



KPMG Taseer Hadi & Co.
Chartered Accountants

Global Securities Pakistan Limited

Financial Statements
For the year ended
30 June 2011



KPMG Taseer Hadi & Co.
Chartered Accountants
Sheikh Sultan Trust Building No. 2
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Auditors' Report to the Members

We have audited the annexed balance sheet of **Global Securities Pakistan Limited** ("the Company") as at 30 June 2011 and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

- a) in our opinion, proper books of account have been kept by the Company as required by the Companies Ordinance, 1984;
- b) in our opinion:
 - i) the balance sheet and profit and loss account together, with the notes thereon, have been drawn up in conformity with the Companies Ordinance, 1984 and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;
 - ii) the expenditure incurred during the year was for the purpose of the Company's business; and
 - iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;
- c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984 in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2011 and of the loss, its cash flows and changes in equity for the year then ended; and



KPMG Taseer Hadi & Co.

- d) in our opinion no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

Date: 16 September 2011

Karachi

KPMG Taseer Hadi & Co.
KPMG Taseer Hadi & Co.
Chartered Accountants
Muhammad Taufiq

Global Securities Pakistan Limited

Balance Sheet

As at 30 June 2011

	Note	30 June 2011	30 June 2010
------(Rupees)-----			
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised capital			
7,500,000 (2010: 7,500,000) ordinary shares of Rs 10 each		<u>75,000,000</u>	<u>75,000,000</u>
Issued, subscribed and paid-up share capital	4	69,030,620	69,030,620
Reserves	5	<u>2,534,224</u>	<u>4,068,695</u>
Shareholders' equity		71,564,844	73,099,315
LIABILITIES			
Non-current liabilities			
Long term loan - secured	6	-	20,000,000
Term loan - secured	7	<u>40,000,000</u>	<u>40,000,000</u>
Total non-current liabilities		40,000,000	60,000,000
Current liabilities			
Current portion of long term loan - secured	6.1	<u>20,000,000</u>	<u>80,000,000</u>
Trade and other payables	8	18,702,303	22,040,109
Accrued mark-up	9	6,854,326	766,531
Running finance under mark-up arrangement - secured	10	70,606,002	-
Provision for taxation	11	<u>2,839,000</u>	<u>5,895,000</u>
Total current liabilities		119,001,631	108,701,640
CONTINGENCIES AND COMMITMENTS			
	12		
TOTAL EQUITY AND LIABILITIES		<u>230,566,475</u>	<u>241,800,955</u>
ASSETS			
Non-Current Assets			
Property and equipment	13	<u>35,685,503</u>	<u>38,473,874</u>
Membership cards	14	10,250,000	11,000,000
Computer software	15	4,300,575	4,541,575
Long term deposits		2,053,150	2,240,860
Deferred taxation	16	<u>10,011,904</u>	<u>12,702,197</u>
Total non-current assets		62,301,132	68,958,506
Current assets			
Investments at fair value through profit and loss - held for trading	17	<u>524,246</u>	<u>522,885</u>
Trade debts - unsecured	18	94,677,089	52,304,800
Interest accrued		47,511	868,724
Advances, deposits, prepayments and other receivables	19	56,302,823	37,408,067
Cash and bank balances	20	<u>16,713,674</u>	<u>81,737,973</u>
Total current assets		168,265,343	172,842,449
TOTAL ASSETS		<u>230,566,475</u>	<u>241,800,955</u>

The annexed notes 1 to 30 form an integral part of these financial statements.



Director



Chief Executive

Global Securities Pakistan Limited
 Profit and Loss Account
 For the year ended 30 June 2011

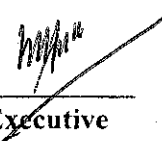
	Note	2011	2010
		------(Rupees)-----	
Operating revenues	21	68,149,821	74,394,037
Unrealized gain on remeasurement of investment carried at fair value through profit and loss	17	65,254	112,238
		<u>68,215,075</u>	<u>74,506,275</u>
Administrative and operating expenses	22	(63,008,182)	(78,585,455)
Operating profit / (loss)		5,206,893	(4,079,180)
Finance cost	23	(16,821,352)	(22,184,465)
Other operating income	24	15,624,437	24,730,202
Provision for Workers' Welfare Fund		(38,282)	-
Profit / (Loss) before taxation		3,971,696	(1,533,443)
Provision for taxation - Current year		2,839,000	5,895,000
- Prior year		(23,126)	(86,700)
- Deferred		2,690,293	(2,300,000)
		<u>5,506,167</u>	<u>3,508,300</u>
Loss after taxation		(1,534,471)	(5,041,743)
Loss per share- basic and diluted	25	<u>(0.22)</u>	<u>(0.73)</u>

The annexed notes 1 to 30 form an integral part of these financial statements.

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Director



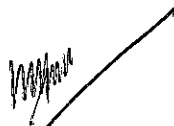
Chief Executive

Global Securities Pakistan Limited
Statement of Comprehensive Income
For the year ended 30 June 2011

	30 June 2011	30 June 2010
	----- (Rupees) -----	
Net loss for the year	(1,534,471)	(5,041,743)
Other comprehensive income	-	-
Total comprehensive loss for the year	<u>(1,534,471)</u>	<u>(5,041,743)</u>

The annexed notes 1 to 30 form an integral part of these financial statements.

K.M.L.R



Chief Executive



Director

Global Securities Pakistan Limited

Cash Flow Statement

For the year ended 30 June 2011

Note	2011	2010
	----- (Rupees) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (loss) before taxation	3,971,696	(1,533,443)
Adjustment for:		
Depreciation	2,954,715	5,992,200
Amortization of intangibles	300,000	300,000
Gain on disposal of property and equipment	(192,123)	(7,699,828)
Provision for bad debts	127,507	2,463,619
Trade debts written off directly	-	100,808
Reversal of provision for other receivables	-	(150,182)
Net capital loss / (gain) on sale of listed securities	310,951	(46,272)
Net capital gain on sale of units	(375,650)	-
Net gain from sale of government securities	(98,600)	-
Profit on bank deposits	(4,034,185)	(5,953,800)
Dividend income	(15,290)	(19,765)
Unrealised (gain) on held for trading investments	(65,254)	(112,238)
Mark-up on long term loan and short term running finance	16,562,356	21,291,761
	<u>15,474,427</u>	<u>16,166,303</u>
Profit before working capital changes	19,446,123	14,632,860
<i>Working capital changes</i>		
(Increase) / decrease in current assets		
Trade debts	(42,499,796)	159,202,983
Advances, deposits, prepayments and other receivables	(13,802,650)	(11,115,911)
	(56,302,446)	148,087,072
Increase / (decrease) in current liabilities		
Trade and other payables	(3,337,806)	(64,075,581)
	(59,640,252)	84,011,491
Cash generated from operation	(40,194,129)	98,644,351
Mark-up paid	(10,474,561)	(22,006,301)
Taxes paid	(10,963,981)	(7,710,312)
Net cash (used in) / inflow from operating activities	(61,632,671)	68,927,738
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property and equipment	(354,640)	(577,778)
Capital work in progress	(59,000)	(125,000)
Proceeds from sale of property and equipment	380,419	21,737,175
Purchase of investments	(301,719,737)	(26,545,855)
Proceeds from sale of investments	301,946,929	26,736,907
Long-term deposits	937,710	320,640
Dividend received	15,290	19,765
Profit on bank deposits received	4,855,399	6,047,919
Net cash inflow from investing activities	6,002,370	27,613,773
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long term loan - secured	(80,000,000)	(10,000,000)
Receipts / (payments) from running finance	70,606,002	(12,917,372)
	(9,393,998)	(22,917,372)
Net (decrease) / increase in cash and cash equivalents	(65,024,299)	73,624,139
Cash and cash equivalents at beginning of the year	81,737,973	8,113,834
Cash and cash equivalents at end of the year	<u>16,713,674</u>	<u>81,737,973</u>

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Director

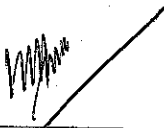
Chief Executive

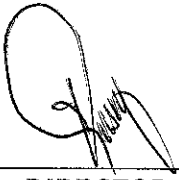
Global Securities Pakistan Limited
 Statement of Changes in Equity
 For the year ended 30 June 2011

	Issued, subscribed and paid-up share capital	Capital reserves Share premium	Revenue reserves Accumulated profit / (losses)	Total
----- (Rupees) -----				
Balance as at 1 July 2009	69,030,620	43,345,839	(34,235,401)	78,141,058
Total comprehensive loss for the year	-	-	(5,041,743)	(5,041,743)
Transactions with owners directly recognized in equity	-	-	-	-
Balance as at 30 June 2010	69,030,620	43,345,839	(39,277,144)	73,099,315
Total comprehensive income for the year	-	-	(1,534,471)	(1,534,471)
Transactions with owners directly recognized in equity	-	-	-	-
Balance as at 30 June 2011	69,030,620	43,345,839	(40,811,615)	71,564,844

The annexed notes 1 to 30 form an integral part of these financial statements.

Signature


 CHIEF EXECUTIVE


 DIRECTOR