KISSAN SUPPORT SERVICES (PRIVATE) LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

DECEMBER 31, 2010

Grant Thornton

Anjum Asim Shahid Rahman
1st Floor, 2 Ali Plaza
1-E, Jinnah Avenue
Blue Area, Islamabad
Pakistan

T: +92 51 2271906, 2274665, 2273883
F: +92 51 2273874
W: www.aasr.com.pk
W: www.gtpak.com

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **Kissan Support Services (Private) Limited** as at December 31, 2010 and the related profit and loss account, the cash flow statement and statement of changes in equity together with the notes forming part thereof (the statements), 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 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 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 the 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, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with the 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 December 31, 2010 and of the profit, its cash flows and 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).

ANJUM ASIM SHAHID RAHMAN
Chartered Accountants
Audit Engagement Partner: Nadeem Tirmizi

Date: 18 OCT 2011
Islamabad

KISSAN SUPPORT SERVICES (PRIVATE) LIMITED

BALANCE SHEET

AS AT DECEMBER 31, 2010

	Note	December 31, 2010 Rupees	December 31, 2009 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	**2,208,500**	3,026,260
Deferred tax asset	6	**13,042,548**	-
		15,251,048	3,026,260
CURRENT ASSETS			
Receivable from ZTBL ("the holding Company")	7	**11,507,419**	2,713,409
Trade receivable- considered good		**4,334,075**	1,686,263
Short term prepayments		**35,642**	5,294
Short term investment	8	**156,000,000**	129,295,508
Accrued interest	9	**5,023,388**	4,195,221
Other receivables	10	**2,708,303**	866,033
Cash and bank balances	11	**37,402,593**	45,247,773
		217,011,420	184,009,501
		232,262,468	187,035,761
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
10,000,000 ordinary shares of Rs. 10 each	12	**100,000,000**	100,000,000
Issued, subscribed and paid-up capital		**100,000,000**	100,000,000
Unappropriated profit		**75,316,180**	43,221,742
		175,316,180	143,221,742
NON CURRENT LIABILITIES			
Long term borrowings		**-**	10,000,000
Deferred liabilities	13	**28,597,987**	19,221,668
		28,597,987	29,221,668
CURRENT LIABILITIES			
Trade and other payables	14	**21,612,136**	5,685,684
Income tax payable	15	**6,736,166**	3,906,667
Current portion of long term liabilities		**-**	5,000,000
		28,348,302	14,592,351
CONTINGENCIES AND COMMITMENTS	16	**-**	-
		232,262,468	187,035,761

The annexed notes from 1 to 28 form an integral part of these financial statements.

CHIEF EXECUTIVE

CHAIRMAN

KISSAN SUPPORT SERVICES (PRIVATE) LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED DECEMBER 31, 2010

	Note	December 31, 2010 Rupees	December 31, 2009 Rupees
Revenue	17	431,667,329	350,487,204
Cost of services	18	(374,120,975)	(283,598,180)
Gross profit		57,546,354	66,889,024
Administrative expenses	19	(44,401,716)	(51,680,601)
Operating profit		13,144,638	15,208,423
Other income	20	20,643,231	19,826,341
Profit before taxation		33,787,869	35,034,764
Provision for taxation	21	(1,693,431)	(9,361,203)
Profit after taxation		32,094,438	25,673,561
Earning per share - Basic and diluted	22	3.21	2.57

The annexed notes from 1 to 28 form an integral part of these financial statements.

CHIEF EXECUTIVE

CHAIRMAN

KISSAN SUPPORT SERVICES (PRIVATE) LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2010

	Note	December 31, 2010 Rupees	December 31, 2009 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		33,787,869	35,034,764
Adjustments for non cash items:			
Depreciation		1,050,534	897,239
Provision for gratuity		9,376,319	4,795,469
Interest income		(20,643,231)	(19,826,341)
		(10,216,378)	(14,133,633)
Operating profit before working capital changes		23,571,491	20,901,131
Working capital changes			
(Increase) / decrease in current assets			
Receivable from holding Company		(8,794,010)	25,840
Trade Receivable		(2,647,812)	-
Advances		-	1,269,000
Prepayments		(30,348)	194,706
Other receivables		(1,842,270)	(2,541,901)
		(13,314,440)	(1,052,355)
Increase / (decrease) in current liabilities			
Trade and other payables		15,926,452	5,264,484
Cash generated from operations		26,183,503	25,113,260
Interest income received		19,815,064	20,053,299
Gratuity paid		-	(17,462)
Income tax paid		(11,906,480)	(6,894,776)
		7,908,584	13,141,061
Net cash generated from operating activities		34,092,087	38,254,321
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(1,550,343)	(2,587,888)
Proceed from disposal of operating fixed asset		1,317,568	-
Net cash used in investing activities		(232,775)	(2,587,888)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term borrowings		(15,000,000)	15,000,000
Net cash generated from financing activities		(15,000,000)	15,000,000
Net increase in cash and cash equivalents		18,859,312	50,666,433
Cash and cash equivalents at the beginning of the year		174,543,281	123,876,848
Cash and cash equivalents at the end of the year	23	193,402,593	174,543,281

The annexed notes from 1 to 28 form an integral part of these financial statements.

CHIEF EXECUTIVE

CHAIRMAN

KISSAN SUPPORT SERVICES (PRIVATE) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2010

	Issued, subscribed and paid-up capital	Unappropriated profit	Total equity
	Rupees		
Opening balance as at January 01, 2009	100,000,000	17,548,181	117,548,181
Profit for the year ended December 31, 2009	-	25,673,561	25,673,561
Balance as at December 31, 2009	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**

The annexed notes from 1 to 28 form an integral part of these financial statements.

CHIEF EXECUTIVE

CHAIRMAN

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 requre 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

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 till 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 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.

4.8 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, 2010 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.

4.9 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.

4.10 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.

4.11 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

4.12 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

4.13 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

4.14 Revenue recognition

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

4.15 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.

4.16 Functional and presentation currency

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

4.17 Off setting of financial assets and liabilities

A financial asset and a financial 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

	Owned					
	Furniture and fixtures	Electrical installation	Motor vehicles	Office equipment	Computers	Total
Cost						
Balance at Jan 1, 2009	45,089	296,507	1,710,000	134,729	517,571	2,703,896
Additions	258,009	70,278	2,138,560	37,041	84,000	2,587,888
Disposals	-	-	-	-	-	-
Balance at Dec 31, 2009	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
Accumulated depreciation						
Balance at Jan 1, 2009	6,388	59,301	915,000	31,663	355,933	1,368,285
Depreciation for the year	8,169	51,624	684,056	21,848	131,542	897,239
Depreciation on disposals	-	-	-	-	-	-
Balance at Dec 31, 2009	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
Carrying amount	298,870	204,688	1,513,394	149,528	42,020	2,208,500
As at Dec 31, 2010	298,870	204,688	1,513,394	149,528	42,020	2,208,500
As at Dec 31, 2009	288,541	255,860	2,249,504	118,259	114,096	3,026,260
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, 2010 Rupees	December 31, 2009 Rupees
Deferred tax asset	6.1	13,042,548	-
Deferred debit/(credit) arising due to:			
Accelerated depreciation		(560,753)	-
Provision for gratuity		10,009,295	-
Provision for medical facilities		3,594,005	-
		13,042,548	-

6.1 Deferred tax asset arising on temporary differences has been recognized in these 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. Previously, deferred tax asset was not recognized based on uncertainty as to the recoverability of deferred tax asset.

7 RECEIVABLE FROM ZTBL ("THE HOLDING COMPANY")	Note	December 31, 2010 Rupees	December 31, 2009 Rupees
Unsecured-Considered good			
Zarai Taraqiati Bank Limited (ZTBL)	7.1	11,507,419	2,713,409

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

8 SHORT TERM INVESTMENT	Note	December 31, 2010 Rupees	December 31, 2009 Rupees
Held- to- maturity investments			
Term Deposit Receipts (TDR)			
National Bank of Pakistan	8.1	86,000,000	-
MCB Bank Limited	8.2	50,000,000	-
Zarai Taraqiati Bank Limited	8.3	20,000,000	-
Silk bank Limited	8.4	-	129,295,508
		156,000,000	129,295,508

8.1 This TDR matures on July 13, 2011 and carries interest rates from 11.5% to 12.05% (2009:Nil) per annum.

8.2 This TDR matures on April 22, 2011 and carries interest rate 12% (2009:Nil) per annum.

8.3 This TDR matures on April 24, 2011 and carries interest rate 12.05% (2009:Nil) per annum.

8.4 This TDR matured on January 12, 2010 carried interest rate 12.80% (2009:12.80%) per annum.

9 ACCRUED INTEREST	Note	December 31, 2010 Rupees	December 31, 2009 Rupees
Term deposit receipt		4,202,617	3,627,358
Deposit bank accounts		820,771	567,863
		5,023,388	4,195,221

10 OTHER RECEIVABLES			
Pakarab fertilizers limited		-	835,933
Institute of Business Education (IBE)	16.1	2,692,387	-
Other		15,916	30,100
		2,708,303	866,033

11 CASH AND BANK BALANCES	Note	December 31, 2010 Rupees	December 31, 2009 Rupees
Cash at Bank			
Current account		**333,277**	238,082
Saving accounts	**11.1**	**37,069,316**	45,009,691
		37,402,593	45,247,773

11.1 This includes funds in ZTBL of Rs 31.6 Million (2009:Rs32 Million) and carry markup rate ranging from 5% to 12% per annum (2009 : 5% to 10%).

12 ISSUED, SUBSCRIBED AND PAID UP CAPITAL	Note	December 31, 2010 Rupees	December 31, 2009 Rupees
Authorized share capital			
Authorized share capital consists of 10 millions (2009: 10 millions) ordinary shares of Rs. 10 each.		100,000,000	100,000,000
Issued, subscribed and paid up capital			
10 million (2009: 10 million) ordinary shares of Rs. 10 each issued fully paid in cash		100,000,000	100,000,000

13 DEFERRED LIABILITIES

13.1 Reconciliation of liabilities recognized in the balance sheet

Present value of defined benefit obligation		**28,046,576**	20,736,999
Net unrecognized actuarial gain/(loss)		**551,411**	(1,515,331)
		28,597,987	19,221,668

13.2 Movement in the liability recognized in the balance sheet

Opening balance		**19,221,668**	14,443,661
Charge for the year	**13.3**	**9,376,319**	4,795,469
Benefits paid		**-**	(17,462)
		28,597,987	19,221,668

13.3 Charge for the year

Current service charges	**6,473,139**	2,697,683
Interest cost for the year	**2,903,180**	2,097,786
Net actuarial (gain) recognized	**-**	-
	9,376,319	4,795,469

13.4 Principal actuarial assumptions

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

Discount rate (%)	**14**	14
Expected rate of increase in salary (%)	**13**	13
Average expected remaining working life time of employees (years)	**12**	13

13.5 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, 2010 using Projected Unit Credit Method.

14 TRADE AND OTHER PAYABLES	Note	December 31, 2010 Rupees	December 31, 2009 Rupees
Trade creditors		11,172,485	70,305
Security deposit		114,000	139,000
Medical fund	14.1	10,268,585	2,707,992
Tax payable		57,066	2,768,387
		21,612,136	5,685,684

14.1 This represents amount set a side 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.

15 INCOME TAX PAYABLE	December 31, 2010 Rupees	December 31, 2009 Rupees
Opening	3,906,667	1,440,240
Add: Provision for current tax		
Current year	14,414,445	9,577,453
Prior year	321,534	(216,250)
	14,735,979	9,361,203
	18,642,646	10,801,443
Less: Paid / adjusted during the year	(11,906,480)	(6,894,776)
	6,736,166	3,906,667

16 CONTINGENCIES AND COMMITMENTS

16.1 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 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.

17 REVENUE	Note	December 31, 2010 Rupees	December 31, 2009 Rupees
Human resource services		292,134,230	209,548,864
Photo copying		1,128,307	1,932,611
Janitorial services		2,455,698	2,101,791
Sports activity		32,075,661	25,223,907
Courier services		8,037,079	6,411,984
Repair and maintenence		1,398,258	1,888,698
Security services		1,295,129	2,816,831
Medical services		85,484,226	83,517,705
Income from Tentage		215,599	-
Rental income		3,318,250	1,271,428
Commision income		4,124,892	15,773,385
		431,667,329	350,487,204

18 COST OF SERVICES	Note	December 31, 2010 Rupees	December 31, 2009 Rupees
Human resource services	18.1	**236,629,638**	164,447,271
Photocopies		**1,025,733**	1,756,919
Janitorial expenses		**2,232,453**	1,910,719
Sport expenses		**32,075,661**	25,235,156
Postage, telephone and telegram		**7,306,435**	5,829,309
Repair and maintenance - building		**1,271,144**	1,716,998
Security expenses		**1,177,390**	2,560,754
Medical expenses		**77,712,393**	75,921,685
Expenses on hostel		**594,427**	439,777
Rent of IBE		**6,276,204**	770,000
Fuel expenses		-	122,656
Expenses on account of maintenance of grounds		-	810
Recruitment expenses		**1,484**	10,134
Medical contribution	14.1	**7,560,593**	2,707,992
Expenses on fertilizer		**257,420**	168,000
		374,120,975	283,598,180

18.1 Salaries, wages and other benefits include Rs. 9.376 million (2009: 4.795 million) in respect of staff retirement benefits.

19 ADMINISTRATIVE EXPENSES	Note	December 31, 2010 Rupees	December 31, 2009 Rupees
Salaries, wages and other benefits	19.1	**19,741,029**	30,917,528
Repair and maintenance - vehicle		**61,152**	40,470
Travelling and conveyance		**1,978,170**	1,694,546
Rent, rates and taxes		**1,810,694**	1,271,909
Postage, telephone and telegram		**331,635**	278,613
Printing, stationery and advertisement material		**723,289**	794,700
Accounting service charges		**16,065,211**	14,177,290
Fee and subscription		**682,580**	345,225
Insurance		**53,449**	120,135
Legal and professional charges		**393,200**	136,000
Auditors remuneration		**110,000**	112,350
Fuel expenses		**60,231**	-
Entertainment expenses		**39,412**	44,320
Depreciation	5.1	**1,050,534**	897,239
Medical charges		-	80,987
Miscellaneous expenses		**2,330**	3,830
KSSL convention expense		-	762,849
Donation		-	2,180
Expenses on FM radio station		**11,040**	-
Finance Cost		**1,287,760**	430
		44,401,716	51,680,601

19.1 Salaries, wages and benefits include Rs. 0.367 million (2009: 0.498 million) in respect of staff retirement benefits.

20 OTHER INCOME	Note	December 31, 2010 Rupees	December 31, 2009 Rupees
Interest income from investment		15,432,136	19,222,768
Interest on bank deposits		5,211,095	603,573
		20,643,231	19,826,341

21 PROVISION FOR TAXATION			
Current year		14,414,445	9,890,236
Prior year		321,534	(216,250)
Deferred Tax		(13,042,548)	-
		1,693,431	9,673,986

22 EARNINGS PER SHARE - Basic and diluted		
Profit after taxation	32,094,438	25,673,561
Number of ordinary shares	10,000,000	10,000,000
Earnings per share (Rupees)	3.21	2.57

23 CASH AND CASH EQUIVALENTS		
Cash at bank	37,402,593	45,247,273
Short term investment	156,000,000	129,295,508
	193,402,593	174,543,281

24 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:

		2010 Rupees	2009 Rupees
Relation with the Company	Nature of transaction		
ZTBL ("the holding Company")	Income from ZTBL	**424,008,588**	333,442,391
	Receivable from ZTBL	**11,507,419**	2,713,409
	Rent, Accounting and communication charges paid to ZTBL	**29,340,055**	23,963,138
	Long term loan (paid)/obtained	**(15,000,000)**	15,000,000
	Bank accounts maintained	**32,044,354**	2,471,348
	Investments in ZTBL	**20,000,000**	-
Key management personnel	Remuneration and other benefits	**1,524,600**	1,320,000

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

25 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amount charged in the financial statements for remuneration, including all benefits to Chief Executive, Directors and Executives of the Company is as follows:

	2010				2009			
	Chief Executive	Directors	Executives	Total	Chief Executive	Directors	Executives	Total
	Rupees				Rupees			
Managerial remuneration and other benefits	1,524,600	-	17,597,901	19,122,501	1,320,000	-	24,088,457	25,408,457
Management Fee	-	80,000	-	80,000	-	44,000	-	44,000
Total	1,524,600	80,000	17,597,901	19,202,501	1,320,000	44,000	24,088,457	25,452,457
Numbers of persons	1	7	17		1	7	28	

The Chief Executive and some Executives are also provided with the Company maintained cars.

26 DATE OF AUTHORIZATION FOR ISSUE

This financial statements were authorized for issue on _____ by the Board of Directors of the Company.

27 CORRESPONDING FIGURES

The corresponding figures have been rearranged and/or reclassified as follows:

Statement	Particulars	From	To	Amount
Balance sheet	Bank Deposits	Short term investment	Cash and Bank balances	12,549,943
Balance sheet	Trade debtors	Other receivables	Trade receivable	1,686,263
Balance sheet	Tax refund	Tax refund due from Government	Income tax payable	112,988

28 GENERAL

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

CHIEF EXECUTIVE

CHAIRMAN