



# SINGER<sup>®</sup>

Trusted Excellence



SINGER (SRI LANKA) PLC

INTERIM FINANCIAL STATEMENTS FOR THE  
NINE MONTHS ENDED 30TH SEPTEMBER 2014

## Group Chief Executive Officer's Review

The results at the end of the 3rd quarter of 2014, reflect an improvement when compared with the same period of last year.

The year to date group revenue at the end of September increased by 12% over the prior year to Rs. 20.8 Billion.

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 present low interest regime has led to an improvement in the business environment. However, the credit to the private sector has grown only by a small percentage. This would need to increase further if we are to see a good business growth.

When we look at the last six quarters, we see an improving trend for revenues, when comparing with the same period of the previous year. Revenue declined by 1% in the 2nd quarter of 2013; and declined by 3% in 3rd quarter of 2013, but thereafter picked up and in the 4th quarter of 2013 we had a 3% growth. In the 1st quarter of 2014, we had a 8% growth followed by 14% growth in the 2nd quarter and a 15% growth in the 3rd quarter. We are optimistic that this trend will continue.

The revenue growth was driven by the Communication and the Digital Media segment which grew by 31%. At the same time, all other segments other than transportation had a growth. Agro segment grew by 24%, sewing products by 15%, furniture by 13%, white goods by 12%, kitchen-related products by 11% and consumer electronics grew by 6%.

In the year to date September results, the Company improved its gross profit by 10%. This was lower than the revenue increase due to increasing mix of Digital Media and Communication products, which have a lower margin. Selling and administration expenses increased by 12% due to inflation and increase in rents and electricity costs. Other operating expenses declined by 8%. The net finance cost declined by 11% as the interest rates declined and borrowings were controlled. These resulted in the net profit of the Company increasing by 29%.

In the year to date September results, the Company's subsidiary Singer Finance (Lanka) PLC, had increase of revenue by 6% and increase of Net Profit by 3%.

The year to date net profit of the Group, at the end of September increased by 23%.

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			
	2014 Rs.'000	2013 Rs.'000	2014 Rs.'000	2013 Rs.'000	Group Rs.'000	%	Company Rs.'000	%		
Revenue	6,832,997	5,921,024	6,230,868	5,474,157	911,177	+	15	756,710	+	14
Cost of Sales	(4,091,211)	(3,719,622)	(4,091,211)	(3,719,622)	(371,589)	+	10	(371,589)	+	10
Direct Interest Cost	(299,577)	(170,458)	—	—	(128,322)	+	75	—	—	—
Gross Profit	2,442,209	2,030,944	2,139,657	1,754,535	(411,266)	+	20	385,122	+	22
Other Income	34,798	40,548	24,107	28,199	5,751	-	14	4,092	-	15
Selling and Administration Expenses	(1,798,057)	(1,561,406)	(1,623,886)	(1,369,639)	(236,650)	+	15	(254,248)	+	19
Other Operating Expenses	(72,606)	(81,267)	(67,673)	(76,281)	(8,659)	-	11	(8,608)	-	11
Finance Cost	(266,755)	(344,782)	(280,600)	(344,782)	(78,026)	-	23	(64,182)	-	19
Finance Income	21,346	13,915	20,981	21,614	(7,431)	+	53	633	+	3
Net Finance Cost	(245,410)	(330,868)	(259,619)	(323,169)	(85,858)	-	26	(63,549)	-	20
Share of Profit of Equity Accounted Investees (Net of Income Tax)	316	322	—	—	6	-	2	—	—	—
Value Added Tax on Financial Services	(17,255)	(16,112)	(10,200)	(7,500)	1,144	+	7	(2,700)	+	36
Profit before Tax	343,994	82,160	202,385	6,145	261,834	+	319	196,240	+	3,194
Income Tax Expense	(108,689)	(4,061)	(64,881)	(901)	(104,627)	+	2,576	(63,980)	+	7,102
Profit for the Period	235,305	78,099	137,504	5,244	157,207	+	201	132,250	+	2,522
Other Comprehensive Income	—	—	—	—						
Total Comprehensive Income for the Period	235,305	78,099	137,504	5,244						
Profit Attributable to:										
Owners of the Company	217,837	63,884	137,504	5,244						
Non-Controlling Interests	17,468	14,215	—	—						
Profit for the Period	235,305	78,099	137,504	5,244						
Total Comprehensive Income Attributable to:										
Owners of the Company	217,837	63,884	137,504	5,244						
Non-Controlling Interest	17,468	14,215	—	—						
Total Comprehensive Income for the Period	235,305	78,099	137,504	5,244						
Earnings per Share - Basic (Rs.)	1.74	0.51	1.10	0.04						

Above figures are provisional and subject to audit.

	3rd Quarter 2014 Rs.	3rd Quarter 2013 Rs.
Share Prices		
Highest	109.80	102.00
Lowest	92.00	81.00
Last Traded Price	105.10	99.90

## Statement of Comprehensive Income

For the nine months ended 30th September	Group		Company		Variance		Variance	
	2014 Rs. '000	2013 Rs. '000	2014 Rs. '000	2013 Rs. '000	Group Rs. '000	%	Company Rs. '000	%
Revenue	20,860,412	18,544,631	19,337,338	17,219,411	2,314,984	+ 12	2,117,927	+ 12
Cost of Sales	(13,123,900)	(11,552,129)	(13,123,900)	(11,552,129)	(1,571,770)	+ 14	(1,571,770)	+ 14
Direct Interest Cost	654,571	(479,537)	—	—	(174,238)	+ 36	—	—
Gross Profit	7,081,941	6,512,966	6,213,438	5,667,281	568,975	+ 9	546,157	+ 10
Other Income	104,725	103,658	144,970	168,556	1,067	+ 1	23,586	- 14
Selling and Administration Expenses	(5,368,458)	(4,810,973)	(4,814,250)	(4,289,284)	(557,485)	+ 12	(524,966)	+ 12
Other Operating Expenses	(203,633)	(220,658)	(189,482)	(207,047)	(17,023)	- 8	(17,564)	- 8
Finance Cost	(852,203)	(1,039,419)	(866,047)	(1,039,419)	(187,216)	- 18	(173,372)	- 17
Finance Income	58,254	42,201	31,474	99,271	16,053	+ 38	67,797	- 68
Net Finance Cost	(793,949)	(997,218)	(834,573)	(940,148)	(203,270)	- 20	(105,575)	- 11
Share of Profit/(Loss) of Equity Accounted Investees (Net of Income Tax)	996	980	—	—	17	+ 2	—	—
Value Added Tax on Financial Services	(59,268)	(38,557)	(30,800)	(20,050)	(20,710)	+ 54	(10,750)	+ 54
<b>Profit before Tax</b>	<b>762,355</b>	<b>550,197</b>	<b>489,305</b>	<b>379,309</b>	<b>212,158</b>	<b>+ 39</b>	<b>109,996</b>	<b>+ 29</b>
Income Tax Expense	(253,275)	(137,064)	(130,334)	(100,259)	(116,210)	+ 85	(30,074)	+ 30
<b>Profit for the Period</b>	<b>509,080</b>	<b>413,133</b>	<b>358,971</b>	<b>279,050</b>	<b>95,946</b>	<b>+ 23</b>	<b>79,921</b>	<b>+ 29</b>
<b>Other Comprehensive Income</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>				
<b>Total Comprehensive Income for the Period</b>	<b>509,080</b>	<b>413,133</b>	<b>358,971</b>	<b>279,050</b>				
<b>Profit Attributable to:</b>								
Owners of the Company	464,559	370,113	358,971	279,050				
Non-Controlling Interests	44,521	43,020	—	—				
Profit for the Period	509,080	413,133	358,971	279,050				
<b>Total Comprehensive Income Attributable to:</b>								
Owners of the Company	464,559	370,113	358,971	279,050				
Non-Controlling Interest	44,521	43,020	—	—				
<b>Total Comprehensive Income for the Period</b>	<b>509,080</b>	<b>413,133</b>	<b>358,971</b>	<b>279,050</b>				
Earnings per Share - Basic (Rs.)	3.71	2.96	2.87	2.23				

Above figures are provisional and subject to audit.

	Nine Months 2014 Rs.	Nine Months 2013 Rs.
Share Prices		
Highest	109.80	108.50
Lowest	88.00	81.00
Last Traded Price	105.10	99.90

## Statement of Financial Position

As at 30th	Group			Company		
	September 2014	September 2013	December 2013	September 2014	September 2013	December 2013
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
<b>ASSETS</b>						
<b>Non-Current Assets</b>						
Property, Plant and Equipment	2,521,958	2,320,121	2,505,355	2,454,441	2,253,712	2,434,878
Intangible Assets	199,370	187,488	198,082	159,872	157,569	166,101
Investments in Subsidiaries	—	—	—	987,242	982,242	982,242
Investments in Equity Accounted Investees	54,222	53,644	53,226	48,000	48,000	48,000
Other Financial Assets	166,344	17,061	17,061	166,303	166,303	166,303
Trade and Other Receivables	5,535,312	4,255,410	5,669,229	1,580,178	1,418,603	1,514,132
Deferred Tax Assets	130,687	145,346	119,022	135,362	145,346	135,362
	<b>8,607,893</b>	<b>6,979,010</b>	<b>8,561,974</b>	<b>5,531,399</b>	<b>5,171,776</b>	<b>5,447,017</b>
<b>Current Assets</b>						
Inventories	5,342,192	5,045,465	5,155,666	5,243,721	5,045,465	5,155,666
Loans due from Related Parties	65,135	73,635	69,635	111,466	201,087	90,881
Income Tax Receivables	—	16,158	50,963	—	41,928	50,963
Trade and Other Receivables	10,554,386	10,211,744	9,518,037	6,554,666	6,135,218	6,399,592
Amounts due from Related Parties	7,604	8,675	7,620	338,126	8,675	7,620
Deposits with Banks	114,885	115,547	113,960	—	—	—
Other Financial Assets	615,861	394,588	427,885	—	—	—
Cash and Cash Equivalents	761,409	412,893	692,458	618,735	331,957	519,015
	<b>17,461,472</b>	<b>16,278,706</b>	<b>16,036,223</b>	<b>12,866,714</b>	<b>11,764,331</b>	<b>12,223,736</b>
<b>Total Assets</b>	<b>26,069,365</b>	<b>23,257,776</b>	<b>24,598,197</b>	<b>18,398,113</b>	<b>16,936,107</b>	<b>17,670,753</b>
<b>EQUITY AND LIABILITIES</b>						
<b>Equity</b>						
Stated Capital	626,048	626,048	626,048	626,048	626,048	626,048
Capital Reserves	753,575	764,853	762,034	753,575	764,853	762,034
Statutory Reserve	136,128	124,489	128,447	—	—	—
Revenue Reserves	3,599,858	3,360,010	3,447,544	2,983,216	2,905,831	2,928,810
<b>Total Equity Attributable for Equity Holders of the Company</b>	<b>5,115,609</b>	<b>4,875,400</b>	<b>4,964,072</b>	<b>4,362,839</b>	<b>4,296,732</b>	<b>4,316,892</b>
Non-Controlling Interest	419,361	378,650	395,903	—	—	—
<b>Total Equity</b>	<b>5,534,970</b>	<b>5,254,050</b>	<b>5,359,975</b>	<b>4,362,839</b>	<b>4,296,732</b>	<b>4,316,892</b>
<b>Non-Current Liabilities</b>						
Interest Bearing Loans and Borrowings	3,131,889	4,388,241	4,337,116	1,900,000	3,150,000	3,150,881
Retirement Benefit Obligations	367,195	324,257	350,385	350,385	311,766	305,783
Deferred Taxation Liability	106,251	111,612	109,540	106,251	110,637	109,540
Security Deposits	699,081	640,486	651,765	699,081	640,486	651,765
Other Financial Liabilities	1,054,935	753,911	756,232	—	—	—
	<b>5,359,352</b>	<b>6,218,507</b>	<b>6,174,686</b>	<b>3,055,717</b>	<b>4,212,889</b>	<b>4,217,969</b>
<b>Current Liabilities</b>						
Trade and Other Payables	3,305,544	2,592,145	3,386,638	2,723,194	2,265,736	2,964,492
Deferred Revenue	223,902	21,542	20,878	223,902	21,542	20,878
Income Tax Payable	90,821	—	15,639	31,140	—	—
Dividends Payable	15,560	16,090	14,956	15,560	16,090	14,956
Amounts due to Related Parties - Trade	227,890	100,109	333,565	227,890	196,762	333,565
Amounts due to Related Parties - Non-Trade	75,585	65,020	76,746	75,585	65,020	76,746
Other Financial Liabilities	3,510,565	2,988,219	3,011,998	—	—	—
Interest Bearing Loans and Borrowings	7,725,177	6,002,095	6,203,117	7,682,286	5,861,336	5,725,255
	<b>15,175,043</b>	<b>11,785,219</b>	<b>13,063,536</b>	<b>10,979,557</b>	<b>8,426,486</b>	<b>9,135,892</b>
<b>Total Equity and Liabilities</b>	<b>26,069,365</b>	<b>23,257,776</b>	<b>24,598,197</b>	<b>18,398,113</b>	<b>16,936,107</b>	<b>17,670,753</b>
<b>Net Assets per Share</b>	<b>40.86</b>	<b>38.94</b>	<b>39.65</b>	<b>34.84</b>	<b>34.32</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,  
13th November 2014

(Sgd.) Asoka Pieris

Director/Group Chief Executive Officer

## Statement of Changes in Equity

For the nine months ended 30th September 2014

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	National Insurance Trust 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	–	–	–	–	(8,459)	–	8,459	–	–	–
Transferred to/(from) during the Year	–	12,827	31,053	2,184	–	–	(46,064)	–	–	–
Final Dividend - 2012	–	–	–	–	–	–	(751,258)	(751,258)	–	(751,258)
Dividend Paid by Subsidiary Company to Non-Controlling Interest - 2012	–	–	–	–	–	–	–	–	(21,060)	(21,060)
<b>Total Distributions to owners of the Company</b>	–	–	–	–	–	–	(751,258)	(751,258)	(21,061)	(772,318)
<b>Total Comprehensive Income for the Period</b>	–	–	–	–	–	–	–	–	–	–
Profit for the nine months period	–	–	–	–	–	–	370,113	370,113	43,020	413,133
Other Comprehensive Income	–	–	–	–	–	–	–	–	–	–
<b>Total Comprehensive Income for the Period</b>	–	–	–	–	–	–	370,113	370,113	43,020	413,133
<b>Balance as at 30th September 2013</b>	<b>626,048</b>	<b>40,455</b>	<b>81,850</b>	<b>2,184</b>	<b>764,853</b>	<b>2,500,000</b>	<b>859,647</b>	<b>4,875,038</b>	<b>379,012</b>	<b>5,254,050</b>
Realisation on Revaluation Surplus	–	–	–	–	(2,820)	–	2,820	–	–	–
Transferred to/(from) during the Year	–	–	6,142	(2,184)	–	–	(3,958)	–	–	–
<b>Total Comprehensive Income for the Period</b>	–	–	–	–	–	–	–	–	–	–
Profit for the Three Months Period	–	–	–	–	–	–	91,979	91,979	16,954	108,932
<b>Other Comprehensive Income</b>	–	–	–	–	–	–	–	–	–	–
Actuarial Loss on Retirement Benefit Obligation	–	–	–	–	–	–	(4,088)	(4,088)	(88)	(4,175)
Tax on Other Comprehensive Income	–	–	–	–	–	–	1,145	1,145	25	1,169
<b>Total Other Comprehensive Income for the Period</b>	–	–	–	–	–	–	(2,943)	(2,943)	(63)	(3,006)
<b>Total Comprehensive Income for the Period</b>	–	–	–	–	–	–	87,898	89,036	16,890	105,927
<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>4,964,074</b>	<b>395,902</b>	<b>5,359,975</b>
Realisation on Revaluation Surplus	–	–	–	–	(8,459)	–	8,459	–	–	–
Transferred to/(from) during the Year	–	13,430	(5,749)	–	–	–	(7,681)	–	–	–
<b>Transactions with Owners of the Company, Recognised Directly in Equity</b>	–	–	–	–	–	–	–	–	–	–
<b>Distributions to Owners of the Company</b>	–	–	–	–	–	–	–	–	–	–
Final Dividend - 2013	–	–	–	–	–	–	(313,024)	(313,024)	–	(313,024)
Dividend Paid by Subsidiary Company to Non-Controlling Interest - 2014	–	–	–	–	–	–	–	–	(21,061)	(21,061)
<b>Total Distributions to Owners of the Company</b>	–	–	–	–	–	–	(313,024)	4,651,049	374,841	(334,086)
<b>Total Comprehensive Income for the Period</b>	–	–	–	–	–	–	–	–	–	–
Profit for the Nine Months Period	–	–	–	–	–	–	464,559	464,559	44,521	509,080
Other Comprehensive Income	–	–	–	–	–	–	–	–	–	–
<b>Total Comprehensive Income for the Period</b>	–	–	–	–	–	–	464,559	464,559	44,521	509,080
<b>Balance at 30th September 2014</b>	<b>626,048</b>	<b>53,885</b>	<b>82,243</b>	<b>–</b>	<b>753,575</b>	<b>2,500,000</b>	<b>1,099,858</b>	<b>5,110,594</b>	<b>419,361</b>	<b>5,534,970</b>

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	—	(8,459)	—	8,459	—
<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 Nine Months Period	—	—	—	279,250	279,250
Other Comprehensive Income	—	—	—	—	—
<b>Total Comprehensive Income for the Period</b>	—	—	—	279,250	279,250
<b>Balance at 30th September 2013</b>	<b>626,048</b>	<b>764,853</b>	<b>2,500,000</b>	<b>405,830</b>	<b>4,296,732</b>
Realisation on Revaluation Surplus	—	—	—	—	—
Transferred to/(from) during the Year	—	(2,820)	—	2,820	—
<b>Total Comprehensive Income for the Period</b>	—	—	—	—	—
Profit for the Three Months Period	—	—	—	22,845	22,845
<b>Other Comprehensive Income</b>	—	—	—	—	—
Actuarial Loss on Retirement Benefit Obligation	—	—	—	(3,728)	(3,728)
Tax on Other Comprehensive Income	—	—	—	1,044	1,044
<b>Total other Comprehensive Income for the Period</b>	—	—	—	(2,684)	(2,684)
<b>Total Comprehensive Income for the Period</b>	—	—	—	20,160	20,160
<b>Balance at 31st December 2013</b>	<b>626,048</b>	<b>762,034</b>	<b>2,500,000</b>	<b>428,810</b>	<b>4,316,892</b>
Realisation on Revaluation Surplus	—	(8,459)	—	8,459	—
Transferred to/(from) during the Year	—	—	—	—	—
<b>Transactions with Owners of the Company, Recognised Directly in Equity</b>	—	—	—	—	—
<b>Distributions to Owners of the Company</b>	—	—	—	—	—
Final Dividend - 2013	—	—	—	(313,024)	(313,024)
<b>Total Distributions to Owners of the Company</b>	—	—	—	(313,024)	(313,024)
<b>Total Comprehensive Income for the Period</b>	—	—	—	—	—
Profit for the Period	—	—	—	358,971	358,971
Other Comprehensive Income	—	—	—	—	—
<b>Total Comprehensive Income for the Period</b>	—	—	—	358,971	358,971
<b>Balance at 30th September 2014</b>	<b>626,048</b>	<b>753,575</b>	<b>2,500,000</b>	<b>483,216</b>	<b>4,362,839</b>

## Statement of Cash Flow

For the nine months ended 30th September	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	762,355	550,197	489,305	379,309
<b>Adjustments for:</b>				
Depreciation on Property, Plant & Equipment	189,048	224,116	200,183	224
Share of Profit from Equity Accounted Investees	(996)	(980)	-	-
Amortisation of Intangible Assets	14,585	15,681	11,190	12,971
Gain on Disposal of Property, Plant & Equipment	579	423	579	423
Interest Expense	845,025	1,039,419	858,870	1,039,419
Interest Income	(58,231)	(42,201)	(31,474)	(99,271)
Impairment of Inventories	81,126	(7,330)	81,126	(7,330)
Bad Debts Written-off	(108,450)	(23,464)	(15,733)	(6,977)
Impairment on Trade and Other Receivables	302,571	224,172	140,300	84,142
Dividend Income	36	(759)	(77,765)	(78,524)
Provision for Retiring Gratuity	56,732	55,662	54,171	53,862
<b>Operating Profit before Working Capital Changes</b>	<b>2,084,308</b>	<b>2,034,936</b>	<b>1,710,752</b>	<b>1,378,249</b>
(Increase)/Decrease in Inventories	(267,652)	(812,061)	(169,181)	(812,061)
(Increase)/Decrease in Debtors Falling due after One Year	133,917	789,381	(66,047)	(123,121)
(Increase)/Decrease in Debtors Falling due within One Year	(1,027,447)	(2,057,586)	(76,619)	(884,153)
(Increase)/Decrease in Dues from Related Parties	16	144,904	(330,506)	149,086
Increase/(Decrease) in Dues to Related Parties	(106,836)	(91,999)	(106,836)	4,654
Increase/(Decrease) in Security Deposits	47,316	63,838	47,316	63,838
Increase/(Decrease) in Customer Deposit Liabilities	797,270	877,609	-	-
Increase/(Decrease) in Trade and Other Payables	(63,731)	(26,858)	296,751	79,845
<b>Cash Generated from Operations</b>	<b>1,597,160</b>	<b>922,165</b>	<b>712,728</b>	<b>(143,663)</b>
Finance Costs Paid	(862,388)	(1,073,912)	(804,016)	(1,115,071)
Retiring Gratuity Paid	(9,569)	(1,945)	(9,569)	(1,455)
Income Tax Paid	(142,083)	(217,812)	(51,520)	(183,500)
<b>Net Cash from/(used in) Operating Activities</b>	<b>583,121</b>	<b>(371,505)</b>	<b>152,377</b>	<b>(1,443,689)</b>
<b>Cash Flows from Investing Activities</b>				
Acquisition of Property, Plant & Equipment and Intangible Assets	(229,615)	(415,484)	(232,797)	(372,672)
Proceeds from Disposal of Property, Plant & Equipment	7,511	8,119	7,511	8,119
(Acquisition)/Disposal of Marketable Securities	(187,976)	-	-	-
Investment in Bank Deposits	(926)	(64,564)	-	-
Investment on Shares and Debentures in Subsidiary Company	(149,283)	-	(5,000)	(149,283)
Net Cash Flows from Loans Given to Related Companies	4,500	20,000	(20,585)	1,290,967
Interest Income Received	58,231	42,201	31,474	99,271
Dividends Received	36	759	77,765	78,524
<b>Net Cash Flows from Investing Activities</b>	<b>(497,520)</b>	<b>(484,838)</b>	<b>(141,632)</b>	<b>954,926</b>
<b>Cash Flow from Financing Activities</b>				
Net proceeds from interest bearing Loans & Borrowings	801,892	1,652,099	1,146,316	1,133,840
Net payment to Minority Shareholders	-	(21,061)	-	-
Dividends Paid	(312,421)	(745,990)	(312,421)	(745,990)
Net Cash Flow from Financing Activities	468,409	885,047	833,896	387,850
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>554,010</b>	<b>28,705</b>	<b>539,887</b>	<b>(100,913)</b>
<b>Cash and Cash Equivalents at the beginning of the Year</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>405,366</b>	<b>(19,494)</b>	<b>305,582</b>	<b>(308,218)</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 30th September 2014 Rs. '000	Quarter Ending 30th September 2013 Rs. '000	9 Months Ending 30th September 2014 Rs. '000	9 Months Ending 30th September 2013 Rs. '000
Sewing-Related Products	728,692	572,909	1,967,037	1,709,153
Consumer Electronics	1,468,540	1,329,474	4,246,441	4,019,136
White Goods	1,779,151	1,641,822	6,674,817	5,950,911
Kitchen-Related Products	438,732	340,878	1,258,242	1,131,615
Communications	954,093	871,046	2,725,747	2,184,735
Furniture	363,200	306,351	1,218,084	1,080,076
Transport	153,493	150,106	428,664	458,128
Agro	344,967	261,570	818,306	685,657
	<b>6,230,868</b>	<b>5,474,157</b>	<b>19,337,338</b>	<b>17,219,411</b>

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

	Quarter Ending 30th September 2014 Rs. '000	Quarter Ending 30th September 2013 Rs. '000	9 Months Ending 30th September 2014 Rs. '000	9 Months Ending 30th September 2013 Rs. '000
Sewing-Related Products	24,992	2,566	46,976	33,957
Consumer Electronics	54,408	2,986	106,683	81,303
White Goods	62,371	(880)	141,008	102,847
Kitchen-Related Products	18,789	448	35,909	25,802
Communications	17,781	1,875	35,600	26,815
Furniture	12,364	(544)	25,368	17,645
Transport	941	(901)	2,061	607
Agro	11,340	594	19,935	11,810
Dividend	-	-	77,765	78,524
	<b>202,385</b>	<b>6,145</b>	<b>489,305</b>	<b>379,309</b>

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

	Quarter Ending 30th September 2014 Rs. '000	Quarter Ending 30th September 2013 Rs. '000	9 Months Ending 30th September 2014 Rs. '000	9 Months Ending 30th September 2013 Rs. '000
Sewing-Related Products	728,692	572,909	1,967,037	1,709,153
Consumer Electronics	1,468,540	1,329,474	4,246,411	4,019,136
White Goods	1,779,949	1,641,822	6,675,613	5,950,911
Kitchen-Related Products	438,732	340,878	1,258,242	1,131,615
Communications	954,093	871,046	2,725,747	2,184,735
Furniture	363,200	306,351	1,218,084	1,080,076
Transport	153,493	150,106	428,664	458,128
Agro	344,967	261,570	818,306	658,657
Singer Finance (Lanka) PLC	458,253	446,867	1,379,198	1,352,220
Digital Media (Pvt) Ltd.	143,080	-	143,080	-
	<b>6,832,997</b>	<b>5,921,024</b>	<b>20,860,412</b>	<b>18,544,631</b>

## Notes to the Financial Statements

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

	Quarter Ending 30th September 2014 Rs. '000	Quarter Ending 30th September 2013 Rs. '000	9 Months Ending 30th September 2014 Rs. '000	9 Months Ending 30th September 2013 Rs. '000
Sewing-Related Products	24,994	2,566	46,976	33,957
Consumer Electronics	54,408	2,986	106,683	81,303
White Goods	62,371	(880)	141,008	102,847
Kitchen-Related Products	18,789	448	35,909	25,802
Communications	17,181	1,875	33,600	26,815
Furniture	12,364	(544)	25,368	17,645
Transport	941	(901)	2,061	607
Agro	11,340	594	19,935	11,809
Singer Finance (Lanka) PLC	129,691	75,695	338,183	247,674
Dividend	—	—	36	759
Share of Profit on Equity Accounted Investees	316	322	996	980
Digital Media (Pvt) Ltd.	11,600	—	11,600	—
	<b>343,994</b>	<b>82,161</b>	<b>762,355</b>	<b>550,197</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 year Company had following transactions with its Parent Companies:

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

	2014 Rs. Million	2013 Rs. Million
Royalty Expenses	214.8	191.3
Royalty Payable Balance as at Period End	77.1	65.0

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

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

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

	2014 Rs. Million	2013 Rs. Million
Dividend Paid	269.5	646.9

(b) Following companies are also Parent Companies of Singer (Sri Lanka) PLC and Singer Finance (Lanka) Ltd., 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

## 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	213.3	53.0
Withdrawals of Rental Collections From Singer (Sri Lanka) PLC	1,106.7	—
Payments to Singer (Sri Lanka) PLC on behalf of Customers	—	451.1
Short-Term Loan Granted	—	795.0
Short-Term Loan Recovered	—	1,780.3
Interest Income/(Expense)	11.7	99.9
Dividend Received - Gross	86.4	86.4
Cash Collection through Singer (Sri Lanka) PLC	1,480.6	796.3
Expenses Paid	158.8	142.2
Administrative Fee Charged/(Paid)	0.1	18.1
Collecting Commission paid through Singer (Sri Lanka) PLC	14.2	13.6
Purchase of Assets	0.9	0.7
Rent Reimbursed	9.0	9.1
Royalty paid through Singer (Sri Lanka) PLC	14.5	13.9
Balance Receivable - Loans	46.3	30.8
<b>Digital Media (Pvt) Ltd.</b>		
Purchases	149	—
Expenses Reimbursed	2.6	—
Balance Receivable - Trade	331	—
Short-Term Loan Granted	327	—
Inter Company Interest	2	—

### 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	3.7	2.6
Loans Receivable	65.1	73.7

- (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.

### 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
Singer Asia Sourcing Ltd.	Affiliate Company
Singer Asia Logistic 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	544.9	503.0
	Late Dr. G.C.B. Wijeyesinghe Deshabandu	Lease Rental Paid	2.8	2.7
	A.M. de S. Jayaratne	Trade Credit Settled	592.5	566.7
	Mr. G.J. Walker	Corporate Guarantee Given	2.2	75.0
	Mr. H.A. Pieris	Expenses Reimbursed	2.6	8.7
	Mr. V.G.K. Vidyaratne	Balance Payable	59.9	47.2
Regnis (Lanka) PLC (Affiliate Company)	Mr. H.D.S. Amarasuriya (Chairman)	Purchases	1,930.7	1,614.0
	Late Dr. G.C.B. Wijeyesinghe	Corporate Guarantees Given	455.5	455.5
	Dr. S. Kelegama	Interest Income/(Expense)	0.8	3.3
	Mr. G.J. Walker	Sales Taxes	275.8	230.6
	Mr. H.A. Pieris	Trade Credit Settled	2,255.5	1,843.2
	Mr. V.G.K. Vidyaratne	Expenses Reimbursed	38.7	35.6
		Loans Receivable	–	80.0
		Loan Recovered	–	80.0
		Non-Trade Settlement	35.0	–
		Fixed Asset Purchases	0.1	–
		Balance Payable	115.2	46.4
Singer Finance (Lanka) PLC (Subsidiary Company)	Mr. H.D.S. Amarasuriya (Chairman)	Sales Financed through		
	(Resigned w.e.f. 30.04.2013)	Singer Finance (Lanka) PLC	213.3	53.0
	Dr. S. Kelegama (Chairman)	Short - Term Loan Granted	–	795.0
	Mr. G.J. Walker	Interest Income/(Expense)	11.7	99.9
	Mr. H.A. Pieris	Payments to Singer (Sri Lanka) PLC on behalf of Customers	–	451.1
	(Resigned w.e.f. 30.04.2013)			
	Mr. M.P.A. Salgado	Short-Term Loan Recovered	–	1,780.3
	(Resigned w.e.f. 30.06.2014)			
	Mr. J.J. Hyun	Dividend Received - Gross	86.4	86.4
	Mr. K.K.L.P. Yatiwella	Cash Collection through		
	(Appointed w.e.f. 31.07.2014)	Singer (Sri Lanka) PLC	1480.6	796.4
		Expenses Paid	158.8	142.2
		Administrative Fee Charged/(Paid)	0.1	18.1
		Collecting Commission Paid through Singer (Sri Lanka) PLC	14.2	13.6
		Purchase of Assets	0.9	0.7
		Rent Reimbursed	9.0	9.1
		Royalty Paid through Singer (Sri Lanka) PLC	14.5	13.9
		Withdrawals of Rental Collections From Singer (Sri Lanka) PLC	1,106.7	–
		Balance Receivable - Loans	46.3	30.8
Digital Media (Pvt) Ltd. (Subsidiary Company)	Mr. H.A. Pieris	Purchases	149	–
	Mr. M.H. Wijewardena	Expenses Reimbursed	2.6	–
	Mr. K.K.L.P. Yatiwella	Balance Receivable - Trade	331	–
		Short-Term Loan Granted	327	–
		Inter Company Interest	2.0	–

## Notes to the Financial Statements

Name of the Company and Relationship	Name of Director	Nature of Transaction	2014 Rs. Million	2013 Rs. Million
National Development Bank PLC	Mr. H.D.S. Amarasuriya	Borrowed Money	–	290.8
		Interest Expenses	–	8.6
Singer Asia Ltd. (Intermediate Parent Company)	Mr. P.J. O'Donnell Mr. G.J. Walker	Royalty Expenses Royalty Payable	<b>214.8</b> <b>77.1</b>	191.3 65.0
Reality Lanka Ltd. (Associate Company)	Mr. H.D.S. Amarasuriya (Chairman) Mr. G.J. Walker	Rent Expenses Loan Receivable	<b>3.7</b> <b>65.1</b>	2.6 73.7
Regnis Appliances (Pvt) Ltd.	Mr. H.D.S. Amarasuriya (Chairman) Mr. H.A. Pieris Mr. V.G.K. Vidyaratne Mr. A.N. Majeed (Resigned w.e.f. 18.06.2013)	Purchases Trade Settlements Expenses Paid Non-Trade Settlements Finance Charges Loan Granted Loan Recovered Balance Payable - Trade	<b>472.7</b> <b>481.6</b> <b>3.0</b> <b>2.0</b> – – – <b>53.0</b>	752.0 750.8 1.7 4.4 3.2 100.0 120.0 6.3

- 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	<b>71.2</b>	77.2

## 4. Stated Capital

	30th September 2014	30th September 2013
Value - Ordinary Shares	<b>Rs. 626,048,050/-</b>	Rs. 626,048,050/-
No. of Shares - Ordinary Shares	<b>125,209,610</b>	125,209,610
Voting Rights	<b>One Vote per Ordinary Share</b>	One Vote per Ordinary Share

## 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 and 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.

## Notes to 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 on 16th May 2014, Company has invested 100% of the initial capital of Singer Digital Media (Pvt) Ltd. amounts of Rs. 5.0 Mn.

### 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.

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 30th September 2014 was 6.54%.

The listed debentures were not traded during the period from 1st January 2014 to 30th September 2014.

Highest Traded Price, Lowest Traded Price, Last Traded Price as at 31st December 2013, Interest Yield and Yield to Maturity of trade are as follows:

	Highest Traded Price Rs.	Lowest Traded 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. 4.5% Senior Rated Listed Unsecured Redeemable Debentures	100	100	100	14.5	14.5
	<b>30th September 2014</b>			30th September 2013	
Debt Equity Ratio			<b>0.44</b>		0.73
Interest Cover			<b>1.78</b>		1.02
Quick Assets Ratio			<b>0.69</b>		0.80

### 8. Reversal of Provision for Deemed VAT

Based on the opinion received by the Company, the Company is not liable for deemed VAT. The 3rd quarter results include reversal of provision made for possible deemed VAT liability.

## Notes to the Financial Statements

### 9. Top 20 Shareholders as at 30th September 2014

Name	No. of Shares	%
1. Singer (Sri Lanka) Bv	107,812,850	86.11
2. Bank of Ceylon A/C Ceybank Unit Trust	4,344,088	3.47
3. Mrs. Mihiri Virani Fernando	610,000	0.49
4. Bank of Ceylon A/C Ceybank Century Growth Fund	608,234	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. Sri Lanka Insurance Corporation Ltd - General Fund	177,500	0.14
11. Mrs. Maria Tasneem Moosajee	154,257	0.12
12. Mrs. Kalutaravedage Jinangali Manel De Silva	131,248	0.10
13. Mr. Nalin Amita De Silva	126,326	0.10
14. Jafferjee Brothers (Exports) Ltd.	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. Abey Siri 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 Ltd./Union Investments Ltd., Merchant	88,894	0.07
	116,316,686	0.93
Others	8,892,924	99.07
	<b>125,209,610</b>	<b>100.00</b>

### 10. Directors' and CEO's Shareholding as at 30th September 2014

Name of the Director	Shareholding 30th September 2014	Shareholding 31st December 2013
	No. of Shares	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	-	23,831
Mr. M.H. Wijewardene	-	-
Mr. K. Samarasinghe	4,124	4,124
Prof. U.P. Liyanage	-	-
Mr. M.P.A. Salgado (Resigned w.e.f. 30.06.2014)	-	4,000
Mr. N. Majeed (Resigned w.e.f. 18.06.2013)	-	5,000

### 11. Public Holding

Public holding as at 30th September 2014

As a percentage 13.67%

Number of shares held by public 17,116,154.

### 12. Company Secretary

Mr. A.C.M. Irzan

Contact No. 2300129



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