

## SINGER BANGLADESH LIMITED

Notes to Financial Statements as at and for the half Year ended 30 June 2011

### 1. Company and its activities

#### 1.1 The Company

Singer Bangladesh Limited was incorporated as a private limited company on 04 September 1979 under Companies Act 1913. It was converted into a public limited company in 1983 when it offered its shares to the public with the requisite permission from the Government. The shares of the Company are publicly traded in Dhaka Stock Exchange and Chittagong Stock Exchange.

#### 1.2 Nature of business

Principal activities of the Company throughout the year were manufacturing and marketing of televisions, motor cycles, electric cables and marketing of televisions, refrigerators, air-conditioners, sewing machines and other consumer electronics and household appliances.

### 2. Significant accounting policies

#### 2.1 Accounting basis and statements

The financial statements of the Company have been prepared under historical cost convention in accordance with generally accepted accounting principles as laid down in the International Accounting Standards (IASs) applicable to the Company as adopted by the Institute of Chartered Accountants of Bangladesh. Wherever appropriate, such principles are explained in the succeeding notes.

No adjustments have been made for inflationary factors affecting the financial statements. No changes in the basis of accounting like valuation of stocks, method of charging depreciation, etc were made during the year 2009.

#### 2.2 Compliance with local law

The financial statements have been prepared in compliance with the requirement of Bangladesh Accounting Standard 34 "Interim Financial Reporting" and the Securities and Exchange Rules 1987.

#### 2.3 Revenue recognition

Sales under hire purchase system are recorded at the date of sale. The charge to cover interest on unrealised instalments are taken to income as earned carrying charges after the instalments are received.

#### 2.4 Earnings per share

The company presents basic and adjusted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares during the period, adjusted for the effect of change in number of shares for bonus issue.

### 3. Property, plant and equipment

	Amounts in Taka	
	30 June 2011	31 Dec 2010
Property, plant and equipment at cost	1,043,805,098	1,023,069,548
Accumulated Depreciation	(396,956,101)	(367,182,056)
	646,848,997	655,88,492
<b>4. Investments</b>		
Investment in Central Depository Bangladesh Ltd (CDBL)	4,416,700	4,416,700

## SINGER BANGLADESH LIMITED

Notes to Financial Statements as at and for the half Year ended 30 June 2011

	Amounts in Taka	
	30 June 2011	31 Dec 2010
<b>5. Inventories</b>		
Finished goods	1,170,152,252	882,376,107
Raw materials		
In hand	86,999,619	62,340,437
In transit	192,188,400	82,183,719
	279,188,020	144,524,156
Work-in process	37,658,765	13,433,906
	1,486,999,037	1,040,334,169
Less: Provision for obsolescence of inventories	31,122,852	31,122,852
	1,455,876,185	1,009,211,317

### 6. Trade and other receivables

Hire receivable from customers	595,126,021	440,034,796
Receivable from dealers	118,288,987	71,655,911
Receivable from employees	7,263,105	5,589,687
Other receivables	9,298,883	25,229,717
	729,976,996	542,510,111

### 7. Advances, deposits and prepayments

Advances to		
Third parties	7,992,800	26,887,685
Current accounts with shops	2,901,648	12,830,469
Car loan-employees	260,000	320,000
Employees-against expenses	2,074,030	523,991
Postage-franking machine	14,352	4,352
	13,242,830	40,566,497
Prepayments	150,103,028	105,783,467
Deposits-security deposits	11,769,251	11,528,251
	175,115,109	157,878,215

### 8. Cash and Cash Equivalents

In hand	273,003	334,515
At banks — on current accounts	13,362,423	122,413,515
— Short term deposit	251,951,695	1,308,847,425
— in transit	33,899,486	50,573,137
	299,486,606	14,82,168,592

### 9. Trade and Other Payables

Royalty	59,890,474	37,526,906
For supplies	75,361,206	67,026,625
For expenses	95,865,452	245,507,239
For other finance	265,743,574	179,913,661
	496,860,706	529,974,431

## HALF YEARLY REPORT 2011

Dear Shareholders,

We are pleased to present the un-audited Financial Statements of the Company for the half-year ended 30 June 2011 as per Rule-13 of the Securities and Exchange Rules 1987 as amended to date.

Sd/-

**Mohammad Sanaulah**  
Director & Company Secretary

Dhaka, July 25, 2011

**SINGER®**  
AT HOME WORLDWIDE

## SINGER BANGLADESH LIMITED

### Statement of Financial Position (Un-audited) As at 30 Jun 2011

	Notes	Amounts in Taka	
		At	At
		30 June 2011	31 Dec 2010
<b>ASSETS</b>			
<b>Non-current assets:</b>			
Property, plant and equipment	3	646,848,997	655,887,492
Investments	4	4,416,700	4,416,700
<b>Total non-current assets</b>		<b>651,265,697</b>	<b>660,304,192</b>
<b>Current assets:</b>			
Inventories	5	1,455,876,185	1,009,211,317
Trade and other receivables	6	729,976,996	542,510,111
Advances, deposits and prepayments	7	175,115,109	157,878,215
Investment in short term deposits		-	267,000,000
Cash and cash equivalents	8	299,486,606	1,482,168,592
<b>Total current assets</b>		<b>2,660,454,896</b>	<b>3,458,768,235</b>
<b>Total assets</b>		<b>3,311,720,593</b>	<b>4,119,072,427</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders equity:</b>			
Share capital		392,675,850	224,386,200
Reserves		292,851,005	292,851,005
Retained earnings		1,310,109,579	2,623,280,510
<b>Total equity</b>		<b>1,995,636,434</b>	<b>3,140,517,715</b>
<b>Non-current liabilities</b>			
Deferred tax liabilities		17,976,168	40,383,928
Retirement benefit obligations		47,757,650	43,506,411
Other liabilities		589,602,613	320,438,413
<b>Total non-current liabilities</b>		<b>655,336,431</b>	<b>404,328,752</b>
<b>Current liabilities:</b>			
Trade and other payables	9	496,860,706	529,974,431
Short-term borrowings (secured)		111,204,498	3,281,569
Income tax payable, net		52,682,524	40,969,960
<b>Total current liabilities</b>		<b>660,747,728</b>	<b>574,225,960</b>
<b>Total liabilities</b>		<b>1,316,084,159</b>	<b>978,554,712</b>
<b>Total equity and liabilities</b>		<b>3,311,720,593</b>	<b>4,119,072,427</b>

for and on behalf of the Board of Directors of Singer Bangladesh Limited

Sd/-

**A. M. Hamim Rahmatullah**  
Managing Director

Dhaka, July 25, 2011

Sd/-

**Mohammad Sanaullah**  
Director & Company Secretary

## SINGER BANGLADESH LIMITED

### Statement of Comprehensive Income (Un-audited) For the half year ended 30 June 2011

	Amounts in Taka		Amounts in Taka	
	Jan - June 2011	Jan - June 2010	Apr - June 2011	Apr - June 2010
	<b>Turnover</b>			
Sales	2,187,410,569	2,182,130,950	1,244,667,671	1,403,744,276
Earned carrying charges	66,446,177	62,501,359	33,634,329	33,398,298
	2,253,856,746	2,244,632,309	1,278,302,000	1,437,142,574
Cost of sales	(1,680,577,810)	(1,663,443,709)	(956,259,641)	(1,064,342,569)
<b>Gross profit</b>	<b>573,278,936</b>	<b>581,188,600</b>	<b>322,042,359</b>	<b>372,800,005</b>
Operating expenses	(363,722,763)	(337,014,546)	(197,930,099)	(198,708,651)
<b>Operating profit</b>	<b>209,556,173</b>	<b>244,174,054</b>	<b>124,112,260</b>	<b>174,091,354</b>
Interest income/(expense)	56,950,282	(28,586,389)	24,947,381	(16,963,674)
	266,506,455	215,587,665	149,059,641	157,127,680
Non-operating income				
Share of income of associate company	-	53,355,000	-	42,684,000
Other income	1,404,090	3,025,631	431,300	1,302,110
	1,404,090	56,380,631	431,300	43,986,110
	267,910,545	271,968,296	149,490,941	201,113,790
Contribution to Workers' Profit Participation Fund (WPPF)	(13,395,527)	(10,930,665)	(7,354,241)	(8,649,207)
<b>Profit before taxation</b>	<b>254,515,018</b>	<b>261,037,631</b>	<b>142,136,700</b>	<b>192,464,583</b>
Less: Provision for taxation	(53,079,099)	(57,217,702)	(28,463,208)	(40,102,569)
<b>Profit after taxation</b>	<b>201,435,919</b>	<b>203,819,929</b>	<b>113,673,492</b>	<b>152,362,014</b>
<b>Earnings per share (EPS)</b>	<b>51.30</b>	<b>51.91</b>	<b>28.95</b>	<b>38.80</b>

for and on behalf of the Board of Directors of Singer Bangladesh Limited

Sd/-

**A. M. Hamim Rahmatullah**  
Managing Director

Dhaka, July 25, 2011

Sd/-

**Mohammad Sanaullah**  
Director & Company Secretary

## SINGER BANGLADESH LIMITED

### Statement of Cash Flows (Un-audited) For the half year ended 30 June 2011

	Amounts in Taka	
	30 June 2011	30 June 2010
	<b>Cash flow from operating activities</b>	
Collections from turnover & other income	2,052,089,459	2,066,328,090
Payment for cost & expenses	(2,418,707,130)	(2,323,691,568)
Interest received/(paid) deposits/ borrowings	62,450,282	(25,507,565)
Payments to Workers' Profit Participation Fund	(119,333,301)	(11,361,849)
Income tax paid & deducted at source	(63,774,295)	(30,187,409)
	(487,274,985)	(324,420,301)
<b>Cash flow from investing activities</b>		
Maturity of short term deposits	267,000,000	-
Purchase of property, plant & equipment	(20,735,550)	(10,049,528)
Sales proceeds of property, plant & equipment	-	1,493,818
	246,264,450	(8,555,710)
<b>Cash flow from financing activities</b>		
Payment of long term loan	-	(80,202,477)
Payment of short term loan	107,922,929	477,296,646
Payment of dividend	(1,049,594,380)	(52,926,543)
	(941,671,451)	344,167,626
<b>Net increase in cash during the year</b>	<b>(1,182,681,986)</b>	<b>11,191,615</b>
Opening cash and cash equivalents	1,482,168,592	69,615,459
Closing Cash and cash equivalents	<u>299,486,606</u>	<u>80,807,074</u>

### Statement of Changes in Equity (Un-audited) For the half year ended 30 June 2011

Particulars	Amounts in Taka						
	Share Capital	Tax Holiday Reserve	Revaluation Reserve	Capital Reserve	Other Reserves	Retained Earnings	Total
<b>Year 2010</b>							
Balance as at 01 January 2010	224,386,200	2,079,756	120,814,287	18,190,942	603,025	714,756,256	1,080,830,466
Profit for the period	-	-	-	-	-	203,819,929	203,819,929
Payment of dividend-2009	-	-	-	-	-	(67,315,860)	(67,315,860)
<b>Balance as at 30 June 2010</b>	<b>224,386,200</b>	<b>2,079,756</b>	<b>120,814,287</b>	<b>18,190,942</b>	<b>603,025</b>	<b>851,260,325</b>	<b>1,217,334,535</b>
<b>Year 2011</b>							
Balance at 01 January 2011	224,386,200	-	274,057,038	18,190,942	603,025	2,623,280,510	3,140,517,715
Profit for the period	-	-	-	-	-	201,435,919	201,435,919
Payment of final dividend for 2010	(168,289,650)	-	-	-	-	(1,514,606,850)	(1,346,317,200)
<b>Balance as at 30 June 2011</b>	<b>392,675,850</b>	<b>-</b>	<b>274,057,038</b>	<b>18,190,942</b>	<b>603,025</b>	<b>1,310,109,579</b>	<b>1,995,636,434</b>