

SECURITY LEASING CORPORATION LIMITED  
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT  
FOR THE PERIOD ENDED DECEMBER 31, 2014 (UN-AUDITED)

Annexure- A

The financial results of the company are as follows:

Note	Half year ended		Quarter ended	
	31 December 2014 Rupees	31 December 2013 Rupees	31 December 2014 Rupees	31 December 2013 Rupees
<b>REVENUE</b>				
<b>Income from:</b>				
Finance leases	5,305,031	15,086,708	2,317,810	7,015,408
Other operating income	7,023,788	2,714,549	2,464,120	1,404,227
	<u>12,328,819</u>	<u>17,801,257</u>	<u>4,781,930</u>	<u>8,419,635</u>
<b>EXPENSES</b>				
Administrative and selling	52,128,006	42,088,737	33,981,662	20,890,838
Finance costs	2,172,906	1,533,703	613,143	1,085,926
Direct cost of finance leases	1,217,000	620,500	796,000	166,500
Provision and write-offs	(979,295)	13,536,246	-	13,536,246
	<u>54,538,617</u>	<u>57,779,186</u>	<u>35,390,805</u>	<u>35,679,510</u>
<b>Operating Profit before other charges</b>	<b>(42,209,798)</b>	<b>(39,977,929)</b>	<b>(30,608,875)</b>	<b>(27,259,875)</b>
<b>Other Charges</b>				
Unwinding of financial liability	(32,911,871)	(35,320,256)	(16,537,979)	(17,483,003)
<b>Loss before income tax</b>	<b>(75,121,669)</b>	<b>(75,298,185)</b>	<b>(47,146,854)</b>	<b>(44,742,878)</b>
Income tax expense				
- current	(220,000)	(689,000)	(106,000)	(350,000)
<b>Loss for the period</b>	<b>(75,341,669)</b>	<b>(75,987,185)</b>	<b>(47,252,854)</b>	<b>(45,092,878)</b>
<b>Loss per share</b>	<b>(2.08)</b>	<b>(2.09)</b>	<b>(1.30)</b>	<b>(1.24)</b>



## SECURITY LEASING CORPORATION LIMITED AUDITORS' REPORT TO THE MEMBERS ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION

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### Introduction

We have reviewed the accompanying condensed interim balance sheet of Security Leasing Corporation Limited as at December 31, 2014 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, condensed interim cash flow statement and notes to the accounts for the six months period ended (here-in-after referred to as the "interim financial information"). Management of the Company is responsible for the preparation and fair presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan, provisions of and directives issued under the Companies Ordinance, 1984, Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and Non-Banking Finance Companies and Notified Entities Regulations, 2008. Our responsibility is to express a conclusion on this interim financial information based on our review.

### Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of condensed interim financial information 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

Based on our review, nothing has come to our attention that causes us to believe that accompanying condensed interim financial information as of and for the half year ended December 31, 2014 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan, provisions of and directives issued under the Companies Ordinance, 1984, Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and Non-Banking Finance Companies and Notified Entities Regulations, 2008 for interim financial reporting.

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Without qualifying our opinion, we draw attention to the following matters:

1. The note 1.2 of the interim financial statements discloses the adverse financial conditions of the Company including renewal of the license to operate as a leasing business and non-compliance of minimum equity requirements. These conditions along with other matters as fully explained in note 1.2, indicate the existence of material uncertainty which may cast significant doubt on the ability of the Company to continue as a going concern.
2. As disclosed in note 11 of the interim financial statements that the Company has recorded deferred tax asset aggregating to Rs. 324.958 million (June 30 2014: Rs. 324.958 million). The company has recognized the deferred tax asset on the basis of future business plan of the company which projects that future taxable profits would be available against which such deferred tax asset could be utilized. However there is a material uncertainty involved in the assumption underlying these future business plans, as disclosed in note 1.2, which are dependent on future events due to which there is a possibility that sufficient future taxable profits or sufficient taxable temporary differences may not be available against which deferred tax asset could be utilized.

#### Other Matter

The figures of the condensed interim profit and loss account and condensed interim comprehensive income for the quarters ended December 31, 2014 and 2013 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2014.

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Chartered Accountants  
Karachi

Dated:

Engagement Partner: Adnan Zaman