KISSAN SUPPORT SERVICES (PRIVATE) LIMITED

AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

ILYAS SAEED & CO.
CHARTERED ACCOUNTANTS

mgi

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CHARTERED ACCOUNTANTS

OFFICE # 26, 2ND FLOOR, ROSE PLAZA, I – 8 MARKAZ, ISLAMABAD. PH: 051-4102626-27

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed Balance Sheet of M/s KISSAN SUPPORT SERVICES (PRIVATE) LIMITED ("hereinafter referred to as "the Company") as at December 31, 2011 and the related profit and loss account, cash flow statement and statement of changes in equity together with 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 explanation 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 financial statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the financial 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 financial statements 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
   (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 explanation given to us, the financial statements 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 affair as at December 31, 2011 and of the Profit, its cash flows and its 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).

The financial statements of the Company for the year ended December 31, 2010 were audited by M/s Anjum Asim Shahid Rahman, Chartered Accountants, who have issued an unqualified report dated October 18, 2011

Ilyas Saeed & Co.

ISLAMABAD: April 26, 2012

CHARTERED ACCOUNTANTS
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KISSAN SUPPORT SERVICES (PRIVATE) LIMITED
BALANCE SHEET
AS AT DECEMBER 31, 2011

	Note	December 31, 2011 Rupees	December 31, 2010 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	2,192,736	2,208,500
Deferred tax asset	6	19,468,684	13,042,548
		21,661,420	15,251,048
CURRENT ASSETS			
Receivable from ZTBL ("the holding Company")	7	9,835,729	11,507,419
Trade receivable- considered good		11,666,109	4,334,075
Short term advances	8	9,734,784	-
Short term deposits and prepayments		31,842	35,642
Short term investment	9	103,764,693	156,000,000
Accrued interest	10	13,636,680	5,023,388
Other receivables	11	4,506,410	2,708,303
Cash and bank balances	12	98,798,034	37,402,593
		251,974,281	217,011,420
		273,635,701	232,262,468
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
10,000,000 ordinary shares of Rs. 10 each	13	100,000,000	100,000,000
Issued, subscribed and paid-up capital		100,000,000	100,000,000
Unappropriated profit		101,438,879	75,316,180
		201,438,879	175,316,180
NON CURRENT LIABILITIES			
Deferred liabilities	14	37,937,044	28,597,987
		37,937,044	28,597,987
CURRENT LIABILITIES			
Trade and other payables	15	27,269,694	21,612,136
Income tax payable	16	6,990,084	6,736,166
		34,259,777	28,348,302
CONTINGENCIES AND COMMITMENTS	17	-	-
		273,635,701	232,262,468

The annexed notes from 1 to 27 form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR

KISSAN SUPPORT SERVICES (PRIVATE) LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED DECEMBER 31, 2011

	Note	December 31, 2011 Rupees	December 31, 2010 Rupees
Revenue	18	426,061,213	431,667,329
Cost of services	19	(363,389,900)	(374,120,975)
Gross profit		62,671,313	57,546,354
Administrative expenses	20	(40,297,324)	(44,401,716)
Operating profit		22,373,988	13,144,638
Other income	21	21,475,602	20,643,231
Profit before taxation		43,849,590	33,787,869
Provision for taxation	22	(17,726,890)	(1,693,431)
Profit after taxation		26,122,700	32,094,438
Earning per share - Basic and diluted	23	2.61	3.21

The annexed notes from 1 to 27 form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR

KISSAN SUPPORT SERVICES (PRIVATE) LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2011

	Note	December 31, 2011 Rupees	December 31, 2010 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		43,849,590	33,787,869
Adjustments for non cash items:			
Depreciation		815,779	1,050,534
Provision for gratuity		9,381,657	9,376,319
Interest income		(21,475,602)	(20,643,231)
		(11,278,166)	(10,216,378)
Operating profit before working capital changes		32,571,424	23,571,491
Working capital changes			
(Increase) / decrease in current assets			
Receivable from holding Company		1,671,690	(8,794,010)
Trade Receivable		(7,332,034)	(2,647,812)
Short term advances		(9,734,784)	-
Short term deposits and prepayments		3,800	(30,348)
Other receivables		(1,798,107)	(1,842,270)
		(17,189,435)	(13,314,440)
Increase / (decrease) in current liabilities			
Trade and other payables		5,657,558	15,926,452
		21,039,547	26,183,503
Cash generated from operations		12,862,310	19,815,064
Interest income received		(42,600)	-
Gratuity paid		(23,899,109)	(11,906,480)
Income tax paid		(11,079,399)	7,908,584
Net cash generated from operating activities		9,960,148	34,092,087
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(800,015)	(1,550,343)
Proceed from disposal of operating fixed asset		-	1,317,568
Net cash used in investing activities		(800,015)	(232,775)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term borrowings		-	(15,000,000)
Net cash generated from financing activities		-	(15,000,000)
Net increase in cash and cash equivalents		9,160,133	18,859,312
Cash and cash equivalents at the beginning of the year		193,402,593	174,543,281
Cash and cash equivalents at the end of the year	24	202,562,726	193,402,593

The annexed notes from 1 to 27 form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR

KISSAN SUPPORT SERVICES (PRIVATE) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2011

	Issued, subscribed and paid-up capital	Unappropriated profit	Total equity
		Rupees	
Opening balance as at January 01, 2010	100,000,000	43,221,742	143,221,742
Profit for the year ended December 31, 2010	-	32,094,438	32,094,438
Balance as at December 31, 2010	100,000,000	75,316,180	175,316,180
Profit for the year ended December 31, 2011	-	26,122,700	26,122,700
Balance as at December 31, 2011	100,000,000	101,438,879	201,438,879

The annexed notes from 1 to 27 form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR

KISSAN SUPPORT SERVICES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31 , 2011

1 COMPANY AND ITS OPERATIONS

Kissan Support Services (Private) Limited ("the Company") was incorporated in Pakistan as a private limited company on September 19, 2005 under the Companies Ordinance, 1984. It is a subsidiary of Zarai Taraqiati Bank Limited (ZTBL) which holds 100% shares. The registered office of the Company is situated at Zarai Taraqiati Bank Limited, I-Faisal Avenue, Zero Point, Head Office, Islamabad. The Company's principal business is the provision of consultancy, advisory, agency and other support services on contractual basis or otherwise to ZTBL.

2 STATEMENT OF COMPLIANCE

The financial statements have been prepared in accordance with the 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 requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

3 ACCOUNTING CONVENTION AND BASIS OF MEASUREMENT

These financial statements have been prepared under the historical cost convention.

4 SIGNIFICANT ACCOUNTING POLICIES

4.1 BASIS OF PREPARATION

These financial statements have been prepared under the historical cost convention, except as otherwise stated in the respective policies and notes given hereunder.

The preparation of financial statements is in conformity with the Accounting and Financial Reporting Standards for Medium-Sized Entities issued by the Institute of Chartered Accountants of Pakistan require management to make judgments,estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised.
Significant areas requiring the use of management estimates in these financial statements relate to the useful life of depreciable assets, provision for doubtful receivables and provision for employee benefits. However, assumptions and judgments made by management in the application of accounting policies that have significant effect on the financial statements are not expected to result in material adjustment to the carrying amounts of assets and liabilities in the next year.

4.2 Property, plant and equipment

These are stated at cost less accumulated depreciation and impairment losses, if any.

Depreciation is computed over the estimated useful lives of the related assets at the rates set out in note 5. Depreciation is charged on reducing balance method except for vehicles and computer equipment which are depreciated on straight line method. Full month depreciation is charged in which asset is purchased and no depreciation is charged in the month of disposal.

Maintenance and normal repairs are charged to profit and loss account as and when incurred.

Major renewals and improvements are capitalized. Gains and losses, if any on disposal of assets are included in profit and loss during the year.

4.3 Impairment

The carrying amount of the Company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such indications exist, the assets recoverable amount is estimated in order to determine the extent of impairment loss, if any. Impairment losses are recognized as expense in the profit and loss account.

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that is largely independent from other assets and group.

The recoverable amount is the higher of an assets fair value less costs to sell and value in use.

4.4 Trade debts

Trade debts are carried at the amounts billed/charged, less an estimate made for doubtful debts based on review of outstanding amounts at the year end, if any.

4.5 Other receivables

Other receivables are recognized at nominal amount which is fair value of the consideration to be received in future

4.6 Investments

Held to maturity

These are the investments with fixed or determinable payments and fixed maturity that the Company has the positive intent and ability to hold them till maturity and measured at cost, less any impairment loss recognised to reflect irrecoverable amounts.

4.7 Available for sale

These are recognized at fair value. Gain or loss from changes in fair values are taken to equity until disposal at which time these are recycled to income statement.

4.8 Cash and cash equivalents

For the purpose of cash flow statement, cash and cash equivalents comprise of cash at bank and short term highly liquid investments.

4.9 Employee Benefits

Unfunded medical benefits

The Company operates an unfunded medical benefit fund for its employees. Employees are entitled for free medical facility during their service. This unfunded amount is utilized against the reimbursement of employee's actual medical expenses. The benifits are charged to profit and loss account at the rate of Rs 400/- per employee per month.

Staff retirement benefits

The Company operates an un-funded gratuity scheme for its permanent employees whose period of service is one year or more. Employees are entitled to gratuity on the basis setout in staff regulation. The most recent actuarial valuation is carried out at December 31, 2011 using the projected unit credit method (refer note 13). Actuarial gains and losses are recognized as income or expense when the net cumulative unrecognized actuarial gains and losses for the plan at the end of previous reporting period exceed 10% of the higher of present value of defined benefit obligation and the fair value of plan assets at that date. The gains or losses in excess of amount determined as per above said criteria are recognized over the expected average remaining working lives of the employees participating in the plan.

2010

4.10 Trade 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 the future for goods and services received, whether or not billed to the Company.

4.11 Provisions

A provision is recognized in the balance sheet when the Company has a legal or constructive obligation as a result of a past event, 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.

4.12 Taxation

Current

Provision for taxation, if any, is made on net taxable income at current prevailing rates as per the Income Tax Ordinance, 2001.

Deferred

Deferred tax is computed using the balance sheet liability method providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes

4.13 Borrowing cost

Borrowing cost on long term finances which are specifically obtained for the acquisition of qualifying assets are capitalized. All other borrowing costs are charged to profit and loss account in the period in which these are incurred.

4.14 Related party transactions

Transactions involving related parties arising in the normal course of business are conducted at arm's length at normal commercial rates on the same terms and conditions as third party transactions using valuation modes as admissible.

4.15 Revenue recognition

Revenue from services is recognised as and when services are rendered.
Interest income is recognised on accrual basis.
Commision income is recognised when services are rendered.

4.16 Financial instruments

All the financial assets and liabilities are recognised when the Company becomes party to the contractual provisions of these instruments. The Company de-recognises the financial assets and financial liabilities when it ceases to be a party to such contractual provision.

4.17 Functional and presentation currency

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

4.18 Off setting of financial assets and liabilities

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

5 PROPERTY, PLANT AND EQUIPMENT

	Furniture and fixtures	Electrical installation	Owned Motor vehicles	Office equipmen	Computers	Total
Cost						
Balance at Jan 1, 2010	303,098	366,785	3,848,560	171,770	601,571	5,291,784
Additions	39,848	-	1,453,680	56,814	-	1,550,342
Disposals	-	-	(1,411,680)	-	-	(1,411,680)
Balance at Dec 31, 2010	342,946	366,785	3,890,560	228,584	601,571	5,430,446
Additions	240,183	202,728	-	62,105	295,000	800,015
Disposals	-	-	-	-	-	-
Balance at Dec 31, 2011	583,129	569,513	3,890,560	290,689	896,571	6,230,461
Accumulated depreciation						
Balance at Jan 1, 2010	14,557	110,925	1,599,056	53,511	487,475	2,265,524
Depreciation for the year	29,519	51,172	872,222	25,545	72,076	1,050,534
Depreciation on disposals	-	-	(94,112)	-	-	(94,112)
Balance at Dec 31, 2010	44,076	162,097	2,377,166	79,056	559,551	3,221,946
Depreciation for the year	42,779	68,101	547,111	39,660	118,128	815,779
Depreciation on disposals	-	-	-	-	-	-
Balance at Dec 31, 2011	86,855	230,198	2,924,277	118,716	677,679	4,037,725
Carrying amount	496,274	339,315	966,283	171,973	218,892	2,192,736
As at Dec 31, 2011	**496,274**	**339,315**	**966,283**	**171,973**	**218,892**	**2,192,736**
As at Dec 31, 2010	298,870	204,688	1,513,394	149,528	42,020	2,208,500
Depreciation rates per annum	10%	20%	20%	20%	33%	

5.1 Depreciation for the year has been allocated to administrative expenses

6 DEFERRED TAX ASSET	Note	December 31, 2011 Rupees	December 31, 2010 Rupees
Deferred tax asset	6.1	19,468,684	13,042,548
Deferred debit/(credit) arising due to:			
Accelerated depreciation		(265,294)	(560,753)
Provision for gratuity		13,277,965	10,009,295
Provision for medical facilities		6,456,013	3,594,005
		19,468,684	13,042,548

6.1 Deferred tax asset arising on temporary differences has been recognized in the financial statements during the period as the management foresee that sufficient future profits will be available with the Company to utilize and reverse the effect of deferred tax asset.

7 RECEIVABLE FROM ZTBL ("THE HOLDI NG COMPANY")	Note	December 31, 2011 Rupees	December 31, 2010 Rupees
Unsecured-Considered good			
Zarai Taraqiati Bank Limited (ZTBL)	7.1	9,835,729	11,507,419

7.1 This represents net receivable against services rendered/ obtained from ZTBL.

8 SHORT TERM ADVANCES			
Advances to:			
Employees	8.1	2,243,875	-
Suppliers		7,490,909	-
		9,734,784	-
8.1 - for expenses			
executives		-	-
employees		2,243,875	-
			-
		2,243,875	-

9 SHORT TERM INVESTMENT			
Held- to- maturity investments			
Term Deposit Receipts (TDR)			
National Bank of Pakistan	9.1	103,764,693	86,000,000
MCB Bank Limited		-	50,000,000
Zarai Taraqiati Bank Limited		-	20,000,000
		103,764,693	156,000,000

9.1 This TDR matures on April 24, 2012 and carries interest rate of 13.50% per annum.

10 ACCRUED INTEREST	Note	December 31, 2011 Rupees	December 31, 2010 Rupees
Term deposit receipt		9,633,059	3,303,109
Deposit bank accounts		4,003,621	1,720,279
		13,636,680	5,023,388

11 OTHER RECEIVABLES		December 31, 2011 Rupees	December 31, 2010 Rupees
Institute of Business Education (IBE)	17.1	2,647,137	2,692,387
Commission receivable		1,423,550	-
Other		435,723	15,916
		4,506,410	2,708,303

12 CASH AND BANK BALANCES	Note	December 31, 2011 Rupees	December 31, 2010 Rupees
Cash at Bank			
Current account		478,178	333,277
Saving accounts	12.1	98,319,855	37,069,316
		98,798,034	37,402,593

12.1 Saving accounts carry mark up rate ranging from 5% to 12% (2010: 5% to 12%) and this balance in saving accounts include funds kept in ZTBL of Rs. 76.7 Million (2010: Rs. 32 Million).

12.2 The saving accounts balance include an amount on account of TDR which was matured on July 13, 2011 but the funds remained with NBP. This balance was subsequently withdrawn in February 2012 alongwith mark up rate of 5%. Thus, this amount has been included in Saving Accounts Balance.

13 ISSUED, SUBSCRIBED AND PAID UP CAPITAL	Note	December 31, 2011 Rupees	December 31, 2010 Rupees
Authorized share capital			
Authorized share capital consists of 10 millions (2010: 10 millions) ordinary shares of Rs. 10 each.		100,000,000	100,000,000
Issued, subscribed and paid up capital			
10 million (2010: 10 million) ordinary shares of Rs. 10 each issued fully paid in cash		100,000,000	100,000,000

14 DEFERRED LIABILITIES			
14.1 Reconciliation of liabilities recognized in the balance sheet			
Present value of defined benefit obligation		42,651,542	28,046,576
Net unrecognized actuarial gain/(loss)		(4,714,497)	551,411
		37,937,044	28,597,987
14.2 Movement in the liability recognized in the balance sheet			
Opening balance		28,597,987	19,221,668
Charge for the year	14.3	9,381,657	9,376,319
Benefits paid		(42,600)	-
		37,937,044	28,597,987
14.3 Charge for the year			
Current service charges		6,667,450	6,473,139
Interest cost for the year		2,714,207	2,903,180
Net actuarial (gain) recognized		-	
		9,381,657	9,376,319

14.4 Principal actuarial assumptions

Following are a few important actuarial assumptions used in the valuation:

Discount rate (%)	12.5	14.0
Expected rate of increase in salary (%)	11.5	13.0
Average expected remaining working life time of employees (years)	10.0	12.0

14.5 General description

The scheme provides for terminal benefits for all its permanent employees whose period of service is one year. Employees are entitled to gratuity on the basis set out in Company's staff regulation. Actuarial valuation of these plans was carried out as at December 31, 2011 using Projected Unit Credit Method.

15 TRADE AND OTHER PAYABLES

	Note	December 31, 2011 Rupees	December 31, 2010 Rupees
Trade creditors		8,440,825	11,172,485
Security deposit		326,051	114,000
Medical fund	15.1	18,445,752	10,268,585
Tax payable		57,066	57,066
		27,269,694	21,612,136

15.1 This represents amount set aside for employees medical facility. This unfunded amount is utilized against the reimbursement of employee's actual medical expenses. Contribution to this liability is made at the rate of Rs.400 per employee per month on time proportionate basis.

16 INCOME TAX PAYABLE

	December 31, 2011 Rupees	December 31, 2010 Rupees
Opening	6,736,166	3,906,667
Add: Provision for current tax		
Current year	20,753,487	14,414,445
Prior year	3,399,540	321,534
	24,153,027	14,735,979
	30,889,193	18,642,646
Less: Paid / adjusted during the year	(23,899,109)	(11,906,480)
	6,990,084	6,736,166

17 CONTINGENCIES AND COMMITMENTS

17.1 Contingencies

The Company had let out a property to the Institute of Business Education (IBE) on the March 27, 2008. Subsequently, the Company served vacation notice dated January 26, 2009 on IBE. IBE failed to vacate the property within notice period. The company filed a petition with Civil Judge, Islamabad for the vacation of the property. This petition was decided in the favor of the Company. Subsequently, the Company filed another petition for the recovery of rent arrears for the period beyond the notice period of Rs.2,668,750 along with markup @ 2% plus prevailing bank profit rate and cost of suit with the Civil Judge, Islamabad. The case is pending before the court for decision, however, based on legal advisor opinion, the management of the Company is confident of favorable outcome, hence no provision against rent receivable has been provided in these financial statements. IBE paid an amount of Rs.657,790 out of the total claim and deducted tax including surcharge amounting to Rs. 45,250. However, the Company returned the cheque received as the amount claimed is higher than the payment made. However, the Company took the credit of tax withheld and deposited in the Government treasury by IBE. This reduced the receivable balance to Rs. 2,647,137.

18 REVENUE

	Note	December 31, 2011 Rupees	December 31, 2010 Rupees
Human resource services		306,033,181	292,134,230
Photo copying		1,239,664	1,128,307
Janitorial services		3,129,839	2,455,698
Sports activity		43,591,618	32,075,661
Courier services		9,353,727	8,037,079
Repair and maintenance		2,036,439	1,398,258
Security services		1,483,440	1,295,129
Medical services		56,175,697	85,484,226
Rent from grounds		170,993	215,599
Rental income		802,800	3,318,250
Commission income		1,946,331	4,124,892
Miscellaneous income		97,484	
		426,061,213	431,667,329

19 COST OF SERVICES

	Note	December 31, 2011 Rupees	December 31, 2010 Rupees
Human resource services	19.1	241,209,924	236,629,638
Photocopies		1,126,967	1,025,733
Janitorial expenses		2,845,308	2,232,453
Sport expenses		43,591,618	32,075,661
Postage, telephone and telegram		8,503,388	7,306,435
Repair and maintenance - building		1,851,308	1,271,144
Security expenses		1,348,582	1,177,390
Medical expenses		51,068,815	77,712,393
Expenses on hostel		3,650,573	594,427
Rent of IBE		-	6,276,204
Recruitment expenses		10,000	1,484
Medical contribution	15.1	8,177,167	7,560,593
Expenses on fertilizer		6,250	257,420
		363,389,900	374,120,975

19.1 Salaries, wages and other benefits include Rs. 9.382 million (2009: 9.376 million) in respect of staff retirement benefits.

20 ADMINISTRATIVE EXPENSES

	Note	December 31, 2011 Rupees	December 31, 2010 Rupees
Salaries, wages and other benefits	20.1	18,854,059	19,741,029
Repair and maintenance - vehicle		52,421	61,152
Travelling and conveyance		1,234,158	1,978,170
Rent, rates and taxes		1,593,288	1,810,694
Postage, telephone and telegram		301,979	331,635
Printing, stationery and advertisement material		569,071	723,289
Accounting service charges		14,369,676	16,065,211
Fee and subscription		734,484	682,580
Insurance		1,144,661	53,449
Legal and professional charges		381,946	393,200

2510

		December 31, 2011	December 31, 2010
		Rupees	Rupees
Auditors remuneration	20.2	110,000	110,000
Fuel expenses		3,470	60,231
Entertainment expenses		59,238	39,412
Depreciation	5.1	815,779	1,050,534
Miscellaneous expenses		17,640	2,330
Expenses on FM radio station		55,070	11,040
Finance Cost		384	1,287,760
		40,297,324	41,401,716

20.1 Salaries, wages and benefits include Rs. 0.389 million (2010: 0.367 million) in respect of staff retirement benefits.

20.2 Auditors' remuneration

	December 31, 2011	December 31, 2010
	Rupees	Rupees
Annual audit fee	80,000	80,000
Half yearly review	30,000	30,000
	110,000	110,000

21 OTHER INCOME

	Note	December 31, 2011	December 31, 2010
		Rupees	Rupees
Interest income from investment		14,834,852	15,432,136
Interest on bank deposits		6,640,750	5,211,095
		21,475,602	20,643,231

22 PROVISION FOR TAXATION

Current year	20,753,487	14,414,445
Prior year	3,399,540	321,534
Deferred Tax	(6,426,137)	(13,042,548)
	17,726,890	1,693,431

23 EARNINGS PER SHARE - Basic and diluted

Profit after taxation	26,122,700	32,094,438
Number of ordinary shares	10,000,000	10,000,000
Earnings per share (Rupees)	2.61	3.21

No figure for diluted earning per share has been presented as the Compnay has not issued any instruments carrying option which would have an impact on earnings per share when exercised.

24 CASH AND CASH EQUIVALENTS

	December 31, 2011	December 31, 2010
	Rupees	Rupees
Cash at bank	98,798,034	37,402,593
Short term investment	103,764,693	156,000,000
	202,562,727	193,402,593

25 TRANSACTIONS WITH RELATED PARTIES

The related parties and associated undertakings comprise group companies, other associated companies, staff retirement funds, directors and key management personnel. Transactions with related parties and associated undertakings are as under:

		2011 Rupees	2010 Rupees
Relation with the Company	**Nature of transaction**		
ZTBL ("the holding Company")	Income from ZTBL	**423,043,605**	424,008,588
	Receivable from ZTBL	**9,835,729**	11,507,419
	Rent, Accounting and Communication Charges paid to ZTBL	**24,131,586**	29,340,055
	Long term loan (paid)/obtained	**-**	(15,000,000)
	Bank accounts maintained		
	Current Account	**478,178**	333,277
	Saving Account	**76,716,513**	31,711,077
	Investments in ZTBL	**-**	20,000,000
Key management personnel	Remuneration and other benefits	**1,560,400**	1,524,600

There are no transactions with key management personnel other than under their terms of employment.

26 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue by the Board of Directors of the Company on APRIL 26, 2012

27 GENERAL

Figures in the financial statements have been rounded off to the nearest rupee, unless otherwise stated.

CHIEF EXECUTIVE

DIRECTOR