

SINGER[®]

SINGER PAKISTAN LIMITED

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

FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER

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SINGER PAKISTAN LIMITED

CONTENTS	PAGE
Company Information	2
Directors' Report	3
Condensed Interim Balance Sheet	5
Condensed Interim Profit and Loss Account (Un-audited)	6
Condensed Interim Statement of Comprehensive Income (Un-audited)	7
Condensed Interim Cash Flow Statement (Un-audited)	8
Condensed Interim Statement of Changes in Equity (Un-audited)	9
Notes to the Condensed Interim Financial Statements (Un-audited)	10

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

SINGER PAKISTAN LIMITED

COMPANY INFORMATION

Board of Directors

Kamal Shah
M. Mahmood Ahmed
Gavin J. Walker
Badaruddin F. Vellani
Mr. Jahangir Siddiqui
Abdul Hamid Dagia
Fareed Khan
Bashir Ahmed

Chairman
Chief Executive Officer
(alternate : Qaiser Pervaiz)

(alternate : Rasheed Y. Chinoy)

Chief Financial Officer

Qaiser Pervaiz

Chief Internal Auditor

A.H. Dawood

Company Secretary

Najmul Hoda Khan

Audit Committee

Badaruddin F. Vellani
Kamal Shah
Jahangir Siddiqui
(alternate : Rasheed Y. Chinoy)
Abdul Hamid Dagia
Fareed Khan
Najmul Hoda Khan

Chairman
Member
Member

Member
Member
Secretary

HR and Remuneration Committee

Kamal Shah
M. Mahmood Ahmed
Jahangir Siddiqui
(alternate : Rasheed Y. Chinoy)
Fareed Khan
Najmul Hoda Khan

Chairman
Member
Member

Member
Secretary

Bankers

Al Baraka Bank (Pakistan) Limited
Allied Bank Limited
Askari Bank Limited
Bank Alfalah Limited
Burj Bank Limited
Dubai Islamic Bank Pakistan Limited
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 Limited
CDC House, 99-B, Block 'B'
S.M.C.H.S. Main Shahra-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 NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2014

The Board of Directors of your Company presents their report together with the un-audited condensed Interim Financial Statements of the Company for the nine months period ended 30 September 2014.

During third quarter heavy floods in major parts of the Country seriously affected our business. The business conditions remained challenging throughout the period due to tough competition in the consumer appliances market particularly from the un-organized sector and high turn over in our field sales force.

During the period, net revenue of the Company declined by 19.88% to Rs. 1,317.23 million as against Rs. 1,644.1 million for same period last year which adversely affected our profitability. The management of the Company had to focus on cash sales and curtail credit business.

Marketing, selling and distribution costs increased to Rs. 230.71 million from Rs. 188.44 million for the same period last year mainly due to inflation, salaries and benefits, rent, rates & taxes and increase in publicity and sales promotion.

Administrative expenses increased to Rs. 41.21 million during the period as against Rs. 36.69 million for the same period last year mainly due to inflation. Other operating expenses increased to Rs. 100.58 million during the period as against Rs. 24.60 million for same period last year mainly due to provisions taken for doubtful debts against trade debts and other receivables.

Loss after taxation for the nine months period is Rs. 98.86 million as against profit of Rs. 34.5 million for the same period last year whereas loss per share for the nine months is Rs. (2.18) as against earning per share of Re. 0.76 for the same period last year due to reasons explained above.

Net revenue in the third quarter of 2014 declined by 17.27% to Rs. 376.11 million as against Rs. 454.61 million for the same period last year. Heavy floods in major parts of the Country and disturbed business conditions affected our sales severely.

Marketing, Selling & Distribution expenses in the 3rd Quarter increased to Rs. 77.70 million as against Rs. 65.77 million for the same period last year mainly due to inflation, salaries and benefits and rent, rates & taxes whereas Administrative expenses increased to Rs. 13.66 million as against Rs. 12.02 million mainly due to inflation. Other operating expenses in the 3rd Quarter increased to Rs. 23.85 million as against Rs. 9.57 million mainly due to provisions taken for doubtful debts against trade debts and other receivables.

Loss after taxation for 3 months ended 30 September 2014 was Rs. 38.40 million as against profit after taxation of Rs. 8.35 million for the same period last year mainly due to reasons explained above.

SINGER PAKISTAN LIMITED

As regard Suit No. 1507 of 2012 and High Court Appeal No. D-173 of 2013 before the Honorable High Court of Sind, and the appeal filed with the Appellate Bench of Securities and Exchange Commission of Pakistan ("SECP"), all with respect to the issue of right shares by the Company, the parties have mutually agreed and are in the process of withdrawing litigations pending before the High Court and the application and appeal filed with the SECP.

The Company will remain focused on increasing sales and improving results in rest of the year through sales promotions. The management is reducing head counts and is taking measures to reduce selling and administrative cost. However, the business environment is expected to remain challenging which affects the consumer durable business.

On behalf of the Board



M. MAHMOOD AHMED
Chief Executive Officer

Karachi: 29 October 2014

SINGER PAKISTAN LIMITED

CONDENSED INTERIM BALANCE SHEET AS AT 30 SEPTEMBER 2014

	Note	Un-audited 30 September 2014	Audited 31 December 2013
(Rupees in '000)			
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised capital 70,000,000 (2013: 70,000,000) ordinary shares of Rs. 10 each	5	<u>700,000</u>	<u>700,000</u>
Issued, subscribed and paid-up capital		454,056	454,056
Capital reserve		5,000	5,000
Revenue reserve		117,837	117,837
Accumulated (loss) / Unappropriated profit		<u>(56,342)</u>	<u>38,830</u>
		520,551	615,723
Surplus on revaluation of property, plant and equipment - net of deferred tax		292,909	296,594
Non-current liabilities			
Long term loans	6	107,187	73,750
Liabilities against assets subject to finance lease		11,142	14,867
Long term deposits		40,080	40,348
Employee retirement benefits - obligation		20,312	19,380
Deferred tax	13.2	136,566	168,086
Deferred income		-	464
		315,287	316,895
Current liabilities			
Trade and other payables	7	541,485	442,738
Mark-up accrued on short term running finance and long term loans		47,069	41,308
Short term running finance - secured		1,164,557	1,289,482
Current portion of long term loans		73,438	84,375
Current portion of liabilities against assets subject to finance lease		5,759	6,517
Current portion of deferred income		696	928
		1,833,004	1,865,348
Contingencies and commitments			
	8	<u>2,961,751</u>	<u>3,094,560</u>
ASSETS			
Non-current assets			
Property, plant and equipment	9	620,614	642,318
Intangible assets	9.4	30,796	33,596
Employee retirement benefits - prepayments		-	3,548
Long term deposits		31,113	31,962
		682,523	711,424
Current assets			
Stores, spares and loose tools		7,268	6,123
Stock-in-trade	10	504,487	631,308
Trade debts	11	1,324,704	1,396,131
Advances, deposits and prepayments		30,197	25,547
Other receivables	12	72,663	17,334
Taxation - net	13	162,283	113,360
Investments	14	52,000	57,900
Cash and bank balances		125,626	135,433
		2,279,228	2,383,136
		<u>2,961,751</u>	<u>3,094,560</u>

The annexed notes 1 to 23 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 NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2014

	Note	Three months ended 30 September 2014	Nine months ended 30 September 2014	Three months ended 30 September 2013	Nine months ended 30 September 2013
----- (Rupees in '000) -----					
Sales		377,202	1,372,037	441,191	1,669,630
Earned carrying charges		81,171	236,924	100,562	297,304
Sales tax, excise duty, commissions and discounts		(82,263)	(291,727)	(87,146)	(322,843)
Net revenue	15	376,110	1,317,234	454,607	1,644,091
Cost of sales	16	(271,340)	(954,567)	(310,569)	(1,213,156)
Gross margin		104,770	362,667	144,038	430,935
Marketing, selling and distribution cost		(77,695)	(230,705)	(65,770)	(188,440)
Administrative expenses		(13,658)	(41,208)	(12,017)	(36,687)
Other operating expenses	17	(23,847)	(100,580)	(9,572)	(24,602)
		(115,200)	(372,493)	(87,359)	(249,729)
(Loss) / profit from operations before finance cost		(10,430)	(9,826)	56,679	181,206
Finance cost		(50,737)	(148,111)	(45,688)	(138,576)
		(61,167)	(157,937)	10,991	42,630
Other income		4,599	12,558	3,016	9,703
(Loss) / profit before taxation		(56,568)	(145,379)	14,007	52,333
Taxation	13.2	18,170	46,521	(5,656)	(17,793)
(Loss) / profit after taxation		(38,398)	(98,858)	8,351	34,540
----- (Rupee) -----					
(Loss) / earnings per share - basic and diluted	18	(0.85)	(2.18)	0.18	0.76

The annexed notes 1 to 23 form an integral part of these condensed interim financial statements.


Chief Executive


Chief Financial Officer


Director

SINGER PAKISTAN LIMITED

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2014

Note	Three months ended 30 September 2014	Nine months ended 30 September 2014	Three months ended 30 September 2013	Nine months ended 30 September 2013
----- (Rupees in '000) -----				
Net (loss) / profit for the period	(38,398)	(98,858)	8,351	34,540
Other comprehensive income:				
Items not to be reclassified to profit or loss in subsequent period				
- Actuarial loss arising on defined benefit plans (net of tax)	-	-	-	(3,297)
Comprehensive (loss) / income transferred to the equity	<u>(38,398)</u>	<u>(98,858)</u>	<u>8,351</u>	<u>31,243</u>
Item to be reclassified to profit or loss in subsequent period	-	-	-	-
Total comprehensive (loss) / income	<u>(38,398)</u>	<u>(98,858)</u>	<u>8,351</u>	<u>31,243</u>

The annexed notes 1 to 23 form an integral part of these condensed interim financial statements.


Chief Executive


Chief Financial Officer


Director

SINGER PAKISTAN LIMITED

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2014

	Note	Nine months ended 30 September 2014	Nine months ended 30 September 2013
CASH FLOWS FROM OPERATING ACTIVITIES			
(Rupees in '000)			
(Loss) / Profit before taxation		(145,379)	52,333
Adjustment for:			
- Depreciation on property, plant and equipment		28,271	25,778
- Amortisation of intangible assets		2,910	350
- Finance cost		148,111	138,576
- Amortisation of deferred income		(696)	(696)
- Gain on disposal of property, plant and equipment		(768)	(369)
- Provision for staff retirement benefits		4,154	4,393
		36,603	220,365
Working capital changes			
(Increase) / decrease in current assets			
Stores, spares and loose tools		(1,145)	2,246
Stock-in-trade		126,821	3,181
Trade debts		71,427	(121,599)
Advances, deposits and prepayments		(4,650)	4,676
Other receivables		(55,329)	4,917
Increase in current liabilities			
Trade and other payables		98,747	105,216
		235,871	(1,363)
Net cash inflow from operation		272,474	219,002
Income tax paid		(33,922)	(26,802)
Finance cost paid		(140,553)	(140,092)
Employee retirement benefits		326	(882)
Security deposits - net		(268)	2,817
Long term deposits - net		849	(1,314)
Net cash inflow from operating activities		98,906	52,729
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure		(7,161)	(27,672)
Sale proceeds from disposal of property, plant and equipment		3,340	825
Investments made during the period - net		5,900	24,981
Net cash inflow / (outflow) from investing activities		2,079	(1,866)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term loans - net		22,500	(57,084)
Lease rentals paid		(8,367)	(9,911)
Net cash inflow / (outflow) from financing activities		14,133	(66,995)
Net increase / (decrease) in cash and cash equivalents		115,118	(16,132)
Cash and cash equivalents at beginning of the period		(1,154,049)	(998,636)
Cash and cash equivalents at end of the period	19	(1,038,931)	(1,014,768)

The annexed notes 1 to 23 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 NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2014

	Issued subscribed and paid-up capital	Capital reserve	Revenue reserve	Unappropriated profit	Total
	(Rupees in '000)				
Balance as at 31 December 2012	412,778	5,000	117,837	41,674	577,289
Transactions with owners, recorded directly in equity					
Issue of bonus shares for the year ended 31 December 2012 @ 10 %	41,278	-	-	(41,278)	-
Total comprehensive income for the nine months ended 30 September 2013					
Profit for the period	-	-	-	34,540	34,540
Net actuarial loss recognised in 'Other Comprehensive Income' net of tax	-	-	-	(3,297)	(3,297)
Transfer from surplus on revaluation of property, plant and equipment for the period - net of tax	-	-	-	31,243	31,243
Balance as at 30 September 2013	454,056	5,000	117,837	34,828	611,721
Total comprehensive income for the three months ended 31 December 2013					
Profit for the period	-	-	-	1,719	1,719
Net actuarial gain recognised in 'Other Comprehensive Income' net of tax	-	-	-	1,299	1,299
Transfer from surplus on revaluation of property, plant and equipment for the period - net of tax	-	-	-	3,018	3,018
Transfer from surplus on revaluation of property, plant and equipment for the period - net of tax	-	-	-	984	984
Balance as at 31 December 2013	454,056	5,000	117,837	38,830	615,723
Total comprehensive income for the nine months ended 30 September 2014 - loss for the period	-	-	-	(98,858)	(98,858)
Transfer from surplus on revaluation of property, plant and equipment for the period - net of tax	-	-	-	3,686	3,686
Balance as at 30 September 2014	454,056	5,000	117,837	(56,342)	520,551

The annexed notes 1 to 23 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 NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2014

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 consumer appliances and other light engineering products, besides manufacturing and assembling of the same. 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 nine months ended 30 September 2014 has 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 2013.

These condensed interim financial statements have been prepared under the historical cost convention except for 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 2013, whereas comparative condensed interim profit or loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity are extracted from the unaudited condensed interim financial statements for the nine months ended 30 September 2013.

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 2013.

4. ESTIMATES, JUDGMENTS AND FINANCIAL RISK MANAGEMENT

The significant judgments, estimates and assumptions used by the management in preparation of these condensed interim financial information are same as those applied to the annual audited financial statements for the year ended 31 December 2013.

The Company's financial risk management objectives and policies are consistent with those disclosed in the annual audited financial statements as at and for the year ended 31 December 2013.

SINGER PAKISTAN LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2014

5. AUTHORISED CAPITAL

This represents 70,000,000 (2013: 70,000,000) ordinary shares of Rs. 10 each amounting to Rs. 700 million (2013: Rs. 700 million)

6. LONG TERM LOANS

During the period the Company obtained a loan of Rs. 75 million from a Commercial Bank at 32.7 paisa per thousand per day repayable in five years including a grace period of one year. Repayments would start from July 2015 in sixteen quarterly instalments and is secured against the first pari passu charge, over the present and future fixed assets of the Company.

7. TRADE AND OTHER PAYABLES

7.1 The changes in trade and other payables mainly comprise of increase in bills payable by Rs. 103.79 million.

7.2 The Company accrues royalty to Singer Asia Limited, Cayman Island (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. Singer Asia, based on Company's request, has granted a onetime waiver for the payment of Royalty from the year 2010 till the end of 2014. The amount reversed on account of Royalty in these accounts in cost of sales is Rs. 96.95 million.

8. CONTINGENCIES AND COMMITMENTS

8.1 Contingencies

8.1.1 There are certain pending lawsuits initiated by and against the Company concerning shop leases and ex-employees. However, the management believes that no significant liability is likely to occur in these cases. Furthermore, guarantees have been extended by certain commercial banks on behalf of the company amounting to Rs. 0.181 million (31 December 2013: Rs. 0.181 million).

8.1.2 As regard Suit No. 1507 of 2012 and High Court Appeal No. D-173 of 2013 before the Honorable High Court of Sind, and the appeal filed with the Appellate Bench of Securities and Exchange Commission of Pakistan ("SECP"), all with respect to the issue of right shares by the Company, the parties have mutually agreed and are in the process of withdrawing litigations pending before the High Court and the application and appeal filed with the SECP.

8.1.3 During the year, the company filed a Constitutional petition before the Sindh High court at Karachi, challenging the vires of Rule 58T of the Sales Tax Special Procedure Rules relating to 2 percent Extra Sales tax on certain home appliances. This was based on the advice of the tax and legal advisors that the said vires are not applicable on the company. The case is pending before the Honourable Court.

An interim order has been received in favor of the company. Based on the opinion of the lawyer, the company is confident that no liability is expected to occur on this account as decided in similar other cases.

8.1.4 Refer note 13 also.

SINGER PAKISTAN LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2014

	Un-audited 30 September 2014	Audited 31 December 2013
	(Rupees in '000)	
8.2 Commitments		
Capital expenditure (software development)	17,353	17,804
Outstanding letters of credit	<u>61,260</u>	<u>69,142</u>
Lease rental on Ijarah lease	<u>2,302</u>	<u>-</u>
9. PROPERTY, PLANT AND EQUIPMENT & INTANGIBLE ASSETS		
9.1 Details of the balances as at the period end was as follows:		
Operating fixed assets	620,280	641,984
Capital work-in-progress	334	334
	<u>620,614</u>	<u>642,318</u>
9.2 Following is the cost of property, plant and equipment that have been added during the nine months ended 30 September 2014:		
	Nine months ended 30 September 2014	Nine months ended 30 September 2013
	(Rupees in '000)	
Owned		
Leasehold improvements	2,721	2,167
Furniture and equipment	658	562
Plant and machinery	2,678	2,568
Computers	986	29,854
	<u>7,043</u>	<u>35,151</u>
Leased		
Plant and machinery	-	1,100
Vehicles	2,088	2,970
	<u>2,088</u>	<u>4,070</u>

SINGER PAKISTAN LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2014

9.3 Following is the net book value of property, plant and equipment disposed off during the nine months ended 30 September 2014.

	Disposal NBV	
	Nine months ended 30 September 2014	Nine months ended 30 September 2013
	(Rupees in '000)	
Owned		
Plant and machinery	357	-
Vehicles	2,179	456
Computers & software	36	-

9.4 During the nine months ended 30 September 2014, additions of Rs 0.12 million (30 September 2013: Rs 27.89 million) were made to intangible assets.

10. STOCK - IN - TRADE

The Company has recognised a charge of Rs. 71.5 million for the nine months period ended 30 September 2014, on account of inventory shortages and obsolescence in cost of sales.

	30 September 2014	31 December 2013
	Un-audited	(Audited)
	(Rupees in '000)	
11. TRADE DEBTS		
Considered good		
Hire purchase		
- Retail	1,101,247	1,121,115
- Institutional	256,071	220,331
	1,357,318	1,341,446
Unearned carrying charges	(64,611)	(52,809)
	1,292,707	1,288,637
Dealers	31,997	107,494
	1,324,704	1,396,131
Considered doubtful	54,002	22,700
	1,378,706	1,418,831
Provision for doubtful debts	(54,002)	(22,700)
	1,324,704	1,396,131

11.1 The Company has recognised a provision of Rs. 53.98 million net of securities available with the Company for the nine months period ended 30 September 2014, (2013: Rs. 4.42 million) for doubtful debts while an amount of Rs. 22.68 million (2013: Rs.Nil) was written off during the period against provision.

SINGER PAKISTAN LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2014

12. OTHER RECEIVABLES

Other receivables mainly comprise of claims from customs and insurance companies. It also includes amounts recoverable from current and former field employees which have been necessitated through an on going review process against which a provision of Rs. 30.182 million has been made during the nine months period ended 30 September 2014 net of securities available with the Company.

13. TAXATION

13.1 Section 11 3(2)(c) was interpreted by a Divisional Bench of the Sindh High Court (SHC) in the Income Tax Reference Application (ITRA) No. 132 of 2011 dated 7 May 2013, whereby it was held that the benefit of carry forward of Minimum Tax is only available in the situation where the actual tax payable (on the basis of net income) in a tax year is less than Minimum Tax.

Based on practice being adopted in similar cases by other companies, opinion of certain lawyers in similar cases and Company's tax advisors view due to these opinions, the Company's management is of the view, that the above order is not correct and would not be maintained by the Supreme Court. Therefore, the Company intends to carry forward the minimum turnover tax as and when paid.

14. INVESTMENTS

This represents term deposit receipts in respect of amounts retained from employees as security and required to be kept separately. This carries mark-up at 9.25% (31 December 2013: 7.35 % to 9.0%) per annum, maturing on various dates till 17 December 2014.

15. NET REVENUE

	Three months ended 30 September 2014	Nine months ended 30 September 2014	Three months ended 30 September 2013	Nine months ended 30 September 2013
	----- (Rupees in '000) -----			
Sales	377,202	1,372,037	441,191	1,669,277
- Local	-	-	-	353
- Export	<u>377,202</u>	<u>1,372,037</u>	441,191	1,669,630
Earned carrying charges	81,171	236,924	100,562	297,304
	<u>458,373</u>	<u>1,608,961</u>	541,753	1,966,934
Sales tax and excise duty	(45,559)	(168,765)	(51,629)	(199,229)
Commissions and discounts	(36,704)	(122,962)	(35,517)	(123,614)
	(82,263)	(291,727)	(87,146)	(322,843)
	<u>376,110</u>	<u>1,317,234</u>	454,607	1,644,091

SINGER PAKISTAN LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2014

	Three months ended 30 September 2014	Nine months ended 30 September 2014	Three months ended 30 September 2013	Nine months ended 30 September 2013
----- (Rupees in '000) -----				
16. COST OF SALES				
Opening stock - finished goods				
- own manufactured	255,273	357,644	376,184	393,963
- purchased for resale	42,260	76,338	46,690	62,276
Purchases - finished goods	85,339	120,458	55,742	262,187
Cost of goods manufactured	<u>232,233</u>	<u>743,892</u>	<u>334,248</u>	<u>997,025</u>
	615,105	1,298,332	812,864	1,715,451
Closing stock - finished goods				
- own manufactured	(298,173)	(298,173)	(413,542)	(413,542)
- purchased for resale	(45,592)	(45,592)	(88,753)	(88,753)
	<u>271,340</u>	<u>954,567</u>	<u>310,569</u>	<u>1,213,156</u>

17. OTHER OPERATING EXPENSES

These include provision for bad and doubtful debts amounting to Rs. 84.164 million made during the nine month period ended 30 September 2014 (30 September 2013: Rs. 4.42 million).

18. (LOSS) / EARNINGS PER SHARE - basic and diluted

(Loss) / Profit after taxation	<u>(38,398)</u>	<u>(98,858)</u>	<u>8,351</u>	<u>34,540</u>
----- (Number in '000) -----				

Weighted average number of ordinary shares	18.1	<u>45,406</u>	<u>45,406</u>	<u>45,406</u>	<u>45,406</u>
----- (Rupee) -----					

(Loss) / Earnings per share - basic and diluted	<u>(0.85)</u>	<u>(2.18)</u>	<u>0.18</u>	<u>0.76</u>
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18.1 There were no convertible dilutive potential ordinary shares in issue as at 30 September 2014 and 30 September 2013.

19. CASH AND CASH EQUIVALENTS

	30 September 2014 (Un-audited)	30 September 2013 (Un-audited)
(Rupees in '000)		
Cash and bank balances	125,626	126,480
Investments	-	27,000
Short term running finance - secured	<u>(1,164,557)</u>	<u>(1,168,248)</u>
	<u>(1,038,931)</u>	<u>(1,014,768)</u>

SINGER PAKISTAN LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2014

20. 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 aggregate value of transactions and outstanding balances as at 30 September with related parties other than those which have been disclosed elsewhere in these condensed interim financial statements are as follows:

	Note	Nine months ended	
		30 September 2014 (Un-audited) ----- (Rupees in '000) -----	30 September 2013 (Un-audited)
Transactions			
Purchases of goods, materials and services	20.1	10,199	6,808
Sales of goods, materials and services		-	354
Royalty	7.2	(96,951)	19,622
Employee retirement benefits	20.2	8,305	8,165
Remuneration of key management personnel	20.3	30,175	27,808
		(Un-audited) 30 September 2014	(Audited) 31 December 2013
Balance payable / (receivable) (Rupees in '000)			
Payable against purchases of goods, materials and services	20.1	2,814	7,791
Advance against purchases of goods, materials and services	20.1	(1,273)	(1,273)
Royalty	7.2	-	97,138
Employee retirement benefits - Gratuity Scheme	20.2	13,265	11,538
- Pension Scheme		5	(3,548)
Dividend on non-remittable shares		517	517

20.1 Purchases and sales of goods, materials and services are entered into at agreed prices.

20.2 Contributions to the employee retirement benefits schemes are made in accordance with the terms of employee retirement benefit schemes and actuarial advice.

20.3 Remuneration to the key management personnel are in accordance with their terms of employment.

SINGER PAKISTAN LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2014

21. OPERATING SEGMENTS

These condensed interim financial information have been prepared on the basis of single reportable segment.

21.1 Sales to domestic customers in Pakistan are 100% (30 September 2013: 99.98%) and to customers outside Pakistan are nil (30 September 2013: 0.02%) of the revenue during the nine months ended 30 September 2014.

21.2 All non-current assets of the Company at 30 September 2014 are located in Pakistan.

21.3 Sale to any single customer did not equal or exceed 10% of the Company's revenue during the nine months ended 30 September 2014 and nine months ended 30 September 2013.

22. DATE OF AUTHORISATION

These condensed interim financial statements was authorised for issue by the Board of Directors in their meeting held on 29 October 2014.

23. GENERAL

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

23.2 Provision for bad debts amounting to Rs. 4.42 million included in the comparative figures in marketing, selling and distribution expenses have been included in other operating expenses for better presentation.


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.