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SINGER INDUSTRIES (CEYLON) PLC

**INTERIM FINANCIAL STATEMENTS FOR THE
PERIOD ENDED 30TH SEPTEMBER 2018**

STATEMENT OF FINANCIAL POSITION

As at 30th September	Note	2018 Rs'000	2017 Rs'000	December 2017 Rs'000
A S S E T S				
Non-Current Assets				
Property, Plant & Equipment		942,624	950,147	947,370
Investment Property		200,000	150,000	200,000
Investment in Equity Accounted Investee		70,292	62,288	68,549
Other Receivables		860	1,970	853
		1,213,776	1,164,405	1,216,772
Current Assets				
Inventories		122,140	112,709	97,606
Trade and Other Receivables		1,168	4,871	1,920
Amounts Due from Related Parties		91,001	107,760	101,031
Prepayments		4,554	1,022	3,502
Income Tax Recoverable		-	5,135	5,119
Investment in Fixed Deposits		133,608	119,299	122,905
Cash and Cash Equivalents		6,431	15,458	17,934
		358,902	366,254	350,017
Total Assets		1,572,678	1,530,659	1,566,789
E Q U I T Y A N D L I A B I L I T I E S				
Equity				
Stated Capital	2	100,004	38,463	38,463
Capital Reserves		583,964	890,077	655,522
Revenue Reserves		458,915	438,666	503,844
Total Equity		1,142,883	1,367,206	1,197,829
Non-Current Liabilities				
Deferred Tax Liabilities		237,563	10,188	238,641
Employee Benefits		57,733	45,082	51,524
		295,296	55,270	290,165
Current Liabilities				
Trade and Other Payables		50,915	90,866	59,259
Provisions		9,473	11,198	7,639
Amounts due to Related Parties-Non Trade		240	-	5,552
Income Tax Payable		2,509	-	-
Dividend Payable		1,948	1,517	1,168
Loans and Borrowings		69,414	4,602	5,177
		134,499	108,183	78,795
Total Liabilities		429,795	163,453	368,960
Total Equity and Liabilities		1,572,678	1,530,659	1,566,789
Net Assets per Share		114.28	355.46	311.42

I certify that the Financial Statements of the Company comply with the requirements of the Companies Act No 7 of 2007.

(sgd.)

Vinod Gamage

Chief Finance Officer

The Board of Directors is responsible for the preparation and presentation of these financial statements.

Signed for and on behalf of the Board by,

(sgd.)

M.H.Wijewardene
Director

Colombo

09th November 2018

(sgd.)

K.D.Kospelwatta
Director

Interim Financial Statements For the Period Ended 30th September 2018

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Period Ended 9/30/2018 Rs'000	Period Ended 9/30/2017 Rs'000	Variance Rs'000	Variance %
Revenue	483,167	467,887	15,280	3%
Cost of Sales	(487,657)	(476,552)	(11,105)	2%
Gross Profit/(Loss)	(4,490)	(8,665)	4,175	48%
Other Income	15,018	8,247	6,771	82%
Administrative Expenses	(9,540)	(4,960)	4,580	92%
Distribution Cost	(2,178)	(2,269)	(91)	-4%
Finance Income	12,667	11,503	1,164	
Finance Cost	(3,604)	(118)	(3,486)	
Net Finance Income	9,063	11,385	(2,322)	-20%
Share of Profit of Equity Accounted Investee (Net of Income Tax)	1,744	1,746	(2)	0%
Profit Before Taxation	9,617	5,484	4,133	75%
Income Tax Expense	(3,389)	(1,047)	(2,342)	224%
Profit for the Period	6,228	4,437	1,790	40%
Other Comprehensive Income				
Revaluation of Property, Plant and Equipment	-	-	-	-
Remeasurements of Defined Benefit Liability/ (Asset)	-	-	-	-
Related Tax	-	-	-	-
Other Comprehensive Income - (Net of Tax)	-	-	-	-
Total Comprehensive Income	6,228	4,437	1,790	40%
Basic Earnings per Share	0.62	1.15		

Accounting Policies of Interim Accounts are the same as in 2017 Annual Financial Statements.
Figures in brackets indicate deductions.

Share Prices

	Period Ended 9/30/2018	Period Ended 9/30/2017
Highest	Rs.175.00	Rs.174.00
Lowest	Rs.66.00	Rs.120.00
Last Traded Price	Rs.66.10	Rs.146.40

Interim Financial Statements For the Period Ended 30th September 2018

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Quarter Ended 9/30/2018 Rs'000	Quarter Ended 9/30/2017 Rs'000	Variance Rs'000	Variance %
Revenue	131,155	120,553	10,602	9%
Cost of Sales	(133,001)	(128,772)	(4,229)	3%
Gross Profit/(Loss)	(1,846)	(8,219)	6,373	78%
Other Income	4,539	2,748	1,791	65%
Administrative Expenses	(3,294)	(1,355)	(1,939)	143%
Distribution Cost	(351)	(478)	128	-27%
Finance Income	4,308	4,465	(157)	
Finance Cost	(1,642)	(5)	(1,637)	
Net Finance Income	2,666	4,460	(1,794)	-40%
Share of Profit of Equity Accounted Investee (Net of Income Tax)	577	553	23	4%
Profit Before Taxation	2,291	(2,291)	4,582	200%
Income Tax Expense	391	796	(405)	-51%
Profit for the Quarter	2,682	(1,495)	4,177	279%
<u>Other Comprehensive Income</u>				
Revaluation of Property, Plant and Equipment	-	-	-	-
Remeasurements of Defined Benefit Liability/ (Asset)	-	-	-	-
Related Tax	-	-	-	-
Other Comprehensive Income - (Net of Tax)	-	-	-	-
Total Comprehensive Income for the Quarter	2,682	(1,495)	4,177	279%
Basic Earnings/(Loss) per Share	0.27	(0.39)		

Accounting Policies of Interim Accounts are the same as in 2017 Annual Financial Statements. Figures in brackets indicate deductions.

Share Prices

	Quarter Ended 9/30/2018	Quarter Ended 9/30/2017
Highest	Rs.175.00	Rs.168.90
Lowest	Rs.66.00	Rs.142.20
Last Traded Price	Rs.66.10	Rs.146.40

STATEMENT OF CHANGES IN EQUITY

	Attributable to Owners of the Company				Total Equity Rs'000	
	Stated Capital Rs'000	Capital Reserves		Revenue Reserves		
		Revaluation Reserve Rs'000	General Reserve Rs'000	Retained Earnings Rs'000		
Balance as at 1st January 2017	38,463	890,077	61,484	397,745	1,387,769	
<u>Total Comprehensive Income for the Nine Month ended 30th September 2017</u>						
Profit for the Nine months	-	-	-	4,437	4,437	
<u>Other Comprehensive Income</u>	-	-	-	-	-	
Revaluation Land & Building	-	-	-	-	-	
Related tax	-	-	-	-	-	
Other Comprehensive Income for the six Months	-	-	-	-	-	
Transactions with the owners of the Company, recognised directly in the equity						
Dividend of Rs. 6.50/- per share for 2016	-	-	-	(25,001)	(25,001)	
Realisation of Revaluation Surplus	-	-	-	-	-	
Balance as at 30th September 2017	38,463	890,077	61,484	377,181	1,367,206	
<u>Total Comprehensive Income for the Three Month ended 31st December 2017</u>						
Profit for the Three months	-	-	-	63,972	63,972	
<u>Other Comprehensive Income</u>						
Revaluation Land & Building	-	-	-	-	-	
Actuarial Loss on Retirement Benefit Obligation	-	-	-	(1,282)	(1,282)	
Related tax	-	-	-	359	359	
Deferred tax on revaluation of land	-	(232,425)	-	-	-	
Other Comprehensive Income for the six Months	-	(232,425)	-	(923)	(233,348)	
	-	(232,425)	-	63,049	(169,376)	
Realisation of Revaluation Surplus	-	(2,129)	-	2,129	-	
Balance as at 31st December 2017	38,463	655,523	61,484	442,359	1,197,829	
<u>Total Comprehensive Income for the Nine Months ended 30th September 2018</u>						
Profit for the Nine months	-	-	-	6,228	6,228	
Bonus Issue	61,541	(71,559)	-	-	(10,018)	
<u>Other Comprehensive Income</u>						
Revaluation Land & Building	-	-	-	-	-	
Related tax	-	-	-	-	-	
Other Comprehensive Income for the six months	-	-	-	-	-	
Transactions with the owners of the Company, recognised directly in the equity						
Dividend of Rs.13.40 per share for 2017	-	-	-	(51,156)	(51,156)	
Realisation of Revaluation Surplus	-	-	-	-	-	
Balance as at 30th September 2018	100,004	583,964	61,484	397,431	1,142,883	

Interim Financial Statements For the Period Ended 30th September 2018

STATEMENT OF CASH FLOW

For the period ended 30th September	2018 Rs. '000	2017 Rs. '000
Cash Flows From Operating Activities		
Profit Before Income Tax Expense	9,617	5,484
<i>Adjustments for;</i>		
Share of (Profit)/Loss of Equity Accounted Investee	(1,744)	(1,746)
Depreciation on Property , Plant & Equipment	5,581	6,574
Gain on Disposal of Property, Plant & Equipment	-	(300)
Change in Fair Value of Investment Property	-	-
Impairment of machineries	-	-
Interest Income	(12,667)	(11,503)
Interest Expense	3,604	118
Provision/(reversal) for Obsolete Inventories	-	-
Provision for Employee Benefits	8,444	2,118
Operating Profit before Working Capital Changes	12,835	745
(Increase)/Decrease in Inventories	(24,534)	13,737
(Increase)/ Decrease in Other Receivables	(6)	865
(Increase)/Decrease in Trade Dues from Related Companies	10,271	3,442
Increase /(Decrease) in Trade and Other Payables	(12,362)	5,250
Cash Generated from Operations	(13,796)	24,039
Interest Paid	(3,604)	(118)
Retiring Gratuity Paid	(2,943)	(1,561)
Income Tax Paid	(6,150)	(6,751)
Net Cash Flows from/(used in) Operating Activities	(26,493)	15,609
Cash Flows from Investing Activities		
Proceeds from Disposal of Property Plant & Equipment	-	300
Acquisition of Property, Plant & Equipment and Intangible Assets	(835)	(148)
(Investment)/Withdrawal of Fixed Deposits	(10,703)	(8,974)
Interest Income received	12,667	11,503
Net Cash Flows from/(used in) Investing Activities	1,129	2,681
Cash Flows From Financing Activities		
Dividends Paid	(50,376)	(24,328)
Net Cash Flows used in Financing Activities	(50,376)	(24,328)
Net Increase/(Decrease) in Cash and Cash Equivalents	(75,740)	(6,038)
Cash and Cash Equivalents at the beginning of the year	12,757	16,893
Cash and Cash Equivalents at the end of the period	(62,983)	10,855

Notes to the Financial Statements

1 Interim Financial Statements

The Interim Financial Statements of the Company have been prepared on the basis of the same accounting policies and methods applied for the period ended 31st December 2017, are in compliance with Sri Lanka Accounting Standards -LKAS 34 - "Interim Financial Reporting".

*** The Interim Financial Statements are provisional and subject to audit.**

2 General

	30th Sep 2018	30th Sep 2017
Stated Capital	100,003,800	38,463,000
Number of Shares - Ordinary Shares	10,000,380	3,846,300
Voting Rights	One vote per ordinary share	One vote per ordinary share

2.1 The Board of Singer Industries (Ceylon) PLC capitalized its reserves of Rs. 71,559,069.76 (Including related taxes of Rs. 10,018,269.76), as required by CSE listing rule No 5.3 in issuing of shares credited as fully paid up, i.e. 6,154,080 no of Ordinary Shares have been issued (8 new ordinary shares for each 5 existing ordinary shares) in order to meet the listing requirement of Diri Savi Board of CSE.

3 Commitments and Contingencies

3.1 Capital Expenditure Commitments

The company does not have significant capital commitments as at the reporting date.

3.2 Contingencies :

Financial Commitments

The company does not have significant financial commitments as at the reporting date.

4 Events Occurring after the Reporting Date

No circumstances have arisen since the reporting date, which would require adjustments or disclosures in financial statements except the following,

- The appointment of Mr. M.H.Wijewardene as an Executive Director and Chief Executive Officer of Singer Industries (Ceylon) PLC with effect from 1st November 2018.

- Mr.H.A.Pieris relinquished his duties as an Executive Director and Chief Executive Officer of Singer Industries (Ceylon) PLC with effect from 31st October 2018.

5 Related Party Disclosure

The Company carries out transaction in the ordinary course of its business with parties who are defined as related parties in Sri Lanka Accounting Standard (LKAS 24) -"Related Party Disclosure", the details of which are reported below.

5.1 Parent and Ultimate Controlling Party

Singer (Sri Lanka) PLC is the parent company of Singer Industries (Ceylon) PLC. The Hayleys PLC is the ultimate parent company of Singer Industries (Ceylon) PLC.

On 15th October 2018, Hayleys PLC purchased the balance 35,562,883 (9.47%) ordinary shares held by Retail Holdings (Sri Lanka) BV in Singer (Sri Lanka) PLC at a price of Rs.47/- per share upon Retail Holdings (Sri Lanka) BV exercising their option to sell its shares to Hayleys PLC as previously agreed. After accepting this offer, Hayleys PLC together with its group Companies holds 90.43% (80.96% previously) of Singer(Sri Lanka) PLC.

Interim Financial Statements For the Period Ended 30th September 2018

Notes to the Financial Statements

6 <u>Twenty Largest Shareholders</u>		September 2018	
Name		No of Shares	%
1	Singer (Sri Lanka) PLC	8,772,314	87.72
2	J.B.Cocoshell (Pvt) Ltd	84,219	0.84
3	Union Investments Private Ltd	82,680	0.83
4	Mr.U.I.Suriyabandara	66,032	0.66
5	Mr.G.C.Goonetilleke	29,915	0.30
6	Mr.A.L.M.Hussain	26,000	0.26
7	Mrs.Z.T.Jafferjee	21,899	0.22
8	Mrs.C.D.D.Kumari	17,550	0.18
9	Dr.D.Jayantha	17,000	0.17
10	Mr.S.Nishyanthan	15,600	0.16
	Mr.W.D.D.R.Mahatantila	15,600	0.16
11	Mr.S.Aravinthan	13,260	0.13
12	Mrs.M.J.Thambinayagam	13,000	0.13
	The Incorporated Trustees of the Church of Ceylon	13,000	0.13
13	Mr.S.Ramanathan	12,329	0.12
14	Mr.A.M.R.Adasooriya	11,960	0.12
15	Mr.A.N.Majeed	10,730	0.11
16	Mr.L.N.S.K.Samarasinghe	10,670	0.11
17	Mr.A.R.Jayasinghe	10,345	0.10
18	Mr.P.D.Hennayake	9,620	0.10
19	Mr.S.S.Poholiyadde	8,710	0.09
20	Mrs.J.Shakeila	8,106	0.08
	Total	9,270,539	92.72

7 <u>Director's and CEO's Shareholdings as at :</u>		30th September 2018	30th September 2017
Name of the Director		No of Shares	No of Shares
Mr. A.M.Pandithage (Chairman)		-	-
Mr.H.A.Pieris (Resigned with effect from 31 October 2018)		-	-
Mr.M.H.Wijewardene (Appointed with effect from 01 November 2018)		-	-
Mr. V.G.K.Vidyaratne		260	100
Mr. K.D.Kospelwatta		520	200
Mr.S.C.Ganegoda		-	-
Mr.M.H.Jamaldeen		-	-
Mr.N.L.S.Josep		-	-
Mr.G.Guaratne		-	-
Mr.D.K.De Silva Wijeyeratne		-	-
Mr.G.J.Walker (Resigned with effect from 4th July 2018)		-	-
Mr.A.C.M.Irzan (Alternative Director) (Resigned with effect from 4th July 2018)		-	-

8	No. of Shareholders	No. of Shares	%
Shares held by public	1,012	1,227,286	12.27

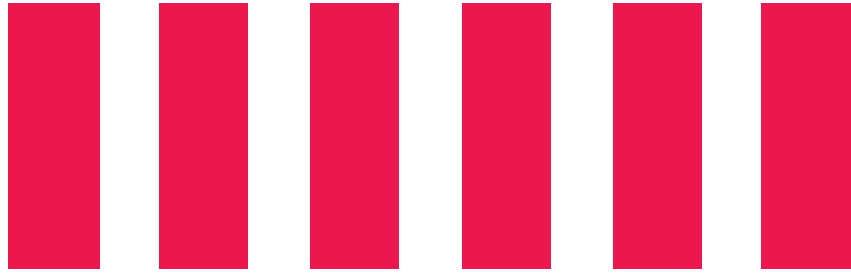
9 Float Adjusted Market Capitalization

Float Adjusted Market Capitalization is Rs.81,107,782 as at 30.09.2018.

The Company was not in compliance with the public holding requirement specified in Listing Rules 7.13.1 (a). However, the ordinary voting shares of the company transferred to the Diri Savi Board of CSE with effect from 15th October 2018 and from that date company is in compliance.

10 Company Secretary

Hayleys Group Service (Private) Limited
Contact No: 0112627650



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SINGER INDUSTRIES (CEYLON) PLC
Interim Financial Statements For the Period Ended
30th September 2018