

SINGER[®]

SINGER PAKISTAN LIMITED

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

FOR THE HALF YEAR 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	Chairman
Syed Aleem Hussain	Chief Executive Officer
Gavin J. Walker	(alternate : Fareed Khan)
Badaruddin F. Vellani	
Yussuff Rasheed Chinoy	(alternate : Rasheed Y. Chinoy)
Abdul Hamid Dagia	
Nasir Hussain	
Mahmood Ahmed	Chief Operating Officer

Company Secretary

Nasir Hussain

Audit Committee

Badaruddin F. Vellani	Chairman
Rasheed Y. Chinoy	Member
Fareed Khan	Member
A. H. Dawood	Secretary

Bankers

Al Baraka Bank (Pakistan) Limited
Allied Bank Limited
Askari Bank Limited
Bank Alfalah Limited
Burj Bank 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

Central Depository Company of Pakistan
CDC House, 99-B, Block 'B'
S.M.C.H.S. Main Shakra-e-Faisal
Karachi - 74400, Pakistan

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 2012

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 2012 and auditor's review report thereon.

The business environment and economic conditions remained challenging during the period under review due to continuous power outages, law & order situation, currency devaluation and persistent inflation. However, despite these challenges the Net sales of your Company have grown by 5.6% to Rs. 1.31 billion, compared to corresponding period last year. The major contribution in the sales growth was attributed to higher earned carrying charges.

Gross profit for the first half increased to Rs. 300.30 million and showed a healthy increase of 18.2% over the corresponding period last year, despite increase in the cost of raw materials and cost of production on account of continuous power outages and devaluation of the Rupee. The main factors for the increase in gross margin are favorable sales mix and earned carrying charges.

Marketing, selling and distribution costs for the first half increased by Rs. 19.26 million over the corresponding period last year mainly due to inflation and advertising and sales promotion activities to support the growth. Administrative expenses increased by Rs. 2.47 million on account of inflationary pressure and Other Operating expenses increased by Rs. 3.04 million due to exchange loss and profit-based statutory costs.

Profit from Operations for the first half increased to Rs. 21.41 million i.e. by 18.6% due to the reasons mentioned above.

Finance costs increased by Rs. 8.70 million due to increase in borrowings, to support the business growth.

Profit before taxation for the first half increased to Rs. 34.54 million as against Rs. 22.88 million last year i.e. by 51.0%.


Net sales for the second quarter ended 30 June 2012 increased by Rs. 9.94 million. Profit from operations increased by 22.0% and profit before taxation increased to Rs. 28.03 million or 59.6% against Rs. 17.57 million for the same period last year.

Earning per share for the first half is Re. 0.54 against Re. 0.37 in the same period last year.

The Board of Directors, in its meeting held on August 30, 2012 announced a 40% Right Issue i.e. 40 shares for every 100 shares held at a premium of Rs. 2.50 per share, i.e. a subscription price of Rs. 12.50 per share.

The Company will continue to focus on introduction of new and cost effective products and will also maintain its tested strategy of innovative advertising and consumer promotions. However, a lot will depend on the business environment prevailing in the Country. The 1.5% discount rate cut by the State Bank of Pakistan will help in reducing the finance cost. Nevertheless it is expected that, persistent inflation and weakening of Rupee will also play a key role for the business environment in the Country.

On behalf of the Board



SYED ALEEM HUSSAIN
Chief Executive Officer

Karachi: 30 August 2012



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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 2012, and the related condensed interim profit and loss account, condensed interim cash flow statement, 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

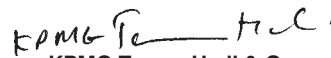
Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information as at and for the period ended 30 June 2012 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Other Matters

The figures for the quarters ended 30 June 2012 and 30 June 2011 in the condensed interim profit and loss account have not been reviewed and we do not express a conclusion on them.

Date: 30 August 2012

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 2012

	Note	Un-audited 30 June 2012	Audited 31 December 2011
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised capital 70,000,000 (2011: 40,000,000) ordinary shares of Rs. 10 each	5.1	700,000	400,000
Issued, subscribed and paid-up capital	5.2	412,778	375,253
Capital reserve		5,000	5,000
Revenue reserve		117,837	120,337
Unappropriated profit		24,674	35,171
		560,289	535,761
Surplus on revaluation of property, plant and equipment		299,248	301,371
Non-current liabilities			
Long term loans - secured	6	178,750	198,334
Liabilities against assets subject to finance lease		16,024	19,214
Long term deposits		32,680	32,239
Employee retirement benefits - obligation		9,997	8,006
Deferred tax		153,287	147,787
Deferred income		2,783	3,247
		393,521	408,827
Current liabilities			
Trade and other payables		455,060	354,919
Mark-up accrued on short term running finance and long term loans		53,322	49,864
Short term running finance - secured		1,135,141	1,029,702
Current portion of long term loans		91,667	71,666
Current portion of liabilities against assets subject to finance lease		12,834	18,848
		1,748,024	1,524,999
Contingencies and commitments	7	3,001,082	2,770,958
ASSETS			
Non-current assets			
Property, plant and equipment	8	646,875	656,101
Intangible assets		1,068	1,759
Employee retirement benefits - prepayments		13,340	13,728
Long term deposits		31,339	32,109
		692,622	703,697
Current assets			
Stores, spares and loose tools		9,184	7,566
Stock-in-trade		637,390	570,600
Trade debts	9	1,338,672	1,150,541
Advances, deposits and prepayments		42,995	34,623
Other receivables		19,390	16,791
Taxation - net		73,483	61,586
Cash and bank balances		187,346	225,554
		2,308,460	2,067,261
		3,001,082	2,770,958

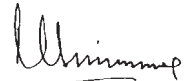
The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.



Chief Executive



Chief Financial Officer



Director

SINGER PAKISTAN LIMITED

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE SIX MONTHS ENDED 30 JUNE 2012

	Note	Three months ended 30 June 2012	Six months ended 30 June 2012	Three months ended 30 June 2011	Six months ended 30 June 2011
----- (Rupees in '000) -----					
Sales		756,451	1,365,865	764,948	1,326,864
Earned carrying charges		97,149	188,882	84,417	159,548
Sales tax / excise duty, commissions and discounts		(129,747)	(247,227)	(135,454)	(248,207)
Net revenue	10	<u>723,853</u>	<u>1,307,520</u>	<u>713,911</u>	<u>1,238,205</u>
Cost of sales	11	(556,128)	(1,007,216)	(571,131)	(984,079)
Gross margin		<u>167,725</u>	<u>300,304</u>	<u>142,780</u>	<u>254,126</u>
Marketing, selling and distribution cost		(69,847)	(131,742)	(62,771)	(112,486)
Administrative expenses		(11,076)	(22,051)	(9,700)	(19,578)
Other operating expenses		(6,032)	(9,775)	(4,120)	(6,736)
Profit from operations		<u>(86,955)</u>	<u>(163,568)</u>	<u>(76,591)</u>	<u>(138,800)</u>
Finance cost		(54,872)	(105,929)	(51,162)	(97,231)
		<u>25,898</u>	<u>30,807</u>	<u>15,027</u>	<u>18,095</u>
Other income		2,135	3,732	2,543	4,786
Profit before taxation		<u>28,033</u>	<u>34,539</u>	<u>17,570</u>	<u>22,881</u>
Taxation		(9,857)	(12,134)	(5,771)	(7,550)
Profit after taxation		<u>18,176</u>	<u>22,405</u>	<u>11,799</u>	<u>15,331</u>
Other comprehensive income		-	-	-	-
Total comprehensive income		<u>18,176</u>	<u>22,405</u>	<u>11,799</u>	<u>15,331</u>
----- (Rupee) -----					
Earnings per share - basic and diluted	12	<u>0.44</u>	<u>0.54</u>	<u>0.29</u>	<u>0.37</u>

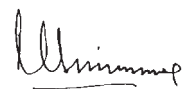
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Chief Executive



Chief Financial Officer



Director

SINGER PAKISTAN LIMITED

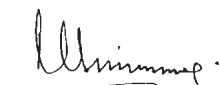
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE SIX MONTHS ENDED 30 JUNE 2012

	Note	Six months ended 30 June 2012	Six months ended 30 June 2011
(Rupees in '000)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		34,539	22,881
Adjustment for non-cash charges and other items:			
- Depreciation on property, plant and equipment		17,978	15,367
- Amortisation of intangible assets		1,062	1,031
- Finance costs		105,929	97,231
- Amortisation of deferred income		(464)	(464)
- Gain on disposal of property, plant and equipment		(68)	(964)
- Provision for staff retirement benefits		2,569	677
		<u>161,545</u>	<u>135,759</u>
Effect on cash flow due to working capital changes (Increase) / decrease in current assets			
Stores and spares		(1,618)	(1,491)
Stock-in-trade		(66,790)	(33,248)
Trade debts		(188,131)	(144,933)
Advances, deposits and prepayments		(8,372)	(2,202)
Other receivables		(2,599)	5,015
Increase in current liabilities			
Trade and other payables		100,141	38,279
		<u>(167,369)</u>	<u>(138,580)</u>
Net cash used in operations		(5,824)	(2,821)
Income tax paid		(18,531)	(18,606)
Finance cost paid		(100,154)	(92,026)
Payment of staff retirement benefits		(190)	(916)
Security deposits received		441	1,150
Long term deposits - net		770	492
Net cash used in from operating activities		<u>(123,488)</u>	<u>(112,727)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure		(7,588)	(15,528)
Proceeds from disposal of property, plant and equipment		649	4,392
Net cash used in investing activities		<u>(6,939)</u>	<u>(11,136)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term loans - net		417	28,126
Lease rentals paid		(13,637)	(13,299)
Net cash (out) / in flows from financing activities		<u>(13,220)</u>	<u>14,827</u>
Net decrease in cash and cash equivalents		<u>(143,647)</u>	<u>(109,036)</u>
Cash and cash equivalents at beginning of the period		(804,148)	(658,801)
Cash and cash equivalents at end of the period	13	<u>(947,795)</u>	<u>(767,837)</u>

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.


Chief Executive


Chief Financial Officer


Director

SINGER PAKISTAN LIMITED

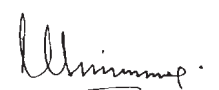
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE SIX MONTHS ENDED 30 JUNE 2012

	Issued subscribed and paid-up capital	Capital reserve	Revenue reserve	Unappropriated profit	Total
	(Rupees in '000)				
Balance as at 31 December 2010	341,140	5,000	122,337	32,420	500,897
Transfer from revenue reserve	-	-	(2,000)	2,000	-
Distribution to owners					
Issue of bonus shares for the year ended 31, December 2010 @ 10 %	34,113	-	-	(34,113)	-
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 property, plant and equipment for the period - net of tax	-	-	-	2,121	2,121
Balance as at 30 June 2011	375,253	5,000	120,337	17,759	518,349
Total comprehensive income for the six months ended 31 December 2011 - Profit for the period	-	-	-	15,289	15,289
Transfer from surplus on revaluation of property, plant and equipment for the period - net of tax	-	-	-	2,123	2,123
Balance as at 31 December 2011	375,253	5,000	120,337	35,171	535,761
Transfer from revenue reserve	-	-	(2,500)	2,500	-
Distribution to owners					
Issue of bonus shares for the year ended 31 December 2011 @ 10 %	37,525	-	-	(37,525)	-
Total comprehensive income for the six months ended 30 June 2012 - Profit for the period	-	-	-	22,405	22,405
Transfer from surplus on revaluation of property, plant and equipment for the period - net of tax	-	-	-	2,123	2,123
Balance as at 30 June 2012	412,778	5,000	117,837	24,674	560,289

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.


Chief Executive


Chief Financial Officer


Director

SINGER PAKISTAN LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTHS ENDED 30 JUNE 2012

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, Sector 19, 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 2012 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 2011.

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.

The comparative balance sheet presented in these condensed interim financial statements has been extracted from the audited financial statements of the Company for the year ended 31 December 2011, whereas comparative condensed interim profit or loss account, condensed interim cash flow statement and condensed interim statement of changes in equity are extracted from the unaudited condensed interim financial statements for the six months ended 30 June 2011.

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 2011.

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 2011.

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 2011.

SINGER PAKISTAN LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTHS ENDED 30 JUNE 2012

5. SHARE CAPITAL

5.1 Authorised Share Capital

This represents 70,000,000 (2011: 40,000,000) ordinary shares of Rs. 10 each amounting to Rs. 700 million (2011: Rs. 400 million)

5.2 Issued, Subscribed and Paid up Capital

The increase is due to issue of bonus shares for the year ended 31 December 2011 @ 10 % per share.

6. LONG TERM LOANS - SECURED

This includes term finance facility amounting to Rs. 30 million obtained during the period by the Company from a commercial bank maturing on 1 April 2016 against first pari passu charge on land, building, machinery and equipment located at its factory. It carries mark-up equal to 3 months KIBOR plus 150 basis points. The principal and markup is payable in quarterly installments.

7. CONTINGENCIES AND COMMITMENTS

7.1 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. 0.181 million (31 December 2011: Rs. 0.181 million).

7.2 Commitments

	Un-audited 30 June 2012	Audited 31 December 2011
	(Rupees in '000)	
Software development	<u>26,033</u>	<u>24,760</u>
Outstanding letters of credit	<u>92,226</u>	<u>109,013</u>

8. PROPERTY, PLANT AND EQUIPMENT

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

Operating assets	607,905	620,683
Capital work-in-progress	<u>38,970</u>	<u>35,418</u>
	<u>646,875</u>	<u>656,101</u>

8.1 Following is the cost of property, plant and equipment that have been added during the six months ended 30 June 2012:

SINGER PAKISTAN LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTHS ENDED 30 JUNE 2012

	Additions	
	Six months ended 30 June 2012	Six months ended 30 June 2011
	(Rupees in '000)	
Owned		
Building on leasehold land	1,133	10,035
Leasehold improvements	1,024	-
Furniture and equipment	390	1,542
Plant and machinery	-	2,846
Vehicles	-	43
Computers	1,120	899
	3,667	15,365
Leased		
Furniture and equipment	-	1,360
Plant and machinery	-	2,198
Vehicles	2,116	-
	2,116	3,558
Capital work in progress-net	3,551	2,244

Following is the net book value of property, plant and equipment disposed off during the six months ended 30 June 2012.

	Disposal (NBV)	
	Six months ended 30 June 2012	Six months ended 30 June 2011
	(Rupees in '000)	
Owned		
Leasehold improvements	-	962
Furniture and equipment	49	4
Plant and machinery	-	1,959
Vehicles	532	503

- 8.2** During the six months ended 30 June 2012, additions of Rs 0.370 million (30 June 2011: Rs 0.169 million) were made to intangible assets.

SINGER PAKISTAN LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTHS ENDED 30 JUNE 2012

	Un-audited 30 June 2012	Audited 31 December 2011
9. TRADE DEBTS		
Considered good		
Hire purchase		
- Retail	892,226	695,927
- Institutional	462,533	419,935
	1,354,759	1,115,862
Unearned carrying charges	(86,209)	(72,005)
	1,268,550	1,043,857
Dealers	70,122	106,684
	1,338,672	1,150,541
Considered doubtful	11,963	11,407
	1,350,635	1,161,948
Provision for doubtful debts	(11,963)	(11,407)
	1,338,672	1,150,541

10. NET REVENUE

	Three months ended 30 June 2012	Six months ended 30 June 2012	Three months ended 30 June 2011	Six months ended 30 June 2011
----- (Rupees in '000) -----				
Sales				
- Local	752,590	1,347,436	737,451	1,284,831
- Export	3,861	18,429	27,497	42,033
	756,451	1,365,865	764,948	1,326,864
Earned carrying charges	97,149	188,882	84,417	159,548
	853,600	1,554,747	849,365	1,486,412
Sales tax / excise duty	(76,124)	(145,237)	(82,041)	(154,481)
Commissions / discounts	(53,623)	(101,990)	(53,413)	(93,726)
	(129,747)	(247,227)	(135,454)	(248,207)
	723,853	1,307,520	713,911	1,238,205

11. COST OF SALES

Opening stock - finished goods	287,632	298,577	242,233	258,969
Purchases - finished goods	171,197	290,050	182,768	256,621
Cost of goods manufactured	456,735	778,025	357,324	679,683
	915,564	1,366,652	782,325	1,195,273
Closing stock - finished goods	(359,436)	(359,436)	(211,194)	(211,194)
	556,128	1,007,216	571,131	984,079

SINGER PAKISTAN LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTHS ENDED 30 JUNE 2012

	Three months ended 30 June 2012	Six months ended 30 June 2012	Three months ended 30 June 2011	Six months ended 30 June 2011
(Rupees in '000)				
12. EARNINGS PER SHARE - basic and diluted				
Profit after taxation	18,176	22,405	11,799	15,331
(Number in '000)				
Weighted average number of ordinary shares	41,278	41,278	41,278	41,278
(Rupee)				
Earnings per share - basic and diluted	0.44	0.54	0.29	0.37

12.1 There were no convertible dilutive potential ordinary shares in issue as at 30 June 2012 and 30 June 2011.

	Un-audited 30 June 2012	Un-audited 30 June 2011
(Rupees in '000)		
13. CASH AND CASH EQUIVALENTS		
Cash and bank balances	187,346	208,797
Short term running finance - secured	(1,135,141)	(976,634)
	(947,795)	(767,837)

14. 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:

	Note	Six months ended 30 June 2012	Six months ended 30 June 2011
(Rupees in '000)			
Transactions			
Purchases of goods, materials and services	14.1	3,097	3,545
Royalty	14.2	16,132	16,564
Markup income on term deposits		-	-
Interest expense	14.3	-	800
Employee retirement benefits	14.4	4,850	2,043
Remuneration of key management personnel	14.5	17,413	13,613

SINGER PAKISTAN LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTHS ENDED 30 JUNE 2012

	Note	Un-audited 30 June 2012	Audited 31 December 2011
Balances			
(Rupees in '000)			
Payable against purchases of goods, materials and services	14.1	<u>1,037</u>	<u>10,686</u>
Royalty payable	14.2	<u>73,400</u>	<u>66,229</u>
Employee retirement benefits - net receivables	14.4	<u>(3,343)</u>	<u>(5,722)</u>
Dividend on non-remittable shares		<u>517</u>	<u>517</u>

14.1 Purchases of goods, materials and services are entered into on the basis of commercial terms and at market prices.

14.2 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 duly registered with the State Bank of Pakistan.

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

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

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

15. OPERATING SEGMENTS

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

15.1 Sales to domestic customers in Pakistan are 98.7% (2011: 96.9%) and to customers outside Pakistan are 1.3% (2011: 3.1%) of the revenue during the six months ended 30 June 2012.

15.2 All non-current assets of the Company at 30 June 2012 are located in Pakistan.

15.3 Sale to any single customer did not equal or exceed 10% of the Company's revenue during the six months ended 30 June 2012 and six months ended 30 June 2011.

16. NON-ADJUSTING EVENTS AFTER BALANCE SHEET DATE

The Board Directors in its meeting held on 30 August 2012 has approved right share issue of 40% at a premium of Rs. 2.50 per share.

17. DATE OF AUTHORISATION

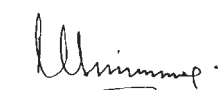
These financial statements were authorised for issue by the Board of Directors in their meeting held on 30 August 2012.

18. GENERAL

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


Chief Executive


Chief Financial Officer


Director

BOOK POST

UNDER POSTAL CERTIFICATE

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