

SALMAN NOMAN ENTERPRISES LIMITED
SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2011

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 3 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, 2011.

This condensed interim financial information is being submitted to the shareholders as required by the Listing regulations of Karachi, Lahore and Islamabad 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 & loss account for the quarter ended December 31, 2011.

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, 2011.

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, 2011.

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, 2011.

5 PROPERTY, PLANT AND EQUIPMENT

	Note	(Unaudited) December 31, 2011	(Audited) June 30, 2011
-----Rupees-----			
Operating assets	5.1	757,167,536	767,847,544
		<u>757,167,536</u>	<u>767,847,544</u>
5.1 Operating assets			
Opening written down value		767,847,544	627,181,301
Additions during the period / year	5.1.1	7,888,343	19,925,667
Surplus arised during the period / year		-	155,406,433
		<u>775,735,887</u>	<u>802,513,401</u>
Disposals during the period / year	5.1.1	(759,369)	(303,557)
Depreciation during the period / year		(17,808,982)	(34,362,300)
		<u>757,167,536</u>	<u>767,847,544</u>
Closing written down value			

5.1.1 The cost of additions and deletions to property, plant and equipment were as follows.

	December 31, 2011		June 30, 2011	
	Acquisition	Disposal	Acquisition	Disposal
	C o s t		C o s t	
	-----Rupees-----		-----Rupees-----	
Building on free hold land-Mill	-	-	2,147,134	-
Building on free hold land-Labour colony	-	-	952,082	-
Plant and machinery	5,113,629	(759,369)	15,654,941	-
Electric installation	1,147,759	-	-	-
Office equipment	46,000	-	947,700	(12,496)
Furniture and fixture	-	-	59,560	-
Electric appliances	82,940	-	164,250	-
Vehicles	1,498,015	-	-	(291,061)
	<u>7,888,343</u>	<u>(759,369)</u>	<u>19,925,667</u>	<u>(303,557)</u>

6 The company has issued 292,236 (June 30, 2011 : 198,800) ordinary shares of Rs. 10 each during the year as fully paid bonus shares.

7 It includes overdue installments of Rs. 8,832,634 (June 30, 2011: Nil).

8 It includes overdue installments of Rs. 977,125 (June 30, 2011: Nil).

9 It includes overdue installments of Rs. 5,739,639 (June 30, 2011: Nil).

10 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, 2011. The change in commitments is as follows :

	(Unaudited) December 31, 2011	(Audited) June 30, 2011
	-----Rupees-----	
Letter of credit for other than capital expenditure	98,676,594	90,146,438

11 (LOSS) / EARNINGS PER SHARE - BASIC AND DILUTED

	Quarter ended		Half year ended	
	December 31, 2011	December 31, 2010	December 31, 2011	December 31, 2010
(Loss) / profit for the period - Rupees	(76,525,577)	1,739,576	(76,202,744)	2,733,620
Weighted average number of ordinary shares	4,467,036	4,467,036	4,467,036	4,467,036
(Loss) / earnings per share - basic - Rupees	<u>(17.13)</u>	<u>0.39</u>	<u>(17.06)</u>	<u>0.61</u>

11.1 Weighted average number of shares in issue during the last period have been restated for the effect of bonus shares issued during current period.

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

12 RELATED PARTY TRANSACTIONS

Transactions with related parties

Long term financing from directors and others received

Balance with related parties

Long term financing from directors and others

	(Unaudited) December 31, 2011	(Audited) June 30, 2011
	-----Rupees-----	
Long term financing from directors and others received	9,065,530	-
Long term financing from directors and others	51,622,513	42,556,983

13 CORRESPONDING FIGURES

Figures have been rearranged / reclassified whenever necessary for the purpose of comparison. Following reclassification / rearrangement has been made in these condensed interim financial statements for compliance, better understanding and presentation.

From	To	Nature	Amount
Sales - commission	Distribution cost - commission	better classification	3,197,570

14 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements have been authorized for issue on **February 28, 2011** by the board of directors of the company.

15 GENERAL

Figures have been rounded off to the nearest rupees.

Lahore:
Dated: February 28, 2012

(NAUMAN ALMAS)
CHIEF EXECUTIVE

(MRS. SHAMIM ALMAS)
DIRECTOR