

SALMAN NOMAN ENTERPRISES LIMITED
SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS(UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2014

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, 2014.

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, 2014 which have been subject to a review but not audited. These condensed interim financial statements also include the condensed interim profit and loss account for the quarter ended December 31, 2014.

3 ACCOUNTING POLICIES

3.1 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, 2014.

3.2 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, 2014.

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, 2014.

5 PROPERTY, PLANT AND EQUIPMENT

	Note	(Unaudited) December 31, 2014	(Audited) June 30, 2014
-----Rupees-----			
Operating assets - WDV	5.1	845,378,477	788,647,359
		<u>845,378,477</u>	<u>788,647,359</u>
5.1 Operating assets			
Opening written down value		788,647,359	799,665,750
Add: Additions during the period / year	5.1.1	940,700	25,988,880
Surplus arised during the period / year		128,781,281	-
		918,369,340	825,654,630
Less: Disposals during the period / year	5.1.1	-	-
Depreciation during the period / year		(18,113,561)	(37,007,271)
Adjustment due to Surplus		(54,877,302)	-
Closing net book value		<u>845,378,477</u>	<u>788,647,359</u>

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

	December 31, 2014		June 30, 2014	
	Acquisition	Disposal	Acquisition	Disposal
	C o s t		C o s t	
	-----Rupees-----		-----Rupees-----	
Plant and machinery	892,000	-	24,662,375	-
Electric installation	-	-	450,000	-
Furniture and fixture	48,700	-	-	-
Electric appliances	-	-	172,505	-
Vehicles	-	-	704,000	-
	<u>940,700</u>	<u>-</u>	<u>25,988,880</u>	<u>-</u>

- 6 It includes overdue installments of Rs. 18,927,842 (June 30, 2014: Rs. 8,119,921).
- 7 These are unsecured and interest free loan. The directors of the company and others have acknowledged that they have no intentions to demand such loans within next twelve months. It includes Rs. 71.623 million (June 30, 2014: 71.623 million) subordinated to loans from banking companies.
- 8 It includes overdue installments of Rs. 10,022,579 (June 30, 2014: Rs.3,097,827).Overdue installments of Rs.250,000 were subsequently paid.

9 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, 2014. The change in commitments is as follows:

	(Unaudited)	(Audited)
	December 31, 2014	June 30, 2014
	-----Rupees-----	
Letter of credit for other than capital expenditure	36,322,812	16,075,710

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

	Quarter ended		Half year ended	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Profit / (loss) for the period - Rupees	(14,981,184)	(541,535)	(11,747,800)	4,111,392
Weighted average number of ordinary shares	4,467,036	4,467,036	4,467,036	4,467,036
Earnings / (loss) per share - basic - Rupees	<u>(3.35)</u>	<u>(0.12)</u>	<u>(2.63)</u>	<u>0.92</u>

10.1 There is no dilutive effect on basic earnings / (loss) per share of the company.

11 RELATED PARTY TRANSACTIONS

Transactions with related parties

	(Unaudited)	(Unaudited)
	December 31, 2014	December 31, 2013
	-----Rupees-----	
Remuneration to key management personnel	1,200,000	1,200,000
Long term financing from directors and others-received	64,411,392	-

12 CORRESPONDING FIGURES

Figures have been rearranged whenever necessary for the purpose of comparison. However, no significant reclassification is made during the period.

13 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements have been authorized for issue on 28th February 2015 by the board of directors of the company.

14 GENERAL

Figures have been rounded off to the nearest rupees.

Dated: February 28, 2015

CHIEF EXECUTIVE

DIRECTOR