

**Venus Securities (Private) Limited**  
*(Formerly - Farooq Abdullah Securities (Private) Limited)*  
**Financial Statements**  
**For the year ended June 30, 2014**

**Venus Securities (Private) Limited**  
*(Formerly - Farooq Abdullah Securities (Private) Limited)*

**Financial Statements**

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**AUDITORS' REPORT TO THE MEMBERS**

We have audited the annexed balance sheet of *Venus Securities (Private) Limited – (Formerly – Farooq Abdullah Securities (Private) Limited)* as at **June 30, 2014** 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 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.

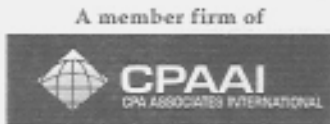
We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, 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 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


Offices also at:

**LAHORE:** 2<sup>ND</sup> FLOOR, ABOVE MOTOR POINT, 26-A, QUEENS ROAD, LAHORE, PAKISTAN.  
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Tel: +9251-2228138, Fax: +9251-2228139, Email: islamabad@njmi.net



- (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 **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.



The seal is circular with the text "NASIR JAVAID MAQSOOD IMRAN" around the top edge, "KARACHI" in the center, and "CHARTERED ACCOUNTANTS" around the bottom edge. The signature "Nasir Javaid Maqsood Imran" is written in cursive over the seal.

Dated: **15 SEP 2014**  
Karachi

**NASIR JAVAID MAQSOOD IMRAN**  
Chartered Accountants

Audit Engagement Partner: M. Javaid Qasim

## DIRECTORS' REPORT

The Directors take pleasure in presenting their report together with the audited financial statement of the Company for the years June 30, 2014. The working results of the company for the said financial year are given as under:

<b>Financial Results:</b>	<b>Rupees</b>
Total Revenue	722,866
Operating expenses	<u>(480,732)</u>
Profit before taxation	<b>242,134</b>
Taxation- Current	<u>(72,286)</u>
Profit after taxation	<b>169,848</b>

### Dividend:

The company do not declared any dividend due to non-commencement of business.

### Earnings per Share:

Earnings per share for the year ended 30th June 2014 was Rs. 0.11

### Auditors:

The auditors of the company Nasir Javaid Maqsood Imran – Chartered Accountants have retired and offer their services for the ensuing year.

On behalf of the board  
For (Venus Securities (Private) Limited)

Karachi:  
Dated: 15 SEP 2014



Chief Executive

**Venus Securities (Private) Limited**  
*(Formerly - Farooq Abdullah Securities (Private) Limited)*  
**Balance Sheet**  
**As at June 30, 2014**

Note	Rupees 30-06-2014	Rupees 30-06-2013
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**ASSETS**

**NON-CURRENT ASSETS**

Intangible Assets	5	15,000,000	54,073,830
Long Term Investment	6	39,073,830	-
Long Term Deposits	7	300,000	-

**CURRENT ASSETS**

Cash & Bank Balances	8	82,163	201,383
		82,163	201,383
		<u>54,455,993</u>	<u>54,275,213</u>

**EQUITIES AND LIABILITIES**

**Share Capital and Reserves**

Share Capital	9	150,000,000	150,000,000
Unappropriated Profit / (Loss)		(95,659,939)	(95,829,787)
		<u>54,340,061</u>	<u>54,170,213</u>

**CURRENT LIABILITIES**

Due to Directors		44,132	5,000
Accrued and Other Liabilities		71,800	100,000
		<u>115,932</u>	<u>105,000</u>
		<u>54,455,993</u>	<u>54,275,213</u>

*The annexed notes from 1 to 14 form an integral part of these financial statements.*

Karachi

Dated : 15 SEP 2014

  
Chief Executive

  
Director

**Venus Securities (Private) Limited**  
*(Formerly - Farooq Abdullah Securities (Private) Limited)*  
**Profit & Loss Accounts**  
**For the year ended June 30, 2014**

	Note	Rupees 30-06-2014	Rupees 30-06-2013
Dividend Income		722,866	-
Capital gain sale of KSE shares		-	210,000
		722,866	210,000
<b><u>Operating Expenses</u></b>			
Administrative Expenses	10	480,500	277,498
Financial Charges		232	-
		480,732	277,498
<b>Operating Profit / (Loss) before Taxation</b>		<b>242,134</b>	<b>(67,498)</b>
Taxation		72,286	-
<b>Profit / (Loss) after Taxation</b>		<b>169,848</b>	<b>(67,498)</b>
<b>Earning per share-basic &amp; diluted</b>	11	<b>0.11</b>	<b>(0.04)</b>

*The annexed notes from 1 to 14 form an integral part of these financial statements.*

Karachi  
Dated : 15 SEP 2014

  
Chief Executive

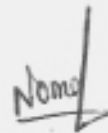
  
Director

**Venus Securities (Private) Limited**  
*(Formerly - Farooq Abdullah Securities (Private) Limited)*  
**Statement of Comprehensive Income**  
**For the year ended June 30, 2014**

Note	Rupees 30-06-2014	Rupees 30-06-2013
<b>Profit / (Loss) after Taxation</b>	169,848	(67,498)
<b>Other Comprehensive Income</b>	-	-
<b>Total Comprehensive Income / (Loss) for the year</b>	169,848	(67,498)

*The annexed notes from 1 to 14 form an integral part of these financial statements.*

Karachi  
Dated : 15 SEP 2014



Chief Executive



Director



**Venus Securities (Private) Limited**  
*(Formerly - Farooq Abdullah Securities (Private) Limited)*  
**Cash Flow Statement**  
**For the year ended June 30, 2014**

Note	Rupees 30-06-2014	Rupees 30-06-2013
<b>Cash Flow from Operating activities</b>		
Net Profit / (Loss) before taxation	242,134	(67,498)
<b>Add : Items not involved in movement of fund:</b>		
Depreciation	-	-
Amortization	-	152,998
Financial Charges	232	-
	<u>232</u>	<u>152,998</u>
Operating Profit before working capital changes	242,366	85,500
Net Change in working capital	(a) 10,932	(980,679)
Financial Charges paid	(232)	-
Taxes paid	(72,286)	-
	<u>180,780</u>	<u>(895,179)</u>
<b>Cash generated from operating activities</b>		
<b>Cash Flow from Investing activities</b>		
Intangible Assets	-	1,000,000
Long Term Deposit	(300,000)	-
Long Term Investment	-	-
Net Cash Inflow/ (Outflow) from investing activities	<u>(300,000)</u>	<u>1,000,000</u>
<b>Cash Flow from Financing activities</b>		
Share Deposit Money	-	-
Net Cash Inflow/ (Outflow) from financing activities	<u>-</u>	<u>-</u>
<b>Net increase / (decrease) in cash and cash equivalents</b>	(119,220)	104,821
Cash and cash equivalent at beginning of the year	201,383	96,562
<b>Cash and cash equivalent at end of the year</b>	8 82,163	201,383
<b>(Increase) / decrease in current assets</b>		
Other Receivables	-	-
Short term investment	-	-
Advance & Deposit	-	-
<b>Increase / (decrease) in current Liabilities</b>		
Trade & Other Payables	39,132	(980,679)
Short-term running finance	-	-
Accrued Expenses & Other Liabilities	(28,200)	-
	<u>10,932</u>	<u>(980,679)</u>
<b>Net Working Capital Changes</b>	<u>10,932</u>	<u>(980,679)</u>

The annexed notes from 1 to 14 form an integral part of these financial statements.

Karachi

Dated : 15 SEP 2014

*Now*

Chief Executive

*[Signature]*  
Director

**Venus Securities (Private) Limited**  
*(Formerly - Farooq Abdullah Securities (Private) Limited)*  
**Statement of Changes in Equity**  
**For the year ended June 30, 2014**

	Issued, Subscribed and Paid-up Capital	Share deposit money	Unappropriated Profit/ (Loss)	Total
	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>
<b>Balance as at June 30, 2012</b>	150,000,000	-	(836,119)	149,163,881
Share issue during the year	-	-	-	-
Profit / (Loss) after taxation	-	-	(67,498)	(67,498)
Revaluation of KSE shares and TREC du to Demutualization	-	-	(94,926,170)	-
<b>Balance as at June 30, 2013</b>	150,000,000	-	(95,829,787)	149,096,383
Share issue during the year	-	-	-	-
Profit / (Loss) after taxation	-	-	169,848	169,848
<b>Balance as at June 30, 2014</b>	150,000,000	-	(95,659,939)	149,266,231

*The annexed notes from 1 to 14 form an integral part of these financial statements.*

Karachi

Dated : 15 SEP 2014

*Noman*

Chief Executive

*[Signature]*

Director

**Venus Securities (Private) Limited**  
*(Formerly - Farooq Abdullah Securities (Private) Limited)*  
**Notes to the accounts**

**1 Legal Status and Nature of Business**

Farooq Abdullah Securities (Private) Limited (the Company) was incorporated in 2007 as a private limited company under the Companies Ordinance, 1984. The registered office of the Company is situated at House No. 149-E, Block-2, P.F.C.H.S., Karachi, Pakistan. The company is engaged in the business of financial consultancy, brokerage, underwriting and investment counselling. It is a corporate member of the Karachi Stock Exchange Limited.

**2 Basis of Measurement**

2.1 These financial statements have been prepared under the historical cost convention except for certain investments which are carried at their fair value.

2.2 These financial statements are presented in Pak Rupees which is the Company's functional and presentation currency.

**3 Statement of Compliance**

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by International Accounting Standards Board (IASB) as are notified under the Companies Ordinance, 1984, 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.

**4 Significant Accounting Policies**

4.1 The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial year except that the Company has adopted the following revised standard, amendments and interpretation of IFRSs which became effective during the year.

IAS 1 - Presentation of Financial Statements - Presentation of items of other comprehensive income (Amendment)

IAS 12 - Income Taxes - Recovery of Underlying Assets (Amendment)

The adoption of the above standards, amendments, interpretations and improvements did not have any effect on the financial statements.

Further, certain new standards have been issued by IASB which are effective for accounting periods beginning on or after 01 January 2013 but are yet to be notified by the Securities and Exchange Commission of Pakistan (SECP) for the purpose of applicability in Pakistan.

**4.2 Property and Equipment**

These are stated at cost less accumulated depreciation and impairment, if any. Depreciation is charged to income applying the straight line method whereby the cost of an asset is written off over its estimated useful life. Depreciation on additions is charged for the full month in which asset is put to use and on deletions up to month immediately preceding the month of deletion. Normal repairs and maintenance costs are charged to income as and when incurred. Major renewals and improvements are capitalised. The assets residual values, useful lives and depreciation methods are reviewed and adjusted, if appropriate, at each financial year end. Gain or loss on disposal of assets, if any, is recognized in the period of disposal.

**Venus Securities (Private) Limited**  
*(Formerly - Farooq Abdullah Securities (Private) Limited)*  
**Notes to the accounts**

The carrying amounts are reviewed at each balance sheet date to assess whether they are recorded in excess of their recoverable amounts, and where carrying values exceeds estimated recoverable amount, assets are written down to their estimated recoverable amount.

**4.3 Intangible Assets**

Intangible assets having definite life are stated at cost less accumulated amortization and impairment, if any. Amortization charge is based on the straight line method whereby the cost of an assets is written-off over its estimated useful life.

Rooms and trading right entitlement certificate are considered to have an indefinite useful life and are stated at acquisition cost. The carrying amount of these assets is reviewed at each balance sheet date to assess whether it is in excess of its recoverable amount, and where the carrying amount exceeds the estimated recoverable amount, it is written down to its estimated recoverable amount.

Gain and loss on disposal, if any, is taken to the profit and loss account.

**4.4 Investments**

All investments are initially recognised at fair value plus in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

The management of the Company determines the appropriate classification of its investments at the time of purchase as follows.

**Held-to-maturity**

Investment with fixed maturities where management has both the intent and ability to hold to maturity, are classified as held-to-maturity investments. These investments are carried at amortized cost.

**Available-for-sale**

These are investments intended to be held for an indefinite period to time, which may be sold in response to needs for liquidity or changes in equity prices. Subsequent to initial measurement, these are re-measured to fair value except for unquoted investments which are stated at cost. Net gains and losses arising on changes in fair value of these investments are recognized directly in equity. On derecognition or impairment in available-for-sale investments, the cumulative gain or loss previously recognized in equity is included in the profit and loss account for the year.

**Investments at fair value through profit or loss**

Investments classified as held-for-trading and those designated as such are included in this category. Investments are classified as held-for-trading if they are acquired for the purpose of selling in the near term. After initial recognition, these investments are remeasured at fair value and gains or losses are recognized in profit and loss account.

**Venus Securities (Private) Limited**  
*(Formerly - Farooq Abdullah Securities (Private) Limited)*  
**Notes to the accounts**

**4.5 Trade date accounting**

All "regular way" purchases and sales of quoted securities are recognised on the "trade date", i.e., the date on which the Company commits to purchase / sell the security. Regular way purchases or sales of quoted securities require delivery within stipulated time after the transaction date as per the Stock Exchange Regulations.

**4.6 Repurchase / Resale Agreements**

The Company enters into transactions of repos and reverse repos at contracted rates for a specified period of time. These are recorded as under:

**Sale under repurchase obligation**

Securities sold with a simultaneous commitment to repurchase at a specified date (repos) continue to be recognised in the balance sheet and are measured in accordance with accounting policies for investments. Amounts received under these agreements are recorded as repurchase agreement borrowings. The difference between sale and repurchase price is amortised as expense over the term of the repo agreement.

**Purchase under resale obligation**

Securities purchased with a corresponding commitment to resell at a specified future date (reverse repos) are not recognised in the balance sheet. Amounts paid under these arrangements are included in reverse repurchase agreement lendings. The difference between purchase and resale price is accrued as income over the term of the reverse repos agreement.

**4.7 Trade debts and fund placements**

In accordance with good accounting practices the company provides fully against the trade debts and fund placements for which no security is available without prejudice to its right to take appropriate legal and commercial action for the recovery of the said trade debts and fund placements.

**4.8 Financial instruments**

All financial assets and financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognised when the contractual right to future cash flows from the asset expires or is transferred along with the risk and reward of ownership of the asset. Financial liabilities are derecognised when they are extinguished, that is, when the obligation specified in the contract is discharged, cancelled, or expires. Any gain or loss on derecognition of the financial assets and financial liabilities is taken to income currently.

**4.9 Off-setting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to set-off the realised amounts and the Company intends to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

**Venus Securities (Private) Limited**  
*(Formerly - Farooq Abdullah Securities (Private) Limited)*  
**Notes to the accounts**

**4.10 Provisions**

Provisions are 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.

**4.11 Taxation**

**4.11.1 Current**

The charge for current taxation is based on taxable income at the current rate of taxation after taking into account applicable tax credits, rebates and exemption available, if any. For income covered under Final Tax Regime, taxation is based on applicable tax rates under such regime.

**4.11.2 Deferred**

Deferred income tax is provided using the liability method for all temporary differences at the balance sheet date between tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences and deferred income tax assets are recognised for all deductible temporary differences, carry forward of unused tax assets and unused tax losses, if any, to the extent that it is probable that taxable profit will be available against which such deductible temporary differences, unused tax assets and unused tax losses can be utilised.

**4.12 Revenue recognition**

- Brokerage commission is recognized as and when services are provided.
- Income from placements of funds is recognized on time proportionate basis.
- Mark-up on over due balances is recognized on accrual basis.
- Underwriting commission is recognized when the agreement is executed.
- Dividend income is recognized when right to receive the same is established.
- Gain / loss arising on disposal of investments is included in income currently and is accounted for on the date at which the transaction takes place.
- Profit of bank accounts is recognized on accrual basis.

**Venus Securities (Private) Limited**  
*(Formerly - Farooq Abdullah Securities (Private) Limited)*  
**Notes to the accounts**

Note	Rupees 30-06-2014	Rupees 30-06-2013
<b>5 Intangible Assets</b>		
Membership card- KSE	-	54,073,830
Trading rights entitlement certificates	15,000,000	-
	<u>15,000,000</u>	<u>54,073,830</u>
<b>6 Investment- Available for Sale</b>	<u>39,073,830</u>	<u>54,073,830</u>
<b>6.1</b> Pursuant to the promulgation of the Stock Exchanges (Corporatisation, Demutualization and Integration) Act, 2012 (The Act) the ownership in a Stock Exchange has been segregated from the right to trade on the Exchange. Accordingly, the Company has received equity shares of KSE and a Trading Right Entitlement (TREC) in lieu of membership card of KSE. The company's entitlement in respect of KSE's shares is determined on the basis of valuation of assets and liabilities of KSE as approved by SECP and the Company has been initially allotted 4,007,383 shares of the face value of Rs. 10/- each, out of which 2,404,430 are kept in the blocked account and the divestment of the same will be made in accordance with the requirements of the Act within two years from the date of Demutualization.		
<p>In the absence of an active market of the shares of KSE and TREC, the Company has taken the cost of the shares and TREC at Rs. 39.073 million and Rs. 15 million respectively, which is the value approved by the Board of Directors of KSE and endorsed by the SECP. Consequently the Company has recorded deficit of Rs. 94.926 million on conversion of membership card of KSE to Shares and TREC in the equity.</p>		
<b>7 Long Term Deposits</b>		
NCCPI.	200,000	-
CDC	100,000	-
	<u>300,000</u>	<u>-</u>
<b>8 Cash &amp; Bank balances</b>		
Cash in Hand	1,550	-
Cash at Bank- in current accounts	80,613	201,383
	<u>82,163</u>	<u>201,383</u>
<b>9 Issued, subscribed &amp; Paid-up-Capital</b>		
<b>Ordinary Shares of Rs. 100 /- each</b>		
1,500,000 Ordinary shares of Rs. 100 each fully paid in cash	150,000,000	150,000,000
	<u>150,000,000</u>	<u>150,000,000</u>
<b>Authorized Capital</b>		
<b>Ordinary Shares of Rs. 100 /- each</b>		
2,000,000 Ordinary shares of Rs. 100 each fully paid in cash	200,000,000	200,000,000
	<u>200,000,000</u>	<u>200,000,000</u>

**Venus Securities (Private) Limited**  
*(Formerly - Farooq Abdullah Securities (Private) Limited)*  
**Notes to the accounts**

Note	Rupees 30-06-2014	Rupees 30-06-2013
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**10 Administrative Expenses**

KSE Registration and Transfer	250,025	-
SECP, NCCPL and CDC Charges	58,000	-
Fees & Subscription	57,475	49,500
Audit Fee	40,000	25,000
Legal & Professional	75,000	40,000
Deferred Cost Amortization	-	152,998
Donation	-	10,000
	<b>480,500</b>	<b>277,498</b>

**11 Earning per share-basic & diluted**

Profit/ (Loss) after taxation	169,848	(67,498)
Weighted average number of shares	1,500,000	1,500,000
	<b>0.11</b>	<b>(0.04)</b>

**12 Remuneration of Directors and Chief Executive**

Directors	Chief Executive
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Managerial Remuneration

No remuneration paid to Chief Executive or Directors during the period.

**13 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The main risks arising from the Company's financial instruments are market risk, credit risk and liquidity risk. The Board of the directors reviews and agrees policies for managing each of these risks which are summarized below:

**13.1 Market Risk**

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices.

**(i) Interest Rate Risk**

Interest rate risk is the risk that the value of the financial instrument will fluctuate due to changes in the market interest rates. The Company is exposed to such risk mainly in respect of short-term borrowings.



**Venus Securities (Private) Limited**  
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**Notes to the accounts**

(ii) **Foreign Currency Risk**

Foreign currency risk is the risk that the fair value or future cash flows of a financial instruments will fluctuate because of changes in foreign exchange rates. The Company does not have any financial instruments in foreign currencies and hence is not exposed to such risk.

(iii) **Equity Price Risk**

Equity price risk is the risk of volatility in share price resulting from their dependence on market sentiments, speculative activities, supply and demand for shares and liquidity in the market.

13.2 **Liquidity Risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. Liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected.

14 **Authorization for issue**

These financial statements have been authorized for issue by the board of directors meeting held on 15 SEP 2014

Karachi  
Dated :

15 SEP 2014

  
Chief Executive

  
Director