

**FLYING CEMENT COMPANY LIMITED**  
**PROFIT AND LOSS ACCOUNT (un-audited)**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2007**

	Sep-2007 Rupees	Sep-2006 Rupees
Sales	79,341,798	409,528,217
Cost of sales	<u>94,280,248</u>	<u>395,167,921</u>
<b>Gross Profit</b>	<b>(14,938,450)</b>	14,360,296
Distribution cost	<u>1,275,777</u>	1,667,929
Administrative expenses	<u>2,650,907</u>	5,646,917
	<b>3,926,684</b>	7,314,846
<b>Operating Profit</b>	<b>(18,865,134)</b>	7,045,450
Finance cost	4,749,509	1,183,215
<b>Profit Before Taxation</b>	<b>(23,614,643)</b>	5,862,235
Taxation	(396,709)	61,832,290
<b>Profit After Taxation</b>	<b><u>(24,011,352)</u></b>	<b><u>67,694,525</u></b>
<b>Earning Per Share- Basic</b>	<b><u>(0.15)</u></b>	<b><u>0.42</u></b>

- The annexed notes 1 to 12 form an integral part of these financial statements.

**Momin Qamar**  
Director

**Kamran Khan**  
Chief Executive

## NOTES TO THE ACCOUNTS (un-audited) FOR THE QUARTER ENDED SEPTEMBER 30, 2007

### 1 LEGAL STATUS & OPERATIONS

Flying Cement Company Limited (formerly Zaman Cement Company Limited) was incorporated on December 24, 1992 as a public limited company under the Companies Ordinance, 1984. The shares of the company are quoted on Karachi and Lahore Stock Exchanges in Pakistan. The main objective of the company is to manufacture and sale of cement. The registered office of the company is situated in Lahore and the factory in Khushab.

### 2 BASIS OF PREPARATION

These financial statements are un-audited and have been prepared in accordance with the requirements of International Accounting Standard (IAS-34) "Interim Financial Reporting". These financial statements are being submitted to the shareholders as required by section 245 of the Companies Ordinance, 1984.

The Interim condensed financial statements do not include all the information and disclosures as 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, 2007

### 3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these interim condensed financial statements are consistent with those followed in the preparation of the company's annual financial statements for the year ended June 30, 2007.

Sep-2007	Jun-2007
----------	----------

Rupees

### 4 LONG TERM FINANCE

Term Finance - unsecured	<b>50,000,000</b>	50,000,000
Less: Current Portion	<b>20,833,335</b>	15,277,778
	<b><u>29,166,665</u></b>	<b><u>34,722,222</u></b>

Term Finance of Rs. 50 million is availed from Askari Bank Limited. The rate of mark-up is 3 months average (Ask side) KIBOR + 3.5 % payable quarterly. The finance is secured against 1st charge on current assets of company, personal guarantees of directors and property owners alongwith group inter corporate guarantees.

### 5 Short Term Finance

Running Finance	<b><u>9,990,400</u></b>	<b><u>9,990,400</u></b>
-----------------	-------------------------	-------------------------

Short term running finance is available from The Bank of Punjab under mark-up arrangement amount to Rs.10 million. The rate of mark-up is 6 month KIBOR +300 BPS. The finance is secured against the hypothecation of current assets of the company.

### 6 CONTINGENCIES AND COMMITMENTS

Letters of Credit other than capital expenditure outstanding amounted to Rs.35.76 million. (June 2007: 88.98 million).

### 7 Property, Plant & Equipment

Opening book value	<b>3,689,157,310</b>	3,738,298,185
Add: Additions during the period	<b>5,436,467</b>	26,893,470
	<b>3,694,593,777</b>	3,765,191,655
Less: Depreciation charged during the period	<b>2,242,295</b>	76,034,343
Closing book value	<b><u>3,692,351,482</u></b>	<b><u>3,689,157,312</u></b>

Sep-2007	Jun-2007
----------	----------

Rupees

**Additions during the period**

Building - factory	-	72,577
Roads	-	2,018,862
Electric installation	<b>145,000</b>	422,031
Power house	<b>75,018</b>	-
Furniture & fixture	-	47,100
Vehicles	<b>5,216,449</b>	24,332,900
	<b><u>5,436,467</u></b>	<b><u>26,893,470</u></b>

**8 CAPITAL WORK IN PROGRESS**

Building	<b>155,990,775</b>	154,118,775
Plant & machinery	<b>875,551,917</b>	873,418,584
	<b><u>1,031,542,692</u></b>	<b><u>1,027,537,359</u></b>

**9 CASH AND BANK BALANCES**

In hand	<b>37,261,605</b>	19,241,307
At Banks- current accounts	<b>16,446,061</b>	9,847,855
	<b><u>53,707,665</u></b>	<b><u>29,089,162</u></b>

**10 RELATED PARTIES TRANSACTIONS**

Related parties of the company comprise associated undertakings, directors, key employees and management personnel. Detail of transactions with related parties except remuneration and benefits to directors and management personnel under their terms of emp

Sales to Associated Companies	<b><u>34,620</u></b>	<b><u>374,580</u></b>
Purchases from Associated Companies	<b><u>9,322,981</u></b>	<b><u>187,167,127</u></b>

Transactions with related parties were made at arm's length prices determined in accordance with the comparable uncontrolled method. During the year the company was involved in the transactions with the associated concerns i.e. Flying Board and Paper Products Limited, Flying Kraft Paper Mills (Pvt.) Limited and Zaman Paper and Board Mills (Pvt.) Limited.

**11 DATE OF AUTHORIZATION FOR ISSUE**

These financial statements were authorised for issue on October 30, 2007 by the board of directors of the company.

**12 GENERAL**

- Figures in the financial statements have been rounded off to the nearest rupee.
- Corresponding figures have been rearranged and reclassified, wherever necessary, for the purposes of comparison.

**Momin Qamar**  
Director

**Kamran Khan**  
Chief Executive