

# **SALMAN NOMAN ENTERPRISES LIMITED**

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE QUARTER AND HALF YEAR ENDED DECEMBER 31, 2010

## **1 THE COMPANY AND ITS OPERATIONS**

The company is limited by shares, incorporated in Pakistan and is quoted on the Karachi and Lahore Stock Exchanges. The principal business of the company is manufacture and sale of yarn. The registered office and mills of the company are situated at 03 kilometer Bahi Pheru, Tehsil Chunian, District Kasur in the province of Punjab.

## **2 BASIS OF PREPARATION**

### **2.1 Statement of compliance**

This condensed interim financial information is un-audited and has been prepared in accordance with the requirements of the International Financial Reporting Standard (IFRS) IAS 34, "Interim Financial Reporting" as applicable in Pakistan. This condensed interim financial information does not include all of the information and disclosures required for annual financial statements, and should be read in conjunction with the financial statements of the company as at and for the year ended June 30, 2010.

This condensed interim financial information is being submitted to the shareholders as required by the Listing regulations of Karachi and Lahore Stock Exchanges and section 245 of the Companies Ordinance, 1984.

These condensed interim financial statements comprise of condensed interim balance sheet, 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 together with the notes for the half year ended December 31, 2010 which have been subjected to a review but not audited. These condensed interim financial statements also include the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarter ended December 31, 2010.

## **3 ACCOUNTING POLICIES**

The accounting policies and methods of computation which have been used in the preparation of this condensed interim financial information are the same as those applied in preparation of the financial statements for the preceding year ended June 30, 2010

Amendments to certain existing standards and new interpretations on approved accounting standards effective during the period either were not relevant to the company's operations or did not have any impact on the accounting policies of the company.

## **4 ACCOUNTING ESTIMATES, JUDGMENTS AND FINANCIAL RISK MANAGEMENT**

The preparation of this condensed interim financial information in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognized prospectively commencing from the period of revision.

Judgments and estimates made by management in the preparation of this condensed interim financial information are the same as those that were applied to the financial statements as at and for the year ended June 30, 2010.

The company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2010.

## 5 PROPERTY, PLANT AND EQUIPMENT

	Note	(Unaudited)	(Audited)
		December 31, 2010	June 30, 2010
-----Rupees-----			
Operating assets	5.1	774,876,685	627,181,301
Capital work in progress - at cost	5.2	-	57,444
		<u>774,876,685</u>	<u>627,238,745</u>
<b>5.1 Operating assets</b>			
Opening written down value		627,181,301	642,417,358
Transfer to leased assets		-	(10,805,722)
Additions / surplus during the period	5.1.1	163,869,582	27,175,180
		791,050,883	658,786,816
Disposals during the period	5.1.1	-	(280,800)
Depreciation during the period		(16,174,198)	(31,324,715)
Closing written down value		<u>774,876,685</u>	<u>627,181,301</u>
<b>5.2 Capital work in progress - at cost</b>			
Building factory		-	57,444
		<u>-</u>	<u>57,444</u>

5.1.1 The cost of addition / surplus and deletions to property, plant and equipment during the half year ended December 31, 2010 were as follows.

	December 31, 2010		December 31, 2009	
	Acquisition	Disposal	Acquisition	Disposal
C o s t				
-----Rupees-----				
Free hold land	39,506,250	-	-	-
Building on free hold land - mill	25,045,655	-	23,320	-
Building on free hold land - labour colony	2,625,351	-	-	-
Plant and machinery	26,938,945	-	84,908	-
Electric installation	-	-	-	-
Factory equipment	-	-	247,500	-
Office equipment	57,700	-	-	-
Furniture and fixture	38,660	-	-	-
Electric appliances	157,500	-	13,700	-
Vehicles	-	-	-	-
Plant and machinery - leased	69,499,521	-	-	-
	<u>163,869,582</u>	<u>-</u>	<u>369,428</u>	<u>-</u>

## 6 CONTINGENCIES AND COMMITMENTS

There is no major changes in contingencies as have been disclosed in the audited financial statements for the year ended June 30, 2010. The change in commitments are as follows :

	(Unaudited)	(Audited)
	December 31, 2010	June 30, 2010
-----Rupees-----		
Letter of credit for capital expenditure	-	131,885,547
Letter of credit for other than capital expenditure	<u>121,339,598</u>	<u>55,762,199</u>

## 7 EARNINGS PER SHARE - BASIC AND DILUTED

	Quarter ended		Half year ended	
	December 31, 2010	December 31, 2009	December 31, 2010	December 31, 2009
Profit for the period - Rupees	7,169,841	1,739,576	9,518,986	2,733,620
Weighted average number of ordinary shares	4,174,800	4,174,800	4,174,800	4,174,800
Earnings per share - basic (Rupees)	1.72	0.42	2.28	0.65

7.1 There is no dilutive effect on basic earnings per share of the company.

7.2 Earning per share - basic and diluted for the prior periods has been adjusted for the increase in the number of ordinary shares outstanding as a result of bonus issue.

## 8 RELATED PARTY TRANSACTIONS

### Balance with related parties

Long term financing from directors and associates

(Unaudited)	(Audited)
December 31, 2010	June 30, 2010
-----Rupees-----	
33,556,983	25,932,094

## 9 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements have been authorized for issue on **February 25, 2011** by the board of directors of the company.

## 10 GENERAL

Figures have been rounded off to the nearest rupees.

(Mr. Nauman Almas)  
CHIEF EXECUTIVE

(Mrs. Shamim Akhtar)  
DIRECTOR

Lahore: Date: 25.02.2011