



KPMG Taseer Hadi & Co.  
Chartered Accountants

**Global Securities Pakistan Limited**

**Financial Statements**  
For the year ended  
30 June 2012



**KPMG Taseer Hadi & Co.**  
Chartered Accountants  
Sheikh Sultan Trust Building No. 2  
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Karachi, 75530 Pakistan

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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 2012 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 2012 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: 13 September 2012

Karachi

*KPMG Taseer Hadi & Co.*  

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

# Global Securities Pakistan Limited


## Balance Sheet

As at 30 June 2012

	Note	30 June 2012	30 June 2011
----- (Rupees) -----			
<b>Equity and liabilities</b>			
<b>Share capital and reserves</b>			
Authorised capital 7,500,000 (2011: 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>(3,669,511)</u>	<u>2,534,224</u>
<b>Total equity</b>		<u>65,361,109</u>	<u>71,564,844</u>
<b>Non-current liabilities</b>			
Term loan - secured	6	<u>40,000,000</u>	<u>40,000,000</u>
<b>Total non-current liabilities</b>		<u>40,000,000</u>	<u>40,000,000</u>
<b>Current liabilities</b>			
Current portion of long term loan - secured	7	-	20,000,000
Trade and other payables	8	47,802,793	18,702,303
Accrued mark-up	9	6,849,902	6,854,326
Running finance under mark-up arrangement - secured	10	87,573,969	70,606,002
Provision for taxation	11	2,534,000	2,839,000
<b>Total current liabilities</b>		<u>144,760,664</u>	<u>119,001,631</u>
<b>Contingencies and commitments</b>			
	12		
<b>Total equity and liabilities</b>		<u>250,121,773</u>	<u>230,566,475</u>
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property and equipment	13	34,793,386	35,685,503
Intangible assets	14	3,745,575	4,300,575
Membership cards	15	10,250,000	10,250,000
Long term deposits		2,053,150	2,053,150
Deferred taxation	16	9,390,403	10,011,904
<b>Total non-current assets</b>		<u>60,232,514</u>	<u>62,301,132</u>
<b>Current assets</b>			
Trade debts	17	112,917,764	94,677,089
Loans and advances	18	9,453,582	10,802,872
Deposits and prepayments	19	26,229,675	23,321,695
Short term investments	20	942,845	524,246
Interest accrued		18,151	47,511
Other receivables	21	18,337,481	11,169,015
Advance taxation		6,869,572	11,009,241
Cash and bank balances	22	15,120,189	16,713,674
<b>Total current assets</b>		<u>189,889,259</u>	<u>168,265,343</u>
<b>Total assets</b>		<u>250,121,773</u>	<u>230,566,475</u>

The annexed notes 1 to 34 form an integral part of these financial statements.

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Chief Executive

  
Director

# Global Securities Pakistan Limited

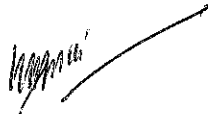
## Profit and Loss Account

For the year ended 30 June 2012

	Note	2012	2011
		------(Rupees)-----	
Operating revenues	23	63,255,827	68,149,821
Net capital (loss) / gain from sale of securities		(248,296)	64,699
Unrealized (loss) / gain on remeasurement of investment carried at fair value through profit and loss	20	(31,243)	65,254
		<u>62,976,288</u>	<u>68,279,774</u>
Operating and Administrative expenses	24	<u>(63,553,799)</u>	<u>(63,008,182)</u>
<b>Operating (loss) / profit</b>		<b>(577,511)</b>	<b>5,271,592</b>
Other operating expenses	25	(15,631)	(38,282)
Finance cost	26	(16,470,847)	(16,821,352)
		<u>(16,486,478)</u>	<u>(16,859,634)</u>
Other operating income	27	14,143,634	15,559,738
		<u>(2,920,355)</u>	<u>3,971,696</u>
<b>(Loss) / profit before taxation</b>			
Provision for taxation - Current year		2,534,000	2,839,000
- Prior year		127,879	(23,126)
- Deferred		621,501	2,690,293
		<u>3,283,380</u>	<u>5,506,167</u>
<b>Loss after taxation</b>		<u><u>(6,203,735)</u></u>	<u><u>(1,534,471)</u></u>
Loss per share- basic and diluted	28	<u><u>(0.90)</u></u>	<u><u>(0.22)</u></u>

The annexed notes 1 to 34 form an integral part of these financial statements.

10/11/12



Chief Executive



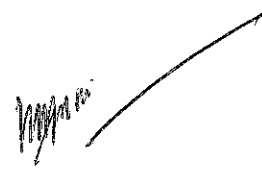
Director

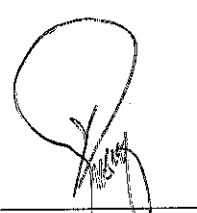
Global Securities Pakistan Limited  
Statement of Comprehensive Income  
For the year ended 30 June 2012

	30 June 2012	30 June 2011
	----- (Rupees) -----	
Net loss for the year	(6,203,735)	(1,534,471)
Other comprehensive income	-	-
Total comprehensive loss for the year	<u>(6,203,735)</u>	<u>(1,534,471)</u>

The annexed notes 1 to 34 form an integral part of these financial statements.

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Chief Executive

  
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Director

**Global Securities Pakistan Limited**  
**Cash Flow Statement**  
*For the year ended 30 June 2012*

Note 2012 2011  
 -----(Rupees)-----

**CASH FLOWS FROM OPERATING ACTIVITIES**

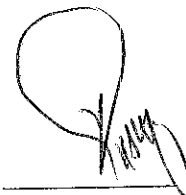
(Loss) / profit before taxation	(2,920,355)	3,971,696
Adjustment for:		
Depreciation	2,477,748	2,954,715
Amortisation of intangibles	1,205,000	300,000
Loss / (gain) on disposal of property and equipment	200,322	(192,123)
Provision for bad debts	-	127,507
Trade debts directly written off	28,684	-
Reversal of bad debt	(14,688)	-
Capital loss on sale of listed securities	248,296	310,951
Capital gain on sale of units	-	(375,650)
Net gain from sale of government securities	-	(98,600)
Profit on bank deposits	(1,795,735)	(4,034,185)
Dividend income	(43,950)	(15,290)
Unrealised loss / (gain) on held for trading investments	31,243	(65,254)
Mark-up on long term loan and short term running finance	16,388,890	16,562,356
	<u>18,725,810</u>	<u>15,474,427</u>
Profit before working capital changes	15,805,455	19,446,123
<i>Working capital changes</i>		
(Increase) / decrease in current assets	(18,254,670)	(42,499,796)
Trade debts	(2,052,691)	(13,802,650)
Advances, deposits, prepayments and other receivables	(20,307,361)	(56,302,446)
Increase / (decrease) in current liabilities	29,100,490	(3,337,806)
Trade and other payables	8,793,129	(59,640,252)
Cash generated from / (used in) operations	24,598,584	(40,194,129)
Mark-up paid	(16,393,314)	(10,474,561)
Taxes paid	(5,501,675)	(10,963,981)
Net cash generated from / (used in) operating activities	2,703,595	(61,632,671)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Additions to property and equipment	(1,793,451)	(354,640)
Capital work in progress	(650,000)	-
Proceeds from sale of property and equipment	-	(59,000)
Purchase of investments	7,500	380,419
Proceeds from sale of investments	(300,387,094)	(301,719,737)
Long-term deposits	299,688,952	301,946,929
Dividend received	-	937,710
Profit on bank deposits received	43,950	15,290
Net cash (used in) / generated from investing activities	1,825,096	4,855,399
	<u>(1,265,047)</u>	<u>6,002,370</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of long term loan - secured	(20,000,000)	(80,000,000)
Net cash used in financing activities	(20,000,000)	(80,000,000)
Net decrease in cash and cash equivalents	(18,561,452)	(135,630,301)
Cash and cash equivalents at beginning of the year	(53,892,328)	81,737,973
Cash and cash equivalents at end of the year	<u>(72,453,780)</u>	<u>(53,892,328)</u>

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Chief Executive



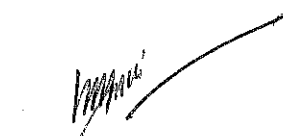
Director

Global Securities Pakistan Limited  
 Statement of Changes in Equity  
 For the year ended 30 June 2012

	Issued, subscribed and paid-up share capital	Capital reserves Share premium	Revenue reserves Accumulated profit / (losses)	Total
------(Rupees)-----				
<b>Balance as at 1 July 2010</b>	69,030,620	43,345,839	(39,277,144)	73,099,315
<i>Changes in equity in 2011:</i>				
<i>Transactions with owners, recorded directly in equity</i>	-	-	-	-
<i>Comprehensive income for the year:</i>				
Loss for the year ended 30 June 2011	-	-	(1,534,471)	(1,534,471)
<b>Balance as at 30 June 2011</b>	<u>69,030,620</u>	<u>43,345,839</u>	<u>(40,811,615)</u>	<u>71,564,844</u>
<i>Changes in equity in 2012:</i>				
<i>Transactions with owners, recorded directly in equity</i>	-	-	-	-
<i>Comprehensive income for the year:</i>				
Loss for the year ended 30 June 2012	-	-	(6,203,735)	(6,203,735)
<b>Balance as at 30 June 2012</b>	<u><u>69,030,620</u></u>	<u><u>43,345,839</u></u>	<u><u>(47,015,350)</u></u>	<u><u>65,361,109</u></u>

The annexed notes 1 to 34 form an integral part of these financial statements.

KPMG



Chief Executive



Director