



KPMG Taseer Hadi & Co.
Chartered Accountants
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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 2013 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 2013 and of the profit, its cash flows and changes in equity for the year then ended; and



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

Date: 9 October 2013

Karachi

KPMG Taseer Hadi & Co.

KPMG Taseer Hadi & Co.

Chartered Accountants

Muhammad Taufiq

Global Securities Pakistan Limited

Balance Sheet

As at 30 June 2013

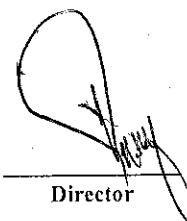
	Note	2013	2012
		(Rupees)	
Equity and liabilities			
Share capital and reserves			
Authorised capital		75,000,000	75,000,000
7,500,000 (2012: 7,500,000) ordinary shares of Rs 10 each			
Issued, subscribed and paid-up share capital	4	69,030,620	69,030,620
Reserves	5	33,891,381	(3,669,511)
		102,922,001	65,361,109
Unrealised gain on remeasurement of available for sale investments		13,589,365	-
		116,511,366	65,361,109
Non current liabilities			
Term loan - secured	6	40,000,000	40,000,000
Total non current liabilities		40,000,000	40,000,000
Current liabilities			
Trade and other payables	7	33,439,158	47,802,793
Accrued mark-up	8	11,249,654	6,849,902
Running finance under mark-up arrangement - secured	9	75,726,359	87,573,969
Provision for taxation	10	3,675,000	2,534,000
Total current liabilities		124,090,171	144,760,664
Contingencies and commitments			
	11		
Total equity and liabilities		280,601,537	250,121,773
Assets			
Non current assets			
Property and equipment	12	34,484,918	34,793,386
Intangible assets	13	2,714,999	3,745,575
Membership cards	14	250,000	10,250,000
Investment in shares of Karachi Stock Exchange Limited	15	10,000,000	-
Long term deposits		2,057,150	2,053,150
Loans to employees	18	4,582,794	-
Deferred taxation	16	4,768,155	9,390,403
Total non current assets		58,858,016	60,232,514
Current assets			
Trade debts	17	113,844,053	112,917,764
Loans and advances	18	3,882,699	9,453,582
Deposits and prepayments	19	7,168,790	26,229,675
Investments	20	44,423,270	942,845
Interest accrued		184,648	18,151
Other receivables	21	232,736	520,932
Income tax refundable		18,396,592	17,816,549
Advance taxation		7,430,482	6,869,572
Cash and bank balances	22	26,180,251	15,120,189
Total current assets		221,743,521	189,889,259
Total assets		280,601,537	250,121,773

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

KPMG



Chief Executive



Director

Global Securities Pakistan Limited

Profit and Loss Account

For the year ended 30 June 2013

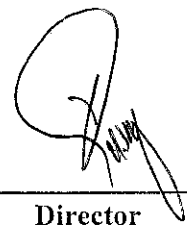
	Note	2013 (Rupees)	2012
Operating revenues	23	80,864,673	63,255,827
Net capital loss from sale of securities		(178,068)	(248,296)
Unrealized gain / (loss) on remeasurement of investment carried at fair value through profit or loss	20.1	<u>65,283</u>	<u>(31,243)</u>
		80,751,888	62,976,288
Operating and administrative expenses	24	<u>(77,676,430)</u>	<u>(63,553,799)</u>
Operating profit / (loss)		3,075,458	(577,511)
Other operating expenses	25	<u>(1,016,013)</u>	<u>(15,631)</u>
Finance cost	26	<u>(14,892,169)</u>	<u>(16,470,847)</u>
		(15,908,182)	(16,486,478)
Other income	27	62,617,347	14,143,634
Profit / (loss) before taxation		49,784,623	(2,920,355)
Provision for taxation - Current year		<u>3,675,000</u>	<u>2,534,000</u>
- Prior year		<u>3,926,483</u>	<u>127,879</u>
- Deferred		<u>4,622,248</u>	<u>621,501</u>
		12,223,731	3,283,380
Profit / (loss) after taxation		<u>37,560,892</u>	<u>(6,203,735)</u>
Earning / (loss) per share - basic and diluted	28	<u>5.44</u>	<u>(0.90)</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
 Statement of Comprehensive Income
 For the year ended 30 June 2013

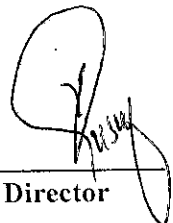
	<i>Note</i>	2013	2012
		(Rupees) .	
Net profit / (loss) for the year		37,560,892	(6,203,735)
<i>Other comprehensive income</i>			
Items that are or may be reclassified subsequently to profit or loss:			
Unrealised gain on re-measurement of available for sale investments	20.2	13,589,365	-
Total comprehensive income / (loss) for the year		<u>51,150,257</u>	<u>(6,203,735)</u>

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

K.P. 10/1/13



 Chief Executive



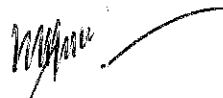
 Director

Global Securities Pakistan Limited
Cash Flow Statement
For the year ended 30 June 2013

	Note	2013	2012
		(Rupees)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit / (loss) before taxation		49,784,623	(2,920,355)
Adjustment for:			
Depreciation		2,465,983	2,477,748
Amortisation of intangibles		971,576	1,205,000
(Gain) / loss on disposal of property and equipment		(79,838)	200,322
Trade debts directly written off		-	28,684
Reversal of bad debt		-	(14,688)
Capital loss on sale of listed securities		178,068	248,296
Profit on bank deposits		(2,891,372)	(1,795,735)
Dividend income		(11,974,324)	(43,950)
Unrealized (gain) / loss on remeasurement of investment carried at fair value through profit or loss		(65,283)	31,243
Mark-up on long term loan and short term running finance		14,520,852	16,388,890
Unrealized gain on initial recognition		(29,745,604)	-
		<u>(26,619,942)</u>	<u>18,725,810</u>
Profit before working capital changes		23,164,681	15,805,455
<i>Working capital changes</i>			
Decrease / (increase) in current assets			
Trade debts		(926,289)	(18,254,670)
Loans and advances		988,089	1,349,290
Deposits and prepayments		19,060,885	(2,907,980)
Other receivables		288,196	(494,001)
		<u>19,410,881</u>	<u>(20,307,361)</u>
(Decrease) / increase in current liabilities			
Trade and other payables		(14,363,635)	29,100,490
		<u>5,047,246</u>	<u>8,793,129</u>
Cash generated from operations		28,211,927	24,598,584
Mark-up paid		(10,121,102)	(16,393,314)
Taxes paid		(7,601,436)	(5,501,675)
Net cash generated from operating activities		<u>10,489,389</u>	<u>2,703,595</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property and equipment		(2,189,680)	(1,793,451)
Addition to intangible assets		-	(650,000)
Reversal of capital work in progress		59,000	-
Proceeds from sale of property and equipment		112,003	7,500
Purchase of investments		(254,422,433)	(300,387,094)
Proceeds from sale of investments		254,164,193	299,688,952
Long-term deposits		(4,000)	-
Dividend received		11,974,324	43,950
Profit on bank deposits received		2,724,876	1,825,096
Net cash used in investing activities		<u>12,418,283</u>	<u>(1,265,047)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term loan - secured		-	(20,000,000)
Net cash used in financing activities		-	(20,000,000)
Net increase / (decrease) in cash and cash equivalents		<u>22,907,672</u>	<u>(18,561,452)</u>
Cash and cash equivalents at beginning of the year		<u>(72,453,780)</u>	<u>(53,892,328)</u>
Cash and cash equivalents at end of the year	30	<u>(49,546,108)</u>	<u>(72,453,780)</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
Statement of Changes in Equity
For the year ended 30 June 2013

	Issued, subscribed and paid-up share capital	Share premium	Reserves	Unrealised gain on re measurement of available for sale investments	Total
	----- (Rupees) -----				
Balance as at 1 July 2011	69,030,620	43,345,839	(40,811,615)	-	71,564,844
<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)
Balance as at 30 June 2012	69,030,620	43,345,839	(47,015,350)	-	65,361,109
<i>Changes in equity in 2013:</i>					
<i>Transactions with owners, recorded directly in equity</i>	-	-	-	-	-
<i>Comprehensive income for the year:</i>					
Profit for the year ended 30 June 2013	-	-	37,560,892	-	37,560,892
Unrealized gain on remeasurement of available for sale investments	-	-	-	13,589,365	13,589,365
	-	-	37,560,892	13,589,365	51,150,257
Balance as at 30 June 2013	69,030,620	43,345,839	(9,454,458)	13,589,365	116,511,366

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

Kamran



Chief Executive



Director