

WE FINANCIAL SERVICES LIMITED
BALANCE SHEET
AS AT JUNE 30, 2008

	NOTE	2008 Rupees	2007 Rupees
ASSETS:			
NON-CURRENT ASSETS			
Property, Plant & Equipment	3	28,754,210	17,997,788
Rooms, Booths & Membership card	4	3,500,000	3,500,000
Long Term Investments in related party	5	37,123,010	52,903,597
Long term deposits	6	6,118,297	39,106,406
		<u>75,495,517</u>	<u>113,507,791</u>
CURRENT ASSETS:			
Trade debts	7	79,864,810	221,808,675
Loan to employees (unsecured, considered good)	8	337,314	322,481
Trade Deposit and short term prepayments	9	1,712,895	451,794
Tax refund due from government	10	1,674,475	2,537,552
Investments	11	256,497,717	217,577,283
Cash and Bank Balances	12	3,622,076	7,170,526
		<u>343,709,288</u>	<u>449,868,311</u>
TOTAL ASSETS		<u>419,204,805</u>	<u>563,376,102</u>
EQUITY & LIABILITIES :			
EQUITY			
Authorised Share Capital		<u>50,000,000</u>	<u>50,000,000</u>
Issued, subscribed and paid up share capital	13	50,000,000	30,000,000
(Accumulated Loss) / Unappropriated Profit		(62,184,877)	39,752,450
		<u>(12,184,877)</u>	<u>69,752,450</u>
LONG TERM LIABILITIES:			
Liabilities against assets subject to finance lease	14	3,098,182	2,891,492
Deferred taxation	15	-	1,106,167
Long term Loan	16	50,000,000	87,000,000
		<u>53,098,182</u>	<u>90,997,659</u>
CURRENT LIABILITIES:			
Current portion of liabilities against assets subject to finance lease	14	3,184,931	1,390,095
Trade and Other Payables	17	75,944,555	182,928,827
Accrued Liabilities	18	4,943,083	11,203,939
Short term running finance - secured	19	294,218,931	207,103,133
		<u>378,291,500</u>	<u>402,625,994</u>
CONTINGENCIES & COMMITMENTS	20	-	-
TOTAL EQUITY AND LIABILITIES		<u>419,204,805</u>	<u>563,376,102</u>

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


Chief Executive

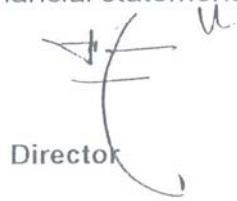

Director

WE FINANCIAL SERVICES LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2008

	NOTE	2008 Rupees	2007 Rupees
Operating Revenue			
Brokerage commission	21	47,371,123	44,726,453
Capital gain realized on Listed shares - Net		13,758,483	29,285,831
Income from Corporate Finance Services		678,562	1,990,122
Dividend income		10,796,755	5,092,402
		<u>72,604,923</u>	<u>81,094,808</u>
Operating Expenses	22	<u>(53,926,174)</u>	<u>(37,396,223)</u>
Operating Profit		18,678,750	43,698,585
Diminution on remeasurement of investments at fair value		(56,435,789)	(24,672,954)
Other Operating Income	23	<u>1,257,470</u>	<u>4,064,858</u>
		<u>(36,499,569)</u>	<u>23,090,489</u>
Finance Cost	24	<u>(53,775,331)</u>	<u>(58,351,749)</u>
Profit/ (loss) before Taxation		<u>(90,274,900)</u>	<u>(35,261,260)</u>
Provision for Taxation	25	<u>(11,662,427)</u>	<u>(12,873,750)</u>
Profit/ (loss) after Taxation		<u>(101,937,327)</u>	<u>(48,135,010)</u>
(Loss)/Earning per share (Basic & Diluted)	26	<u>(20.39)</u>	<u>(16.05)</u>

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


Chief Executive


Director

WE FINANCIAL SERVICES LIMITED
 CASH FLOW STATEMENT
 FOR THE YEAR ENDED JUNE 30, 2008

	30-Jun 2008	Jun. 30 2007
CASH FLOW FROM OPERATING ACTIVITIES		
Cash generated from operations	27 (41,945,079)	67,652,574
Finance cost paid	(60,574,211)	(52,270,093)
Taxes paid	(11,905,517)	(12,747,860)
Long term deposits	32,988,109	(37,914,127)
Net cash inflow from operating activities	(81,436,698)	(35,279,506)
CASH FLOW FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(12,276,630)	(5,865,522)
Realisation from/(Investment in) long term investments	15,780,587	(3,123,010)
Proceeds from disposal of fixed assets	2,266,967	3,200,000
Net cash (outflow) from investing activities	5,770,924	(5,788,532)
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment/Receipt of long term Loan	(37,000,000)	87,000,000
Increase/Decrease in Lease liabilities	2,001,526	2,063,493
Increase in paid up capital	20,000,000	-
Net cash (out flow)/ inflow from financing activities	(14,998,474)	89,063,493
Net increase/(decrease) in cash and cash equivalents	(90,664,248)	47,995,455
Cash and cash equivalents at beginning of the year	(199,932,607)	(247,928,062)
Cash and cash equivalents at end of the year	34 (290,596,855)	(199,932,607)

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

CHIEF EXECUTIVE

DIRECTOR

WE FINANCIAL SERVICES LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2008

	SHARE CAPITAL	UNAPPROPRIATED PROFIT / (ACCUMULATED LOSS)	TOTAL
Balance as at June 30, 2006	30,000,000	87,887,460	117,887,460
Net Loss for the year 2007	-	(48,135,010)	(48,135,010)
Balance as at June 30, 2007	30,000,000	39,752,450	69,752,450
Further issue of paid up capital	20,000,000		20,000,000
Net Loss for the year 2008		(101,937,327)	(101,937,327)
Balance as at June 30, 2008	50,000,000	(62,184,877)	(12,184,877)

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

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CHIEF EXECUTIVE

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 DIRECTOR

WE FINANCIAL SERVICES LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2008

1.1 STATUS & NATURE OF BUSINESS:

WE Financial Services Ltd is an unlisted Public Limited Company incorporated under the Companies Ordinance, 1984 on April 22, 1993. The Company is a corporate member of Karachi Stock Exchange (Guarantee) Ltd whereby it is licensed to engage in the brokerage and trading of shares and Securities. The Company's registered office is situated at Office no. 506, Karachi Stock Exchange Building, Karachi and its corporate office is situated at 1112-1115, Park Avenue, Shara-e-Faisal, PECHS, Karachi.

1.2 BASIS OF PREPARATION, STATEMENT OF COMPLIANCE AND GOING CONCERN:

1.2.1 Basis of Preparation:

These financial statements have been prepared under the historical cost convention except otherwise specified herein.

1.2.2 Statement of Compliance:

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of Accounting and Financial Reporting Standards for Medium-Sized Entities (MSEs) issued by the Institute of Chartered Accountants of Pakistan and provisions of and directives issued under the Companies Ordinance, 1984. In case requirement differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

1.2.3 Going Concern

These financial statements have been prepared on a going concern basis despite that the company has incurred net loss after tax of Rs (101.937) Million during the year as compared to net loss after tax of Rs.(48.135) Million during the preceding year and the shareholders equity has been eroded and reflects net liability position of Rs.(12.185) Million as against net assets of Rs.69.752 Million in the preceding year. Despite of the foregoing the Company's financial statements have prepared on going concern basis in view of the commitment of the directors to arrange/provide finances as and when required and the directors pledge to carry on the business of the Company which justifies the use of going concern basis as appropriate.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

2.1 Property Plant, & Equipment:

Owned:

These are stated at cost less accumulated depreciation. Depreciation is charged over the estimated economic life of the assets by using the

reducing balance method. Full year's depreciation is charged on assets acquired during the year, whereas no depreciation is charged in the year of disposal.

Maintenance and normal repairs are charged to income as and when incurred. Major renewals and improvements are capitalized and the assets so replaced, if any, are retired.

Profit and loss arising on disposal of property plant and equipment is included in income in the year of disposal.

Leased:

Leased assets are stated at lower of present value of minimum lease payments under the lease agreements and the fair value of the assets. The related obligations under the lease are accounted for as liabilities.

Depreciation on leased assets is charged over the estimated economic life of the assets by using the reducing balance method.

2.2 Intangibles:

These are stated at cost less accumulated amortization and impairment loss, if any. Amortization is charged over the estimated economic life of the assets by using the straight line method.

2.3 Rooms, Booths & Membership Card:

These are stated at acquisition cost. Provision is made for decline in value other than temporary, if any, in the value of these assets.

2.4 Trade Debts:

Trade debts are stated at net of provision against doubtful/bad debts if any, provisions for doubtful debts is recorded when there is remote possibility for recovery.

2.5 Provisions:

Provisions are recognized when the company has a legal or constructive obligation as a result of past events and where it is probable that an outflow of resources will be required to settle the obligation and the reliable estimate of the amount can be made.

2.6 Investments:

Subsidiary & Associated Companies:

Investment in subsidiary and associated companies are stated at cost less impairment if any.

Investment at fair value through profit & loss

Investments which have acquired principally for the purpose of selling in the near future are classified as investments at fair value through profit or loss. These are measured at fair values, with any resulting gain or loss taken to profit and loss account. The fair values of such investments are determined on the basis of prevailing market prices.

2.7 Foreign Currency Translation:

Transactions in Foreign currencies are recorded into Pak Rupees using the prevailing or booked exchange rates. Monetary assets and liabilities in foreign currencies are record into Pak Rupees at the booked or prevailing exchange rates on the Balance Sheet data. Resultant exchanges rate differences are taken to profit and loss account.

2.8 Taxation

Current:

Provision for current taxation is based on taxable income at the current rates of taxation after taking into account available tax credit and rebates, if any.

Deferred:

The Company accounts for deferred taxation by using the liability method on all temporary differences. Deferred tax assets is recognized only to the extent that it is probable that the future profit will be available against which the assets can be utilized. However, in view of applicability of final tax regime as envisaged in the Income Tax Law to the Company, no deferred tax provision is made in these accounts.

2.9 Revenue Recognition:

Revenue is recognized as follows:

Brokerage commission and advisory fees are recorded on accrual basis i.e. on execution of transaction for the clients.

Capital gain or loss on sale of securities is recorded upon execution of sale of shares/securities.

Dividend income, when right to receive the same is established.

2.10 Securities Purchased & Sold under Resale/Repurchase Agreements:

The Company presents listed equity securities purchased and simultaneously sold under forward sale agreements to the same counter party as securities purchased under the agreements and listed equity sold and repurchased simultaneously under forward purchase agreements of the same counter party as securities sold under repurchase agreements. The income/loss from such transaction is presented as income/cost from reported transaction of listed equity shares.

2.11 Financial Instruments:

All the financial assets and financial liabilities are recognized at the time when the company becomes a party to the contractual provisions of the instruments. Gain or loss on depreciation of the financial assets and financial liabilities is taken to profit and loss account.

2.12 Off setting of Financial Assets and Financial Liabilities:

A financial asset and a financial liability is off set and the net amount is reported in the financial statements, if the company has a legally enforceable right to offset the recognized amounts and the company intends either to settle on a net basis or to realize the asset and discharge the liability simultaneously.

2.13 Related party Transactions:

All transactions with related parties are carried out by the company at arm's length price following the methods permitted under the law.

2.14 Staff Retirement Benefits:

The company operates a defined contribution plan (provident Fund scheme). Monthly contribution is made in respect of employees eligible under the scheme and is charged to profit and loss account.

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3 PROPERTY, PLANT & EQUIPMENT

Note no

	2008	2007
Property, Plant & Equipment	21,703,210	17,997,788
Capital work in progress	7,051,000	-
	<u>28,754,210</u>	<u>17,997,788</u>

3.1 PROPERTY, PLANT & EQUIPMENT

DESCRIPTION	COST			RATE % P.A	DEPRECIATION			NET BOOK VALUE June 30, 2008
	AS AT July 1, 2007	ADDITIONS/ (DELETIONS)	AS AT-- June 30, 2008		AS AT July 1, 2007	FOR THE YEAR	ADDITIONS/ (DELETIONS)	

OWNED (Tangible)

Office Equipments	7,658,861	616,056	8,274,917	10	3,020,661	525,426	-	3,546,087	4,728,930
Furniture & Fixtures	6,202,688	133,960	6,336,648	10	2,987,303	334,935	-	3,322,238	3,014,411
Computer & Accessories	6,134,784	2,094,093	8,228,877	30	4,048,510	1,254,108	-	5,302,618	2,926,259
Vehicles	5,685,460	4,666,290	10,351,750	20	3,340,107	1,093,184	1,545,732	5,979,023	4,372,727

LEASED

Vehicles	8,445,500	4,766,231 (3,995,500)	9,216,231	20	2,732,924	1,665,246	(1,842,924)	2,555,246	6,660,985
	8,445,500	770,731	9,216,231		2,732,924	1,665,246	(1,842,924)	2,555,246	6,660,985
TOTAL 2008	34,127,293	8,281,130	42,408,423		16,129,505	4,872,899	(297,192)	20,705,213	21,703,210
TOTAL 2007	28,261,771	5,865,522	34,127,293		12,348,290	3,781,214	-	16,129,505	17,997,788

3.2 CAPITAL WORK IN PROGRESS

	2008	2007
Advance against issue of rights	Rupees 7,051,000	Rupees -

4 Rooms, Booth and Membership Card

It represents cost of membership card of Karachi Stock Exchange (Guarantee) Limited along with cost of KSE room and booth.

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	2008 Rupees	2007 Rupees
5 Long term investment in related parties (Unquoted)		
5.1 WE Investment Management Limited	34,000,000	34,000,000
The amount of investment represent 3,400,000 Ordinary Shares of Rs. 10 each (2007, 3,400,000 Ordinary Shares) representing 68% shareholding of the investee company. Book value Rs.30,941,458 (2007); Rs.27,162,616.		
5.2 Hattar Solid Steel Corporation (Pvt.) Ltd.	-	15,780,587
The amount of investment represent 6,042 Ordinary Shares of Rs. 100 each (2007, 6,042 Ordinary Shares) representing 40% shareholding of the investee company		
5.3 WE Commodities (Pvt.) Ltd.	3,123,010	3,123,010
The amount of investment represent 312,301 Ordinary Shares of Rs. 10 each Book value Rs. 3,941,293 (2007) Rs. 4,015,918	<u>37,123,010</u>	<u>52,903,597</u>
6 Long term deposits & advances		
Security Deposits	<u>6,118,297</u>	<u>2,582,280</u>
Advance for issue of Shares in related parties		
Hattar Solid Steel Corporation (Pvt.) Ltd.	-	17,598,175
WE Commodities (Pvt.) Ltd.	-	18,925,951
	-	36,524,126
	<u>6,118,297</u>	<u>39,106,406</u>
7 Trade debts - Unsecured		
Considered Good		
Due from Related Party	-	4,558,602
Others	79,864,810	217,250,073
Note 7.1	79,864,810	221,808,675
Considered Doubtful		
Provision thereagainst	3,272,173	2,861,449
	(3,272,173)	(2,861,449)
	<u>79,864,810</u>	<u>221,808,675</u>
Included in the Trade debts an amount of Rs.19,071,200 being receivable from a client and the securities in that clients sub-account having market value of Rs 5,792,670 only. However, in directors view, full amount will be realised from that client in view of sound financial position of that client, hence full receivable amount is classified as good.		
8 Loan and Advances - Considered Good		
Advances to employees	<u>337,314</u>	<u>322,481</u>
9 Trade Deposit and Pre-payments		
Deposit - Considered Good	1,277,500	-
Prepaid Expenses	435,395	451,794
	<u>1,712,895</u>	<u>451,794</u>
10 Tax refund from Govt.		
Advance Income Tax	1,534,617	1,534,617
Income tax refundable	139,858	1,002,935
	<u>1,674,475</u>	<u>2,537,552</u>
11 Investments		
Held for Trading		
Investment in listed Shares - Cost	312,933,506	134,707,245
(Diminution)/appreciation on remeasurement at fair value of investments	(56,435,789)	15,870,038
Market value being fair value	256,497,717	150,577,283
Held to Maturity-at cost		
Refer note	-	67,000,000
	<u>256,497,717</u>	<u>217,577,283</u>
11.1 Subsequent to the year end the market value of investments of the Company has substantially been eroded and stock market wherein these shares are traded is frozen and the investments are carried at market values existed at the time of freeze leaving uncertainty for any eventual impairment which may arise on re-measurement upon re-commencement of the stock market.		
11.2 It represent Company's fund placements under Musharika arrangements issued by banks for six months period at the profit rate range between 12-13% per annum payable semi annually.		
12 Cash and Bank Balances		
Cash at Bank:		
- PLS account	23,416	21,757
- Current account	3,598,660	7,046,664
Cash in Hand	3,622,076	7,068,421
	-	102,105
	<u>3,622,076</u>	<u>7,170,526</u>
13 Issued, subscribed and Paid-up Capital		
5,000,000 Ordinary shares of Rs. 10/- each fully paid in cash	50,000,000	30,000,000
(2007 3,000,000 Ordinary Shares of Rs 10/- each)		

14 Liabilities against assets subject to finance lease

The rate of financial charges used as discounting factor ranging from 16% to 18% per annum. Taxes, repairs, replacements and insurance costs are to be borne by the lessee. The rentals are payable in equal monthly installments. The lease liabilities are secured against demand promissory notes, personal guarantees of some of the Directors and title of leased assets are in the name of the leasing company. If during the future period of lease the rate of cost of funding exceeds by 1% of present rate of cost of funding, the lessor may on its own discretion may vary the future rental payable. Lease agreement provides for bargain purchase option at the end of lease term upon adjustment of security deposit at salvage value which the Company intends to exercise.

The minimum lease payments for which the Company has committed to pay in future under the lease agreements are as

	2008 Rupees			2007 Rupees		
	Minimum lease payments	Financial charges for future periods	Principal outstanding	Minimum lease payments	Financial charges for future periods	Principal outstanding
Upton One year	3,669,031	484,100	3,184,931	1,652,497	262,402	1,390,095
Over a year and not later than three years	3,384,367	286,185	3,098,182	2,996,153	104,661	2,891,492
	<u>7,053,398</u>	<u>770,285</u>	<u>6,283,113</u>	<u>4,648,650</u>	<u>367,063</u>	<u>4,281,587</u>

15 Deferred Taxation

On account of accelerated tax depreciation

	2008 Rupees	2007 Rupees
	-	1,106,167

In view of tax losses there works out deferred tax debit however not recognized in view of applicability of final tax regime un Income Tax ordinance, 2001

16 Long Term Loan

	<u>50,000,000</u>	<u>87,000,000</u>
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This represents long term loan from financial institution obtained to meet working capital for two years maturity period. Mark chargeable ranging between 13-15.5%.

17 Creditors and Other Liabilities

Trade Creditors	72,370,835	181,553,813
Other Liabilities	1,847,830	1,375,014
Due to related party		
- WE Commodities (Pvt.) Ltd.	1,667,969	-
- WE Balanced Fund	57,921	-
	<u>75,944,555</u>	<u>182,928,827</u>

18 Accrued Liabilities

Accrued Expenses	1,361,987	823,963
Accrued Mark up on short term financing	3,581,096	10,379,976
	<u>4,943,083</u>	<u>11,203,939</u>

19 Short term running finance

Short term running finance under mark-up arrangement - Secured.

MCB Bank Limited	203,304,909	47,977,358
Habib Bank Limited	90,914,022	114,125,725
My bank Limited	-	45,000,050
	<u>294,218,931</u>	<u>207,103,133</u>

The Company enjoys short term running finance facility which is made available by:

- MCB Bank Limited to the maximum extent of Rs. 250.0 million at the mark up rate of 1 month KIBOR + 2 % p.a. (2007:1 month KIBOR + 2 % p.a)

- Habib Bank Ltd to the maximum extent of Rs. 120.0 million at the mark up rate of 3 months KIBOR + 2.5% p.a. (2007:3 months KIBOR + 2.5% p.a)

- The arrangements when drawn are secured against the pledge of shares held by the company and personal guarantee of directors. Principal is repayable / renewable annually and mark up is payable on quarterly basis. Expiry for the Facilities is December 31st, 2009.

20 Contingencies and Commitments

The IAC of income tax by making his revisional power, revised the assessment orders of the Company for the assessment year 1995-96, created a tax demand of Rs. 1,055,618/- against which the Company has filed appeal before the income Tax Appellate Tribunal which succeeded. However the income tax department filed a reference in the High Court of Sindh which is yet to be heard. Company's tax advisors are hopeful about favorable decision. Accordingly no provision is made in the accounts, while payment of tax demanded has been adjusted against tax refunds

21 Brokerage Revenue

	2008 Rupees	2007 Rupees
Income from brokerage commission	47,317,146	44,694,358
Income from submission of shares applications	53,978	32,095
	<u>47,371,123</u>	<u>44,726,453</u>

22 Operating expenses

	2008	2007
Traders share in Brokerage	2,009,911	925,948
K.S.E. Service Charges	1,710,497	1,819,971
C.D.C. charges	662,181	589,549
Provision for doubtful debts	410,724	152,445
Discounts, rebates & provisions	789,276	1,047,555
S.E.C.P. fees	357,646	384,313
Salaries, wages, bonus and other benefits	14,347,919	10,917,098
Chief Executive and Directors' remuneration (Note-22.1)	5,719,083	4,050,497
NCC Trade fee	437,794	582,248
Rent, rates and taxes	1,788,395	1,541,840
Communications	1,285,091	860,791
Travelling and conveyance	4,428,644	1,784,929
Insurance	803,135	556,679
Repair and maintenance	2,587,881	2,162,488
Utilities	877,740	545,479
Fees and subscription	4,762,257	82,402
Printing and stationery	262,483	203,036
Books and periodicals	192,000	122,000
Postage and courier	304,948	109,544
Legal and professional charges	60,000	114,456
Auditor's remuneration (Note-22.2)	270,500	134,700
Depreciation (Note-3)	4,872,899	3,781,214
Amortization	-	1,000,000
Entertainment	525,129	276,422
Advertisement	665,643	854,980
Donation (Note- 22.3)	7,750	48,680
Electronic data Processing (EDP) Expenses	1,584,480	2,676,844
Miscellaneous expenses	2,202,168	70,114
	<u>53,926,174</u>	<u>37,396,223</u>

22.1 Chief Executive and Directors' Remuneration:

	2008 Rupees			2007 Rupees		
	Chief Executive	Directors	TOTAL	Chief Executive	Directors	TOTAL
Managerial remuneration	969,180	1,980,173	2,949,353	415,160	975,046	1,390,206
House Rent allowance	336,131	791,078	1,127,209	190,000	435,000	625,000
Utilities	148,605	199,306	347,911	66,280	154,560	220,840
Commission on trading	-	1,057,010	1,057,010	-	1,682,451	1,682,451
Provident Fund	79,200	158,400	237,600	39,600	92,400	132,000
	<u>1,533,116</u>	<u>4,185,967</u>	<u>5,719,083</u>	<u>711,040</u>	<u>3,339,457</u>	<u>4,050,497</u>
No. of persons	1	2	3	1	3	4

The chief executive and directors have been provided company maintained cars.

	2008 Rupees	2007 Rupees
22.2 Auditors' Remuneration		
Annual Audit fees - Hyder Bhimji & Co.	100,000	75,000
System Audit Fees under KSE Regulations-Ebrahim & Co.	100,000	-
Certification fees - Hyder Bhimji & Co.	30,000	30,000
Out of pocket expenses	15,500	4,700
Tax Services	25,000	25,000
	<u>270,500</u>	<u>134,700</u>
22.3 Donation		
None of the Directors or their spouses had any interest in the donee's fund to which the donation is made.		
23 Other operating income		
Profit on PLS Account	74,436	93,282
Other income	1,068,643	2,271,576
Gain on disposal of Property, Plant & Equipments	114,391	1,700,000
	<u>1,257,470</u>	<u>4,064,858</u>
24 Financial Cost		
Mark-up on short term running finance	53,124,146	57,615,425
Financial charges on assets subject to finance lease	531,014	534,190
Bank charges	120,171	202,134
	<u>53,775,331</u>	<u>58,351,749</u>
25 Provision for taxation		
Current	12,768,594	12,747,860
Deferred	(1,106,167)	125,890
	<u>11,662,427</u>	<u>12,873,750</u>
26 Earning/(Loss) per share (Basic & Diluted)		
(Loss)/Profit after taxation for the year	(101,937,327)	(48,135,010)
No. of shares	5,000,000	3,000,000
Basic earning/(loss) per share	<u>(20.39)</u>	<u>(16.05)</u>
27 CASH GENERATED FROM OPERATIONS		
Net loss before taxation	(90,274,900)	(35,261,260)
Adjustment for non cash charges and other items:		
Depreciation/Amortisation	4,872,899	4,781,214
Gain on sale of fixed assets	(114,391)	(1,700,000)
Provision for doubtful trade debts	410,724	152,445
Diminution on remeasurement of investments at fair value	56,435,789	24,672,954
Finance cost	53,775,331	58,351,749
Working capital changes (note-27.1)	(67,050,530)	16,655,471
	<u>(41,945,079)</u>	<u>67,652,574</u>
27.1 Working capital changes		
Decrease / (Increase) in current assets		
Trade debts	141,943,865	74,267,827
Loan to Employees	(14,833)	23,594
Trade deposits and short term prepayments	(1,261,101)	5,509,901
Investments	(101,272,214)	38,842,274
	39,395,716	118,643,596
(Decrease)/Increase in current liabilities		
Trade and other payables	(106,984,271)	(101,494,578)
Accrued Liabilities	638,024	(493,547)
	<u>(106,446,247)</u>	<u>(101,988,125)</u>
	<u>(67,050,530)</u>	<u>16,655,471</u>

2008
Rupees

2007
Rupees

28 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise of the following items as included in the balance sheet

Cash and bank balances
Short term borrowings

3,622,076	7,170,526
(294,218,931)	(207,103,133)
<u>(290,596,855)</u>	<u>(199,932,607)</u>

29 Number of Employees

The total number of employees of the Company at the balance sheet date were 52 (2007 : 52)

30 Date of Authorization


These financial statements were authorized for issue on 24-September 2008 by the Board of Directors of the company.

31 General

31.1 Figures have been rounded off to the nearest rupee.

31.2 Due to the revision of the Fifth Schedule to the Companies Ordinance, 1984 there have been various rearrangements and reclassifications of corresponding figures.


CHIEF EXECUTIVE


DIRECTOR