



Grant Thornton

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE TOPLINE SECURITIES (PRIVATE) LIMITED

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We have audited the annexed balance sheet of **Topline Securities (Private) Limited** (the Company) as at June 30, 2012 and the related profit and loss account, statement of comprehensive income, statement of cash flows and statement of changes in equity together with the notes forming part thereof (hereinafter referred to as 'the financial statements'), 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.

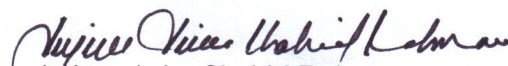
It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an 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 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 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 accounts 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, 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 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, 2012 and of the profit, total comprehensive income, 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 (XVIII of 1980).

Karachi
Date: September 20, 2012


Anjum Asim Shahid Rahman
Chartered Accountants
Shahzada Saleem Chughtai

TOPLINE SECURITIES (PRIVATE) LIMITED
BALANCE SHEET
AS AT JUNE 30, 2012

	Note	June 30, 2012 Rupees	June 30, 2011 Rupees
ASSETS			
Non-current assets			
Property and equipment	4	4,987,057	4,028,061
Intangible assets	5	80,133,290	80,440,414
		85,120,347	84,468,475
Long term deposits	6	623,500	626,100
Total non-current assets		85,743,847	85,094,575
Current assets			
Trade debts-considered good	7	59,496,050	33,277,661
Loans and advances	8	65,745	1,159,699
Trade deposits and short term prepayments	9	54,113,764	20,626,251
Mark-up accrued		10,725	164,972
Other receivables		158,656	354,594
Investments	10	8,973,063	20,604,944
Cash and bank balances	11	23,268,056	40,294,827
Total current assets		146,086,059	116,482,948
Total assets		231,829,906	201,577,523

EQUITY AND LIABILITIES

Authorized

12,500,000 (2010: 12,500,000) ordinary shares
of Rs. 10 each

		125,000,000	125,000,000
Issued, subscribed and paid up capital	12	109,999,430	109,999,430
Unappropriated profit / (Accumulated loss)		13,615,223	(2,048,171)
		123,614,653	107,951,259
Surplus on revaluation of fixed assets	13	60,000,000	60,000,000

Non-current liability

Deferred taxation	14	173,083	99,667
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Current liabilities

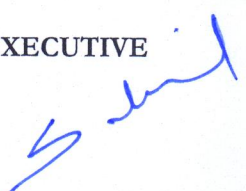
Trade and other payables	15	44,362,774	32,453,499
Short term borrowings-secured	16	2,529,332	985,800
Mark-up accrued		534,525	3,613
Provision for taxation		615,539	83,685
Total current liabilities		48,042,170	33,526,597
Total equity and liabilities		231,829,906	201,577,523

CONTINGENCIES AND COMMITMENTS

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The annexed notes 1 to 31 form an integral part of these financial statements.

CHIEF EXECUTIVE



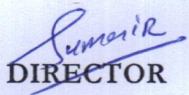

DIRECTOR

TOPLINE SECURITIES (PRIVATE) LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2012

	Note	June 30, 2012 Rupees	June 30, 2011 Rupees
Operating revenue	18	52,368,423	35,502,416
Capital gain on sale of investments - net	19	5,301,478	3,673,667
Gain on remeasurement of investments at fair value through profit or loss		676,345	196,271
		<u>58,346,246</u>	<u>39,372,354</u>
Operating and administrative expenses	20	<u>(38,132,749)</u>	<u>(46,005,662)</u>
Operating profit / (loss)		20,213,497	(6,633,308)
Finance cost	21	<u>(1,325,682)</u>	<u>(224,989)</u>
		18,887,815	(6,858,297)
Other operating income	22	2,522,402	6,035,565
Profit / (Loss) before taxation		<u>21,410,217</u>	<u>(822,732)</u>
Income tax expense	23	<u>(5,746,823)</u>	<u>(3,724,296)</u>
Profit / (Loss) for the year		<u>15,663,394</u>	<u>(4,547,028)</u>

The annexed notes 1 to 31 form an integral part of these financial statements.


CHIEF EXECUTIVE


DIRECTOR

TOPLINE SECURITIES (PRIVATE) LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2012

	June 30, 2012 Rupees	June 30, 2011 Rupees
Profit / (Loss) for the year	15,663,394	(4,547,028)
Other comprehensive income	-	-
Total comprehensive income / (loss) for the year	<u>15,663,394</u>	<u>(4,547,028)</u>

The annexed notes 1 to 31 form an integral part of these financial statements.


CHIEF EXECUTIVE


DIRECTOR

TOPLINE SECURITIES (PRIVATE) LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2012

	Note	June 30, 2012 Rupees	June 30, 2011 Rupees
CASH FLOW FROM OPERATING ACTIVITIES			
Profit / (Loss) before taxation		21,410,217	(822,732)
<i>Adjustments for:</i>			
Depreciation	4	1,083,564	926,905
Amortization of software	5	57,124	81,606
Intangible assets - written off	20	250,000	392,623
Trade debts - written off	20	-	14,601,827
Gain on remeasurement of investments		(676,345)	(196,271)
Finance cost	21	1,325,682	224,989
		<u>2,040,025</u>	<u>16,031,679</u>
Operating profit before working capital changes		23,450,242	15,208,947
Working Capital changes			
<i>(Increase) / Decrease in current assets</i>			
Trade debts-considered good		(26,218,389)	52,023,885
Loans and advances		1,093,954	(1,093,424)
Trade deposits and short term prepayments		(33,487,513)	(478,457)
Mark-up accrued		154,247	(74,347)
Other receivables		195,938	(280,742)
		<u>(58,261,763)</u>	<u>50,096,915</u>
Increase / (Decrease) in current liabilities			
Trade and other payables		11,909,275	(64,929,563)
		<u>(22,902,246)</u>	<u>376,299</u>
Decrease / (increase) in long term deposits		2,600	(100,000)
Financial charges paid		(794,770)	(224,989)
Income tax paid		(5,141,553)	(3,389,906)
Workers' welfare fund paid		-	(236,264)
Net cash (used in) operating activities		<u>(28,835,969)</u>	<u>(3,574,860)</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property and equipment	4	(2,042,560)	(966,963)
Proceeds from sale / (purchase) of investments- net		12,308,226	(13,060,504)
Net cash from / (used in) investing activities		<u>10,265,666</u>	<u>(14,027,467)</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Dividends paid		-	(5,499,972)
Short term borrowings-net		1,543,532	985,800
Net cash from / (used in) financing activities		<u>1,543,532</u>	<u>(4,514,172)</u>
Net decrease in cash and cash equivalents		<u>(17,026,771)</u>	<u>(22,116,499)</u>
Cash and cash equivalents at the beginning of the year		40,294,827	62,411,326
Cash and cash equivalents at the end of the year	24	<u>23,268,056</u>	<u>40,294,827</u>

The annexed notes 1 to 31 form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR

TOPLINE SECURITIES (PRIVATE) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2012

	Issued, Subscribed and paid up capital	Unappropriated Profit / Accumulated (Loss)	Total
	----- Rupees -----		
Balance as on June 30, 2010	109,999,430	7,998,829	117,998,259
Interim cash dividend @ 5%	-	(5,499,972)	(5,499,972)
<i>Total comprehensive loss for the year</i>	-	(4,547,028)	(4,547,028)
Balance as at June 30, 2011	109,999,430	(2,048,171)	107,951,259
<i>Total comprehensive income for the year</i>	-	15,663,394	15,663,394
Balance as at June 30, 2012	109,999,430	13,615,223	123,614,653

The annexed notes 1 to 31 form an integral part of these financial statements.


CHIEF EXECUTIVE


DIRECTOR