

AUDITORS' REPORT TO THE MEMBERS

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We have audited the annexed balance sheet of **KHADIM ALI SHAH BUKHARI SECURITIES (PRIVATE) LIMITED** as at **June 30, 2014** and the related profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year than 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 statement, statement of cash flows 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

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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 June 30, 2014 and of the profit, its cash flows and changes in equity for the year then ended; and

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

MHA Hyder Liaquat Nauman
Chartered Accountants
Karachi,
Dated: 29 SEP 2014

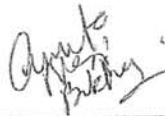
Engagement Partner: Adnan Zaman

KHADIM ALI SHAH BUKHARI SECURITIES (PRIVATE) LIMITED
BALANCE SHEET
AS AT JUNE 30, 2014

	Note	June 30, 2014	June 30, 2013
		Rupees	Rupees
Non-current assets			
Membership right	3	15,000,000	15,000,000
Security deposit - CDC		100,000	-
		15,100,000	15,000,000
Current assets			
Profit receivable on bank deposit		831	729
Advance tax		30,776	2,888
Cash and bank balances	4	4,347,345	4,103,834
		4,378,952	4,107,451
		<u>19,478,952</u>	<u>19,107,451</u>
Equity and liabilities			
Authorized share capital			
2,000,000 ordinary shares of Rs. 10/- each		<u>20,000,000</u>	<u>20,000,000</u>
Issued, subscribed & paid up share capital			
200,000 Ordinary shares of Rs. 10/- each issued for cash		2,000,000	2,000,000
1,500,000 Ordinary shares of Rs. 10/- each issued other than cash		15,000,000	15,000,000
		17,000,000	17,000,000
Advance against issue of shares		2,584,900	2,384,900
Accumulated losses		(197,573)	(337,449)
		19,387,327	19,047,451
Current liabilities			
Accounts payable	5	45,000	60,000
Provision for tax		46,625	-
		<u>19,478,952</u>	<u>19,107,451</u>

The annexed notes 1 to 9 form an integral part of these financial statements.

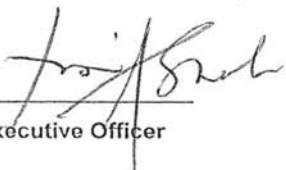

 Chief Executive Officer

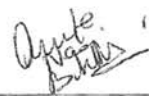

 Director

KHADIM ALI SHAH BUKHARI SECURITIES (PRIVATE) LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2014

	Note	June 30, 2014	June 30, 2013
		Rupees	Rupees
Revenue		-	-
Expenditures			
Preliminary expenses	6	-	139,370
Auditor's remuneration	7	63,600	93,000
Bank charges		182	-
Administrative expenses	8	28,695	132,690
		92,477	365,060
Other income - Profit on bank deposit		278,978	27,611
Profit/(loss) before taxation		186,501	(337,449)
Taxation		(46,625)	-
Profit/(loss) for the year		<u>139,876</u>	<u>(337,449)</u>

The annexed notes 1 to 9 form an integral part of these financial statements.


 Chief Executive Officer

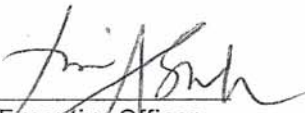

 Director

KHADIM ALI SHAH BUKHARI SECURITIES (PRIVATE) LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2014


	June 30, 2014	June 30, 2013
	Rupees	Rupees
Cash flows from operating activities		
Profit/(Loss) before taxation	186,501	(337,449)
Working capital adjustments:		
Increase in current assets		
Profit receivable on bank deposits	(102)	(729)
(Decrease)/Increase in current liabilities		
Accounts payable	(15,000)	60,000
Income tax paid	171,399	(278,178)
Net cash generated / (used in) operating activities	143,511	(281,066)
3. Cash flow from investing activities	-	-
2. Cash flow from financing activities		
Long term deposit	(100,000)	-
Advance against shares	200,000	2,384,900
Issue of shares	-	2,000,000
Net cash generated from financing activities	100,000	4,384,900
Net increase in cash and cash equivalent (A+B+C)	243,511	4,103,834
Cash and cash equivalent at the beginning of the year	4,103,834	-
Cash and cash equivalent at the end of the year	4,347,345	4,103,834

The annexed notes 1 to 9 form an integral part of these financial statements.

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 Chief Executive Officer



 Director

KHADIM ALI SHAH BUKHARI SECURITIES (PRIVATE) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2014

	Share capital	Advance against shares/share deposit money	Accumulated profit/(loss)	Total
	-----Rupees-----			
Issue of share capital	17,000,000	-	-	17,000,000
Advance against issue of shares	-	2,384,900	-	2,384,900
Loss for the year	-	-	(337,449)	(337,449)
Balance as at June 30, 2013	17,000,000	2,384,900	(337,449)	19,047,451
Advance against issue of shares	-	200,000	-	200,000
Profit for the year	-	-	139,876	139,876
Balance as at June 30, 2014	17,000,000	2,584,900	(197,573)	19,387,327

The annexed notes 1 to 9 form an integral part of these financial statements.

*14/3/14


CHIEF EXECUTIVE OFFICER


DIRECTOR

KHADIM ALI SHAH BUKHARI SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014

1. LEGAL STATUS AND NATURE OF BUSINESS

1.1 Khadim Ali Shah Bukhari Securities (Private) Limited (the Company) was incorporated in Pakistan on April 25, 2013 under the Companies Ordinance, 1984. The registered office of the Company is situated at Flat no.1, Khan Plaza, Firdous Market, 112/h, Gulberg, Lahore, Punjab. The Company has not started its commercial operation till balance sheet date.

1.2 The Company's business objectives include dealing in the business of stocks, money market, foreign exchange and commodity broking. Other activities include investment in a mix of listed and unlisted equity and debt securities, economic research and advisory services.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Accounting Convention

These financial statements have been prepared under the "historical cost convention".

2.2 Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards, as applicable in Pakistan. Approved accounting standards comprise of Accounting and Financial Reporting Standards for "Small-Sized Entities (SSEs) issued by the Institute of Chartered Accountants of Pakistan" and provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

2.3 Membership right

These are stated at cost less impairment, if any. The carrying amounts are reviewed at each balance sheet date to assess whether they are in excess of their recoverable amount, and where the carrying values exceed the estimated recoverable amount, these are written down to their estimated recoverable amount.

2.4 Taxation

Provision for current taxation is based on taxable income at the current rates of taxation after taking into account applicable tax credits and rebates, if any.

2.5 Trade and other payables

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in future for goods and services.

2.6 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of the cash flow statement, cash and cash equivalents comprise cash in hand and with banks on deposit account.

2.7 Revenue recognition

Brokerage, advisory fee and commission income is recognized on accrual basis on the rendering/performance of services. Bank profit is recognized on accrual basis.

2.8 Provisions

Provision are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

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	Note	June 30, 2014 (Rupees)	June 30, 2013 (Rupees)
3. Membership right			
Trading Rights Entitlement (TRE) Certificate	3.1	<u>15,000,000</u>	<u>15,000,000</u>

3.1 This represents certificate issued by Lahore Stock Exchange (LSE), in pursuance of section 5 of the Stock Exchanges (Corporatization, Demutualization and Integration) Act, 2012 read with regulation 6 of Stock Exchanges (Corporatization, Demutualization and Integration) Regulation, 2012 to members of stock exchanges of Pakistan for their trading rights entitlement as brokers.

In pursuance of above laws, the TRE certificate of Mr. Nasir Ali Shah Bukhari was transferred to the company on May 06, 2013. This certificate was only one time saleable as per these laws therefore, market value of the certificate cannot be ascertained as it cannot be traded in the market further. The certificate/ Membership right has indefinite life and value in use, and it is certain that economic benefits will flow to the company in future. The membership right has been recorded at value determined by a valuator having bearing its name on State Bank of Pakistan's (SBP) panel of Approved Valuers.

4. Cash and bank balances

Cash in hand		7,815	9,840
Cash at bank - deposits account	4.1	<u>4,339,530</u>	<u>4,093,994</u>
		<u>4,347,345</u>	<u>4,103,834</u>

4.1 These carry profit rate ranging from 6% to 7% per annum.

5. Accounts payable

Audit fee		30,000	30,000
Professional fee		<u>15,000</u>	<u>30,000</u>
		<u>45,000</u>	<u>60,000</u>

6. Preliminary expenses

Incorporation expense		-	103,770
Others		-	<u>35,600</u>
		<u>-</u>	<u>139,370</u>

7. Auditor's remuneration

Special audit		-	30,000
Statutory audit		30,000	30,000
Other certification		30,000	30,000
Out of pocket expenses		<u>3,600</u>	<u>3,000</u>
		<u>63,600</u>	<u>93,000</u>

8. Administrative expenses


Printing & stationery		6,155	-
Conveyance		1,965	-
Legal and professional charges		9,000	132,000
Fee subscription & charges		11,575	-
Others		-	<u>690</u>
		<u>28,695</u>	<u>132,690</u>

9. General

9.1 Figures have been rounded off to nearest rupee.

9.2 These financial statements have been authorized for issue by the board of directors of the company in its meeting held on

20 SEP 2014


Chief Executive Officer


Director

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