

**TOPLINE SECURITIES (PRIVATE) LIMITED**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**JUNE 30, 2014**

### AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **Topline Securities (Private) Limited** ("the Company") 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 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 purpose of our audit.

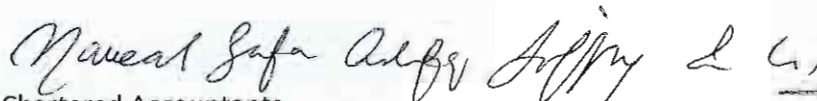
It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

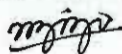
We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, 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 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 and cash flow statement, 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 and the profit and loss account, 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 June 30, 2014; and of the profit, its cash flows and changes in equity for the year ended; and
- (d) in our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980.

Without qualifying our opinion, we draw attention to note 5.1 to the Financial Statements which indicates that the Company has ascertained the fair market value of its shares through independent valuer and based on the vetting the value between TREC and Long Term Investment has been bifurcated.

  
Chartered Accountants  
Engagement Partner - Ashfaq Tola - FCA



Karachi

Dated: 19 SEP' 2014

**TOPLINE SECURITIES (PRIVATE) LIMITED**  
**BALANCE SHEET**  
**AS AT JUNE 30, 2014**

	Note	2014 Rupees	2013 Rupees
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment	4	5,309,298	4,127,895
Intangible assets	5	21,842,715	21,882,236
		<b>27,152,013</b>	26,010,131
Investments in Karachi Stock Exchange Limited Shares	5.1	58,211,067	58,211,067
Long term advance		866,664	-
Long term deposits	6	624,500	624,500
<b>Total non-current assets</b>		<b>86,854,244</b>	84,845,698
<b>Current assets</b>			
Trade debts - considered good	7	293,156,593	163,093,836
Loans and advances	8	152,768	206,314
Trade deposits and short term prepayments	9	147,379,848	107,935,125
Other receivables	10	3,788,983	237,573
Investments	11	20,196,620	-
Cash and bank balances	12	41,406,621	21,007,505
<b>Total current assets</b>		<b>506,081,433</b>	292,480,353
<b>Total assets</b>		<b>592,935,677</b>	377,326,051
<b>EQUITY AND LIABILITIES</b>			
<b>Authorized</b>			
12,500,000 (2012: 12,500,000) ordinary shares of Rs. 10 each		<u>125,000,000</u>	<u>125,000,000</u>
Issued, subscribed and paid up capital	13	125,000,000	125,000,000
Unappropriated profit		62,204,212	30,147,631
<b>Total Equity</b>		<b>187,204,212</b>	155,147,631
Surplus on revaluation of fixed assets	14	60,000,000	60,000,000
<b>Non-current liability</b>			
Deferred tax liability	15	292,656	95,461
<b>Current liabilities</b>			
Trade and other payables	16	263,795,378	145,946,125
Short term borrowing - secured	17	75,400,000	5,915,112
Mark-up accrued		362,007	950,626
Provision for taxation		5,881,424	9,271,096
<b>Total current liabilities</b>		<b>345,438,809</b>	162,082,959
<b>Total equity and liabilities</b>		<b>592,935,677</b>	377,326,051

**CONTINGENCIES AND COMMITMENTS**

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The annexed notes 1 to 32 form an integral part of these financial statements.

*S. S. S. S.*  
CHIEF EXECUTIVE

*Sabahat*  
DIRECTOR

**TOPLINE SECURITIES (PRIVATE) LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	Note	2014 Rupees	2013 Rupees
Operating revenue	19	128,085,061	109,325,453
Capital gain on sale of investments - net	20	3,131,858	3,137,179
Gain on remeasurement of investments at fair value through profit or loss		1,345,190	-
		<u>132,562,109</u>	<u>112,462,632</u>
Operating and administrative expenses	21	(61,527,936)	(53,354,892)
<b>Operating profit</b>		<b>71,034,173</b>	<b>59,107,740</b>
Finance cost	22	(1,603,578)	(3,557,668)
		69,430,595	55,550,072
Other operating income	23	7,083,173	5,310,200
<b>Profit before taxation</b>		<b>76,513,768</b>	<b>60,860,272</b>
Income tax expense	24	(24,657,290)	(19,427,346)
<b>Profit for the year</b>		<b>51,856,478</b>	<b>41,432,926</b>

The annexed notes 1 to 32 form an integral part of these financial statements.

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*S. Jind*

CHIEF EXECUTIVE

*Sabakat*

DIRECTOR

**TOPLINE SECURITIES (PRIVATE) LIMITED  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED JUNE 30, 2014**

	2014 Rupees	2013 Rupees
Profit for the year	51,856,478	41,432,926
Other comprehensive income	-	-
<b>Total comprehensive income for the year</b>	<u><u>51,856,478</u></u>	<u><u>41,432,926</u></u>

The annexed notes 1 to 32 form an integral part of these financial statements.

*ms*

*S. Singh*

CHIEF EXECUTIVE

*Sabahat*

DIRECTOR

**TOPLINE SECURITIES (PRIVATE) LIMITED**  
**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	Note	2014 Rupees	2013 Rupees
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Profit before taxation		76,513,768	60,860,272
<b>Adjustments for:</b>			
Depreciation	4	1,141,645	1,031,364
Amortization of software	5	27,991	39,987
Impairment of software	5	11,530	-
Fixed assets - written off	21	-	13,849
(Gain) / Loss on disposal of fixed assets	23	(699,911)	2,950
Gain on remeasurement of investments		(1,345,190)	-
Finance cost	22	1,603,578	3,557,668
		<u>739,643</u>	<u>4,645,818</u>
<b>Operating profit before working capital changes</b>		<b>77,253,411</b>	<b>65,506,090</b>
<b>Working Capital changes</b>			
<b>(Increase) / Decrease in current assets</b>			
Trade debts - considered good		(130,062,757)	(103,597,788)
Loans and advances		53,546	(140,569)
Trade deposits and short term prepayments		(39,444,723)	(53,821,361)
Mark-up accrued		-	10,725
Other receivables		(3,551,410)	(78,917)
		<u>(173,005,344)</u>	<u>(157,627,910)</u>
<b>Increase / (Decrease) in current liabilities</b>			
Trade and other payables		117,849,253	101,583,351
		<u>22,097,320</u>	<u>9,461,531</u>
Long term deposits		-	(1,000)
Financial charges paid		(2,192,197)	(3,141,566)
Income tax paid		(27,849,767)	(10,849,411)
<b>Net cash (used in) operating activities</b>		<b>(7,944,644)</b>	<b>(4,530,446)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of property and equipment	4	(2,849,137)	(221,400)
Long term advance		(866,664)	-
Insurance claim received against mobile		-	32,400
Proceeds from sale of property and equipment		1,226,000	-
Investment in units - net		(18,851,430)	-
Proceeds from sale / (purchase) of investments- net		-	8,973,063
<b>Net cash generated from investing activities</b>		<b>(21,341,231)</b>	<b>8,784,063</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Dividends paid		(19,799,897)	(9,899,948)
<b>Net cash (used in) financing activities</b>		<b>(19,799,897)</b>	<b>(9,899,948)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(49,085,772)</b>	<b>(5,646,331)</b>
Cash and cash equivalents at the beginning of the year		15,092,393	20,738,724
<b>Cash and cash equivalents at the end of the year</b>	25	<b>(33,993,379)</b>	<b>15,092,393</b>

The annexed notes 1 to 32 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, 2014**

	Issued, Subscribed and paid up capital	Unappropriated Profit / Accumulated (Loss) Rupees	Total
Balance as on July 01, 2012	109,999,430	13,615,223	123,614,653
Interim cash dividend @ Re. 0.9 per share		(9,899,948)	(9,899,948)
Interim Bonus Issue @ 13.636952 %	15,000,570	(15,000,570)	-
Total comprehensive income for the year		41,432,926	41,432,926
<b>Balance as at June 30, 2013</b>	<b>125,000,000</b>	<b>30,147,631</b>	<b>155,147,631</b>
Interim cash dividend @ Rs. 1.583992 per share		(19,799,897)	(19,799,897)
Total comprehensive income for the year	-	51,856,478	51,856,478
<b>Balance as at June 30, 2014</b>	<b>125,000,000</b>	<b>62,204,212</b>	<b>187,204,212</b>

The annexed notes 1 to 32 form an integral part of these financial statements.



CHIEF EXECUTIVE



Sabahat  
DIRECTOR