

SINGER FINANCE (LANKA) PLC

STATEMENT OF PROFIT OR LOSS

	Year Ended 31 March 2017 Rs.'000 (Audited)	Year Ended 31 March 2016 Rs.'000 (Audited)	Change %
Interest Income	2,418,122	1,982,889	22%
Less: Interest Expense	978,996	688,135	(42%)
Net Interest Income	1,439,126	1,294,754	11%
Fee and Commission Income	113,110	94,376	20%
Trading Income	558	741	(25%)
Other Operating Income	78,508	35,390	122%
Total Operating Income	1,631,302	1,425,261	14%
Less: Impairment charges for Loans and Other Losses	70,541	29,143	(142%)
Net Operating Income	1,560,761	1,396,118	12%
Less : Expenses			
Personnel Cost	353,893	281,590	(26%)
Depreciation and Amortization	58,930	29,470	(100%)
Other Administration and Selling Expenses	470,408	368,445	(28%)
Operating Profit Before Value Added Tax	677,530	716,613	(5%)
Less : Value Added Tax on Financial Services	109,316	69,800	(57%)
Profit Before Income Tax	568,214	646,813	(12%)
Less : Income Tax Expense	198,384	205,958	4%
Profit For The Year	369,830	440,855	(16%)
Earnings per Share	2.24	2.67	
Dividend Per Share	1.06	1.50	

STATEMENT OF OTHER COMPREHENSIVE INCOME

	Year Ended 31 March 2017 Rs.'000 (Audited)	Year Ended 31 March 2016 Rs.'000 (Audited)	Change %
Profit For The Year	369,830	440,855	(16%)
Other Comprehensive Income			
Items that will never be Classified to Profit or Loss			
Add: Employee Benefit Plan Actuarial Gain / (Loss)	1,609	(1,000)	(261%)
Add: Deferred Tax on Actuarial (Gain) / Losses on Defined Benefit Obligation	(451)	280	(261%)
Total Other Comprehensive Expenses for the Year	1,158	(720)	(261%)
Total Comprehensive Income for the Year	370,988	440,135	(16%)

STATEMENT OF FINANCIAL POSITION

	As At 31 March 2017 Rs. '000 (Audited)	As At 31 March 2016 Rs. '000 (Audited)
ASSETS		
Cash and Cash Equivalents	166,811	43,737
Placements with Banks	81,128	85,671
Hire Purchase Receivables	320,895	908,308
Lease Rental Receivables	9,305,471	7,661,732
Loans and Advances	1,926,094	1,466,256
Inventories	-	21,960
Financial Investments- Available-For-Sale	41	41
Financial Investments- Held-To-Maturity	549,256	536,917
Other Debtors and Prepayments	192,114	163,912
Intangible Assets	32,011	36,041
Property, Plant and Equipment	124,658	111,233
Total Assets	12,698,479	11,035,808
LIABILITIES & EQUITY		
LIABILITIES		
Other Financial Liabilities Due to Customers	3,210,548	3,173,767
Interest Bearing Loans and Borrowings	5,015,164	3,625,509
Trade and Other Payables	539,819	667,908
Due to Related Companies	569,369	421,199
Bank Overdrafts	478,181	353,420
Current Tax Liabilities	87,998	111,517
Deferred Tax Liabilities	39,942	54,345
Retirement Benefit Obligations	36,842	30,515
Total Liabilities	9,977,863	8,438,180
EQUITY		
Stated Capital	1,445,333	1,445,333
Statutory Reserves	113,852	95,361
Retained Earnings	1,161,431	1,056,934
Total Equity	2,720,616	2,597,628
Total Liabilities & Equity	12,698,479	11,035,808

STATEMENT OF CHANGES IN EQUITY

	Attributable to Equity Holders of the Company (Audited)			
	Stated Capital Rs.'000	Reserve Fund Rs.'000	Retained Earnings Rs.'000	Total Rs.'000
Balance as at 01st April 2015	1,445,333	73,318	845,509	2,364,160
Total Comprehensive Income				
Profit for the Year	-	-	440,855	440,855
Other Comprehensive Income				
Re-measurement of Defined Benefit Obligation	-	-	(1,000)	(1,000)
Deferred Tax on Actuarial Losses on Defined Benefit Obligation	-	-	280	280
Total Comprehensive Income for the Year	-	-	440,135	440,135
Transactions with Owners, Recorded Directly in Equity				
Transferred to/(from) During the Year	-	22,043	(22,043)	-
Dividends - 2014/15	-	-	(206,667)	(206,667)
Total Transactions with Equity Owners	-	22,043	(228,710)	(206,667)
Balance as at 31st March 2016	1,445,333	95,361	1,056,934	2,597,628
Total Comprehensive Income				
Profit for the Year	-	-	369,830	369,830
Other Comprehensive Income				
Re-measurement of Defined Benefit Obligation	-	-	1,609	1,609
Deferred Tax on Actuarial Losses on Defined Benefit Obligation	-	-	(451)	(451)
Total Comprehensive Income for the Year	-	-	370,988	370,988
Transactions with Owners, Recorded Directly in Equity				
Transferred to/(from) During the Year	-	18,491	(18,491)	-
Dividends - 2015/16	-	-	(248,000)	(248,000)
Total Transactions with Equity Owners	-	18,491	(266,491)	(248,000)
Balance as at 31st March 2017	1,445,333	113,852	1,161,431	2,720,616

SELECTED PERFORMANCE INDICATORS

Indicator	As At 31 March 2017	As At 31 March 2016
Regulatory Capital Adequacy		
Core Capital (Tier 1 Capital), Rs.'000	2,350	2,364
Total Capital Base, Rs.'000	2,350	2,364
Core Capital to Risk Weighted Assets Ratio (Minimum 5%)	19.00%	22.92%
Total Capital to Risk Weighted Assets Ratio (Minimum 10%)	19.00%	22.92%
Capital Funds to Total Deposit Liabilities Ratio (Minimum 10%)	84.74%	81.85%
Assets Quality (Quality of Loan Portfolio)		
Gross Non-Performing Accommodations, Rs.'000	239,919	222,130
Gross Non-Performing Accommodations Ratio, %	2.05%	2.18%
Net-Non Performing Accommodations Ratio, %	0.40%	0.46%
Profitability (%)		
Net Interest Margin	12.65%	13.55%
Return on Assets (before Tax)	4.79%	6.51%
Return on Equity (after Tax)	13.91%	17.77%
Regulatory Liquidity (Rs.'000)		
Required Minimum Amount of Liquid Assets	476,415	444,896
Available Amount of Liquid Assets	589,832	584,576
Required Minimum Amount of Government Securities	332,100	364,849
Available Amount of Government Securities	458,226	445,000
Memorandum information		
Number of Employees	317	298
Number of Branches	23	21
Number of Service Centers	20	20
Number of Pawning Centers	-	-

We, the undersigned, being the Chief Executive Officer and the Chief Financial Officer of Singer Finance (Lanka) PLC certify jointly that:

- the above statements have been prepared in compliance with the format and definitions prescribed by the Central Bank of Sri Lanka;
- the information contained in these statements have been extracted from the audited financial statements of the Singer Finance (Lanka) PLC.

(Sgd.) R.S. Wijeweera
Director/Chief Executive Officer
30/06/2017

(Sgd.) T.A. Amarasuriya
Chief Financial Officer
30/06/2017

INDEPENDENT AUDITORS' REPORT



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(Chartered Accountants)
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TO THE SHAREHOLDERS OF SINGER FINANCE (LANKA) PLC

Report on the Financial Statements

We have audited the accompanying financial statements of Singer Finance (Lanka) PLC, (the "Company"), which comprise the statement of financial position as at March 31, 2017, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information set out in pages 128 to 173 of the Annual Report.

Board's Responsibility for the Financial Statements

The Board of Directors ("Board") is responsible for the preparation of these financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards and for such internal control as Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Sri Lanka Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Board, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion the financial statements give a true and fair view of the financial position of the Company as at March 31, 2017, and of its financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Report on Other Legal and Regulatory Requirements

As required by section 163 (2) of the Companies Act No. 07 of 2007, we state the following:

- The basis of opinion, scope and limitations of the audit are as stated above
- In our opinion:

• we have obtained all the information and explanations that were required for the audit and, as far as appears from our examination, proper accounting records have been kept by the Company,

• the financial statements of the Company, comply with the requirements of section 151 of the Companies Act.

CHARTERED ACCOUNTANTS

Colombo
02nd June 2017

M.R. Mular FCA
T.S. Rajan FCA
M. S.M.S. Jayasinghe ACA
G.A.U. Kumaran FCA
R.H. Rajan ACA
P.Y.S. Perera FCA
W.W.J.C. Perera FCA
W.A.D.C. Abeyaratne FCA
R.M.D.B. Rajapakshe FCA
C.P. Jayatilaka FCA
M.S. S. Joseph FCA
S.T.D.L. Perera FCA
M. S.K.D.T.N. Ruogo FCA
Principals - S.R.L. Perera FCA(UB), L.L.S. Abeyaratne FCA, H.S. Gnanasekera ACA, M. C.T.K.N. Perera ACA

KPMG is a Sri Lankan partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

SINGER FINANCE (LANKA) PLC

A subsidiary of Singer (Sri Lanka) PLC, Licensed by the Monetary Board of the Central Bank of Sri Lanka under the Finance Business Act No. 42 of 2011.
Date of Incorporation 19th April 2004. Rated BBB(ika) by Fitch Ratings. Co Reg No. PB 813 PQ

Mr. J. A. Setukavalar FCA, FCMA (Senior Independent Director), Mr. John Hyun (Director), Mr. Gavin J. Walker (Director), Mr. N. I. R. De Mel (Director), Mr. N.J.K. Dissanayake (Director), Mr. R. S. Wijeweera MBA (Banking & Finance) USJ (PIM), Msc. (Management) NUI (UCD) (Director/CEO), Mr. Janaka Mendis (Director), Mr. Shyamsunder Ramanathan (Alternate Director to Mr. John Hyun), Mr. K.K.L.P. Yatiwella (Alternate Director to Mr. Gavin J Walker), Mr. Chandana Samarasinghe (Alternate Director to Mr. N.J.K. Dissanayake), Mr. Thushan Amarasuriya (Alternate Director to Mr. R S Wijeweera), Mr. A.G.I.H. Perera (Alternate Director to Mr. Janaka Mendis)