

SINGER BANGLADESH LIMITED
Statement of Financial Position (Un-audited)

<i>In BD Taka</i>	<i>Note</i>	Consolidated		Company	
		30 September 2018	31 December 2017	30 September 2018	31 December 2017
Assets					
Property, plant and equipment	3	1,415,316,309	1,424,361,116	1,048,008,916	1,046,463,051
Intangible assets	4	33,725,922	39,542,064	33,610,754	39,542,064
Investments	5	4,199,450	4,199,450	355,987,045	355,987,045
Deferred tax assets	6	20,534,060	18,871,202	32,191,222	24,836,206
Deposits and prepayments	7	318,764,473	283,998,887	306,242,254	272,258,939
Non-current assets		1,792,540,214	1,770,972,719	1,776,040,191	1,739,087,305
Inventories	8	3,263,123,571	2,968,387,371	2,772,026,259	2,664,943,659
Trade and other receivables	9	4,021,637,229	1,856,060,667	3,932,069,870	1,855,636,074
Advances, deposits and prepayments	7	177,049,814	237,332,959	124,012,925	216,821,832
Current tax assets	10	139,537,262	35,896,460	-	-
Cash and cash equivalents	11	149,490,911	202,934,615	148,242,665	202,786,490
Current assets		7,750,838,787	5,300,612,072	6,976,351,719	4,940,188,055
Total assets		9,543,379,001	7,071,584,791	8,752,391,910	6,679,275,360
Equity					
Share capital	12	766,944,910	766,944,910	766,944,910	766,944,910
Reserves		573,225,477	577,857,676	573,225,477	577,857,676
Retained earnings		890,665,367	815,464,263	887,042,032	839,743,865
Equity attributable to owners of the Company		2,230,835,754	2,160,266,849	2,227,212,419	2,184,546,451
Non-controlling interest		68,545,738	63,164,284	-	-
Total equity		2,299,381,492	2,223,431,133	2,227,212,419	2,184,546,451
Liabilities					
Retirement benefit obligations		2,064,311	3,618,300	-	2,174,000
Long term debt	13	45,872,825	-	-	-
Other liabilities	14	1,686,571,716	1,470,774,961	1,686,571,716	1,470,774,961
Non-current liabilities		1,734,508,852	1,474,393,261	1,686,571,716	1,472,948,961
Trade and other payables	15	1,962,224,093	1,508,412,542	1,948,681,274	1,522,526,822
Short-term borrowings - secured		3,468,461,454	1,587,039,816	2,811,123,391	1,457,644,580
Current tax liabilities	16	78,803,110	-	78,803,110	41,608,546
Short term liability		-	278,308,039	-	-
Current liabilities		5,509,488,657	3,373,760,397	4,838,607,775	3,021,779,948
Total equity and liabilities		9,543,379,001	7,071,584,791	8,752,391,910	6,679,275,360
Net assets value per share (NAVPS)	19	29.09	28.17	29.04	28.48

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

Sd/-
A. F. Nesaruddin
Director

Sd/-
Dr. Syed Ferhat Anwar
Director

Sd/-
M. H. M. Fairoz
Managing Director

Sd/-
Akram Uddin Ahmed
Chief Financial Officer

Sd/-
Mohammad Sanaullah
Company Secretary

Dated: 29 October 2018

SINGER BANGLADESH LIMITED
Statement of Profit or Loss and ther Comprehensive Income (Un-audited)

In BD Taka	Note	For the period ended 01 January - 30 September				For the period ended 01 July - 30 September			
		Consolidated		Company		Consolidated		Company	
		2018	2017*	2018	2017	2018	2017*	2018	2017
Turnover		11,577,039,301	9,178,774,351.00	11,577,039,301.00	9,178,774,351.00	5,130,033,986	4,070,104,644.00	5,130,033,986	4,070,104,644.00
Cost of sales		(8,460,019,965)	(6,748,469,871)	(8,590,327,443)	(6,748,469,871)	(3,735,908,369)	(2,941,352,217)	(3,764,438,058)	(2,988,110,055)
Gross profit		3,117,019,336	2,430,304,480	2,986,711,858	2,430,304,480	1,394,125,617	1,128,752,427	1,365,595,928	1,081,994,589
Operating expenses	17	(1,811,426,299)	(1,511,913,289)	(1,787,541,296)	(1,511,913,289)	(731,598,376)	(651,923,780)	(721,489,084)	(605,165,942)
Other income/(loss)		112,891,310	85,253,248	105,480,499	85,253,248	44,066,217	36,594,586	41,506,824	36,594,586
Operating profit		1,418,484,347	1,003,644,439	1,304,651,061	1,003,644,439	706,593,458	513,423,233	685,613,668	513,423,233
Finance income		59,809,934	60,002,062	59,809,934	60,002,062	27,930,006	32,245,314	27,930,006	32,245,314
Finance costs		(250,742,183)	(116,853,510)	(197,230,682)	(116,853,510)	(110,344,100)	(48,129,161)	(90,963,406)	(48,129,161)
Net finance costs		(190,932,249)	(56,851,448)	(137,420,748)	(56,851,448)	(82,414,094)	(15,883,847)	(63,033,400)	(15,883,847)
Share of profit/(loss) of equity-accounted investees, net of tax		-	24,715,417	-	24,715,417	-	10,124,179	-	10,124,179
Profit before contribution to workers' profit participation fund		1,227,552,098	971,508,408	1,167,230,313	971,508,408	624,179,364	507,663,565	622,580,268	507,663,565
Contribution to workers' profit participation fund		(59,637,866)	(48,575,420)	(58,361,516)	(48,575,420)	(29,366,092)	(25,383,178)	(31,129,014)	(25,383,178)
Profit before taxation		1,167,914,232	922,932,988	1,108,868,797	922,932,988	594,813,272	482,280,387	591,451,254	482,280,387
Income tax expense		(327,388,787)	(239,554,392)	(301,627,743)	(239,554,392)	(154,594,591)	(123,039,051)	(154,456,084)	(123,039,051)
Profit after tax		840,525,445	683,378,596	807,241,054	683,378,596	440,218,681	359,241,336	436,995,170	359,241,336
Profit attributable to									
Equity holders of the Company (SBL)		835,143,991	-	-	-	439,697,500	-	-	-
Non-controlling interest		5,381,454	-	-	-	521,181	-	-	-
		840,525,445	-	-	-	440,218,681	-	-	-
Other comprehensive income									
Items that will not be reclassified to profit or loss		-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-
Total comprehensive income for the period		840,525,445	683,378,596	807,241,054	683,378,596	440,218,681	359,241,336	436,995,170	359,241,336
Total comprehensive income attributable to:									
Equity holders of the Company (SBL)									
Profit after tax		835,143,991	-	-	-	439,697,500	-	-	-
Other comprehensive income		-	-	-	-	-	-	-	-
		835,143,991	-	-	-	439,697,500	-	-	-
Non-controlling interest									
Profit after tax		5,381,454	-	-	-	521,181	-	-	-
Other comprehensive income		-	-	-	-	-	-	-	-
		5,381,454	-	-	-	521,181	-	-	-
Total comprehensive income for the period		840,525,445	-	-	-	440,218,681	-	-	-
Earnings per share (EPS)	18	10.89	8.91	10.53	8.91	5.73	4.68	5.70	4.68

* Comparative amounts of 2017 in the consolidated columns represents amount of the company for the period ended 30 September 2017

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

Sd/-
A. F. Nesaruddin
Director

Sd/-
Dr. Syed Ferhat Anwar
Director

Sd/-
M. H. M. Fairouz
Managing Director

Sd/-
Akram Uddin Ahmed
Chief Financial Officer

Sd/-
Mohammad Sanullah
Company Secretary

Dated: 29 October 2018

SINGER BANGLADESH LIMITED
Statement of Changes in Equity-Consolidated (Un-audited)

For the Period ended 30 September 2018

<i>In BD Taka</i>	Attributable to owner of the Company						Total	Non-controlling interests	Total equity
	Share capital	Revaluation reserve	Capital reserve	Non-remittable special capital reserves	Non-distributable special reserves	Retained earnings			
Balance at 1 January 2017	766,944,910	566,586,093	18,190,942	370,178	232,847	594,705,557	1,947,030,527	-	1,947,030,527
Total comprehensive income									
Profit	-	-	-	-	-	683,378,595	683,378,595	-	683,378,595
Acquisition of business	-	-	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	683,378,595	683,378,595	-	683,378,595
Transaction with owners of the Company									
Contributions and distributions									
Dividends:									
Cash dividend - 2016	-	-	-	-	-	(536,861,437)	(536,861,437)	-	(536,861,437)
Total contributions and distributions	-	-	-	-	-	(536,861,437)	(536,861,437)	-	(536,861,437)
Adjustment for deferred tax arising from revaluation of property, plant and equipment	-	-	-	-	-	1,880,593	1,880,593	-	1,880,593
Transfer of depreciation on revaluation surplus	-	(5,641,778)	-	-	-	5,641,778	-	-	-
	-	(5,641,778)	-	-	-	7,522,371	1,880,593	-	1,880,593
Balance at 30 September 2017	766,944,910	560,944,315	18,190,942	370,178	232,847	748,745,086	2,095,428,278	-	2,095,428,278
Balance at 1 January 2018	766,944,910	559,063,709	18,190,942	370,178	232,847	815,464,263	2,160,266,849	63,164,284	2,223,431,133
Total comprehensive income									
Profit	-	-	-	-	-	835,143,991	835,143,991	5,381,454	840,525,445
Acquisition of business	-	-	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	835,143,991	835,143,991	5,381,454	840,525,445
Transaction with owners of the Company									
Contributions and distributions									
Dividends:									
Cash dividend 2017	-	-	-	-	-	(766,944,910)	(766,944,910)	-	(766,944,910)
Total contributions and distributions	-	-	-	-	-	(766,944,910)	(766,944,910)	-	(766,944,910)
Adjustment for deferred tax arising from revaluation of property, plant and equipment	-	-	-	-	-	2,369,824	2,369,824	-	2,369,824
Transfer of depreciation on revaluation surplus	-	(4,632,199)	-	-	-	4,632,199	-	-	-
	-	(4,632,199)	-	-	-	7,002,023	2,369,824	-	2,369,824
Balance at 30 September 2018	766,944,910	554,431,510	18,190,942	370,178	232,847	890,665,367	2,230,835,754	68,545,738	2,299,381,492

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

Sd/-
A. F. Nesaruddin
 Director

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Dr. Syed Ferhat Anwar
 Director

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M. H. M. Fairoz
 Managing Director

Sd/-
Akram Uddin Ahmed
 Chief Financial Officer

Sd/-
Mohammad Sanullah
 Company Secretary

Dated: 29 October 2018

SINGER BANGLADESH LIMITED
Statement of Changes in Equity-Company (Un-audited)

	For the Preiod ended 30 September 2018						
<i>In BD Taka</i>	Share capital	Revaluation reserve	Capital reserve	Non-remittable special capital reserves	Non-distributable special reserves	Retained earnings	Total equity
Balance at 1 January 2017	766,944,910	566,586,093	18,190,942	370,178	232,847	594,705,557	1,947,030,527
Total comprehensive income							
Profit	-	-	-	-	-	683,378,595	683,378,595
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	683,378,595	683,378,595
Transaction with owners of the Company							
Contributions and distributions							
Dividends:							
Cash dividend - 2016	-	-	-	-	-	(536,861,437)	(536,861,437)
Total contributions and distributions	-	-	-	-	-	(536,861,437)	(536,861,437)
Adjustment for deferred tax arising from revaluation of property, plant and equipment	-	-	-	-	-	1,880,593	1,880,593
Transfer of depreciation on revaluation surplus	-	(5,641,778)	-	-	-	5,641,778	-
	-	(5,641,778)	-	-	-	7,522,371	1,880,593
Balance at 30 September 2017	766,944,910	560,944,315	18,190,942	370,178	232,847	748,745,086	2,095,428,278
Balance at 1 January 2018	766,944,910	559,063,709	18,190,942	370,178	232,847	839,743,865	2,184,546,451
Total comprehensive income							
Profit	-	-	-	-	-	807,241,054	807,241,054
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	807,241,054	807,241,054
Transaction with owners of the Company							
Contributions and distributions							
Dividends:							
Cash dividend 2017	-	-	-	-	-	(766,944,910)	(766,944,910)
Total contributions and distributions	-	-	-	-	-	(766,944,910)	(766,944,910)
Adjustment for deferred tax arising from revaluation of property, plant and equipment	-	-	-	-	-	2,369,824	2,369,824
Transfer of depreciation on revaluation surplus	-	(4,632,199)	-	-	-	4,632,199	-
	-	(4,632,199)	-	-	-	7,002,023	2,369,824
Balance at 30 September 2018	766,944,910	554,431,510	18,190,942	370,178	232,847	887,042,032	2,227,212,419

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

Sd/-
A. F. Nesaruddin
 Director

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Dr. Syed Ferhat Anwar
 Director

Sd/-
M. H. M. Fairoz
 Managing Director

Sd/-
Akram Uddin Ahmed
 Chief Financial Officer

Sd/-
Mohammad Sanullah
 Company Secretary

Dated: 29 October 2018

SINGER BANGLADESH LIMITED
Statement of Cash Flows (Un-audited)

<i>In BD Taka</i>	Note	For the period ended 30 September			
		Consolidated		Company	
		2018	2017*	2018	2017
Cash flows from operating activities					
Collections from turnover and other income		11,479,338,310	9,041,199,992	11,477,749,186	9,041,199,992
Payments for costs and expenses		(12,180,881,315)	(8,830,334,008)	(11,761,417,386)	(8,830,334,008)
Interest paid on borrowings		(186,313,787)	(107,200,002)	(132,420,748)	(107,200,002)
Payments to workers' profit participation fund		(45,142,800)	(41,030,308)	(45,142,800)	(41,030,308)
Income tax paid		(352,345,271)	(196,869,922)	(270,244,129)	(196,869,922)
Net cash from operating activities		(1,285,344,863)	(134,234,248)	(731,475,877)	(134,234,248)
Cash flows from investing activities					
Acquisition of property, plant and equipment		(75,072,774)	(59,039,976)	(56,226,229)	(59,039,976)
Encash in short term/term deposits		-	(1,000,000)	-	(1,000,000)
Proceeds from sale of property, plant and equipment		-	1,277,886	-	1,277,886
Net cash from/(used in) investing activities		(75,072,774)	(58,762,090)	(56,226,229)	(58,762,090)
Cash flows from financing activities					
Term loan received		45,872,825	-	-	-
Dividends paid		(620,320,530)	(424,921,579)	(620,320,530)	(424,921,579)
Net cash used in financing activities		(574,447,705)	(424,921,579)	(620,320,530)	(424,921,579)
Net increase/(decrease) in cash		(1,934,865,342)	(617,917,917)	(1,408,022,636)	(617,917,917)
Cash and cash equivalents at 1 January		(1,384,105,201)	(466,915,300)	(1,254,858,090)	(466,915,300)
Cash and cash equivalents at 30 September		(3,318,970,543)	(1,084,833,217)	(2,662,880,726)	(1,084,833,217)
Closing cash and cash equivalents have been arrived at as follows:					
Cash and cash equivalents		149,490,911	152,429,314	148,242,665	152,429,314
Short-term borrowings - secured (bank overdrafts)		(3,468,461,454)	(619,344,614)	(2,811,123,391)	(619,344,614)
		(3,318,970,543)	(466,915,300)	(2,662,880,726)	(466,915,300)
Net Operating Cash Flow Per Share (NOCFPS)	20	(16.76)	(1.75)	(9.54)	(1.75)

* Comparative amounts of 2017 in the consolidated columns represents amount of the company for the period ended 30 September 2017

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

Sd/-
A. F. Nesaruddin
Director

Sd/-
Dr. Syed Ferhat Anwar
Director

Sd/-
M. H. M. Fairoz
Managing Director

Sd/-
Akram Uddin Ahmed
Chief Financial Officer

Sd/-
Mohammad Sanaullah
Company Secretary

Dated: 29 October 2018

SINGER BANGLADESH LIMITED

Notes to the Financial Statements

1 Reporting entity

1.1 Company profile

Singer Bangladesh Limited (the Company) was incorporated in Bangladesh as a private limited Company on 4 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. It has been a direct subsidiary of Retail Holdings Bhold B.V., The Netherlands (formerly Singer Bhold B.V., The Netherlands) since 2003. The shares of the Company are listed with Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited. The address of the registered office of the Company is 39 Dilkusha Commercial Area, Dhaka 1000, Bangladesh.

1.2 Nature of business

Principal activities of the Company throughout the period were manufacturing of panel televisions, air conditioners, refrigerators and furniture and marketing of refrigerators, televisions, air conditioners, furniture, sewing machines, computers, washing machines and other consumer electronics and household appliances. The manufacturing plant of the Company is situated at Rajfulbaria, Jhamur, Savar, Dhaka 1340.

1.3 Description of subsidiary

International Appliances Limited (IAL)

International Appliances Limited (the Company) was incorporated in Bangladesh as a private limited company on 23 December 2014 under Companies Act 1994 as a joint venture with a local investor and an another foreign investor. It has been an associate of Singer Bangladesh Limited since inception. SBL acquired the Company as a subsidiary on 16 October 2017. The address of the registered office of the Company is Mousa Koulashur, Hemayetpur, Savar, Dhaka, Bangladesh. Principal activities of the Company are manufacturing and selling of refrigerators of different capacities, models and types with a brand of "Singer" for exclusive marketing by Singer Bangladesh Limited. The manufacturing plant of the Company is situated at Mousa Koulashur, Hemayetpur, Savar, Dhaka, Bangladesh.

2 Basis of preparation

2.1 Presentation of financial statements

The interim Financial Statements of the Company and Group have been prepared on the basis of the same accounting policies and methods applied for the year ended 31st December 2017 except mentioned below in the para 2.1.1 and 2.1.2 which have been adopted in accordance with newly effective BFRS 15 *Revenue from Contracts with Customers*. The consolidated financial statements of Singer Bangladesh Limited for the period ended 30 September 2018 encompasses the Company and its subsidiary International Appliances Limited.

2.1.1 Earned Carrying Charges

According to paragraph 65 of BFRS 15, an entity shall present the effects of financing (interest revenue or interest expense) separately from revenue from contracts with customers in the statement of comprehensive income. Interest revenue or interest expense is recognized only to the extent that a contract asset (or receivable) or a contract liability is recognized in accounting for a contract with a customer. A hire sale contract includes a significant financing component. Paragraph 60 states that- a significant financing component may exist regardless of whether the promise of financing is explicitly stated in the contract or implied by the payment terms agreed to by the parties to the contract.

Since hire sales comprise two performance obligations, the revenue for the product is recognized when the delivery is made and the interest income is recognized as earned, according to paragraph 65 of the said standard. Therefore, the hire sale has been analyzed in the light of the 5 stage model as envisaged in BFRS 15 in the following way:

SINGER BANGLADESH LIMITED
Notes to the Financial Statements (continued)

A contract is formed through an agreement between Singer & the customer. Following two performance obligations:

- i. delivery of the product and;
- ii. financing service.

Transaction price is determined considering the price of the product and the number of instalments agreed in the contract. The stand-alone product price is determined as declared in the 'price declaration' less discount (if any). The interest rate is determined by management by assessing the market rates. SBL recognizes the stand-alone selling price of product as revenue when the delivery is complete and recognizes interest income for the financing service over the period of instalments.

2.1.2 Agreement Fees

Paragraph 25 of BFRS states that "Performance obligations do not include activities that an entity must undertake to fulfil a contract unless those activities transfer a good or service to a customer. For example, a services provider may need to perform various administrative tasks to set up a contract. The performance of those tasks does not transfer a service to the customer as the tasks are performed. Therefore, those setup activities are not a performance obligation."

In view of above, the contract setup costs do not form a performance obligation and thus, the agreement fees do not constitute a separate performance obligation. Agreement fees arise only in case of hire sale transactions. Agreement fees are therefore related to the performance obligation of financing services. But it does not form a separate performance obligation. Therefore, proceeds from agreement fee needs to be classified as 'other income' and hence, be presented accordingly.

2.2 Statement of compliance

The financial statements have been prepared in compliance with the requirements of the Bangladesh Financial Reporting Standards (BFRS) and Bangladesh Accounting Standards (BAS), the Companies Act 1994, Bangladesh Securities and Exchange Ordinance 1969, Bangladesh Securities and Exchange Rules 1987, Listing Regulations of Dhaka and Chittagong Stock Exchanges and other relevant local laws as applicable.

SINGER BANGLADESH LIMITED
Notes to the Financial Statements (continued)

3 Property, plant and equipment

<i>In BDT</i>	Consolidated		Company	
	At 30 Sep 2018	At 31 Dec 2017	At 30 Sep 2018	At 31 Dec 2017
Cost	2,214,760,974	2,153,857,788	1,766,352,289	1,722,291,267
Accumulated amortisation	799,444,665	729,496,672	718,343,373	675,828,216
	1,415,316,309	1,424,361,116	1,048,008,916	1,046,463,051

4 Intangible assets

<i>In BDT</i>	Consolidated		Company	
	At 30 Sep 2018	At 31 Dec 2017	At 30 Sep 2018	At 31 Dec 2017
Cost	70,535,187	70,415,012	70,415,012	70,415,012
Accumulated amortisation	36,809,265	30,872,948	36,804,258	30,872,948
	33,725,922	39,542,064	33,610,754	39,542,064

5 Investments

<i>In BDT</i>	Consolidated		Company	
	At 30 Sep 2018	At 31 Dec 2017	At 30 Sep 2018	At 31 Dec 2017
Investment in subsidiary	-	-	351,787,595	351,787,595
Investment in term deposit	2,630,000	2,630,000	2,630,000	2,630,000
Investment in Central Depository Bangladesh Limited (CDBL)	1,569,450	1,569,450	1,569,450	1,569,450
	4,199,450	4,199,450	355,987,045	355,987,045

6 Deferred tax assets

<i>In BDT</i>	Consolidated		Company	
	At 30 Sep 2018	At 31 Dec 2017	At 30 Sep 2018	At 31 Dec 2017
Opening balance	18,871,202	37,391,385	24,836,206	37,391,385
Acquisition of business	-	6,851,867	-	-
Released/(expense) during the year	118,792	(28,960,762)	5,810,950	(16,143,891)
Remeasurement of defined benefit liability	-	1,081,250	-	1,081,250
Transferred to retained earnings	1,544,066	2,507,462	1,544,066	2,507,462
	20,534,060	18,871,202	32,191,222	24,836,206

7 Advances, deposits and prepayments

<i>In BDT</i>	Consolidated		Company	
	At 30 Sep 2018	At 31 Dec 2017	At 30 Sep 2018	At 31 Dec 2017
Employees against expenses	2,210,416	5,897,314	-	4,897,314
Advances to others	53,198,640	21,002,785	5,850,156	6,489,123
Advances	55,409,056	26,900,099	5,850,156	11,386,437
Security deposits	24,726,725	32,957,562	22,090,778	19,177,367
Deposits	24,726,725	32,957,562	22,090,778	19,177,367
Prepayments	415,678,506	461,474,185	402,314,245	458,516,967
Prepayments	415,678,506	461,474,185	402,314,245	458,516,967
	495,814,287	521,331,846	430,255,179	489,080,771
7.1 Non-current portion of deposits and prepayments	318,764,473	283,998,887	306,242,254	272,258,939
Current portion of advances, deposits and prepayments	177,049,814	237,332,959	124,012,925	216,821,832
	495,814,287	521,331,846	430,255,179	489,080,771

8 Inventories

<i>In BDT</i>	Consolidated		Company	
	At 30 Sep 2018	At 31 Dec 2017	At 30 Sep 2018	At 31 Dec 2017
Finished goods	2,504,401,605	2,241,450,738	2,510,788,172	2,194,355,907
Raw materials	598,900,875	187,147,662	102,088,965	78,525,895
Goods in transit	251,503,536	634,971,415	250,831,567	487,244,301
	3,354,806,016	3,063,569,815	2,863,708,704	2,760,126,103
Provision for inventory obsolescence	(91,682,445)	(95,182,444)	(91,682,445)	(95,182,444)
	3,263,123,571	2,968,387,371	2,772,026,259	2,664,943,659

9 Trade and other receivable

<i>In BDT</i>	Consolidated		Company	
	At 30 Sep 2018	At 31 Dec 2017	At 30 Sep 2018	At 31 Dec 2017
Trade receivable				
Hire receivable from customers	3,423,245,171	2,014,388,386	3,423,245,171	2,014,388,386
Unearned carrying charges	(432,669,555)	(269,843,049)	(432,669,555)	(269,843,049)
	2,990,575,616	1,744,545,337	2,990,575,616	1,744,545,337
Provision for doubtful debts	(37,676,133)	(26,071,552)	(37,676,133)	(26,071,552)
	2,952,899,483	1,718,473,785	2,952,899,483	1,718,473,785
Receivable from dealers	510,128,091	20,773,859	510,128,091	20,773,859
Trade receivables	414,775,657	80,463,330	331,018,900	80,463,330
Provision for doubtful debts	(5,782,584)	(6,194,753)	(5,782,584)	(6,194,753)
	3,872,020,647	1,813,516,221	3,788,263,890	1,813,516,221
Other receivables				
Receivable from employees	4,786,971	2,631,675	4,786,971	2,631,675
Receivable from shop managers	30,668,383	27,430,313	30,668,383	27,430,313
Receivable from Singer Asia Limited	11,452,755	11,452,755	11,452,755	11,452,755
Other receivables	121,084,122	19,075,450	115,273,520	18,650,857
Provision for doubtful debts	(18,375,649)	(18,045,747)	(18,375,649)	(18,045,747)
	149,616,582	42,544,446	143,805,980	42,119,853
	4,021,637,229	1,856,060,667	3,932,069,870	1,855,636,074

SINGER BANGLADESH LIMITED
Notes to the Financial Statements (continued)

10 Current tax assets

<i>In BDT</i>	Consolidated		Company	
	At 30 Sep 2018	At 31 Dec 2017	At 30 Sep 2018	At 31 Dec 2017
Advance income tax	187,208,285	950,708,275	-	-
Provision for income tax	(47,671,023)	(914,811,815)	-	-
	139,537,262	35,896,460	-	-

11 Cash and cash equivalents

<i>In BDT</i>	Consolidated		Company	
	At 30 Sep 2018	At 31 Dec 2017	At 30 Sep 2018	At 31 Dec 2017
Cash in hand	1,724,505	98,208	611,413	33,137
Cash at bank	134,088,834	158,502,411	133,953,680	158,419,357
Cash in transit	13,677,572	44,333,996	13,677,572	44,333,996
	149,490,911	202,934,615	148,242,665	202,786,490

12 Share capital

<i>In BDT</i>	At 30 Sep 2018	At 31 Dec 2017
Authorised:		
100,000,000 ordinary shares of Taka 10 each	1,000,000,000	1,000,000,000
Issued, subscribed and paid up:		
25,670 ordinary shares of Taka 10 each issued for cash	256,700	256,700
102,580 ordinary shares of Taka 10 each issued for consideration other than cash	1,025,800	1,025,800
76,566,241 ordinary shares of Taka 10 each issued as fully paid-up bonus shares	765,662,410	765,662,410
	766,944,910	766,944,910

Shareholding position:

Name of shareholder	At 30 Sep 2018		At 31 Dec 2017	
	No. of share	Value (BDT)	No. of share	Value (BDT)
Retail Holdings Bhold B.V., The Netherlands	28,373,941	283,739,410	28,373,941	283,739,410
Retail Holdings Bhold B.V., The Netherlands - non-remittable shares	15,333,242	153,332,420	15,333,242	153,332,420
Local shareholders	32,987,308	329,873,080	32,987,308	329,873,080
	76,694,491	766,944,910	76,694,491	766,944,910

Beneficial percentage of holdings

Name of shareholder	2018	2017
	Retail Holdings Bhold B.V., The Netherlands	37.00%
Retail Holdings Bhold B.V., The Netherlands - non-remittable shares	20.00%	20.00%
Local shareholders	43.00%	43.00%
	100.00%	100.00%

13 Long term debt

Represents long term loan obtained from Commercial Bank of Ceylon Plc to invest in capital machinery of IAL which will be repaid within six years.

14 Other liabilities

<i>In BDT</i>	Consolidated		Company	
	At 30 Sep 2018	At 31 Dec 2017	At 30 Sep 2018	At 31 Dec 2017
Non-remittable accounts	1,408,949,743	1,255,617,323	1,408,949,743	1,255,617,323
Security deposits from shop managers, agent and dealers	277,621,973	215,157,638	277,621,973	215,157,638
	1,686,571,716	1,470,774,961	1,686,571,716	1,470,774,961

15 Trade and other payables

<i>In BDT</i>	Consolidated		Company	
	At 30 Sep 2018	At 31 Dec 2017	At 30 Sep 2018	At 31 Dec 2017
Trade payables	582,593,468	463,027,693	704,843,761	586,453,931
Other payables				
Royalty	288,779,256	135,234,085	253,610,494	119,174,918
Payable for expenses	950,031,663	753,831,351	915,605,252	715,134,060
Payable for other finance	140,819,706	142,682,209	74,621,767	88,126,709
Leasehold improvements against new shops	-	13,637,204	-	13,637,204
	1,379,630,625	1,045,384,849	1,243,837,513	936,072,891
	1,962,224,093	1,508,412,542	1,948,681,274	1,522,526,822

16 Current tax liabilities

<i>In BDT</i>	Consolidated		Company	
	At 30 Sep 2018	At 31 Dec 2017	At 30 Sep 2018	At 31 Dec 2017
Provision for income tax	349,047,239	-	349,047,239	887,209,673
Advance income tax	(270,244,129)	-	(270,244,129)	(845,601,127)
	78,803,110	-	78,803,110	41,608,546

SINGER BANGLADESH LIMITED
Notes to the Financial Statements (continued)

17 Operating expenses

<i>In BDT</i>	Consolidated		Company	
	At 30 Sep 2018	At 30 Sep 2017	At 30 Sep 2018	At 30 Sep 2017
Advertisement and sales promotion	551,037,134	436,465,245	551,037,134	436,465,245
Shop operating expenses	330,753,501	285,463,012	330,753,501	285,463,012
Salaries and allowances	223,347,808	199,519,205	220,376,092	199,519,205
Rent and occupancy	188,866,541	153,315,553	188,866,541	153,315,553
Royalty	153,545,171	92,556,494	134,435,576	92,556,494
Warranty	118,018,545	111,897,362	118,018,545	111,897,362
Utilities	41,069,829	38,905,069	41,069,829	38,905,069
Depreciation	46,994,858	44,394,400	46,977,141	44,394,400
Bad debts	28,036,426	27,992,138	28,036,426	27,992,138
Office administration	38,285,370	33,143,104	37,886,666	33,143,104
Repairs and maintenance	32,329,577	30,080,116	32,319,077	30,080,116
Directors' fee and remuneration	339,440	402,500	322,000	402,500
Travelling	30,014,226	24,302,080	30,000,186	24,302,080
Bank charge	12,724,396	11,297,135	12,180,292	11,297,135
Insurance	3,392,183	3,710,848	3,392,183	3,710,848
Fuel and car maintenance	2,855,636	2,701,452	2,855,636	2,701,452
Professional and technical fees	5,607,531	7,286,421	4,806,344	7,286,421
Sharing excess profit on IAL product	-	5,000,000	-	5,000,000
Entertainment	3,908,456	3,286,652	3,908,456	3,286,652
Dues and subscription	299,671	194,503	299,671	194,503
	1,811,426,299	1,511,913,289	1,787,541,296	1,511,913,289

18 Earnings per share (EPS)

18.1 Basic earnings per share

	Consolidated		Company	
	At 30 Sep 2018	At 30 Sep 2017	At 30 Sep 2018	At 30 Sep 2017
Earnings attributable to the ordinary shareholders	835,143,991	683,378,596	807,241,054	683,378,596
Weighted average number of ordinary shares outstanding	76,694,491	76,694,491	76,694,491	76,694,491
Basic earnings per share	10.89	8.91	10.53	8.91

Earning per share (EPS) has been computed by dividing the basic earnings by the number of ordinary shares outstanding as of 30 September 2018 in terms of Bangladesh Accounting Standard (BAS-33).

18.2 Diluted earnings per share

No diluted earnings per share is required to be calculated for the year as there was no potentially dilutive potential ordinary shares during the year.

19 Net assets value (NAV) per Share

	Consolidated		Company	
	At 30 Sep 2018	At 31 Dec 2017	At 30 Sep 2018	At 31 Dec 2017
Total assets	9,543,379,001	7,071,584,791	8,752,391,910	6,679,275,360
Total liability	(7,312,543,247)	(4,911,317,942)	(6,525,179,491)	(4,494,728,909)
Net assets value	2,230,835,754	2,160,266,849	2,227,212,419	2,184,546,451
Number of ordinary shares outstanding	76,694,491	76,694,491	76,694,491	76,694,491
Net assets value (NAV) per share	29.09	28.17	29.04	28.48

20 Net operating cash flow per share (NOCFPS)

	Consolidated		Company	
	At 30 Sep 2018	At 30 Sep 2017	At 30 Sep 2018	At 30 Sep 2017
Net cash from operating activities	(1,285,344,863)	(134,234,248)	(731,475,877)	(134,234,248)
Number of ordinary shares outstanding	76,694,491	76,694,491	76,694,491	76,694,491
Net Operating Cash Flow Per Share (NOCFPS)	(16.76)	(1.75)	(9.54)	(1.75)

21 Reconciliation of net income with cashflows from operating activities

	Consolidated		Company	
	At 30 Sep 2018	At 30 Sep 2017	At 30 Sep 2018	At 30 Sep 2017
Net income	840,525,445	683,378,596	807,241,054	683,378,596
Add/(deduct) for noncash items:				
Depreciation & amortization	88,053,117	58,018,441	58,716,633	58,018,441
Share of profit of equity-accounted investees, net of tax	-	(24,751,417)	-	(24,751,417)
(Gain) / loss on sale of property, plant and equipment	1,895,039	929,362	1,895,039	929,362
Deferred tax expenses/(income)	(118,793)	(9,096,021)	(5,810,950)	(9,096,021)
Changes in:				
(Increase)/Decrease in deposits and prepayments	(34,765,586)	(42,652,562)	(33,983,315)	(42,652,562)
(Increase)/Decrease in inventories	(294,736,200)	(121,894,324)	(107,082,600)	(121,894,324)
(Increase)/Decrease in trade and other receivables	(2,165,576,562)	(1,376,636,424)	(2,076,433,796)	(1,376,636,424)
(Increase)/Decrease in Advances, deposits and prepayments	60,283,145	61,330,979	92,808,907	61,330,979
Increase/(Decrease) in current tax assets	(103,640,802)	-	-	-
Increase/(Decrease) in retirement benefits obligation	(1,553,989)	10,519,476	(2,174,000)	10,519,476
Increase/(Decrease) in other liability (except non remittable account)	62,464,335	19,397,034	62,464,335	19,397,034
Increase/(Decrease) in accounts payables (excluding dividend payable)	461,330,917	555,442,121	433,688,252	555,442,121
Increase/(Decrease) in provisions in current tax	78,803,110	51,780,491	37,194,564	51,780,491
Increase/(Decrease) in short term liability	(278,308,039)	-	-	-
	(2,125,870,308)	(817,612,844)	(1,538,716,931)	(817,612,844)
Net cash flows from operation activities	(1,285,344,863)	(134,234,248)	(731,475,877)	(134,234,248)

SINGER BANGLADESH LIMITED
Notes to the Financial Statements (continued)

22 Related party disclosures under BAS-24

Related party transactions are disclosed in compliance with BAS-24 "Related Party Disclosures". The name of the related parties, the nature of the transactions and their balance at year end have been set out below:

22.1 Related party transactions

Name of related parties	Relationship	Nature of	Consolidated		Company	
			At 30 Sep 2018	At 30 Sep 2017	At 30 Sep 2018	At 30 Sep 2017
			BDT	BDT	BDT	BDT
Retail Holdings Bhold B.V., The Netherlands (formerly Singer Bhold B.V., The Netherlands)	Parent company	Dividend payment	283,739,410	268,967,587	283,739,410	268,967,587
Retail Holdings Asia B.V.	Subsidiary of ultimate parent	Royalty payment	153,545,171	92,556,494	134,435,576	92,556,494
Singer India Ltd.	Subsidiary of ultimate parent	Procurement of products	25,231,217	63,248,087	25,231,217	63,248,087
International Appliances Limited	Associates	Procurement of products	-	-	1,910,959,482	1,029,643,497
International Appliances Limited	Associates	Current account	-	-	77,913,701	2,493,590
Shanghai Sonlu Shangling Enterprice Group Co. LTD	Non-Controlling Interest	Procurement of products	1,838,652,382	-	-	-
Shanghai Sonlu Shangling Enterprice Group Co. LTD	Non-Controlling Interest	Procurement of plant & Machinery	45,358,230	-	-	-
Sunman Corporation	Non-Controlling Interest	Rent	23,548,297	-	-	-

22.2 Related party receivable/(payable)

Name of related parties	Relationship	Nature of transaction	Consolidated		Company	
			At 30 Sep 2018	At 30 Sep 2017	At 30 Sep 2018	At 30 Sep 2017
			BDT	BDT	BDT	BDT
Retail Holdings Asia B.V.	Subsidiary of ultimate parent	Royalty payable Current account	(288,779,256)	(190,492,046)	(253,610,494)	(190,492,046)
Singer Asia Ltd.	Subsidiary of ultimate parent	Current account	11,452,755	28,337,374	11,452,755	28,337,374
Singer India Ltd.	Subsidiary of ultimate parent	Procurement of products	-	53,932,466	-	53,932,466
International Appliances Limited	Associates	Procurement of products	-	-	(303,513,486)	(189,050,247)
International Appliances Limited	Associates	Current account	-	-	83,756,760	132,386
Shanghai Sonlu Shangling Enterprice Group Co. LTD	Non-Controlling Interest	Procurement of products	(671,969)	-	-	-
Shanghai Sonlu Shangling Enterprice Group Co. LTD	Non-Controlling Interest	Procurement of plant &	(354,675)	-	-	-
Sunman Corporation	Non-Controlling Interest	Other Receivable	4,594,582	-	-	-
Sunman Corporation	Non-Controlling Interest	Rent	(12,223,031)	-	-	-

23 Significant deviation

Net operating cash flow per share (NOCFPS) decreased significantly from the same period of last year mainly due to the nature and timing of business in terms of hire purchase scheme, credit and other associated factors. This year, credit to dealers has been facilitated extensively compared to last year in line with the market competition in order to fetch more sales for the company. Likewise, credit to institutions has also been used widely. Besides, seasonal effect has also played a role to build inventory to keep the company's readiness to face the demand therein. On the other hand there has been continued time gap between production vs. sales of IAL products. But payments for the costs and expenses have been incurred ahead of production and sales. Consequently, cash flow has been affected. Besides, operating cash flows is staggered over months as usual with increased volume of installment and credit sales compared to previous period having consequential negative affect on cash flows.

In addition, SBL generate a large portion of business centering festivals (around 50%-60% sales are in connection with festivals). The Company invested more in inventory during this period in order to meet and support the demand of festival sales (Eid-ul-Azha) and accordingly expect to achieve more sales which has also contributed in decreased NOCFPS. In addition, SBL generated a large portion of business centering festivals. The Company invested more in inventory prior to the period of festivals in order to meet and support the demand of festival sales (Eid-ul-Azha), which happened in August. Accordingly, the company achieved higher sales from all channels using combination of both cash and credit tools, where sales using credit and hire purchase scheme was reported in significantly large proportion affecting NOCFPS adversely. In addition, IAL is still under minimum tax threshold which is higher than company's normal tax based on its profitability causing cash flows negatively and moreover, tax deducted at port level, from the import of raw materials, has remained largely unaffected to stay as receivable. Higher interest payments have been made on account of borrowing used by IAL due to higher interest rates which could not be fully recovered due to low product margins.

Collections of receivables will be better in coming months bringing the higher amount of receivables down and thereby, improving the cash flow situation.

24 Other

- Figures in these notes and annexed financial statements have been rounded off to the nearest BDT.
- Comparative information/figures have been rearranged wherever considered necessary to conform to the current year's presentation.