

**ASA STOCKS (PRIVATE) LIMITED**

**Financial Statements for the Year Ended 30 June, 2013**



**GENEVA GROUP INTERNATIONAL  
SWITZERLAND**

**MUDASSAR EHTISHAM & CO.**  
Chartered Accountants

Independent Member Of Geneva Group International  
(Switzerland)

## AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **ASA STOCKS (PRIVATE) LIMITED** ("the Company") as at **June 30, 2013** and the related profit and loss account, statement of changes in equity and cash flow statement 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 reasonable basis for our opinion and, after due verification, we report that:

- a) in our opinion, proper books of accounts 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 changes in equity and cash flow statement 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 true and fair view of the state of the Company's affairs as at **June 30, 2013** and of the profit, changes in equity and Cash Flow for the year then ended; and
- d) In our opinion no Zakat was deductible at source under the Zakat and Usher Ordinance, 1980.

*Mudassar Ehtisham & Co.*

**Mudassar Ehtisham & Co.**  
Chartered Accountants

Lahore: 16 August, 2013

**Head Office:**  
15-Birdwood Road,  
Lahore - Pakistan.  
Tel: +92-42-37500503-4  
Fax: +92-42-37500506  
E-mail: info@mudassarehtisham.com

**Islamabad Office:**  
Room No. 2, 2nd Floor,  
Pacific Centre, F-8 Markaz, Islamabad  
Tel: +92-051-2263636  
Fax: +92-051-2853536  
E-mail: yasir@mudassarehtisham.com

**Multan Office:**  
Room No. 29, 1st Floor, Hajveri  
Arcade, Kutchery Road, Multan.  
Tel: +92-061-4500967, 4500968  
Fax: +92-061-4780067  
E-mail: waqas@mudassarehtisham.com

**ASA STOCKS (PRIVATE) LIMITED**


**Balance Sheet**

**As at 30 June, 2013**

	<i>Note</i>	2013 Rupees
<b>Non-Current Assets</b>		
Fixed assets		
Property and equipment	4.1	2,115,856
Intangible asset	4.2	4,000,000
		6,115,856
Long-Term security deposits	5	820,000
Long Term Investments	6	9,553,797
		10,373,797
<b>Current Assets</b>		
Accounts Receivables	6	1,950,620
Cash and bank balances	7	5,151,619
		7,102,239
		23,591,892
<b>Equity and Liabilities</b>		
Share capital	8	17,500,000
Unappropriated Profit / (Loss)		(1,118,928)
		16,381,072
<b>Long Term Liabilities</b>		
Loan from Directors	9	6,216,600
		6,216,600
<b>Current Liabilities</b>		
Creditors, accrued & other liabilities	10	994,220
		23,591,892
Contingencies and Commitments	11	

The annexed notes 1 to 19 form an integral part of these financial statements.

Lahore:

  
 \_\_\_\_\_  
 Chief Executive

  
 \_\_\_\_\_  
 Director

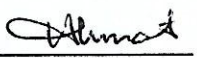


**ASA STOCKS (PRIVATE) LIMITED**  
**Profit and Loss Account**  
**For the Period Ended 30 June, 2013**

	<i>Note</i>	November, 2012 to June, 2013 Rupees
<b>Revenue</b>		
Commission Income	12	146,802 ✓
Direct Cost	13	(32,499) ✓
		<u>114,303</u>
<b>Expenditure</b>		
Administrative expenses	14	(1,423,808)
Selling & Marketing Expenses	15	(25,133)
		<u>(1,334,638)</u>
Financial Charges	16	(525)
		<u>(1,335,163)</u>
Other Comprehensive Income	17	216,236
<b>Profit / (Loss) before taxation</b>		<u>(1,118,928)</u>
Taxation		-
<b>Profit / (Loss) after taxation</b>		<u><u>(1,118,928)</u></u>

The annexed notes 1 to 19 form an integral part of these financial statements.

Lahore:

  
Chief Executive

  
Director



**ASA STOCKS (PRIVATE) LIMITED**


**Cash Flow Statement**

*For the Period Ended 30 June, 2013*

	Note	November, 2012 to June, 2013 Rupees
<b>Cash flows from operating activities</b>		
Loss before taxation		(1,118,928)
Adjustments for non cash items:		
Depreciation and Amortization		533,072
Finance cost		525
		533,597
<b>Operating profit before working capital changes</b>		(585,330)
<b>Changes in operating assets and liabilities</b>		
(Increase)/decrease in:		
Accounts Receivable		(1,950,621)
Trade Creditors		994,220
		(956,401)
Financial charges paid		(525)
Taxes paid		-
		(525)
<b>Net cash used in operating activities</b>		(1,542,256)
<b>Cash flows from investing activities</b>		
Purchase of Assets		(2,215,226)
Intangible Assets		(13,987,500)
Long term securities		(820,000)
<b>Net cash used in investing activities</b>		(17,022,726)
<b>Cash flows from financing activities</b>		
Issue of Shares		17,500,000
Loans from Directors		6,216,600
<b>Net cash generated from financing activities</b>		23,716,600
<b>Net (decrease)/increase in cash and cash equivalents</b>		5,151,619
<b>Cash and cash equivalents at the beginning of the year</b>		-
<b>Cash and cash equivalents at the end of the year</b>	7	5,151,619

The annexed notes 1 to 19 form an integral part of these financial statements.

Lahore:

  
Chief Executive

  
Director

MBSG.

**MEERKS (PRIVATE) LIMITED**

**Statement of Changes in Equity**

**for the Period Ended 30 June, 2013**

	Share capital	Share premium	General Reserve	Unappropriated profit/(Loss)	Total
	Rupees	Rupees	Rupees	Rupees	Rupees
Balance at the beginning of the Period	17,500,000	-	-	-	17,500,000
Change during the Period	-	-	-	(1,118,928)	(1,118,928)
Balance at the end of the Period	<u>17,500,000</u>	<u>-</u>	<u>-</u>	<u>(1,118,928)</u>	<u>16,381,072</u>

17,500,000  
-  
17,500,000

17,500,000  
-  
17,500,000


17,500,000  
-  
17,500,000

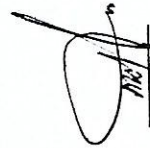
17,500,000  
-  
17,500,000

17,500,000  
-  
17,500,000

17,500,000  
-  
17,500,000

and notes 1 to 19 form an integral part of these financial statements.

  
Chief Executive

  
Director





# ASA STOCKS (PRIVATE) LIMITED

## Notes to the Financial Statements

For the Period Ended 30 June, 2013

### 1 The Company's operations and registered office

ASA Stocks ( Pvt) Limited ("the Company") was incorporated in 8th November, 2012 as a Private limited Company under the Companies Ordinance, 1984. The Company is mainly engaged in the business of share brokerage, portfolio management, investment advisory and consultancy services. The Company is a member of Lahore Stock Exchange (Guarantee) Limited. The registered Office of the Company is situated at 79/A-C-1, Gulberg III, Lahore.

### 2 Statement of compliance

These accounts have been prepared in accordance with the approved International Accounting Standards (IAS) issued by the International Accounting Standards Committee (IASC) and interpretations issued by the Standards Interpretations Committee of the IASC, as applicable in Pakistan. Approved Accounting Standards comprise of Accounting and Financial Reporting Standard for Small-Sized Entities (SSEs) issued by The Institute of Chartered Accountants of Pakistan and the requirements of the Companies Ordinance, 1984, along with the requirements of the Securities and Exchange Commission of Pakistan (SECP). Wherever, the requirements of the Companies Ordinance, 1984, the Rules, the Regulations or the directives issued by the SECP differ with the requirements of these IAS, the requirements of the Ordinance, the Rules, the Regulations or the requirements of the said directives take precedence.

### 3 Significant accounting policies

#### 3.1 Accounting Convention

The financial statements have been prepared under the historical cost convention except for certain financial assets and liabilities which are stated at their fair value or amortized cost as applicable.

The preparation of financial statements in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognized prospectively commencing from the period of revision.

#### 3.2 Property and equipment

These are stated at historical cost less accumulated depreciation and impairment losses, if any, except freehold land and capital work in progress are stated at Cost.

Depreciation is calculated using the reducing balance method, at the rates specified in the fixed assets schedule, which are considered appropriate to write off the cost of the assets over their estimated useful lives. The Depreciation on property and equipment is charged on monthly basis.

#### 3.3 Intangible assets

This is stated at cost less impairment losses, if any. The carrying amounts are reviewed at each balance sheet date to assess whether these are recorded in excess of their recoverable amounts, and where carrying value is in excess of recoverable amount, these are written down to their estimated recoverable amount.

#### 3.4 Long Term Deposits and Loans

Long term deposits and Loans are stated at Cost.

#### 3.5 Loans and Receivables

These are non derivative financial Assets with fixed or determinable payments that are not quoted in an active market. Such assets are carries at amortised cost using the the effective interest method. Gains and losses are recognised in income when the loans and receivables are de-recognised or impaired as well as through the amortization process.

### 3.6 Taxation

#### *Current*

The charge for current taxation is based on taxable income at current rate of taxation of the Income Tax Ordinance, 2001 after taking into account applicable tax credits and rebates, if any. On Income subject to Normal Taxation and no presumptive basis on Income subject to Final Taxation.

#### *Deferred Taxation*

The company accounts for deferred taxation, using the liability method on all temporary timing differences. However, deferred tax is not provided if it can be established with reasonable accuracy that these differences will not reverse in the foreseeable future.

### 3.7 Trade and settlement date accounting

All "regular way" purchases and sales of listed securities are recognized on the trade date, i.e. the date that the Company commits to purchase/ sell the asset. Regular way purchase or sale of financial assets are those, the contract for which requires delivery of assets within the time frame established generally by regulation or convention in the market place concerned.

### 3.8 Securities under repurchase/reverse repurchase agreements

Transactions of repurchase/ reverse repurchase of investment securities are entered into at contracted rate for specified periods of time and are accounted for as follows.

### 3.9 Revenue recognition

#### *Commission income*

Brokerage commission and other advisory fees are recognized when such services are provided.

#### *Processing fee, front end fee, penal charges and commission income*

These are recognized as income when services are provided.

#### *Return on finances , placements and term finances.*

Return on finances provided, placements and term finances are recognized on time proportion basis.

### 3.10 Return on financing and borrowings

Return on financing and borrowings is recognized on a time proportionate basis taking into account the relevant issue date and final maturity date.

### 3.11 Provisions

A provision is recognized when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

### 3.12 Cash and cash equivalents

For the purpose of cash flow statement, cash and cash equivalents comprise of cash in hand, balance with banks on current and deposit accounts and short term running finance account.

### 3.13 Contingencies and Commitments

Capital commitments and Contingences, unless those are actual liabilities, are not incorporated in the accounts.

		2013
4	Fixed assets	Rupees
	Property and equipment	4.1 2,115,856
	Intangible	4.2 4,000,000
		<hr/> <hr/> 6,115,856





4 Property and Equipment

4.1 Tangible

PARTICULARS	COST				DEPRECIATION				Book value as at 30 June, 2013	Depreciation rate %
	As at November 2012	Additions during the Period	Deletions during the Period	As at 30 June, 2013	As at November 2012	For the Period	Deletions	As at 30 June, 2013		
<b>OWNED</b>										
Office equipments	-	145,520	-	145,520	-	9,701	-	9,701	135,819	10
Computer equipments	-	131,050	-	131,050	-	17,473	-	17,473	113,577	20
Furniture and fixtures	-	537,830	-	537,830	-	35,855	-	35,855	501,975	10
Electrical Installation	-	155,826	-	155,826	-	20,777	-	20,777	135,049	20
Vehicle	-	1,245,000	-	1,245,000	-	15,563	-	15,563	1,229,438	15
	-	<u>2,215,226</u>	-	<u>2,215,226</u>	-	<u>99,369</u>	-	<u>99,369</u>	<u>2,115,856</u>	

4.2 Intangible Asset

2013  
Rupees

Membership Card Value	13,987,500
Transfer to Long term Investment ( LSE Shares )	(9,553,797)
impairment for the year	(433,703)
	<u>4,000,000</u>

Value of TRE Certificate of Lahore Stock Exchange Limited is Rs. 4 million.. Furthermore the breakup value per share of Lahore Stock Exchange Limited (LSE) is Rs. 11.32 ( No. of Shares 843,975)



ASA STOCKS (PRIVATE) LIMITED

November, 2012  
to June, 2013

Note

Rupees

5 **Securities and Deposits**

Deposits with LSE		200,000
Other Securities with NCCPL		620,000
		<u>820,000</u>

6 **Long Term Investments**

Lahore Stock Exchange Shares - Unquoted		843,975
Rate		11.32
		<u>9,553,797</u>

**Accounts Receivables**

Accounts Receivables	6.1	?	1,924,436
Other Receivables			26,184
			<u>1,950,620</u>

6.1 Receivables from clients relate to operating revenues and are secured but considered good by the Management.

7 **Cash and bank balances**

Cash in hand		370,148
Cash in Bank		4,781,471 ✓
		<u>5,151,619</u>

8 **Authorized Capital**

(300,000 ordinary shares of Rs. 100 each)		<u>30,000,000</u>
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**Issued, subscribed and paid up**

(175,000 ordinary shares of Rs. 100 each)		<u>17,500,000</u> ✓
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9 **Loan from Directors**

Loan from Directors ---Unsecured	9.1	<u>6,216,600</u>
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9.1 This unsecured and markup free loan has been obtained from directors of the company and is repayable at the option of the Company.

Handwritten signature: *W. S. Qureshi*



ASA STOCKS (PRIVATE) LIMITED

November, 2012  
to June, 2013

Note

Rupees

10 Creditors, accrued & other liabilities

Accrued Liabilities  
Creditors  
Tax Payable

10.1

165,472

805,019 ✓

23,729 ✓

994,220

10.1 Payable to clients relate to operating business.

11 Contingencies and Commitments

Contingencies and Commitments Rs. Nil.

12 Commission Income

Commission Income- net  
Less: Commission Paid- net KSE Brokers

185,622 ✓

(38,820) ✓

146,802 ✓

13 Direct Cost

CDC Charges  
NCSS Charges

17,521 ✓

14,978 ✓

32,499 ✓

14 Administrative expenses

Staff Salary  
Fuel & power expenses  
Telephone & internet charges  
Fee and Subscription  
Printing and Stationary  
Rent Rate and Taxes  
Entertainment  
Audit Remuneration  
Newspaper & Periodicals  
Repair and Maintenance  
Depreciation  
Impairment on Intangible  
Misc. expenses

14.1

4.1

4.2

190,500 ✓

44,029 ✓

100,086 ✓

129,400

30,715

270,000 ✓

8,475 ✓

75,000

2,739 ✓

4,310 ✓

99,369 ✓

433,703 ✓

35,482

1,423,808

14.1 Audit Remuneration

Audit Fee  
Out of Pocket Expenses

65,000

10,000

75,000

112.000

ASA STOCKS (PRIVATE) LIMITED

November, 2012  
to June, 2013

Note

Rupees

15 Selling & Marketing Exp.

Advertisement expenses  
Printing and Stationary

5,033  
20,100  
25,133

16 Financial Charges

Bank Charges

525  
525

17 Other Income

Charges from Client  
Mark-up Received on bank deposits  
Dividend Income

5,000  
243  
210,993  
216,236

18 Taxation

- 18.1 This represent Current Taxation which has been provided Under Section 233A of Income Tax  
18.2 Deferred Taxation has not been provided as the Company is subject to Presumptive Taxation.

19 General

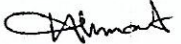
These financial statements were authorized for issue on 16 August, 2013 by the Board of Directors of the Company.

Figures have been rounded off to the nearest rupee.

Corresponding figures have been rearranged, wherever necessary for the purposes of comparison. However, no significant rearrangement / reclassification have been made in these financial statements.

The annexed notes 1 to 19 form an integral part of these financial statements.

Lahore:

  
Chief Executive

  
Director

UKC