

**FIRST STREET CAPITAL (PVT.) LTD.**  
**(FORMERLY DALIA SECURITIES (PVT.) LTD.)**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED**  
**JUNE 30, 2015**

**ALE IMRAN & CO.**  
Chartered Accountants



## Auditors' Report to the Members

We have audited the annexed balance sheet of **First Street Capital (Pvt.) Ltd.** (formerly *Dalia Securities (Pvt.) Ltd.*), as at **June 30, 2015** 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 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 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 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 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, 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 company's affairs as at **June 30, 2015** and of the loss, its 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 by the company under section 7 of the Zakat and Usher Ordinance, 1980.

Lahore  
July 02, 2015

**ALE IMRAN & CO.**  
Chartered Accountants

**FIRST STREET CAPITAL (PVT.) LTD**  
(FORMERLY DALIA SECURITIES (PVT.) LTD.)

**BALANCE SHEET**  
**AS AT JUNE 30, 2015**

	<u>Note</u>	<u>2015</u>	<u>2014</u>
		Rupees	Rupees
<b><u>NON-CURRENT ASSETS</u></b>			
Property, Plant & Equipment	4	117,320	143,794
Intangible Assets	5	23,000,000	23,000,000
Long Term Deposits	6	530,000	530,000
		23,647,320	23,673,794
<b><u>CURRENT ASSETS</u></b>			
Due From Clients	7	5,733,674	5,733,674
Short Term Advances	8	16,793	16,793
Advance Tax Refundable		209,288	209,288
Cash & Bank Balanœes	9	9,992,135	10,064,166
		15,951,890	16,023,921
		<b>39,599,210</b>	<b>39,697,715</b>
<b><u>SHARE CAPITAL &amp; RESERVES</u></b>			
<b>AUTHORISED CAPITAL</b>			
2,000,000 (2013: 2,000,000) Ordinary Shares of Rs. 100/- each		<b>25,000,000</b>	<b>25,000,000</b>
<b>ISSUED, SUBSCRIBED &amp; PAID UP CAPITAL</b>			
1,000 (2014 : 1,000) Ordinary Shares of Rs. 10/- each fully paid in cash		1,000,000	1,000,000
2,400,000 (2014 : 2,400,000) Ordinary Shares of Rs. 10/- each fully paid in consideration other than cash		24,000,000	24,000,000
Unappropriated Profit/(Loss)		8,898,215	9,026,720
		<b>33,898,215</b>	<b>34,026,720</b>
<b><u>CURRENT LIABILITIES</u></b>			
Trade & Other Payables	10	5,687,105	5,657,105
Short Term Borrowings-Unsecured-Considered Good	11	13,890	13,890
Provision for Taxation		-	-
		5,700,995	5,670,995
<b><u>CONTINGENCIES &amp; COMMITMENTS</u></b>			
	12	-	-
		<b>39,599,210</b>	<b>39,697,715</b>

The annexed notes 1 to 17 form an integral part of these financial statements.

*M A Amir Ali*  
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Chief Executive



*Hamid Parwez*  
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Director

**FIRST STREET CAPITAL (PVT.) LTD**  
**(FORMERLY DALIA SECURITIES (PVT.) LTD.)**  
**PROFIT & LOSS ACCOUNT**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	Note	2015 Rupees	2014 Rupees
Brokerage Commission		-	23,909
Overdue Payment Surcharge		-	370,250
		-	<b>394,159</b>
Administrative Expenses	13	58,424	1,951,035
<b>Operating Profit/(Loss)</b>		<b>(58,424)</b>	<b>(1,556,876)</b>
Financial Charges	14	-	456
Other Income	15	765	989,452
<b>Net (Loss) before Tax</b>		<b>(57,659)</b>	<b>(567,880)</b>
Taxation	16	(70,846)	(178,570)
<b>Profit (Loss) after Tax</b>		<b>(128,505)</b>	<b>(746,450)</b>

The annexed notes 1 to 17 form an integral part of these financial statements.

*M. A. Ali*

Chief Executive



*Amal Pawley*

Director

**FIRST STREET CAPITAL (PVT.) LTD**  
**(FORMERLY DALIA SECURITIES (PVT.) LTD.)**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	Issued Share Capital	Accumulated Profit/(Loss)	Total
Rupees			
<b>Balance as at June 30, 2013</b>	25,000,000	9,773,170	34,773,170
Net Profit/(Loss) for the Year		(746,450)	(746,450)
<b>Balance as at June 30, 2014</b>	25,000,000	9,026,720	34,026,720
Net Profit/(Loss) for the Year	-	(128,505)	(128,505)
<b>Balance as at June 30, 2015</b>	<u>25,000,000</u>	<u>8,898,215</u>	<u>33,898,215</u>

The annexed notes 1 to 17 form an integral part of these financial statements.

**FIRST STREET CAPITAL (PVT.) LTD**  
**(FORMERLY DALIA SECURITIES (PVT.) LTD.)**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	<u>2015</u>	<u>2014</u>
	Rupees	Rupees
Profit/(loss) after tax	8,898,215	9,026,720
Other comprehensive income	-	-
<b>Total comprehensive profit/(loss)</b>	<b><u>8,898,215</u></b>	<b><u>9,026,720</u></b>

The annexed notes 1 to 17 form an integral part of these financial statements.

**FIRST STREET CAPITAL (PVT.) LTD.  
(FORMERLY DALIA SECURITIES (PVT.) LTD.)  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2015**

**1. THE COMPANY & ITS OPERATIONS**

First Street Capital (Pvt.) Ltd. (*formerly Dalia Securities (Pvt.) Ltd.*) was incorporated in Pakistan as a private limited company on March 31, 2006 vide registration Number 12329/20060307 under the Companies Ordinance, 1984. The registered office of the company is situated in Lahore.

The company is principally engaged in the business of stock brokerage services, shares transfer, securities, commercial papers, Modaraba Certificates, bonds, obligations, debenture stocks, foreign exchange bearer certificates, treasury bills and financial instruments under the license or with the permission or approval of any recognized association, authority, stock exchange or other market whether in Pakistan or abroad.

The company has changed its registered name from 'Dalia Securities (Pvt.) Ltd.' to 'First Street Capital (Pvt.) Ltd.' w.e.f. June 02, 2015 through SECP approval certificate of the same date.

**2. SIGNIFICANT ACCOUNTING POLICIES**

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan and the requirements of Companies Ordinance, 1984. Approved accounting standards comprise of such International Accounting Standards as notified under the provisions of the Companies Ordinance, 1984. Wherever, the requirements of the Companies Ordinance, 1984 or directives issued by the Securities and Exchange Commission of Pakistan differ with the requirements of these standards, the requirements of Companies Ordinance, 1984 or the requirements of the said directives take precedence.

**3. SIGNIFICANT ACCOUNTING POLICIES**

**3.1 Accounting Convention**

These financial statements have been prepared under the historical cost convention, without taking any adjustment for the effect of inflation or reference to current value.

**3.2 Provision**

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

### 3.3

#### **Taxation**

##### **Current**

The charge of current taxation for the year is based on taxable income at the current rates of taxation after taking into account tax credits and tax rebates realizable, if any, or one percent of turnover, whichever is higher.

##### **Deferred**

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences<sup>a</sup> arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the tax rates, that have been enacted or subsequently enacted at the balance sheet date.

### 3.4

#### **Tangible Fixed Assets**

##### **Owned Assets**

The operating fixed assets are stated at cost less accumulated depreciation except freehold land, which is stated at cost. The cost of fixed asset includes incidental charges of acquisition of fixed assets.

Depreciation on operating fixed assets is charged on reducing balance method at the rates given in the fixed assets schedule to write off the cost of operating fixed assets over their expected useful life. Full year's depreciation is charged in the year of acquisition, while no depreciation is charged in the year of disposal.

Maintenance and normal repairs are charged to profit and loss account as and when incurred. Major renewals and replacements are capitalized and assets retired, if any, are kept as standby.

Gain and Losses on disposal of assets, if any, is included in current year income.

Surplus on revaluation, after considering deficit in other categories, is credited to surplus on revaluation account. Revaluation is carried out sufficient regularity to ensure that the carrying amount of assets does not differ materially from the fair values.

### 3.5

#### **Impairment of Assets**

The carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated and impairment losses are recognized in the profit and loss account.

### **3.6 Trade Debts**

Trade debts are carried at original invoice amount less an estimate made for doubtful debts based on a review of all outstanding amounts at the year-end. Bad debts are written off when identified.

### **3.7 Trade Creditors 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 received.

### **3.8 Cash and Cash Equivalents**

Cash and cash equivalents are carried at cost in the balance sheet. For the purpose of cash flow statement, cash and cash equivalents comprise of cash in hand. Investments of short maturity i.e. for a period of less than three months are subject to insignificant risk of changes in values are treated as cash and cash equivalents.

### **3.9 Related Party Transactions**

All transactions with related parties are made at arm's length and are recorded at their fair value.

### **3.10 Foreign Currency Transaction**

Assets and liabilities in foreign currency are stated in Pak Rupees at the rates of exchange ruling on the balance sheet date or exchange rate fixed under contractual agreements. Transactions in foreign currency are translated at the exchange rate prevailing at the date of transaction. All exchange differences arising on transaction of foreign currency into local currency are treated as exchange gains/(losses).

### **3.11 Borrowing Costs**

Borrowing costs are charged to income as and when incurred except to the extent which is directly attributable to the acquisition, construction or production of a qualifying asset, which is capitalized as part of the cost of assets.

### **3.12 Revenue Recognition**

Revenue is recognized on the following basis:

- On sales, at the time of dispatch of goods,
- Profit on bank deposits is recognized on a time proportion basis that takes into account the effective yield on the deposits.

### **3.13 Financial Instruments**

Financial assets and liabilities are recognized when the company becomes party to the contractual provisions of the instrument and assets and liabilities are stated at fair value. The Company de recognizes the financial assets and liabilities when it ceases to be a party to such contractual provisions of the instruments. The Company recognizes the regular way purchase or sale of financial assets using settlement date accounting.

#### **a) Trade and other payables**

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

#### **b) Trade and other receivables**

Trade and other receivables are recognized and carried at original invoice amount cost less and allowance for any uncollectible amounts.

#### **c) Derivative financial instruments**

Any gain or loss from re-measuring the hedging instrument at fair value is recognized in the profit and loss account.

**FIRST STREET CAPITAL (PVT.) LTD.**  
 (FORMERLY DALIA SECURITIES (PVT.) LTD.)  
**PROPERTY PLANT & EQUIPMENT**  
**FOR THE YEAR ENDED JUNE 30, 2015**

4 Following is the detail of operating fixed assets:

DESCRIPTION	C O S T			D E P R E C I A T I O N				W.D.V. As on 30-06-15
	As on 01-07-14	Additions	As on 30-06-15	Rate %	As on 01-07-14	Charge for the Year	As on 30-06-15	
	Rupees			Rupees				
<b>Owned Assets:</b>								
Furniture & Fixture	127,000	-	127,000	10	43,675	8,333	52,008	74,992
Copmuters & Office Equipments	244,375	-	244,375	30	183,906	18,141	202,047	42,328
<b>2015</b>	<b>371,375</b>	<b>-</b>	<b>371,375</b>		<b>227,581</b>	<b>26,474</b>	<b>254,055</b>	<b>117,320</b>
<b>2014</b>	<b>371,375</b>	<b>-</b>	<b>371,375</b>		<b>192,408</b>	<b>35,173</b>	<b>227,581</b>	<b>143,794</b>

- Depreciation expense for the year has been allocated as follows:

Administrative Expenses ( Note : 13)

2015 Rupees	2014 Rupees
26,474	35,173
<b>26,474</b>	<b>35,173</b>

**FIRST STREET CAPITAL (PVT.) LTD**  
**(FORMERLY DALIA SECURITIES (PVT.) LTD.)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	Note	2015	2014
		Rupees	Rupees
<b>5</b>	<b><u>INTANGIBLE ASSETS</u></b>		
Membership Rights of Islamabad Stock Exchange Limited	7	<b>23,000,000</b>	<b>23,000,000</b>
<b>6</b>	<b><u>LONG TERM DEPOSITS</u></b>		
<b>Long Term Deposits with/against:</b>			
- Central Depository Company of Pakistan Limited		100,000	100,000
- National Clearing Company of Pakistan Limited		300,000	300,000
- Islamabad Stock Exchange Limited-Clearing House		50,000	50,000
- Office Premises		80,000	80,000
		<b>530,000</b>	<b>530,000</b>
<b>7</b>	<b><u>DUE FROM CLIENTS-Unsecured-Considered Good</u></b>		
Due From Clients		<b>5,733,674</b>	<b>5,733,674</b>
<b>8</b>	<b><u>SHORT TERM ADVANCES</u></b>		
Advances to Suppliers		<b>16,793</b>	<b>16,793</b>
<b>9</b>	<b><u>CASH &amp; BANK BALANCES</u></b>		
Cash in Hand		9,959,754	10,032,000
<b>Cash at Bank:</b>			
- Saving Account		806	591
- Deposit Account		31,575	31,575
		32,381	32,166
		<b>9,992,135</b>	<b>10,064,166</b>
- Mark up on these saving account ranges from 7 % to 8.5 % p.a.			
<b>10</b>	<b><u>TRADE &amp; OTHER PAYABLES</u></b>		
Due to Clients-on Account		2,521,296	2,521,296
Accrued Liabilities		95,409	65,409
Other Payables		3,070,400	3,070,400
		<b>5,687,105</b>	<b>5,657,105</b>

**FIRST STREET CAPITAL (PVT.) LTD**  
**(FORMERLY DALIA SECURITIES (PVT.) LTD.)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Note</u>	<u>2015</u> Rupees	<u>2014</u> Rupees
<b>11</b>			
<b><u>SHORT TERM BORROWINGS - UNSECURED - INTEREST FREE</u></b>			
Due to Next Capital (Pvt.) Ltd.		13,890	13,890
This represents interest free unsecured borrowings from Next Capital (Pvt.) Ltd., obtained to meet the financing requirements of the company.			
<b>12</b>			
<b><u>CONTINGENCIES &amp; COMMITMENTS</u></b>			
- There were no contingencies and commitments as on June 30, 2015 (2014: Nil).			
<b>13</b>			
<b><u>ADMINISTRATION EXPENSES</u></b>			
Staff Salaries & Other Benefits		-	25,000
Utilities		-	-
Auditor's Remuneration		30,000	30,000
Communication		-	70,417
Travelling & Conveyance		-	-
Vehicle Running & Maintenance		-	-
Printing & Stationery		-	33,200
Legal & Professional Expenses		-	-
Fee & Subscription		1,950	622,069
Rent, Rates & Taxes		-	400,000
Entertainment		-	-
Office Repair & Maintenance		-	-
Generator Fuel		-	-
Depreciation	4	26,474	35,173
Miscellaneous Expenses		-	735,176
		<u>58,424</u>	<u>1,951,035</u>
<b>14</b>			
<b><u>FINANCIAL CHARGES</u></b>			
Bank Charges		-	456
<b>15</b>			
<b><u>OTHER INCOME</u></b>			
Return on Bank Deposit		765	39,452
Other Income		-	950,000
		<u>765</u>	<u>989,452</u>
<b>16</b>			
<b><u>TAXATION</u></b>			
Current Year		-	39,416
Prior Years		70,846	139,154
		<u>70,846</u>	<u>178,570</u>

**FIRST STREET CAPITAL (PVT.) LTD**  
**(FORMERLY DALIA SECURITIES (PVT.) LTD.)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

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<u>Note</u>	<u>2015</u>	<u>2014</u>
	Rupees	Rupees

**17 GENERAL**

- Figures have been rounded off to nearest rupee, unless otherwise stated.
- These financial statements were authorized for issue by the board of directors in their meeting held on July 02, 2015.