



**SINGER
FINANCE**

SINGER FINANCE (LANKA) PLC

INTERIM FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31ST MARCH 2013

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SINGER FINANCE (LANKA) PLC
STATEMENT OF FINANCIAL POSITION

As At	31-Mar-2013	31-Mar-2012	01-Apr-2011
	Rs.'000	(Restated) Rs.'000	(Restated) Rs.'000
ASSETS			
Cash and Bank Balances	14,630	11,200	30,084
Government Securities	338,075	263,884	181,057
Bank Deposits	50,267	50,759	-
Hire Purchase Receivables	2,181,135	2,309,497	1,761,246
Finance Lease Receivables	3,450,216	2,467,634	719,145
Loans and Advances	915,476	1,378,116	1,516,772
Investments in Securities	41	41	41
Inventories	-	12,433	7,631
Other Debtors, and Prepayments	114,588	101,890	78,625
VAT Receivables	72,606	82,269	37,946
Deferred Tax Assets	14,775	11,858	13,420
Income Tax Receivable	-	8,824	-
Intangible Assets	25,262	13,650	12,346
Property, Plant & Equipments	53,461	29,554	27,993
Total Assets	7,230,532	6,741,609	4,386,306
LIABILITIES			
Public Deposits	3,174,541	2,645,169	1,815,117
Interest Bearing Loans & Borrowings	1,004,710	1,219,391	80,886
Interest Bearing Loans - Related party	661,651	490,000	316,211
Trade & Other Payables	437,925	459,069	292,970
Amount due to Related Companies	-	809,856	871,304
Income tax payable	12,590	-	71,394
Deferred Tax Liabilities	31,234	4,879	3,986
Retirement Benefit Obligations	11,521	7,479	5,572
Total Liabilities	5,334,172	5,635,843	3,457,440
SHAREHOLDERS' FUND			
Stated Capital	1,440,506	800,000	800,000
Reserve Fund	27,628	27,628	16,350
Investment Fund	55,784	37,533	4,640
National Insurance Trust Fund	570	-	-
Retained Earnings	371,872	240,605	107,876
Total Equity	1,896,360	1,105,766	928,866
Total Liabilities & Equity	7,230,532	6,741,609	4,386,306
Net Assets per share (Rs)	11.47	10.37	8.71

I certify that the financial statements comply with the requirement of the companies Act 07 of 2007

.....
(Sgd.)Thushan Amarasuriya
 Chief Financial Officer

Above figures are provisional and subject to audit.

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

.....
(Sgd.)Priyath Salgado
 Director

Colombo
 13th May, 2013

.....
(Sgd.)Shanthapriya Wijeweera
 Director/Chief Executive Officer

SINGER FINANCE (LANKA) PLC
STATEMENTS OF COMPREHENSIVE INCOME

	For the quarter ended 31st March			For the Year ended 31st March		
	2013	2012	Variance	2013	2012	Variance
	Rs.'000	(Restated) Rs.'000	%	Rs.'000	(Restated) Rs.'000	%
Income	428,078	361,582	18%	1,748,804	1,277,412	37%
Interest Income	388,448	329,409	18%	1,553,213	1,152,535	35%
Interest Expense	192,961	135,433	(42%)	742,013	407,774	(82%)
Net Interest Income	195,487	193,976	1%	811,200	744,761	9%
Other Income	39,630	32,173	23%	195,591	124,877	57%
Less:- Operating Expenses	235,117	226,149	4%	1,006,791	869,638	16%
Personnel Cost	37,034	31,719	(17%)	171,944	117,096	(47%)
Administration & Selling Expenses	98,171	113,451	13%	437,239	429,111	(2%)
Operating Profit before Provision for Loan Losses and Tax	99,912	80,979	23%	397,608	323,431	23%
Impairment on Loans Receivables	20,603	11,707	(76%)	62,555	9,210	(579%)
Loan Loss Recoveries	(2,661)	(1,358)	(96%)	(7,213)	(2,462)	193%
Profit from Ordinary Activities before VAT on Financial Services and Tax	81,970	70,630	16%	342,266	316,683	8%
Value Added Tax on Financial Services	655	4,745	86%	16,153	26,595	39%
Profit Before Tax	81,315	65,885	23%	326,113	290,088	12%
Income Tax Expense	24,283	(2,602)	1,033%	90,692	70,521	(29%)
Net profit for the Period	57,032	68,487	(17%)	235,421	219,567	7%
Other Comprehensive Income	-	-	0%	-	-	0%
Total Comprehensive Income	57,032	68,487	(17%)	235,421	219,567	7%
Basic Earnings per Share (Rs)	0.49	0.64		2.02	2.06	
Share Price	Quarter 2013 Rs.	Quarter 2012 Rs.		Year 2013 Rs.	Year 2012 Rs.	
Highest	14.80	28.40		18.50	44.20	
Lowest	11.90	15.20		10.90	15.20	
Closing	12.60	16.20		12.60	16.20	

SINGER FINANCE (LANKA) PLC

STATEMENT OF CHANGES IN EQUITY

For the Year ended 31st March

	Note	Stated Capital Rs.'000	Reserve Fund Rs.'000	Investment Fund Rs.'000	National Insurance Trust Fund Rs.'000	Retained Earnings Rs.'000	Total Rs.'000
Balance as per SLAS as at 1st April 2011		800,000	16,350	4,640	-	112,007	932,997
Effects of transition to SLFRS/LKAS	5.3	-	-	-	-	2,922	2,922
Effects of Change in Policy of recognising Service Charges	11.1				-	9,553	9,553
Effects of restatement of Value Added Tax	11.2				-	(16,606)	(16,606)
Adjusted Balance as at 1st April 2011		800,000	16,350	4,640	-	107,876	928,866
Final Dividend - 2010/2011		-	-	-	-	(42,667)	(42,667)
Transfers		-	11,278	32,893	-	(44,171)	-
Profit for the Period		-	-	-	-	219,567	219,567
Balance as at 31st March 2012		800,000	27,628	37,533	-	240,605	1,105,766
Final Dividend - 2011/2012		-	-	-	-	(85,333)	(85,333)
Issue of Shares		645,333	-	-	-	-	645,333
Direct Cost on Right Issue		(4,827)	-	-	-	-	(4,827)
Transfers		-	-	18,251	570	(18,821)	-
Profit for the Period		-	-	-	-	235,421	235,421
Balance as at 31st March 2013		1,440,506	27,628	55,784	570	371,872	1,896,360

SINGER FINANCE (LANKA) PLC

CASH FLOW STATEMENT

For the Year ended 31st March

	2013	2012
	Rs.'000	(Restated) Rs.'000
Cash Flows From/ (Used in) Operating Activities		
Interest Received	1,103,948	943,546
Interest Payments	(369,811)	(284,532)
Recoveries on Loans Previously Written Off	7,213	2,462
Receipts from Other Operating Activities	198,816	171,269
Cash Payments to employees & suppliers	(543,244)	(417,566)
Operating Profit before changes in Operating Assets and Liabilities	396,922	415,180
(Increase) / Decrease in Operating Assets and Liabilities		
Investments held for Regulatory or Monetary Control Purposes	(74,191)	(82,827)
Investment in Bank Deposits	492	(50,759)
Funds Advanced to Customers	(453,328)	(2,165,610)
Public Deposits	529,372	830,052
Amounts Due to Related Companies	(809,856)	(377,659)
	(807,510)	(1,846,804)
Cash Generated from/(used in) Operations		
Retiring Gratuity Paid	(890)	(135)
ESC Paid	(3,509)	(11,889)
Income Tax Paid	(45,839)	(148,286)
	(50,238)	(160,310)
Net Cash Generated from/(used in) Operating Activities	(460,826)	(1,591,934)
Cash Flows from/(used in) Investing Activities		
Acquisition of Property Plant & Equipment	(37,959)	(9,832)
Proceeds from Sale of Property, Plant & Equipment	3,465	42
Incurred on Software Development	(14,202)	(2,999)
Net Cash Flows used in Investing Activities	(48,696)	(12,789)
Cash Flows from/(used in) Financing activities		
Proceeds from issuance of Rights	645,333	-
Direct Cost on Right Issue	(4,827)	-
Cash Inflows from Interest Bearing Loans & Borrowings	172,100	975,000
Cash Inflows from Interest Bearing Loans - Related party	1,423,000	490,000
Repayment of Interest Bearing Loans & Borrowings	(324,215)	(73,294)
Re-payment of Interest Bearing Loans - Related party	(1,251,349)	-
Dividend Paid	(84,524)	(42,667)
Net Cash Flows from/(used in) Financing activities	575,518	1,349,039
Net increase in Cash and Cash Equivalents	65,996	(255,683)
Cash and Cash Equivalents at the beginning of the Year	(282,140)	(26,457)
Cash and Cash Equivalents at the end of the Year	(216,144)	(282,140)
A. Reconciliation of Profit Before Tax with Cash Inflow from Operating Activities		
Profit before Income Tax	326,113	290,088
Depreciation/Amortisation	14,064	9,928
Provision for Define Benefit Plans - Gratuity	4,932	2,041
(Profit)/Loss on sale of Property, Plant & Equipment	(886)	(5)
Impairment on Loans Receivables	62,555	9,210
Increase / (Decrease) in Interest Payable	49,176	28,502
(Increase) / Decrease in Inventory	12,433	(4,802)
(Increase) / Decrease in Other Receivables	(335)	(57,382)
Increase / (Decrease) in and Other Payables	(71,129)	137,598
	396,922	415,180

Notes to the Financial Statements

1. Corporate Information

1.1 Reporting Entity

1.1.1 General

Singer Finance (Lanka) PLC is a limited liability company incorporated and domiciled in Sri Lanka. The registered office of the Company is located at No. 80, Nawam Mawatha, Colombo 02, and the principal place of business is situated at the above address.

1.1.2 Principal Activities and Nature of Operations

The principal activities of the Company consist of finance leasing, hire purchase financing, financing of consumer durables under loan schemes and granting loans and mobilizing deposits. There have been no significant changes in the nature of the principal activities of the Company during the period under review.

1.1.3 Parent Enterprise and Ultimate Parent Enterprise

The Company's parent undertaking is Singer (Sri Lanka) PLC. In the opinion of the Directors, the Company's ultimate parent undertaking and controlling party is Retail Holdings N.V., which is incorporated in Netherlands Antilles.

1.1.4 Date of Authorisation for Issue

The Financial Statements of Singer Finance (Lanka) PLC for the quarter ended 31st March 2013 were authorized for issue by the Board of Directors on 13th May 2013.

1.1.5 Going Concern

The Directors have made an assessment of the Company's ability to continue as a going concern and they do not intend either to liquidate or to cease trading.

1.2 Basis of Preparation

1.2.1 Statement of Compliance

The interim condensed financial statements have been prepared in compliance with Sri Lanka Accounting Standard LKAS 34-Interim Financial Reporting. These interim condensed financial statements should be read in conjunction with the annual financial statements for the year ended 31 March 2012.

For all periods up to and including the year ended 31 March 2012, the Company prepared its financial statements in accordance with SLAS which were effective up to 31 March 2012. The financial statements for the quarter ended 30th September 2012 are the first financial statements prepared and presented in accordance with Sri Lanka Accounting Standards (SLFRS/LKAS) immediately effective from 01 January 2012. These SLFRS/LKAS's have materially converged with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The effect of the transition to SLFRS/LKAS on previously reported financial positions & financial performances of the Company is given in Notes (5.1 & 5.2) to these financial statements.

1.2.2 Basis of Measurement

The Financial Statements have been prepared on the historical cost basis, which are measured at fair value as explained in the respective Notes to the Financial Statements.

1.2.3 Functional and Presentation Currency

The Financial Statements are presented in Sri Lankan Rupees which is the functional currency of the Company.

1.2.4 Use of Estimates and Judgments

Significant accounting judgment, estimates and assumptions as at 1 April 2011 and as at 31 March 2012 are consistent with those made for the same dates in accordance with SLAS effective up to 31 March 2011.

The estimates used by the Company to present these financial statement and the accordance with SLFRS/LKAS effective from 1 January 2012 and reflects conditions as at 1 April 2011, the date of transition to SLFRS/LKAS and as of 31 March 2012.

1.2.5 Change in Accounting Policies

(a) Service charges received from Leasing, Hire Purchase transactions and Loans

Keeping in line with LKAS 18, Service Fee income received from Leasing, Loans and Hire Purchase transactions are now recognize to the Statement of Comprehensive Income when the service is provided.

Service Fee Income amortised using Effective Interest rate for the period ending 31st March 2013 have been restated in Company Financial Statements.

2. Significant Accounting Policies

The changes to accounting policies are set out below have been applied consistently to all periods presented in these condensed financial statements and in preparing the opening SLFRS/LKAS statement of financial position as at 1 April 2011 for the purpose of the transition to SLFRS/LKAS, unless otherwise indicated.

Financial Statements for the year ending 31st March 2013 are prepared as per the SLFRS.

2.1. Financial Instruments

The Company recognizes financial assets or financial liabilities in its statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of a financial asset or a liability (other than financial assets and financial liabilities at fair value through profit or loss) are added or deducted from the fair value of the financial asset or liability, as appropriate, on initial recognition. Transaction costs that are directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit or loss are recognized immediately in the income statement.

Financial assets and liabilities are offset and the net amount is presented when, and only when the Company has a legal right to offset the amount and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

2.1.1 Financial Assets

Financial assets within the scope of LKAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets, as appropriate and determines the classification of its financial assets at initial recognition.

Financial assets include cash and cash equivalents, short term deposits, receivables, and unquoted investment

2.1.1.1. Held to maturity financial assets

A non-derivative financial asset with fixed or determinable payments with fixed maturity where Company intends to hold to maturity is classified under this category.

Subsequent to initial recognition held-to-maturity financial assets are measured at amortized cost using the effective interest method, less any impairment losses.

Held to maturity comprises of treasury bills and treasury bonds.

2.1.1.2. Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market.

Subsequent to initial recognition held-to-maturity financial assets are measured at amortized cost using the effective interest method, less any impairment losses.

Loans and receivables comprise of hire purchase receivables, finance lease receivables, consumer loans receivable, staff loans and related party receivables.

2.1.1.3. De - recognition of financial assets

Financial assets are derecognized when the contractual rights to the cash flows from the asset has expired, or when the Company has transferred the financial asset and subsequently all the risks and rewards of ownership to another entity.

On de-recognition of financial assets, the difference between the carrying amount of the asset and the sum of the consideration received and receivable, and the cumulative gain or loss that had been recognized in other comprehensive income or accumulated in equity is recognized in the Income Statement.

2.1.2. Financial Liabilities

Initial recognition and measurement

Financial liabilities within the scope of LKAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings and this determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value and in the case of loans and borrowings, plus directly attributable transaction costs.

2.1.2.1. Financial Liabilities at fair value through profit or loss

Financial liabilities are classified as fair value through profit or loss if it is defined as held for trading and is designated at such upon initial recognition.

Gains or losses on liabilities held for trading are recognized in the income statement.

2.1.2.2. Other Financial Liabilities

These are all financial liabilities other than financial liabilities at fair value through profit or loss. Other financial liabilities include trade and other payables, bank overdrafts and loans & borrowings.

2.1.2.3. De-recognition of financial Liability

Financial liabilities are derecognized when and only when they are extinguished, that is when the obligation is discharged, cancelled or expired.

2.1.3. Amortized cost measurement

The amortized cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments and any impairment and plus/minus the cumulative amortization using the effective interest method of any difference between the initial amount recognized and the maturity amount.

2.1.4. Fair value measurement

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction on the measurement date.

The fair value of financial instruments that are traded in an active market at each reporting date is determined by reference to quoted market prices or dealer price quotations, without any deduction for transaction costs.

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include using recent arm's length market transactions; reference to the current fair value of another instrument that is substantially the same; a discounted cash flow analysis or other valuation models.

2.1.5. Impairment losses on available-for-sale financial assets

Impairment losses on available-for-sale investment securities are recognized by transferring the cumulative loss that has been recognized in other comprehensive income to profit or loss as a reclassification adjustment. The cumulative loss that is reclassified from other comprehensive income to profit or loss is the difference between the acquisition cost, net of any principal repayment and amortization, and the current fair value, less any impairment loss previously recognized in profit or loss. Changes in impairment provisions attributable to time value are reflected as a component of interest income.

If, in a subsequent period, the fair value of an impaired available-for-sale debt security increases and the increase can be objectively related to an event occurring after the impairment loss was recognized in profit or loss, the impairment loss is reversed, with the amount of the reversal recognized in profit or loss. However, any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognized in other comprehensive income.

3.0. First Time Adoption of SLFRS/LKAS

The interim financial statements, for the period ended 30th September 2012, is the first financial statements prepared in accordance with SLFRS/LKAS. Previously for period up to and including the year ended 31st March 2012 the Company prepared its financial statements in accordance with Sri Lanka Accounting Standards which were effective up to 31 March 2012.

The accounting policies that are set out in Note 2 have been applied in preparing this interim financial statements for the year ended 31/03/2013 & 4th quarter ended 31/03/2013.

3.1. Explanations for Transition to SLFRS/LKASs

In preparing SLFRS/LKAS statement of financial position for previously reported financial periods, required adjustments have been made, in accordance with the respective SLFRS/LKASs. The effect of the transition from SLASs to SLFRS/LKASs has been presented in the reconciling statements and accompanying notes (4.1 - 5.3) for the material reconciliation items.

Singer Finance (Lanka) PLC

Notes to the Financial Statements

4.0 Reconciliation of SLAS to SLFRS/LKRS

4.1 Reconciliation of Financial Position

As At 31 March	Note	Equity as at 31st March 2012			Equity as at 1st April 2011 (date of transition to SLFRS/LKAS)		
		AS per SLAS	Effect of	AS per	AS per SLAS	Effect of transition	AS per
		(Restated)	SLFRS/LKAS	SLFRS/LKAS	(Restated)	to SLFRS	SLFRS/LKAS
		Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
ASSETS							
Cash and Bank Balances		11,200	-	11,200	30,084	-	30,084
Government Securities		263,884	-	263,884	181,057	-	181,057
Bank Deposits		50,759	-	50,759	-	-	-
Hire Purchase Receivables	5.2.1	2,309,364	133	2,309,497	1,761,151	95	1,761,246
Lease Rental Receivables	5.2.1	2,467,589	45	2,467,634	719,011	134	719,145
Loans and Advances	5.2.1	1,378,116	-	1,378,116	1,516,767	5	1,516,772
Investments in Securities		41	-	41	41	-	41
Inventories		12,433	-	12,433	7,631	-	7,631
Other Debtors, and Prepayments		184,159	-	184,159	116,571	-	116,571
Deferred Tax Assets		11,858	-	11,858	13,420	-	13,420
Income Tax Receivable		8,824	-	8,824	-	-	-
Intangible Assets		13,650	-	13,650	12,346	-	12,346
Property, Plant & Equipments		29,554	-	29,554	27,993	-	27,993
Total Assets		6,741,431	178	6,741,609	4,386,072	234	4,386,306
LIABILITIES							
Deposits From Customers		2,645,169	-	2,645,169	1,815,117	-	1,815,117
Interest Bearing Loans & Borrowings		1,219,391	-	1,219,391	80,886	-	80,886
Trade & Other Payables	5.2.2.	462,122	(3,053)	459,069	295,658	(2,688)	292,970
Amount due to Related Companies		1,299,856	-	1,299,856	1,187,515	-	1,187,515
Income Tax payable		-	-	-	71,394	-	71,394
Deferred Tax Liabilities		4,879	-	4,879	3,986	-	3,986
Retirement Benefit Obligations		7,479	-	7,479	5,572	-	5,572
Total Liabilities		5,638,896	(3,053)	5,635,843	3,460,128	(2,688)	3,457,440
EQUITY							
Stated Capital		800,000	-	800,000	800,000	-	800,000
Capital Reserve		27,628	-	27,628	16,350	-	16,350
Investment Fund		37,533	-	37,533	4,640	-	4,640
Retained Earnings	5.3	237,374	3,231	240,605	104,954	2,922	107,876
Total Equity		1,102,535	3,231	1,105,766	925,944	2,922	928,866
Total Liabilities & Equity		6,741,431	178	6,741,609	4,386,072	234	4,386,306

Singer Finance (Lanka) PLC**Notes to the Financial Statements**4.2 **Reconciliation of Income Statements****Year Ended 31st March 2012**

	Note	AS per SLAS (Restated) Rs.'000	Effect of SLFRS/LKAS Rs.'000	AS per SLFRS/LKAS Rs.'000
Income		1,271,061	6,351	1,277,412
Interest Income	5.1.1	1,152,590	(55)	1,152,535
Interest Expense	5.1.2	408,138	(364)	407,774
Net Interest Income		744,452	309	744,761
Other Income	5.1.3	118,471	6,406	124,877
		862,923	6,715	869,638
Less:- Operating Expenses				
Personal Cost	5.1.4	110,690	6,406	117,096
Administration & Selling Expenses		429,111	-	429,111
Operating Profit Before Provision For Loan Losses And Tax		323,122	309	323,431
Impairment on Loans Receivables		9,210	-	9,210
Loan Loss Recoveries		(2,462)	-	(2,462)
Profit from Ordinary Activities before VAT on Financial Services and Tax		316,374	309	316,683
Value Added Tax on Financial Services		26,595	-	26,595
Profit Before Tax		289,779	309	290,088
Taxation		70,521	-	70,521
Net profit for the Period		219,258	309	219,567

Singer Finance (Lanka) PLC**Notes to the Financial Statements****Notes to the Reconciliation of SLAS to SLFRS**

		Quarter ended 31st March 2012 Rs.'000	Year ended 31st March 2012 Rs.'000
5.1 Income Statement			
5.1.1 Revenue			
Under LKAS-39, the corresponding gain or (loss) relating to re- structured loans due to changes in timing or amount of estimated future cash flows (Other than due to impairment) are recognized in the statements of comprehensive income. The impact of this implication is given below.			
Interest Income		104	(55)
		<u>104</u>	<u>(55)</u>
5.1.2 Interest Expense			
The interest expenses on Fixed Deposits calculated based on Efective Interest Rate (EIR) in line with LKAS - 39			
Interest Expense Fixed Deposits		(298)	(364)
		<u>(298)</u>	<u>(364)</u>
5.1.3 Other Income			
Employee loans that have been fair valued and recognized using market interest rate prevailed at the grant date with the adoption of LKAS - 39, resulting Finance income is as follow.			
Finance Income on Employee Loans		934	6,406
		<u>934</u>	<u>6,406</u>
5.1.4 Personnel Cost			
Employee loans have been fair valued using interest rate prevailed at the grant date with the adoption of LKAS - 39, resulting the employee benefit is as follow.			
Employee Benefit on Employee Loans		(934)	(6,406)
		<u>(934)</u>	<u>(6,406)</u>

Singer Finance (Lanka) PLC**Notes to the Financial Statements****Notes to the Reconciliation of SLAS to SLFRS****5.2 Financial Position****5.2.1 Trade & Other Receivable**

LKAS 39 requires the effect of restructured loans due to change in timing of amount of future cash flows (other than due to impairment) be recognized in the statement of financial position. The corresponding change due to the fairvaluation of the restructured loans are shown in statement of comprehensive income and in the statement of changes in Equity.

	As at 31st March 2012	As at 1st April 2011
Hire Purchase Receivable	133	95
Lease Rental Receivables	45	134
Loans and Advances	-	5
	178	234

5.2.2 Trade & Other Payable

LKAS 39 requires the Interest Expense to be calculated using Effective Interest Rate and recognized effect in the statement of financial position. The corresponding change due to the fairvaluation of the restructured loans are shown in statement of comprehensive income and in the statement of changes in Equity.

Interest on Fixed Deposits	(3,053)	(2,688)
	(3,053)	(2,688)

5.3 Retained Earnings

Retained Earnings as reported under SLASs	237,374	104,954
Trade & Other Receivable (5.2.1)	178	234
Trade & Other Payable (5.2.2)	3,053	2,688
	240,605	107,876

SINGER FINANCE (LANKA) PLC
Notes to the Financial Statements

6.1 FINANCIAL REPORTING BY SEGMENTS AS PER PROVISION OF THE SRI LANKA ACCOUNTING STANDARD NO.28

The primary business segment reporting format is determined to be business segment as nature of the products and services provided, with each segment representing a strategic business unit that offers different product and serves different markets

The following table presents financial information regarding business segments:

Business Segments (Rs.'000)

For the quarter ended 31st March	Finance Lease		Hire Purchase		Loan & Advances		Investments		Unallocated		Total	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Interest	187,682	117,277	117,865	139,180	82,900	72,952					388,448	329,409
Other	5,132	7,594	15,714	14,666	2,315	1,506	12,518	4,865	3,950	3,542	39,630	32,173
Total Revenue	192,815	124,871	133,579	153,846	85,216	74,458	12,518	4,865	3,950	3,542	428,078	361,582
Profit Before Tax	35,725	21,941	24,043	18,891	21,547	25,053	-	-	-	-	81,315	65,885
Income Tax Expense											(24,283)	2,602
Profit After Tax											57,032	68,487
Segment Assets	3,450,216	2,480,067	2,181,135	2,309,497	915,476	1,378,116	388,384	314,684	295,322	259,244	7,230,532	6,741,608
Segment Liabilities	2,956,697	2,256,450	1,801,214	2,028,617	234,692	1,073,454	-	-	341,569	277,322	5,334,172	5,635,842

SINGER FINANCE (LANKA) PLC

Notes to the Financial Statements

6.2 FINANCIAL REPORTING BY SEGMENTS AS PER PROVISIONS OF SLFRS 08

The primary business segment reporting format is determined to be business segment as nature of the products and services provided, with each segment representing a strategic business unit that offers different product and serves different markets

The following table presents financial information regarding business segments:

Business Segments (Rs.'000)

For the Year ended 31st March	Finance Lease		Hire Purchase		Loan & Advances		Investments		Unallocated		Total	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Interest	473,760	431,003	646,578	307,867	432,874	413,665					1,553,213	1,152,535
Other	49,205	23,829	44,868	47,167	6,808	6,315	43,122	21,712	51,587	25,855	195,591	124,877
Total Revenue	522,966	454,832	691,446	355,034	439,683	419,980	43,122	21,712	51,587	25,855	1,748,804	1,277,412
Profit Before Tax	134,338	77,385	95,019	106,727	96,756	105,976	-	-	-	-	326,113	290,088
Income Tax Expense											(90,692)	(70,521)
Profit After Tax											235,421	219,567
Segment Assets	3,450,216	2,480,067	2,181,135	2,309,497	915,476	1,378,116	388,384	314,684	295,322	259,244	7,230,532	6,741,608
Segment Liabilities	2,956,697	2,256,450	1,801,214	2,028,617	234,692	1,073,454	-	-	341,569	277,322	5,334,172	5,635,842

SINGER FINANCE (LANKA) PLC

Notes to the Financial Statements

7 The Interim Financial Statements of the Company have been prepared in accordance with the Sri Lanka Accounting Standards - LKAS 34 - Interim Financial Reporting.

8 RELATED PARTY TRANSACTIONS

8.1 Identity of Related Parties

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

8.2 Transactions with Key Management Personnel and Directors

a) 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	2013 Rs.Million	2012 Rs.Million
Singer (Sri Lanka) PLC (Parent Company)	Mr.H D S Amarasuriya	Payments to Singer (Sri Lanka) PLC on behalf of customers	933.5	1,516.1
	Mr. H.A. Pieris	Sales Financed to purchase goods from Singer (Sri Lanka) PLC	835.9	1,876.2
	Dr. S. Kelegama	Administrative Fees Paid	67.4	79.2
	Mr. M.P.A. Salgado	Loans Obtained During The Period	1,423.0	490.0
	Mr. G.J. Walker	Loans Settled During The Period	1,251.0	-
	Mr. J.Hyun	Purchase of Assets	1.5	-
	(Appointed w.e.f. 10.06.2011)	Dividend Paid (Gross)	64.0	32.0
		Interest Expense	157.3	72.4
		Rental Collections through Singer (Sri Lanka) PLC	2,647.0	2,750.8
		Collection Commission Paid	17.8	11.9
		Royalty Paid Through Singer (Sri Lanka) PLC	17.8	13.1
		Rent Reimbursed	12.6	14.0
		Expenses Paid Through Singer (Sri Lanka) PLC	159.2	114.5
		Balance Payable	661.7	1,299.9
Singer Industries (Ceylon) PLC (Affiliate Company)	Mr.H D S Amarasuriya	Investments Fixed Deposit	61.9	163.9
	Mr. H.A. Pieris	Deposits Capital Repayment	-	55.1
	Mr. G.J. Walker	Deposits Interest Payment (Gross)	10.2	4.6

b) Following companies are also parent companies of Singer Finance (Lanka) PLC , with whom no transactions were entered into during the period.

Company	Relationship
Singer (Sri Lanka) B.V	Intermediate Parent
Singer Asia Holdings N.V	Intermediate Parent
Retail Holdings N.V	Ultimate Parent

c) Company has not given loans to it's Directors.

d) Key Management Personnel includes members of the Board of the Directors of the company and its Parent. Transaction 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 Key Management Personnel or close Family Members

	2013 Rs.Million	2012 Rs.Million
Deposit kept by Key Management Personnel or their close family members	75.2	40.8

9 CONTINGENCIES

The Company has provided letters of guarantee totaling to Rs. 1,050,000/- against Fixed Deposits of Rs. 1,655,473/-

10 EVENTS AFTER THE REPORTING PERIOD

There have been no material events occurring after the Balance Sheet date which require adjustments to or disclosure in the financial statements.

SINGER FINANCE (LANKA) PLC

Notes to the Financial Statements

11 Re Stated Financial Statements

11.1 Service Charges

Currently the Company recognises Service Charges collected from Hire Purchase, Lease and Loan facilities on a deferred basis. This fee is a re-imbursement of cost incurred for Servicing a loan. Under LKAS 18 "fees charged by an entity for [processing] a loan are recognised as revenue as the services are provided accordingly, the Company has restated the Financial Statements with retrospective effect applicable for the accounting period starting from 1st April 2011. The effect of the restatement is summarised below.

	Year 31st March 2013 Rs'000	Year 31st March 2012 Rs'000	Periods Prior to 01st April 2011 Rs'000
Statement of Financial Position			
Decrease in Deferred Revenue	(25,659)	(22,731)	(13,267)
Increase in Income Tax payable	7,184	6,364	3,714
Statement of Comprehensive Income			
Increase in Other Income	2,928	9,464	-
Increase in Income Tax Expense	820	2,650	-
Statement In change In Equity			
Increase in Retained earnings	2,108	6,814	9,553
Retained Earnings Brought Forward	16,367	9,553	-
	18,475	16,367	9,553

11.2 Value Added Tax (VAT)

Input VAT is disallowed to be claimed proportionately on Interest Income on VAT exempt turnover to total turnover basis. However, the Company has not recognised the disallowed Input VAT in the Statement of Comprehensive Income due to an error. The Financial Statements are re-stated in order to rectify the aforementioned error with retrospective effect. The effect of the restatement is summarised below.

	Year 31st March 2013 Rs'000	Year 31st March 2012 Rs'000	Periods Prior to 01st April 2011 Rs'000
Statement of Financial Position			
Decrease in VAT Receivables	(54,198)	(40,730)	(24,917)
Decrease in Income Tax payable	(16,509)	(12,738)	(8,311)
Statement of Comprehensive Income			
Increase in Administration & Selling Expenses	13,468	15,813	-
Decrease in Income Tax Expense	(3,771)	(4,427)	-
Statement In change In Equity			
Decrease in Retained earnings	(9,697)	(11,386)	(16,606)
Retained Earnings Brought Forward	(27,992)	(16,606)	-
	(37,689)	(27,992)	(16,606)

SINGER FINANCE (LANKA) PLC

Notes to the Financial Statements

12 INFORMATION ON ORDINARY SHARES

a)	Stated Capital	31-Mar-2013	31-Mar-2012
	Value-Ordinary Shares	Rs.1,440,506,388/-	Rs.800,000,005/-
	No of Shares-Ordinary Shares	165,333,334	106,666,667
	Voting Rights	One Vote per Ordinary Share	One Vote per Ordinary Share

b) Twenty Largest holders of Shares as at 31st March 2013

Name	No of Shares	%
1 Singer (Sri Lanka) Plc	132,931,054	80.40
2 Associated Electrical Corporation Ltd	1,550,000	0.94
3 Mr.Shakir Asgerally Lukmanjee	565,000	0.34
4 NDB Aviva Wealth Management Ltd S/A Hatton National Bank	476,704	0.29
5 Naqeah (Pvt) Limited	443,589	0.27
7 DPMC Assetline Holdings (Pvt) Ltd. Account No. 02	409,600	0.25
6 Mercantile Investments And Finance Plc	400,000	0.24
8 A E C Properties (Pvt) Ltd.	360,000	0.22
9 Mrs.Shivanthi Sandamalee De Fonseka	359,400	0.22
10 Pan Asia Banking Corporations Plc. / Nuwara Eliya Property Developers (Pvt) Ltd.	353,300	0.21
11 Seylan Bank Limited/Ruwan Prasanna Sugathadasa	325,656	0.20
12 National Development Bank of Sri Lanka Limited A/C No	319,950	0.19
13 Seylan Bank Plc/Mr.Duleep Nissanka Daluwatte	301,800	0.18
14 Mrs.Wisnaka Mohotti Mudiyansele Anulawathi	295,000	0.18
15 Navara Capital Limited.	250,000	0.15
16 Acuity Partners (Pvt) Ltd./ Mr.S .Paramanathan	215,300	0.13
17 Richard Pieris Financial Services (Pvt) Ltd/Fortune One (Pvt) Ltd	214,300	0.13
18 Miss.Galahiti Mudiyansele Buddhika Damayanthi	212,898	0.13
19 Mr.Periyasaami Pillai Thevarajah	208,680	0.13
20 Mr.Seyed Hamid Akram Ahamed	200,673	0.12
	140,392,904	84.92
Others	24,940,430	15.08
	165,333,334	100.00

c) Directors' and CEO's Shareholding as at 31st March 2013

Name of the Director	Sharholding 31-Mar-2013 No of Shares	Sharholding 31-Mar -2012 No of Shares
Mr.H D S Amarasuriya	10,009	6
Dr. S. Kelegama	-	-
Mr.J.A.Setukavalar	-	-
Mrs.M.A Tharmaratnam (Appointed w.e.f 28/09/2012)	-	-
Mr.J. Hyun	-	-
Mr. G.J. Walker	-	-
Mr. H.A. Pieris (Group Chief Executive Officer)	51,002	20,002
Mr.R.S Wijeweera (Chief Executive Officer)	31,003	20,002
Mr. M.P.A. Salgado (Alternate Director to Mr. H.A. Pieris - Appointed w.e.f 28/09/2012)	68,442	20,002
Mr.S. Ramanathan (Alternate Director to Mr. G.J. Walker - Resigned w.e.f 28/09/2012)	-	-
Mr.Y.C.Joe Kan (Alternate Director to Mr. G.J. Walker - Appointed w.e.f 28/09/2012)	-	-

d) Public Holding

Public holding as at 31st March 2013 is 19.50% (As at 31st March 2012 - 24.94%).