

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

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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
M. Mahmood Ahmed
Gavin J. Walker
Badaruddin F. Vellani
Rasheed Y. Chinoy
Abdul Hamid Dagia
Fareed Khan
Bashir Ahmed

Chairman
Chief Executive Officer
(alternate : Qaiser Pervaiz)

Chief Financial Officer

Qaiser Pervaiz

Chief Internal Auditor

A.H. Dawood

Company Secretary

Salman Ahmed

Audit Committee

Badaruddin F. Vellani
Kamal Shah
Rasheed Y. Chinoy
Abdul Hamid Dagia
Fareed Khan
Salman Ahmed

Chairman
Member
Member
Member
Member
Secretary

HR and Remuneration Committee

Kamal Shah
M. Mahmood Ahmed
Rasheed Y. Chinoy
Fareed Khan
Salman Ahmed

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
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.

Web site

www.singer.com.pk

SINGER PAKISTAN LIMITED

DIRECTORS' REPORT FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2015

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 2015.

The business environment continues to be challenging due to tough competition in the Consumer appliances market and turnover of field sales force which is still continuing.

In third quarter of 2015, while sales has increased from Rs. 377.20 million to Rs. 399.81 million, net revenue has remained at the same level.

Marketing, Selling & Distribution expenses in the third quarter reduced to Rs. 74.19 million as against Rs. 77.70 million over the same period last year. Similarly Administrative expenses also decreased to Rs. 12.34 million as against Rs. 13.66 million. Other operating expenses in the third quarter decreased substantially to Rs. 6.01 million as against Rs. 23.85 million mainly due to reduction in provisions taken for doubtful debts against trade debts and other receivables. Moreover, finance cost has reduced to Rs. 35.80 million as against Rs. 50.74 million same period last year due to reduced borrowings and KIBOR.

Loss after taxation for 3 months ended 30 September 2015 is Rs. 22.52 million as against Rs. 38.40 million over the same period last year due to reasons explained above.

During the nine month period, net revenue of the Company is Rs. 1,251.49 million as against Rs. 1,317.23 million over same period last year. Marketing, selling and distribution cost decreased to Rs. 218.69 million from Rs. 230.71 million over the same period last year mainly due to reduction in expenses. Other operating expenses decreased significantly to Rs. 20.54 million during the period as against Rs. 100.58 million over same period last year mainly due to lower provisions for doubtful debts.

Loss after taxation for the nine months period has declined to Rs. 61.22 million as against Loss of Rs. 98.86 million over the same period last year whereas loss per share for the nine months is Rs. (1.35) as against loss per share of Rs. (2.18) for the same period last year due to reasons explained above.

The company continues to grow cash sales and is increasing its dealers` network.

On behalf of the Board



M. MAHMOOD AHMED
Chief Executive Officer

Karachi : 29 October 2015

SINGER PAKISTAN LIMITED

CONDENSED INTERIM BALANCE SHEET AS AT 30 SEPTEMBER 2015

	Note	(Un-audited) 30 September 2015	(Audited) 31 December 2014
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised capital 70,000,000 (2014: 70,000,000) ordinary shares of Rs. 10 each	6	<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 losses		<u>(283,688)</u>	<u>(237,828)</u>
		293,205	339,065
Surplus on revaluation of assets (land and building) - net of tax	10.3.1	593,299	570,152
Non-current liabilities			
Long term loans - secured		51,562	81,875
Liabilities against assets subject to finance lease	7	20,611	8,626
Employee retirement benefits obligation		20,507	19,931
Deferred tax - net		84,570	159,912
Deferred income	7	4,679	-
		<u>181,929</u>	<u>270,344</u>
Current liabilities			
Trade and other payables	8	519,350	499,619
Mark-up accrued on short term running finance and long term loans		34,924	45,934
Short term running finance - secured		1,297,237	1,305,600
Current portion of long term loans		62,942	86,546
Current portion of liabilities against assets subject to finance lease	7	7,340	6,797
Current portion of deferred income	7	1,871	464
		<u>1,923,664</u>	<u>1,944,960</u>
Contingencies and commitments			
	9	<u>2,992,097</u>	<u>3,124,521</u>
ASSETS			
Non-current assets			
Property, plant and equipment	10	993,015	1,032,370
Intangible assets		26,955	29,826
Employee retirement benefits - prepayments		759	-
Long term deposits		30,647	26,802
		<u>1,051,376</u>	<u>1,088,998</u>
Current assets			
Stores, spares and loose tools		5,201	6,613
Stock-in-trade	11	342,659	428,200
Trade debts and other receivables	12	1,322,458	1,317,837
Advances, deposits, prepayments and other receivables		32,967	26,580
Taxation - net	13	132,770	124,251
Investments	14	37,500	51,500
Cash and bank balances		67,166	80,542
		<u>1,940,721</u>	<u>2,035,523</u>
		<u>2,992,097</u>	<u>3,124,521</u>

The annexed notes 1 to 22 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 2015

	Note	Three months ended 30 September 2015	Nine months ended 30 September 2015	Three months ended 30 September 2014	Nine months ended 30 September 2014
----- (Rupees in '000) -----					
Sales		399,814	1,309,074	377,202	1,372,037
Earned carrying charges		60,973	204,140	81,171	236,924
Sales tax, commissions and discounts		(85,463)	(261,720)	(82,263)	(291,727)
Net revenue	15	375,324	1,251,494	376,110	1,317,234
Cost of sales	16	(282,816)	(938,402)	(271,340)	(954,567)
Gross margin		92,508	313,092	104,770	362,667
Marketing, selling and distribution cost		(74,191)	(218,692)	(77,695)	(230,705)
Administrative expenses		(12,335)	(41,760)	(13,658)	(41,208)
Other operating expenses	17	(6,014)	(20,542)	(23,847)	(100,580)
		(92,540)	(280,994)	(115,200)	(372,493)
(Loss) / Profit from operations before finance cost		(32)	32,098	(10,430)	(9,826)
Finance cost		(35,799)	(121,735)	(50,737)	(148,111)
		(35,831)	(89,637)	(61,167)	(157,937)
Other income		3,657	11,444	4,599	12,558
(Loss) / profit before taxation		(32,174)	(78,193)	(56,568)	(145,379)
Taxation	13	9,652	16,973	18,170	46,521
(Loss) / profit after taxation		(22,522)	(61,220)	(38,398)	(98,858)
----- (Rupee) -----					
(Loss) / earnings per share - basic and diluted	18	(0.50)	(1.35)	(0.85)	(2.18)

The annexed notes 1 to 22 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 2015

Note	Three months ended 30 September 2015	Nine months ended 30 September 2015	Three months ended 30 September 2014	Nine months ended 30 September 2014
	----- (Rupees in '000) -----			
Net (loss) for the period	(22,522)	(61,220)	(38,398)	(98,858)
Other comprehensive income	-	-	-	-
Total comprehensive (loss)	<u>(22,522)</u>	<u>(61,220)</u>	<u>(38,398)</u>	<u>(98,858)</u>

Surplus arising on revaluation of land and buildings has been reported in accordance with the requirements of the Companies Ordinance, 1984 below equity and accordingly changes therein are reported directly into equity.

The annexed notes 1 to 22 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 2015

Note	Nine months ended 30 September 2015	Nine months ended 30 September 2014
(Rupees in '000)		
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(78,193)	(145,379)
Adjustment for:		
- Depreciation on property, plant and equipment	36,256	28,271
- Amortisation of intangible assets	2,871	2,910
- Finance cost	121,735	148,111
- Amortisation of deferred income	(464)	(696)
- Gain on disposal of property, plant and equipment	(1,136)	(768)
- Provision for staff retirement benefits	4,482	4,154
	<u>85,551</u>	<u>36,603</u>
Working capital changes		
(Increase) / decrease in current assets		
Stores, spares and loose tools	1,412	(1,145)
Stock-in-trade	85,541	126,821
Trade debts and other receivables	(4,621)	16,098
Advances, deposits, prepayments and other receivables	(6,387)	(4,650)
Increase in current liabilities		
Trade and other payables	19,731	98,479
	<u>95,676</u>	<u>235,603</u>
	<u>181,227</u>	<u>272,206</u>
Income tax paid	(27,878)	(33,922)
Finance cost paid	(130,157)	(140,553)
Payment of staff retirement benefits	(3,906)	326
Long term deposits - net	(3,845)	849
Net cash flows from operating activities	<u>15,441</u>	<u>98,906</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure	(1,465)	(7,161)
Sale proceeds from disposal of property, plant and equipment	29,523	3,340
Investments made during the period - net	14,000	5,900
Net cash flows from investing activities	<u>42,058</u>	<u>2,079</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term loans - net	(53,917)	22,500
Lease rentals paid	(8,595)	(8,367)
Net cash flows from financing activities	<u>(62,512)</u>	<u>14,133</u>
Net (decrease) / increase in cash and cash equivalents	<u>(5,013)</u>	<u>115,118</u>
Cash and cash equivalents at beginning of the period	<u>(1,225,058)</u>	<u>(1,154,049)</u>
Cash and cash equivalents at end of the period	19 <u>(1,230,071)</u>	<u>(1,038,931)</u>

The annexed notes 1 to 22 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 2015

	Issued subscribed and paid-up capital	Capital reserve	Revenue reserve	Unappropriated profit / Accumulated (loss)	Total
	(Rupees in '000)				
Balance as at 1 January 2014	454,056	5,000	117,837	38,830	615,723
Total comprehensive income for the nine months period ended 30 September 2014 - loss for the period	-	-	-	(98,858)	(98,858)
Transfer from surplus on revaluation of assets (land and buildings) for the period - net of tax (incremental depreciation)	-	-	-	3,686	3,686
Balance as at 30 September 2014	454,056	5,000	117,837	(56,342)	520,551
Total comprehensive income for the three months period ended 31 December 2014 - loss for the period	-	-	-	(186,861)	(186,861)
Actuarial loss recognised directly in 'other comprehensive income' net of tax	-	-	-	4,081	4,081
Transfer from surplus on revaluation of assets (land and buildings) for the period - net of tax (incremental depreciation)	-	-	-	(182,780)	(182,780)
Balance as at 31 December 2014	454,056	5,000	117,837	(237,828)	339,065
Total comprehensive income for the nine months period ended 30 September 2015 - loss for the period	-	-	-	(61,220)	(61,220)
Transfer from surplus on revaluation of assets (on sale of a building) - net of tax - Note 10.3.1	-	-	-	6,018	6,018
Transfer from surplus on revaluation of assets (land and buildings) for the period - net of tax (incremental depreciation)	-	-	-	9,342	9,342
Balance as at 30 September 2015	<u>454,056</u>	<u>5,000</u>	<u>117,837</u>	<u>(283,688)</u>	<u>293,205</u>

The annexed notes 1 to 22 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 2015

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 period ended 30 September 2015 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 and the listing regulations of stock exchanges.

These condensed interim financial statements does not include information required for full annual financial statements, and should be read in conjunction with the Company's annual audited financial statements for the year ended 31 December 2014.

The condensed interim financial statements are presented in Pakistan Rupees which is the functional currency of the Company and rounded off to the nearest thousand rupees except stated otherwise.

These condensed interim financial statements have been prepared under the historical cost convention except for leasehold land and buildings which are stated at revalued amount less any subsequent depreciation and impairment losses, if any.

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 2014, whereas comparative condensed interim profit and 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 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 2014.

SINGER PAKISTAN LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2015

New Standards, Interpretations and Amendments

The Company has adapted the following accounting standards and the amendments and interpretations of IFRSs which became effective for the current period:

Standard or Interpretation

IFRS 11 - Joint Arrangements
IFRS 12 - Disclosure of Interests in Other Entities
IFRS 13 - Fair Value Measurements
IAS 19 - Employee Benefit Plans: Employee Contribution
IAS 27 - Separate Financial Statements

The above standards and amendments did not have any impact on the Company's financial information for the current period.

In addition to the above, certain improvements to various accounting standards have also been issued by the IASB. Such improvements are effective for the current accounting period but did not have any material impact on the Company's Financial Statements.

In addition, during the period, the Company entered into a sale and lease back arrangement as mentioned in note 7 to these condensed interim financial information and as such has adopted the following accounting policy:

If a sale and leaseback transaction results in a finance lease, any excess of sales proceeds over the carrying amount is deferred and amortised over the lease term. However, sale proceeds less than the carrying value is immediately recognised in the profit and loss account.

4. ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of the condensed interim financial statements requires management to make judgement, estimates and assumptions that affect the application of accounting policies and the reporting amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and judgments, made by the management in the preparation of condensed interim financial statements are same as those that were applied to the audited financial statements of the company for the year ended 31 December 2014.

5. FINANCIAL RISK MANAGEMENT

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 2014.

6. AUTHORISED CAPITAL

This represents 70,000,000 (2014: 70,000,000) ordinary shares of Rs. 10 each amounting to Rs. 700 million (2014: Rs. 700 million).

7. DEFERRED INCOME / LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

During the period the Company entered in a sale and lease back arrangement of specific items of plant and machinery resulting in deferred income (representing excess of sales proceed over the carrying amount of respective assets) of Rs. 7.486 million, out of which Rs. 1.871 million (31 December 2014: Rs. Nil) is classified in current liabilities, being the current portion of deferred income.

SINGER PAKISTAN LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2015

The deferred income will be amortized and recognised in the profit and loss account over the lease term. During the year Rs. 0.936 million (30 September 2014: Rs. Nil) was amortized and recognised in the profit and loss account.

As per the term of the lease agreement, the amount is repayable in 48 monthly instalments of Rs. 0.39 million by 31 March 2019. The obligation carries mark-up at 6 month KIBOR plus 5% per annum.

8. TRADE AND OTHER PAYABLES

- 8.1** The changes in trade and other payables mainly comprise of increase in trade creditors by Rs. 51.604 million.
- 8.2** 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 waiver for the payment of royalty for the year ending 2015, therefore the company has not accrued royalty charges for the nine months period ended 30 September 2015.

9. CONTINGENCIES AND COMMITMENTS

9.1 Contingencies

- 9.1.1** 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 occur in these cases.
- 9.1.2** The Company has 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 favour of the Company. The Company is confident that no liability is expected to occur in addition to the recorded liability.

The Company had earlier received a sales tax recovery order from the sales tax authorities amounting to Rs. 190.6 million, against which the Company had filed an appeal with the Commissioner Inland Revenue Appeals (CIR Appeals). CIR (Appeals) has deleted one item while the remaining matters were set aside. Moreover, the management based on consultation with its tax advisor, is of the view that matter would be decided in favour of the Company. However, CIR has filed an appeal against Company on the matters of SRO 647/2007 regarding input tax adjustments against 90% output tax and payment of sales tax on instalment sales at the time of receipt of instalment instead at the time when instalment sales are actually being made for which no hearing has been taken place yet. Amount involved is Rs. 171.71 million. However, as mentioned above no potential liability is expected to occur.

- 9.1.3** The Company received a show cause notice on 30 January 2015 from the Federal Board of Revenue (FBR) in respect of short payment of 2% extra sales tax as referred in note 9.1.2 under the Sales Tax Procedures Rules, 2007 as amended by SRO. 896(I)/2013 dated 4 October 2013 and deduction of input tax more than the limit defined under section 8 read with chapter IV of Sales Tax Rules, 2006.

The tax authority in the said notice raised a demand of Rs. 19.91 million and 11.15 million for the period from 1 January 2014 to 30 September 2014 respectively. The Company has replied and submitted explanation with the tax authorities. Since then no further action has been initiated by the tax authorities. Besides the management is also of the view that no adverse implication is expected in addition to the recorded liabilities.

SINGER PAKISTAN LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2015

9.1.4 Refer note 13 also.

(Un-audited) 30 September 2015	(Audited) 31 December 2014
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(Rupees in '000)

9.2 Commitments

Capital expenditure (software development)	<u>17,672</u>	17,064
Outstanding letters of credit (raw materials and components)	<u>30,466</u>	<u>41,905</u>
Lease rental on Ijarah lease	<u>5,418</u>	<u>7,019</u>

10. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

10.1 Details of the balances as at the reporting date were as follows:

Operating fixed assets	992,681	1,029,935
Capital work-in-progress	<u>334</u>	<u>2,435</u>
	<u>993,015</u>	<u>1,032,370</u>

10.2 Following are the details of the cost of property, plant and equipment that have been added during the nine months period ended 30 September 2015:

Nine months ended 30 September 2015	Nine months ended 30 September 2014
--	--

(Rupees in '000)

Owned

Leasehold improvements	299	2,721
Furniture and equipment	857	658
Plant and machinery	2,409	2,678
Computers	-	986
	<u>3,565</u>	<u>7,043</u>

Leased

Plant and machinery	18,535	-
Vehicles	-	2,088
	<u>18,535</u>	<u>2,088</u>
Capital work in progress-net	<u>(2,101)</u>	<u>-</u>

SINGER PAKISTAN LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2015

- 10.3** Following are the details of net book value of property, plant and equipment disposed off during the nine months period ended 30 September 2015.

	Disposal NBV	
	Nine months ended 30 September 2015	Nine months ended 30 September 2014
	(Rupees in '000)	
Owned		
Building on leasehold land	12,342	-
Plant and machinery	11,049	357
Vehicles	320	2,179
Computers & software	-	36

- 10.3.1** Surplus on the earlier revaluation of the building on its disposal amounting to Rs. 9.73 million have been transferred to equity. Net of tax, the amount is Rs. 6.018 million. In addition balance of surplus on revaluation of fixed assets net of deferred tax increased by Rs. 40.85 million due to change in tax rates.

11. STOCK IN TRADE

During the period the Company adjusted provision of Rs. 9.76 million (31 December 2014: provision of Rs. 7.50 million) due to sale resulting in the balance of provision against slow moving and damaged items of Rs. 3.96 million as at the period end (31 December 2014: Rs. 13.717 million).

	(Un-audited) 30 September 2015	(Audited) 31 December 2014
	(Rupees in '000)	

12. TRADE DEBTS AND OTHER RECEIVABLES

Considered good

Hire purchase		
- Retail	933,705	950,659
- Institutional	222,986	218,261
	1,156,691	1,168,920

Unearned carrying charges	(35,601)	(79,783)
	1,121,090	1,089,137

Dealers	36,821	48,777
	1,157,911	1,137,914

Other receivables	12.2 164,547	179,923
	1,322,458	1,317,837

Considered doubtful	207,594	207,520
	1,530,052	1,525,357

Provision for doubtful debts and other receivables	12.2 & 12.3 (207,594)	(207,520)
	1,322,458	1,317,837

- 12.1** The remaining instalment period of above trade debts are generally for a period ranging from six months to twelve months carrying interest rates ranging between 7% to 32%.

SINGER PAKISTAN LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2015

- 12.2** Other receivables comprise of amounts recoverable from the current and former field employees amounting to Rs. 293.1 million (31 December 2014: Rs. 329.06 million) out of which 128.5 million (31 December 2014: Rs. 149.1 million) is considered as doubtful. Provision of Rs. 128.5 million has been made against this balance, net of securities and insurance claims available with the Company.
- 12.3** During the period the Company recognised a provision of Rs. 7.492 million net of securities available with the Company (2014: Rs. 84.164 million) for doubtful debts while an amount of Rs. 7.418 million (2014: Rs. 22.68 million) was written off against provision.

13. TAXATION

- 13.1** A Divisional Bench of the Sindh High Court (SHC) in May 2013 had held that where no tax is payable due to tax losses, minimum tax cannot be carried forward for adjustment against the future tax liability.

The Company based on its tax advisor's advice considers that strong grounds are available whereby the aforesaid decision can be challenged and an appeal against the aforesaid decision has already been filed before the Supreme Court of Pakistan by other companies. In view of above, the Company is confident that the ultimate outcome in this regard would be favourable. Hence no provision in this respect amounting to Rs. 45.77 million (including Rs. 8.53 million for the current period) has been made in these condensed interim financial statements.

- 13.2** The income tax assessments of the Company have been finalised up to and including the tax year 2007. The Company had applied for Income tax refund for the tax years 2006, 2007, 2008, 2009, 2010 and 2011. Income tax refund orders were received for the tax years 2009, 2010 and 2011.

Income tax refund was released for the tax year 2009. However, the ACIR amended the deemed assessed orders under section 122 (5A) of the Income Tax Ordinance, 2001 for the tax years 2009, 2010, 2011 and 2012 and demanded additional income tax amount of Rs. 19.98 million. However, the Company has filed an application for the rectification of orders for the net tax demand of Rs. 1.05 million (after adjustment of the refund of related years) under section 221 of the Income Tax Ordinance, 2001. Appeals have been filed to CIR(A) against these orders.

Company has received appellate orders for the tax years 2009, 2010, 2011, 2012, dated 29 June 2015 where CIR (appeals) has set aside certain issues for reassessment and deleted certain items.

For these tax years while it has maintained the apportionment of expenses between FTR and NTR income, other income attributable to NTR income, bad debts written off against the NTR income, etc. appeal will be filed with Appellate Tribunal Inland revenue against these issues. Additional tax demand is Rs. 52.26 million. However, the Company based on discussion with its tax advisors is of the view that ultimate decisions are expected in its favour and as such no provision there against has been made.

In respect of certain tax years, the Company will be filing appeals with Appellate Tribunal Inland Revenue authorities for disallowances. However, no adverse liability is expected to occur in any of the above cases.

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2015

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 ranging from 6.3% to 7.4% (31 December 2014: 9.25 % to 9.6%) per annum, maturing on various dates by 28 December 2015.

15. NET REVENUE

	Three months ended 30 September 2015	Nine months ended 30 September 2015	Three months ended 30 September 2014	Nine months ended 30 September 2014
----- (Rupees in '000) -----				
Sales				
- Local	399,814	1,309,074	377,202	1,372,037
- Export	-	-	-	-
	<u>399,814</u>	<u>1,309,074</u>	<u>377,202</u>	<u>1,372,037</u>
Earned carrying charges	60,973	204,140	81,171	236,924
	<u>460,787</u>	<u>1,513,214</u>	<u>458,373</u>	<u>1,608,961</u>
Sales tax and excise duty	(50,546)	(156,638)	(45,559)	(168,765)
Commissions and discounts	(34,917)	(105,082)	(36,704)	(122,962)
	<u>(85,463)</u>	<u>(261,720)</u>	<u>(82,263)</u>	<u>(291,727)</u>
	<u>375,324</u>	<u>1,251,494</u>	<u>376,110</u>	<u>1,317,234</u>

16. COST OF SALES

Opening stock - finished goods				
- own manufactured	230,907	243,845	255,273	357,644
- purchased for resale	39,797	46,037	42,260	76,338
Purchases - finished goods	66,145	234,055	85,339	120,458
Cost of goods manufactured	200,896	669,394	232,233	743,892
	<u>537,745</u>	<u>1,193,331</u>	<u>615,105</u>	<u>1,298,332</u>
Closing stock - finished goods				
- own manufactured	(223,091)	(223,091)	(298,173)	(298,173)
- purchased for resale	(31,838)	(31,838)	(45,592)	(45,592)
	<u>282,816</u>	<u>938,402</u>	<u>271,340</u>	<u>954,567</u>

17. OTHER OPERATING EXPENSES

These include provision for bad and doubtful debts amounting to Rs. 7.492 million (30 September 2014: Rs. 84.164 million).

18. (LOSS) PER SHARE - basic and diluted

(Loss) after taxation				
	<u>(22,522)</u>	<u>(61,220)</u>	<u>(38,398)</u>	<u>(98,858)</u>
----- (Number in '000) -----				
Weighted average number of ordinary shares	18.1	45,406	45,406	45,406
		<u>45,406</u>	<u>45,406</u>	<u>45,406</u>
----- (Rupee) -----				
(Loss) per share - basic and diluted		<u>(0.50)</u>	<u>(1.35)</u>	<u>(0.85)</u>
		<u>(0.50)</u>	<u>(1.35)</u>	<u>(0.85)</u>

18.1 There were no convertible dilutive potential ordinary shares in issue as at reporting date.

SINGER PAKISTAN LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2015

	(Un-audited) 30 September 2015	(Un-audited) 30 September 2014
19. CASH AND CASH EQUIVALENTS	(Rupees in '000)	
Cash and bank balances	67,166	125,626
Short term running finance - secured	<u>(1,297,237)</u>	<u>(1,164,557)</u>
	<u>(1,230,071)</u>	<u>(1,038,931)</u>

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	(Un-audited) 30 September 2015	(Un-audited) 30 September 2014
Nine months ended			
----- (Rupees in '000) -----			
Transactions			
Purchases of goods, materials and services	20.1	<u>9,802</u>	<u>10,199</u>
Royalty	8.2	<u>-</u>	<u>(96,951)</u>
(Encashment) / investment on term deposit placement and accrued interest thereon		<u>(18,500)</u>	<u>18,500</u>
Interest earned on term deposit placement		<u>433</u>	<u>-</u>
Employee retirement benefits	20.2	<u>5,746</u>	<u>8,305</u>
Remuneration of key management personnel	20.3	<u>29,362</u>	<u>30,175</u>
		(Un-audited) 30 September 2015	(Audited) 31 December 2014
Balance payable / (receivable)		(Rupees in '000)	
Payable against purchases of goods, materials and services	20.1	<u>2,066</u>	<u>7,971</u>
Investment in term deposit placement		<u>-</u>	<u>18,500</u>
Employee retirement benefits - gratuity scheme	20.2	<u>9,386</u>	<u>7,866</u>
- pension scheme	20.2	<u>(759)</u>	<u>2,674</u>
- provident fund	20.2	<u>774</u>	<u>812</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 NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2015

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

20.2 Contributions to the employee retirement benefits schemes and accrual of liabilities and expenses are made in accordance with the terms of employee retirement benefit schemes and actuarial advice. Contributions to Provident Fund are made in accordance with the service rules.

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

21. OPERATING SEGMENTS

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

21.1 Sales to domestic customers in Pakistan are 100% (30 September 2014: 100%) and to customers outside Pakistan are nil (30 September 2014: nil) of the revenue during the nine months period ended 30 September 2015.

21.2 All non-current assets of the Company at 30 September 2015 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 period ended 30 September 2015.

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 2015.


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.