

SINGER[®]

SINGER PAKISTAN LIMITED

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

FOR THE 1ST QUARTER ENDED 31 MARCH

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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
Yussuff Rasheed Chinoy
Abdul Hamid Dagia
Nasir Hussain
Mahmood Ahmed

Chairman
Chief Executive Officer
(alternate : Fareed Khan)

(alternate : Rasheed Y. Chinoy)

Chief Financial Officer
Chief Operating Officer

Company Secretary

Nasir Hussain

Audit Committee

Badaruddin F. Vellani
Rasheed Y. Chinoy
Fareed Khan
Abdul Hamid Dagia
Mahmood Ahmed
A. H. Dawood.

Chairman
Member
Member
Member
Member
Chief Internal Auditor / Secretary to Audit Committee

HR and Remuneration Committee

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

Chairman
Member
Member
Member
Secretary

Bankers

Al Baraka Bank (Pakistan) Limited
Allied Bank Limited
Askari Bank Limited
Bank Alfalah Limited
Burj Bank Limited
Bank Islami Pakistan Limited
Deutsche Bank AG
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 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 FIRST QUARTER ENDED 31 MARCH 2014

Directors of your Company present their report together with Un-audited Condensed Interim Financial Statements of the Company for the 1st Quarter ended 31st March 2014.

The business environment continued to remain challenging due to law and order situation, tough competition in the consumer appliances market, particularly from the un-organized sector.

During the period, revenue of the Company declined to Rs. 415.9 mln from Rs. 528.2 mln, compared to the previous year due to difficult business environment as mentioned above.

Gross margin declined to Rs. 110.8 mln from Rs. 132.5 mln, due to low sales and earned carrying charges.

Marketing, selling and distribution cost increased to Rs. 113.3 mln from Rs. 62.6 mln, due to inflation and provision for bad and doubtful debts against trade debts and other receivables to cover possible losses.

Administrative expenses increased by Rs. 1.3 mln on account of inflation and other operating expenses were Rs. 2.4 mln positive as against Rs. 4.6 mln negative last year, due to exchange gain.

Loss from operation in the first quarter was Rs. 13.5 mln as against Rs. 53.1 mln profit last year, mainly due to low sales, low earned carrying charges and provision for doubtful debts as explained above.

Loss after taxation is Rs. 39.1 mln as against Rs. 6.3 mln profit in the previous year, mainly due to reasons explained above.

Earnings per share for the first quarter declined to Rs. (0.86) negative, as against Rs. 0.14 positive last year.

As advised in detail in the Company's Annual Report for the year ended December 31, 2013, Suit No. 1507 of 2012 and High Court Appeal No. D-173 of 2013, with respect to the issue of right shares by the Company, are pending before the Honorable High Court of Sindh. Further, the Securities and Exchange Commission of Pakistan ("SECP") has informed the Company that it has not acceded to the Company's request for relaxation from the requirement of Rule 5(ii) of the Companies (Issue of Capital) Rules, 1996. The Company has filed an appeal to the Appellate Bench of the SECP and the matter is currently pending.

The Company will remain focused on increasing sales through effective sales promotion and after sales service; however it is a challenging business environment due to shrinking consumer purchasing power, which affects the consumer durable business.

On behalf of the Board



Syed Aleem Hussain
Chief Executive Officer

Karachi: 26 April 2014

SINGER PAKISTAN LIMITED

CONDENSED INTERIM BALANCE SHEET AS AT 31 MARCH 2014

	Note	Un-audited 31 March 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	5.1	<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
Unappropriated profit		<u>771</u>	<u>38,830</u>
		577,664	615,723
Surplus on revaluation of property, plant and equipment		295,551	296,594
Non-current liabilities			
Long term loans		65,625	73,750
Liabilities against assets subject to finance lease		17,149	14,867
Long term deposits		36,542	40,348
Employee retirement benefits - obligation		20,623	19,380
Deferred tax		167,524	168,086
Deferred income		<u>232</u>	<u>464</u>
		307,695	316,895
Current liabilities			
Trade and other payables	6	<u>560,264</u>	<u>442,738</u>
Mark-up accrued on short term running finance and long term loans		47,329	41,308
Short term running finance - secured		1,233,278	1,289,482
Current portion of long term loans		68,750	84,375
Current portion of liabilities against assets subject to finance lease		5,405	6,517
Current portion of deferred income		<u>928</u>	<u>928</u>
		1,915,954	1,865,348
Contingencies and commitments			
	7	<u>3,096,864</u>	<u>3,094,560</u>
ASSETS			
Non-current assets			
Property, plant and equipment	8	<u>639,269</u>	642,318
Intangible assets		32,616	33,596
Employee retirement benefits - prepayments		396	3,548
Long term deposits		<u>31,943</u>	<u>31,962</u>
		704,224	711,424
Current assets			
Stores, spares and loose tools		7,603	6,123
Stock-in-trade		565,511	631,308
Trade debts	9	1,339,398	1,396,131
Advances, deposits and prepayments		24,683	25,547
Other receivables	10	147,225	17,334
Taxation - net		137,908	113,360
Investments	11	57,900	57,900
Cash and bank balances		<u>112,412</u>	<u>135,433</u>
		2,392,640	2,383,136
		<u>3,096,864</u>	<u>3,094,560</u>

The annexed notes 1 to 20 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 THREE MONTHS ENDED 31 MARCH 2014

	Note	Three months ended 31 March 2014	Three months ended 31 March 2013
		(Rupees in '000)	
Sales		437,394	539,135
Earned carrying charges		69,424	93,756
Sales tax, excise duty, commissions and discounts		<u>(90,968)</u>	<u>(104,659)</u>
Net revenue	12	415,850	528,232
Cost of sales	13	<u>(305,060)</u>	<u>(395,763)</u>
Gross margin		110,790	132,469
Marketing, selling and distribution cost	14	<u>(113,327)</u>	<u>(62,647)</u>
Administrative expenses		<u>(13,386)</u>	<u>(12,107)</u>
Other operating expenses		<u>2,421</u>	<u>(4,642)</u>
(Loss) / Profit from operations before finance cost		<u>(124,292)</u>	<u>(79,396)</u>
Finance cost		<u>(47,710)</u>	<u>(46,394)</u>
		<u>(61,212)</u>	<u>6,679</u>
Other income		<u>3,709</u>	<u>2,973</u>
(Loss) / Profit before taxation		<u>(57,503)</u>	<u>9,652</u>
Taxation		<u>18,401</u>	<u>(3,378)</u>
(Loss) / Profit after taxation		<u>(39,102)</u>	<u>6,274</u>
		----- (Rupee) -----	
(Loss) / Earnings per share - basic and diluted	15	<u>(0.86)</u>	<u>0.14</u>

The annexed notes 1 to 20 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 THREE MONTHS ENDED 31 MARCH 2014

	Three months ended 31 March 2014	Three months ended 31 March 2013
	(Rupees in '000)	
Net (loss) / profit for the period	(39,102)	6,274
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)	-	-
Comprehensive (loss) / income transferred to the equity	<u>(39,102)</u>	<u>6,274</u>
Components of comprehensive income not reflected in the equity		
Item to be reclassified to profit or loss in subsequent period	-	-
Total comprehensive (loss) / income	<u><u>(39,102)</u></u>	<u><u>6,274</u></u>

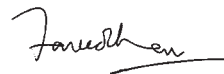
The annexed notes 1 to 20 form an integral part of these condensed interim financial statements.



Chief Executive



Chief Financial Officer



Director

SINGER PAKISTAN LIMITED

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE THREE MONTHS ENDED 31 MARCH 2014

	Note	Three months ended 31 March 2014	Three months ended 31 March 2013
CASH FLOWS FROM OPERATING ACTIVITIES			
(Rupees in '000)			
(Loss) / Profit before taxation		(57,503)	9,652
Adjustment for:			
- Depreciation on property, plant and equipment		7,802	6,579
- Amortisation of intangible assets		1,098	485
- Finance cost		47,710	46,394
- Amortisation of deferred income		(232)	(232)
- Gain on disposal of property, plant and equipment		(318)	-
- Provision for staff retirement benefits		2,121	627
		<u>678</u>	<u>63,505</u>
Working capital changes			
(Increase) / decrease in current assets			
Stores, spares and loose tools		(1,480)	26
Stock-in-trade		65,797	25,598
Trade debts		56,733	36,808
Advances, deposits and prepayments		864	(6,806)
Other receivables		(129,891)	(1,584)
Increase / (decrease) in current liabilities			
Trade and other payables		117,526	(46,655)
		<u>109,549</u>	<u>7,387</u>
Net cash inflow from operations		<u>110,227</u>	<u>70,892</u>
Income tax paid		(6,709)	(11,597)
Finance cost paid		(42,237)	(51,006)
Employee retirement benefits received / (paid)		2,274	(380)
Security deposits (paid) / received		(3,806)	204
Long term deposits - net		19	20
Net cash inflow / (outflow) from operating activities		<u>59,768</u>	<u>8,133</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure		(1,843)	(1,931)
Sale proceeds from disposal of property, plant and equipment		1,476	-
Investments made during the period - net		-	-
Net cash outflow from investing activities		<u>(367)</u>	<u>(1,931)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term loans - net		(23,750)	(13,334)
Lease rentals paid		(2,468)	(3,327)
Net cash outflow from financing activities		<u>(26,218)</u>	<u>(16,661)</u>
Net increase / (decrease) in cash and cash equivalents		<u>33,183</u>	<u>(10,459)</u>
Cash and cash equivalents at beginning of the period		(1,154,049)	(998,636)
Cash and cash equivalents at end of the period	16	<u>(1,120,866)</u>	<u>(1,009,095)</u>

The annexed notes 1 to 20 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 THREE MONTHS ENDED 31 MARCH 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
Total comprehensive income for the three months ended 31 March 2013					
Profit for the period	-	-	-	6,274	6,274
Net actuarial loss recognised directly in 'Other Comprehensive Income' net of tax	-	-	-	-	-
	-	-	-	6,274	6,274
Transfer from surplus on revaluation of property, plant and equipment for the period - net of tax	-	-	-	1,041	1,041
Balance as at 31 March 2013	412,778	5,000	117,837	48,989	584,604
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 31 December 2013					
Profit for the period	-	-	-	29,985	29,985
Net actuarial loss recognised directly in 'Other Comprehensive Income' net of tax	-	-	-	(1,998)	(1,998)
	-	-	-	27,987	27,987
Transfer from surplus on revaluation of property, plant and equipment for the period - net of tax	-	-	-	3,132	3,132
Balance as at 31 December 2013	454,056	5,000	117,837	38,830	615,723
Total comprehensive income for the three months ended 31 March 2013					
Loss for the period	-	-	-	(39,102)	(39,102)
Net actuarial loss recognised directly in 'Other Comprehensive Income' net of tax	-	-	-	-	-
	-	-	-	(39,102)	(39,102)
Transfer from surplus on revaluation of property, plant and equipment for the period - net of tax	-	-	-	1,043	1,043
Balance as at 31 March 2014	454,056	5,000	117,837	771	577,664

The annexed notes 1 to 20 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 THREE MONTHS ENDED 31 MARCH 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, 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 three months ended 31 March 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 cash flow and condensed interim statement of changes in equity are extracted from the unaudited condensed interim financial statements for the three months ended 31 March 2014.

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.

5. SHARE CAPITAL

5.1 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)

SINGER PAKISTAN LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE THREE MONTHS ENDED 31 MARCH 2014

6. TRADE AND OTHER PAYABLES

The change in trade and other payables mainly comprise of an increase in trade creditors, bills payable, accrued liabilities and sales tax & excise duty payable .

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 2013: Rs. 0.181 million).

7.2 As advised in detail in the the Company's Annual Report for the year ended December 31, 2013, Suit No. 1507 of 2012 and High Court Appeal No. D-173 of 2013, with respect to the issue of right shares by the Company, are pending before the Honorable High Court of Sindh. Further, the Securities and Exchange Commission of Pakistan ("SECP") has informed the Company that it has not acceded to the Company's request for relaxation from the requirement of Rule 5(ii) of the Companies (Issue of Capital) Rules, 1996. The Company has filed an appeal to the Appellate Bench of the SECP and the matter is currently pending.

7.3 Commitments

	Un-audited 31 March 2014	Audited 31 December 2013
	(Rupees in '000)	
Capital expenditure (software development)	<u>16,626</u>	<u>17,804</u>
Outstanding letters of credit	<u>126,976</u>	<u>69,142</u>

8. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets	638,935	641,984
Capital work-in-progress	<u>334</u>	<u>334</u>
	<u>639,269</u>	<u>642,318</u>

8.1 Following is the cost of property, plant and equipment that have been added / transferred during the three months ended 31 March 2014:

SINGER PAKISTAN LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE THREE MONTHS ENDED 31 MARCH 2014

	Three months ended 31 March 2014	Three months ended 31 March 2013
(Rupees in '000)		
Owned		
Leasehold improvements	1,105	-
Furniture and equipment	69	-
Plant and machinery	425	-
Computers	126	94
	<u>1,725</u>	<u>94</u>
Leased		
Vehicles	4,186	2,970
	<u>4,186</u>	<u>2,970</u>
Capital work in progress-net	-	1,837

Following is the net book value of property, plant and equipment disposed off during the three months ended 31 March 2014.

	Disposal NBV	
	Three months ended 31 March 2014	Three months ended 31 March 2013
(Rupees in '000)		
Owned		
Vehicles	1,158	-

8.2 During the three month ended 31 March 2014, additions / transfers of Rs. 0.118 million (31 March 2013: Rs Nil) were made to intangible assets.

	Un-audited 31 March 2014	Audited 31 December 2013
(Rupees in '000)		
9. TRADE DEBTS		
Considered good		
Hire purchase		
- Retail	1,090,037	1,121,115
- Institutional	241,347	220,331
	<u>1,331,384</u>	<u>1,341,446</u>
Unearned carrying charges	(53,010)	(52,809)
	<u>1,278,374</u>	<u>1,288,637</u>
Dealers	61,024	107,494
	<u>1,339,398</u>	<u>1,396,131</u>
Considered doubtful	35,714	22,700
	<u>1,375,112</u>	<u>1,418,831</u>
Provision for doubtful debts	(35,714)	(22,700)
	<u>1,339,398</u>	<u>1,396,131</u>

9.1 The Company has recognized a provision of Rs. 30.9 million net of securities available with the Company (2013: Rs. 2.4 million) for doubtful debts while an amount of Rs. 17.9 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 THREE MONTHS ENDED 31 MARCH 2014

10. OTHER RECEIVABLES

Other receivable 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.16.06 million has been made during the period net of securities available with the Company.

11. 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 7.35% to 9.0% (31 December 2013: 7.35 % to 9.0%) per annum, maturing on various dates by 17 September 2014.

	Three months ended 31 March 2014	Three months ended 31 March 2013
12. NET REVENUE		
	(Rupees in '000)	
Sales		
- Local	437,394	539,135
- Export	-	-
	437,394	539,135
Earned carrying charges	69,424	93,756
	506,818	632,891
Sales tax and excise duty	(52,601)	(63,478)
Commissions and discounts	(38,367)	(41,181)
	(90,968)	(104,659)
	415,850	528,232
13. COST OF SALES		
Opening stock - finished goods	433,982	456,239
Purchases - finished goods	26,802	80,985
Cost of goods manufactured	225,026	268,985
	685,810	806,209
Closing stock - finished goods	(380,750)	(410,446)
	305,060	395,763
14. MARKETING, SELLING AND DISTRIBUTION COSTS		
Marketing, selling and distribution cost has increased due to inflation and provision for bad and doubtful debts against trade and other receivables to cover possible losses.		
15. EARNINGS PER SHARE - basic and diluted		
(Loss) / Profit after taxation	(39,102)	6,274
Weighted average number of ordinary shares	15.1	15.1
	45,406	45,406
(Loss) / earnings per share - basic and diluted	----- (Rupee) -----	----- (Rupee) -----
	(0.86)	0.14

15.1 There were no convertible dilutive potential ordinary shares in issue as at 31 March 2014 and 31 March 2013.

SINGER PAKISTAN LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE THREE MONTHS ENDED 31 MARCH 2014

	Un-audited 31 March 2014	Un-audited 31 March 2013
(Rupees in '000)		
16. CASH AND CASH EQUIVALENTS		
Cash and bank balances	112,412	134,558
Investments	-	9,000
Short term running finance - secured	(1,233,278)	(1,152,653)
	<u>(1,120,866)</u>	<u>(1,009,095)</u>

17. 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 31 March 2014 with related parties other than those which have been disclosed elsewhere in these condensed interim financial statements are as follows:

		Three months ended	
		Un-audited 31 March 2014	Un-audited 31 March 2013
----- (Rupees in '000) -----			
Transactions			
Purchases of goods, materials and services	17.1	<u>4,578</u>	<u>2,615</u>
Royalty	17.2	<u>4,865</u>	<u>6,398</u>
Employee retirement benefits	17.3	<u>2,121</u>	<u>1,813</u>
Remuneration to key management personnel	17.4	<u>9,799</u>	<u>9,168</u>
		Un-audited 31 March 2014	Audited 31 December 2013
(Rupees in '000)			
Balance payable / (receivable)			
Purchases of goods, materials and services	17.1	<u>8,292</u>	<u>6,518</u>
Royalty	17.2	<u>101,363</u>	<u>97,138</u>
Employee retirement benefits - Gratuity Scheme	17.3	<u>13,204</u>	<u>11,538</u>
- Pension Scheme		<u>(396)</u>	<u>(3,548)</u>
Dividend on non-remittable shares		<u>517</u>	<u>517</u>

SINGER PAKISTAN LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE THREE MONTHS ENDED 31 MARCH 2014

- 17.1 Purchases of goods, materials and services are entered into at agreed market prices.
- 17.2 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.
- 17.3 Contributions to the employee retirement benefits schemes are made in accordance with the terms of employee retirement benefit schemes and actuarial advice.
- 17.4 Remuneration to the key management personnel are in accordance with their terms of employment.

18. OPERATING SEGMENTS

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

- 18.1 Sales to domestic customers in Pakistan are 100.00% (2013: 100.0%) and to customers outside Pakistan are Nil (2013: Nil) of the revenue during the three months ended 31 March 2014.
- 18.2 All non-current assets of the Company at 31 March 2014 are located in Pakistan.
- 18.3 Sale to any single customer did not equal or exceed 10% of the Company's revenue during the three months ended 31 March 2014 and three months ended 31 March 2013.

19. DATE OF AUTHORISATION

These condensed interim financial statements was authorised for issue by the Board of Directors in their meeting held on 26 April 2014.

20. 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.