



SINGER[®]

Trusted Excellence



SINGER (SRI LANKA) PLC

INTERIM FINANCIAL STATEMENTS FOR THE
NINE MONTHS ENDED 30TH SEPTEMBER 2013

Group Chief Executive Officer's Review

As a result of the challenging environment, the Revenue was marginally lower while the Profits saw a sharp dip.

The business environment continued to be difficult with low demand by the customers and difficulty in collections. The consumer segments served by Singer continued to be affected by the high electricity charges.

While collections were difficult, the strong systems and culture at Singer including the on-line real time ERP system, use of call center for collections, use of reminders by SMS for collections together with traditional collection drives ensured that our arrears were well under control.

At the same time, the challenging environment also gave opportunities. Retail shops space are now available at low rents and new brands and agencies are becoming available to Singer.

There is consensus that the medium term prospects for Sri Lanka will be very good. Hence we have not stopped our renovation of existing shops, expansion of shops and improvement of other infra-structure.

In the first nine months the company's gross sales revenue increased marginally. However, as the retail sector came under Value Added Tax, the revenue which is recorded, net of turn over taxes was 1% below prior year at group level, while the revenue was 2% below prior year at company level.

The Company's communications segment continued to do well and increased Revenue by 130%. The transport segment grew by 5% and furniture by 10%, while all other segments declined.

Selling and administration expenses increased due to inflation, expansion of shops and increase in electricity expenses. The net finance cost for the period was an increase of 55% for the Company and 45% for the Group. While the Borrowings increased, the main reason for increase in finance cost was the increase in interest rates. The income tax was lower due to lower profits.

In the first nine months, the company's Profit reduced by 64%, while the Group Profit decreased by 54%. In the third quarter, the company profits declined by 97%, while group profits decreased by 63% due to overall lower sales in this quarter.

The Company's subsidiary Singer Finance (Lanka) PLC, increased revenue by 11% and grew Net Profit by 13%.

I wish to place on record my appreciation of all our staff for their contribution and commitment in challenging market conditions.

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.

Sincerely,

Asoka Pieris

Group Chief Executive Officer

Statement of Comprehensive Income

For the quarter ended 30th September	Group		Company		Variance		Variance	
	2013 Rs.'000	2012 Rs.'000	2013 Rs.'000	2012 Rs.'000	Group Rs.'000	%	Company Rs.'000	%
Revenue	5,888,880	6,062,201	5,474,157	5,664,230	(173,321)	- 3	(190,074)	- 3.4
Cost of Sales	(3,719,622)	(3,841,458)	(3,719,622)	(3,841,458)	121,836	+ 3	121,836	+ 3
Direct Interest Cost	(170,458)	(150,576)	—	—	(19,882)	- 13	—	—
Gross Profit	1,998,800	2,070,167	1,754,535	1,822,772	(71,367)	- 3	(68,237)	- 4
Other Income	72,692	53,693	28,199	42,979	18,999	+ 35	(14,780)	- 34
Selling and Administration Expenses	(1,561,406)	(1,515,288)	(1,369,639)	(1,369,174)	(46,117)	- 3	(466)	- 0
Other Operating Expenses	(81,267)	(63,062)	(76,281)	(59,781)	(18,205)	- 29	(16,500)	- 28
Finance Cost	(344,782)	(283,364)	(344,782)	(283,364)	(61,417)	- 22	(61,417)	- 22
Finance Income	13,915	15,460	21,614	36,655	(1,545)	- 10	(15,042)	- 41
Net Finance Cost	(330,868)	(267,904)	(323,169)	(246,709)	(62,963)	- 24	(76,460)	- 31
Share of Profit/(Loss) of Equity Accounted Investees (Net of Income Tax)	322	337	—	—	(15)	- 4	—	—
Value Added Tax on Financial Services	(16,112)	(10,114)	(7,500)	(5,251)	(5,997)	- 59	(2,249)	- 43
Profit before Tax	82,161	267,827	6,145	184,836	(185,666)	- 69	(178,691)	- 97
Income Tax Expense	(5,158)	(60,880)	(1,997)	(36,416)	55,722	+ 92	34,419	+ 95
Profit for the Period	77,003	206,947	4,148	148,419	(129,943)	- 63	(144,272)	- 97
Other Comprehensive Income								
Revaluation of Property, Plant and Equipment	—	—	—	—				
Income Tax on Other Comprehensive Income	—	—	—	—				
Other Comprehensive Income for the Period - Net of Tax	—	—	—	—				
Total Comprehensive Income for the Period	77,003	206,947	4,148	148,419				
Profit Attributable to:								
Owners of the Company	62,787	194,742	4,148	148,419				
Non-Controlling Interests	14,215	12,205	—	—				
Profit for the Period	77,003	206,947	4,148	148,419				
Total Comprehensive Income Attributable to:								
Owners of the Company	62,787	194,742	4,148	148,419				
Non-Controlling Interest	14,215	12,205	—	—				
Total Comprehensive Income for the Period	77,003	206,947	4,148	148,419				
Earnings per Share - Basic (Rs.)	0.50	1.56	0.03	1.19				

Above figures are provisional and subject to audit.

Share Prices	3rd Quarter 2013 Rs.	3rd Quarter 2012 Rs.
Highest	102.00	132.50
Lowest	81.00	90.00
Last Traded Price	99.90	112.50

Statement of Comprehensive Income

For the nine months ended 30th September	Group		Company		Variance		Variance	
	2013	2012	2013	2012	Group	%	Company	%
	Rs. '000	Rs. '000	Rs. '000	Rs. '000				
Revenue	18,459,206	18,658,325	17,219,411	17,544,848	(199,120)	- 1	(325,438)	- 2
Cost of Sales	(11,552,129)	(11,842,456)	(11,552,129)	(11,842,456)	290,326	+ 2	290,326	+ 2
Direct Interest Cost	(479,537)	(396,066)	—	—	(83,470)	- 21	—	—
Gross Profit	6,427,540	6,419,804	5,667,281	5,702,393	7,735	+ 0	(35,111)	- 1
Other Income	189,084	140,838	168,556	185,048	48,245	+ 34	(16,492)	- 9
Selling and Administration Expenses	(4,810,973)	(4,411,674)	(4,289,284)	(4,024,051)	(399,298)	- 9	(265,232)	- 7
Other Operating Expenses	(220,658)	(164,708)	(207,047)	(155,713)	(55,951)	- 34	(51,332)	- 33
Finance Cost	(1,039,419)	(730,335)	(1,039,419)	(730,335)	(309,085)	- 42	(309,085)	- 42
Finance Income	42,201	42,369	99,271	122,157	169	- 0	(22,886)	- 19
Net Finance Cost	(997,218)	(687,966)	(940,148)	(608,177)	(309,253)	- 45	(331,971)	- 55
Share of Profit/(Loss) of Equity Accounted Investees (Net of Income Tax)	980	1,111	—	—	(129)	- 12	—	—
Value Added Tax on Financial Services	(38,557)	(36,593)	(20,050)	(21,752)	(1,965)	- 5	(1,702)	- 8
Profit before Tax	550,197	1,260,814	379,309	1,077,747	(710,617)	- 56	(698,438)	- 65
Income Tax Expense	(140,354)	(368,384)	(103,548)	(316,246)	228,030	+ 62	212,696	+ 67
Profit for the Period	409,844	892,429	275,760	761,501	(482,585)	- 54	(485,740)	- 64
Other Comprehensive Income								
Revaluation of Property, Plant and Equipment	—	—	—	—				
Income Tax on Other Comprehensive Income	—	—	—	—				
Other Comprehensive Income for the Period - Net of Tax	—	—	—	—				
Total Comprehensive Income for the Period	409,844	892,429	275,760	761,501				
Profit Attributable to:								
Owners of the Company	366,824	846,319	275,760	761,501				
Non-Controlling Interests	43,020	46,112	—	—				
Profit for the Period	409,844	892,429	275,760	761,501				
Total Comprehensive Income Attributable to:								
Owners of the Company	366,824	846,318	275,760	761,501				
Non-Controlling Interest	43,020	46,112	—	—				
Total Comprehensive Income for the Period	409,844	892,429	275,760	761,501				
Earnings per Share - Basic (Rs.)	2.93	6.76	2.20	6.08				

Above figures are provisional and subject to audit.

	Nine months 2013 Rs.	Nine months 2012 Rs.
Share Prices		
Highest	108.50	132.50
Lowest	81.00	78.00
Last Traded Price	99.90	112.50

Statement of Financial Position

As at 30th	Group			Company		
	September 2013 Rs. '000	September 2012 Rs. '000	December 2012 Rs. '000	September 2013 Rs. '000	September 2012 Rs. '000	December 2012 Rs. '000
ASSETS						
Non-Current Assets						
Property, Plant and Equipment	2,320,121	1,904,353	2,151,208	2,253,712	1,866,028	2,106,383
Intangible Assets	187,488	160,248	189,256	157,569	144,406	166,954
Investments in Subsidiaries	—	—	—	982,242	982,242	982,242
Debenture Investment in Subsidiaries	—	—	—	149,283	—	—
Investments in Equity Accounted Investees	53,644	47,996	52,663	48,000	48,000	48,000
Other Investments	17,061	17,061	17,061	17,020	17,020	17,020
Trade and Other Receivables	4,255,410	4,827,219	5,044,790	1,418,603	1,257,378	1,295,483
Deferred Tax Assets	145,346	137,758	150,284	145,346	125,502	146,300
	6,979,069	7,094,635	7,605,262	5,171,777	4,440,577	4,762,381
Current Assets						
Inventories	5,045,465	4,347,808	4,226,074	5,045,465	4,347,808	4,226,074
Income Tax Receivables	16,158	—	—	41,928	—	—
Loans due from Related Parties	73,635	153,857	93,635	201,087	865,600	1,492,054
Trade and Other Receivables	10,211,744	8,301,653	8,355,654	6,135,218	5,038,106	5,329,017
Amounts due from Related Parties - Trade	7,678	9,211	134,398	7,678	204,206	138,581
Amounts due from Related Parties - Non-Trade	997	24,297	19,181	997	24,297	19,181
Deposits with Banks	115,547	50,945	50,983	—	—	—
Marketable Securities	394,588	296,806	318,720	—	—	—
Cash and Cash Equivalents	412,893	586,146	615,316	331,957	577,829	424,277
	16,278,705	13,770,723	13,813,960	11,764,331	11,057,846	11,629,183
Total Assets	23,257,774	20,865,358	21,419,223	16,936,106	15,498,423	16,391,564
EQUITY AND LIABILITIES						
Equity						
Stated Capital	626,048	626,048	626,048	626,048	626,048	626,048
Capital Reserves	764,853	648,638	773,312	764,853	648,638	773,312
Statutory Reserve	124,489	73,978	78,425	—	—	—
Revenue Reserves	3,360,010	3,488,625	3,778,757	2,905,831	3,118,987	3,369,579
Total Equity Attributable for Equity Holders of the Company	4,875,400	4,837,289	5,256,543	4,296,732	4,393,672	4,768,939
Non-Controlling Interest	378,650	347,108	356,692	—	—	—
Total Equity	5,254,050	5,184,396	5,613,235	4,296,732	4,393,672	4,768,939
Non-Current Liabilities						
Loans and Borrowings	4,388,241	664,474	1,633,823	3,150,000	401,958	1,402,555
Retirement Benefit Obligations	324,257	260,110	270,539	311,766	252,211	259,359
Deferred Taxation Liability	111,612	93,154	113,926	110,637	93,154	113,926
Security Deposits	640,486	555,716	576,648	640,486	555,716	576,648
Deposits from Customers	753,911	411,667	342,850	—	—	—
	6,218,507	1,985,122	2,937,787	4,212,889	1,303,040	2,352,488
Current Liabilities						
Trade and Other Payables	2,592,145	2,762,358	2,653,496	2,265,736	2,431,506	2,261,543
Deferred Revenue	21,542	24,846	22,330	21,542	24,846	22,330
Income Tax Payable	—	70,082	67,213	—	47,849	38,976
Dividends Payable	16,090	11,181	10,822	16,090	11,181	10,822
Amounts due to Related Parties - Trade	100,109	152,111	184,453	196,762	152,111	184,453
Amounts due to Related Parties - Non-Trade	65,020	65,217	72,675	65,020	65,217	72,675
Deposits from Customers	2,988,219	2,742,018	2,521,670	—	—	—
Loans and Borrowings	6,002,095	7,868,029	7,335,542	5,861,336	7,068,999	6,679,336
	11,785,216	13,695,840	12,868,201	8,426,487	9,801,711	9,270,136
Total Equity and Liabilities	23,257,774	20,865,358	21,419,223	16,936,106	15,498,423	16,391,564
Net Assets per Share	38.94	38.63	41.98	34.32	35.09	38.09

I certify that the above Financial Statements have been prepared in accordance with the requirements of the Companies Act No. 07 of 2007.

(Sgd.) Priyath Salgado

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,

8th November 2013

(Sgd.) Asoka Pieris

Director/Group Chief Executive Officer

Statement of Changes in Equity

For the nine months ended 30th September 2013

Group	Attributable to Equity Holders of the Company								
	Statutory Reserve				Revaluation Reserves	General Reserves	Retained Earnings	Total	Non-Controlling Interest
	Stated Capital	Reserve Fund	Investment Fund	National Insurance Trust Fund					
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Balance as at 1st January 2012	626,048	16,350	28,058	—	655,454	2,200,000	1,221,739	4,747,648	255,995
Realisation of Revaluation Surplus	—	—	—	—	(9,467)	—	9,467	—	—
Deferred Tax Effect on Realisation of Revaluation Surplus	—	—	—	—	2,651	—	—	2,651	—
Transfer to/(from) during the Year	—	11,278	18,292	—	—	—	(29,570)	—	—
Change in holding percentage	—	—	—	—	—	—	(8,069)	(8,069)	66,334
Net Profit for the Period	—	—	—	—	—	—	846,317	846,317	46,112
Other Comprehensive Income for the Period	—	—	—	—	—	—	—	—	—
Total Comprehensive Income for the Period	—	—	—	—	—	—	846,317	846,317	46,112
Final Dividend – 2011	—	—	—	—	—	—	(751,258)	(751,258)	(21,333)
Balance as at 30th September 2012	626,048	27,628	46,350	—	648,638	2,200,000	1,288,625	4,837,289	347,108
Realisation on Revaluation Surplus	—	—	—	—	(3,156)	—	3,156	—	—
Deferred Tax Effect on Realisation of Revaluation Surplus	—	—	—	—	884	—	—	884	—
Transferred to/(from) during the Year	—	—	4,447	—	—	300,000	(304,447)	—	—
Profit for the Period	—	—	—	—	—	—	291,424	291,424	9,585
Other Comprehensive Income	—	—	—	—	—	—	—	—	—
Surplus on Revaluation for the Year	—	—	—	—	148,602	—	—	148,602	—
Deferred Tax Effect on Revaluation	—	—	—	—	(21,655)	—	—	(21,655)	—
Total Other Comprehensive Income for the Period	—	—	—	—	126,947	—	—	126,947	—
Total Comprehensive Income for the Period	—	—	—	—	126,947	—	291,424	418,370	9,585
Balance as at 1st January 2013	626,048	27,628	50,797	—	773,312	2,500,000	1,278,758	5,256,543	356,692
Realisation of Revaluation Surplus	—	—	—	—	(11,749)	—	11,749	—	—
Deferred Tax Effect on Realisation of Revaluation Surplus	—	—	—	—	3,290	—	—	3,290	—
Transfer to/(from) during the Year	—	12,827	31,053	2,184	—	—	(46,064)	—	—
Change in Holding Percentage	—	—	—	—	—	—	—	—	—
Net Profit for the Period	—	—	—	—	—	—	366,824	366,824	43,020
Other Comprehensive Income for the Period	—	—	—	—	—	—	—	—	—
Total Comprehensive Income for the Period	—	—	—	—	—	—	—	—	—
Final Dividend – 2012	—	—	—	—	—	—	(751,258)	(751,258)	(21,061)
Balance as at 30th September 2013	626,048	40,455	81,850	2,184	764,853	2,500,000	860,010	4,875,400	378,650

Company	Stated Capital Rs. '000	Revaluation Reserves Rs. '000	General Reserves Rs. '000	Retained Earnings Rs. '000	Total Rs. '000
Balance as at 1st January 2012	626,048	655,454	2,200,000	899,276	4,380,776
Realisation of Revaluation Surplus	–	(9,467)	–	9,467	–
Deferred Tax Effect on Realisation of Revaluation Surplus	–	2,651	–	–	2,651
Net Profit for the Period	–	–	–	761,502	761,502
Other Comprehensive Income for the Period	–	–	–	–	–
Total Comprehensive Income for the Period	–	–	–	761,502	761,502
Final Dividend – 2011	–	–	–	(751,258)	(751,258)
Balance as at 30th September 2012	626,048	648,638	2,200,000	918,987	4,393,672
Realisation on Revaluation Surplus	–	(3,156)	–	3,156	–
Deferred Tax Effect on Realisation of Revaluation Surplus	–	884	–	–	884
Transferred to/(from) during the Year	–	–	(300,000)	(300,000)	–
Other Comprehensive Income for the Period	–	–	–	–	–
Profit for the Period	–	–	–	247,436	247,436
Other Comprehensive Income	–	–	–	–	–
Surplus on Revaluation for the Year	–	148,602	–	–	148,602
Deferred Tax Effect on Revaluation	–	(21,655)	–	–	(21,655)
Total Other Comprehensive Income for the Period	–	126,947	–	–	126,947
Total Comprehensive Income for the Period	–	126,947	–	247,436	374,382
Balance as at 1st January 2013	626,048	773,312	2,500,000	869,580	4,768,939
Realisation of Revaluation Surplus	–	(11,749)	–	11,749	–
Deferred Tax Effect on Realisation of Revaluation Surplus	–	3,290	–	–	3,290
Net Profit for the Period	–	–	–	275,760	275,760
Other Comprehensive Income for the Period	–	–	–	–	–
Total Comprehensive Income for the Period	–	–	–	275,760	275,760
Final Dividend – 2012	–	–	–	(751,258)	(751,258)
Balance as at 30th September 2013	626,048	764,853	2,500,000	405,831	4,296,732

Statement of Cash Flow

For the nine months ended 30th September	Group		Company	
	2013 Rs. '000	2012 Rs. '000	2013 Rs. '000	2012 Rs. '000
Cash Flows from Operating Activities				
Net Profit before Income Tax Expense	550,197	1,260,811	379,309	1,077,748
Adjustments for:				
Depreciation on Property, Plant & Equipment	224,116	151,107	213,214	143,639
Share of (Profit) from Equity Accounted Investees	(980)	(1,111)	—	—
Amortisation of Intangible Assets	15,681	13,600	12,971	12,075
(Gain) on Disposal of Property, Plant & Equipment	423	(2,371)	423	(2,371)
Interest Expense	1,039,419	730,335	1,039,419	730,335
Interest Income	(42,201)	(42,369)	(99,271)	(109,101)
Impairment of Inventory	(7,330)	47,587	(7,330)	47,587
Bad Debts Written-off	(23,464)	—	(6,977)	—
Impairment on Trade and Other Receivables	224,172	102,936	84,142	70,310
Dividend Income	(759)	(1,996)	(78,524)	(59,596)
Provision for Retiring Gratuity	55,662	55,952	53,862	54,377
Operating Profit before Working Capital Changes	2,034,936	2,314,483	1,591,238	1,965,003
(Increase)/Decrease in Inventories	(812,061)	(992,479)	(812,061)	(981,440)
(Increase)/Decrease in Debtors Falling due after One Year	789,381	(609,134)	(123,121)	1,536
(Increase)/Decrease in Debtors Falling due within One Year	(2,057,586)	(1,503,200)	(884,153)	(875,032)
(Increase)/Decrease in Trade dues from Related Parties	144,904	(1,982)	149,086	365,010
Increase/(Decrease) in Trade dues to Related Parties	(91,999)	(27,385)	4,654	(27,385)
Increase in Security Deposits	63,838	68,267	63,838	68,267
Increase/(Decrease) in Customer Deposit Liabilities	877,609	490,685	—	—
Increase/(Decrease) in Trade and Other Payables	(26,858)	190,893	79,845	305,398
Cash Generated from Operations	922,164	(69,850)	69,326	821,357
Finance Costs Paid	(1,073,912)	(730,335)	(1,115,071)	(730,335)
Retiring Gratuity Paid	(1,945)	(630)	(1,455)	—
Income Tax Paid	(217,812)	(484,254)	(183,500)	(438,944)
Net Cash from/(used in) Operating Activities	(371,506)	(1,285,068)	(1,230,701)	(347,922)
Cash Flows from Investing Activities				
Acquisition of Property, Plant & Equipment and Intangible Assets	(415,484)	(380,933)	(372,672)	(359,366)
Proceeds from Disposal of Property, Plant & Equipment	8,119	12,784	8,119	10,207
(Acquisition)/Disposal of Marketable Securities	(75,868)	(6,493)	—	—
Investment in Equity Accounted Investee	—	—	—	—
Investment in Bank Deposits	(64,564)	(50,945)	—	—
Investment on Debentures in Subsidiary Company	—	—	(149,283)	—
Investment in Subsidiary Company	—	—	—	(582,242)
Net Cash Flows from Loans Given to Related Companies	20,000	19,778	1,290,967	(326,095)
Interest Received	42,201	42,369	99,271	109,101
Dividend Received	759	1,996	78,524	59,596
Net Cash Flows from/(used in) Investing Activities	(484,838)	(361,444)	954,926	(1,088,798)
Cash Flow from Financing Activities				
Proceeds from Loans & Borrowings	1,652,099	2,057,855	1,133,840	1,831,944
Repayment of Loans & Borrowings	—	—	—	—
Proceeds from Rights Issue Purchased by Minority Shareholders	—	58,265	—	—
Net payment to Minority Shareholders	(21,061)	(21,333)	—	—
Dividends Paid	(745,990)	(745,902)	(745,990)	(745,902)
Net Cash Flow from Financing Activities	885,047	1,348,885	387,850	1,086,044
Net Increase/(Decrease) in Cash and Cash Equivalents	28,704	(297,628)	112,075	(350,677)
Cash and Cash Equivalents at the beginning of the Period	(48,199)	(302,562)	(207,304)	(181,976)
Cash and Cash Equivalents at the end of the Period	(19,495)	(600,189)	(95,229)	(532,653)

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 2012, are in compliance with Sri Lanka Accounting Standards (LKAS) 34 - 'Interim Financial Reporting'.

1.2 Application of Sri Lanka Accounting Standards (SLFRS/LKAS)

The Financial Statements for the period ended 31st December 2012 are the First Financial Statements prepared and presented in accordance with Sri Lanka Accounting Standards (SLFRS/LKAS) immediately effective from 1st January 2012. These SLFRS/LKAS have materially converged with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

2.1 Segmental Analysis of Company Net Turnover is as Follows:

	Quarter ending 30th September 2013 Rs. '000	Quarter ending 30th September 2012 Rs. '000	9 months ending 30th September 2013 Rs. '000	9 months ending 30th September 2012 Rs. '000
Sewing-Related Products	572,909	640,017	1,709,153	1,998,156
Consumer Electronics	1,329,474	1,362,861	4,019,136	4,283,300
White Goods	1,641,822	2,174,958	5,950,911	6,888,754
Kitchen-Related Products	340,878	421,411	1,131,615	1,293,636
Communications	871,046	338,454	2,184,735	946,437
Furniture	306,351	319,517	1,080,076	979,373
Transport	150,106	158,741	458,128	435,886
Agro	261,570	248,271	685,657	719,306
	5,474,157	5,664,230	17,219,411	17,544,848

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

	Quarter ending 30th September 2013 Rs. '000	Quarter ending 30th September 2012 Rs. '000	9 months ending 30th September 2013 Rs. '000	9 months ending 30th September 2012 Rs. '000
Sewing-Related Products	2,566	19,067	33,957	116,055
Consumer Electronics	2,986	47,200	81,303	292,547
White Goods	(880)	67,033	102,847	371,072
Kitchen-Related Products	448	16,300	25,802	90,381
Communications	1,875	4,462	26,815	39,034
Furniture	(544)	14,417	17,645	56,907
Transport	(901)	2,076	607	10,077
Agro	594	12,340	11,810	42,079
Dividend Income	—	1,941	78,524	59,596
	6,145	184,836	379,309	1,077,748

Notes to the Financial Statements

2.3 Segmental Analysis of Group Net Turnover is as Follows:

	Quarter ending 30th September 2013 Rs. '000	Quarter ending 30th September 2012 Rs. '000	9 months ending 30th September 2013 Rs. '000	9 months ending 30th September 2012 Rs. '000
Sewing-Related Products	572,909	640,017	1,709,153	1,998,156
Consumer Electronics	1,329,474	1,362,861	4,019,136	4,283,300
White Goods	1,641,822	2,174,958	5,950,911	6,888,754
Kitchen-Related Products	340,878	421,411	1,131,615	1,293,636
Communications	871,046	338,454	2,184,735	946,437
Furniture	306,351	319,517	1,080,076	979,373
Transport	150,106	158,741	458,128	435,886
Agro	261,570	248,271	658,657	719,306
Singer Finance (Lanka) PLC	414,723	397,971	1,239,795	1,113,477
	5,888,880	6,062,201	18,459,206	18,658,325

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

	Quarter ending 30th September 2013 Rs. '000	Quarter ending 30th September 2012 Rs. '000	9 months ending 30th September 2013 Rs. '000	9 months ending 30th September 2012 Rs. '000
Sewing-Related Products	2,566	19,067	33,957	116,055
Consumer Electronics	2,986	47,200	81,303	292,547
White Goods	(880)	67,033	102,847	371,072
Kitchen-Related Products	448	16,300	25,802	90,381
Communications	1,875	4,462	26,815	39,035
Furniture	(544)	14,417	17,645	56,907
Transport	(901)	2,076	607	10,077
Agro	594	12,340	11,809	42,079
Singer Finance (Lanka) PLC	75,695	84,595	247,674	239,554
Dividend	—	—	759	1,996
Share of Profit on Equity Accounted Investees	322	337	980	1,111
	82,161	267,828	550,197	1,260,814

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)

	2013 Rs. Million	2012 Rs. Million
Royalty Expenses	191.3	194.7
Royalty Payable Balance as at Period End	65.0	65.2

Singer Asia Holdings BV - (Intermediate Parent)

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

Notes to the Financial Statements

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

	2013 Rs. Million	2012 Rs. Million
Dividend Paid	646.9	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 Asia Holdings BV	Intermediate Parent
Singer Asia Holdings NV	Intermediate Parent
Sewco Holdings Ltd.	Intermediate Parent
Retail Holdings NV	Ultimate Parent

3.3 Transactions with Subsidiary Companies

	2013 Rs. Million	2012 Rs. Million
Singer Finance (Lanka) PLC		
Sales Financed through Singer Finance (Lanka) PLC	53.0	1,057.6
Payments to Singer (Sri Lanka) PLC on behalf of Customers	451.1	909.8
Short-Term Loans Granted	795.0	963.0
Short-Term Loans Recovered	1,780.3	400.0
Interest Income	99.9	94.9
Dividend Received - Gross	86.4	64.0
Cash Collection through Singer (Sri Lanka) PLC	796.3	2,087.2
Expenses Paid	142.2	117.2
Administrative Fee Charged	18.1	61.2
Collecting Commission Paid through Singer (Sri Lanka) PLC	13.6	11.9
Purchase of Assets	0.7	0.3
Rent Reimbursed	9.1	10.5
Royalty Paid through Singer (Sri Lanka) PLC	13.9	12.4
Balance Receivable - Trade	-	343.7
Balance Receivable - Loans	30.8	563.0

3.4 Transactions with Associate Companies

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

	2013 Rs. Million	2012 Rs. Million
Reality (Lanka) Ltd.		
Rent Expenses	2.6	4.1
Loans Receivable	73.7	73.6

- (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 period.

Telshan Network (Pvt) Ltd.

Notes to the Financial Statements

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
Singer Asia Sourcing Ltd.	Affiliate Company
Regnis Appliances (Pvt) Ltd.	Affiliate Company

3.6 Transactions with Key Management Personnel and Directors

(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	2013 Rs. Million	2012 Rs. Million
Singer Industries (Ceylon) PLC (Affiliate Company)	Mr. H.D.S. Amarasuriya (Chairman)	Purchases	503.0	634.0
	Mr. H.A. Pieris	Corporate Guarantee Given	75.0	75.0
	Late Dr. G.C.B. Wijeyesinghe	Lease Rental Paid	2.7	3.5
	Mr. G.J. Walker	Purchase of Raw Material	–	5.2
	Deshabandu A.M. de S. Jayaratne	Trade Credit Settled	566.7	608.8
	Mr. V.G.K. Vidyaratne	Expenses Reimbursed	(8.7)	0.3
		Balance Payable	47.2	78.5
Regnis (Lanka) PLC (Affiliate Company)	Mr. H.D.S. Amarasuriya (Chairman)	Purchases	1,614.0	1,589.0
	Late Dr. G.C.B. Wijeyesinghe	Corporate Guarantees Given	455.5	455.5
	Mr. H.A. Pieris	Interest Income	3.3	8.4
	Mr. V.G.K. Vidyaratne	Trade Credit Settled	1,843.2	1,803.9
	Mr. G.J. Walker	Sales Taxes	230.6	227.0
	Dr. S. Kelegama	Expenses Reimbursed	35.6	33.5
		Loans Receivable	80.0	60.0
		Loan Recovered	80.0	–
		Non-Trade Settlement		20.0
		Balance Payable	46.4	77.5
Singer Finance (Lanka) PLC (Subsidiary Company)	Mr. H.D.S. Amarasuriya (Chairman)	Sales Financed through Singer Finance (Lanka) PLC	53.0	1,057.6
	Mr. H.A. Pieris	Payments to Singer (Sri Lanka) PLC on behalf of Customers	451.1	909.8
	Dr. S. Kelegama	Short -Term Loan Granted	795	963.0
	Mr. M.P.A. Salgado	Short-Term Loan Recovered	1,780.3	400.0
	Mr. G.J. Walker	Interest Income	99.9	94.9
	Mr. J.J. Hyun	Dividend Received - Gross	86.4	64.0
		Cash Collection through Singer (Sri Lanka) PLC	796.3	2,087.2
		Expenses Paid	142.2	117.2
		Administrative Fee Charged	18.1	61.2
		Collecting Commission paid through Singer (Sri Lanka) PLC	13.6	11.9
		Purchase of Assets	0.7	0.3
		Rent Reimbursed	9.1	10.5

Notes to the Financial Statements

Name of the Company and Relationship	Name of Director	Nature of Transaction	2013 Rs. Million	2012 Rs. Million
		Royalty Paid through Singer (Sri Lanka) PLC	13.9	12.4
		Balance Receivable - Trade	–	343.7
		Balance Receivable - Loans	30.8	563.0
National Development Bank PLC	Mr. H.D.S. Amarasuriya	Borrowed Money	290.0	290.0
		Interest Expenses	8.6	21.8
		Issue of Debentures	–	150.0
Singer Asia Sourcing Ltd. (Affiliate Company)	Mr. G.J. Walker	Purchases	–	–
		Settlements	–	–
		Balance (Receivable)/Payables	7.7	7.5
Singer Asia Ltd. (Intermediate Parent Company)	Mr. P.J. O'Donnell	Royalty Expenses	191.3	194.7
	Mr. G.J. Walker	Royalty Payable	65.0	65.2
	Mr. H.A. Pieris			
Reality Lanka Ltd. (Associate Company)	Mr. H.D.S. Amarasuriya	Rent Expenses	2.6	4.1
	Mr. H.A. Pieris	Loans Receivable	73.7	73.6
	Mr. V.G.K. Vidyaratne		–	–
	Mr. G.J. Walker		–	–
Regnis Appliances (Pvt) Ltd.	Mr. H.D.S. Amarasuriya	Purchases	752.0	664.7
	Mr. H.A. Pieris	Trade Settlements	750.8	804.6
	Mr. V.G.K. Vidyaratne	Expenses Paid	1.7	1.2
	Mr. A.N. Majeed	Finance Charges	3.2	6.0
		Loan Granted	100.0	–
		Loan Recovered	120.0	80.0
		Non-Trade Settlements	4.4	6.7
		Balance Receivable - Loan	–	20.0
		Balance Payable - Trade	6.3	–
Fintravels Ltd.	Late Dr. G.C.B. Wijeyesinghe	Business Transactions	4.3	6.2

- (c) 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:

	2013 Rs. Million	2012 Rs. Million
Deposits kept by Key Management Personnel or their close family members of Singer (Finance) PLC	77.2	86.2

4. Stated Capital

	30th September 2013	30th September 2012
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. 186 Million to the Director General of Customs to clear imports during the year under review pending completion of legal proceedings in the Court of Appeal.

The bank guarantee related to alleged additional duty payable on imports and is being contested by the Company in Courts.

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

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.

7. Comparative Information

Comparative information has been created in line with the changes to the new Accounting Standards (SLFRS/LKAS) which are effective from 1st January 2012.

8. 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.

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

The listed debentures were not traded during the period 25th October 2012 to 30th September 2013. Therefore, Highest Traded Price, Lowest Traded Price, Last Traded Price as at 30th September 2013, Interest Yield and Yield to Maturity of trade were not available.

	30th September 2013	30th September 2012
Debt Equity Ratio	0.73	0.09
Interest Cover	1.02	1.75
Quick Assets Ratio	0.80	0.68

Notes to the Financial Statements

9. Top 20 Shareholders as at 30th September 2013

Name	No. of Shares	%
1. Singer (Sri Lanka) BV	107,812,850	86.11
2. Bank of Ceylon A/c Ceybank Unit Trust	4,222,047	3.37
3. Miss Ranjani Eileen Weeraratne Jayasuriya	609,782	0.49
4. Mrs. Mihiri Virani Fernando	600,000	0.48
5. Bank of Ceylon A/c Ceybank Century Growth Fund	594,418	0.47
6. Mrs. Zohra Taher Jafferjee	330,890	0.26
7. Mrs. Anoma Kamalika Amarasuriya	178,970	0.14
8. Sri Lanka Insurance Corporation Ltd. - General Fund	177,500	0.14
9. Dr. Nimal Ebenezer Herat Sanderatne	177,333	0.14
10. Sampath Bank PLC/Capital Trust Holdings Private Ltd.	142,909	0.11
11. Mrs. Kalutaravedage Jinangali Manel De Silva	131,248	0.10
12. Mr. Nalin Amita De Silva	126,326	0.10
13. Jafferjee Brothers (Exports) Ltd.	125,200	0.10
14. Amana Bank Ltd.	124,400	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. Hemaka Devapriya Senarath Amarasuriya	89,482	0.07
18. Merchant Bank of Sri Lanka Ltd./Union Investments Ltd.	88,894	0.07
19. Mr. Abeyesiri Hemapala Munasinghe	83,986	0.07
20. Mrs. Malini Wijenaike	82,006	0.07
	115,929,080	92.58
Others	9,280,530	7.42
Total	125,209,610	100.00

10. Directors and CEO's Shareholding as at 30th September 2013

Name of the Director	Shareholding 30th September 2013 No. of Shares	Shareholding 31st December 2012 No. of Shares
Mr. H.D.S. Amarasuriya	89,482	89,482
Mr. H.A. Pieris - CEO	2,000	2,000
Late Dr. G.C.B. Wijeyesinghe	-	-
Dr. Saman Kelegama	-	-
Deshabandu Ajit Jayaratne	-	-
Mr. P.J. O'Donnell	-	-
Mr. J.J. Hyun	-	-
Mr. G.J. Walker	-	-
Mr. V.G.K. Vidyaratne	25,131	23,831
Mr. M.H. Wijewardene	-	-
Mr. N. Majeed	-	5,000
Mr. K. Samarasinghe	4,124	4,124
Mr. M.P.A. Salgado	4,000	4,000

11. Public Holding

Public holding as at 30th September 2013 is 13.65% (As at 30th September 2012 - 13.65%).



SINGER[®]
Trusted Excellence

[®] A registered trademark of The Singer Company Limited