

LANDMARK SPINNING INDUSTRIES LIMITED
CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)
AS ON DECEMBER 31, 2011

	Note	December 31, 2011 Rupees	June 30, 2011 Rupees
NON CURRENT ASSETS			
FIXED ASSETS			
Property, Plant and Equipment - (At Cost Less Accumulated Depreciation)		240,550,480	240,552,609
LONG TERM DEPOSITS		25,000	25,000
CURRENT ASSETS			
Loan & Advances		38,688	38,688
Trade Debtors		474,980	474,980
Cash and Bank Balances		80,780	83,968
		594,448	597,636
CURRENT LIABILITIES			
Trade and Other Payables		246,779	251,063
		246,779	251,063
Contingencies	5.	347,669	346,573
		<u>240,923,149</u>	<u>240,924,182</u>
SHAREHOLDER EQUITY AND LIABILITIES			
SHARE CAPITAL			
AUTHORISED CAPITAL			
15,000,000 (June 30, 2011 : 15,000,000) Ordinary Shares of Rs.10/- each		<u>150,000,000</u>	<u>150,000,000</u>
ISSUED SUBSCRIBED & PAID UP CAPITAL			
12,123,700 (June 20, 2011: 12,123,700) Ordinary Share of Rs.10/- each fully paid in cash		121,237,000	121,237,000
Accumulated Loss		(171,566,736)	(171,041,246)
		(50,329,736)	(49,804,246)
Surplus on Revaluation of Property, Plant & Equipments		87,713,358	87,713,358
NON CURRENT LIABILITIES			
Long Term Loans - Unsecured , Interest Free	6.	203,539,526	203,015,070
		<u>240,923,149</u>	<u>240,924,182</u>

The annexed notes form an integral part of these financial statements.



Akber Ali Hashwani
Chief Executive



Amin A. Hashwani
Director

LANDMARK SPINNING INDUSTRIES LIMITED
CONDENSED INTERIM PROFIT & LOSS ACCOUNT (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2011

	Note	For the Half Year Ended Dec. 31, 2011 Rupees	Dec. 31, 2010 Rupees	For the Quarter Year Ended Dec. 31, 2011 Rupees	Dec. 31, 2010 Rupees
SALES - NET					
		-	-	-	-
COST OF SALES					
		-	-	-	-
GROSS Profit/(LOSS)					
		-	-	-	-
OPERATING EXPENSES					
Administrative Expenses		523,802	547,641	296,145	383,793
OPERATING(LOSS)		<u>(523,802)</u>	<u>(547,641)</u>	<u>(296,180)</u>	<u>(383,793)</u>
Financial Cost					
		(1,688)	(1,002)	(35)	(499)
Taxation					
Current		-	-	-	-
		-	-	-	-
LOSS AFTER TAXATION		<u>(525,490)</u>	<u>(548,643)</u>	<u>(296,180)</u>	<u>(384,292)</u>
LOSS PER SHARE-BASIC (8)		<u>(0.04)</u>	<u>(0.05)</u>	<u>(0.02)</u>	<u>(0.03)</u>

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2011

	Note	December 31, 2011 Rupees	December 31, 2010 Rupees
Profit \ (loss) for the quarter		(525,490)	(548,643)
Other comprehensive income		-	-
Total Comprehensive income		<u>(525,490)</u>	<u>(548,643)</u>

The annexed notes form an integral part of these accounts.



Akber Ali Hashwani
Chief Executive

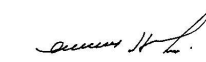


Amin A. Hashwani
Director

LANDMARK SPINNING INDUSTRIES LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
AS ON DECEMBER 31, 2011

	December 31, 2011 Rupees	December 31, 2010 Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
(Loss) before taxation	(525,490)	(548,643)
Adjustment of non-fund items:		
Depreciation	2,130	2,396
Financial Charges	1,688	1,002
	3,818	3,398
	<u>(521,672)</u>	<u>(545,245)</u>
WORKING CAPITAL CHARGES		
(Increase)/Decrease in current assets	-	-
Loan & Advance	-	-
Increase/(decrease) in current liabilities	-	-
Trade and Other Payables	(4,284)	(73,895)
	<u>(4,284)</u>	<u>(73,895)</u>
Cash generated from operation	<u>(525,956)</u>	<u>(619,140)</u>
Financial Cost Paid		
	<u>(1,688)</u>	<u>(1,002)</u>
Net cash Generated from operating activities	<u>(527,644)</u>	<u>(620,142)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Long term Deposit	524,456	649,100
Wavier of loan/markup	-	-
Net cash flow from investing activities	<u>524,456</u>	<u>649,100</u>
Net Increase /(decrease) in cash & bank balances	(3,188)	28,958
Cash and Bank Balances at the beginning of the year	83,968	76,142
Cash and Bank Balances at the end of the year	<u>80,780</u>	<u>105,100</u>

The annexed notes form an integral part of these accounts.



Akber Ali Hashwani
Chief Executive



Amin A. Hashwani
Director

FEROZ SHARIF TARIQ & CO Chartered Accountants,
4-N/4, Block-6
P.E.C.H.S., Karachi-75400
Voice: 34540891 Email: fstc.ca@gmail.com

AUDITORS' REVIEW REPORT TO THE MEMBERS ON
REVIEW OF INTERIM FINANCIAL STATEMENTS

Introduction

We have reviewed the accompanying Condensed interim balance sheet of Landmark Spinning Industries Limited ("the company") as at December 31, 2011 and the related 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 forming part thereof (hereinafter referred to as the 'Condensed interim financial statements') for the six months period then ended. Management is responsible for the preparation and Presentation of this Condensed interim financial statements in accordance with approved accounting standards as applicable in Pakistan. Our responsibility is to express a conclusion on this Condensed interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on review engagements 2410, "Review of Condensed interim financial statements performed by the independent Auditor of the Entity". A review of Condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

a) The company has incurred a net loss of Rs. 525,490/- during the period ended December 31, 2011. and as of that date it has accumulated losses of Rs. 171,566,736 which have eroded its capital and its total liabilities exceeded its total assets by Rs. 50,329,736/=, the company has not started its production for last many years despite representation made by the management to revive the production. Continuous breakdowns in electricity and non availability of gas line for gas generator are a major problem to run the factory at winder Baluchistan. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern and therefore it may be unable to realize its assets and discharge its liabilities in the normal course of business.

b) Depreciation on fixed assets has not been charged except on Vehicle and Hut at sandpit since the date commercial operation was suspended by the company in 2002-2003. Had the company charged depreciation on all the assets of the company with out taking impact of revaluation the written down value of the fixed assets (without revaluation) would have been reduced by Rs. 87,307,041 and consequently accumulated losses of the company as of balance sheet date would have been increased by Rs. 87,307,041. Furthermore the company has made revaluation on its fixed assets Land, Building and Plant and Machinery in the year 2008. Had the company charged depreciation on all the assets of the company taking impact of revaluation the written down value of the fixed assets (revalued) would have been reduced by Rs. 117,699,809 and Consequently Accumulated Losses of the Company as of Balance sheet date would have been increased by Rs. 117,699,809.

Based on our review, except for the matter discussed in the preceding paragraph (a) and (b) Consequently if any adjustment may be required to the carrying amounts and classification of assets and liabilities, the financial statement and the notes thereto not disclose this fact, nothing has come to our attention that causes us to believe that the accompanying Condensed interim financial statements as of and for the six months period ended December 31, 2011 are not prepared, in all material respects, in accordance with approved accounting standard as applicable in Pakistan for interim financial reporting.

Audit Engagement Partner: Mohammad Tariq

Place: Karachi

Dated: 27th February 2012

CHARTERED ACCOUNTANTS

LAND MARK SPINNING INDUSTRIES LIMITED
CONDENSED INTERIM NOTES TO THE ACCOUNTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2011

1 Nature and Status of Business

The Company was incorporated in Pakistan as a Private Limited Company on October 21, 1991 and was converted into a Public Limited Company on April 30, 1992. The Company is Listed at Karachi & Lahore Stock Exchanges.

1.1. The company commenced its commercial operation, from 2001 after reactivation of plant which remained idle for the seven years. However, the company again has suspended its production on November 29, 2002 to forestall the recurring losses on account of electricity breakdowns and frequent Load shedding stop gap arrangement was made to suspend operations for the time being until the market trends becomes conducive for positive results. The management feels that immediately upon the utility provision of gas supplies to winder Baluchistan industrial zone by S.S.G.C. Limited, which is in progress, the production will be expected to commence in near future.

2. Statement of Compliance

These condensed interim financial statements are un-audited but subject to limited scope review by the auditors. These condensed interim financial statements of the company for the six months period ended December 31, 2010 has been prepared in accordance with the requirements of International Accounting Standard (IAS) -34 " interim financial Reporting" and Provisos of and directives issued under the companies Ordinance, 1984, in case where the requirements differ, the provions of or directives issued under the Companies Ordinance, 1984 have been followed.

The figures of the condensed interim profit and loss account for the quarters ended December 31, 2009 and 2010 have not been reviewed by the auditors of the company as they have reviewed the cumulative figures for the half years ended December 31, 2010 and 2011. These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the company's annual financial statements for the year ended June 30, 2011

3. Summary of Significant Accounting Policies

The Accounting Policies adopted for the preparation of half yearly Financial Statements are the same as those applied in the preparation of the annual financial statements of the Company for the preceding period ended June 30, 2011. except as follows:

New and amended Standards and

The company has adopted the following amended IFRS and IFRIC interpretation which became effective during the period.

IFRS 7	Financial Instruments: Disclosures
IAS - 24	Related Party Disclosures (Revised)
IFRIC 14	Prepayments of a Minimum Funding Requirements (Amendment)

In may 2010, International Accounting Standards Board (IASB) issued amendments to various standards primarily with a view to removing inconsistencies and clarifying wording. These improvements are listed below:

IAS - 1	Presentation of Financial statements - (Clarification of Statement of changes in equity)
IFRS 7	Financial Instruments: Disclosures - Clarification of disclosures
IAS - 34	Interim Financial Reporting (Significant events and transactions)
IFRIC 13	Customer Loyalty Programmes (Fair value of award credits)

The adoption of the above standards, amendments/ improvements and interpretations did not have any material effect on the condensed interim financial statements of the company.

4. Depreciation

No. Depreciation on Assets except a Hut at Sand spit (Lease hold) and Vehicles has been charged during the Period as their has been no production activity and the same has also been mentioned in note no. 1 of these financial statements.

5. Contingencies

There is no significant change in Contingencies and commitments as reported in the financial Statements for the year ended June 30, 2010.

	December 31, 2011	June 30, 2011
6. Long term Loan - unsecured, interest free		
Loan from Director	23,427,751	23,427,751
Loan from Associated Companies	<u>180,111,775</u>	<u>179,587,319</u>
	<u>203,539,526</u>	<u>203,015,070</u>

7. Transaction with Related Parties

Related parties transactions are carried out in the normal course of business with various related parties material transaction with related parties during the period are given below:

	December 31, 2010		December 31, 2010	
	<u>524,456</u>		<u>649,100</u>	
	For the Half Year Ended Dec. 31, 2011	Dec. 31, 2010	For the Quarter Ended Dec. 31, 2011	Dec. 31, 2010
	Rupees	Rupees	Rupees	Rupees
Interest free loan received from related parties				
8. Earning Per Share -Basic				
Net Loss for the period	<u>(525,490)</u>	<u>(548,643)</u>	<u>(296,643)</u>	<u>(384,292)</u>
Weighted average number of ordinary shares issued during the year	<u>12,123,700</u>	<u>12,123,700</u>	<u>12,123,700</u>	<u>12,123,700</u>
Loss Per Share -Basic	<u>(0.04)</u>	<u>(0.05)</u>	<u>(0.02)</u>	<u>(0.03)</u>

8.1. There is no diluted effect on the basic earnings per share.

9. Date of Authorization for issue

These Financial Statements were authorized for issue on 27th February, 2012 by the Board of Directors of the Company.


10. General

10.1. Figures have been rounded off to the nearest of Rupee.

LANDMARK SPINNING INDUSTRIES LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2011

	Share Capital Rupees	Unappropriated (Loss) Rupees	Total Rupees
Balance as at July 01, 2010	121,237,000	(170,019,128)	(48,782,128)
Total Comprehensive income	-	(548,643)	(548,643)
Balance as at December 31, 2010	<u>121,237,000</u>	<u>(170,567,771)</u>	<u>(49,330,771)</u>
Balance as at July 01, 2011	121,237,000	(171,041,246)	(49,804,246)
Total Comprehensive income	-	(525,490)	(525,490)
Balance as at December 31, 2011	<u>121,237,000</u>	<u>(171,566,736)</u>	<u>(50,329,736)</u>

The annexed notes form an integral part of these accounts.


Akber Ali Hashwani
 Chief Executive


Amin A. Hashwani
 Director

LANDMARK SPINNING INDUSTRIES LIMITED

DIRECTORS REVIEW

The Board of directors of your company are presenting the un-audited half yearly financial statements of the Company, as reviewed by the Auditors for the period ended 31st December 2011. These financial statements have been prepared in compliance with IAS and are submitted under section 245 of the Companies Ordinance 1984.

Your company sustained a net loss amounting to Rs.525,490 for the half year ended 31st December 2011, which was mainly based on salary of security staff of factory and other general expenses.

Further, in this half year no operational activity has taken place. The gas line at winder is not yet commissioned and in the absence of viable power cost, it is unworkable to run the industry at winder, further the law and order situation in Balochistan is alarming. The textile sector in the country is facing difficulties on account of price hike of cotton and un-workable prices of yarn.

As regards, the Auditors observation regarding non charging of depreciation on specific fixed assets, we state that the company's policy with regard to charging of depreciation method is to adopt minimum recommended approach under ISA 16, suited as the said method for expected use and output of the respective fixed assets is based on the life expectancy of the machineries having condition while reviewing the expected pattern of consumption of those asset's residual value for the period under usage.


However, when these assets are utilized upon start of commercial production, the adjustment as required to the carrying of amount and classification of assets with an appropriate method would be applied and determined in recognition of impairment loss for charging of depreciation.

Regarding doubts on going concern with material uncertainty highlighted by the Auditors, it is further clarified that such observation for this unit over the years have not caused any event at all as the management of your company has been trying with utmost efforts by injecting funds from their own account with eventual aim to run the unit for ultimate benefits of stake holders.

Your directors are keen to restart the unit provided the viability of unit and conducive business trends in textile sector take place.

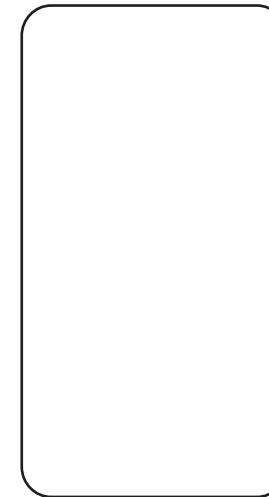
Your directors wish to express their appreciation to the staff of the Company for the rendered by them.

Karachi
 Dated 27 th February, 2012


(Akberali Hashwani)
 Chief Executive

LAND MARK SPINNING INDUSTRIES LIMITED
HALF YEARLY ACCOUNTS (UN-AUDITED)
FOR THE SIX MONTHS ENDED
31ST DECEMBER 2011

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 1ST FLOOR, COTTON EXCHANGE BUILDING,
 I.I. CHUNDRIGAR ROAD, KARACHI.



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