83,286)	+ 696
Finance Cost	<b>(251,491)</b>	(312,890)	<b>(245,509)</b>	(312,890)	(61,398)	— 20	(67,380)	— 22
Finance Income	<b>54,112</b>	49,952	<b>32,674</b>	34,927	4,160	+ 8	2,253	— 6
Net Finance Cost	<b>(197,379)</b>	(262,938)	<b>(212,835)</b>	(277,963)	(65,559)	— 25	(65,127)	— 23
Share of Profit of Equity Accounted Investees (Net of Income Tax)	<b>967</b>	311	—	—	656	+ 211	—	—
Value Added Tax on Financial Services	<b>(17,693)</b>	(7,201)	<b>(6,800)</b>	(2,000)	(10,492)	+ 146	(4,800)	+ 240
<b>Profit before Tax</b>	<b>393,253</b>	178,252	<b>170,957</b>	68,725	215,001	+ 121	102,231	+ 149
Income Tax Expense	<b>(120,699)</b>	(69,238)	<b>(66,296)</b>	(45,933)	(51,461)	+ 74	(20,362)	+ 44
<b>Profit for the Period</b>	<b>272,554</b>	109,014	<b>104,661</b>	22,792	163,541	+ 150	81,869	+ 359
<b>Other Comprehensive Income</b>								
Revaluation of Property, Plant and Equipment	<b>134,237</b>		<b>134,237</b>					
Actuarial Loss on Retirement Benefit Obligation	<b>(13,830)</b>	(4,175)	<b>(11,659)</b>	(3,728)				
Tax on Other Comprehensive Income	<b>(10,762)</b>	1,169	<b>(11,370)</b>	1,044				
<b>Other Comprehensive Income for the Period</b>	<b>109,645</b>	3,006	<b>111,208</b>	2,694				
<b>Total Comprehensive Income for the Period</b>	<b>382,199</b>	106,008	<b>215,870</b>	20,108				
<b>Profit Attributable to:</b>								
Owners of the Company	<b>249,649</b>	93,018	<b>104,661</b>	22,792				
Non-Controlling Interests	<b>22,905</b>	15,099	—	—				
<b>Profit for the Period</b>	<b>272,554</b>	109,013	<b>104,661</b>	22,792				
<b>Total Comprehensive Income Attributable to:</b>								
Owners of the Company	<b>359,601</b>	90,013	<b>215,870</b>	20,108				
Non-Controlling Interest	<b>22,599</b>	15,995	—	—				
<b>Total Comprehensive Income for the Period</b>	<b>382,199</b>	106,008	<b>215,870</b>	20,108				
Earnings per Share - Basic (Rs.)	<b>1.99</b>	0.74	<b>0.84</b>	0.18				

Above figures are provisional and subject to audit.

	<b>4th Quarter 2014</b>	<b>4th Quarter 2013</b>
	<b>Rs.</b>	<b>Rs.</b>
Share Prices		
Highest	<b>128.90</b>	99.90
Lowest	<b>104.00</b>	95.00
Last Traded Price	<b>117.90</b>	89.00

## Statement of Comprehensive Income

For the year ended 31st December	Group		Company		Variance		Variance	
	2014 Rs.'000	2013 Rs.'000	2014 Rs.'000	2013 Rs.'000	Group Rs.'000	%	Company Rs.'000	%
Revenue	29,699,602	25,485,561	27,130,594	23,717,117	4,214,041	+ 17	3,413,477	+ 14
Cost of Sales	(19,265,536)	(16,064,939)	(18,664,274)	(16,064,939)	(3,200,597)	+ 20	(2,599,335)	+ 16
Direct Interest Cost	(711,017)	(656,149)	—	—	(54,868)	+ 8	—	—
Gross Profit	9,723,049	8,764,473	8,466,321	7,652,178	958,575	+ 11	814,143	+ 11
Other Income	124,311	131,154	165,715	192,965	6,843	— 5	27,250	— 14
Selling and Administration Expenses	(7,345,509)	(6,653,633)	(6,625,967)	(5,961,869)	(691,877)	+ 10	(664,098)	+ 11
Other Operating Expenses	(279,916)	(208,922)	(260,799)	(195,079)	(70,997)	+ 34	(65,722)	+ 34
Finance Cost	(1,103,695)	(1,359,130)	(1,111,556)	(1,359,130)	(249,193)	— 18	(240,753)	— 18
Finance Income	112,366	98,974	64,148	141,019	19,634	+ 22	70,050	— 52
Net Finance Cost	(991,328)	(1,260,157)	(1,047,408)	(1,218,111)	(268,829)	— 21	(170,703)	— 14
Share of Profit/(Loss) of Equity Accounted Investees (Net of Income Tax)	1,963	1,282	—	—	682	+ 53	—	—
Value Added Tax on Financial Services	(76,961)	(45,758)	(37,600)	(22,050)	(31,203)	+ 68	(15,550)	+ 71
<b>Profit before Tax</b>	<b>1,155,608</b>	<b>728,440</b>	<b>660,261</b>	<b>448,034</b>	<b>427,168</b>	<b>+ 59</b>	<b>212,228</b>	<b>+ 47</b>
Income Tax Expense	(373,974)	(206,375)	(196,630)	(146,139)	(167,599)	+ 81	50,489	+ 35
<b>Profit for the Period</b>	<b>781,633</b>	<b>522,066</b>	<b>463,631</b>	<b>301,894</b>	<b>259,567</b>	<b>+ 50</b>	<b>161,738</b>	<b>+ 54</b>
<b>Other Comprehensive Income</b>								
Revaluation of Property, Plant and Equipment	134,237	—	134,237	—	—	—	—	—
Actuarial loss on retirement benefit obligation	(13,830)	(4,175)	(11,659)	(3,728)	—	—	—	—
Income Tax on Other Comprehensive Income	(10,762)	1,169	(11,370)	1,044	—	—	—	—
<b>Other Comprehensive Income for the Period - Net of Tax</b>	<b>109,645</b>	<b>(3,006)</b>	<b>111,208</b>	<b>(2,684)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Total Comprehensive Income for the Period</b>	<b>891,278</b>	<b>519,059</b>	<b>574,839</b>	<b>299,210</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Profit Attributable to:</b>								
Owners of the Company	714,207	462,093	463,631	301,894	—	—	—	—
Non-Controlling Interest	67,426	59,973	—	—	—	—	—	—
<b>Profit for the Period</b>	<b>781,633</b>	<b>522,066</b>	<b>463,631</b>	<b>301,894</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Total Comprehensive Income Attributable to:</b>								
Owners of the Company	824,159	459,149	574,839	299,210	—	—	—	—
Non-Controlling Interest	67,120	59,909	—	—	—	—	—	—
<b>Total Comprehensive Income for the Period</b>	<b>891,278</b>	<b>519,059</b>	<b>574,839</b>	<b>299,210</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
Earnings per Share - Basic (Rs.)	5.70	3.69	3.70	2.41	—	—	—	—

Above figures are provisional and subject to audit.

Share Prices	2014 Rs.	2013 Rs.
Highest	128.90	113.00
Lowest	82.00	80.10
Last Traded Price	117.90	89.00

## Statement of Financial Position

As at 31st	Group		Company	
	December 2014	December 2013	December 2014	December 2013
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
Property, Plant and Equipment	2,667,909	2,505,355	2,603,691	2,434,878
Intangible Assets	243,646	198,082	205,413	166,101
Investments in Subsidiaries	—	—	987,242	982,242
Investments in Equity Accounted Investees	55,189	53,226	48,000	48,000
Other Investments	17,061	17,061	166,303	166,303
Trade and Other Receivables	5,778,199	5,669,229	1,564,675	1,514,132
Deferred Tax Assets	184,335	119,022	178,695	135,362
	<u>8,946,339</u>	<u>8,561,974</u>	<u>5,754,019</u>	<u>5,447,017</u>
<b>Current Assets</b>				
Inventories	5,475,791	5,155,666	5,178,215	5,155,666
Loans due from Related Parties	65,135	69,635	762,552	69,635
Income Tax Receivables	—	50,963	—	50,963
Trade and Other Receivables	10,963,330	9,518,037	7,043,914	6,399,592
Amounts due from Related Parties	45,073	—	252,905	150,655
Deposits with Banks	110,388	113,960	—	—
Other Financial Assets	653,380	427,885	—	—
Cash and Cash Equivalents	1,176,934	692,458	914,487	519,015
	<u>18,490,030</u>	<u>16,028,603</u>	<u>14,152,074</u>	<u>12,345,526</u>
<b>Total Assets</b>	<u>27,436,369</u>	<u>24,590,578</u>	<u>19,906,093</u>	<u>17,792,543</u>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Stated Capital	626,048	626,048	626,048	626,048
Capital Reserves	870,358	762,034	870,358	762,034
Statutory Reserve	136,128	128,447	—	—
Revenue Reserves	3,842,675	3,447,544	3,082,301	2,928,810
<b>Total Equity Attributable for Equity Holders of the Company</b>	<u>5,475,208</u>	<u>4,964,072</u>	<u>4,578,707</u>	<u>4,316,892</u>
Non-Controlling Interest	441,960	395,902	—	—
<b>Total Equity</b>	<u>5,917,169</u>	<u>5,359,974</u>	<u>4,578,707</u>	<u>4,316,892</u>
<b>Non-Current Liabilities</b>				
Interest-Bearing Loans and Borrowings	4,229,959	4,287,116	3,150,000	3,100,881
Retirement Benefit Obligations	383,912	320,033	362,593	305,783
Deferred Taxation Liability	119,789	109,540	119,789	109,540
Security Deposits	732,124	651,765	732,124	651,765
Other Financial Liabilities	798,492	756,232	—	—
	<u>6,264,278</u>	<u>6,124,686</u>	<u>3,614,507</u>	<u>4,167,969</u>
<b>Current Liabilities</b>				
Trade and Other Payables	3,818,044	3,386,638	3,297,532	2,964,492
Deferred Revenue	235,334	20,878	235,334	20,878
Income Tax Payable	212,132	15,639	108,500	—
Dividends Payable	15,491	14,956	15,491	14,956
Amounts due to Related Parties - Trade	346,767	333,565	491,127	462,974
Amounts due to Related Parties - Non-Trade	90,246	69,126	90,246	69,126
Other Financial Liabilities	3,696,150	3,011,998	—	—
Interest-Bearing Loans and Borrowings	6,840,759	6,253,117	6,724,650	5,775,255
	<u>15,254,922</u>	<u>13,105,917</u>	<u>10,962,880</u>	<u>9,307,682</u>
<b>Total Equity and Liabilities</b>	<u>27,436,369</u>	<u>24,590,578</u>	<u>19,906,093</u>	<u>17,792,543</u>
<b>Net Assets per Share</b>	<b>43.73</b>	<b>39.65</b>	<b>36.56</b>	<b>34.48</b>

I certify that the above Financial Statements of the Company comply with the requirements of the Companies Act No. 07 of 2007.

(Sgd.) Lalith Yatiwella

Finance Director

Above figures are provisional and subject to audit.

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

Signed for and on behalf of the Board by,

(Sgd.) Hemaka Amarasuriya

Director

Colombo,

27th February 2015

(Sgd.) Asoka Pieris

Director/Group Chief Executive Officer

## Statement of Changes in Equity

For the quarter ended 31st December

Group	Attributable to Equity Holders of the Company									
	Statutory Reserve				Revaluation Reserves	General Reserves	Retained Earnings	Total	Non-Controlling Interest	Total Equity
	Stated Capital	Reserve Fund	Investment Fund	NIT Fund						
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
<b>Balance at 1st January 2013</b>	626,048	27,628	50,797	–	773,312	2,500,000	1,278,395	5,256,180	357,054	5,613,234
Realisation on Revaluation Surplus	–	–	–	–	(11,279)	–	11,279	–	–	–
Transferred to/(from) during the Year	–	12,827	37,195	–	–	–	(50,021)	–	–	–
Final Dividend - 2012	–	–	–	–	–	–	(751,258)	(751,258)	–	(751,258)
Dividend paid by Subsidiary Company to Non-Controlling Interest - 2012	–	–	–	–	–	–	–	–	(21,061)	(21,061)
<b>Total Distributions to Owners of the Company</b>	–	–	–	–	–	–	<b>(751,258)</b>	<b>(751,258)</b>	<b>(21,061)</b>	<b>(772,319)</b>
<b>Total Comprehensive Income for the Period</b>	–	–	–	–	–	–	–	–	–	–
Profit for the year	–	–	–	–	–	–	462,093	462,093	59,973	522,066
Other Comprehensive Income	–	–	–	–	–	–	(2,943)	(2,943)	(63)	(3,006)
<b>Total Comprehensive Income for the Period</b>	–	–	–	–	–	–	459,149	459,149	59,910	519,059
<b>Balance at 31st December 2013</b>	<b>626,048</b>	<b>40,455</b>	<b>87,992</b>	<b>–</b>	<b>762,034</b>	<b>2,500,000</b>	<b>947,544</b>	<b>4,964,072</b>	<b>395,902</b>	<b>5,359,974</b>
Realisation on Revaluation Surplus	–	–	–	–	(11,279)	–	11,279	–	–	–
Transferred to/(from) during the year	–	13,430	(5,749)	–	–	100,000	(107,681)	–	–	–
Final Dividend - 2013	–	–	–	–	–	–	(313,024)	(313,024)	–	(313,024)
Dividend paid by Subsidiary Company to Non-Controlling Interest - 2013	–	–	–	–	–	–	–	–	(21,061)	(21,061)
<b>Total Distributions to Owners of the Company</b>	–	–	–	–	–	–	<b>(313,024)</b>	<b>(313,024)</b>	<b>(21,061)</b>	<b>(334,086)</b>
<b>Total Comprehensive Income for the Period</b>	–	–	–	–	–	–	–	–	–	–
Profit for the Period	–	–	–	–	–	–	714,208	714,208	67,426	781,634
Other Comprehensive Income	–	–	–	–	119,603	–	(9,651)	109,951	(306)	109,645
<b>Total Comprehensive Income for the Period</b>	–	–	–	–	119,603	–	704,557	824,160	67,119	891,279
<b>Balance as at 31st December 2014</b>	<b>626,048</b>	<b>53,885</b>	<b>82,243</b>	<b>–</b>	<b>870,358</b>	<b>2,600,000</b>	<b>1,242,675</b>	<b>5,474,208</b>	<b>441,960</b>	<b>5,917,169</b>

## Statement of Changes in Equity

Company	Stated Capital Rs. '000	Revaluation Reserves Rs. '000	General Reserves Rs. '000	Retained Earnings Rs. '000	Total Rs. '000
<b>Balance at 1st January 2013</b>	626,048	773,312	2,500,000	869,579	4,768,939
Realisation on Revaluation Surplus	—	(11,279)	—	11,279	—
<b>Distributions to Owners of the Company</b>					—
Final Dividend - 2012	—	—	—	(751,258)	(751,258)
<b>Total Distributions to Owners of the Company</b>	—	—	—	(751,258)	(751,258)
<b>Total Comprehensive Income for the Period</b>					—
Profit for the Period	—	—	—	302,938	302,938
Other Comprehensive Income	—	—	—	(2,684)	(3,728)
<b>Total Comprehensive Income for the Period</b>	—	—	—	299,210	299,210
<b>Balance as at 31st December 2013</b>	<b>626,048</b>	<b>762,034</b>	<b>2,500,000</b>	<b>428,810</b>	<b>4,316,891</b>
Transferred to/from During the Period			100,000	(100,000)	—
Realisation on Revaluation Surplus	—	(11,279)	—	11,279	—
Final Dividend - 2013	—	—	—	(313,024)	(313,024)
<b>Total Distributions to Owners of the Company</b>				<b>(313,024)</b>	<b>(313,024)</b>
<b>Total Comprehensive Income for the Period</b>					
Profit for the Period	—	—	—	463,632	463,632
Other Comprehensive Income for the Period	—	119,603	—	(8,394)	111,208
<b>Total Comprehensive Income for the Period</b>		119,603		455,237	574,839
<b>Balance at 31st December 2014</b>	<b>626,048</b>	<b>870,358</b>	<b>2,600,000</b>	<b>482,308</b>	<b>4,578,707</b>

## Statement of Cash Flow

For the year ended 31st December 2014	Group		Company	
	2014 Rs. '000	2013 Rs. '000	2014 Rs. '000	2013 Rs. '000
<b>Cash Flows from Operating Activities</b>				
Net Profit before Income Tax Expense	1,155,608	728,450	660,261	448,034
<b>Adjustments for:</b>				
Depreciation on Property, Plant & Equipment	290,314	219,539	276,063	209,464
Share of Profit from Equity Accounted Investees	(1,963)	(1,283)	—	—
Amortisation of Intangible Assets	20,816	11,798	15,951	8,030
Gain on Disposal of Property, Plant & Equipment	6,221	(176)	6,221	(176)
Interest Expense	1,101,733	1,352,309	1,111,556	1,352,309
Interest Income	110,405	(98,890)	(64,148)	(141,019)
Impairment of Inventories	89,268	210	89,268	210
Bad Debts Written-off	(148,573)	(85,163)	(7,110)	(21,248)
Impairment on Trade and Other Receivables	357,700	284,989	158,911	114,677
Dividend Income	(36)	(777)	(77,765)	(79,172)
Provision for Retiring Gratuity	64,626	51,746	59,729	48,494
<b>Operating Profit before Working Capital Changes</b>	<b>2,825,309</b>	<b>2,462,752</b>	<b>2,228,936</b>	<b>1,939,605</b>
(Increase)/Decrease in Inventories	(409,392)	(929,802)	(111,817)	(929,802)
(Increase)/Decrease in Debtors Falling due after One Year	(108,970)	(624,439)	(50,544)	(218,649)
(Increase)/Decrease in Debtors Falling due within One Year	(1,961,345)	(1,363,660)	(827,008)	(1,165,455)
(Increase)/Decrease in Dues from Related Parties	(45,073)	127,273	(929,077)	131,456
Increase/(Decrease) in Dues to Related Parties	34,322	171,869	178,682	171,869
Increase/(Decrease) in Security Deposits	80,359	75,117	80,359	75,117
Increase/(Decrease) in Customer Deposit Liabilities	726,412	775,721	—	—
Increase/(Decrease) in Trade and Other Payables	834,596	882,532	460,167	720,311
Increase/(Decrease) in Deferred Liabilities	214,455	—	214,455	—
<b>Cash Generated from Operations</b>	<b>2,190,674</b>	<b>1,577,362</b>	<b>1,244,155</b>	<b>724,453</b>
Finance Costs Paid	(1,031,674)	(1,369,672)	(1,041,056)	(1,369,672)
Retiring Gratuity Paid	(14,578)	(6,428)	(14,578)	(5,798)
Income Tax Paid	(192,343)	(280,795)	(81,601)	(228,484)
<b>Net Cash from/(used in) Operating Activities</b>	<b>952,545</b>	<b>(79,533)</b>	<b>106,920</b>	<b>(879,501)</b>
<b>Cash Flows from Investing Activities</b>				
Acquisition of Property, Plant & Equipment and Intangible Assets	(398,650)	(601,187)	(379,540)	(552,014)
Proceeds from Disposal of Property, Plant & Equipment	7,417	7,053	7,417	7,054
(Acquisition)/Disposal of Marketable Securities	(225,495)	(109,166)	—	—
Investment in Bank Deposits	3,571	(62,976)	—	—
Investment on Shares and Debentures in Subsidiary Company	—	—	(5,000)	(149,283)
Net Cash Flows from Loans Given to Related Companies	—	24,000	4,500	1,401,173
Interest Income Received	110,405	98,890	64,148	141,019
Dividend Received	36	1,425	77,765	79,172
<b>Net Cash Flows from Investing Activities</b>	<b>(498,239)</b>	<b>(641,960)</b>	<b>(230,709)</b>	<b>927,120</b>
<b>Cash Flow from Financing Activities</b>				
Net Proceeds from Interest Bearing Loans and Borrowings	855,878	1,389,242	1,278,238	672,506
Net Payment to Minority Shareholders	(21,061)	(21,061)	—	—
Dividends Paid	(312,489)	(747,124)	(312,489)	(747,124)
<b>Net Cash Flow from Financing Activities</b>	<b>522,327</b>	<b>621,057</b>	<b>965,749</b>	<b>(74,618)</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>976,632</b>	<b>(100,446)</b>	<b>841,960</b>	<b>(26,999)</b>
<b>Cash and Cash Equivalents at the beginning of the Period</b>	<b>(148,644)</b>	<b>(48,199)</b>	<b>(234,304)</b>	<b>(207,304)</b>
<b>Cash and Cash Equivalents at the end of the Period</b>	<b>827,988</b>	<b>(148,644)</b>	<b>607,657</b>	<b>(234,303)</b>



## Notes to the Financial Statements

- 1.1** The Interim Financial Statements of the Company and Group have been prepared on the basis of the same accounting policies and methods applied for the year ended 31st December 2013, are in compliance with Sri Lanka Accounting Standards (LKAS) 34 - 'Interim Financial Reporting'.

**2.1 Segmental Analysis of Company Net Turnover is as Follows:**

	Quarter ending 31st December 2014 Rs. '000	Quarter ending 31st December 2013 Rs. '000	12 months ending 31st December 2014 Rs. '000	12 months ending 31st December 2013 Rs. '000
Sewing-Related Products	1,057,793	675,873	3,024,830	2,385,026
Consumer Electronics	1,851,344	1,620,492	6,097,785	5,639,628
White Goods	2,340,508	1,877,231	9,015,325	7,828,142
Kitchen-Related Products	635,447	481,565	1,893,689	1,613,180
Communications	897,368	948,120	3,623,115	3,132,855
Furniture	491,542	498,585	1,709,626	1,578,659
Transport	140,621	160,352	569,285	618,480
Agro	378,633	235,489	1,196,939	921,146
	<b>7,793,256</b>	<b>6,497,707</b>	<b>27,130,594</b>	<b>23,717,117</b>

**2.2 Segmental Analysis of Company Profits Before Tax is as Follows:**

	Quarter ending 31st December 2014 Rs. '000	Quarter ending 31st December 2013 Rs. '000	12 months ending 31st December 2014 Rs. '000	12 months ending 31st December 2013 Rs. '000
Sewing-Related Products	22,824	6,598	69,800	41,378
Consumer Electronics	55,627	16,428	160,310	99,714
White Goods	49,034	12,312	190,042	117,497
Kitchen-Related Products	18,474	6,471	54,383	32,928
Communications	5,423	8,289	41,023	35,816
Furniture	10,821	7843	36,189	26,005
Transport	1,052	2,107	3,113	2,770
Agro	7,702	690	27,637	12,754
Dividend Income	—	7,985	77,465	79,172
	<b>170,957</b>	<b>68,725</b>	<b>660,262</b>	<b>448,035</b>

**2.3 Segmental Analysis of Group Net Turnover is as Follows:**

	Quarter ending 31st December 2014 Rs. '000	Quarter ending 31st December 2013 Rs. '000	12 months ending 31st December 2014 Rs. '000	12 months ending 31st December 2013 Rs. '000
Sewing-Related Products	1,057,793	675,873	3,024,830	2,385,026
Consumer Electronics	1,852,140	1,620,492	6,097,785	5,639,628
White Goods	2,339,712	1,877,231	9,015,325	7,828,142
Kitchen-Related Products	635,447	481,565	1,893,689	1,613,180
Communications	897,368	948,120	3,623,115	3,132,855
Furniture	491,542	498,585	1,709,626	1,578,659
Transport	140,621	160,352	569,285	618,480
Agro	378,633	262,489	1,196,939	921,146
Singer Finance (Lanka) PLC	457,201	416,222	1,836,399	1,768,444
Singer Digital Media (Pvt) Ltd.	589,529	—	732,609	—
	<b>8,839,987</b>	<b>6,940,929</b>	<b>29,699,602</b>	<b>25,485,561</b>

## Notes to the Financial Statements

### 2.4 Segmental Analysis of Group Profits Before Tax is as Follows:

	Quarter ending 31st December 2014 Rs. '000	Quarter ending 31st December 2013 Rs. '000	12 months ending 31st December 2014 Rs. '000	12 months ending 31st December 2013 Rs. '000
Sewing-Related Products	22,824	7,421	69,800	41,378
Consumer Electronics	53,625	18,411	160,309	99,714
White Goods	49,034	14,649	190,042	117,497
Kitchen-Related Products	18,474	7,126	54,383	32,928
Communications	7,423	9,001	41,023	35,816
Furniture	10,821	8360	36,189	26,005
Transport	1,052	2,163	3,113	2,770
Agro	7,702	944	27,637	12,754
Singer Finance (Lanka) PLC	151,779	109,862	489,998	357,537
Singer Digital Media (Pvt) Ltd.	69,515	—	81,115	—
Dividend	36	—	36	759
Share of Profit on Equity Accounted Investees	967	312	1,963	1,292
	<b>393,253</b>	<b>178,252</b>	<b>1,155,608</b>	<b>728,450</b>

2.5 There are no separately distinguishable assets and liabilities for the above segments.

### 3. Related Party Transactions

#### 3.1 Identity of Related Parties

The Company has a related party relationship with its Parent Company, its Associate Companies, Affiliate Companies and with its Directors.

#### 3.2 Transactions with Parent Companies

(a) During the period the Company had following transactions with its Parent Companies:

##### Singer Asia Ltd. - (Intermediate Parent)

	2014 Rs. Million	2013 Rs. Million
Royalty Expenses	301.5	263.5
Royalty Payable Balance as at Period End	98.1	76.7

##### Singer Asia Holdings BV - (Intermediate Parent)

Royalty Paid to Singer Asia Ltd. through Singer Asia Holding BV

##### Singer (Sri Lanka) B.V. - (Intermediate Parent)

	2014 Rs. Million	2013 Rs. Million
Dividend Paid	313.0	646.9

(b) Following companies are also Parent Companies of Singer (Sri Lanka) PLC and Singer Finance (Lanka) PLC, with whom no transactions were entered into during the period:

Company	Relationship
Singer (Sri Lanka) BV	Immediate Parent
Singer Asia Holdings BV	Intermediate Parent
Singer Asia Holdings NV	Intermediate Parent
Sewco Holdings Ltd.	Intermediate Parent
Retail Holdings NV	Ultimate Parent

## Notes to the Financial Statements

### 3.3 Transactions with Subsidiary Companies

	2014 Rs. Million	2013 Rs. Million
<b>Singer Finance (Lanka) PLC</b>		
Sales Financed through Singer Finance (Lanka) PLC	312.2	110.9
Withdrawals of Rental Collections From Singer (Sri Lanka) PLC	1,501.7	—
Payments to Singer (Sri Lanka) PLC on behalf of Customers	—	1,043.6
Short-Term Loans Granted	—	795.0
Short-Term Loans Recovered	—	2,088.0
Interest Income/(Expense)	12.9	97.2
Dividend Received - Gross	86.4	86.4
Cash Collection through Singer (Sri Lanka) PLC	2,018.1	620.4
Expenses Paid	208.0	191.4
Administrative Fee Charged	0.1	18.6
Collecting Commission Paid through Singer (Sri Lanka) PLC	19.3	18.3
Purchase of Assets	0.9	0.7
Rent Reimbursed	11.8	12.1
Royalty Paid through Singer (Sri Lanka) PLC	19.2	18.6
Balance Receivable - Trade	—	—
Balance Receivable - Loans	63.5	21.2
<b>Singer Digital Media (Pvt) Ltd.</b>		
Purchases	681.2	—
Expenses Reimbursed	8.0	—
Royalty Paid Through Singer (Sri Lanka) PLC	8.1	—
Balance Receivable - Trade	697.4	—
Inter-company Interest	11	—

### 3.4 Transactions with Associate Companies

(a) During the year company had following transactions with its Associate Companies:

	2014 Rs. Million	2013 Rs. Million
<b>Reality (Lanka) Ltd.</b>		
Rent Expenses	5.0	4.9
Loans Receivable	65.1	69.6

(b) Following company is an Associate Company of Singer (Sri Lanka) PLC, with whom Singer (Sri Lanka) PLC or Singer Finance (Lanka) PLC had no transactions taken place other than through advertising agencies during the year.

Telshan Network (Pvt) Ltd.

### 3.5 Transactions with Other Related Parties

Transactions with the following parties have been disclosed in Note 3.6:

Company	Relationship
Regnis (Lanka) PLC	Affiliate Company
Singer Industries (Ceylon) PLC	Affiliate Company
Regnis Appliances (Pvt) Ltd.	Affiliate Company

## Notes to the Financial Statements

### 3.6 Transactions with Key Management Personnel

#### (a) Loans to Directors

No Loans have been given to the Directors of the Company.

- (b) A number of Key Management Personnel or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of these entities. These transactions are given below:

Name of the Company and Relationship	Name of Director	Nature of Transaction	2014 Rs. Million	2013 Rs. Million
Singer Industries (Ceylon) PLC (Affiliate Company)	Mr. H.D.S. Amarasuriya (Chairman)	Purchases	817.1	673.9
		Lease Rental Paid	3.8	3.7
	Deshabandu A.M. de S. Jayaratne	Trade Creditor Settled	814.0	681.4
	Mr. G.J. Walker	Net Finance Income	0.4	0.5
	Mr. H.A. Pieris	Corporate Guarantee Given	75.0	75.0
	Mr. V.G.K. Vidyaratne	Expenses Reimbursed	1.6	9.2
		Balance Payable	110.0	–
Regnis (Lanka) PLC (Affiliate Company)	Mr. H.D.S. Amarasuriya (Chairman)	Purchases	2,566.5	2,007.5
	Dr. S. Kelegama	Corporate Guarantees Given	455.5	455.5
	Mr. G.J. Walker	Interest Income/(Expense)	–	3.3
	Mr. H.A. Pieris	Sales Taxes	366.6	286.8
	Mr. V.G.K. Vidyaratne	Trade Credit Settled	2,941.5	2,182.6
		Expenses Reimbursed	61.3	44.7
		Loans Receivable	–	80.0
		Loan Recovered	–	80.0
		Non-Trade Settlement	50.0	–
		Fixed Assets Purchase	0.1	–
		Balance Payable	147.4	167.2
Singer Finance (Lanka) PLC (Subsidiary Company)	Mr. H.D.S. Amarasuriya (Chairman)	Sales Financed through Singer Finance (Lanka) PLC	312.2	110.7
	(Resigned w.e.f. 30.04.13)	Short -Term Loan Granted	–	795.0
	Dr. S. Kelegama (Chairman)	Interest Income/(Expense)	12.9	97.2
	Mr. G.J. Walker	Payments to Singer (Sri Lanka)		
	Mr. H.A. Pieris	PLC on behalf of Customers	1,501.7	1,043.6
	(Resigned w.e.f. 30.04.13)			
	Mr. M.P.A. Salgado	Short-Term Loan Recovered	–	2,088.0
	(Resigned w.e.f. 30.06.14)	Dividend Received - Gross	86.4	86.4
	Mr. J.J. Hyun	Cash Collection through Singer (Sri Lanka) PLC	2018.1	620.4
	Mr. K.K.L.P. Yatiwella	Expenses Paid	208	191.4
	(Appointed w.e.f. 31.07.14)	Administrative Fee Charged/(Paid)	0.1	18.6
		Collecting Commission Paid through Singer (Sri Lanka) PLC	19.3	18.3
		Purchase of Assets	0.9	0.7
		Rent Reimbursed	11.8	12.1
		Royalty Paid through Singer (Sri Lanka) PLC	19.2	18.6
		Balance Receivable - Loans	63.5	21.2

## Notes to the Financial Statements

Name of the Company and Relationship	Name of Director	Nature of Transaction	2014 Rs. Million	2013 Rs. Million
Singer Digital Media (Pvt) Ltd.	Mr. H.A Pieris	Purchases	681.3	–
	Mr. M.H Wijewardena	Expenses Reimbursed	8	–
	Mr. K.K.L.P Yatiwella	Royalty Paid through Singer (Sri Lanka) PLC	8.1	–
		Balance Receivable - Trade	697.4	–
		Short-Term Loan Granted	327	–
		Inter Company Interest	11	–
National Development Bank PLC	Mr. H.D.S. Amarasuriya	Borrowed Money	–	590
		Interest Expenses	–	8
Singer Asia Ltd. (Intermediate Parent Company)	Mr. P.J. O'Donnell	Royalty Expenses	301.5	263.5
	Mr. G.J. Walker	Royalty Payable	98.1	76.7
Reality Lanka Ltd. (Associate Company)	Mr. H.D.S. Amarasuriya (Chairman)	Rent Expenses	5.0	4.9
	Mr. G.J. Walker	Loans Receivable	65.1	69.6
Regnis Appliances (Pvt) Ltd.	Mr. H.D.S. Amarasuriya (Chairman)	Purchases	608.1	852.1
		Sales Taxes	86.9	147.3
		Trade Settlements	711.7	810.3
		Expenses Paid	3.9	2.0
		Non-Trade Settlements	2.7	5.4
		Finance Charges	0.9	2.9
		Loan Granted	–	100.0
		Loan Recovered	–	120.0
		Balance Payable - Trade	45.1	62.1

- 3.7** Key Management Personnel includes members of the Board of Directors of the Company, its Subsidiary and Parent. Transactions with Key Management Personnel, their close family members and parties/entities in which such Key Management Personnel or their close family members have control, joint control or significant influence can be shown as follows:

**(i) Transactions with Key Management Personnel or Their Close Family Members**

	2014 Rs. Million	2013 Rs. Million
Deposits kept by Key Management Personnel or their close family members of Singer (Finance) PLC	83.2	71.7

## 4. Stated Capital

	31st December 2014	31st December 2013
Value - Ordinary Shares	Rs. 626,048,050/-	Rs. 626,048,050/-
No. of Shares - Ordinary Shares	125,209,610	125,209,610
Voting Rights	One Vote per Ordinary Share	One Vote per Ordinary Share

## Notes to the Financial Statements

### 5. Contingencies

- (a) Guarantees given to banks and other lending institutions on behalf of Singer Industries (Ceylon) PLC and Regnis (Lanka) PLC amounts to Rs. 75 Million and Rs. 455.5 Million respectively.
- (b) The Company has provided bank guarantees amounting to Rs. 192.2 Million to the Director General of Customs to clear imports during the years 2008 to 2013. The bank guarantee related to alleged additional duty payable on imports, is being contested by the Company in courts.

The Court of Appeal made order that the Director General of Customs continue with the investigations. The Company being aggrieved by the decision of the Court of Appeal has filed an appeal which is pending before the Supreme Court.

The Company lawyers are of the opinion that there is no basis that the Company is liable for the additional duty and hence, no provision is made in the Financial Statements.

### 6. Events Occurring after the Reporting Date

There have been no material events occurring after the Reporting date that require disclosure in the Financial Statements, except stated below:

#### (i) Final Dividend - 2014

On the 28th February 2015, Board of Directors approved a final dividend of Rs. 2.50 per share amounting to Rs. 313 million for the year ended 31st December 2014.

### 7. Listed Debentures

Details regarding the listed Debentures are as follows:

1. 17% senior rated unsecured redeemable on 30th September 2015.
2. 14.5% senior rated listed unsecured redeemable on 30th May 2015 and 30th May 2016.
3. 8.25% senior rated listed unsecured redeemable on 22 December 2017.

Interest rate of comparable Government Securities as at date of issue, 25th October 2012 was 11.84%.

Interest rate of comparable Government Securities as at 31st December 2014 was 6.66%

## Notes to the Financial Statements

Highest traded Price, Lowest Traded Price, Last Traded Price as at 31st December 2014, Interest Yield and Yield to Maturity of trade are as follows.

	Highest Trade Price (Rs.)	Lowest Trade Price (Rs.)	Last Traded Price (Rs.)	Interest Yield %	Yield to Maturity %
1 17% Senior Rated Unsecured Redeemable Debentures	99.98	99.98	99.98	17.003	17.013
2 14.5% Senior Rated Listed Unsecured Redeemable Debentures	106.64	106.64	106.64	13.59	12.63
3. 8.25% Senior Rated Listed Unsecured Redeemable Debentures	100	100	100	8.25	8.25

	31st December 2014	31st December 2013
Debt Equity Ratio	<b>0.53</b>	0.73
Interest Cover	<b>1.80</b>	1.02
Quick Assets Ratio	<b>0.77</b>	0.80

### 8. Top 20 Shareholders as at 31st December 2014

Name	No. of Shares	%
1. Singer (Sri Lanka) Bv	107,812,850	86.11
2. Bank of Ceylon A/C Ceybank Unit Trust	4,407,366	3.52
3. Bank of Ceylon A/C Ceybank Century Growth Fund	617,254	0.49
4. Mrs. Mihiri Virani Fernando	610,000	0.49
5. Deutsche Bank Ag As Trustee For Jb Vantage Value Equity Fund Deut	576,759	0.46
6. People's Bank	350,000	0.28
7. Mrs. Zohra Taher Jafferjee	330,890	0.26
8. Dr. Nimal Ebenezer Herat Sanderatne	180,333	0.14
9. Mrs. Anoma Kamalika Amarasuriya	178,970	0.14
10. Mrs. Maria Tasneem Moosajee	154,257	0.12
11. Mrs. Kalutaravedage Jinangali Manel De Silva	131,248	0.10
12. Mr. Nalin Amita De Silva	126,326	0.10
13. Bank of Ceylon Eagle Growth Fund	125,848	0.10
14. Jafferjee Brothers (Exports) Limited	125,200	0.10
15. Miss Nai Kaluge Ruvani Hemamala De Silva	118,195	0.09
16. Mrs. Enoka Kamali Wickramasinghe	112,644	0.09
17. Mr. Abeyisiri Hemapala Munasinghe	109,548	0.09
18. Mrs. Jasbinderjit Kaur Piara Singh	91,268	0.07
19. Mr. Hemaka Devapriya Senarath Amarasuriya	89,482	0.07
20. Merchant Bank of Sri Lanka Limited/Union Investments Ltd.	88,894	0.07
	116,337,332	93
Others	8,872,278	7
<b>Total</b>	<b>125,209,610</b>	<b>100</b>

**9. Directors and CEO's Shareholding as at 31st December 2014**

Name of the Director	Shareholding 31st December 2014 No. of Shares	Shareholding 31st December 2013 No. of Shares
Mr. H.D.S. Amarasuriya	89,482	89,482
Deshabandu A.M. De Silva Jayaratne	—	—
Dr. Saman Kelegama	—	—
Mr. H.A. Pieris	2,000	2,000
Mr. L.N.S. Kumara Samarasinghe	4,124	4,124
Mr. M.H. Wijewardene	—	—
Mr. P.J. O'Donnell	—	—
Mr. G.J. Walker	—	—
Mr. J.J. Hyun	—	—
Mr. A.S. Paranavitane	—	—
Mr. Uditha Pilane Liyanage	—	—
MR. K.K.L.P. Yatiwella	—	—

**10. Public Holding**

Public holding as at 31st December 2014 is 13.67% (As at 31st December 2013 - 13.65%).

No. of public shareholders as at 31st December 2014 - 2,517.







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