



**SINGER
FINANCE**

SINGER FINANCE (LANKA) PLC

INTERIM FINANCIAL STATEMENTS FOR THE
THREE MONTHS ENDED 30TH JUNE 2013

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SINGER FINANCE (LANKA) PLC
STATEMENT OF FINANCIAL POSITION

As At	30-June-2013	30-June-2012	31-Mar 2013
	Rs.'000	Rs.'000	Rs.'000
ASSETS			
Cash and Cash Equivalents	18,402	21,039	14,630
Financial Instruments - Held-to-Maturity	387,403	274,433	338,075
Placement with Banks	51,458	50,799	50,267
Hire Purchase Receivables	2,182,892	2,285,801	2,187,557
Finance Lease Receivables	3,602,755	2,686,525	3,464,663
Loans and Advances	922,834	1,374,044	916,578
Financial Instruments - Available-for-Sale	41	41	41
Inventories	-	3,142	-
Other Debtors, and Prepayments	133,261	108,056	115,040
VAT Receivables	51,234	89,807	58,121
Deferred Tax Assets	60,135	17,943	33,780
Income Tax Receivable	-	9,298	-
Intangible Assets	25,629	15,514	25,262
Property, Plant & Equipments	54,860	40,208	53,461
Total Assets	7,490,904	6,976,650	7,257,475
LIABILITIES			
Other Financial Liabilities Due to Customers	3,662,322	3,028,324	3,318,927
Interest Bearing Loans & Borrowings	732,939	1,313,969	1,009,276
Interest Bearing Loans - Related party	780,681	710,000	661,651
Trade & Other Payables	354,739	260,349	293,728
Due to Related Companies	-	530,616	-
Income tax payable	17,537	-	3,776
Deferred Tax Liabilities	61,110	34,755	34,755
Retirement Benefit Obligations	11,956	7,374	11,521
Total Liabilities	5,621,284	5,885,387	5,333,634
SHAREHOLDERS' FUND			
Stated Capital	1,445,333	800,000	1,445,333
Reserve Fund	40,455	27,628	40,455
Investment Fund	73,520	41,038	67,412
National Insurance Trust Fund	1,444	-	570
Retained Earnings	308,868	222,597	370,071
Total Equity	1,869,620	1,091,263	1,923,841
Total Liabilities & Equity	7,490,904	6,976,650	7,257,475
Net Assets per share (Rs)	11.31	10.23	18.04

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

.....
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,

.....
Priyath Salgado
Director

.....
Shanthapriya Wijeweera
Director/Chief Executive Officer

Colombo
15th August, 2013

SINGER FINANCE (LANKA) PLC
STATEMENTS OF COMPREHENSIVE INCOME

For the Quarter ended 30th June

	2013	2012	Variance
	Rs.'000	Rs.'000	%
Gross Income	452,571	411,260	10%
Interest Income	424,082	389,638	9%
Less: Interest Expense	189,910	171,925	(10%)
Net Interest Income	234,172	217,713	8%
Other Income	28,489	21,622	32%
	262,661	239,335	10%
Less:- Operating Expenses			
Personnel Cost	42,097	33,733	(25%)
Administration & Selling Expenses	88,348	108,848	19%
Operating Profit before Provision for Loan Losses and Tax	132,216	96,754	37%
Impairment charges for Loan and Other Losses	54,951	5,189	(959%)
Loan Loss Recoveries	(670)	(1,921)	(65%)
Profit from Ordinary Activities before VAT on Financial Services and Tax	77,935	93,486	(17%)
Less: Value Added Tax on Financial Services	4,485	5,232	14%
Profit Before Tax	73,450	88,254	(17%)
Less: Income Tax Expense	20,204	23,791	15%
Net profit for the Period	53,246	64,463	(17%)
Other Comprehensive Income	-	-	0%
Total Comprehensive Income	53,246	64,463	(17%)
Basic Earnings per Share (Rs)	0.32	0.60	
Share Price	Quarter Ending 30th June 2013 Rs.	Quarter Ending 30th June 2012 Rs.	
Highest	15.70	18.50	
Lowest	12.40	11.00	
Closing	13.20	12.30	

SINGER FINANCE (LANKA) PLC

STATEMENT OF CHANGES IN EQUITY

For the Quarter ended 30th June

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 at 01st April 2012	800,000	27,628	37,533	-	246,972	1,112,133
Transferred to/(from) during the Period	-	-	3,505	-	(3,505)	-
Transactions with owners, recorded directly in equity						
Contributions by and distributions to Owners						
Dividends	-	-	-	-	(85,333)	(85,333)
Total Transactions with equity Owners	-	-	-	-	(85,333)	(85,333)
Total comprehensive income for the year						
Profit for the Period	-	-	-	-	64,463	64,463
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	64,463	64,463
Balance as at 30th June 2012	800,000	27,628	41,038	-	222,597	1,091,263
Transferred to/(from) during the Period	-	12,827	26,374	570	(39,771)	-
Transactions with owners, recorded directly in equity						
Contributions by and distributions to Owners						
Issue of Shares	645,333	-	-	-	-	645,333
Direct Cost on Right Issue	-	-	-	-	(4,827)	(4,827)
Total Transactions with equity Owners	-	-	-	-	-	-
Total comprehensive income for the year						
Profit for the Period	-	-	-	-	192,072	192,072
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	192,072	192,072
Balance as at 31st March 2013	1,445,333	40,455	67,412	570	370,071	1,923,841
Transferred to/(from) during the Period	-	-	6,108	874	(6,982)	-
Transactions with owners, recorded directly in equity						
Contributions by and distributions to Owners						
Dividends	-	-	-	-	(107,467)	(107,467)
Total Transactions with equity Owners	-	-	-	-	(107,467)	(107,467)
Total comprehensive income for the year						
Profit for the Period	-	-	-	-	53,246	53,246
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	53,246	53,246
Balance as at 30th June 2013	1,445,333	40,455	73,520	1,444	308,868	1,869,620

SINGER FINANCE (LANKA) PLC

CASH FLOW STATEMENT

For the Quarter ended 30th June	2013	2012
	Rs.'000	Rs.'000
Cash Flows From/ (Used in) Operating Activities		
Interest Received	326,437	158,149
Interest Payments	(94,067)	(82,897)
Recoveries on Loans Previously Written Off	670	1,921
Receipts from Other Operating Activities	58,504	44,287
Cash Payments to employees & suppliers	(115,783)	(134,830)
Operating Profit before changes in Operating Assets and Liabilities	175,762	(13,369)
(Increase) / Decrease in Operating Assets and Liabilities		
Investments held for Regulatory or Monetary Control Purposes	(49,328)	(10,549)
Investment in Bank Deposits	(1,191)	(39)
Funds Advanced to Customers	(193,514)	(190,022)
Deposits from Customers	343,395	287,325
Amounts Due to Related Companies	-	(279,240)
	99,362	(192,525)
Cash Generated from/(used in) Operations		
Retiring Gratuity Paid	(165)	(630)
ESC Paid	-	(3,509)
Income Tax Paid	(6,443)	(10)
	(6,608)	(4,149)
Net Cash Generated from/(used in) Operating Activities	268,516	(210,042)
Cash Flows from/(used in) Investing Activities		
Acquisition of Property Plant & Equipment	(4,928)	(13,154)
Incurred on Software Development	(1,201)	(2,387)
Net Cash Flows used in Investing Activities	(6,129)	(15,541)
Cash Flows from/(used in) Financing activities		
Cash Inflows from Interest Bearing Loans & Borrowings	100,115	172,100
Cash Inflows from Interest Bearing Loans - Related party	575,000	220,000
Repayment of Interest Bearing Loans & Borrowings	(283,626)	(28,077)
Re-payment of Interest Bearing Loans - Related party	(455,970)	-
Dividend Paid	(101,310)	(75,208)
Net Cash Flows from/(used in) Financing activities	(165,790)	288,815
Net increase in Cash and Cash Equivalents	96,597	63,232
Cash and Cash Equivalents at the beginning of the Period	(216,144)	(282,140)
Cash and Cash Equivalents at the end of the Period	(119,547)	(218,909)
A. Reconciliation of Profit Before Tax with Cash Inflow from Operating Activities		
Profit before Income Tax	73,450	88,254
Depreciation/Amortisation	4,363	3,024
Provision for Define Benefit Plans - Gratuity	600	525
Impairment on Loans Receivables	54,951	5,189
(Increase) / Decrease in Inventory	-	9,291
(Increase) / Decrease in Other Receivables	(12,455)	(10,584)
Increase / (Decrease) in and Other Payables	54,854	(109,068)
	175,762	(13,369)

Interim Financial Statements for the Three Months ended 30th June 2013

SINGER FINANCE (LANKA) PLC

Notes to the Financial Statements

FINANCIAL REPORTING BY SEGMENTS

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 30th June	Finance Lease		Hire Purchase		Loan & Advances		Investments		Unallocated		Total	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Interest	189,672	132,289	131,947	121,386	102,463	135,963					424,082	389,638
Other	4,314	2,669	1,771	4,004	3,250	1,543	12,809	9,206	6,346	4,200	28,489	21,622
Total Revenue Profit	193,986	134,958	133,718	125,390	105,713	137,506	12,809	9,206	6,346	4,200	452,571	411,260
Before Tax Income	34,279	32,531	16,466	25,277	22,705	30,446	-	-	-	-	73,450	88,254
Tax Expense Profit											(20,204)	(23,791)
After Tax											53,246	64,463
Segment Assets	3,602,684	2,689,667	2,182,965	2,285,801	922,834	1,374,044	438,902	325,273	343,520	301,865	7,490,904	6,976,650
Segment Liabilities	2,946,659	2,547,002	1,727,326	2,110,162	518,094	905,048	-	-	429,205	323,175	5,621,284	5,885,387

SINGER FINANCE (LANKA) PLC

Notes to the Financial Statements

- 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 March 2013, are in compliance with Sri Lanka Accounting Standards 34 - 'Interim Financial Reporting'.

2 RELATED PARTY TRANSACTIONS

2.1 Identity of Related Parties

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

2.1 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 [Resigned from Singer Finance (Lanka) PLC Board w.e.f. 30th April 2013]	Payments to Singer (Sri Lanka) PLC on behalf of customers	-	376.7
		Sales Financed to purchase goods from Singer (Sri Lanka) PLC	36.2	370.6
		Administrative Fees Paid	6.0	21.0
		Loans Obtained During The Period	575.0	220.0
	Mr. H.A. Pieris [Resigned from Singer Finance (Lanka) PLC Board w.e.f. 30th April 2013]	Loans Settled During The Period	456.0	-
		Purchase of Assets	-	0.3
		Dividend Paid (Gross)	86.4	64.0
	Dr. S. Kelegama	Interest Expense	28.6	34.9
	Mr. M.P.A. Salgado (Appointed w.e.f. 30th April 2013)	Rental Collections through Singer (Sri Lanka) PLC	223.6	808.7
		Collection Commission Paid	4.6	4.4
	Mr. G.J. Walker	Royalty Paid Through Singer (Sri Lanka) PLC	4.8	4.2
	Mr. J.Hyun	Rent Reimbursed	2.9	3.2
		Expenses Paid Through Singer (Sri Lanka) PLC	64.0	44.6
		Balance Payable	780.7	1,240.6
Singer Industries (Ceylon) PLC (Affiliate Company)	Mr. H.D.S. Amarasuriya [Resigned from Singer Finance (Lanka) PLC Board w.e.f. 30th April 2013]	Investments Fixed Deposit	63.7	55.8
		Deposits Capital Repayment	-	54.4
		Deposits Interest Payment (Gross)	4.7	6.4
	Mr. H.A. Pieris [Resigned from Singer Finance (Lanka) PLC Board w.e.f. 30th April 2013]			
		Mr. G.J. Walker		

- 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 B.V.	Intermediate Parent
Singer Asia Holdings N.V.	Intermediate Parent
Singer Asia Ltd	Intermediate Parent
Sewco Holdings Ltd.	Intermediate Parent
Retail Holdings N.V.	Ultimate Parent

- c) Company has not given loans to its 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	49.0	47.8

SINGER FINANCE (LANKA) PLC

Notes to the Financial Statements

3 COMMITMENT & CONTINGENCIES

There are no significant capital commitments which have been approved or contracted for by the company as at 30th June 2013 except following.

3.1 Operating Lease Commitments as at 30th June 2013

Within One Year	Rs.12.5 million
Between One to Five Years	Rs.44.9 million
Over Five Years	Rs.24.4 million

3.2 As at 30th June 2013, the Company has provided letters of guarantee totaling to Rs. 1,050,000/- against Fixed Deposits of Rs. 1,683,555/-**3.3 Assets Pledged as Securities**

The following assets have been pledged as securities against the long term and short term borrowings.

Funding Institute	Nature of Assets	Nature of Liability	Value of Assets Pledged as at 30th June 2013	Included Under
Sampath Bank	Lease Receivable	Bank Overdraft, Long & Short term Borrowing	288,722,668	Rental Receivables
Commercial Bank	Hire Purchase and Lease Receivables	Bank Overdraft, Long & Short term Borrowing	298,315,655	Rental Receivables

4 EVENTS AFTER THE REPORTING PERIOD

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

5 COMPARATIVE INFORMATION

Comparative information has been created in line with the changes to the new Accounting Standards Comparative information has been created in line with the changes to the new Accounting Standards (SLFRS/LKAS) which are effective from 1st April 2011.

SINGER FINANCE (LANKA) PLC

Notes to the Financial Statements

6 INFORMATION ON ORDINARY SHARES

a) Stated Capital	30-June-2013	30-June-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 30th June 2013

Name	No of Shares	%
1 Singer (Sri Lanka) Plc	132,931,054	80.40
2 Associated Electrical Corporation Ltd	1,560,000	0.94
3 NDB Aviva Wealth Management Ltd S/A Hatton National Bank	687,851	0.42
4 Naeqah (Pvt) Limited	458,589	0.28
5 DPMC Assetline Holdings (Pvt) Ltd.	447,836	0.27
7 National Development Bank of Sri Lanka Limited	417,757	0.25
6 Mr.Shakir Asgerally Lukmanjee	400,100	0.24
8 Mercantile Investments And Finance Plc	400,000	0.24
9 Acuity Partners (Pvt) Ltd./ Mr.S .Paramanathan	400,000	0.24
10 A E C Properties (Pvt) Ltd.	360,000	0.22
11 Mrs.Shivanthi Sandamalee De Fonseka	360,000	0.22
12 Pan Asia Banking Corporations Plc. / Nuwara Eliya Property Developers (Pvt) Ltd.	353,300	0.21
13 Seylan Bank Plc/Mr.Duleep Nissanka Daluwatte	301,800	0.18
14 Seylan Bank Limited/Ruwan Prasanna Sugathadasa	300,000	0.18
15 Mrs.Wisnaka Mohotti Mudiyanseelage Anulawathi	295,000	0.18
16 Navara Capital Limited.	250,000	0.15
17 Richard Pieris Financial Services (Pvt) Ltd/Fortune One (Pvt) Ltd	214,300	0.13
18 Miss.Galahiti Mudiyanseelage Buddhika Damayanthi	212,898	0.13
19 Mr.Periyasaami Pillai Thevarajah	208,680	0.13
20 Mr.Chandasiri Jayasingha Pandita Siriwardana	200,000	0.12
	140,759,165	85.14
Others	24,574,169	14.86
	165,333,334	100.00

c) Directors' and CEO's Shareholding as at 30th June 2013

Name of the Director	Sharholding 30-June-2013 No of Shares	Sharholding 31-Mar -2013 No of Shares
Mr. H.D.S. Amarasuriya (Resigned w.e.f. 30th April 2013)	10,009	10,009
Dr. S. Kelegama	-	-
Mrs. M.A. Tharmaratnam (Appointed w.e.f. 7th August 2012)	-	-
Mr. J.A. Setukavalar	-	-
Mr. J. Hyun	-	-
Mr. G.J. Walker	-	-
Mr. H.A. Pieris (Group Chief Executive Officer) - (Resigned w.e.f. 30th April 2013)	51,002	51,002
Mr. J. Kan (Appointed w.e.f. 30th April 2013)	-	-
Mr. R.S. Wijeweera (Chief Executive Officer)	31,003	31,003
Mr. M.P.A. Salgado (Appointed w.e.f. 30th April 2013)	68,442	68,442
Mr. S. Ramanathan (Alternate Director to Mr. J.J. Hyun)	-	-
(Appointed w.e.f. 30th April 2013)	-	-
Mr. J. Mendis (Alternate Director to Mr. G.J. Walker) (Appointed w.e.f. 30th April 2013)	42,000	42,000
Mr. P.J.P. De Silva (Alternate Director to Mr. Y.C.J. Kan)	47,000	45,000
(Appointed w.e.f. 30th April 2013)		

d) Public Holding

Public holding as at 30th June 2013 is 19.48% (As at 30th June 2012 - 24.94%).