

SINGER[®]

SINGER PAKISTAN LIMITED

**CONDENSED INTERIM FINANCIAL
STATEMENTS (UN-AUDITED)**

FOR THE SIX MONTHS ENDED 30 JUNE

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SINGER PAKISTAN LIMITED

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Note: These Accounts are also available on Company's Website www.singer.com.pk

SINGER PAKISTAN LIMITED

COMPANY INFORMATION

Board of Directors

Kamal Shah
Syed Aleem Hussain
Gavin J. Walker
Badaruddin F. Vellani
Abdul Hamid Dagia
Youssuff Rasheed Chinoy
U. R. Usmani
Ahmed S. Farrukh

Chairman
Chief Executive Officer
(alternate : Fareed Khan)

(alternate : Rasheed Y. Chinoy)

Company Secretary

Nasir Hussain

Audit Committee

Badaruddin F. Vellani
Rasheed Y. Chinoy
U. R. Usmani
Abdul Hamid Dagia
Fareed Khan
A. H. Dawood

Chairman
Member
Member
Member
Member
Secretary

Bankers

Al Baraka Bank (Pakistan) Limited
Allied Bank Limited
Askari Bank Limited
Bank Al Falah Limited
Bank Islami Pakistan Limited
Citibank, N. A.
Deutsche Bank AG
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
MCB Bank Limited
National Bank of Pakistan
Soneri Bank Limited
The Bank of Punjab
United Bank Limited

Auditors

KPMG Taseer Hadi & co.
Chartered Accountants

Share Registrar

Gangjees Registrar Services (Pvt.) Limited
513, Clifton Centre, Khyaban-e-Roomi
Clifton, Block-5, Karachi

Registered and Head Office

Plot No. 39, Sector 19,
Korangi Industrial Area, Korangi
Karachi.

Web Site:

www.singer.com.pk

SINGER PAKISTAN LIMITED

DIRECTORS' REPORT FOR THE HALF YEAR ENDED 30 JUNE 2011

The Directors of the Company are pleased to present their Report together with the reviewed condensed Interim Financial Statements of the Company for the first half year ended 30 June 2011 and auditor's review report thereon.

Net sales increased by 7.8% to Rs. 1,238 million, compared to corresponding period last year despite difficult business conditions and severe energy crisis which lead to acute power outages. The major contribution in the sales growth was attributed to cooling products and televisions.

Gross profit for the first half increased to Rs. 254.1 million and showed a modest increase of 2.2% over the corresponding period last year, despite increase in the cost of raw materials and cost of production on account of continuous power outages. The main factors for the increase in gross profit are higher sales and earned carrying charges. Tough competition in the market limited our ability to increase prices.

Marketing, selling and distribution costs for the first half decreased by Rs. 2.6 million over the corresponding period last year mainly due to innovative and cost effective advertising and sales promotion activities. Administrative expenses decreased by Rs. 1.1 million despite increased inflationary pressure. Other Operating expenses increased by Rs. 0.4 million only.

Profit from Operations for the first half increased to Rs. 115.3 million i.e. by 8.2% due to the reasons mentioned above.

Finance costs increased by Rs. 11.5 million due to increase in base rate and borrowings, to support business growth.

Profit after taxation for the first half decreased to Rs. 15.3 million as against Rs. 17.1 million. Net sales for the second quarter ended 30 June 2011 increased by 6%, profit from operations increased by 7.3%, however, profit after taxation decreased to Rs. 11.8 million against Rs. 13.8 million for the same period last year.

Earning per share for the first half is Re. 0.41 against Re. 0.46 in the same period last year.

The shareholders of the Company in the Extraordinary General Meeting held on Thursday, 4 August 2011 have elected the following persons as Directors of the Company for a period of three years commencing from August 9, 2011:

- Mr. Kamal Shah
- Mr. Gavin J. Walker
- Mr. Badaruddin F. Vellani
- Mr. Abdul Hamid Dagia
- Mr. Yussuff Rasheed Chinoy
- Mr. U. R. Usmani
- Mr. Ahmed S. Farrukh

The Company will remain focused on its tested strategy of innovative advertising and consumer promotions and will thus continue to build up demand in difficult market conditions, in the second half. However, a lot will depend on the business environment prevailing in the Country.

On behalf of the Board



**Syed Aleem Hussain
Chief Executive Officer**

Karachi: 25 August 2011



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Chartered Accountants Fax : +92 (21) 3568 5095
Sheikh Sultan Trust Building No.2 Internet : www.kpmg.com.pk
Beaumont Road Karachi 75530
Pakistan

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim balance sheet of Singer Pakistan Limited ("the Company") as at 30 June 2011 and the related condensed interim profit and loss account, condensed interim cash flow statement and condensed interim statement of changes in equity and notes to the accounts for the six-month period then ended (here-in-after referred to as the "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

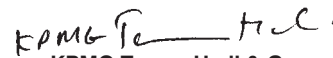
Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information as at and for the period ended 30 June 2011 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Other Matters

The figures for the quarters ended 30 June 2011 and 30 June 2010 in the condensed interim profit and loss account have not been reviewed and we do not express a conclusion on them.

Date: 25 August 2011

Karachi


KPMG Taseer Hadi & Co.
Chartered Accountants
Moneeza Usman Butt

KPMG Taseer Hadi & Co., a partnership firm registered in Pakistan and a member firm of the KPMG network of independent member firms affiliated with KPMG International, a Swiss cooperative

SINGER PAKISTAN LIMITED

CONDENSED INTERIM BALANCE SHEET AS AT 30 JUNE 2011

EQUITY AND LIABILITIES	Note	Un-audited 30 June 2011	Audited 31 December 2010
(Rupees in '000)			
Share capital and reserves			
Authorised capital 40,000,000 (2010: 40,000,000) ordinary shares of Rs. 10 each	5.1	<u>400,000</u>	<u>400,000</u>
Issued, subscribed and paid-up capital	5.2	375,254	341,140
Capital reserve		5,000	5,000
Revenue reserve		120,337	122,337
Unappropriated profit		<u>17,758</u>	<u>32,420</u>
		518,349	500,897
Surplus on revaluation of fixed assets		303,494	305,615
Non-current liabilities			
Long term loans - secured		240,417	180,000
Liabilities against assets subject to finance lease		24,572	32,192
Long term deposits		30,063	28,913
Employee retirement benefits - obligation		3,792	3,929
Deferred tax		148,549	153,287
Deferred income		3,711	4,175
		<u>451,104</u>	<u>402,496</u>
Current liabilities			
Trade and other payables		409,108	370,829
Mark-up accrued on short term running finances and long term loans		48,983	47,134
Short term running finance - secured		976,634	817,857
Current portion of long term loans		51,667	83,958
Current portion of liabilities against assets subject to finance lease		<u>20,811</u>	<u>19,576</u>
		1,507,203	1,339,354
		<u>2,780,150</u>	<u>2,548,362</u>
Contingencies and commitments	6		
ASSETS			
Non-current assets			
Property, plant and equipment	7	662,112	661,989
Intangible assets		2,745	3,607
Employee retirement benefits - prepayments		18,896	18,795
Long term deposits		<u>31,612</u>	<u>32,104</u>
		715,365	716,495
Current assets			
Stores, spares and loose tools		7,342	5,851
Stock-in-trade		543,448	510,200
Trade debts	8	1,198,073	1,053,140
Advances, deposits and prepayments		38,933	36,731
Other receivables		13,901	18,916
Taxation - net		54,291	47,973
Cash and bank balances		<u>208,797</u>	<u>159,056</u>
		2,064,785	1,831,867
		<u>2,780,150</u>	<u>2,548,362</u>

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.



Chief Financial Officer



Chief Executive



Director

SINGER PAKISTAN LIMITED

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)

For the six months period ended 30 June 2011

	Note	Three months ended 30 June 2011	Six months ended 30 June 2011	Three months ended 30 June 2010	Six months ended 30 June 2010
----- (Rupees in '000) -----					
Sales		764,948	1,326,864	709,925	1,207,464
Earned carrying charges		84,417	159,548	76,315	137,899
Sales tax / excise duty, commissions and discounts		(135,454)	(248,207)	(112,718)	(197,141)
Net sales	9	<u>713,911</u>	<u>1,238,205</u>	<u>673,522</u>	<u>1,148,222</u>
Cost of sales	10	(571,131)	(984,079)	(528,677)	(899,511)
Gross profit		<u>142,780</u>	<u>254,126</u>	<u>144,845</u>	<u>248,711</u>
Marketing, selling and distribution costs		(62,771)	(112,486)	(68,811)	(115,059)
Administrative expenses		(9,700)	(19,578)	(10,475)	(20,727)
Other operating expenses		(4,120)	(6,736)	(3,866)	(6,364)
		<u>(76,591)</u>	<u>(138,800)</u>	<u>(83,152)</u>	<u>(142,150)</u>
Profit from operations		<u>66,189</u>	<u>115,326</u>	<u>61,693</u>	<u>106,561</u>
Finance costs		(51,162)	(97,231)	(44,774)	(85,776)
		<u>15,027</u>	<u>18,095</u>	<u>16,919</u>	<u>20,785</u>
Other income		2,543	4,786	4,559	5,577
Profit before taxation		<u>17,570</u>	<u>22,881</u>	<u>21,478</u>	<u>26,362</u>
Taxation		(5,771)	(7,550)	(7,664)	(9,227)
Profit after taxation		<u>11,799</u>	<u>15,331</u>	<u>13,814</u>	<u>17,135</u>
Other comprehensive income		-	-	-	-
Total comprehensive income		<u>11,799</u>	<u>15,331</u>	<u>13,814</u>	<u>17,135</u>
----- (Rupee) -----					
Earnings per share - basic and diluted	11	<u>0.31</u>	<u>0.41</u>	<u>0.37</u>	<u>0.46</u>

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements


Chief Financial Officer


Chief Executive


Director

SINGER PAKISTAN LIMITED

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

For the six months period ended 30 June 2011

Note	Six months ended 30 June 2011	Six months ended 30 June 2010
CASH FLOWS FROM OPERATING ACTIVITIES		
(Rupees in '000)		
Profit before taxation	22,881	26,362
Adjustment for non-cash charges and other items:		
- Depreciation on property, plant and equipment	15,367	10,605
- Amortisation of intangible assets	1,031	1,314
- Finance costs	97,231	85,776
- Amortisation of deferred income	(464)	(464)
- Gain on disposal of property, plant and equipment	(964)	(2,393)
- Provision for staff retirement benefits	677	890
	<u>135,759</u>	<u>122,090</u>
Effect on cash flow due to working capital changes (Increase) / decrease in current assets		
Stores and spares	(1,491)	(917)
Stock-in-trade	(33,248)	4,712
Trade debts	(144,933)	(157,426)
Advances, deposits and prepayments	(2,202)	(6,959)
Other receivables	5,015	(1,814)
Increase in current liabilities		
Trade and other payables	38,279	33,301
	<u>(138,580)</u>	<u>(129,103)</u>
Net cash used in operations	<u>(2,821)</u>	<u>(7,013)</u>
Income tax paid	(18,606)	(13,240)
Finance costs paid	(92,026)	(82,818)
Payment of staff retirement benefits	(916)	(496)
Security deposits	1,150	3,068
Long term deposits - net	492	(504)
Net cash used in operating activities	<u>(112,727)</u>	<u>(101,003)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure	(15,528)	(5,367)
Proceeds from disposal of property, plant and equipment	4,392	2,804
Net cash used in investing activities	<u>(11,136)</u>	<u>(2,563)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term loans - net	28,126	(35,208)
Lease rentals paid	(13,299)	(13,420)
Net cash flows from financing activities	<u>14,827</u>	<u>(48,628)</u>
Net decrease in cash and cash equivalents	<u>(109,036)</u>	<u>(152,194)</u>
Cash and cash equivalents at beginning of the period	<u>(658,801)</u>	<u>(530,244)</u>
Cash and cash equivalents at end of the period	12 <u>(767,837)</u>	<u>(682,438)</u>

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.



Chief Financial Officer



Chief Executive



Director

SINGER PAKISTAN LIMITED

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) For the six months period ended 30 June 2011

	Issued, subscribed and paid-up capital	Capital reserve	Revenue reserve	Unappropriated profit	Total
	----- (Rupees in '000) -----				
Balance as at 31 December 2009	310,127	5,000	126,337	31,512	472,976
Transfer from revenue reserve	-	-	(4,000)	4,000	-
Distribution to owners					
Issue of bonus shares for the year ended 31 December 2009 @ 10 %	31,013	-	-	(31,013)	-
Total comprehensive income for the six months ended 30 June 2010 - Profit for the period	-	-	-	17,135	17,135
Balance as at 30 June 2010	<u>341,140</u>	<u>5,000</u>	<u>122,337</u>	<u>21,634</u>	<u>490,111</u>
Total comprehensive income for the six months ended 31 December 2010 - Profit for the period	-	-	-	10,786	10,786
Balance as at 31 December 2010	<u>341,140</u>	<u>5,000</u>	<u>122,337</u>	<u>32,420</u>	<u>500,897</u>
Transfer from revenue reserve	-	-	(2,000)	2,000	-
Distribution to owners					
Issue of bonus shares for the year ended 31 December 2010 @ 10 %	34,114	-	-	(34,114)	-
Total comprehensive income for the six months ended 30 June 2011 - Profit for the period	-	-	-	15,331	15,331
Transfer from surplus on revaluation of fixed assets incremental depreciation for the period - net of tax	-	-	-	2,121	2,121
Balance as at 30 June 2011	<u><u>375,254</u></u>	<u><u>5,000</u></u>	<u><u>120,337</u></u>	<u><u>17,758</u></u>	<u><u>518,349</u></u>

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.



Chief Financial Officer



Chief Executive



Director

SINGER PAKISTAN LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) For the six months period ended 30 June 2011

1. STATUS AND NATURE OF BUSINESS

Singer Pakistan Limited ("the Company") is incorporated in Pakistan as a public company limited by shares and is quoted on Karachi and Lahore Stock Exchanges. The Company is principally engaged in retailing and trading of domestic appliances, electrical and electronic items and other light engineering products, besides manufacturing and assembling of these products. The registered office of the Company is located at Plot No. 39, Sector19, Korangi Industrial Area, Karachi.

The Company is a subsidiary of Singer (Pakistan) B.V., Netherlands, whereas its ultimate parent company is Retail Holdings N.V., Netherlands.

2. BASIS OF PREPARATION

These condensed interim financial statements of the Company for the six months ended 30 June 2011 have been prepared in accordance with the requirements of the International Accounting Standard 34-Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under Companies Ordinance, 1984 have been followed.

These condensed interim financial statements are unaudited and are being submitted to the shareholders as required by Section 245 of the Companies Ordinance, 1984.

These condensed interim financial statements do not include all the information required for full annual financial statements, and should be read in conjunction with the Company's annual financial statements as at and for the year ended 31 December 2010.

These condensed interim financial statements have been prepared under the historical cost convention except for recognition of certain employee retirement benefits at present value and leasehold land which is stated at revalued amount less any subsequent depreciation and impairment losses.

3. SIGNIFICANT ACCOUNTING POLICIES

These condensed interim financial statements have been prepared using the same accounting policies which were applied in the preparation of the annual audited financial statements of the Company for the year ended 31 December 2010.

4. ESTIMATES, JUDGMENTS AND FINANCIAL RISK MANAGEMENT

The significant judgments, estimates and assumptions used by the management in preparation of these financial statements are same as those applied to the annual audited financial statements for the year ended 31 December 2010.

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended 31 December 2010.

5. SHARE CAPITAL

5.1 Authorised Share Capital

This represents 40,000,000 (2010: 40,000,000) ordinary shares of Rs. 10 each amounting to Rs. 400,000 thousand (2010: Rs. 400,000 thousand)

SINGER PAKISTAN LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) For the six months period ended 30 June 2011

5.2 Issued, Subscribed and Paid up Capital

The increase is due to issue of bonus shares for the year ended 31 December 2010 @ 10 % per share.

6. CONTINGENCIES AND COMMITMENTS

6.1 Contingencies

There are certain pending lawsuits initiated by and against the Company concerning shop leases and ex-employees. However, based on the consultation with the legal advisors, management believes that no significant liability is likely to arise in these cases. Guarantees have been extended by various commercial banks amounting to Rs. 0.966 million (31 December 2010: Rs. 0.966 million).

6.2 Commitments

	Un-audited 30 June 2011	Audited 31 December 2010
	(Rupees in '000)	
Software development	<u>26,639</u>	<u>26,530</u>
Outstanding letters of credit	<u>99,535</u>	<u>222,715</u>

7. PROPERTY, PLANT AND EQUIPMENT

The following is a statement of property, plant and equipment:

Operating assets	629,191	629,062
Capital work-in-progress	<u>32,921</u>	<u>32,927</u>
	<u>662,112</u>	<u>661,989</u>

7.1 Following is the cost of property, plant and equipment that have been added / disposed off during the six months ended 30 June 2011:

	Additions	
	Six months ended 30 June 2011	Six months ended 30 June 2010
	(Rupees in '000)	
Owned		
Building on leasehold land	10,035	200
Leasehold improvements	-	1,035
Furniture and equipment	1,542	64
Plant and machinery	2,846	-
Vehicles	43	-
Computers	899	679
	<u>15,365</u>	<u>1,978</u>
Leased		
Furniture and equipment	1,360	-
Plant and machinery	2,198	-
	<u>3,558</u>	<u>-</u>
Capital work in progress	<u>2,244</u>	<u>8,015</u>

SINGER PAKISTAN LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) For the six months period ended 30 June 2011

Following is the net book value of property, plant and equipment disposed off during the six months ended 30 June 2011.

	Disposal (NBV)	
	Six months ended 30 June 2011	Six months ended 30 June 2010
Owned	(Rupees in '000)	
Leasehold improvements	962	-
Furniture and equipment	4	-
Plant and machinery	1,959	411
Vehicles	503	-

7.2 During the six months ended 30 June 2011, additions of Rs 0.169 million (30 June 2010: Rs 0.243 million) were made to intangible assets.

8. TRADE DEBTS	Un-audited 30 June 2011	Audited 31 December 2010
	(Rupees in '000)	
Considered good		
Hire purchase		
- Retail	803,152	718,954
- Institutional	391,706	333,006
	1,194,858	1,051,960
Unearned carrying charges	(75,786)	(83,405)
	1,119,072	968,555
Dealers	79,001	84,585
	1,198,073	1,053,140
Considered doubtful	11,954	12,068
	1,210,027	1,065,208
Provision for doubtful debts	(11,954)	(12,068)
	1,198,073	1,053,140

9. NET SALES	Three months ended 30 June 2011	Six months ended 30 June 2011	Three months ended 30 June 2010	Six months ended 30 June 2010
(Rupees in '000).....			
Sales				
- Local	737,451	1,284,831	682,045	1,168,309
- Export	27,497	42,033	27,880	39,155
	764,948	1,326,864	709,925	1,207,464
Earned carrying charges	84,417	159,548	76,315	137,899
	849,365	1,486,412	786,240	1,345,363
Sales tax / excise duty	(82,041)	(154,481)	(61,803)	(109,860)
Commissions / discounts	(53,413)	(93,726)	(50,915)	(87,281)
	(135,454)	(248,207)	(112,718)	(197,141)
	713,911	1,238,205	673,522	1,148,222

SINGER PAKISTAN LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) For the six months period ended 30 June 2011

10. COST OF SALES	Three months ended 30 June 2011	Six months ended 30 June 2011	Three months ended 30 June 2010	Six months ended 30 June 2010
(Rupees in '000).....			
Opening stock - finished goods	242,233	258,969	177,171	264,811
Purchases - finished goods	182,768	256,621	152,681	223,658
Cost of goods manufactured	357,324	679,683	363,167	575,384
	<u>782,325</u>	<u>1,195,273</u>	<u>693,019</u>	<u>1,063,853</u>
Closing stock - finished goods	(211,194)	(211,194)	(164,342)	(164,342)
	<u>571,131</u>	<u>984,079</u>	<u>528,677</u>	<u>899,511</u>

11. EARNINGS PER SHARE - basic and diluted

Profit after taxation	<u>11,799</u>	<u>15,331</u>	<u>13,814</u>	<u>17,135</u>
	----- (Number in '000) -----			
Weighted average number of ordinary shares	<u>37,525</u>	<u>37,525</u>	<u>37,525</u>	<u>37,525</u>
	----- (Rupee) -----			
Earnings per share - basic and diluted	<u>0.31</u>	<u>0.41</u>	<u>0.37</u>	<u>0.46</u>

11.1 There were no convertible dilutive potential ordinary shares in issue as at 30 June 2011 and 30 June 2010.

11.2 The number of shares during the half year ended 30 June 2010 have been adjusted for the effect of bonus shares issued subsequent to that date.

12. CASH AND CASH EQUIVALENTS	Un-audited 30 June 2011	Un-audited 30 June 2010
	(Rupees in '000)	
Cash and bank balances	208,797	149,795
Short term running finances - secured	(976,634)	(832,233)
	<u>(767,837)</u>	<u>(682,438)</u>

13. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of parent company Singer (Pakistan) B.V., Netherlands - ultimate parent company Retail Holdings N.V., Netherlands, related foreign group companies, local associated companies, directors of the Company, companies where directors also hold directorships, key management personnel and employee retirement benefit funds. The transactions and outstanding balances with related parties are as follows:

SINGER PAKISTAN LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) For the six months period ended 30 June 2011

Transactions	Note	Six months ended 30 June 2011	Six months ended 30 June 2010
		(Rupees in '000)	
Purchase of goods, materials and services	13.1	<u>3,545</u>	<u>3,309</u>
Royalty	13.2	<u>16,564</u>	<u>12,015</u>
Interest expense	13.3	<u>800</u>	<u>3,218</u>
Employee retirement benefits	13.4	<u>2,043</u>	<u>3,088</u>
Remuneration of key management personnel	13.5	<u>13,613</u>	<u>19,769</u>
		Un-audited 30 June 2011	Audited 31 December 2010
		(Rupees in '000)	
Balances			
Payable against purchase of goods, materials and services	13.1	<u>2,983</u>	<u>8,503</u>
Royalty payable	13.2	<u>54,705</u>	<u>44,338</u>
Accrued interest expense	13.3	<u>-</u>	<u>1,675</u>
Employee retirement benefits - net receivables	13.4	<u>(15,104)</u>	<u>(14,866)</u>
Dividend on non-remittable shares		<u>517</u>	<u>517</u>
Short term running finance - secured		<u>-</u>	<u>29,931</u>

13.1 Purchases of goods, materials and services are entered into on the basis of commercial terms and at market prices which are approved by the Board of Directors.

13.2 The Company accrues royalty to Singer Asia Limited, Cayman Islands (a subsidiary of Retail Holdings N.V., Netherlands) based on sales of the Company in accordance with the royalty agreement.

13.3 This represents interest expense accrued on running finance facility availed from an associated financial institution at negotiated rates.

13.4 Contributions to the employee retirement benefits plans are made in accordance with the terms of employee retirement benefit funds and actuarial advice.

13.5 There are no transactions with the key management personnel other than under their terms of employments / entitlements.

SINGER PAKISTAN LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) For the six months period ended 30 June 2011

14. OPERATING SEGMENTS

These financial statements have been prepared on the basis of single reportable segment.

14.1 Sales to domestic customers in Pakistan are 96.9% (2010: 96.8%) and to customers outside Pakistan are 3.1% (2010: 3.2%) of the revenue during the six months ended 30 June 2011.

14.2 All non-current assets of the Company at 30 June 2011 are located in Pakistan.

14.3 Sale to any single customer did not equal or exceed 10% of the Company's revenue during the six months ended 30 June 2011 and six months ended 30 June 2010.

15. DATE OF AUTHORISATION

These financial statements were authorised for issue by the Board of Directors in their meeting held on 25 August 2011

16. GENERAL

Figures have been rounded off to nearest thousand unless stated otherwise.



Chief Financial Officer



Chief Executive



Director

BOOK POST

UNDER POSTAL CERTIFICATE

If undelivered, please return to:
SINGER PAKISTAN LIMITED
Plot No. 39, Sector 19,
Korangi Industrial Area, Karachi.