

SINGER[®]

SINGER PAKISTAN LIMITED

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

FOR THE THIRD QUARTER ENDED 30 SEPTEMBER

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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	Chief Financial Officer
Mahmood Ahmed	Chief Operating Officer

Company Secretary

Nasir Hussain

Audit Committee

Badaruddin F. Vellani	Chairman
Rasheed Y. Chinoy	Member
Fareed Khan	Member
Abdul Hamid Dagia	Member
Mahmood Ahmed	Member
A. H. Dawood.	Chief Internal Auditor / Secretary to Audit Committee

HR and Remuneration Committee

Kamal Shah	Chairman
Syed Aleem Hussain	Member
Rasheed Y. Chinoy	Member
Fareed Khan	Member
Nasir Hussain	Secretary

Bankers

Al Baraka Bank (Pakistan) Limited
Allied Bank Limited
Askari Bank Limited
Bank Al Falah Limited
Burj Bank Limited
Bank Islami Pakistan Limited
Citibank, N. A.
Dubai Islamic Bank Pakistan Limited
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan 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,
Karachi.

Website

www.singer.com.pk

SINGER PAKISTAN LIMITED

DIRECTORS' REPORT FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2013

The Board of Directors of your Company are pleased to present their report together with the unaudited condensed Interim Financial Statements of the Company for the nine months ended 30 September 2013.

During the period under review, market conditions remained challenging on account of unfavorable law and order situation, adverse economic conditions, increasing power outages and persistent inflation. Heavy monsoon rains and floods also affected the sales of cooling products. Hence, all these factors affected the growth in net revenue of the Company, however, profit after taxation and EPS witnessed a positive growth due to the efforts of the Management.

Gross Margin percentage improved during the period due to favorable sales mix, earned carrying charges and costs controls despite significant devaluation of rupee and inflationary pressures.

Marketing, selling and distribution cost decreased by Rs. 7.9 million, over the same period last year. The Company endeavored to control marketing, selling and distribution cost and to keep it in line with the sales. Administrative Expenses increased by Rs. 3.9 million mainly due to inflation and increased cost of utilities and fuel. Other Operating Expenses increased by Rs. 6.7 million on account of legal & professional charges, high exchange loss and profit-based statutory costs.

Profit from operations before finance cost for the nine months period decreased by 8.8% as compared to the same period last year mainly due to lower net revenue. However, Finance cost decreased significantly by Rs. 20.8 million i.e. 13.1% mainly due to lower interest rates.

Profit after taxation for the nine months period increased significantly by 17.4% whereas Earnings per Share improved to Re. 0.76 against Re. 0.65 in the same period last year.

During the third quarter, sales remained under pressure due to the adverse factors mentioned above, which kept the customers away from the market. However, improved gross margin percentage and lower finance cost during the third quarter, helped the Company to increase profit after taxation by 19% as compared to the same period last year.

As advised in our Annual Report for the year ended 2012 in detail, the Honorable High Court of Sindh has temporarily restrained the Company from issuing right shares and has ordered the Company to maintain status quo as two Directors of the Company have filed a suit in the Court in this regard. The Company has filed its response and has requested the Court to allow the Company to proceed with the rights issue. Currently, the Court has designated the suit file as 'Green File' which means a suit in which an injunction is operating and directions have been issued that such injunction applications are to be disposed at the earliest.

The Board of Directors of your Company has re-appointed Mr. S. Aleem Hussain as the Chief Executive Officer of the Company with effect from 1st January, 2014 for further term of three years. Letter containing terms of appointment of the CEO as required under Sec 218 shall be dispatched to the shareholders in due course of time.

The Management of the Company will remain focused on its key strategies of building up demand for its products through innovative advertising and sales promotions, introduction of diversified and cost effective products and models. The Company expects the business environment to be increasingly challenging during the remaining part of the year as the rising fuel & energy costs coupled with shortage in supply and devaluation of rupee will keep the inflation increasing and will affect the purchasing power of the customers and keep the sale of appliances under pressure.

On behalf of the Board



Syed Aleem Hussain
Chief Executive Officer

Karachi : 30 October 2013

SINGER PAKISTAN LIMITED

CONDENSED INTERIM BALANCE SHEET AS AT 30 SEPTEMBER 2013

	Note	Un-audited 30 September 2013	Audited 31 December 2012
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised capital 70,000,000 (2012: 70,000,000) ordinary shares of Rs. 10 each	5.1	<u>700,000</u>	<u>700,000</u>
Issued, subscribed and paid-up capital	5.2	<u>454,056</u>	412,778
Capital reserve		5,000	5,000
Revenue reserve		117,837	117,837
Unappropriated profit		<u>34,828</u>	41,674
		<u>611,721</u>	<u>577,289</u>
Surplus on revaluation of property, plant and equipment		<u>294,488</u>	291,337
Non-current liabilities			
Long term loans		<u>94,375</u>	145,625
Liabilities against assets subject to finance lease		<u>14,350</u>	14,614
Long term deposits		<u>39,828</u>	37,011
Employee retirement benefits - obligation		<u>15,871</u>	16,483
Deferred tax		<u>141,306</u>	153,057
Deferred income		<u>1,624</u>	2,320
		<u>307,354</u>	<u>369,110</u>
Current liabilities			
Trade and other payables	6	<u>500,307</u>	395,091
Mark-up accrued on short term running finance and long term loans		<u>43,625</u>	47,053
Short term running finance - secured		<u>1,168,248</u>	1,140,798
Current portion of long term loans		<u>75,000</u>	80,834
Current portion of liabilities against assets subject to finance lease		<u>5,503</u>	9,168
		<u>1,792,683</u>	<u>1,672,944</u>
Contingencies and commitments	7	<u>3,006,246</u>	<u>2,910,680</u>
ASSETS			
Non-current assets			
Property, plant and equipment	8	<u>636,903</u>	652,417
Intangible assets		<u>22,425</u>	1,753
Employee retirement benefits - prepayments		-	9,001
Long term deposits		<u>31,879</u>	30,565
		<u>691,207</u>	<u>693,736</u>
Current assets			
Stores, spares and loose tools		<u>5,014</u>	7,260
Stock-in-trade		<u>707,445</u>	710,626
Trade debts	9	<u>1,284,352</u>	1,162,753
Advances, deposits and prepayments		<u>39,001</u>	43,677
Other receivables		<u>17,707</u>	22,624
Taxation - net		<u>88,040</u>	82,861
Investments	10	<u>47,000</u>	44,981
Cash and bank balances		<u>126,480</u>	142,162
		<u>2,315,039</u>	<u>2,216,944</u>
		<u>3,006,246</u>	<u>2,910,680</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 PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2013

	Note	Three months ended 30 September 2013	Nine months ended 30 September 2013	Three months ended 30 September 2012	Nine months ended 30 September 2012
(Rupees in '000)					
Sales		441,191	1,669,630	490,001	1,855,866
Earned carrying charges		100,562	297,304	103,028	291,910
Sales tax / excise duty, commissions and discounts		(87,146)	(322,843)	(90,222)	(337,449)
Net revenue	11	<u>454,607</u>	<u>1,644,091</u>	<u>502,807</u>	<u>1,810,327</u>
Cost of sales	12	(310,569)	(1,213,156)	(351,521)	(1,358,737)
Gross margin		<u>144,038</u>	<u>430,935</u>	<u>151,286</u>	<u>451,590</u>
Marketing, selling and distribution cost		(67,021)	(192,859)	(74,933)	(206,675)
Administrative expenses		(12,017)	(36,687)	(10,693)	(32,744)
Other operating expenses		(8,321)	(20,183)	(3,711)	(13,486)
Profit from operations before finance cost		<u>(87,359)</u>	<u>(249,729)</u>	<u>(89,337)</u>	<u>(252,905)</u>
Finance cost		(45,688)	(138,576)	(53,459)	(159,388)
		<u>10,991</u>	<u>42,630</u>	<u>8,490</u>	<u>39,297</u>
Other income		3,016	9,703	2,235	5,967
Profit before taxation		<u>14,007</u>	<u>52,333</u>	<u>10,725</u>	<u>45,264</u>
Taxation		(5,656)	(17,793)	(3,708)	(15,842)
Profit after taxation		<u>8,351</u>	<u>34,540</u>	<u>7,017</u>	<u>29,422</u>
(Rupee)					
(Restated) (Restated)					
Earnings per share - basic and diluted	13	<u>0.18</u>	<u>0.76</u>	<u>0.15</u>	<u>0.65</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 COMPREHENSIVE INCOME (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2013

	Note	Three months ended 30 September 2013	Nine months ended 30 September 2013	Three months ended 30 September 2012	Nine months ended 30 September 2012
----- (Rupees in '000) -----					
Net profit for the period		8,351	34,540	7,017	29,422
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)	3.1	-	(3,297)	-	-
Comprehensive income transferred to the equity		<u>8,351</u>	<u>31,243</u>	<u>7,017</u>	<u>29,422</u>
Components of comprehensive income not reflected in the equity					
Item to be reclassified to profit or loss in subsequent period		-	-	-	-
Total comprehensive income		<u><u>8,351</u></u>	<u><u>31,243</u></u>	<u><u>7,017</u></u>	<u><u>29,422</u></u>

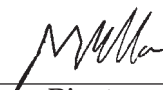
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Chief Executive



Chief Financial Officer



Director

SINGER PAKISTAN LIMITED

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2013

	Note	Nine months ended 30 September 2013	Nine months ended 30 September 2012
CASH FLOWS FROM OPERATING ACTIVITIES			
(Rupees in '000)			
Profit before taxation		52,333	45,264
Adjustment for:			
- Depreciation on property, plant and equipment		25,778	25,726
- Amortisation of intangible assets		350	1,632
- Finance cost		138,576	159,388
- Amortisation of deferred income		(696)	(696)
- Gain on disposal of property, plant and equipment		(369)	(404)
- Provision for staff retirement benefits		4,393	3,228
		220,365	234,138
Working capital changes			
(Increase) / decrease in current assets			
Stores, spares and loose tools		2,246	(683)
Stock-in-trade		3,181	(112,901)
Trade debts		(121,599)	(104,698)
Advances, deposits and prepayments		4,676	(12,222)
Other receivables		4,917	(574)
Increase in current liabilities			
Trade and other payables		105,216	71,349
		(1,363)	(159,729)
Net cash inflow from operations		219,002	74,409
Income tax paid		(26,802)	(26,752)
Finance cost paid		(140,092)	(142,112)
Payment of staff retirement benefits		(882)	(318)
Security deposits received		2,817	1,806
Long term deposits - net		(1,314)	(501)
Net cash inflow / (outflow) from operating activities		52,729	(93,468)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure		(27,672)	(6,907)
Sale proceeds from disposal of property, plant and equipment		825	1,649
Investments made during the period - net		24,981	-
Net cash outflow from investing activities		(1,866)	(5,258)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term loans - net		(57,084)	(11,042)
Lease rentals paid		(9,911)	(17,576)
Net cash outflow from financing activities		(66,995)	(28,618)
Net decrease in cash and cash equivalents		(16,132)	(127,344)
Cash and cash equivalents at beginning of the period		(998,636)	(804,148)
Cash and cash equivalents at end of the period	14	(1,014,768)	(931,492)

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 NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2013

	Issued subscribed and paid-up capital	Capital reserve	Revenue reserve	Unappropriated profit	Total
	(Rupees in '000)				
Balance as at 31 December 2011	375,253	5,000	120,337	35,171	535,761
Transfer from revenue reserve	-	-	(2,500)	2,500	-
Transactions with owners, recorded directly in equity					
Issue of bonus shares for the year ended 31 December 2011 @ 10 %	37,525	-	-	(37,525)	-
Changes in equity for the nine months period ended 30 September 2012					
Total comprehensive income	-	-	-	29,422	29,422
Transfer from surplus on revaluation of property, plant and equipment for the period - net of tax	-	-	-	3,183	3,183
Balance as at 30 September 2012	412,778	5,000	117,837	32,751	568,366
Changes in equity for the three months period ended 31 December 2012					
Total comprehensive income					
- Profit after tax	-	-	-	12,730	12,730
- Remeasurement of defined benefit plan - net of tax (refer note 3.1)	-	-	-	(4,786)	(4,786)
				7,944	7,944
Transfer from surplus on revaluation of property, plant and equipment for the period - net of tax	-	-	-	979	979
Balance as at 31 December 2012	412,778	5,000	117,837	41,674	577,289
Transfer from revenue reserve	-	-	-	-	-
Transactions with owners, recorded directly in equity					
Issue of bonus shares for the year ended 31 December 2012 @ 10 %	41,278	-	-	(41,278)	-
Changes in equity for the nine months period ended 30 September 2013					
Total comprehensive income					
- Profit after tax	-	-	-	34,540	34,540
- Remeasurement of defined benefit plan - net of tax (refer note 3.1)	-	-	-	(3,297)	(3,297)
				31,243	31,243
Transfer from surplus on revaluation of property, plant and equipment for the period - net of tax	-	-	-	3,189	3,189
Balance as at 30 September 2013	454,056	5,000	117,837	34,828	611,721

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 NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2013

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, 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 nine months ended 30 September 2013 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 2012.

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 2012, whereas comparative condensed interim profit or loss account, condensed interim statement of cash flow and condensed interim statement of changes in equity are extracted from the unaudited condensed interim financial statements for the nine months ended 30 September 2012.

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 2012 except for change in accounting policy due to adoption of revised IAS 19 "Employee Benefit" as fully explained in note 3.1 to these condensed interim financial statements.

3.1 During the period the Company has adopted IAS-19 (Revised). The significant changes to IAS 19 are as follows:

- For defined benefit plans, the option to recognition of all actuarial gains and losses immediately in the profit and loss account under allowed alternate treatment (i.e., the full recognition approach) has been removed. As revised, actuarial gains and losses are recognized in other comprehensive income when they occur. Amounts recorded in the profit and loss account are limited to current and past service costs, gains or losses on settlements, and net interest income (expense). All other changes in the net defined benefit obligation are recognized directly in other comprehensive income with no subsequent recycling through the profit and loss account.

SINGER PAKISTAN LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2013

- The revised standard has new or revised disclosure requirements. The disclosures now include quantitative information regarding the sensitivity of the defined benefit obligation to a reasonably possible change in each significant actuarial assumption. The revision has no effect on these condensed interim financial statements.

The adoption of the said amendment has resulted in a change in the Company's accounting policy relating to recognition of actuarial gains and losses (note 3.3 to the annual audited financial statements for the year ended 31 December 2012). Consequently the Company now recognizes all actuarial gains and losses directly in other comprehensive income with no subsequent recycling through the profit and loss account. Earlier the Company under the option available in IAS 19 used to charged the actuarial gains and losses in the profit and loss accounts.

Based on the actuarial valuation conducted in June 2013, the company had recognised an actuarial loss of Rs. 3.297 million directly in other comprehensive income. Had the above referred change not been made, the Company's equity and liability in respect of defined benefit plan as at 30 September 2013 would have been the same as recorded, however, profit after tax for the nine months ended 30 September 2013 would have been lower by 3.297 million (30 September 2012: Rs. nil).

However, the above change in accounting policy have had no effect in the figures of the profit and loss account for the quarter and nine months period ended 30 September 2012.

- 3.2** During the current period, the Company changed its presentation of items of other comprehensive income. Previously, the Company had presented the items of comprehensive income in a continuous statement by displaying two sections i.e. profit and loss and other comprehensive income under single-statement approach. The Company has now decided to present the items of comprehensive income under two-statement approach, i.e. the first statement 'income statement' presents income and expenses recognized in profit and loss and the second statement 'statement of comprehensive income' begins with profit or loss shown immediately after the income statement. This change in presentation has had no impact on the profit or the equity of the Company.

4. ESTIMATES, JUDGMENTS AND FINANCIAL RISK MANAGEMENT

The significant judgments, estimates and assumptions used by the management in preparation of these condensed interim financial statements are same as those applied to the annual audited financial statements for the year ended 31 December 2012.

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 2012.

5. SHARE CAPITAL

5.1 Authorised Capital

This represents 70,000,000 (2012: 70,000,000) ordinary shares of Rs. 10 each amounting to Rs. 700 million (2012: Rs. 700 million).

SINGER PAKISTAN LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2013

5.2 Issued, Subscribed and Paid up Capital

The effect of increase in the paid up capital is only due to issuance of bonus shares for the year ended 31 December 2012 @ 10 % per share as approved in the Annual General Meeting dated 29 April 2013 of the company.

6. TRADE AND OTHER PAYABLES

During the period, trade and other payables net increased by Rs. 105.216 million which mainly comprise of an increase in trade creditors, bills payable and sales tax & excise duty payable amounting to Rs. 37.854 million, Rs. 18.246 million and Rs. 24.169 million respectively.

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, the management believes that no significant liability is likely to occur in these cases. Guarantees have been extended by certain commercial banks on behalf of the company amounting to Rs. 0.181 million (31 December 2012: Rs. 0.181 million).

7.2 During the year 2012, the Company intended to issue right shares. However, two directors of the Company have dissented to the rights issue and have filed a suit against the Company in this respect. The management has responded to the petition and the matter is subjudice.

By its order passed ex-parte on 5 November 2012, the Court has temporarily restrained the Company from issuing right shares and has ordered the Company to maintain status quo. The Company has filed its response and has requested the Court to vacate the ad interim injunction already granted, and to allow the Company to proceed with the rights issue. The proceedings before the High Court are in progress.

7.3 Commitments	30 September 2013 (Un-audited)	31 December 2012 (Audited)
	(Rupees in '000)	
Capital expenditure (software development and vehicles)	17,894	28,930
Outstanding letters of credit	131,904	115,917
8. PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets	636,569	616,702
Capital work-in-progress	334	35,715
	636,903	652,417

SINGER PAKISTAN LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2013

- 8.1 Following is the cost of property, plant and equipment that have been added / transferred during the nine months ended 30 September 2013:

	Nine months ended September 30 2013 (Un-audited)	Nine months ended September 30 2012 (Un-Audited)
	(Rupees in '000)	
Owned		
Building on leasehold land	-	1,549
Leasehold improvements	2,167	1,265
Furniture and equipment	562	1,490
Plant and machinery	2,568	-
Computers	29,854	1,854
	35,151	6,158
Leased		
Plant and machinery	1,100	3,054
Vehicles	2,970	2,116
	4,070	5,170
Capital work in progress-net	(35,382)	194

Following is the net book value of property, plant and equipment disposed off during the nine months ended 30 September 2013.

Owned		
Furniture and equipment	-	49
Vehicles	456	1,196

- 8.2 During the nine months ended 30 September 2013, additions / transfers of Rs. 27.894 million (30 September 2012: Rs. 0.555 million) were made to intangible assets.

SINGER PAKISTAN LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2013

	30 September 2013 (Un-audited)	31 December 2012 (Audited)
(Rupees in '000)		
9. TRADE DEBTS		
 Considered good		
Hire purchase		
- Retail	1,021,039	846,163
- Institutional	243,273	308,421
	<u>1,264,312</u>	<u>1,154,584</u>
Unearned carrying charges	(75,174)	(67,837)
	<u>1,189,138</u>	<u>1,086,747</u>
Dealers	95,214	76,006
	<u>1,284,352</u>	<u>1,162,753</u>
Considered doubtful	22,447	18,028
	<u>1,306,799</u>	<u>1,180,781</u>
Provision for doubtful debts	(22,447)	(18,028)
	<u><u>1,284,352</u></u>	<u><u>1,162,753</u></u>

10. 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 ranging from 8.5% to 9.0% (31 December 2012: 11.93 % to 12%) per annum, maturing on various dates by 17 September 2014.

	Three months ended 30 September 2013	Nine months ended 30 September 2013	Three months ended 30 September 2012	Nine months ended 30 September 2012
(Rupees in '000)				
11. NET REVENUE				
Sales				
- Local	441,191	1,669,277	490,001	1,837,437
- Export	-	353	-	18,429
	<u>441,191</u>	<u>1,669,630</u>	<u>490,001</u>	<u>1,855,866</u>
Earned carrying charges	100,562	297,304	103,028	291,910
	<u>541,753</u>	<u>1,966,934</u>	<u>593,029</u>	<u>2,147,776</u>
Sales tax and excise duty	(51,629)	(199,229)	(49,140)	(194,377)
Commissions and discounts	(35,517)	(123,614)	(41,082)	(143,072)
	<u>(87,146)</u>	<u>(322,843)</u>	<u>(90,222)</u>	<u>(337,449)</u>
	<u><u>454,607</u></u>	<u><u>1,644,091</u></u>	<u><u>502,807</u></u>	<u><u>1,810,327</u></u>

SINGER PAKISTAN LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2013

	Three months ended 30 September 2013	Nine months ended 30 September 2013	Three months ended 30 September 2012	Nine months ended 30 September 2012
..... (Rupees in '000)				
12. COST OF SALES				
Opening stock - finished goods	422,874	456,239	359,436	298,577
Purchases - finished goods	55,742	262,187	81,683	371,733
Cost of goods manufactured	<u>334,248</u>	<u>997,025</u>	<u>330,855</u>	<u>1,108,880</u>
	812,864	1,715,451	771,974	1,779,190
Closing stock - finished goods	<u>(502,295)</u>	<u>(502,295)</u>	<u>(420,453)</u>	<u>(420,453)</u>
	<u>310,569</u>	<u>1,213,156</u>	<u>351,521</u>	<u>1,358,737</u>

13. EARNINGS PER SHARE - basic and diluted

Profit after taxation				
	<u>8,351</u>	<u>34,540</u>	<u>7,017</u>	<u>29,422</u>
..... (Number in '000)				
Weighted average number of ordinary shares	13.1		(Restated)	(Restated)
	<u>45,406</u>	<u>45,406</u>	<u>45,406</u>	<u>45,406</u>
..... (Rupee)				
Earnings per share - basic and diluted			(Restated)	(Restated)
	<u>0.18</u>	<u>0.76</u>	<u>0.15</u>	<u>0.65</u>

13.1 The number of shares for the prior periods have been adjusted for the effect of bonus shares issued during the current period. As a result of which prior period earnings per share (basic and diluted) has been restated.

13.2 There were no convertible dilutive potential ordinary shares in issue as at 30 September 2013 and 30 September 2012.

30 September 2013 (Un-audited)	30 September 2012 (Un-audited)
(Rupees in '000)	

14 . CASH AND CASH EQUIVALENTS

Cash and bank balances	126,480	184,307
Investments	27,000	-
Short term running finance - secured	<u>(1,168,248)</u>	<u>(1,115,799)</u>
	<u>(1,014,768)</u>	<u>(931,492)</u>

SINGER PAKISTAN LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2013

15. 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:

Transactions		Nine months ended	
		30 September 2013 (Un-audited) (Rupees in '000)	30 September 2012 (Un-audited) (Rupees in '000)
Purchases of goods, materials and services	15.1	<u>6,808</u>	<u>3,097</u>
Sales of goods, materials and services		<u>354</u>	<u>-</u>
Royalty	15.2	<u>19,622</u>	<u>16,132</u>
Employee retirement benefits	15.3	<u>8,165</u>	<u>4,850</u>
Remuneration of key management personnel	15.4	<u>27,808</u>	<u>17,413</u>
		30 September 2013 (Un-audited) (Rupees in '000)	31 December 2012 (Audited) (Rupees in '000)
Balance payable / (receivable)			
Purchases of goods, materials and services	15.1	<u>3,281</u>	<u>10,935</u>
Royalty	15.2	<u>90,766</u>	<u>83,889</u>
Employee retirement benefits - Gratuity Scheme	15.3	<u>15,693</u>	<u>16,483</u>
- Pension Scheme		<u>178</u>	<u>(9,001)</u>
Dividend on non-remittable shares		<u>517</u>	<u>517</u>

15.1 Purchases of goods, materials and services are entered into on the basis of agreed terms.

15.2 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.

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

SINGER PAKISTAN LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2013

15.4 There are no transactions with the key management personnel other than under their terms of employments / entitlements which are carried out in accordance with the term of their employment.

16. OPERATING SEGMENTS

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

16.1 Sales to domestic customers in Pakistan are 99.98% (2012: 99.0%) and to customers outside Pakistan are 0.02% (2012: 1.0%) of the revenue during the nine months ended 30 September 2013.

16.2 All non-current assets of the Company at 30 September 2013 are located in Pakistan.

16.3 Sale to any single customer did not equal or exceed 10% of the Company's revenue during the nine months ended 30 September 2013 and nine months ended 30 September 2012.

17. DATE OF AUTHORISATION

These condensed interim financial statements were authorised for issue by the Board of Directors in their meeting held on 30 October 2013.

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.