JS Investments Limited
Annual Report 2010

CONTENTS

In July 2010, the Board of Directors of JS Investments Limited adopted the sustainable growth initiative "JSIL 2010 Onwards ~"proposed by the newly appointed CEO. The revised Vision, Mission, and Statement of Broad Policy Objectives of JS Investments form the bedrock of "JSIL 2010 Onwards ~" and have been framed after a thorough S.W.O.T. Analysis of the Company and assessment of the Macro-economic and Financial Market Trends.

VISION

To be recognized as a responsible asset manager respected for continuingly realizing goals of its investors.

MISSION

To build JS Investments into a top ranking Asset Management Company; founded on sound values; powered by refined knowhow; supported by a committed team operating within an accountable framework of social, ethical and corporate responsibility a strong and reliable institution for its shareholders to own; an efficient service provider and value creator for clients; an exciting and fulfilling work place for employees; and a participant worth reckoning for competitors.

BROAD POLICY OBJECTIVES

- Value creation for clients on a sustainable basis
- Maintain high standards of ethical behaviors and fiduciary responsibility
- Manage Investments with Prudence and with the aim of providing consistent returns better than that of peers
- Take Products and Services to the People; Create awareness on understanding financial goals, risks and rewards
- Professional Excellence Adapt, Evolve and Continuously Improve
- Maintain highly effective controls through strong compliance and risk management
- A talented, diligent and diverse HR

COMPANY INFORMATION

Board of Directors

Mr. Munawar Alam Siddiqui
Chairman

Mr. Rashid Mansur
Chief Executive

Mr. Suleman Lalani
Executive Director

Mr. Nazar Mohammad Shaikh
Non-Executive Director

Mr. Fayaz Anwar
Non-Executive Director

Lt. General (R) Masood Parwaiz
Non-Executive Director

Mr. Sadeq Sayeed
Non-Executive Director

Audit Committee

Mr. Nazar Mohammad Shaikh
Chairman

Mr. Munawar Alam Siddiqui
Member

Lt. General (R) Masood Parwaiz
Member

Chief Financial Officer & Company Secretary

Mr. Suleman Lalani

Auditors

Anjum Asim Shahid Rahman
Chartered Accountants

Legal Advisor

Bawaney & Partners

Share Registrar

Technology Trade (Private) Limited
241-C, Block-2, P.E.C.H.S., Karachi

Registered Office

7th Floor, The Forum, G-20
Khayaban-e-Jami, Block-9, Clifton
Karachi-75600
Tel: (92-21) 111-222-626
Fax: (92-21) 35361724
E-mail:info@jsil.com
Website: www.jsil.com

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 16th Annual General Meeting of JS Investments Limited will be held at 10:30 a.m. on Thursday, September 30, 2010 at Carlton Hotel, Phase-VIII, D.H.A., Karachi to transact the following business:

1. To confirm the minutes of the Annual General Meeting held on October 2, 2009.

2. To receive, consider and adopt the audited financial statements of the Company together with the report of the Directors and Auditors for the year ended June 30, 2010.

3. To appoint Auditors of the Company and fix their remuneration for the year ending June 30, 2011. The present auditors, Messrs Anjum Asim Shahid Rahman, Chartered Accountants, retire and being eligible, offer themselves for re-appointment.

4. To transact any other business with the permission of the Chair.

By Order of the Board

Suleman Lalani
Company Secretary

Karachi: August 17, 2010

Notes:

1. The share transfer book of the Company will remain closed from September 23, 2010 to September 30, 2010 (both days inclusive). Transfer received at the Share Registrar of the Company, M/s Technology Trade (Pvt.) Limited, Dagia House, 241-C, Block 2, P.E.C.H.S, Off. Sharah-e-Quaideen, Karachi at the close of business on or before September 22, 2010 will be considered in time to attend and vote at the meeting.

2. All the members are entitled to attend and vote at the meeting. A member entitled to attend and vote at the meeting is entitled to appoint another member as proxy to attend, speak and vote for him/ her.

3. An instrument of proxy and power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power of attorney, to be valid, be deposited with the share registrar of the Company not later than 48 hours before the scheduled time of the meeting.

4. Attested copies of CNIC or passport of the beneficial owner of the shares of the Company in the Central Depositary System (CDS) of the Central Depositary Company of Pakistan Limited (CDC) and the proxy, entitled to attend and vote at this meeting, shall be furnished with the proxy form to the Company.

5. The beneficial owner of the share of the Company in the CDS of the CDC or his/her proxy entitled to attend and vote at this meeting, shall produce his/her original CNIC or passport to prove his/her identity.

6. In case of corporate entity, the board of directors' resolution/power of attorney with specimen signature of the nominee shall be submitted with the proxy form to the Company, and the same shall be produced in original at the time of the meeting to authenticate the identity.

7. Shareholders are requested to notify immediately changes, if any, in their registered address, to the Share Registrar of the Company.

STATEMENT UNDER SECTION 160(1) OF THE COMPANIES ORDINANCE, 1984

The following additional information is being provided to the shareholders in respect of Notice of Annual General Meeting of JS Investments Limited:

The Company in its Extraordinary General Meeting held on July 5, 2007 had obtained approval of the shareholders for investment in the ordinary share capital of the following proposed subsidiary:

1. JS ABAMCO Commodities Limited — Up to Rs. 100,000,000

2. JS Asset Management Limited — Up to US Dollars 4,900,000

SRO 865(1)/2000 dated December 6, 2000 requires that in case any investment decision as per Section 208 of the Companies Ordinance, 1984 under an authority of a resolution in a general meeting is not implemented till the holding of subsequent general meeting, the Company must submit to the shareholders a statement under section 160(1) of the Companies Ordinance, 1984 explaining:

(i) reasons for not having made investment so far; and

(ii) major changes in financial position of investee company since date of last resolution.

The status of the implementation of the above resolution is presented below:

JS ABAMCO Commodities Limited

The above subsidiary company has been incorporated on September 25, 2007. JS Investments Limited has invested Rs. 37.500 million by subscribing 3,750,000 ordinary shares of Rs. 10/- each in the above subsidiary till June 30, 2010. Further investment in the ordinary share capital will be made upon commencement of commercial operations by the subsidiary company.

The break-up value per share as on June 30, 2010 was Rs. 9.91.

JS Asset Management Limited, now re-named as JS Investments (Middle East) Limited (Proposed)

An application was submitted with the Dubai Financial Services Authority (DFSA) for permission to form and incorporate the subsidiary with the name JS Investments (Middle East) Limited.

However, the Board of Directors in their meeting held on April 24, 2010 decided to withdraw the application and re-file a fresh application at such time the market conditions became conducive.

BOARD OF DIRECTORS

Air Cdre Munawar Alam Siddiqui, SI (M), TI (M) (Retd.) - Chairman

Mr. Siddiqui retired as an Air Commodore from the Pakistan Air Force in 2003. His last post was as the Assistant Chief of Air Staff (Administration) at Pakistan Air Force Headquarters. For his meritorious services to the PAF, he was awarded Tamgha-e-Imtiaz (Military) and Sitara-e-Imtiaz (Military).

He was commissioned in the GD(P) Branch of the Pakistan Air Force in 1974. He has served as a VVIP and Presidential pilot during his tenure of service and has held various key Command and Staff appointments in the PAF. He served as Director of Air Transport at Air Headquarters from 1996 to 1998 and commanded an operational air force base with over 8,500 personnel from 2000 to 2002.

Mr. Siddiqui holds an M. Sc. in Defence and Strategic Studies from Quaid-e-Azam University, an M. Sc. in Strategic Studies from Karachi University, a B. Sc. (Honours) in War Studies from Karachi University and B. Sc. Avionics from Peshawar University. He is also an alumna of the National Defence College.

He serves on the boards of JS Value Fund Limited, Mahvash and Jahangir Siddiqui Foundation, JS Air and Eye TV Networks.

Mr. Rashid Mansur - Chief Executive Officer

Mr. Rashid Mansur joined JS Investments Limited on April 01, 2010 as Chief Executive Officer. Prior to joining JSIL he was President and CEO of Escorts Investment Bank Limited and also served as the Chairman of the Investment Banks Association of Pakistan. He is a qualified Associate of the Chartered Institute of Bankers London with specialization in International Banking Operations, Practice & Law of International Banking and International Finance & Investment.

He is a Fellow of the Institute of Bankers in Pakistan with over 26 years of Domestic and International Banking experience. He started his career with Habib Bank Limited in 1974 and served for 18 years on various management positions including 10 years in Turkey. In Pakistan, he has held various Board-level positions in both Private and Public Sector, such as President and CEO, Fidelity Investment Bank Limited, CEO Fidelity Leasing Modaraba, Director Security General Insurance Company Limited and Chairman and CEO Board of Investment and Trade Punjab.

During his tenure as Chairman and CEO of The Board of Investment and Trade, Government of Punjab and as Secretary General of Turkey Pakistan Business Council (Lahore Chapter), he is credited with hosting and organizing various investment conferences abroad and rendered valuable services for the promotion of economic relations between Turkey and Pakistan.

Besides English and Urdu, he speaks French and Turkish fluently.

Mr. Suleman Lalani Director Finance, Administration & Operations

Mr. Lalani joined JSIL as CFO and Company Secretary in January 2005. He is a fellow member of the Institute of Chartered Accountants of Pakistan and has 18 years of experience in the financial services sector. Prior to joining JSIL, Mr. Lalani has also served as CFO and Company Secretary of a regulated microfinance institution for three years. Earlier he worked as Chief Operating Officer for Jahangir Siddiqui Investment Bank Limited and as Vice President - Finance & Legal with JSCL.

Mr. Lalani has also passed the Board Development Certificate Program conducted by Pakistan Institute of Corporate Governance. He is serving as a member of the Board of Directors of Al Abbas Sugar Mills Limited.

Mr. Fayaz Anwar Director

Mr. Fayaz Anwar has over seven years of professional experience in textile sector, ranging from planning, organizing, structuring and managing various establishments of Al-Karam Group of Companies.

As Director Operations of Al- Karam Textile Mills, Mr. Fayaz is responsible for providing strategic and tactical support to Al Karam group of companies. He is also a director in Hiba Weaving Mills (Pvt.) Ltd., and a member of Young Entrepreneur Organization as well as Alumni Association for Foreign Students.

Mr. Sadeq Sayeed - Director

Mr. Sadeq Sayeed is a London based business executive associated with NOMURA INTERNATIONAL as special advisor. He is looking after International Business Strategy, Alternative Investment Management, Asset Management and Capital Structure and Risk Management. Additionally, he is also on board of various committees namely Executive Committee, Audit Committee, Capital Allocation Committee and Risk & Credit Management Committee.

Previously he was engaged with Credit Suisse First Boston, London, England as Managing Director & Head of Group Leveraged Funds Group, Member of Senior Management and Group Head, European Foreign Exchange, Money Market and Commodities Group and Global options group; Credit Suisse First Boston, New York as Managing Director, Fixed Income Department; Credit Suisse, First Boston, London England as Managing Director, Arbitrage Group and as Director Financier CSFB Treasury and Group Finance and WORLD BANK, Washington DC as Research Associate and Internal Consultant.

Mr. Sayeed holds S.M. with majors in Finance from MIT, Sloan School of Management and S.B also from MIT with majors in Economics and Electrical Engineering. He has also taught weekly financial seminars at MIT in 1993.

Mr. Nazar Mohammad Sheikh - Director

Mr. Sheikh is a former senior civil servant and has held many senior positions in the Government of Pakistan. He joined the Pakistan Audit Department in 1966 and served in various capacities. He served the Provincial Governments at various levels and also served as the Secretary of Finance Department, Secretary of Education Department, Secretary of Housing & Town Planning Department and Secretary of Communication & Works Department. He has also held the position of Additional Secretary of the Social Sector Wing, Prime Minister s Secretariat.

He was the Vice Chairman of PNSC from January 1992 till August 1993 and was later the chairman of Port Qasim Trust from October 1998 till July 2000. Mr. Sheikh has also held the position of secretary of Communications Division, Ministry of Communications & Railways from July 2000 to March 2001.

Lt. General (Retd) Masood Parwaiz - Director

Mr. Masood Parwaiz joined the Pakistan Army in 1968 and retired as a Lieutenant General in 2001. He held the most coveted staff, instructional and command assignments in the Army. He was awarded the Hilal-e-Imtiaz in the military and was appointed the Managing Director of the Army Welfare Trust (AWT) in September 2001 which he continued till December 2005.

As the Managing Director of AWT, he successfully managed the affairs and served as Vice Chairman and Director on AWT Board of Directors, Chairman Executive Committee and Director on ACBL Board of Directors, Chairman BOD of Askari Leasing Company, Askari General Insurance Company, Askari Investment Management Company and all fully owned AWT Projects.

His major achievements include the Financial and Corporate restructuring of AWT, erection of Second line at Nizampir Cement Project.

Mr. Masood Parwaiz holds an M.Sc degree in Strategic Studies from the Quaid-e-Azam University, Islamabad and a B.Sc (Hons) degree in War Studies from the University of Balochistan, Quetta.

AUDIT COMMITTEE AND ITS TERMS OF REFERENCE

The Board of Directors of JS Investments Limited has formed an Audit Committee comprising three non-executive directors. The Audit Committee meets at least once every quarter as required by the Code of Corporate Governance. During the year under review four meetings of the Committee were held which were attended by the members as follows:

1.	Nazar Mohammad Shaikh	04
2.	Munawar Alam Siddiqui	03
3.	Lt. Gen (Retd) Masood Parwaiz	04

The terms of reference of the Audit Committee includes the following:

a) determination of appropriate measures to safeguard the company s assets and the assets of the funds under management;
b) review of preliminary announcements of results prior to publication;
c) review of quarterly, half-yearly and annual financial statements of the company, prior to their approval by the Board of Directors, focusing on:
   - major judgmental areas;
   - significant adjustments resulting from the audit;
   - the going -concern assumption;
   - any changes in accounting policies and practices;
   - compliance with applicable accounting standards; and
   - compliance with listing regulations and other statutory and regulatory requirements.
d) facilitating the external audit and discussion with external auditors of major observations arising from interim and final audits and any matter that the auditors may wish to highlight (in the absence of management, where necessary);
e) review of management letter issued by external auditors and management s response thereto;
f) ensuring coordination between the internal and external auditors of the company;
g) review of the scope and extent of internal audit and ensuring that the internal audit function has adequate resources and is appropriately placed within the company;
h) consideration of major findings of internal investigations and management's response thereto;
i) ascertaining that the internal control system including financial and operational controls, accounting system and reporting structure are adequate and effective;
j) review of the company s statement on internal control systems prior to endorsement by the Board of Directors;
k) instituting special projects, value for money studies or other investigations on any matter specified by the Board of Directors, in consultation with the Chief Executive and to consider remittance of any matter to the external auditors or to any other external body;
l) determination of compliance with relevant statutory requirements;
m) monitoring compliance with the best practices of corporate governance and identification of significant violations thereof; and
n) consideration of any other issue or matter as may be assigned by the Board of Directors.

FINANCIAL AND BUSINESS HIGHLIGHTS

KEY INDICATORS

		2010	2009	2008	2007	2006	2005
Performance							
Return on assets	%	2.42	(54.71)	16.10	21.24	27.57	9.90
Total assets turnover	Days	97	20	130	146	183	107
Receivables turnover	Days	3	25	35	198	167	193
Return on equity	%	10.62	(601.12)	28.78	32.64	44.90	25.50
Leverage							
Debt:Equity	%	248.71	509.12	112.30	48.75	79.97	139.34
Interest cover	times	1.25	(5.09)	3.72	6.43	8.60	4.94
Liquidity							
Current	times	1.71	1.44	2.29	15.34	2.01	2.74
Quick	times	1.70	1.42	2.29	15.22	2.00	2.73
Valuation							
Earnings per shares	Rs.	0.45	(17.21)	5.49	5.21	5.32	1.44
Breakup value per share	Rs.	4.28	2.86	19.09	15.95	23.68	11.33
Price earning ratio	times	16.41	(0.98)	17.31	14.20		
Market price to break up value	times	1.74	5.92	4.98	4.63		
Market value per share - year end	Rs.	7.46	16.94	95.07	73.90	N/A	N/A
Market value per share - High *	Rs.	20.45	97.85	126.50	74.90		
Market value per share - Low	Rs.	6.45	13.12	53.50	61.40		
Market capitalization (Rs. in million)		746	1,694	9,507	7,390		
Historical trends							
Management fee (Rs. in million)		361	440	627	462	461	300
Operating profit (Rs. in million)		212	(1,496)	773	629	679	251
Profit before tax (Rs. in million)		46	(1,774)	574	537	602	200
Profit after tax (Rs. in million)		45	(1,721)	549	521	532	144
Assets under management (Rs. in million)		16,508	21,247	38,974	29,651	22,617	16,285
No. of funds under management **		16	16	16	12	9	9
Share capital (Rs. in million)		1,000	1,000	1,000	1,000	500	500
Shareholders equity (Rs. in million)		428	286	1,909	1,595	1,184	567
Total assets (Rs. in million)		1,735	2,015	4,277	2,547	2,353	1,503
Contribution to the national exchequer (Rs. in million)		13	30	69	67	41	80
Payouts							
Cash	%	-	-	25	-	-	-
Bonus	%	-	-	-	100	-	127.80

* Ordinary shares of the Company were listed w.e.f. April 24, 2007.

** Twelve ICP Mutual Funds were merged into two funds namely ABAMCO Capital Fund and ABAMCO Stock Market Fund in 2004. ABAMCO Growth Fund, ABAMCO Capital Fund and ABAMCO Stock Market Fund were subsequently merged to form JS Growth Fund in 2006.

REPORT OF THE DIRECTORS TO THE MEMBERS

The Directors of your Company feel pleasure in presenting the annual audited accounts along with auditors report thereon for the year ended June 30, 2010.

Asset Management Industry Performance

The assets under management (AUM) of Pakistan s mutual fund industry closed at Rs. 199 billion as on June 30, 2010 depicting a decline of 2.3% over the last one year. This decline in the industry AUM was relatively better than the sizeable decline of 39% experienced in the previous financial year ended on June 30, 2009. As on June 30, 2010, the AUM of the industry as represented by open-end and closed-end funds aggregated around Rs. 168 billion and Rs. 31 billion, respectively.

The income funds category with funds size at Rs. 60 billion in June 2010 witnessed significant decline of 20.8% amid increased volatility in returns mainly due to the adverse price movements in corporate debt instruments during the year. This resulted in diminishing the investors interest towards the category during the year. The equity funds category also could not gain the preference of majority of the investors and lost its industry AUM share since June 30, 2009, declining by 36% mainly amid disbursements made by the largest state owned mutual fund redemptions to its LOC holders. On the other hand money market funds category witnessed sizeable growth during the year and its net assets closed at Rs. 32 billion as on June 2010, depicting an increase of over 8.7 times over the last one year. The primary reason behind this growth was to cater to from the shift in investors preference towards very low risk investment products that aimed to provide competitive interest based returns from very high quality and short duration portfolio of assets with the ability to provide them with better liquidity.

Equity Market Performance

The equity markets recovered considerably during the Fiscal Year 2010, as the KSE-30 Index surged 26.22% to close the FY10 at 9,556 points. The index rebounded sharply on the back of a lower base and continued economic improvements.

Despite a modest yet fragile economic growth, a major confidence boosting indicator has been the active injections due to foreigners interest in Pakistan s bourse, as the net Foreign Portfolio Investment (FPI) was recorded at US$ 556 million for FY10. Improved macroeconomic conditions, coupled with extremely attractive valuations, have been the prime drivers of the equity markets. In contrast, there exists a liquidity conundrum due to the absence of a leveraged product to cash-strapped investors, with consequent impact on average daily trading value of US$ 84 million.

The local investors, however, still remain jittery while seeking clarity on the modalities of Capital Gains Tax (CGT) and viability of Value Added Tax s implementation. The latter s impact on already soaring inflation rates also remain a cause for concern. Nevertheless, astounding equity valuations a 38% P/E discount to regional peers and 2010E P/E of 6.9x packaged with possible reemergence of a keenly-awaited leveraged product are imminent key triggers to attract both foreign and local investors interest in Fiscal Year 2011.

Fixed Income Market Outlook

The money market remained fairly stable during the Fiscal Year 2010. The pressures observed on the inflationary indicators cautioned the policy makers of State Bank of Pakistan (SBP) to keep the Discount Rate (DR) at 12.5% by the end of FY10. Rekindling of sustainable economic growth remains to be the prime focus for the government, albeit with monetary and fiscal stability. During the FY10, the 6 Months KIBOR averaged 12.40% and attained a maximum of 12.88%.

The stabilization endeavors have yielded affirmative results as the CPI rate for June 2010 was clocked in at 12.69% on YoY as compared to the previous year s figure of 20.8%. However, steady elimination of subsidies, reformed tax framework and increased international oil prices are the factors likely to keep the inflation rates in the higher bounds going forward. Moreover, the liquidity level is also dependent upon the extent of fiscal and public sector borrowing from the banking system.

The SBP, nevertheless, remains focused on balancing the risks between inflation and financial stability as seen in the recent hike in the policy rate by 50 basis points announced by the State Bank in its Monetary Policy on July 30, 2010.

Performance Review

The Company earned profit after tax of Rs. 45.453 million during the year ended June 30, 2010. During the year under review, the Company earned management fee income of Rs. 361.248 million from funds under management compared to Rs. 439.880 million during the last year showing a decline of 17.9%. The decline in management fee income is primarily due to the decline in assets under management which stood at Rs. 16,508 million compared to Rs. 21,247 million on June 30, 2009 a decline of

22.3%. Dividend income during the year was Rs. 40.077 million compared to Rs. 21.499 million earned last year. Net after tax profit from discontinued operations of Investment Finance Services was Rs. 17.767 million compared to a loss of Rs. 274.749 million during the last year. Administration expenses for the year declined by 20% and were recorded at Rs. 281.945 million against last year s Rs. 352.544 million. Financial charges were also brought down by 34.3% compared to last year by reducing the borrowings. Earning per share for the year was Rs. 0.45.

Summary of operating results for the year ended June 30, 2010 is provided below:

	Rs. 000
Profit after tax from continued operations	27,686
Profit after tax from discontinued operations	17,767
Total profit after tax for the year	45,453
Less: Accumulated (loss) brought forward	(800,127)
Add: Transfer from surplus on revaluation of fixed assets to accumulated profit	6,599
Un-appropriated loss carried forward	(748,075)

New Products and Initiatives

During the year under review the Company launched two new funds namely JS Principal Secure Fund II and JS Cash Fund.

The Company continued expanding its distributors base during the year. This included prestigious names like Barclays Bank and MCB Bank Limited. We believe that expanded distributors base would enhance our outreach and would enable us in providing our services to a larger retail segment across the country.

Asset Manager and Entity Rating

The Asset Manager rating for JS Investments Limited is in progress and has not yet been announced by JCR-VIS Credit Rating Co. Limited. The asset manager rating for JS Investments Limited last announced by PACRA was AM2 . The said rating was subsequently withdrawn by PACRA on March 16, 2010 subsequent to JS Investments decision to discontinue the rating relationship with PACRA with immediate effect.

Pakistan Credit Rating Agency (PACRA) has assigned the long-term rating to the Company of A+ (Single A plus) and A1 (A one) respectively. These ratings denote low expectation of credit risk emanating from a strong capacity for timely payment of financial commitments.

Future Outlook

Mr. Rashid Mansur was appointed as the new Chief Executive Officer of your Company w.e.f April 01, 2010. The incoming CEO carried out a detailed SWOT Analysis of your Company and the Funds based on assessment of the prevailing Macroeconomic and Financial Market trends as well as their impact on the mutual fund industry, generally, and on your Company, specifically. Based on this, the CEO reviewed and revised the Vision, Mission, and Statement of Broad Policy Objectives of your Company to reposition your Company towards sustainable growth This initiative has been branded as, JSIL 2010 Onwards ~ .

The CEO also reassessed the Organizational Structure and initiated certain desired changes to enhance the operational efficiency of your Company. These include creation of a separate and independent Risk Management, Research and Market Intelligence department; defining and augmenting the role and responsibilities of Investment Committee and Fund Managers.

We believe that a progressive and proactive approach to business will enhance the Brand Visibility of your Company and its products, yielding higher returns for all stakeholders. At the same time a strong Prudential Risk Management would play fundamental role in working of your Company.

We understand that Pakistan is passing through a challenging time on the economic front, yet we are confident that your Company will continue to achieve sustainable growth based on business model that aims to thrive on efficiency, innovation and transparency.

Corporate Governance and Financial Reporting Framework

As required by the Code of Corporate Governance the Directors are pleased to state as follows:

a. The financial statements, prepared by the management of the Company present fairly its state of affairs, the results of its operations, cash flows and changes in equity.

b. Proper books of accounts of the Company have been maintained.
c. Appropriate accounting policies have been consistently applied in preparation of financial statements, and financial estimates are based on reasonable and prudent judgment.
d. International Accounting Standards, as applicable in Pakistan have been followed in preparation of the financial statements.
e. The system of internal control is sound in design and has been effectively implemented and monitored.
f. There are no significant doubts upon the Company s ability to continue as a going concern.
g. There has been no material departure from the best practices of the Code of Corporate Governance, as detailed in the listing regulations.
h. A summary of key financial data of last six years is given on page 09 of this annual report.
i. The Directors have signed the Statement of Ethics and Business Practices.
j. The value of investments of the staff provident fund of JS Investments Limited, as per the audited accounts for the year ended June 30, 2010 was Rs. 15.978 million.

Meetings of the Directors

During the year six meetings of the Board of Directors were held. The attendance of each director for these meetings is as follows:

Name	Meetings attended
Mr. Munawar Alam Siddiqui	06
Mr. Rashid Mansur	01
Mr. Muhammad Najam Ali	05
Mr. Ali Raza Siddiqui	05
Mr. Nazar Mohammad Shaikh	06
Lt. General (Retired) Masood Parvaiz	06
Mr. Suleman Lalani	01
Mr. Sadeq Sayeed	02
Mr. Fayaz Anwar	01
Mr. Siraj A. Dadabhoy	00

Appointment of Chief Executive

During the year Mr. Muhammad Najam Ali resigned as Chief Executive of the Company and in his place Mr. Rashid Mansur was appointed by the Board of Directors with effect from April 01, 2010. Following is an abstract of the terms of appointment of the Chief Executive as required under Section 218 of the Companies Ordinance, 1984:

	Rupees Per Year
Managerial remuneration	17,300,400
Contribution to Provident Fund	1,200,000

The Chief Executive shall also be entitled to Company maintained vehicle(s) of value not exceeding Rs. 10,000,000/- or car monetization allowance of Rs. 301,140/- per month in lieu of Company maintained vehicle(s). He shall also be entitled to performance bonus linked with the profitability of the Company which shall be determined and approved by the Board of Directors annually. In addition he shall also be entitled to other benefits as per Company policy.

Board of Directors

Mr. Siraj Ahmed Dadabhoy resigned from the Board with effect from February 26, 2010 and in his place Mr. Fayyaz Anwar was appointed as a Directors of the Company for the remainder of the term. Mr. Ali Raza Siddiqui resigned from the Board with effect from March 22, 2010 and in his place Mr. Suleman Lalani was appointed as Executive Director for the remainder of the term.

Parent Company

Jahangir Siddiqui & Company Limited is the holding company of JS Investments Limited and holds 52.02% of the equity.

Pattern of Shareholding

A statement showing patter of shareholding in the Company and additional information as at June 30, 2010 is given on page 99.

The Directors, CEO, CFO and their spouses and minor children did not carry out any transaction in the shares of the Company during the year.

Auditors

The retiring auditors, Messrs. Anjum Asim Shahid Rahman, Chartered Accountants, being eligible, offer themselves for reappointment. The Board of Directors, on the recommendations of the Audit Committee, has proposed appointment of Messrs. Anjum Asim Shahid Rahman, Chartered Accountants for the year ending June 30, 2011.

Acknowledgment

The Directors expresses their gratitude to the Securities and Exchange Commission of Pakistan for its valuable support, assistance and guidance. The Board also thanks the employees of the Company for their dedication and hard work and the shareholders for their confidence in the Management.

On behalf of the Board

Karachi: August 17, 2010

Rashid Mansur
Chief Executive Officer

REVIEW REPORT TO THE MEMBERS ON THE STATEMENT OF COMPLIANCE WITH THE BEST PRACTICES OF THE CODE OF CORPORATE GOVERNANCE

We have reviewed the Statement of Compliance (the Statement) with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors of **JS Investments Limited** to comply with the Listing Regulation No. 35 (Chapter XI) of the Karachi Stock Exchange (Guarantee) Limited where the company is listed.

The responsibility for compliance with the Code is that of the Board of Directors (the Board) of the company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement reflects the status of the company s compliance with the provisions of the Code and report if it does not. A review is limited primarily to inquiries of the company personnel and review of various documents prepared by the company to comply with the Code.

As part of our audit of financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board s statement on internal control covers all risks and controls, or to form an opinion on the effectiveness of such internal controls, the Company s corporate governance procedures and risks.

Further, Sub- Regulation (xiii) of Listing Regulation 35 notified by Karachi Stock Exchange (Guarantee) Limited vide circular KSE/N-269 dated January 19, 2009 requires the company to place before the Board for their consideration and approval related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm s length transactions and transactions which are not executed at arm s length price recording proper justification for using such alternate pricing mechanism. Further, all such transactions are also required to be separately placed before the audit committee. We are only required and have ensured compliance of requirement to the extent of approval of related party transactions by the Board and placement of such transactions before the audit committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm s length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement does not appropriately reflect the company s compliance, in all material respects, with the best practices contained in the Code of Corporate Governance, as applicable to the company for the year ended June 30, 2010.

Karachi
Date: August 17, 2010

Anjum Asim Shahid Rahman
Chartered Accountants
Muhammad Shaukat Naseeb

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE FOR THE YEAR ENDED JUNE 30, 2010

This Statement is being presented in compliance with the Code of Corporate Governance (the Code) contained in the listing regulations of Karachi Stock Exchange where the Company is listed. The purpose of the Code is to establish a framework of good governance, whereby a listed entity is managed in compliance with the best practices of corporate governance.

JS Investments Limited has applied the principles contained in the Code in the following manner:

1. The Company encourages representation of independent non-executive directors. Presently, the Board of Directors (Directors) includes five non-executive directors.

2. The directors of the Company have confirmed that none of them is serving as a director in more than ten listed companies, including the Company.

3. All the directors of the Company have confirmed that they are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFC or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.

4. During the year Mr. Muhammad Najam Ali, CEO, Mr. Ali Raza Siddiqui, Executive Director and Mr. Siraj Ahmed Dadabhoy, Director tendered their resignation and Mr. Rashid Mansur, CEO, Mr. Suleman Lalani, Executive Director and Mr. Fayaz Anwar, Director were appointed to fill the casual vacancies after obtaining prior approval from SECP.

5. The Company has prepared a Statement of Ethics and Business Practices, which has been signed by all the directors and employees of the Company.

6. The Company has developed a vision / mission statement, overall corporate strategy and significant policies of the Company which have been approved by the Board. A complete record of particulars of significant policies has been maintained.

7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the Chief Executive Officer and other executive directors, have been taken by the Board.

8. The meetings of the Board were presided over by the Chairman, and in his absence, by a director elected by the Board for this purpose and the Board met at least once in every quarter during the year. Written notices of the meetings of the Board, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.

9. The Company has established adequate procedures and systems for related party transactions vis- -vis the pricing method for related party transactions. All the related party transactions are placed before the Audit Committee and the Board of Directors for their review and approval.

10. The Board of Directors is well aware of the requirements of the Code of Corporate Governance, however arrangements will also be made shortly for an orientation session.

11. During the year, there was no change of Chief Financial Officer / Company Secretary. His remuneration and terms and conditions of employment have been approved by the Board. The Head of Internal Audit resigned on 11 June 2010 and the Company is in the process to fill the said vacancy.

12. The Directors Report has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.

13. The financial statements of the Company have been prepared in accordance with the approved accounting standards as applicable in Pakistan and were duly endorsed by the Chief Executive Officer and Chief Financial Officer before approval of the Board.

14. The directors, Chief Executive Officer and executives do not hold any interest in the units of the Fund other than those disclosed in the Directors Report.

15. The Company has complied with all other corporate and financial reporting requirements of the Code with respect to the Company.

16. The Board has formed an Audit Committee. It comprises of three non-executive directors.

17. The meetings of the Audit Committee held every quarter prior to approval of interim and annual results of the Company as required by the Code. The Board has approved terms of reference of the Audit Committee.

18. The Board has set-up an effective internal audit function headed by the Head of Internal Audit and Compliance.

19. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan (ICAP), that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on Code of Ethics as adopted by the ICAP.

20. The statutory auditors or the persons associated with them have not been appointed to provide other services to the Company except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.

21. We confirm that all other material principles contained in the Code have been complied with.

Karachi: August 17, 2010

Rashid Mansur
Chief Executive Officer

FINANCIAL STATEMENTS

INDEPENDENT AUDITORS REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **JS Investments Limited** (the company) as at June 30, 2010 and the related profit and loss account, statement of comprehensive income, statement of cash flows 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 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. The financial statements of the company for the year ended June 30, 2009 were audited by another firm of chartered accountants who through their report dated August 21, 2009 expressed an unqualified opinion thereon.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

(a) in our opinion, proper books of accounts have been kept by the company as required by the Companies Ordinance, 1984

(b) in our opinion:

(i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied except for the change resulted from initial application of amendment to existing standard, as disclosed in note 2.2 to the financial statements, with which we concur;

(ii) the expenditure incurred during year were 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, statement of cash flows and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the company s affairs as at June 30, 2010 and of the profit, total 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 under the zakat and ushr Ordinance, 1980 (XVIII of 1980).

Karachi
Date: August 17, 2010

Anjum Asim Shahid Rahman
Chartered Accountants
Muhammad Shaukat Naseeb

BALANCE SHEET
AS AT JUNE 30, 2010

	Note	2010	2009
		Rupees	
ASSETS			
Non-current assets			
Fixed assets			
Tangible - property and equipment	4.1	**338,772,046**	380,721,825
Intangible assets	4.6	**111,721,027**	117,026,195
Long-term receivables from related parties - unsecured - considered good	5	-	3,863,798
Long-term loans - considered good	6	**1,346,339**	16,942,570
Investment in subsidiary company - at cost	7	**37,500,000**	37,500,000
Total non - current assets		**489,339,412**	556,054,388
Current assets			
Investments - available for sale	8	**1,113,660,268**	1,292,772,977
Loans and advances - considered good	9	**1,610,941**	2,005,902
Deposits, prepayments and other receivables - unsecured-considered good	10	**18,715,711**	38,958,577
Balances due from funds under management - related parties	11	**2,618,432**	29,687,592
Taxation recoverable		**103,492,228**	91,238,444
Cash and bank balances	12	**5,173,592**	4,088,862
Total current assets		**1,245,271,172**	1,458,752,354
Total assets		**1,734,610,584**	2,014,806,742
EQUITY AND LIABILITIES			
Share capital	13	**1,000,000,000**	1,000,000,000
Unrealised gain/(loss) on remeasurement of available for sale investments to fair value - net	8	**66,273,592**	(23,420,050)
Statutory reserve	14	**109,873,728**	109,873,728
Accumulated loss		**(748,075,367)**	(800,127,824)
Total Equity		**428,071,953**	286,325,854
Surplus on revaluation of fixed assets - net of tax	15	**143,558,513**	150,157,687
LIABILITIES			
Non-current liabilities			
Securitisation of management fee receivables - debt	16	**384,867,607**	511,522,640
Deferred tax liability - net	17	**50,063,396**	50,260,993
Total non-current liabilities		**434,931,003**	561,783,633
Current liabilities			
Current maturity of securitisation of management fee receivables - debt	16	**68,319,152**	64,539,121
Short term running finance - secured	18	**311,454,723**	317,691,909
Short term borrowings-unsecured	19	**300,000,000**	564,000,000
Accrued and other liabilities	20	**37,253,198**	53,783,706
Accrued mark-up	21	**11,022,042**	16,524,832
Total current liabilities		**728,049,115**	1,016,539,568
Total liabilities		**1,162,980,118**	1,578,323,201
Total equity and liabilities		**1,734,610,584**	2,014,806,742
Contingencies & commitments	22		
Breakup value per share		**4.28**	2.86
Breakup value (including surplus on revaluation of fixed assets)		**5.72**	4.36

The annexed notes 1 to 42 form an integral part of these financial statements.

Chief Executive **Director**

PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2010

	Note	2010	2009
		Rupees	
Income			
Remuneration from funds under management	24	**361,247,913**	439,879,978
Commission from open end funds under management	25	**3,633,965**	4,753,743
Dividend		**40,077,419**	21,498,992
Gain/(loss) on sale of investments - net		**10,447,999**	(232,531,096)
Return on bank deposits		**280,538**	1,745,113
		415,687,834	235,346,730
Impairment loss on available for sale equity securities		**-**	(1,202,977,547)
		415,687,834	(967,630,817)
Operating expenses			
Administrative and marketing	27	**281,944,528**	352,544,452
Operating profit / (loss)		**133,743,306**	(1,320,175,269)
Other operating expenses	28	**2,151,224**	1,231,254
Financial charges	29	**127,403,269**	193,930,614
		4,188,813	(1,515,337,137)
Other operating income	30	**23,988,062**	14,828,371
Profit/(loss) before tax from continuing operations		**28,176,875**	(1,500,508,766)
Taxation - net	31	**490,794**	(54,082,881)
Profit/(loss) after tax from continuing operations		**27,686,081**	(1,446,425,885)
Profit/(loss) after tax for the year from discontinued operations	32.1	**17,767,201**	(274,749,115)
Profit/(loss) for the year		**45,453,282**	(1,721,175,000)
Earnings/(loss) per share for the year	33	**0.45**	(17.21)

The annexed notes 1 to 42 form an integral part of these financial statements.

Chief Executive   **Director**

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2010

	2010	2009
	Rupees	
Profit/(loss) for the year - continuing operations	**27,686,081**	(1,446,425,885)
Profit/(loss) for the year - discontinued operations	**17,767,201**	(274,749,115)
Profit/(loss) for the year	**45,453,282**	(1,721,175,000)
Other comprehensive income:		
Unrealised gain/(loss) on remeasurement of available for sale investments to fair value - net	**151,511,877**	(1,393,986,266)
Impairment on investment taken to profit & loss account	**-**	1,314,093,976
(Gain) / loss realised on disposal of investments	**(61,818,235)**	275,518,947
	89,693,642	195,626,657
Taxation relating to components of other comprehensive income	**-**	-
Total comprehensive income/(loss)	**135,146,924**	(1,525,548,343)
Earnings per ordinary share		
Profit/(loss) from continuing operations	**0.27**	(14.46)
Profit/(loss) from discontinued operations	**0.18**	(2.75)
Profit/(loss)	**0.45**	(17.21)

The annexed notes 1 to 42 form an integral part of these financial statements.

Chief Executive

Director

CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2010

	Note	2010	2009
		Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit / (Loss) for the year before taxation		**46,138,428**	(1,774,022,112)
Adjustment for non-cash and other items:			
Remuneration from funds under management	24	**(361,247,913)**	(439,879,978)
Commission from open end funds under management	25	**(3,633,965)**	(4,753,743)
Dividend		**(41,490,869)**	(33,772,067)
Depreciation	4.1	**36,246,473**	34,999,098
Amortisation of intangible assets		**5,305,168**	7,107,914
Financial charges		**187,888,271**	291,423,117
Interest / mark-up income		**(287,806)**	(1,856,904)
Liabilities no longer required written back	30	**(8,200,000)**	(2,172,740)
Loss on disposal of fixed assets	30	**2,932,834**	5,943,229
		(136,349,379)	(1,916,984,186)
Increase / decrease in assets and liabilities			
Loans and advances		**15,991,192**	3,536,738
Long-term receivable from related parties		**2,880,126**	4,572,432
Deposits, prepayments and other receivables		**(12,403,217)**	(1,727,552)
Accrued and other liabilities		**(8,319,431)**	(44,042,398)
		(1,851,330)	(37,660,780)
		(138,200,709)	(1,954,644,966)
Taxes paid		**(13,136,527)**	(30,406,979)
Remuneration and commission received from funds under management		**391,951,038**	475,659,254
Net cash inflow / (outflow) from operating activities		**240,613,802**	(1,509,392,691)
CASH FLOWS FROM INVESTING ACTIVITIES			
Investments - net		**268,806,352**	2,551,427,941
Fixed capital expenditure incurred		**(1,380,270)**	(4,446,577)
Dividend received		**41,505,654**	33,807,317
Return on bank deposits		**287,806**	2,014,587
Proceeds from disposal of fixed assets		**4,150,742**	1,001,364
Net cash inflow from investing activities		**313,370,284**	2,583,804,632
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of principal amount relating to the securitised management fee		**(91,690,000)**	(91,690,000)
Dividend paid		**(11,076)**	(108,079,914)
Short term borrowings		**(264,000,000)**	41,000,000
Financial charges paid		**(190,961,094)**	(297,967,670)
Net cash used in financing activities		**(546,662,170)**	(456,737,584)
Net increase in cash and cash equivalents		**7,321,916**	617,674,357
Cash and cash equivalents at beginning of the year		**(313,603,047)**	(931,277,404)
Cash and cash equivalents at end of the year	36	**(306,281,131)**	(313,603,047)

The annexed notes 1 to 42 form an integral part of these financial statements.

Chief Executive

Director

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2010

	Share capital	Accumulated (loss)	Statutory reserve	Unrealised (loss)/gain on re-measurement of investments classified as available for sale	Total equity
	Rupees				
Balance as at June 30, 2008	1,000,000,000	1,017,952,970	109,873,728	(219,046,707)	1,908,779,991
Total Comprehensive loss	-	(1,721,175,000)	-	195,626,657	(1,525,548,343)
Surplus on revaluation of fixed assets realized during the year on account of incremental depreciation charged thereon - net of tax	-	3,094,206	-	-	3,094,206
Final dividend for the year ended June 30, 2008 @ Re. 1 per share	-	(100,000,000)	-	-	(100,000,000)
Balance as at June 30, 2009	1,000,000,000	(800,127,824)	109,873,728	(23,420,050)	286,325,854
Total Comprehensive income	**-**	**45,453,282**	-	**89,693,642**	**135,146,924**
Surplus on revaluation of fixed assets realized during the year on account of incremental depreciation charged thereon - net of tax	**-**	**6,599,175**	**-**	**-**	**6,599,175**
Balance as at June 30, 2010	**1,000,000,000**	**(748,075,367)**	**109,873,728**	**66,273,592**	**428,071,953**

The annexed notes 1 to 42 form an integral part of these financial statements.

Chief Executive

Director

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010

1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 JS Investments Limited (the Company) is a public listed company incorporated in Pakistan on February 22, 1995 under the Companies Ordinance, 1984. The shares of the Company are quoted on the Karachi Stock Exchange since April 24, 2007. The registered office of the Company is situated at 7th floor, 'The Forum', Khayaban-e-Jami, Clifton, Karachi. The Company is a subsidiary of Jahangir Siddiqui and Company Limited (which has 52.02 percent direct holding in the Company).

The Company has obtained the licence of an Investment Adviser and Asset Management Company (AMC) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations). In addition, the Company also acts as Pension Fund Manager under the Voluntary Pension System Rules, 2005.

1.2 The Company is an asset management company and pension fund manager for the following:

1.2.1 Asset management company of the following funds:

Closed end:

- JS Large Cap Fund
- JS Growth Fund
- JS Value Fund Limited

Open end:

- Unit Trust of Pakistan
- JS Income Fund
- JS Islamic Fund (formerly UTP - Islamic Fund)
- JS Aggressive Asset Allocation Fund
- JS Fund of Funds
- JS KSE-30 Index Fund (formerly UTP - A30+ Fund)
- JS Capital Protected Fund IV
- JS Aggressive Income Fund
- JS Principal Secure Fund I
- JS Principal Secure Fund II
- JS Cash Fund

1.2.2 Pension fund manager of the following funds:

- JS Pension Savings Fund
- JS Islamic Pension Savings Fund

1.3 During the year, the Company has floated two new open end funds. The units of these funds were offered to the public on the following dates:

Name of open-end fund	From	To
JS Principal Secure Fund II	14-Dec-09	15-Dec-09
JS Cash Fund	29-Mar-10	31-Mar-10

1.4 These financial statements are the separate financial statements of JS Investments Limited. In addition to these financial statements, consolidated financial statements of JS Investments Limited and its subsidiary company, JS ABAMCO Commodities Limited, have also been prepared.

1.5 As per the NBFC Regulations, all Asset Management Companies were required to separate their investment finance services (IFS) operation by November 30, 2008. The Securities and Exchange Commission of Pakistan (SECP) vide its letters dated September 2, 2009 and September 18, 2009 had confirmed the cancellation of license w.e.f. June 30, 2009 and has instructed the Company to wind down the existing investments held under IFS license upto February 28, 2010, which is further extended to June 30, 2010.

The Company has requested SECP to extend the aforesaid timeframe through their letter dated June 25, 2010. To this, SECP vide its letter dated July 14, 2010 allowed the Company to hold TFCs of Optimus Limited acquired under IFS license as an asset management company. Further, SECP has extended the time period for asset management companies to achieve compliance with regulation 37(7)(k) of the Non Banking Finance Companies and Notified Entities Regulations, 2008 for not maintaining its own equity portfolio by June 30, 2011.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the directives issued by the Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements of the Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations or the directives issued by SECP differ with the requirements of IFRS, the requirements of the Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.

2.2 Standards, interpretations and amendments to published approved accounting standards that are effective in the current year

2.2.1 The following amendments to standard are mandatory for the first time for the financial year beginning July 01, 2009 which affect these financial statements:

During the current period, International Accounting Standard 1 (Revised), 'Presentation of Financial Statements' (Revised IAS-1) became effective from the annual period beginning on or after January 1, 2009. The application of this standard has resulted in certain increased disclosures.

The Revised IAS-1 prohibits the presentation of items of income and expenses in the statement of change in equity and requires non owners changes in equity to be shown in a separate statement.

The Company under the given circumstances has a choice of presenting one statement (Statement of comprehensive income) or two separate statements (Profit and Loss account and Statement of comprehensive income). The Company has preferred to present two statements. As this change only impacts presentation aspects, there is no impact on profit for the year.

In addition IFRS 8 Operating Segments has been effective for the annual period beginning on or after January 01, 2009. This standard requires the management approach under which segment information is disclosed in the same way as that used for the internal reporting purpose.

2.2.2 During the year, other standards, amendments to standards and interpretations also become applicable. However, these are either not relevant or do not affect financial statements of the Company.

2.2.3 Revised IAS 23 ' Borrowing Costs' (amendment) removes the option to expense borrowing costs and requires that an entity capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. The Company's current accounting policy is in compliance with this amendment, and therefore, there is no effect on the Company's financial statements.

2.3 Standards, interpretations and amendments to published accounting standards that are not yet effective

The following standards, amendements and interpretations of International Financial Reporting Standards will be effective for accounting periods beginning on or after the dates specified below:

IAS 38 (amendments), 'Intangible Assets'. The amendment is part of the IASB's annual improvements project published in April 2009. The amendment clarifies guidance in measuring the fair value of an intangible asset acquired in a business combination and it permits the grouping of intangible assets as a single asset if each asset has similar useful economic lives. The amendment will not result in a material impact on the Company's financial statements.

IFRS 2 (amendments), ' Group cash-settled and share-based payment transactions'. In addition to incorporating IFRIC 8, 'Scope of IFRS 2', and IFRIC11, 'IFRS 2-Group and treasury share transactions', the amendments expand on the guidance in IFRIC11 to address the classifiaction of group arrangements that were not covered by that interpretation. The new guidance is however, not relevant to the Company's financial statements.

IFRS 5 (amendment), ' Measurement of non-current assets (or disposal groups) classified as held-for-sale' (effective for annual periods beginning on or after January 1, 2010). The interpretation is part of the IASB's annual improvements project published in April 2009. The amendment provides clarification that IFRS 5 specifies the disclosures required in respect of non- current assets (or disposal groups) classified as held for sale or discontinued operations. It also clarifies that the general requirement of IAS 1 still apply, particularly paragraph 15 (to achieve a fair presentation) and paragraph 125 (sources of estimation uncertaintly) of IAS 1. it is not expected to have a material impact on the Company's financial statements.

Amendments to IFRIC 14 IAS 19 - The Limit on a Defined Benefit Assets, Minimum Funding Requirements and their Interaction (effective for annual periods beginning on or after January 01, 2011). These amendments remove unintended consequences arising from the treatment of prepayments where there is a minimum funding requirement. These amendments result in prepayments of contributions in certain circumstances being recognised as an asset rather than an expense.

IFRIC 15, 'Agreement for the Construction of the Real Estate' (effective for annual period beginning on or after October 01, 2009 , clarifies the recognition of the revenue by the real estate developers for sale of units such as apartments or houses, off plan, that is, before the sale is completed.

IFRIC 19,'Extinguishing Financial Liabilities with Equity Instruments' (effective for annual periods beginning on or after July 1, 2010). This interpretation provides guidance on the accounting for debt for equity swaps. This interpretation has no impact on the Company's financial statements.

There are other amendments to the approved accounting standards and interpretations that are mandatory for accounting periods beginning on or after January 1, 2010 but are considered not to be relevant or to have any significant effect on the Company's operations and are therefore not detailed in these financial statements.

2.4 Critical accounting estimates and judgements

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgement in the process of applying the Company's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience, including expectations of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the Company's financial statements are as follows:

i) Amortisation of intangible assets (notes 3.1.2 and 4.6);
ii) Provision for taxation (notes 3.5, 31 and 31.1);
iii) Classification and valuation of investments (notes 3.4 and 8);
iv) Determination and measurement of useful life and residual value of property and equipment (notes 3.1.1 and 4.1);
v) Valuation of property and equipment (notes 3.1.1 and 4.1); and
vi) Recognition and measurement of deferred tax assets and liabilities (notes 3.5, 17 and 32.3).

2.5 Accounting convention

These financial statements have been prepared under the historical cost convention, except that certain items of property and equipment are stated at revalued amounts and investments classified as available for sale have been marked to market and carried at fair value.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Fixed assets

3.1.1 Property and equipment

Owned

Property and equipment are stated at cost or revalued amounts less accumulated depreciation and accumulated impairment losses, if any, except for capital work-in-progress which is stated at cost. All expenditures connected with specific assets incurred during installation and construction period are carried under capital work in progress.

Subsequent costs are included in the asset's carrying amounts or recognized as a separate asset, as appropriate, only when it is probable that future benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other subsequent costs including repair and maintenance are charged to the profit and loss account as and when incurred.

Depreciation is charged to income applying the straight-line method, whereby the cost or revalued amount of an asset is written off over its estimated useful life. The residual values and useful lives are reviewed, and adjusted, if required, at each balance sheet date.

Depreciation on fixed assets is charged from the month in which the asset is available for use. No depreciation is charged for the month in which the asset is disposed off.

Any surplus arising on revaluation of fixed assets is credited to the surplus on revaluation of fixed asset account. Revaluation is carried out with sufficient regularity to ensure that the carrying amount of assets does not differ materially from their fair value. To the extent of the incremental depreciation charged on the revalued assets, the related surplus on revaluation of fixed assets (net of deferred tax) is transferred directly to equity.

Gains or losses on disposal of assets are included in the profit and loss account currently, except that the related surplus on revaluation of fixed assets (net of deferred tax) is transferred directly to equity.

3.1.2 Intangible assets

Intangible assets are measured initially at cost. After initial measurement, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. The depreciable amount of an intangible asset with a finite useful life is amortised using the straight line method from the month in which such intangible asset is available for use, whereby, the cost of the intangible asset is amortised over its estimated useful life over which economic benefits are expected to flow to the Company. An intangible asset is regarded as having an indefinite useful life, when, based on an analysis of all of the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the Company. An intangible asset with an indefinite useful life is not amortised. The useful life and amortisation method is reviewed and adjusted, if appropriate, at each balance sheet date.

3.2 Trade and other receivables

Trade and other receivables are stated initially at fair value and subsequently measured at amortised cost using the effective interest rate method less provision for impairment, if any. A provision for impairment is established where there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Trade and receivable are written off when considered irrecoverable.

3.3 Investment in subsidiary company

Investment in subsidiary company is stated at cost less accumulated impairment losses, if any. In arriving at the impairment in respect of any diminution in the value of these investments, consideration is given only if there is a permanent impairment in the value of these investments.

3.4 Financial instruments

Financial assets

The Company classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, available for sale and held to maturity. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss. A financial asset is classified as held for trading if acquired principally for the purpose of selling in the short term. Assets in this category are classified as current assets. There were no financial assets at fair value through profit or loss at the balance sheet date.

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than twelve months after the balance sheet date, which are classified as non-current assets. Loans and receivables comprise loans, advances, deposits, other receivable and cash and bank balances in the balance sheet.

(c) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investments within twelve months from the balance sheet date.

(d) Held to maturity

Financial assets with fixed or determinable payments and fixed maturity, where management has intention and ability to hold till maturity are classified as held to maturity.

All financial assets are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of investments are recognised on trade-date, the date on which the Company commits to purchase or sell the asset. Financial assets are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the profit and loss account. Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest rate method.

Changes in the fair value of securities classified as available-for-sale are recognised in other comprehensive income.

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in other comprehensive income are included in the profit and loss account as gains and losses from investment securities. Interest on available-for-sale securities calculated using the effective interest method is recognised in the profit and loss account. Dividends on available-for-sale equity instruments are recognised in the profit and loss account when the Company's right to receive payments is established.

The fair values of quoted investments are based on current prices. If the market for a financial asset is not active (and for unlisted securities), the Company measures the investments at cost less impairment in value, if any.

The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss is removed from other comprehensive income and recognised in the profit and loss account. Impairment losses recognised in the profit and loss account on equity instruments are not reversed through the profit and loss account.

Financial liabilities

All financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognised in the profit and loss account. Financial liabilities include short-term running finance, short term borrowings, securitisation of management fee receivable (debt), accrued expense and other liabilities.

3.5 Taxation

Current

Provision for current taxation is based on taxable income at the current rates of taxation after taking into account available tax credits and rebates; if any. The charge for current tax also includes adjustments where necessary, relating to prior years which arise from assessments framed / finalised during the year.

Deferred

Deferred tax is recognised using the liability method on all major temporary differences arising between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised. In addition, the Company recognises deferred tax asset / liability on deficit / surplus on revaluation of tangible fixed assets, which is adjusted against the related deficit / surplus in accordance with the requirements of International Accounting Standard (IAS) 12 'Income Taxes'.

Deferred tax assets and liabilities are measured using the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted at the balance sheet date.

3.6 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. Cash and cash equivalents include cash in hand, balances with banks and short-term finances with original maturities of three months or less.

3.7 Operating Lease/Ijarah

Operating Lease/Ijarah in which a significant portion of the risks and rewards of ownership are retained by the lessor/Muj'ir are classified as operating leases/Ijarah. Payments made during the period are charged to Profit and loss account on a straight-line basis over the period of the lease/ Ijarah.

3.8 Borrowings / debt

Borrowings / debt are recognised initially at fair value, net of transaction costs incurred. These are subsequently measured at amortised cost and any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the Profit & Loss account over the period of the borrowings / debt under the effective interest method. Mark-up / profit on borrowings / debt is calculated using the effective interest method. Borrowings / debt include securitisation of management fee receivable.

3.9 Borrowing Cost

Borrowing costs directly attributable to the acquistion, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. All other borrowing costs are charged to profit and loss account in the period in which they are incurred.

3.10 Trade and other payables

Short-term liabilities for trade and other amounts payable are recognised initially at fair value and subsequently carried at amortised cost.

3.11 Defined Contribution Scheme

The Company operates an approved contributory provident fund for all its permanent employees. The Company and employees make equal monthly contributions to the fund at the rate of 8 to 10 percent of the basic salary.

3.12 Employees' compensated absences

The Company accounts for the liability in respect of employees' compensated absences in the year in which these are earned on the basis of the accumulated leaves and the last drawn salary and are charged to profit.

3.13 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the outflow can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

3.14 Proposed dividend and transfer between reserves

Dividends declared and transfer between reserves, except appropriations which are required by the law, made subsequent to the balance sheet date are considered as non-adjusting events and are recognised in the financial statements in the year in which such dividends are declared or transfers between reserves are made.

3.15 Impairment

The carrying amount of assets is reviewed at each balance sheet date for impairment whenever events or changes in circumstances indicate that the carrying amount of assets may not be recoverable. If such indication exists, and where the carrying value exceeds the estimated recoverable amount, assets are written down to their recoverable amount. The resulting impairment loss is taken to the profit and loss account.

3.16 Revenue recognition

- Remuneration for investment advisory and asset management services are recognised on an accrual basis.
- Realised capital gains / losses on sale of investments is recognised in the profit and loss account at the time of sale.
- Dividend income is recorded when the right to receive the dividend is established.
- Return on bank deposits, mark-up on term finance certificate, mark-up on letter of placements and mark-up on commercial papers are recognised on an accrual basis.
- Commission income from open end funds is recognised at the time of sale of units.
- Commission income and share of profit from management of discretionary client portfolios is recognised on accrual basis.

3.17 Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. As the operations of the Company are predominantly carried out in Pakistan, information relating to geographical segments is not considered relevant.

Assets, liabilities, capital expenditures and other balances that are directly attributable to segments are assigned to them while the carrying amount of certain assets used jointly by two or more segments are allocated to each segment on a reasonable basis.

The Company determines the operating segments based on the services provided by it, further their segment analysis are used internally by the management to make strategic decision.

The operating segments comprises of :
(i) Asset management & investment advisory services
(ii) Investment finance services (now discontinued)

3.18 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates. The financial statements are presented in Pakistani Rupees, which is the Company s functional and presentation currency.

3.19 Foreign currency transactions

Transactions denominated in foreign currencies are accounted for in rupees at the foreign exchange rates prevailing on the date of the transaction. Monetary assets and liabilities in foreign currencies are translated into rupees at the foreign exchange rates approximating those prevailing at the balance sheet date. Exchange differences are taken to the profit and loss account.

3.20 Offsetting of financial assets and financial liabilities

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

4 FIXED ASSETS

	Note	2010	2009
		Rupees	
Tangible - property and equipment			
Operating fixed assets		**338,772,046**	380,021,825
Capital work-in-progress - at cost	4.5	**-**	700,000
	4.1	**338,772,046**	380,721,825
Intangible assets	4.6	**111,721,027**	117,026,195
		450,493,073	497,748,020

4.1 The following is the statement of operating fixed assets:

	OWNED					TOTAL
	Year ended June 30, 2010					
	Office premises	**Branch set-up**	**Furniture and fixtures**	**Office equipment**	**Vehicles**	
	Rupees					
At July 1, 2009						
Cost / revaluation	331,254,000	16,275,200	25,357,219	98,196,253	12,321,647	**483,404,319**
Accumulated depreciation	(1,380,224)	(9,485,338)	(12,004,801)	(75,034,340)	(5,477,791)	**(103,382,494)**
Net book value	329,873,776	6,789,862	13,352,418	23,161,913	6,843,856	**380,021,825**
Year ended June 30, 2010:						
Opening net book value	329,873,776	6,789,862	13,352,418	23,161,913	6,843,856	**380,021,825**
Additions	-	748,400	37,000	1,294,870	-	**2,080,270**
Revaluation	-	-	-	-	-	**-**
Disposals :						
Cost / revaluation	-	(7,411,947)	(1,404,569)	(3,977,888)	(4,719,552)	**(17,513,956)**
Depreciation	-	4,064,285	698,252	3,757,389	1,910,454	**10,430,380**
	-	(3,347,662)	(706,317)	(220,499)	(2,809,098)	**(7,083,576)**
Depreciation charge for the year	(16,562,700)	(2,222,464)	(2,753,731)	(13,823,932)	(883,646)	**(36,246,473)**
Closing net book value	313,311,076	1,968,136	9,929,370	10,412,352	3,151,112	**338,772,046**
At June 30, 2010:						
Cost / revaluation	331,254,000	9,611,653	23,989,650	95,513,235	7,602,095	**467,970,633**
Accumulated depreciation	(17,942,924)	(7,643,517)	(14,060,280)	(85,100,883)	(4,450,983)	**(129,198,587)**
Net book value	**313,311,076**	**1,968,136**	**9,929,370**	**10,412,352**	**3,151,112**	**338,772,046**
Depreciation rate % per annum	5	20	10	25	20	

	OWNED					TOTAL
	Year ended June 30, 2009					
	Office premises	**Branch set-up**	**Furniture and fixtures**	**Office equipment**	**Vehicles**	**Total**
	Rupees					
At July 1, 2008						
Cost / revaluation	212,078,521	26,309,541	26,904,140	100,962,832	12,321,647	378,576,681
Accumulated depreciation	(41,844,190)	(10,047,069)	(9,880,555)	(66,363,309)	(4,032,067)	(132,167,190)
Net book value	170,234,331	16,262,472	17,023,585	34,599,523	8,289,580	246,409,491
Year ended June 30, 2009:						
Opening net book value	170,234,331	16,262,472	17,023,585	34,599,523	8,289,580	246,409,491
Additions	-	-	325,900	4,490,190	-	4,816,090
Revaluation	170,739,935	-	-	-	-	170,739,935
Disposals :						
Cost / revaluation	-	(10,034,341)	(1,872,821)	(7,256,769)	-	(19,163,931)
Depreciation	-	5,002,906	406,814	6,809,618	-	12,219,338
	-	(5,031,435)	(1,466,007)	(447,151)	-	(6,944,593)
Depreciation charge for the year	(11,100,490)	(4,441,175)	(2,531,060)	(15,480,649)	(1,445,724)	(34,999,098)
Closing net book value	329,873,776	6,789,862	13,352,418	23,161,913	6,843,856	380,021,825
At June 30, 2009:						
Cost / revaluation	331,254,000	16,275,200	25,357,219	98,196,253	12,321,647	483,404,319
Accumulated depreciation	(1,380,224)	(9,485,338)	(12,004,801)	(75,034,340)	(5,477,791)	(103,382,494)
Net book value	329,873,776	6,789,862	13,352,418	23,161,913	6,843,856	380,021,825
Depreciation rate % per annum	5	20	10	25	20	

4.2 The Company follows the revaluation model for its office premises. The office premises of the Company were last revalued on May 31, 2009 by an independent valuer Iqbal A. Nanjee & Co (Private) Limited on the basis of professional assessments of the market values. The revaluation resulted in a further surplus of Rs 170.740 million (April 18, 2005: Rs. 83.876 million). Out of the total revaluation surplus of Rs 254.616, Rs 220.730 million (June 30, 2009: Rs. 230.883 million) remains undepreciated as at June 30, 2010.

4.3 Had there been no revaluation, the net book value of the office premises would have been as follows.

	2010	**2009**
	Rupees	
Office Premises	**91,441,128**	98,171,415

4.4 Particulars of fixed assets having written down value exceeding Rs. 50,000 disposed of during the year are as follows:

Description	Cost	Accumulated depreciation	Written down value	Sale proceeds	Mode of disposal	Particulars of buyers
	Rupees					
Land Cruiser	3,341,969	877,267	2,464,702	2,414,573	Negotiation	Muhammad Najam Ali (ex-CEO)
Honda Civic	1,275,083	956,312	318,771	532,481	Negotiation	Muhammad Najam Ali (ex-CEO)
Various furnitures of branch	1,766,500	883,285	883,215	600,000	Negotiation	Spud Energy Limited
Year ended June 30, 2010	**6,383,552**	**2,716,864**	**3,666,688**	**3,547,054**		
Year ended June 30, 2009	1,587,246	283,033	1,304,213	170,000		

	2010	2009
4.5 Capital work-in-progress - at cost		
Advances to suppliers against acquisition of furniture and fixtures	-	700,000

4.6 Intangible assets

	2010		
	Software	Management Rights of ICP Mutual Funds	Total
	Rupees		
At July 1, 2009			
Cost	30,630,598	175,000,000	**205,630,598**
Accumulated amortisation	(18,604,403)	(70,000,000)	**(88,604,403)**
Net book value	12,026,195	105,000,000	**117,026,195**
Year ended June 30, 2010:			
Opening net book value	12,026,195	105,000,000	**117,026,195**
Additions	-	-	**-**
Amortisation charge for the year	(5,305,168)	-	**(5,305,168)**
Closing net book value	6,721,027	105,000,000	**111,721,027**
At June 30, 2010:			
Cost	30,630,598	175,000,000	**205,630,598**
Accumulated amortisation	(23,909,571)	(70,000,000)	**(93,909,571)**
Net book value	**6,721,027**	**105,000,000**	**111,721,027**
Amortisation rate % per annum	20 - 50	-	

	2009		
	Software	Management Rights of ICP Mutual Funds	Total
	Rupees		
At July 1, 2008			
Cost	30,553,598	175,000,000	205,553,598
Accumulated amortisation	(11,496,489)	(70,000,000)	(81,496,489)
Net book value	19,057,109	105,000,000	124,057,109
Year ended June 30, 2009:			
Opening net book value	19,057,109	105,000,000	124,057,109
Additions	77,000	-	77,000
Amortisation charge for the year	(7,107,914)	-	(7,107,914)
Closing net book value	12,026,195	105,000,000	117,026,195
At June 30, 2009:			
Cost	30,630,598	175,000,000	205,630,598
Accumulated amortisation	(18,604,403)	(70,000,000)	(88,604,403)
Net book value	12,026,195	105,000,000	117,026,195
Amortisation rate % per annum	20 - 50	-	

4.7 Intangible asset in respect of Management Rights of ICP Mutual Funds represents the amount paid for the acquisition of the management rights of 12 ICP Mutual Funds under a Management Rights Transfer Agreement between the Company, Privatisation Commission, Government of Pakistan and Investment Corporation of Pakistan in October 2002. These funds were consolidated into ABAMCO Stock Market Fund, ABAMCO Growth Fund and ABAMCO Capital Fund and then merged to form JS Growth Fund in 2006.

The Company carried out a review of the useful life of the above management rights of ICP mutual funds. In addition, the company revisited and revised its future plans with respect to these funds which have now been merged to form the JS Growth Fund. Consequently, keeping in view the revised future plans, and opinion from its legal advisor in respect of the Company's rights and obligations under the above mentioned Management Rights Transfer Agreement and an analysis of the relevant factors the management considers that this intangible asset has an indefinite useful life. The amortisation of the management rights acquired by the Company had been discontinued with effect from July 1, 2006. Previously, the useful life was considered to be definite and cost incurred for acquisition of management rights was being amortised on a straight line basis over a period of ten years with effect from the year ended June 30, 2003.

4.8 The amount of software includes Rs. 1,500,000 relating to Investment Finance Services.

5 LONG-TERM RECEIVABLES FROM RELATED PARTIES - UNSECURED - CONSIDERED GOOD	**2010**	**2009**
	Rupees	
Outstanding balances of preliminary expenses incurred on and floatation of:		
JS Growth Fund	**324,000**	653,000
JS Aggressive Income Fund	**-**	983,600
JS Capital Protected Fund IV	**1,070,266**	2,140,533
JS Principal Secure Fund I	**-**	2,031,935
JS Principal Secure Fund II	**74,580**	-
JS Cash Fund	**1,460,096**	-
	2,928,942	5,809,068
Less: Receivable within one year from:		
JS Growth Fund	**324,000**	-
JS Aggressive Income Fund	**-**	325,000
JS Capital Protected Fund IV	**1,070,266**	196,720
JS Principal Secure Fund I	**-**	713,511
JS Principal Secure Fund II	**74,580**	-
JS Cash Fund	**1,460,096**	710,039
	2,928,942	1,945,270
	-	3,863,798

5.1 Preliminary expenses represent expenditure incurred on the incorporation and floatation of funds managed by the Company. These expenses are recoverable from funds over a period ranging from 1 to 5 years and do not carry any mark-up.

5.2 During the year, the company has received an amount of Rs 5.745 million (2009: Rs 7.815 million) from the funds under management on account of reimbursement of preliminary expenses incurred by the company on incorporation and floatation of the funds.

6 LONG-TERM LOANS - CONSIDERED GOOD	Note	**2010**	**2009**
		Rupees	
Due from Chief Executive Officer - secured	6.1	**-**	15,000,000
Due from others - secured			
Executives	6.1 & 6.2	**581,888**	812,929
Other employees	6.2	**1,757,937**	2,213,677
		2,339,825	18,026,606
Less: receivable within one year	9	**(993,486)**	(1,084,036)
		1,346,339	16,942,570

6.1 Reconciliation of carrying amount of long-term loans to outgoing Chief Executive Officer and executives is as follows:

	Chief Executive 2010	Chief Executive 2009	Executives 2010	Executives 2009
	---------- Rupees ----------			
Opening balance	**15,000,000**	17,849,838	**812,929**	308,243
Disbursements	**-**	-	**400,000**	812,163
Repayments	**(15,000,000)**	(2,849,838)	**(631,041)**	(307,477)
Closing balance	**-**	15,000,000	**581,888**	812,929

6.2 This represents loans given to employees and executives for purchase of motor vehicles, house loans and general purpose cash loans. These loans are recovered through deduction from salaries over varying periods upto a maximum period of five years, fifteen years and three years respectively. These loans are granted in accordance with their terms of employment. The motor vehicle loans are secured by way of title to the motor vehicles being held in the name of the company and house loans are secured by way of equitable mortgage. Motor vehicle loans, house loans and general purpose cash loans carry mark-up at rates ranging from 6.98 percent to 12.57 percent per annum (2009: 7.75 percent to 14 percent per annum).

6.3 The maximum aggregate amount due from the Chief Executive Officer at the end of any month during the year was Rs. 12.355 million (2009: Rs. 17.850 million).

6.4 The maximum aggregate amount due from executives at the end of any month during the year was Rs. 0.895 million (2009: Rs. 0.908 million).

7 INVESTMENT IN SUBSIDIARY COMPANY - at cost

	Rupees	
3,750,000 (2009: 3,750,000) unquoted ordinary shares of Rs 10 each held in JS ABAMCO Commodities Limited (Net assets value as at June 30, 2010 Rs 37.15 million 2009: 40.56 million)	**37,500,000**	37,500,000
	37,500,000	37,500,000

8 INVESTMENTS - AVAILABLE FOR SALE

	Note	Number of certificates / units / shares	Rupees	Number of certificates / units / shares	Rupees
		2010		2009	
Investments - related parties	8.3				
JS Value Fund Limited		**21,498,992**	**77,396,371**	21,498,992	95,670,514
JS Large Cap Fund		**65,810,000**	**279,692,500**	65,810,000	204,669,100
JS Growth Fund		**36,086,812**	**120,529,952**	36,086,812	137,851,622
JS Pension Savings Fund - Equity		**300,000**	**22,104,000**	300,000	18,471,000
JS Pension Savings Fund - Debt		**300,000**	**39,054,000**	300,000	36,885,000
JS Pension Savings Fund - Money Market		**300,000**	**32,553,000**	300,000	35,097,000
JS Fund of Funds		**1,278,295**	**111,249,981**	1,885,257	143,939,350
JS Capital Protected Fund		**-**	**-**	130,000	13,218,400
JS Capital Protected Fund II		**-**	**-**	266,000	27,818,280
JS Capital Protected Fund IV	8.1	**1,022,447**	**109,340,525**	1,017,422	98,303,275
JS Islamic Pension Savings Fund - Equity		**300,000**	**32,475,000**	300,000	27,255,000
JS Islamic Pension Savings Fund - Debt		**300,000**	**36,477,000**	300,000	33,507,000
JS Islamic Pension Savings Fund - Money Market		**300,000**	**33,813,000**	300,000	32,019,000
JS Aggressive Income Fund		**501,736**	**48,482,761**	501,736	51,979,862
JS Cash Fund		**400,000**	**40,968,000**	-	-
Investments at market value			**984,136,090**		956,684,403
Other investments					
EFU General Insurance Limited		**-**	**-**	3,900	343,551
Pakistan International Container Terminal Limited		**-**	**-**	942,300	50,347,089
Escort Investment Bank Limited	8.4	**3,274,000**	**9,461,860**	3,274,000	13,063,260
Nishat Mills Limited		**-**	**-**	25,000	945,500
			9,461,860		64,699,400

Term Finance Certificate

	Note				
Optimus Limited	8.5	**25,000**	**120,062,318**	25,000	119,346,975
Agritech Limited (formerly Pak American Fertilizer Limited)		-	-	10,000	43,426,373
United Bank Limited		-	-	23,625	108,615,826
			120,062,318		271,389,174
Investments at market value			**1,113,660,268**		1,292,772,977
Less : Carrying value of investments			**(1,047,386,676)**		(2,630,287,003)
Impairment loss on investments held at year end			-		1,314,093,976
			(1,047,386,676)		(1,316,193,027)
Unrealised Gain / (loss) on re-measurement of investments			**66,273,592**		(23,420,050)

8.1 Maturity of funds

The duration of funds being managed by the Company is specified in their respective offering documents as follows. After this period, these funds shall stand dissolved automatically.

Name of fund	Duration
JS Capital Protected Fund IV	Three years and six weeks
JS Principal Secure Fund I	Three years and six weeks

8.2 Certificates / shares / units pledged against short term borrowing

The details of the certificates/ shares/ units of funds pledged by the Company against its borrowings are as follows:

Name of fund/companies	As at June 30, 2010 Number of certificates / shares / units	As at June 30, 2009 Number of certificates / shares / units
JS Value Fund Limited	**21,450,000**	21,498,500
JS Large Cap Fund	**22,000,000**	65,810,000
JS Growth Fund	**34,000,000**	36,080,000
JS Capital Protected Fund IV	**1,022,447**	-
Nishat Mills Limited	-	25,000
Escort Investment Bank Limited	-	3,274,000
Pakistan International Container Terminal Limited	-	942,300

8.3 This represents investment made in collective investment schemes managed by the Company. The matter relating to the classification of these funds (i.e. as associates or subsidiary) has been referred by the various fund managers to the Professional Standards and Technical Advisory Committee and Joint Committee of the Institute of Chartered Accountants of Pakistan (ICAP) and Mutual Funds Association of Pakistan (MUFAP). Till such time as clarification is received from ICAP / MUFAP, the investments of the Company in the collective investment schemes have been classified as available for sale in these financial statements.

8.4 This represents the investment acquired under the IFS operations.

8.5 The SECP vide their letter dated July 14, 2010 permitted the Company to hold the investment as an Asset Management Company. The investment were previously acquired under IFS operations.

		Note	2010	2009
			Rupees	
9	**LOANS AND ADVANCES - CONSIDERED GOOD**			
	Current portion of long-term loan to Chief Executive Officer, executives and employees	6	**993,486**	1,084,036
	Unsecured advances to			
	- executives	9.1	**129,997**	625,928
	- employees	9.1	**381,068**	269,938
	- suppliers		**106,390**	26,000
			1,610,941	2,005,902

9.1 The advances to Chief Executive Officer, executives and other employees are provided to meet business expenses and are settled as and when incurred. In addition, advances are also provided to executives and employees against their salaries which are recovered through deduction from employees monthly payroll.

		Note	2010	2009
			Rupees	
10	**DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES-UNSECURED-CONSIDERED GOOD**			
	Current maturity of long-term receivables from related parties	5	**2,928,942**	1,945,270
	Mark-up receivable on long term loan to Chief Executive Officer - related party		**-**	401,096
	Deposits		**1,900,602**	5,836,993
	Prepayments		**6,256,625**	10,942,600
	Mark-up receivable on term finance certificates	10.1	**4,056,624**	15,095,892
	Others	10.2	**3,572,918**	4,736,726
			18,715,711	38,958,577

10.1 This amount relates to the term finance certificates acquired under IFS operations.

10.2 This includes Rs 0.416 million (June 30, 2009: Rs 0.976 million) due from related parties on account of expenses incurred on their behalf.

		Note	2010	2009
			Rupees	
11	**BALANCES DUE FROM FUNDS UNDER MANAGEMENT - RELATED PARTIES**			
11.1	**Remuneration due from funds under management**			
	Closed end funds			
	JS Value Fund Limited	24.2	**102,159**	1,984,597
	JS Large Cap Fund	24.2	**479,900**	3,308,937
	JS Growth Fund	24.2	**643,878**	4,655,814
			1,225,937	9,949,348

	Note	2010	2009
		Rupees	
Open end funds			
JS KSE-30 Index Fund (formerly UTP - A30+ Fund)	24.1	**8,627**	121,024
Unit Trust of Pakistan	24.2	**395,752**	4,731,293
JS Income Fund	24.2	**123,881**	6,057,360
JS Islamic Fund (formerly UTP - Islamic Fund)	24.2	**63,368**	568,685
JS Aggressive Asset Allocation Fund	24.1	**25,262**	447,546
JS Fund of Funds	24.1	**36,998**	355,492
JS Capital Protected Fund	24.1	**-**	712,216
JS Capital Protected Fund II	24.1	**-**	1,825,830
JS Capital Protected Fund IV	24.1	**93,056**	965,332
JS Pension Savings Fund	24.1	**20,180**	112,562
JS Islamic Pension Savings Fund	24.1	**14,869**	113,862
JS Principal Secure Fund I	24.1	**369,496**	3,396,240
JS Principal Secure Fund II	24.1	**72,193**	-
JS Aggressive Income Fund	24.1	**9,549**	315,769
JS Cash Fund	24.1	**139,432**	-
		1,372,663	19,723,211

11.2 Commission

	Note	2010	2009
Open end funds			
JS KSE-30 Index Fund (formerly UTP - A30+ Fund)	25.1	**885**	2,136
Unit Trust of Pakistan	25.1	**3,060**	2,258
JS Income Fund	25.1	**14,001**	2,414
JS Islamic Fund (formerly UTP - Islamic Fund)	25.1	**-**	2,450
JS Pension Savings Fund	25.1	**998**	630
JS Islamic Pension Savings Fund	25.1	**-**	5,145
JS Cash Fund	25.1	**888**	-
		19,832	15,033
		2,618,432	29,687,592

12 CASH AND BANK BALANCES

	Note	2010	2009
Cash in hand		**57,801**	75,191
Cash at bank in:			
Current accounts		**1,593,422**	1,921,756
Saving accounts	12.1	**3,522,369**	2,091,915
	12.2	**5,115,791**	4,013,671
		5,173,592	4,088,862

12.1 These carry mark-up at rates ranging from 4 percent to 11 percent (2009: 5 percent to 16 percent) per annum. It includes Rs 0.473 million (2009: Rs 0.055 million) held with JS Bank Limited (a related party).

12.2 This includes amount representing Rs. 909,706 (2009: Rs. 1,016,536) pertaining to IFS operations.

13 SHARE CAPITAL

2010	2009		2010	2009
Number of shares			Rupees	
		Authorised capital		
200,000,000	200,000,000	Ordinary shares of Rs. 10 each	**2,000,000,000**	2,000,000,000
50,000,000	50,000,000	Convertible preference shares of Rs. 10 each	**500,000,000**	500,000,000
250,000,000	250,000,000		**2,500,000,000**	2,500,000,000
		Issued, subscribed and paid-up capital		
21,250,000	21,250,000	Ordinary shares of Rs. 10 each issued as fully paid in cash	**212,500,000**	212,500,000
700,000	700,000	Fully paid ordinary shares of Rs. 10 each issued on amalgamation with CFSL	**7,000,000**	7,000,000
78,050,000	78,050,000	Ordinary shares of Rs. 10 each issued as fully paid bonus shares	**780,500,000**	780,500,000
100,000,000	100,000,000		**1,000,000,000**	1,000,000,000

13.1 52,023,617 (2009: 52,023,617) ordinary shares of the Company are held by Jahangir Siddiqui & Company Limited, the holding Company.

14 STATUTORY RESERVE

	Note		
Statutory reserve	14.1	**109,873,728**	109,873,728
		109,873,728	109,873,728

14.1 Statutory reserve represents amount set aside as per the requirements of clause 16 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 issued by the Securities and Exchange Commission of Pakistan.

15 SURPLUS ON REVALUATION OF FIXED ASSETS - NET OF TAX

This represents surplus arising on revaluation of office premises net of deferred tax thereon.

Surplus on revaluation of fixed assets as at July 1	**230,882,787**	64,903,169
Surplus arising on revaluation of fixed assets during the year	**-**	170,739,935
	230,882,787	235,643,104
Transferred to accumulated profit:		
Surplus relating to incremental depreciation transferred to accumulated profit during the year - net of deferred tax	**(6,599,174)**	(3,094,206)
Related deferred tax liability	**(3,553,401)**	(1,666,111)
	(10,152,575)	(4,760,317)
	220,730,212	230,882,787
Less: related deferred tax liability on:		
- revaluation	**80,725,100**	82,391,211
- incremental depreciation charged during the year transferred to profit and loss account	**(3,553,401)**	(1,666,111)
	77,171,699	80,725,100
	143,558,513	150,157,687

16 SECURITISATION OF MANAGEMENT FEE RECEIVABLES - DEBT

	Repayment period From	To	Price	2010 Rupees	2009 Rupees
Financial Receivables Securitisation Company Limited (FRSCL) (Class "A" TFC and Class "B" TFC)	Jan-07	Jan-14	6 months KIBOR plus 2% with floor of 8% and cap of 16% (repayable in fourteen semi annual instalments	**700,000,000**	700,000,000
Financial Receivables Securitisation Company Limited (Class "C" TFC)	Jan-07	Jan-14	Subordinate to Class "A" TFC and Class "B" TFC	**2,500,000**	2,500,000
				702,500,000	702,500,000
Less: principal redemption made to date				**(183,660,000)**	(91,970,000)
Less: unamortised transaction cost				**(4,887,393)**	(7,317,360)
				513,952,607	603,212,640
Less: current maturity				**(129,085,000)**	(91,690,000)
Total				**384,867,607**	511,522,640

CURRENT MATURITY OF SECURITISATION OF MANAGEMENT FEE RECEIVABLES - DEBT

	2010	2009
Current maturity of principal	**129,085,000**	91,690,000
Less : Receivable from FRSCL	**(60,765,848)**	(27,150,879)
	68,319,152	64,539,121

16.1 The Company obtained funds aggregating to Rs 702.5 million against securitisation of its future management fee receivables from a few funds under management (as disclosed in note 24.2). Under the arrangement, the Company has assigned a portion of its future management fee receivables to Financial Receivables Securitisation Company Limited (FRSCL), which is a SPV set up for this purpose for the tenor of the facility. Under the arrangement, the entire cash flows arising to the Company from management fee receivables relating to these funds is deposited with a Trustee. Subsequently, the Trustee deducts therefrom the amount payable under the related agreements entered into by FRSCL in respect of issuance of Term Finance Certificates (TFC) with the TFC holders and returns the balance amount to the Company. The amount retained by the Trustee is passed on to FRSCL for meeting its obligations towards the relevant TFC holders and its other operating and administrative expenses. This securitisation transaction has been classified as a debt by the management.

16.2 Put option

In respect of Class "B" TFC, the FRSCL have put options in respect of meeting its obligations towards TFC Class "B" which, if exercised, would require FRSCL (which is the buyer) to redeem the relevant TFC, firstly from any funds available with the buyer. In the event requisite funds are not available with the buyer, FRSCL may require the Company (which is the originator) to purchase the relevant TFC in respect of which the put option has been exercised. Accordingly, in respect of Class "B" TFC, FRSCL has a partial or full put option on the company, exercisable on every semi-annual repayment date.

16.3 Class "C" TFC

Class 'C' TFC is subordinate to Class 'A' & Class 'B' TFCs for both principal and interest payments. The profit to Class "C" TFC holders will be paid out of the residual amount available from the deduction made by the Trustee at the cap rate of 16 percent in respect of the last instalment due under the relevant TFC agreements, less the sum total of (a) last instalment due under the Class "A" TFC and Class "B" TFC agreements, after which both Class "A" TFC and Class "B" TFC are fully redeemed; and (b) all remaining expenses of FRSCL.

17 DEFERRED TAX LIABILITY - NET	**2010**	**2009**
	Rupees	
Taxable temporary differences on:		
Accelerated tax depreciation	**16,747,942**	21,624,241
Surplus on revaluation of fixed assets	**77,171,699**	80,725,100
	93,919,641	102,349,341
Deductible temporary differences on:		
Short-term provisions	**(369,104)**	(657,345)
Deferred tax asset on carried forward tax losses	**(43,487,141)**	(51,431,003)
	50,063,396	50,260,993

17.1 The Company has an aggregate amount of Rs 124,248,973 in respect of unabsorbed tax losses as at June 30, 2010 on which a deferred tax debit balance has been recognised.

18 SHORT TERM RUNNING FINANCE - SECURED	Note	**2010**	**2009**
		Rupees	
Soneri Bank Limited	18.1	**148,935,357**	44,650,257
JS Bank Limited	18.2	**162,519,366**	-
National Bank of Pakistan		**-**	273,041,652
		311,454,723	317,691,909

18.1 This represents a running finance facility with a limit of Rs. 250 million (June 30, 2009: 200 million) obtained from Soneri Bank Limited. The facility carries mark-up of 2% over 3 months KIBOR (June 30, 2009: 1.25% over 6 months KIBOR) rate which shall be reviewed on quarterly basis. Mark-up is payable on a quarterly basis. The facility is secured by way of Equitable mortgage of office premises and pledge of shares/ certificates of closed end funds under management.

18.2 The company has also obtained running finance facility from JS Bank Limited (a related party) with a limit of Rs. 250 million. The facility carries mark-up of 2% over 3 months KIBOR rate which shall be reviewed on quarterly basis. Mark-up is payable on a quarterly basis. The facility is secured by way of pledge of units/ certificates/ shares of funds under management.

19 SHORT TERM BORROWINGS - UNSECURED		**2010**	**2009**
	Note	**Rupees**	
From commercial bank and financial institution	19.1	**300,000,000**	564,000,000

19.1 These represents borrowings from commercial bank and financial institution acquired under IFS operations. These are repayable over various dates by July 28, 2010. Mark-up rate on these borrowings ranges from 13.35% per annum to 13.84% per annum (June 30, 2009: 15% per annum to 15.90% per annum). This includes Rs. 200 million (June 30, 2009: Rs. 428 million) borrowed from JS Bank Limited (a related party).

20 ACCRUED AND OTHER LIABILITIES	**2010**	**2009**
	Rupees	
Accrued expenses	**11,093,365**	17,019,332
Unclaimed dividend	**1,321,706**	1,332,782
Provision for staff compensated absences	**849,714**	1,606,987
Fee and commission payable	**12,830,859**	19,641,952
Donations payable	**-**	8,200,000
Advance rent	**1,476,974**	3,175,266
Others	**9,680,580**	2,807,387
	37,253,198	53,783,706

	2010	2009
	Rupees	

21 ACCRUED MARK-UP

	2010	2009
Mark-up accrued on:		
- Short term running finance	**8,634,848**	12,735,801
- Short term borrowings	**337,233**	2,519,883
- Securitisation of management fee receivables	**2,049,961**	1,269,148
	11,022,042	16,524,832

22 CONTINGENCIES & COMMITMENTS

22.1 There are no contigencies as at the year end.

22.2 Commitments in respect of:

	2010	2009
Capital expenditure contracted but not incurred	**-**	350,000
Royalty and advisory payment	**10,000,000**	10,000,000
Asset acquired under operating lease	**-**	1,920,000
Motor Vehicle acquired under Ijarah from Bank Islami		
- Due in one year	**2,472,324**	-
- Due in two to five years	**7,416,972**	-

23 SEGMENT INFORMATION

The Company determines the operating segments based on the services provided by it, further their segment analysis are used internally by the management to make strategic decision.

The operating segment comprises of:
(i) Asset management & investment advisory services
(ii) Investment finance services (now discontinued)

		Continued operation		Discontinued operation			
		Asset management & investment advisory services		Investment finance services		Total	
	Note	2010	2009	2010	2009	2010	2009
		Rupees					
INCOME							
Remuneration from funds under management	24	**361,247,913**	439,879,978	**-**	-	**361,247,913**	439,879,978
Commission from open end funds under management	25	**3,633,965**	4,753,743	**-**	-	**3,633,965**	4,753,743
Dividend		**40,077,419**	21,498,992	**1,413,450**	12,273,075	**41,490,869**	33,772,067
Underwriting commission		**-**	-	**-**	-	**-**	-
Gain / loss on sale of investments - net		**10,447,999**	(232,531,096)	**43,939,520**	(122,620,208)	**54,387,519**	(355,151,304)
Mark up on term finance certificates		**-**	-	**33,251,308**	44,518,534	**33,251,308**	44,518,534
Mark up on letter of placement		**-**	-	**-**	742,482	**-**	742,482
Mark up on commercial papers		**-**	-	**-**	4,633,801	**-**	4,633,801
Return on bank deposits		**280,538**	1,745,113	**7,268**	111,791	**287,806**	1,856,904
Commission income and share of profit from management of discretionary client portfolios	26	**-**	-	**1,936,014**	129,794	**1,936,014**	129,794
Amortisation of discount		**-**	-	**1,306,644**	52,714	**1,306,644**	52,714
		415,687,834	235,346,730	**81,854,204**	(60,158,017)	**497,542,038**	175,188,713
Impairment loss on investments		**-**	(1,202,977,547)	**-**	(111,116,429)	**-**	(1,314,093,976)
		415,687,834	(967,630,817)	**81,854,204**	(171,274,446)	**497,542,038**	(1,138,905,263)
OPERATING EXPENSES							
Administrative expenses		**281,944,528**	352,544,452	**3,407,649**	4,746,397	**285,352,177**	357,290,849
Other operating expenses		**2,151,224**	1,231,254	**-**	-	**2,151,224**	1,231,254
Financial charges		**127,403,269**	193,930,614	**60,485,002**	97,492,503	**187,888,271**	291,423,117
Other operating income		**(23,988,062)**	(14,828,371)	**-**	-	**(23,988,062)**	(14,828,371)
Segment results		**28,176,875**	(1,500,508,766)	**17,961,553**	(273,513,346)	**46,138,428**	(1,774,022,112)
Segment assets		**1,718,681,820**	1,658,005,166	**15,928,764**	356,801,576	**1,734,610,584**	2,014,806,742
Segment liabilities		**1,162,980,118**	1,011,760,336	**-**	551,914,349	**1,162,980,118**	1,563,674,685
Fixed capital expenditure		**2,080,270**	4,816,090	**-**	-	**2,080,270**	4,816,090
Depreciation / amortisation		**40,951,641**	42,107,012	**600,000**	600,000	**41,551,641**	42,707,012

	Note	2010	2009
		Rupees	
24 REMUNERATION FROM FUNDS UNDER MANAGEMENT - RELATED PARTIES			
Closed end funds			
JS Value Fund Limited	24.1	**24,801,034**	31,127,069
JS Large Cap Fund	24.1	**47,560,856**	46,490,362
JS Growth Fund	24.1	**66,425,197**	62,197,927
		138,787,087	139,815,358
Open end funds			
Unit Trust of Pakistan	24.1	**61,838,150**	71,245,306
JS Income Fund	24.1	**58,983,811**	116,810,487
JS Islamic Fund (formerly UTP - Islamic Fund)	24.1	**9,000,434**	8,758,273
JS Aggressive Asset Allocation Fund	24.1	**5,685,171**	8,175,175
JS Fund of Funds	24.1	**4,696,426**	5,475,148
JS KSE-30 Index Fund (formerly UTP - A30+ Fund)	24.1	**1,522,115**	1,614,623
JS Capital Protected Fund	24.1	**6,337,414**	10,830,648
JS Capital Protected Fund II	24.1	**3,019,529**	22,999,972
JS Capital Protected Fund III	24.1	**-**	17,354,223
JS Capital Protected Fund IV	24.1	**11,671,127**	12,734,059
JS Pension Savings Fund	24.1	**2,421,188**	1,306,521
JS Islamic Pension Savings Fund	24.1	**1,540,853**	1,337,286
JS Aggressive Income Fund	24.1	**2,409,352**	9,026,119
JS Principal Secure Fund I	24.1	**45,350,865**	12,396,780
JS Principal Secure Fund II	24.1	**4,809,351**	-
JS Cash Fund	24.1	**3,175,040**	-
		222,460,826	300,064,620
		361,247,913	439,879,978

24.1 Under the provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003, the management company / investment advisor of the Fund is entitled to a remuneration during the first five years of the fund, of an amount not exceeding three percent of the average net assets of the Fund and thereafter of an amount equal to two percent of such assets of the Fund. During the year ended June 30, 2010 the Company has charged management fee at the rates ranging from 1 to 3 percent (2009: 1 to 3 percent).

24.2 Securitisation of management fee receivables

The Company has entered into an agreement to sell certain portion of its management fee receivables from a few funds (listed below) under its management, with Financial Receivables Securitisation Company Limited (FRSCL), a special purpose vehicle, incorporated for this purpose in accordance with the Companies (Asset Backed Securitisation) Rules, 1999. In addition, the Company has also entered into a service agreement with FRSCL to provide services in respect of the receivables sold under the above agreement. The services to be provided by the company include the administration of these receivables. Further, the Company is also required to monitor these receivables in the same manner and apply the same policies and practices to the origination and for creation of these receivables as the Company applies in the case of other receivables which it retains for its own account.

The securitised open-end and close-end funds are as under:

Open end funds:

Unit Trust of Pakistan
JS Islamic Fund (formerly UTP - Islamic Fund)
JS Income Fund

Closed end funds:

- JS Growth Fund
- JS Large Cap Fund
- JS Value Fund Limited

	2010	2009
	Rupees	
25 COMMISSION FROM OPEN END FUNDS UNDER MANAGEMENT - RELATED PARTIES		
Unit Trust of Pakistan	**263,446**	501,158
JS Income Fund	**589,431**	1,358,101
JS Islamic Fund (formerly UTP - Islamic Fund)	**7,535**	44,030
JS Aggressive Asset Allocation Fund	**-**	24,102
JS Fund of Funds	**45,072**	336,690
JS KSE-30 Index Fund (formerly UTP - A30+ Fund)	**91,867**	10,124
JS Aggressive Income Fund	**800**	1,905
JS Pension Savings Fund	**514,622**	39,816
JS Islamic Pension Savings Fund	**2,100**	5,145
JS Principal Secure Fund I	**-**	2,432,672
JS Principal Secure Fund II	**2,117,167**	-
JS Cash Fund	**1,925**	-
	3,633,965	4,753,743

25.1 This represents gross commission income earned by the Company on account of sale of units made on behalf of the funds under management.

26 COMMISSION INCOME AND SHARE OF PROFIT FROM MANAGEMENT OF DISCRETIONARY CLIENT PORTFOLIOS

This represents commission income and share of profit earned by the company from management of discretionary portfolios. Currently, JSIL is managing three (June 30, 2009: three) discretionary client portfolios. The total cost and total market value of the unsettled client portfolios as at June 30, 2010 was Rs. 36.159 million (June 30, 2009: 147.640 million) and Rs. 42.369 million (June 30, 2009: 114.631 million) respectively.

			2010	2009
27	**ADMINISTRATIVE AND MARKETING EXPENSES**	Note	**Rupees**	
	Salaries and benefits		**101,256,431**	122,106,853
	Staff retirement benefits	27.1	**4,339,179**	6,495,352
	Amortisation of intangible asset	4.6	**4,705,168**	6,507,914
	Advertisement		**2,619,978**	13,506,033
	Depreciation	4.1	**36,246,473**	34,999,098
	Printing and stationery		**3,163,174**	3,305,198
	Rent, rates, taxes and maintenance		**19,044,123**	23,778,802
	Travelling, conveyance and vehicle maintenance		**9,332,630**	14,792,004
	Transfer agent remuneration		**8,142,267**	8,297,618
	Postage and telephone		**4,358,240**	7,017,321
	Legal and professional		**11,250,383**	11,367,371
	Fees and subscription		**8,679,651**	3,428,009
	IT services		**11,859,609**	13,226,503
	Utilities		**6,853,319**	6,653,439
	Office security		**6,813,948**	7,851,551
	Entertainment		**242,176**	935,528
	Insurance		**5,856,662**	4,860,084
	Newspaper		**63,290**	188,614
	Directors' fee		**3,795,000**	3,795,000
	Royalty and advisory fee	27.2	**10,000,000**	10,000,000
	Office supplies		**660,838**	976,204
	Shariah Advisory Fee		**1,440,000**	1,320,000
	Ijarah rentals		**295,604**	-
	Miscellaneous expenses		**1,309,998**	52,080
			262,328,141	305,460,576
	Fee and commission		**19,616,387**	47,083,876
			281,944,528	352,544,452

27.1 Staff retirement benefits include contributions to defined contribution plan of Rs 4.085 million (2009: Rs 6.006 million).

27.2 Royalty and advisory fee represents amounts payable to Mr. Jahangir Siddiqui on account of use of name and advisory services, respectively.

		2010	2009
28	**OTHER OPERATING EXPENSES**	**Rupees**	
	Auditors' remuneration		
	Annual audit fee	**800,000**	800,000
	Fee for review of the statement of compliance on code of corporate governance	**50,000**	50,000
	Out of pocket expenses	**115,254**	156,254
	Fee for review of half yearly financial statements	**200,000**	225,000
	Fee for tax and related advisory services	**985,970**	-
		2,151,224	1,231,254

29 FINANCIAL CHARGES

	2010	2009
	Rupees	
Mark-up on short-term borrowings	**44,477,177**	88,147,372
Bank charges	**121,953**	204,912
Mark-up and other charges of securitisation of management fee receivables	**82,804,139**	105,578,330
	127,403,269	193,930,614

30 OTHER OPERATING INCOME

	2010	2009
Income from non-financial assets		
Rental income	**16,798,308**	15,674,606
(Loss) on disposal of fixed assets	**(2,932,834)**	(5,943,229)
Income from financial assets		
Liabilities no longer required written back	**8,200,000**	2,172,740
Mark-up earned on loans to Chief Executive Officer, executives and employees	**1,922,588**	2,646,646
Others	**-**	277,608
	23,988,062	14,828,371

31 TAXATION - Net

	2010	2009
Current - for the year	**4,058,740**	4,157,157
Current - for the prior years	**(3,370,349)**	-
Deferred - for the year	**(197,597)**	(58,240,038)
	490,794	(54,082,881)

31.1 The income tax assessments of the Company have been finalised up to and including the assessment year 2001-2002 (financial year ended June 30, 2001). The income tax assessments for tax year 2003 to tax year 2009 have been filed under the self assessment scheme and are deemed to be finalised under section 120 of the Income Tax Ordinance, 2001.

31.2 Relationship between accounting profit and tax expense is as follows:

	2010	2009
	Rupees	
Accounting profit / (loss) before taxation	**46,138,428**	(1,774,022,112)
Tax @ 35% (2009: 35%)	**16,148,450**	(620,907,739)
Tax impact of income under FTR and differential in tax rates	**(5,158,068)**	(13,606,255)
Tax impact of exempt capital gains	**(19,035,632)**	124,302,956
Tax impact of minimum tax	**2,244,556**	-
Tax impact of depreciation/amortisation	**1,235,786**	(6,125,000)
Tax impact of expenses related to FTR income	**3,980,591**	3,865,951
Tax impact of impairment loss on investments	**-**	459,932,892
Others	**1,269,463**	(309,917)
	685,146	(52,847,112)

32 DISCONTINUED OPERATION RELATING TO THE INVESTMENT FINANCE SERVICES BUSINESS

Consequent to the reason explained in note 1.5 to the financial statements, the income and expenses of the Investment Finance Services have been separatley classified as " Discontinued Operations " in accordance with the requirements of International Financial Reporting Standards (IFRS) - 5 "Non-current assets held for sale and Discontinued Operations".

The analysis of the results of the investment finance services business are as follows:

32.1 Analysis of the profit / (loss) after tax

	2010	2009
	Rupees	
Dividend, markup and other income	**37,914,684**	62,462,191
Profit / (loss) on sale of investments - net	**43,939,520**	(122,620,208)
Impairment loss on available for sale equity securities	**-**	(111,116,429)
	81,854,204	(171,274,446)
Administrative expenses	**3,407,649**	4,746,397
Financial charges	**60,485,002**	97,492,503
	63,892,651	102,238,900
Profit / (loss) before taxation	**17,961,553**	(273,513,346)
Taxation - Current	**194,352**	1,235,769
Profit / (loss) after taxation	**17,767,201**	(274,749,115)

32.2 Analysis of the cash flows:

	2010	2009
Operating cash flows	**24,662,063**	(177,631,276)
Investing cash flows	**325,329,283**	44,125,957

32.3 Non current and current assets relating to IFS- discontinued operations

	Note	2010	2009
		Rupees	
Intangible assets		**1,500,000**	2,100,000
Investments - available for sale		**9,461,860**	336,088,574
Deposits, prepayments and other receivables		**4,056,624**	17,595,892
Deferred tax asset		**574**	574
Cash and bank balances	32.3.1	**909,706**	1,016,536
		15,928,764	356,801,576

32.3.1 This includes nil (2009: Rs 0.059 million) held with JS Bank Limited (a related party).

32.4 The Company assumed the liabilities of IFS operations as an asset management company.

33 EARNINGS / (LOSS) PER SHARE

	2010	2009
	Rupees	
Profit / (loss) for the year after taxation	**45,453,282**	(1,721,175,000)
Weighted average number of ordinary shares outstanding during the year	**100,000,000**	100,000,000
Earnings / (loss) per share	**0.45**	(17.21)

33.1 Diluted earnings per share has not been presented as the Company does not have any convertible instruments in issue as at June 30, 2009 and 2010 which would have any effect on the earnings per share if the option to convert is exercised.

34 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amounts charged (except for performance bonus which is reported on paid basis) in the financial statements in respect of the remuneration, including benefits to the Chief Executive Officer, directors and executives of the Company are as follows:

	Chief Executive Officer		Directors		Executives	
	2010	2009	2010	2009	2010	2009
	Rupees					
Managerial remuneration	**8,620,645**	7,920,000	**6,244,443**	6,752,581	**25,903,347**	36,932,517
House rent allowance	**2,024,129**	1,584,000	**1,873,333**	1,056,774	**7,741,165**	10,868,757
Utilities allowance	**687,165**	792,000	**624,443**	675,258	**2,590,362**	3,693,278
Car Allowance	**559,806**	-	**1,531,423**	880,645	**8,446,613**	11,074,652
Performance bonus	**-**	12,693,000	**-**	-	**-**	17,143,000
Retirement benefits	**862,065**	792,000	**67,557**	323,000	**1,917,581**	2,922,567
Medical Allowance	**862,065**	792,000	**624,443**	674,645	**2,590,362**	3,693,278
Other reimbursable expenses	**-**	-	**9,799**	-	**243,898**	290,560
	13,615,875	24,573,000	**10,975,441**	10,362,903	**49,433,328**	86,618,609
Number of persons	**1**	1	**2**	1	**26**	31

34.1 The Chief Executive Officer and a director of the Company are provided with free use of company owned and maintained vehicles.

34.2 The Company provides performance bonus to the Chief Executive Officer and executives. The individual entitlements are being reported on paid basis.

34.3 In addition, meeting fee of Rs 15,000 (2009: Rs 15,000) per meeting was paid to three non-executive directors for meetings attended during the year.

35 TRANSACTIONS AND OUTSTANDING BALANCES WITH RELATED PARTIES

35.1 Transaction with related parties

35.1.1 Transactions with associates - funds under management

	2010	2009
	Rupees	
Remuneration income	**361,247,913**	439,879,978
Commission income	**3,633,965**	4,753,743
Other expenses incurred on behalf of the fund	**967,143**	465,559
Reimbursement of other expenses incurred on behalf of the fund	**1,124,236**	573,763
Dividend income	**40,077,419**	21,498,992
Preliminary expenses incurred on behalf of the fund	**2,869,683**	3,242,735
Reimbursement of preliminary expenses incurred on behalf of the fund	**5,744,809**	1,660,167
Invesment made in funds under management	**70,000,000**	-
Investments disposed off - at cost	**126,006,947**	1,056,241,785
Amount received against long-term receivable	**-**	6,000,000
Other expenses incurred	**551,850**	-
Bonus / additional shares / units (in numbers)	**72,963**	1,038,695

35.1.2 Transactions with other related parties

	2010	2009
	Rupees	
JS Air (Private) Limited		
Other expenses incurred on behalf of the fund	**35,461**	-
Reimbursement of other expenses incurred on behalf of the fund	**35,461**	-
JS Global Capital Limited (JSGCL) - associate of JSCL		
Rent income	**1,051,864**	-
Rent expense	**5,027,765**	5,254,260
Expenses incurred by the company on behalf of JSGCL	**784,660**	2,321,834
Reimbursement of expenses incurred on behalf of JSGCL	**603,256**	2,495,738
JS Bank Limited (JSBL) - subsidiary of JSCL		
Mark up expense on short term borrowings	**52,237,536**	45,045,809
Expenses incurred by the company on behalf of JSBL	**35,461**	-
Reimbursement of expenses incurred on behalf of JSBL	**35,461**	-
Mahvash and Jahangir Siddiqui Foundation		
Donations paid	**-**	1,000,000
Pakistan International Container Terminal Limited		
Dividend income	**1,413,450**	2,826,900
Agritech Limited (formerly Pak American Fertilizer Limited)		
Markup income	**5,338,079**	8,158,429
Markup income received	**7,761,405**	6,187,805
Principal redemption	**20,000**	20,000
Staff Provident Fund		
Contributions during the year	**4,085,435**	6,005,852
Dividend paid	**-**	10,000

35.1.3 Transactions with holding company

	2010	2009
Jahangir Siddiqui & Company Limited (JSCL) - holding company		
Rent received	**3,606,390**	6,854,869
Rental income	**5,130,022**	6,729,047
Dividend paid	**-**	52,023,617
Expenses incurred on behalf of JSCL	**1,474,747**	2,503,757
Reimbursement of expenses incurred on behalf of JSCL	**1,820,934**	2,329,060

35.1.4 Transactions with subsidiary company

	2010	2009
JS ABAMCO Commodities Limited (JSACL) - subsidiary of JSIL		
Expenses incurred by the company on behalf of JSACL	**11,000**	11,860
Reimbursement of expenses incurred by the company on behalf of JSACL	**16,000**	6,860

35.1.5 Transactions with key management personnel	2010	2009
	Rupees	
Chief Executive Officer		
Mark-up income earned on long-term loan	**1,705,594**	2,256,059
Repayment of long-term loan	**15,000,000**	2,849,838
Remuneration of key management personnel	**59,091,678**	92,127,946

35.2 Balances outstanding at the year end

35.2.1 Balances outstanding with associates

Receivable from JS Value Fund Limited	-	21,840
Receivable from JS Income Fund	-	21,648
Receivable from JS Aggressive Income Fund	-	21,648
Outstanding balance of expenses incurred on behalf of different funds	-	264,675

35.2.2 Balances outstanding with other related parties

Payable to JS Bank Limited	**826,395**	2,016,870
Receivable from JS Global Capital Limited	**1,272,101**	38,833
Payable to JS Global Capital Limited	**4,817,765**	-
Receivable from JS ABAMCO Commodities Limited	-	5,000
Receivable from Staff Provident Fund	-	53,781

35.2.3 Balances outstanding with holding company

Receivable from Jahangir Siddiqui & Company Limited	**196,151**	542,338

35.3 Other balances outstanding with related parties as at the year end have been disclosed in the relevant balance sheet notes.

35.4 Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the company. The management considered all members of their management team, including the Chief Executive Officer and Directors to be key management personnel.

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

35.6 Details of the remuneration relating to Chief Executive officer and directors are disclosed in note 34 to the financial statements.

36 CASH AND CASH EQUIVALENTS	Note	2010	2009
		Rupees	
- Cash and bank balances	12	**5,173,592**	4,088,862
- Short term borrowings - secured	19	**(311,454,723)**	(317,691,909)
		(306,281,131)	(313,603,047)

37 FINANCIAL INSTRUMENTS BY CATEGORY

	2010		
	Loans and receivables	**Available for sale**	**Total**
Assets	-------------------------	**Rupees**	-------------------------
Non-current assets			
Long-term loans - considered good	1,346,339	-	**1,346,339**
	1,346,339	-	**1,346,339**
Current assets			
Investments - available for sale	-	1,113,660,268	**1,113,660,268**
Loans and advances - considered good	1,610,941	-	**1,610,941**
Deposits and other receivables - unsecured	12,459,086	-	**12,459,086**
Balances due from funds under management - related parties	2,618,432	-	**2,618,432**
Cash and bank balances	5,173,592	-	**5,173,592**
	21,862,051	1,113,660,268	**1,135,522,319**
	23,208,390	**1,113,660,268**	**1,136,868,658**

	2010		
	Liabilities at fair value through profit and loss	**Others**	**Total**
Liabilities	-------------------------	**Rupees**	-------------------------
Securitisation of management fee receivables - debt	-	453,186,759	**453,186,759**
Short term running finance - secured	-	311,454,723	**311,454,723**
Short term borrowings - unsecured	-	300,000,000	**300,000,000**
Accrued and other liabilities	-	34,128,700	**34,128,700**
Accrued mark-up	-	11,022,042	**11,022,042**
	-	**1,109,792,224**	**1,109,792,224**

	2009		
	Loans and receivables	**Available for sale**	**Total**
Assets	-------------------------	**Rupees**	-------------------------
Non-current assets			
Long-term receivables from related parties - unsecured - considered good	3,863,798	-	3,863,798
Long-term loans - considered good	16,942,570	-	16,942,570
	20,806,368	-	20,806,368
Current assets			
Investments - available for sale	-	1,292,772,977	1,292,772,977
Loans and advances	2,005,902	-	2,005,902
Deposits and other receivables - unsecured	28,015,977	-	28,015,977
Balances due from funds under management	29,687,592	-	29,687,592
Cash and bank balances	4,088,862	-	4,088,862
	63,798,333	1,292,772,977	1,356,571,310
	84,604,701	1,292,772,977	1,377,377,678

	2009		
	Liabilities at fair value through profit and loss	**Others**	**Total**
Liabilities	-------------------------	**Rupees**	-------------------------
Securitisation of management fee receivables - debt	-	576,061,761	576,061,761
Short term running finance - secured	-	317,691,909	317,691,909
Short term borrowings - unsecured		564,000,000	564,000,000
Accrued and other liabilities	-	48,512,450	48,512,450
Accrued mark-up	-	16,524,832	16,524,832
	-	1,522,790,952	1,522,790,952

38 FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company s overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company s financial performance.

38.1 Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price of securities due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market.

The Company manages market risk by monitoring exposure on marketable securities by following the internal risk management policies and regulations laid down by the Securities and Exchange Commission of Pakistan.

Market risk comprises of three types of risk: currency risk, interest rate risk and other price risk.

38.1.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company, at present is not exposed to currency risk as its operations are geographically restricted to Pakistan and all transactions are carried out in Pak Rupees.

38.1.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As the Company has no significant interest-bearing assets, the Company s income and operating cash flows are substantially independent of changes in market interest rates.

The Company's intrest rate risk arises from securitization of management fee receivables and short term borrowings. Borrowings isssued at variable rates expose the Company to cash flow interest rate risk and borrowing issued at fixed rate gives exposure to fair value interest rate risk.

Yield / interest rate sensitivity position for on balance sheet financial instruments is based on the earlier of contractual repricing or maturity date.

	As at June 30, 2010			
	Exposed to Yield / Interest risk		Not exposed to Yield / Interest rate risk	Total
	Upto one year	More than one year		
Financial assets	---------------------Rupees---------------------			
Non-current assets				
Long-term loans - considered good	-	1,346,339	-	**1,346,339**
	-	1,346,339	-	**1,346,339**
Current assets				
Investments - available for sale	120,062,318	-	993,597,950	**1,113,660,268**
Loans and advances - considered good	993,486	-	617,455	**1,610,941**
Deposits and other receivables	-	-	12,459,086	**12,459,086**
Balances due from funds under management - related parties	-	-	2,618,432	**2,618,432**
Cash and bank balances	3,522,369	-	1,651,223	**5,173,592**
	124,578,173	-	1,010,944,146	**1,135,522,319**
Sub Total	124,578,173	1,346,339	1,010,944,146	**1,136,868,658**

	As at June 30, 2010			
	Exposed to Yield / Interest risk		Not exposed to Yield / Interest rate risk	Total
	Upto one year	More than one year		
	---------------------Rupees---------------------			
Financial liabilities				
Securitisation of management fee receivables - debt	68,319,152	384,867,607	-	**453,186,759**
Short term running finance - secured	311,454,723	-	-	**311,454,723**
Short term borrowings - unsecured	300,000,000	-	-	**300,000,000**
Accrued and other liabilities	-	-	34,128,700	**34,128,700**
Accrued mark-up	-	-	11,022,042	**11,022,042**
Sub Total	679,773,875	384,867,607	45,150,742	**1,109,792,224**
On-balance sheet gap	**(555,195,702)**	**(383,521,268)**	**965,793,404**	**27,076,435**
Off-balance financial instruments	-	-	-	-
Off-balance sheet gap	-	-	-	-
Total interest rate sensitivity gap	(555,195,702)	(383,521,268)	965,793,404	27,076,435
Cumulative interest rate sensitivity gap	(555,195,702)	(383,521,268)		

	As at June 30, 2009			
	Exposed to Yield / Interest risk		Not exposed to Yield / Interest rate risk	Total
	Upto one year	More than one year		
Financial assets	---------------------Rupees---------------------			
Non-current assets				
Long-term receivables from related parties	-	-	3,863,798	3,863,798
Long-term loans	16,942,570	-	-	16,942,570
	16,942,570	-	3,863,798	20,806,368
Current assets				
Investments - available for sale	271,389,174	-	1,021,383,803	1,292,772,977
Loans and advances	1,084,036	-	921,866	2,005,902
Deposits and other receivables	-	-	28,015,977	28,015,977
Balances due from funds under management	-	-	29,687,592	29,687,592
Cash and bank balances	2,091,915	-	1,996,947	4,088,862
	274,565,125	-	1,082,006,185	1,356,571,310
Sub Total	291,507,695	-	1,085,869,983	1,377,377,678

	As at June 30, 2009			
	Exposed to Yield / Interest risk		Not exposed to Yield / Interest rate risk	Total
	Upto one year	More than one year		
	---------------------Rupees---------------------			
Financial liabilities				
Securitisation of management fee receivables - debt	64,539,121	511,522,640	-	576,061,761
Short-term running finance - secured	317,691,909	-	-	317,691,909
Short term borrowings - unsecured	564,000,000	-	-	564,000,000
Accrued and other liabilities	-	-	48,468,894	48,468,894
Accrued mark-up	-	-	16,524,832	16,524,832
Sub Total	946,231,030	511,522,640	64,993,726	1,522,747,396
On-balance sheet gap	(654,723,335)	(511,522,640)	1,020,876,257	(145,369,718)

Off-balance financial instruments	-	-	-	-
Off-balance sheet gap	-	-	-	-
Total interest rate sensitivity gap	(654,723,335)	(511,522,640)	1,020,876,257	(145,369,718)
Cumulative interest rate sensitivity gap	(654,723,335)	(511,522,640)		

Cash flow sensitivity analysis for variable rate instruments

The increase/decrease in interest rates of 1% would have decreased / increased profits and equity for the year 2010 and 2009 by the amount of Rs. 7,697,438 (2009: Rs 4,020,796) and Rs. 6,521,959 (2009: Rs 13,380,801). This analysis assumes that all of the variables remains constant.

The interest rate profile of interest / mark-up bearing assets are given in notes 6 and 12 of these financial statements.

The interest rate profile of interest / mark-up bearing liabilities are given in notes 16, 18 and 19 of these financial statements.

38.1.3 Price Risk

The Company is exposed to listed and quoted securities price risk because of investments held by the Company and classified on the balance sheet as available for sale. To manage its price risk arising from investments, the Company invests mainly in those funds which are managed by itself.

38.2 Credit risk

The Company is exposed to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when they fall due. Credit risk arises from deposits with banks and financial institutions, investments in debt and equity securities and credit exposures arising as a result of dividends receivable on equity securities. For banks and financial institutions, only reputed parties are accepted. Credit risk on dividend receivable is minimal due to statutory protection. Management believes that the Company is not exposed to any significant credit risk from investments in or receivables from the funds which are managed by the Company itself. All transactions in listed securities are settled / paid for upon delivery using the central clearing company. The risk of default is considered minimal due to inherent systematic measures taken therein.

All the financial assets of the company except Rs 0.058 million (2009: Rs 0.075 million) are exposed to credit risk. The company controls credit risk by monitoring credit exposure, limiting transactions with specific counter parties, obtaining collaterals and continually assessing the credit worthiness of counter parties.

Exposure to credit risk

The maximum exposure to credit risk before any credit enhancements at June 30, 2010 is the carrying amount of the financial assets. The maximum exposure to credit risk at reporting date is:

	2010	**2009**
	Rupees	
Long-term loans - cosidered good	**1,346,339**	16,942,570
Loans and advances - considered good	**1,610,941**	2,005,902
Investments - available for sale	**1,113,660,268**	1,292,772,977
Deposits and other receivables - unsecured	**12,459,086**	28,015,977
Balances due from funds under management - related parties	**2,618,432**	29,687,592
Cash and bank balances	**5,173,592**	4,088,862
	1,136,868,658	1,373,513,880

Company's bank balances can be assessed with reference to external credit ratings as follows:

Rating	**Highest**	**Lowest**
Short Term	A1+	A1
Long Term	AAA	A

38.3 Liquidity risk

Liquidity risk is the risk that the Company may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

The Company is not materially exposed to liquidity risk as significant amount of obligations / commitments are supported by assigning future management fee of the specific funds of the Company to a Special Purpose Vehicle for discharging the liability of the Company. Other liabilities are short term in nature and are supported by other operating revenues generated by the Company and are further in support against investments of the Company which are readily convertible into cash.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

	As at June 30, 2010			
	Total	Upto three months	More than three months and upto one year	More than one year
	---------- Rupees ----------			
Securitisation of management fee receivables - debt	453,186,759	-	68,319,152	384,867,607
Short term running finance - secured	311,454,723	311,454,723	-	-
Short term borrowings - unsecured	300,000,000	300,000,000		
Accrued and other liabilities	34,128,700	34,128,700	-	-
Accrued mark-up	11,022,042	8,972,081	-	2,049,961
	1,109,792,224	654,555,504	68,319,152	386,917,568

	As at June 30, 2009			
	Total	Upto three months	More than three months and upto one year	More than one year
	---------- Rupees ----------			
Securitisation of management fee receivables - debt	576,061,761	-	64,539,121	511,522,640
Short term running finance - secured	317,691,909	317,691,909	-	-
Short term borrowings - unsecured	564,000,000	564,000,000		
Accrued and other liabilities	48,468,894	48,468,894	-	-
Accrued mark-up	16,524,832	15,255,684	-	1,269,148
	1,522,747,396	945,416,487	64,539,121	512,791,788

39 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the amount for which an asset could be exchanged, or liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the balance sheet date. The estimated fair value of all other financial assets and liabilities is considered not significantly different from book values as the items are either short term in nature or periodically repriced.

40 CAPITAL RISK MANAGEMENT

The primary objective of the company's capital management is to maintain healthy capital ratios, strong credit rating and optimal capital structures in order to ensure ample availability of finance for its existing and potential investment projects, to maximise shareholder value and reduce the cost of capital.

The company manages its capital structure and makes adjustment to it, in light of changes in economic conditions. In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

41 CORRESPONDING FIGURES

Corresponding figures relating to the discontinued operations of investment finance services business of the Company which were shown with the figures of continuing operations last year have been reclassified and separated for better presentation in view of the reasons explained in note 1.5.

42 GENERAL

These financial statements were authorised for issue on August 17, 2010 by the Board of Directors of the company.

Chief Executive	Director

CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITORS REPORT TO THE MEMBERS

We have audited the annexed consolidated financial statements comprising consolidated balance sheet of **JS Investments Limited** (the Holding company) and its subsidiary company, JS ABAMCO Commodities Limited as at June 30, 2010 and the related consolidated profit and loss account, consolidated statement of comprehensive income, consolidated statement of cash flows and consolidated statement of changes in equity together with the notes forming part thereof, for the year then ended. We have also expressed a separate opinion on the financial statements of the JS Investments Limited. The financial statements of the subsidiary company were audited by other firm of auditors whose report has been furnished to us and our opinion, in so far as it relates to the amounts included for such company, is based solely on the report of such other auditors. These consolidated financial statements are the responsibility of the Holding company's management. Our responsibility is to express an opinion on the accompanying consolidated financial statements based on our audit. The consolidated financial statements for the year ended June 30, 2009 were audited by another firm of chartered accountants who through their report dated August 21, 2009 expressed an unqualified opinion thereon.

Our audit was conducted in accordance with the international standards on Auditing and accordingly included such tests of accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the consolidated financial statements present fairly the financial position of JS Investments Limited and its subsidiary company as at June 30, 2010 and the results of their operations for the year then ended.

Karachi
Date: August 17, 2010

Anjum Asim Shahid Rahman
Chartered Accountants
Muhammad Shaukat Naseeb

JS investments

JS Investments Limited

CONSOLIDATED BALANCE SHEET
AS AT JUNE 30, 2010

	Note	2010	2009
		Rupees	
ASSETS			
Non-current assets			
Fixed assets			
Tangible - property and equipment	5	**341,272,046**	383,221,825
Intangible assets	5	**112,721,027**	118,026,195
Long-term receivables from related parties - unsecured			
- considered good	6	**-**	3,863,798
Long-term loans - considered good	7	**1,346,339**	16,942,570
Total non - current assets		**455,339,412**	522,054,388
Current assets			
Investments - available for sale	8	**1,147,299,547**	1,329,776,580
Loans and advances - considered good	9	**1,610,941**	2,005,902
Deposits, prepayments and other receivables - unsecured-considered good	10	**18,732,711**	38,969,077
Balances due from funds under management - related parties	11	**2,618,432**	29,687,592
Taxation recoverable		**103,512,221**	91,257,345
Cash and bank balances	12	**5,256,412**	4,176,078
Total current assets		**1,279,030,264**	1,495,872,574
Total assets		**1,734,369,676**	2,017,926,962
EQUITY AND LIABILITIES			
Share capital	13	**1,000,000,000**	1,000,000,000
Unrealised gain/(loss) on remeasurement of available for sale			
investments to fair value - net	8.1	**66,273,592**	(23,420,050)
Statutory reserve	14	**109,873,728**	109,873,728
Accumulated loss		**(748,413,383)**	(797,082,904)
Total equity		**427,733,937**	289,370,774
Surplus on revaluation of fixed assets - net of tax	15	**143,558,513**	150,157,687
LIABILITIES			
Non-current liabilities			
Securitisation of management fee receivables - debt	16	**384,867,607**	511,522,640
Deferred tax liability - net	17	**50,063,396**	50,260,993
Total non-current liabilities		**434,931,003**	561,783,633
Current liabilities			
Current maturity of securitisation of management fee			
receivables - debt	16	**68,319,152**	64,539,121
Short term running finance - secured	18	**311,454,723**	317,691,909
Short term borrowings-unsecured	19	**300,000,000**	564,000,000
Accrued and other liabilities	20	**37,350,306**	53,859,006
Accrued mark-up	21	**11,022,042**	16,524,832
Total current liabilities		**728,146,223**	1,016,614,868
Total liabilities		**1,163,077,226**	1,578,398,501
Total equity and liabilities		**1,734,369,676**	2,017,926,962
Contingencies & commitments	22		
Breakup value per share		**4.28**	2.89
Breakup value (including surplus on revaluation of fixed assets)		**5.71**	4.40

The annexed notes 1 to 42 form an integral part of these consolidated financial statements.

Chief Executive　　　　Director

CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2010

	Note	2010	2009
		Rupees	
Income			
Remuneration from funds under management	24	**361,247,913**	439,879,978
Commission from open end funds under management	25	**3,633,965**	4,753,743
Dividend		**40,077,419**	21,498,992
Gain/(loss) on sale of investments - net		**10,464,728**	(232,045,472)
Return on bank deposits		**291,443**	1,790,719
Unrealized (loss) / gain on remeasurement of investments at fair value through profit or loss		**(3,081,053)**	3,350,501
		412,634,415	239,228,461
Impairment loss on available for sale equity securities		**-**	(1,202,977,547)
		412,634,415	(963,749,086)
Operating expenses			
Administrative and marketing	27	**282,274,045**	352,724,757
Operating profit / (loss)		**130,360,370**	(1,316,473,843)
Other operating expenses	28	**2,151,224**	1,231,254
Financial charges	29	**127,403,269**	193,930,614
		805,877	(1,511,635,711)
Other operating income	30	**23,988,062**	14,828,371
Profit/(loss) before tax from continuing operations		**24,793,939**	(1,496,807,340)
Taxation - net	31	**490,794**	(54,082,881)
Profit/(loss) after tax from continuing operations		**24,303,145**	(1,442,724,459)
Profit/(loss) after tax for the year from discontinued operations	32.1	**17,767,201**	(274,749,115)
Profit/(loss) for the year		**42,070,346**	(1,717,473,574)
Earnings/(loss) per share for the year	33	**0.42**	(17.17)

The annexed notes 1 to 42 form an integral part of these consolidated financial statements.

Chief Executive

Director

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2010

	2010	2009
	Rupees	
Profit/(loss) for the year - continuing operations	**24,303,145**	(1,442,724,459)
Profit/(loss) for the year - discontinued operations	**17,767,201**	(274,749,115)
Profit/(loss) for the year	**42,070,346**	(1,717,473,574)
Other comprehensive income:		
Unrealised gain/(loss) on remeasurement of available for sale investments to fair value - net	**151,511,877**	(1,393,986,266)
Impairment on investment taken to profit & loss account	**-**	1,314,093,976
(Gain) / loss realised on disposal of investments	**(61,818,235)**	275,518,947
	89,693,642	195,626,657
Taxation relating to components of other comprehensive income	**-**	-
Total comprehensive income/(loss)	**131,763,988**	(1,521,846,917)
Earnings per ordinary share		
Profit/(loss) from continuing operations	**0.24**	(14.42)
Profit/(loss) from discontinued operations	**0.18**	(2.75)
Profit/(loss)	**0.42**	(17.17)

The annexed notes 1 to 42 form an integral part of these consolidated financial statements.

Chief Executive

Director

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2010

	Note	2010	2009
		Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit / (loss) for the year before taxation		**42,755,492**	(1,770,320,686)
Adjustment for non-cash and other items:			
Remuneration from funds under management	24	**(361,247,913)**	(439,879,978)
Commission from open end funds under management	25	**(3,633,965)**	(4,753,743)
Dividend		**(41,490,869)**	(33,772,067)
Depreciation	5.1	**36,246,473**	34,999,098
Amortisation of intangible assets		**5,305,168**	7,107,914
Financial charges		**187,888,271**	291,423,117
Interest / mark-up income		**(287,806)**	(1,902,510)
Liabilities no longer required written back	30	**(8,200,000)**	(2,172,740)
Loss on disposal of fixed assets	30	**2,932,834**	5,943,229
Gain on redemption of securities		**(16,729)**	(485,624)
Unrealised gain on remeasurment of investment at fair value through profit or loss		**3,081,053**	(3,350,501)
		(136,667,991)	(1,917,164,491)
Increase / decrease in assets and liabilities			
Loans and advances		**15,991,192**	3,536,738
Long-term receivable from related parties		**2,880,126**	4,572,432
Deposits, prepayments and other receivables		**(12,404,717)**	(1,723,544)
Accrued and other liabilities		**(8,302,623)**	(44,007,398)
		(1,836,022)	(37,621,772)
		(138,504,013)	(1,954,786,263)
Taxes paid		**(13,137,619)**	(30,411,740)
Remuneration and commission received from funds under management		**391,951,038**	475,659,254
Net cash inflow / (outflow) from operating activities		**240,309,405**	(1,509,538,749)
CASH FLOWS FROM INVESTING ACTIVITIES			
Investments - net		**268,806,352**	2,546,127,941
Fixed capital expenditure incurred		**(1,380,270)**	(4,446,577)
Dividend received		**41,505,654**	33,807,317
Return on bank deposits		**287,806**	2,060,193
Proceeds from disposal of fixed assets		**4,150,742**	1,001,364
Redemption of securities		**300,000**	5,000,000
Net cash inflow from investing activities		**313,670,284**	2,583,550,238
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of principal amount relating to the securitised management fee		**(91,690,000)**	(91,690,000)
Dividend paid		**(11,076)**	(108,079,914)
Short term borrowings		**(264,000,000)**	41,000,000
Financial charges paid		**(190,961,094)**	(297,967,670)
Net cash used in financing activities		**(546,662,170)**	(456,737,584)
Net increase in cash and cash equivalents		**7,317,519**	617,273,905
Cash and cash equivalents at beginning of the year		**(313,515,831)**	(930,789,736)
Cash and cash equivalents at end of the year	36	**(306,198,311)**	(313,515,831)

The annexed notes 1 to 42 form an integral part of these consolidated financial statements.

Chief Executive

Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2010

	Share capital	Accumulated (loss)	Statutory reserve	Unrealised (loss)/gain on re-measurement of investments classified as available for sale	Total equity
	----------	----------	Rupees	----------	----------
Balance as at June 30, 2008	1,000,000,000	1,017,296,464	109,873,728	(219,046,707)	1,908,123,485
Total comprehensive loss	-	(1,717,473,574)	-	195,626,657	(1,521,846,917)
Surplus on revaluation of fixed assets realized during the year on account of incremental depreciation charged thereon - net of tax	-	3,094,206	-	-	3,094,206
Final dividend for the year ended June 30, 2008 @ Re. 1 per share	-	(100,000,000)	-	-	(100,000,000)
Balance as at June 30, 2009	1,000,000,000	(797,082,904)	109,873,728	(23,420,050)	289,370,774
Total comprehensive income	**-**	**42,070,346**	-	**89,693,642**	**131,763,988**
Surplus on revaluation of fixed assets realized during the year on account of incremental depreciation charged thereon - net of tax	**-**	**6,599,175**	**-**	**-**	**6,599,175**
Balance as at June 30, 2010	**1,000,000,000**	**(748,413,383)**	**109,873,728**	**66,273,592**	**427,733,937**

The annexed notes 1 to 42 form an integral part of these consolidated financial statements.

Chief Executive

Director

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010

1 The GROUP AND ITS OPERATION

The group consists of:

Holding Company
JS Investments Limited

	Percentage holding JS Investments Limited and its nominees
Subsidairy Company	
JS ABAMCO Commodities Limited	100%

1.1 JS Investments Limited (the Holding Company) is a public listed company incorporated in Pakistan on February 22, 1995 under the Companies Ordinance, 1984. The shares of the Holding Company are quoted on the Karachi Stock Exchange since April 24, 2007. The registered office of the Holding Company is situated at 7th floor, 'The Forum', Khayaban-e-Jami, Clifton, Karachi. The Holding Company is a subsidiary of Jahangir Siddiqui and Company Limited (which has 52.02 percent direct holding in the Company).

The Holding Company has obtained the licence of an Investment Adviser and Asset Management Company (AMC) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations). In addition, the Holding Company also acts as Pension Fund Manager under the Voluntary Pension System Rules, 2005.

1.2 The Holding Company is an asset management company and pension fund manager for the following:

1.2.1 Asset management company of the following funds:

Closed end:

- JS Large Cap Fund
- JS Growth Fund
- JS Value Fund Limited

Open end:

- Unit Trust of Pakistan
- JS Income Fund
- JS Islamic Fund (formerly UTP - Islamic Fund)
- JS Aggressive Asset Allocation Fund
- JS Fund of Funds
- JS KSE-30 Index Fund (formerly UTP - A30+ Fund)
- JS Capital Protected Fund IV
- JS Aggressive Income Fund
- JS Principal Secure Fund I
- JS Principal Secure Fund II
- JS Cash Fund

1.2.2 Pension fund manager of the following funds:

- JS Pension Savings Fund
- JS Islamic Pension Savings Fund

1.3 During the year, the Holding Company has floated two new open end funds. The units of these funds were offered to the public on the following dates:

Name of open-end fund	From	To
JS Principal Secure Fund II	14-Dec-09	15-Dec-09
JS Cash Fund	29-Mar-10	31-Mar-10

1.4 As per the NBFC Regulations, all Asset Management Companies were required to separate their investment finance services (IFS) operation by November 30, 2008. The Securities and Exchange Commission of Pakistan (SECP) vide its letters dated September 2, 2009 and September 18, 2009 had confirmed the cancellation of license w.e.f. June 30, 2009 and has instructed the Holding Company to wind down the existing investments held under IFS license by February 28, 2010, which was further extended to June 30, 2010.

The Holding Company requested SECP to extend the aforesaid timeframe through their letter dated June 25, 2010. To this, SECP vide its letter dated July 14, 2010 allowed the Holding Company to hold TFCs of Optimus Limited acquired under IFS license as an asset management company. Further, SECP has extended the time period for asset management companies to achieve compliance with regulation 37(7)(k) of the Non Banking Finance Companies and Notified Entities Regulations, 2008 for not maintaining its own equity portfolio by June 30, 2011.

2 BASIS OF PRESENTATION AND CONSOLIDATION

a These consolidated financial statements include the financial statements of JS Investments Limited and JS ABAMCO Commodities Limited.

b Subsidiaries are all entities over which the group has the power to govern the financial and operating policies accompaning a shareholding of more than one half of the voting rights.The existance and effect of potential voting rights that are currently exercisable are considered when assessing whether the group controls another entity. Subsidiaries are fully consolidated from the date on which control is transfered to the group.They are de-consolidated from the date when control ceases. The assets and liabilities of subsidiary company have been consolidated on a line by line basis based on the audited financial statements for the year ended June 30, 2010 and the carrying value of investment held by the Holding Company is eliminated against the subsidiary shareholders equity in these consolidated financial statements. Material intra-Group balances and transactions have been eliminated.

c Minority interst is that part of the net results of operations and of net assets of subsidiary company attributable to interest which is not owned by the Group.

3 BASIS OF PREPARATION

3.1 Statement of compliance

These consolidated financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the directives issued by the Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements of the Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations or the directives issued by SECP differ with the requirements of IFRS, the requirements of the Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP shall prevail.

3.2 Standards, interpretations and amendments to published approved accounting standards that are effective in the current year

3.2.1 The following amendments to standard are mandatory for the first time for the financial year beginning July 01, 2009 which affect these consolidated financial statements:

During the current period, International Accounting Standard 1 (Revised), 'Presentation of Financial Statements' (Revised IAS-1) became effective from the annual period beginning on or after January 1, 2009. The application of this standard has resulted in certain increased disclosures.

The Revised IAS-1 prohibits the presentation of items of income and expenses in the statement of change in equity and requires non owners changes in equity to be shown in a separate statement.

The group under the given circumstances has a choice of presenting one statement (Statement of comprehensive income) or two separate statements (Profit and Loss account and Statement of comprehensive income). The group has preferred to present two statements. As this change only impacts presentation aspects, there is no impact on profit for the year.

In addition IFRS 8 Operating Segments has been effective for the annual period beginning on or after January 01, 2009. This standard requires the management approach under which segment information is disclosed in the same way as that used for the internal reporting purpose.

3.2.2 During the year, other standards, amendments to standards and interpretations also become applicable. However, these are either not relevant or do not affect consolidated financial statements of the group.

3.2.3 Revised IAS 23 ' Borrowing Costs' (amendment) removes the option to expense borrowing costs and requires that an entity capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. The group's current accounting policy is in compliance with this amendment, and therefore, there is no effect on the group's consolidated financial statements.

3.3 Standards, interpretations and amendments to published accounting standards that are not yet effective

The following standards, amendements and interpretations of International Financial Reporting Standards will be effective for accounting periods beginning on or after the dates specified below:

IAS 38 (amendments), 'Intangible Assets'. The amendment is part of the IASB's annual improvements project published in April 2009. The amendment clarifies guidance in measuring the fair value of an intangible asset acquired in a business combination and it permits the grouping of intangible assets as a single asset if each asset has similar useful economic lives. The amendment will not result in a material impact on the group consolidated financial statements.

IFRS 2 (amendments), ' Group cash-settled and share-based payment transactions'. In addition to incorporating IFRIC 8, 'Scope of IFRS 2', and IFRIC11, 'IFRS 2-Group and treasury share transactions', the amendments expand on the guidance in IFRIC11 to address the classifiaction of group arrangements that were not covered by that interpretation. The new guidance is however, not relevant to the group consolidated financial statements.

IFRS 5 (amendments), ' Measurement of non-current assets (or disposal groups) classified as held-for-sale' (effective for annual periods beginning on or after January 1, 2010). The interpretation is part of the IASB's annual improvements project published in April 2009. The amendment provides clarification that IFRS 5 specifies the disclosures required in respect of non- current assets (or disposal groups) classified as held for sale or discontinued operations. It also clarifies that the general requirement of IAS 1 still apply, particularly paragraph 15 (to achieve a fair presentation) and paragraph 125 (sources of estimation uncertaintly) of IAS 1. it is not expected to have a material impact on the group consolidated financial statements.

Amendments to IFRIC 14 IAS 19 - The Limit on a Defined Benefit Assets, Minimum Funding Requirements and their Interaction (effective for annual periods beginning on or after January 01, 2011). These amendments remove unintended consequences arising from the treatment of prepayments where there is a minimum funding requirement. These amendments result in prepayments of contributions in certain circumstances being recognised as an asset rather than an expense.

IFRIC 15, 'Agreement for the Construction of the Real Estate' (effective for annual period beginning on or after October 01, 2009 , clarifies the recognition of the revenue by the real estate developers for sale of units such as apartments or houses, off plan, that is, before the sale is completed.

IFRIC 19, 'Extinguishing Financial Liabilities with Equity Instruments' (effective for annual periods beginning on or after July 1, 2010). This interpretation provides guidance on the accounting for debt for equity swaps. This interpretation has no impact on the group consolidated financial statements.

There are other amendments to the approved accounting standards and interpretations that are mandatory for accounting periods beginning on or after January 1, 2010 but are considered not to be relevant or to have any significant effect on the Company's operations and are therefore not detailed in these group consolidated financial statements.

3.4 Critical accounting estimates and judgements

The preparation of consolidated financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgement in the process of applying the group's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience, including expectations of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the group's financial statements are as follows:

i) Depreciation on tangible assets and amortisation of intangible assets (notes 4.1.1, 4.1.2 and 5.6);
ii) Provision for taxation (notes 4.4, 31 and 31.1);
iii) Classification and valuation of investments (notes 4.3 and 8);
iv) Determination and measurement of useful life and residual values of property and equipment and intangible assets (notes 4.1.1 and 5.1);
v) Valuation of property and equipment (notes 4.1.1 and 5.1); and
vi) Recognition and measurement of deferred tax assets and liabilities (notes 4.4, 17 and 32.3).

3.5 Accounting convention

These group consolidated financial statements have been prepared under the historical cost convention, except that certain items of property and equipment are stated at revalued amounts and investments classified as available for sale have been marked to market and carried at fair value.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Fixed assets

4.1.1 Property and equipment

Owned

Property and equipment are stated at cost or revalued amounts less accumulated depreciation and accumulated impairment losses, if any, except for capital work-in-progress which is stated at cost. All expenditures connected with specific assets incurred during installation and construction period are carried under capital work in progress.

Subsequent costs are included in the asset's carrying amounts or recognized as a separate asset, as appropriate, only when it is probable that future benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other subsequent costs including repair and maintenance are charged to the profit and loss account as and when incurred.

Depreciation is charged to income applying the straight-line method, whereby the cost or revalued amount of an asset is written off over its estimated useful life. The residual values and useful lives are reviewed, and adjusted, if required, at each balance sheet date.

Depreciation on fixed assets is charged from the month in which the asset is available for use. No depreciation is charged for the month in which the asset is disposed off.

Any surplus arising on revaluation of fixed assets is credited to the surplus on revaluation of fixed asset account. Revaluation is carried out with sufficient regularity to ensure that the carrying amount of assets does not differ materially from their fair value. To the extent of the incremental depreciation charged on the revalued assets, the related surplus on revaluation of fixed assets (net of deferred tax) is transferred directly to equity.

Gains or losses on disposal of assets are included in the profit and loss account currently, except that the related surplus on revaluation of fixed assets (net of deferred tax) is transferred directly to equity.

4.1.2 Intangible assets

Intangible assets are measured initially at cost. After initial measurement, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. The depreciable amount of an intangible asset with a finite useful life is amortised using the straight line method from the month in which such intangible asset is available for use, whereby, the cost of the intangible asset is amortised over its estimated useful life over which economic benefits are expected to flow to the group. An intangible asset is regarded as having an indefinite useful life, when, based on an analysis of all of the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the group. An intangible asset with an indefinite useful life is not amortised. The useful life and amortisation method is reviewed and adjusted, if appropriate, at each balance sheet date.

4.2 Trade and other receivables

Trade and other receivables are stated initially at fair value and subsequently measured at amortised cost using the effective interest rate method less provision for impairment, if any. A provision for impairment is established where there is objective evidence that the group will not be able to collect all amounts due according to the original terms of the receivables. Trade and receivable are written off when considered irrecoverable.

4.3 Financial instruments

Financial assets

The group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, available for sale and held to maturity. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss. A financial asset is classified as held for trading if acquired principally for the purpose of selling in the short term. Assets in this category are classified as current assets.

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than twelve months after the balance sheet date, which are classified as non-current assets. Loans and receivables comprise loans, advances, deposits, other receivable and cash and bank balances in the consolidated balance sheet.

(c) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investments within twelve months from the balance sheet date.

(d) Held to maturity

Financial assets with fixed or determinable payments and fixed maturity, where management has intention and ability to hold till maturity are classified as held to maturity.

All financial assets are recognised at the time when the group becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of investments are recognised on trade-date, the date on which the group commits to purchase or sell the asset. Financial assets are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the profit and loss account. Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred and the group has transferred substantially all the risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest rate method.

Changes in the fair value of securities classified as available-for-sale are recognised in other comprehensive income.

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in other comprehensive income are included in the profit and loss account as gains and losses from investment securities. Interest on available-for-sale securities calculated using the effective interest method is recognised in the consolidated profit and loss account. Dividends on available-for-sale equity instruments are recognised in the profit and loss account when the group's right to receive payments is established.

The fair values of quoted investments are based on current prices. If the market for a financial asset is not active (and for unlisted securities), the group measures the investments at cost less impairment in value, if any.

The group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss is removed from other comprehensive income and recognised in the profit and loss account. Impairment losses recognised in the profit and loss account on equity instruments are not reversed through the profit and loss account.

Financial liabilities

All financial liabilities are recognised at the time when the group becomes a party to the contractual provisions of the instrument.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognised in the profit and loss account. Financial liabilities include short-term running finance, short term borrowings, securitisation of management fee receivable (debt), accrued expense and other liabilities.

4.4 Taxation

Current

Provision for current taxation is based on taxable income at the current rates of taxation after taking into account available tax credits and rebates; if any. The charge for current tax also includes adjustments where necessary, relating to prior years which arise from assessments framed / finalised during the year.

Deferred

Deferred tax is recognised using the liability method on all major temporary differences arising between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised. In addition, the group recognises deferred tax asset / liability on deficit / surplus on revaluation of tangible fixed assets, which is adjusted against the related deficit / surplus in accordance with the requirements of International Accounting Standard (IAS) 12 'Income Taxes'.

Deferred tax assets and liabilities are measured using the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted at the consolidated balance sheet date.

4.5 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. Cash and cash equivalents include cash in hand, balances with banks and short-term finances with original maturities of three months or less.

4.6 Operating Lease/Ijarah

Operating Lease/Ijarah in which a significant portion of the risks and rewards of ownership are retained by the lessor/Muj'ir are classified as operating leases/Ijarah. Payments made during the period are charged to Profit and loss account on a straight-line basis over the period of the lease/ Ijarah.

4.7 Borrowings / debt

Borrowings / debt are recognised initially at fair value, net of transaction costs incurred. These are subsequently measured at amortised cost and any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated profit and loss account over the period of the borrowings / debt under the effective interest method. Mark-up / profit on borrowings / debt is calculated using the effective interest method. Borrowings / debt include securitisation of management fee receivable.

4.8 Borrowing Cost

Borrowing costs directly attributable to the acquistion, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. All other borrowing costs are charged to consolidated profit and loss account in the period in which they are incurred.

4.9 Trade and other payables

Short-term liabilities for trade and other amounts payable are recognised initially at fair value and subsequently carried at amortised cost.

4.10 Defined Contribution Scheme

The Holding Company operates an approved contributory provident fund for all its permanent employees. The Holding Company and employees make equal monthly contributions to the fund at the rate of 8 to 10 percent of the basic salary. The subsidiary company does not presently operates any defined contribution scheme.

4.11 Employees' compensated absences

The Holding Company accounts for the liability in respect of employees' compensated absences in the year in which these are earned on the basis of the accumulated leaves and the last drawn salary and are charged to profit.The subsidiary company does not presently has any policy regarding employees' compensated absences.

4.12 Provisions

Provisions are recognised when the group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the outflow can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

4.13 Proposed dividend and transfer between reserves

Dividends declared and transfer between reserves, except appropriations which are required by the law, made subsequent to the balance sheet date are considered as non-adjusting events and are recognised in the consolidated financial statements in the year in which such dividends are declared or transfers between reserves are made.

4.14 Impairment

The carrying amount of assets is reviewed at each balance sheet date for impairment whenever events or changes in circumstances indicate that the carrying amount of assets may not be recoverable. If such indication exists, and where the carrying value exceeds the estimated recoverable amount, assets are written down to their recoverable amount. The resulting impairment loss is taken to the consolidated profit and loss account.

4.15 Revenue recognition

- Remuneration for investment advisory and asset management services are recognised on an accrual basis.
- Realised capital gains / losses on sale of investments is recognised in the profit and loss account at the time of sale.
- Dividend income is recorded when the right to receive the dividend is established.
- Return on bank deposits, mark-up on term finance certificate, mark-up on letter of placements and mark-up on commercial papers are recognised on an accrual basis.
- Commission income from open end funds is recognised at the time of sale of units.
- Commission income and share of profit from management of discretionary client portfolios is recognised on accrual basis.

4.16 Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. As the operations of the group are predominantly carried out in Pakistan, information relating to geographical segments is not considered relevant.

Assets, liabilities, capital expenditures and other balances that are directly attributable to segments are assigned to them while the carrying amount of certain assets used jointly by two or more segments are allocated to each segment on a reasonable basis.

The group determines the operating segments based on the services provided by it, further their segment analysis are used internally by the management to make strategic decision.

The operating segments comprises of :

(i) Asset management & investment advisory services
(ii) Investment finance services (now discontinued)
(iii) Commodity operations

4.17 Functional and presentation currency

Items included in the consolidated financial statements are measured using the currency of the primary economic environment in which the group operates. The consolidated financial statements are presented in Pakistani Rupees, which is the group s functional and presentation currency.

4.18 Foreign currency transactions

Transactions denominated in foreign currencies are accounted for in rupees at the foreign exchange rates prevailing on the date of the transaction. Monetary assets and liabilities in foreign currencies are translated into rupees at the foreign exchange rates approximating those prevailing at the consolidated balance sheet date. Exchange differences are taken to the consolidated profit and loss account.

4.19 Offsetting of financial assets and financial liabilities

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

4.20 Related party transactions

All transactions with related parties are carried out by the company at arm's length prices.

5 FIXED ASSETS

	Note	2010	2009
		Rupees	
Tangible - property and equipment			
Operating fixed assets	5.1	**338,772,046**	380,021,825
Capital work-in-progress - at cost	5.5	**2,500,000**	3,200,000
		341,272,046	383,221,825
Intangible assets	5.6	**112,721,027**	118,026,195
		453,993,073	501,248,020

5.1 The following is the statement of operating fixed assets:

	OWNED					TOTAL
	Year ended June 30, 2010					
	Office premises	Branch set-up	Furniture and fixtures	Office equipment	Vehicles	
	Rupees					
At July 1, 2009						
Cost / revaluation	331,254,000	16,275,200	25,357,219	98,196,253	12,321,647	**483,404,319**
Accumulated depreciation	(1,380,224)	(9,485,338)	(12,004,801)	(75,034,340)	(5,477,791)	**(103,382,494)**
Net book value	329,873,776	6,789,862	13,352,418	23,161,913	6,843,856	**380,021,825**
Year ended June 30, 2010:						
Opening net book value	329,873,776	6,789,862	13,352,418	23,161,913	6,843,856	**380,021,825**
Additions	-	748,400	37,000	1,294,870	-	**2,080,270**
Revaluation	-	-	-	-	-	**-**
Disposals :						
Cost / revaluation	-	(7,411,947)	(1,404,569)	(3,977,888)	(4,719,552)	**(17,513,956)**
Depreciation	-	4,064,285	698,252	3,757,389	1,910,454	**10,430,380**
	-	(3,347,662)	(706,317)	(220,499)	(2,809,098)	**(7,083,576)**
Depreciation charge for the year	(16,562,700)	(2,222,464)	(2,753,731)	(13,823,932)	(883,646)	**(36,246,473)**
Closing net book value	313,311,076	1,968,136	9,929,370	10,412,352	3,151,112	**338,772,046**
At June 30, 2010:						
Cost / revaluation	331,254,000	9,611,653	23,989,650	95,513,235	7,602,095	**467,970,633**
Accumulated depreciation	(17,942,924)	(7,643,517)	(14,060,280)	(85,100,883)	(4,450,983)	**(129,198,587)**
Net book value	**313,311,076**	**1,968,136**	**9,929,370**	**10,412,352**	**3,151,112**	**338,772,046**
Depreciation rate % per annum	5	20	10	25	20	

	OWNED					TOTAL
	Year ended June 30, 2009					
	Office premises	Branch set-up	Furniture and fixtures	Office equipment	Vehicles	Total
	Rupees					
At July 1, 2008						
Cost / revaluation	212,078,521	26,309,541	26,904,140	100,962,832	12,321,647	378,576,681
Accumulated depreciation	(41,844,190)	(10,047,069)	(9,880,555)	(66,363,309)	(4,032,067)	(132,167,190)
Net book value	170,234,331	16,262,472	17,023,585	34,599,523	8,289,580	246,409,491
Year ended June 30, 2009:						
Opening net book value	170,234,331	16,262,472	17,023,585	34,599,523	8,289,580	246,409,491
Additions	-	-	325,900	4,490,190	-	4,816,090
Revaluation	170,739,935	-	-	-	-	170,739,935
Disposals :						
Cost / revaluation	-	(10,034,341)	(1,872,821)	(7,256,769)	-	(19,163,931)
Depreciation	-	5,002,906	406,814	6,809,618	-	12,219,338
	-	(5,031,435)	(1,466,007)	(447,151)	-	(6,944,593)
Depreciation charge for the year	(11,100,490)	(4,441,175)	(2,531,060)	(15,480,649)	(1,445,724)	(34,999,098)
Closing net book value	329,873,776	6,789,862	13,352,418	23,161,913	6,843,856	380,021,825
At June 30, 2009:						
Cost / revaluation	331,254,000	16,275,200	25,357,219	98,196,253	12,321,647	483,404,319
Accumulated depreciation	(1,380,224)	(9,485,338)	(12,004,801)	(75,034,340)	(5,477,791)	(103,382,494)
Net book value	329,873,776	6,789,862	13,352,418	23,161,913	6,843,856	380,021,825
Depreciation rate % per annum	5	20	10	25	20	

5.2 The Holding Company follows the revaluation model for its office premises. The office premises of the Holding Company were last revalued on May 31, 2009 by an independent valuer Iqbal A. Nanjee & Co (Private) Limited on the basis of professional assessments of the market values. The revaluation resulted in a further surplus of Rs 170.740 million (April 18, 2005: Rs. 83.876 million). Out of the total revaluation surplus of Rs. 254.616, Rs. 220.730 million (June 30, 2009: Rs. 230.883 million) remains undepreciated as at June 30, 2010.

5.3 Had there been no revaluation, the net book value of the office premises would have been as follows.

	2010	2009
	Rupees	
Office premises	**91,441,128**	98,171,415

5.4 Particulars of fixed assets having written down value exceeding Rs. 50,000 disposed of during the year are as follows:

Description	Cost	Accumulated depreciation	Written down value	Sale proceeds	Mode of disposal	Particulars of buyers
	Rupees					
Land Cruiser	3,341,969	877,267	2,464,702	2,414,573	Negotiation	Muhammad Najam Ali (ex-CEO)
Honda Civic	1,275,083	956,312	318,771	12,775	Negotiation	Muhammad Najam Ali (ex-CEO)
Various furnitures of branch	1,766,500	883,285	883,215	600,000	Negotiation	Spud Energy Limited
Year ended June 30, 2010	**6,383,552**	**2,716,864**	**3,666,688**	**3,027,348**		
Year ended June 30, 2009	1,587,246	283,033	1,304,213	170,000		

5.5 Capital work-in-progress - at cost

	2010	2009
	Rupees	
Advances to suppliers against acquisition of furniture and fixtures	-	700,000
Advances for office premises	**2,500,000**	2,500,000
	2,500,000	3,200,000

5.6 Intangible assets

	2010			
	Membership of National Commodity Exchange	Software	Management Rights of ICP Mutual Funds	Total
	Rupees			
At July 1, 2009				
Cost	1,000,000	30,630,598	175,000,000	**206,630,598**
Accumulated amortisation	-	(18,604,403)	(70,000,000)	**(88,604,403)**
Net book value	1,000,000	12,026,195	105,000,000	**118,026,195**
Year ended June 30, 2010:				
Opening net book value	1,000,000	12,026,195	105,000,000	**118,026,195**
Additions	-	-	-	**-**
Amortisation charge for the year	-	(5,305,168)	-	**(5,305,168)**
Closing net book value	1,000,000	6,721,027	105,000,000	**112,721,027**
At June 30, 2010:				
Cost	1,000,000	30,630,598	175,000,000	**206,630,598**
Accumulated amortisation	-	(23,909,571)	(70,000,000)	**(93,909,571)**
Net book value	**1,000,000**	**6,721,027**	**105,000,000**	**112,721,027**
Amortisation rate % per annum		20 - 50	-	

	2009			
	Membership of National Commodity Exchange	Software	Management Rights of ICP Mutual Funds	Total
	Rupees			
At July 1, 2008				
Cost	1,000,000	30,553,598	175,000,000	206,553,598
Accumulated amortisation	-	(11,496,489)	(70,000,000)	(81,496,489)
Net book value	1,000,000	19,057,109	105,000,000	125,057,109
Year ended June 30, 2009:				
Opening net book value	1,000,000	19,057,109	105,000,000	125,057,109
Additions	-	77,000	-	77,000
Amortisation charge for the year	-	(7,107,914)	-	(7,107,914)
Closing net book value	1,000,000	12,026,195	105,000,000	118,026,195
At June 30, 2009:				
Cost	1,000,000	30,630,598	175,000,000	206,630,598
Accumulated amortisation	-	(18,604,403)	(70,000,000)	(88,604,403)
Net book value	1,000,000	12,026,195	105,000,000	118,026,195
Amortisation rate % per annum		20 - 50	-	

5.7 Intangible asset in respect of Management Rights of ICP Mutual Funds represents the amount paid for the acquisition of the management rights of 12 ICP Mutual Funds under a Management Rights Transfer Agreement between the Company, Privatisation Commission, Government of Pakistan and Investment Corporation of Pakistan in October 2002. These funds were consolidated into ABAMCO Stock Market Fund, ABAMCO Growth Fund and ABAMCO Capital Fund and then merged to form JS Growth Fund in 2006.

The Holding Company carried out a review of the useful life of the above management rights of ICP mutual funds. In addition, the Holding Company revisited and revised its future plans with respect to these funds which have now been merged to form the JS Growth Fund. Consequently, keeping in view the revised future plans, and opinion from its legal advisor in respect of the Holding Company's rights and obligations under the above mentioned Management Rights Transfer Agreement and an analysis of the relevant factors the management considers that this intangible asset has an indefinite useful life. The amortisation of the management rights acquired by the Holding Company had been discontinued with effect from July 1, 2006. Previously, the useful life was considered to be definite and cost incurred for acquisition of management rights was being amortised on a straight line basis over a period of ten years with effect from the year ended June 30, 2003.

5.8 The amount of software includes Rs. 1,500,000 relating to Investment Finance Services.

6 LONG-TERM RECEIVABLES FROM RELATED PARTIES - UNSECURED - CONSIDERED GOOD	**2010**	**2009**
	Rupees	
Outstanding balances of preliminary expenses incurred on and floatation of:		
JS Growth Fund	**324,000**	653,000
JS Aggressive Income Fund	**-**	983,600
JS Capital Protected Fund IV	**1,070,266**	2,140,533
JS Principal Secure Fund I	**-**	2,031,935
JS Principal Secure Fund II	**74,580**	-
JS Cash Fund	**1,460,096**	-
	2,928,942	5,809,068
Less: Receivable within one year from:		
JS Growth Fund	**324,000**	-
JS Aggressive Income Fund	**-**	325,000
JS Capital Protected Fund IV	**1,070,266**	196,720
JS Principal Secure Fund I	**-**	713,511
JS Principal Secure Fund II	**74,580**	-
JS Cash Fund	**1,460,096**	710,039
	2,928,942	1,945,270
	-	3,863,798

6.1 Preliminary expenses represent expenditure incurred on the incorporation and floatation of funds managed by the Holding Company. These expenses are recoverable from funds over a period ranging from 1 to 5 years and do not carry any mark-up.

6.2 During the year, the Holding Company has received an amount of Rs 5.745 million (2009: Rs 7.815 million) from the funds under management on account of reimbursement of preliminary expenses incurred by the Holding company on incorporation and floatation of the funds.

7 LONG-TERM LOANS - CONSIDERED GOOD	Note	2010	2009
Due from Chief Executive Officer - secured	7.1	-	15,000,000
Due from others - secured			
Executives	7.1 & 7.2	**581,888**	812,929
Other employees	7.2	**1,757,937**	2,213,677
		2,339,825	18,026,606
Less: receivable within one year	9	**(993,486)**	(1,084,036)
		1,346,339	16,942,570

7.1 Reconciliation of carrying amount of long-term loans to outgoing Chief Executive Officer and executives is as follows

	Chief Executive		**Executives**	
	2010	**2009**	**2010**	**2009**
	---------- **Rupees** ----------			
Opening balance	**15,000,000**	17,849,838	**812,929**	308,243
Disbursements	**-**	-	**400,000**	812,163
Repayments	**(15,000,000)**	(2,849,838)	**(631,041)**	(307,477)
Closing balance	**-**	15,000,000	**581,888**	812,929

7.2 This represents loans given to employees and executives for purchase of motor vehicles, house loans and general purpose cash loans. These loans are recovered through deduction from salaries over varying periods upto a maximum period of five years, fifteen years and three years respectively. These loans are granted in accordance with their terms of employment. The motor vehicle loans are secured by way of title to the motor vehicles being held in the name of the Holding company and house loans are secured by way of equitable mortgage. Motor vehicle loans, house loans and general purpose cash loans carry mark-up at rates ranging from 6.98 percent to 12.57 percent per annum (2009: 7.75 percent to 14 percent per annum).

7.3 The maximum aggregate amount due from the Chief Executive Officer at the end of any month during the year was Rs. 12.355 million (2009: Rs. 17.850 million).

7.4 The maximum aggregate amount due from executives at the end of any month during the year was Rs. 0.895 million (2009: Rs. 0.908 million).

8 INVESTMENTS

	Note	2010	2009
		Rupees	
Available for sale	8.1	**1,113,660,268**	1,292,772,977
At fair value through profit or loss account	8.2	**33,639,279**	37,003,603
		1,147,299,547	1,329,776,580

8.1 INVESTMENTS - AVAILABLE FOR SALE

	Note	2010 Number of certificates / units / shares	2010 Rupees	2009 Number of certificates / units / shares	2009 Rupees
Investments - related parties	8.5				
JS Value Fund Limited		**21,498,992**	**77,396,371**	21,498,992	95,670,514
JS Large Cap Fund		**65,810,000**	**279,692,500**	65,810,000	204,669,100
JS Growth Fund		**36,086,812**	**120,529,952**	36,086,812	137,851,622
JS Pension Savings Fund - Equity		**300,000**	**22,104,000**	300,000	18,471,000
JS Pension Savings Fund - Debt		**300,000**	**39,054,000**	300,000	36,885,000
JS Pension Savings Fund - Money Market		**300,000**	**32,553,000**	300,000	35,097,000
JS Fund of Funds		**1,278,295**	**111,249,981**	1,885,257	143,939,350
JS Capital Protected Fund		-	-	130,000	13,218,400
JS Capital Protected Fund II		-	-	266,000	27,818,280
JS Capital Protected Fund IV	8.3	**1,022,447**	**109,340,525**	1,017,422	98,303,275
JS Islamic Pension Savings Fund - Equity		**300,000**	**32,475,000**	300,000	27,255,000
JS Islamic Pension Savings Fund - Debt		**300,000**	**36,477,000**	300,000	33,507,000
JS Islamic Pension Savings Fund - Money Market		**300,000**	**33,813,000**	300,000	32,019,000
JS Aggressive Income Fund		**501,736**	**48,482,761**	501,736	51,979,862
JS Cash Fund		**400,000**	**40,968,000**	-	-
Investments at market value			**984,136,090**		956,684,403
Other investments					
EFU General Insurance Limited		-	-	3,900	343,551
Pakistan International Container Terminal Limited		-	-	942,300	50,347,089
Escort Investment Bank Limited	8.6	**3,274,000**	**9,461,860**	3,274,000	13,063,260
Nishat Mills Limited		-	-	25,000	945,500
			9,461,860		64,699,400
Term Finance Certificate					
Optimus Limited	8.7	**25,000**	**120,062,318**	25,000	119,346,975
Agritech Limited (formerly Pak American Fertilizer Limited		-	-	10,000	43,426,373
United Bank Limited		-	-	23,625	108,615,826
			120,062,318		271,389,174
Investments at market value			**1,113,660,268**		1,292,772,977
Less : Carrying value of investments			**(1,047,386,676)**		(2,630,287,003)
Impairment loss on investments held at year end			-		1,314,093,976
			(1,047,386,676)		(1,316,193,027)
Unrealised gain / (loss) on re-measurement of investments			**66,273,592**		(23,420,050)

	2010	2009
	Rupees	

8.2 At fair value through profit or loss account

	2010	2009
JS Income fund		
Investment at market value	**33,639,279**	37,003,603
Less: Carring value of investments	**(36,720,332)**	(33,653,104)
Un-realised (loss)/gain on re-measurement of investments	**(3,081,053)**	3,350,499

8.3 Maturity of funds

The duration of funds being managed by the Holding Company is specified in their respective offering documents as follows. After this period, these funds shall stand dissolved automatically.

Name of fund	Duration
JS Capital Protected Fund IV	Three years and six weeks
JS Principal Secure Fund I	Three years and six weeks

8.4 Certificates / shares / units pledged against short term borrowing

The details of the certificates/ shares/ units of funds pledged by the Holding Company against its borrowings are as follows:

Name of fund/companies	As at June 30, 2010 Number of certificates / shares / units	As at June 30, 2009 Number of certificates / shares / units
JS Value Fund Limited	**21,450,000**	21,498,500
JS Large Cap Fund	**22,000,000**	65,810,000
JS Growth Fund	**34,000,000**	36,080,000
JS Capital Protected Fund IV	**1,022,447**	-
Nishat Mills Limited	**-**	25,000
Escort Investment Bank Limited	**-**	3,274,000
Pakistan International Container Terminal Limited	**-**	942,300

8.5 This represents investment made in collective investment schemes managed by the Holding Company. The matter relating to the classification of these funds (i.e. as associates or subsidiary) has been referred by the various fund managers to the Professional Standards and Technical Advisory Committee and Joint Committee of the Institute of Chartered Accountants of Pakistan (ICAP) and Mutual Funds Association of Pakistan (MUFAP). Till such time as clarification is received from ICAP / MUFAP, the investments of the Holding Company in the collective investment schemes have been classified as available for sale in these financial statements.

8.6 This represents the investments acquired under the IFS operations.

8.7 The SECP vide their letter dated July 14, 2010 permitted the Holding Company to hold these investments as an Asset Management Company. These investments were previously acquired under IFS operations.

			2010	2009
9	**LOANS AND ADVANCES - CONSIDERED GOOD**	Note	**Rupees**	
	Current portion of long-term loan to Chief Executive Officer, executives and employees	7	**993,486**	1,084,036
	Unsecured advances to			
	- executives	9.1	**129,997**	625,928
	- employees	9.1	**381,068**	269,938
	- suppliers		**106,390**	26,000
			1,610,941	2,005,902

9.1 The advances to Chief Executive Officer, executives and other employees are provided to meet business expenses and are settled as and when incurred. In addition, advances are also provided to executives and employees against their salaries which are recovered through deduction from employees monthly payroll.

10	**DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES-UNSECURED-CONSIDERED GOOD**			
	Current maturity of long-term receivables from related parties	6	**2,928,942**	1,945,270
	Mark-up receivable on long term loan to Chief Executive Officer - related party		**-**	401,096
	Deposits		**1,900,602**	5,836,993
	Prepayments		**6,273,625**	10,958,100
	Mark-up receivable on term finance certificates	10.1	**4,056,624**	15,095,892
	Others	10.2	**3,572,918**	4,731,726
			18,732,711	38,969,077

10.1 This amount relates to the term finance certificates acquired under IFS operations.

10.2 This includes Rs 0.416 million (June 30, 2009: Rs 0.976 million) due from related parties on account of expenses incurred on their behalf.

	Note	2010	2009
		Rupees	

11 BALANCES DUE FROM FUNDS UNDER MANAGEMENT - RELATED PARTIES

11.1 Remuneration due from funds under management

	Note	2010	2009
Closed end funds			
JS Value Fund Limited	24.2	**102,159**	1,984,597
JS Large Cap Fund	24.2	**479,900**	3,308,937
JS Growth Fund	24.2	**643,878**	4,655,814
		1,225,937	9,949,348
Open end funds			
JS KSE-30 Index Fund (formerly UTP - A30+ Fund)	24.1	**8,627**	121,024
Unit Trust of Pakistan	24.2	**395,752**	4,731,293
JS Income Fund	24.2	**123,881**	6,057,360
JS Islamic Fund (formerly UTP - Islamic Fund)	24.2	**63,368**	568,685
JS Aggressive Asset Allocation Fund	24.1	**25,262**	447,546
JS Fund of Funds	24.1	**36,998**	355,492
JS Capital Protected Fund	24.1	**-**	712,216
JS Capital Protected Fund II	24.1	**-**	1,825,830
JS Capital Protected Fund IV	24.1	**93,056**	965,332
JS Pension Savings Fund	24.1	**20,180**	112,562
JS Islamic Pension Savings Fund	24.1	**14,869**	113,862
JS Principal Secure Fund I	24.1	**369,496**	3,396,240
JS Principal Secure Fund II	24.1	**72,193**	-
JS Aggressive Income Fund	24.1	**9,549**	315,769
JS Cash Fund	24.1	**139,432**	-
		1,372,663	19,723,211

11.2 Commission

	Note	2010	2009
Open end funds			
JS KSE-30 Index Fund (formerly UTP - A30+ Fund)	25.1	**885**	2,136
Unit Trust of Pakistan	25.1	**3,060**	2,258
JS Income Fund	25.1	**14,001**	2,414
JS Islamic Fund (formerly UTP - Islamic Fund)	25.1	**-**	2,450
JS Pension Savings Fund	25.1	**998**	630
JS Islamic Pension Savings Fund	25.1	**-**	5,145
JS Cash Fund	25.1	**888**	-
		19,832	15,033
		2,618,432	29,687,592

12 CASH AND BANK BALANCES

	Note	2010	2009
Cash in hand		**57,801**	75,191
Cash at bank in:			
Current accounts		**1,593,422**	1,921,756
Saving accounts	12.1	**3,605,189**	2,179,131
	12.2	**5,198,611**	4,100,887
		5,256,412	4,176,078

12.1 These carry mark-up at rates ranging from 4 percent to 11 percent (2009: 5 percent to 16 percent) per annum. It includes Rs 0.473 million (2009: Rs 0.055 million) held with JS Bank Limited (a related party).

12.2 This includes amount representing Rs. 909,706 (2009: Rs. 1,016,536) pertaining to IFS operations.

13 SHARE CAPITAL

2010	2009		2010	2009
Number of shares			Rupees	
		Authorised capital		
200,000,000	200,000,000	Ordinary shares of Rs. 10 each	**2,000,000,000**	2,000,000,000
50,000,000	50,000,000	Convertible preference shares of Rs. 10 each	**500,000,000**	500,000,000
250,000,000	250,000,000		**2,500,000,000**	2,500,000,000
		Issued, subscribed and paid-up capital		
21,250,000	21,250,000	Ordinary shares of Rs. 10 each issued as fully paid in cash	**212,500,000**	212,500,000
700,000	700,000	Fully paid ordinary shares of Rs. 10 each issued on amalgamation with CFSL	**7,000,000**	7,000,000
78,050,000	78,050,000	Ordinary shares of Rs. 10 each issued as fully paid bonus shares	**780,500,000**	780,500,000
100,000,000	100,000,000		**1,000,000,000**	1,000,000,000

13.1 52,023,617 (2009: 52,023,617) ordinary shares of the Holding Company are held by Jahangir Siddiqui & Company Limited, the holding company of the group.

	Note	2010	2009
		Rupees	
14 STATUTORY RESERVE			
Statutory reserve	14.1	**109,873,728**	109,873,728

14.1 Statutory reserve represents amount set aside as per the requirements of clause 16 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 issued by the Securities and Exchange Commission of Pakistan.

15 SURPLUS ON REVALUATION OF FIXED ASSETS - NET OF TAX

This represents surplus arising on revaluation of office premises net of deferred tax thereon.

	2010	2009
	Rupees	
Surplus on revaluation of fixed assets as at July 1	**230,882,787**	64,903,169
Surplus arising on revaluation of fixed assets during the year	**-**	170,739,935
	230,882,787	235,643,104
Transferred to accumulated profit:		
Surplus relating to incremental depreciation transferred to accumulated profit during the year - net of deferred tax	**(6,599,174)**	(3,094,206)
Related deferred tax liability	**(3,553,401)**	(1,666,111)
	(10,152,575)	(4,760,317)
	220,730,212	230,882,787
Less: related deferred tax liability on:		
- revaluation	**80,725,100**	82,391,211
- incremental depreciation charged during the year transferred to profit and loss account	**(3,553,401)**	(1,666,111)
	77,171,699	80,725,100
	143,558,513	150,157,687

16 SECURITISATION OF MANAGEMENT FEE RECEIVABLES - DEBT

	Repayment period From	Repayment period To	Price	2010	2009
				Rupees	
Financial Receivables Securitisatior Company Limited (FRSCL) (Class "A" TFC and Class "B" TFC)	Jan-07	Jan-14	6 months KIBOR plus 2% with floor of 8% and cap of 16% (repayable in fourteen semi annual	**700,000,000**	700,000,000
Financial Receivables Securitisatior Company Limited (Class "C" TFC)	Jan-07	Jan-14	Subordinate to Class "A" TFC and Class "B" TFC	**2,500,000**	2,500,000
				702,500,000	702,500,000
Less: principal redemption made to date				**(183,660,000)**	(91,970,000)
Less: unamortised transaction cost				**(4,887,393)**	(7,317,360)
				513,952,607	603,212,640
Less: current maturity				**(129,085,000)**	(91,690,000)
Total				**384,867,607**	511,522,640

CURRENT MATURITY OF SECURITISATION OF MANAGEMENT FEE RECEIVABLES - DEBT

	2010	2009
Current maturity of principal	**129,085,000**	91,690,000
Less : Receivable from FRSCL	**(60,765,848)**	(27,150,879)
	68,319,152	64,539,121

16.1 The Holding Company obtained funds aggregating to Rs 702.5 million against securitisation of its future management fee receivables from a few funds under management (as disclosed in note 24.2). Under the arrangement, the Holding Company has assigned a portion of its future management fee receivables to Financial Receivables Securitisation Company Limited (FRSCL), which is a SPV set up for this purpose for the tenor of the facility. Under the arrangement, the entire cash flows arising to the Holding Company from management fee receivables relating to these funds is deposited with a Trustee. Subsequently, the Trustee deducts therefrom the amount payable under the related agreements entered into by FRSCL in respect of issuance of Term Finance Certificates (TFC) with the TFC holders and returns the balance amount to the Holding Company. The amount retained by the Trustee is passed on to FRSCL for meeting its obligations towards the relevant TFC holders and its other operating and administrative expenses. This securitisation transaction has been classified as a debt by the management.

16.2 Put option

In respect of Class "B" TFC, the FRSCL have put options in respect of meeting its obligations towards TFC Class "B" which, if exercised, would require FRSCL (which is the buyer) to redeem the relevant TFC, firstly from any funds available with the buyer. In the event requisite funds are not available with the buyer, FRSCL may require the Holding Company (which is the originator) to purchase the relevant TFC in respect of which the put option has been exercised. Accordingly, in respect of Class "B" TFC, FRSCL has a partial or full put option on the Holding Company, exercisable on every semi-annual repayment date.

16.3 Class "C" TFC

Class 'C' TFC is subordinate to Class 'A' & Class 'B' TFCs for both principal and interest payments. The profit to Class "C" TFC holders will be paid out of the residual amount available from the deduction made by the Trustee at the cap rate of 16 percent in respect of the last instalment due under the relevant TFC agreements, less the sum total of (a) last instalment due under the Class "A" TFC and Class "B" TFC agreements, after which both Class "A" TFC and Class "B" TFC are fully redeemed; and (b) all remaining expenses of FRSCL.

	Note	2010	2009
		Rupees	
17 DEFERRED TAX LIABILITY - NET			
Taxable temporary differences on:			
Accelerated tax depreciation		**16,747,942**	21,624,241
Surplus on revaluation of fixed assets		**77,171,699**	80,725,100
		93,919,641	102,349,341
Deductible temporary differences on:			
Short-term provisions		**(369,104)**	(657,345)
Deferred tax asset on carried forward tax losses		**(43,487,141)**	(51,431,003)
		50,063,396	50,260,993

17.1 The Holding Company has an aggregate amount of Rs 124,248,973 in respect of unabsorbed tax losses as at June 30, 2010 on which a deferred tax debit balance has been recognised.

	Note	2010	2009
18 SHORT TERM RUNNING FINANCE - SECURED			
Soneri Bank Limited	18.1	**148,935,357**	44,650,257
JS Bank Limited	18.2	**162,519,366**	-
National Bank of Pakistan		-	273,041,652
		311,454,723	317,691,909

18.1 This represents a running finance facility with a limit of Rs. 250 million (June 30, 2009: 200 million) obtained from Soneri Bank Limited. The facility carries mark-up of 2% over 3 months KIBOR (June 30, 2009: 1.25% over 6 months KIBOR) rate which shall be reviewed on quarterly basis. Mark-up is payable on a quarterly basis.The facility is secured by way of Equitable mortgage of office premises and pledge of shares/ certificates of closed end funds under management.

18.2 The Holding company has also obtained running finance facility from JS Bank Limited (a related party) with a limit of Rs. 250 million. The facility carries mark-up of 2% over 3 months KIBOR rate which shall be reviewed on quarterly basis. Mark-up is payable on a quarterly basis. The facility is secured by way of pledge of units/ certificates/ shares of funds under management.

19 SHORT TERM BORROWINGS - UNSECURED

	Note	2010	2009
		Rupees	
From commercial bank and financial institution	19.1	**300,000,000**	564,000,000

19.1 These represents borrowings from commercial bank and financial institution acquired under IFS operations. These are repayable over various dates by July 28, 2010. Mark-up rate on these borrowings ranges from 13.35% per annum to 13.84% per annum (June 30, 2009: 15% per annum to 15.90% per annum). These include Rs. 200 million (June 30, 2009: Rs. 428 million) borrowed from JS Bank Limited (a related party).

20 ACCRUED AND OTHER LIABILITIES

	2010	2009
	Rupees	
Accrued expenses	**11,190,172**	17,099,332
Unclaimed dividend	**1,321,706**	1,332,782
Provision for staff compensated absences	**849,714**	1,606,987
Fee and commission payable	**12,830,859**	19,641,952
Donations payable	**-**	8,200,000
Advance rent	**1,476,974**	3,175,266
Others	**9,680,881**	2,802,687
	37,350,306	53,859,006

21 ACCRUED MARK-UP

	2010	2009
	Rupees	
Mark-up accrued on:		
- Short term running finance	**8,634,848**	12,735,801
- Short term borrowings	**337,233**	2,519,883
- Securitisation of management fee receivables	**2,049,961**	1,269,148
	11,022,042	16,524,832

22 CONTINGENCIES & COMMITMENTS

22 There are no contigencies as at the year end.

22 Commitments in respect of:

	2010	2009
Capital expenditure contracted but not incurred	**-**	350,000
Royalty and advisory payment	**10,000,000**	10,000,000
Asset acquired under operating lease	**-**	1,920,000
Motor Vehicle acquired under Ijarah from Bank Islami		
- Due in one year	**2,472,324**	-
- Due in two to five years	**7,416,972**	-

23 SEGMENT INFORMATION

The group determines the operating segments based on the services provided by it, further the segment analysis is used internally by the management to make strategic decision.

The operating segment comprises of:
(i) Asset management & investment advisory services
(ii) Investment finance services (now discontinued)
(iii) Commodity operations

		Continued operation		Discontinued operation					
		Asset management & investment advisory services		Investment finance services		Commodity operations		Total	
	Note	2010	2009	2010	2009	2010	2009	2010	2009
		Rupees							
INCOME									
Remuneration from funds under management	24	**361,247,913**	439,879,978	**-**	-	-	-	**361,247,913**	439,879,978
Commission from open end funds under management	25	**3,633,965**	4,753,743	**-**	-	-	-	**3,633,965**	4,753,743
Dividend		**40,077,419**	21,498,992	**1,413,450**	12,273,075	-	-	**41,490,869**	33,772,067
Underwriting commission		**-**	-	**-**	-	-	-	**-**	-
Gain / loss on sale of investments - net		**10,447,999**	(232,531,096)	**43,939,520**	(122,620,208)	**16,729**	485,624	**54,404,248**	(354,665,680)
Mark up on term finance certificates		**-**	-	**33,251,308**	44,518,534	-	-	**33,251,308**	44,518,534
Mark up on letter of placement		**-**	-	**-**	742,482	-	-	**-**	742,482
Mark up on commercial papers		**-**	-	**-**	4,633,801	-	-	**-**	4,633,801
Return on bank deposits		**280,538**	1,745,113	**7,268**	111,791	**10,905**	45,606	**298,711**	1,902,510
Commission income and share of profit from management of discretionary client portfolios	26	**-**	-	**1,936,014**	129,794	-	-	**1,936,014**	129,794
Amortisation of discount		**-**	-	**1,306,644**	52,714	-	-	**1,306,644**	52,714
Unrealised (loss)/gain on remeasurement of investments		**-**	-	**-**	-	**(3,081,053)**	3,350,501	**(3,081,053)**	3,350,501
		415,687,834	235,346,730	**81,854,204**	(60,158,017)	**(3,053,419)**	3,881,731	**494,488,619**	179,070,444
Impairment loss on investments		**-**	(1,202,977,547)	**-**	(111,116,429)	-	-	**-**	(1,314,093,976)
		415,687,834	(967,630,817)	**81,854,204**	(171,274,446)	**(3,053,419)**	3,881,731	**494,488,619**	(1,135,023,532)
OPERATING EXPENSES									
Administrative expenses		**281,944,528**	352,544,452	**3,407,649**	4,746,397	**329,517**	180,305	**285,681,694**	357,471,154
Other operating expenses		**2,151,224**	1,231,254	**-**	-	-	-	**2,151,224**	1,231,254
Financial charges		**127,403,269**	193,930,614	**60,485,002**	97,492,503	-	-	**187,888,271**	291,423,117
Other operating income		**(23,988,062)**	(14,828,371)	**-**	-	-	-	**(23,988,062)**	(14,828,371)
Segment results		**28,176,875**	(1,500,508,766)	**17,961,553**	(273,513,346)	**(3,382,936)**	3,701,426	**42,755,492**	(1,770,320,686)
Segment assets		**1,718,681,820**	1,658,005,166	**15,928,764**	356,801,576	**37,259,091**	40,625,220	**1,771,869,675**	2,055,431,962
Segment liabilities		**1,162,980,118**	1,011,760,336	**-**	551,914,349	**96,807**	80,000	**1,163,076,925**	1,563,754,685
Fixed capital expenditure		**2,080,270**	4,816,090	**-**	-	-	-	**2,080,270**	4,816,090
Depreciation / amortisation		**40,951,641**	42,107,012	**600,000**	600,000	-	-	**41,551,641**	42,707,012

	Note	2010	2009
		Rupees	
24 REMUNERATION FROM FUNDS UNDER MANAGEMENT - RELATED PARTIES			
Closed end funds			
JS Value Fund Limited	24.1	**24,801,034**	31,127,069
JS Large Cap Fund	24.1	**47,560,856**	46,490,362
JS Growth Fund	24.1	**66,425,197**	62,197,927
		138,787,087	139,815,358
Open end funds			
Unit Trust of Pakistan	24.1	**61,838,150**	71,245,306
JS Income Fund	24.1	**58,983,811**	116,810,487
JS Islamic Fund (formerly UTP - Islamic Fund)	24.1	**9,000,434**	8,758,273
JS Aggressive Asset Allocation Fund	24.1	**5,685,171**	8,175,175
JS Fund of Funds	24.1	**4,696,426**	5,475,148
JS KSE-30 Index Fund (formerly UTP - A30+ Fund)	24.1	**1,522,115**	1,614,623
JS Capital Protected Fund	24.1	**6,337,414**	10,830,648
JS Capital Protected Fund II	24.1	**3,019,529**	22,999,972
JS Capital Protected Fund III	24.1	**-**	17,354,223
JS Capital Protected Fund IV	24.1	**11,671,127**	12,734,059
JS Pension Savings Fund	24.1	**2,421,188**	1,306,521
JS Islamic Pension Savings Fund	24.1	**1,540,853**	1,337,286
JS Aggressive Income Fund	24.1	**2,409,352**	9,026,119
JS Principal Secure Fund I	24.1	**45,350,865**	12,396,780
JS Principal Secure Fund II	24.1	**4,809,351**	-
JS Cash Fund	24.1	**3,175,040**	-
		222,460,826	300,064,620
		361,247,913	439,879,978

24.1 Under the provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003, the management company / investment advisor of the Fund is entitled to a remuneration during the first five years of the fund, of an amount not exceeding three percent of the average net assets of the Fund and thereafter of an amount equal to two percent of such assets of the Fund. During the year ended June 30, 2010 the Holding Company has charged management fee at the rates ranging from 1 to 3 percent (2009: 1 to 3 percent).

24.2 Securitisation of management fee receivables

The Holding Company has entered into an agreement to sell certain portion of its management fee receivables from a few funds (listed below) under its management, with Financial Receivables Securitisation Company Limited (FRSCL), a special purpose vehicle, incorporated for this purpose in accordance with the Companies (Asset Backed Securitisation) Rules, 1999. In addition, the Holding Company has also entered into a service agreement with FRSCL to provide services in respect of the receivables sold under the above agreement. The services to be provided by the company include the administration of these receivables. Further, the Holding Company is also required to monitor these receivables in the same manner and apply the same policies and practices to the origination and for creation of these receivables as the Holding Company applies in the case of other receivables which it retains for its own account.

The securitised open-end and close-end funds are as under:

Open end funds:

- Unit Trust of Pakistan
- JS Islamic Fund (formerly UTP - Islamic Fund)
- JS Income Fund

Closed end funds:

- JS Growth Fund
- JS Large Cap Fund
- JS Value Fund Limited

	2010	2009
	Rupees	
25 COMMISSION FROM OPEN END FUNDS UNDER MANAGEMENT - RELATED PARTIES		
Unit Trust of Pakistan	**263,446**	501,158
JS Income Fund	**589,431**	1,358,101
JS Islamic Fund (formerly UTP - Islamic Fund)	**7,535**	44,030
JS Aggressive Asset Allocation Fund	**-**	24,102
JS Fund of Funds	**45,072**	336,690
JS KSE-30 Index Fund (formerly UTP - A30+ Fund)	**91,867**	10,124
JS Aggressive Income Fund	**800**	1,905
JS Pension Savings Fund	**514,622**	39,816
JS Islamic Pension Savings Fund	**2,100**	5,145
JS Principal Secure Fund I	**-**	2,432,672
JS Principal Secure Fund II	**2,117,167**	-
JS Cash Fund	**1,925**	-
	3,633,965	4,753,743

25.1 This represents gross commission income earned by the Holding Company on account of sale of units made on behalf of the funds under management.

26 COMMISSION INCOME AND SHARE OF PROFIT FROM MANAGEMENT OF DISCRETIONARY CLIENT PORTFOLIOS

This represents commission income and share of profit earned by the Holding Company from management of discretionary portfolios. Currently, JSIL is managing three (June 30, 2009: three) discretionary client portfolios. The total cost and total market value of the unsettled client portfolios as at June 30, 2010 was Rs. 36.159 million (June 30, 2009: 147.640 million) and Rs. 42.369 million (June 30, 2009: 114.631 million)

27 ADMINISTRATIVE AND MARKETING EXPENSES

	Note	2010	2009
		Rupees	
Salaries and benefits		**101,256,431**	122,106,853
Staff retirement benefits	27.1	**4,339,179**	6,495,352
Amortisation of intangible asset	5.6	**4,705,168**	6,507,914
Advertisement		**2,619,978**	13,506,033
Depreciation	5.1	**36,246,473**	34,999,098
Printing and stationery		**3,163,174**	3,305,198
Rent, rates, taxes and maintenance		**19,044,123**	23,778,802
Travelling, conveyance and vehicle maintenance		**9,332,630**	14,792,004
Transfer agent remuneration		**8,142,267**	8,297,618
Postage and telephone		**4,358,240**	7,017,321
Legal and professional		**11,250,383**	11,367,371
Fees and subscription		**8,679,651**	3,428,009
IT services		**11,859,609**	13,226,503
Utilities		**6,853,319**	6,653,439
Office security		**6,813,948**	7,851,551
Entertainment		**242,176**	935,528
Insurance		**5,856,662**	4,860,084
Newspaper		**63,290**	188,614
Directors' fee		**3,795,000**	3,795,000
Royalty and advisory fee	27.2	**10,000,000**	10,000,000
Office supplies		**660,838**	976,204
Pre-operating expenses of the subsidiary company	27.3	**329,517**	180,305
Shariah Advisory Fee		**1,440,000**	1,320,000
Ijarah rentals		**295,604**	-
Miscellaneous expenses		**1,309,998**	52,080
		262,657,658	305,640,881
Fee and commission		**19,616,387**	47,083,876
		282,274,045	352,724,757

27.1 Staff retirement benefits include contributions to defined contribution plan of Rs. 4.085 million (2009: Rs 6.006 million).

27.2 Royalty and advisory fee represents amounts payable to Mr. Jahangir Siddiqui on account of use of name and advisory services, respectively.

27.3 Pre-operating expenses of the subsidiary company

	2010	2009
	Rupees	
Membership fee	**25,000**	25,000
Rent, rates and taxes	**40,000**	-
Legal and professional charges	**111,200**	75,310
Auditor's remuneration	**78,750**	79,870
Others	**74,567**	125
	329,517	180,305

		2010	2009
		Rupees	
28	**OTHER OPERATING EXPENSES**		
	Auditors' remuneration		
	Annual audit fee	**800,000**	800,000
	Fee for review of the statement of compliance on code of corporate governance	**50,000**	50,000
	Out of pocket expenses	**115,254**	156,254
	Fee for review of half yearly financial statements	**200,000**	225,000
	Fee for tax and related advisory services	**985,970**	-
		2,151,224	1,231,254
29	**FINANCIAL CHARGES**		
	Mark-up on short-term borrowings	**44,477,177**	88,147,372
	Bank charges	**121,953**	204,912
	Mark-up and other charges of securitisation of management fee receivables	**82,804,139**	105,578,330
		127,403,269	193,930,614
30	**OTHER OPERATING INCOME**		
	Income from non-financial assets		
	Rental income	**16,798,308**	15,674,606
	(Loss) on disposal of fixed assets	**(2,932,834)**	(5,943,229)
	Income from financial assets		
	Liabilities no longer required written back	**8,200,000**	2,172,740
	Mark-up earned on loans to Chief Executive Officer, executives and employees	**1,922,588**	2,646,646
	Others	**-**	277,608
		23,988,062	14,828,371
31	**TAXATION - Net**		
	Current - for the year	**4,058,740**	4,157,157
	Current - for the prior years	**(3,370,349)**	-
	Deferred - for the year	**(197,597)**	(58,240,038)
		490,794	(54,082,881)

31.1 The income tax assessments of the Holding Company have been finalised up to and including the assessment year 2001-2002 (financial year ended June 30, 2001). The income tax assessments for tax year 2003 to tax year 2009 have been filed under the self assessment scheme and are deemed to be finalised under section 120 of the Income Tax Ordinance, 2001.

	2010	2009
	Rupees	
31.2 Relationship between accounting profit and tax expense is as follows:		
Accounting profit / (loss) before taxation	**42,747,827**	(1,770,320,686)
Tax @ 35% (2009: 35%)	**14,961,739**	(619,612,240)
Tax impact of income under FTR and differential in tax rates	**(5,158,068)**	(13,606,255)
Tax impact of exempt capital gains	**(19,035,632)**	124,302,956
Tax impact of minimum tax	**2,244,556**	-
Tax impact of depreciation/amortisation	**1,235,786**	(6,125,000)
Tax impact of expenses related to FTR income	**3,980,591**	3,865,951
Tax impact of impairment loss on investments	**-**	459,932,892
Others	**2,456,174**	(1,605,416)
	685,146	(52,847,112)

32 DISCONTINUED OPERATION RELATING TO THE INVESTMENT FINANCE SERVICES BUSINESS

Consequent to the reason explained in note 1.5 to the consolidated financial statements, the income and expenses of the Investment Finance Services have been separatley classified as " Discontinued Operations " in accordance with the requirements of International Financial Reporting Standards (IFRS) - 5 "Non-current assets held for sale and Discontinued Operations".

The analysis of the results of the investment finance services business are as follows:

	2010	2009
32.1 Analysis of the profit / (loss) after tax	Rupees	
Dividend, markup and other income	**37,914,684**	62,462,191
Profit / (loss) on sale of investments - net	**43,939,520**	(122,620,208)
Impairment loss on available for sale equity securities	**-**	(111,116,429)
	81,854,204	(171,274,446)
Administrative expenses	**3,407,649**	4,746,397
Financial charges	**60,485,002**	97,492,503
	63,892,651	102,238,900
Profit / (loss) before taxation	**17,961,553**	(273,513,346)
Taxation - Current	**194,352**	1,235,769
Profit / (loss) after taxation	**17,767,201**	(274,749,115)

32.2 Analysis of the cash flows:

Operating cash flows	**24,662,063**	(177,631,276)
Investing cash flows	**325,329,283**	44,125,957

			2010	2009
32.3	**Non current and current assets relating to IFS-discontinued operations**	Note	**Rupees**	
	Intangible assets		**1,500,000**	2,100,000
	Investments - available for sale		**9,461,860**	336,088,574
	Deposits, prepayments and other receivables		**4,056,624**	17,595,892
	Deferred tax asset		**574**	574
	Cash and bank balances	32.3.1	**909,706**	1,016,536
			15,928,764	356,801,576

32.3.1 This includes nil (2009: Rs 0.059 million) held with JS Bank Limited (a related party).

32.3.2 The Holding Company assumed the liabilities of IFS operations as an asset management company.

33 EARNINGS / (LOSS) PER SHARE

	2010	2009
Profit / (loss) for the year after taxation	**42,070,346**	(1,717,473,574)
Weighted average number of ordinary shares outstanding during the year	**100,000,000**	100,000,000
Earnings / (loss) per share	**0.42**	(17.17)

33.1 Diluted earnings per share has not been presented as the Group does not have any convertible instruments in issue as at June 30, 2009 and 2010 which would have any effect on the earnings per share if the option to convert is excersied.

34 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amounts charged (except for performance bonus which is reported on paid basis) in the consolidated financial statements in respect of the remuneration, including benefits to the Chief Executive Officer, directors and executives of the Holding Company are as follows:

	Chief Executive Officer		**Directors**		**Executives**	
	2010	**2009**	**2010**	**2009**	**2010**	**2009**
	Rupees					
Managerial remuneration	**8,620,645**	7,920,000	**6,244,443**	6,752,581	**25,903,347**	36,932,517
House rent allowance	**2,024,129**	1,584,000	**1,873,333**	1,056,774	**7,741,165**	10,868,757
Utilities allowance	**687,165**	792,000	**624,443**	675,258	**2,590,362**	3,693,278
Car Allowance	**559,806**	-	**1,531,423**	880,645	**8,446,613**	11,074,652
Performance bonus	**-**	12,693,000	**-**	-	**-**	17,143,000
Retirement benefits	**862,065**	792,000	**67,557**	323,000	**1,917,581**	2,922,567
Medical Allowance	**862,065**	792,000	**624,443**	674,645	**2,590,362**	3,693,278
Other reimbursable expenses	**-**	-	**9,799**	-	**243,898**	290,560
	13,615,87	24,573,000	**10,975,44**	10,362,903	**49,433,328**	86,618,609
Number of persons	**1**	1	**2**	1	**26**	31

34.1 The Chief Executive Officer and a director of the Holding Company are provided with free use of company owned and maintained vehicles.

34.2 The Holding Company provides performance bonus to the Chief Executive Officer and executives. The individual entitlements are being reported on paid basis.

34.3 In addition, meeting fee of Rs 15,000 (2009: Rs 15,000) per meeting was paid to three non-executive directors for meetings attended during the year.

35 TRANSACTIONS AND OUTSTANDING BALANCES WITH RELATED PARTIES

35.1 Transaction with related parties

35.1.1 Transactions with associates - funds under management

	2010	2009
	Rupees	
Remuneration income	**361,247,913**	439,879,978
Commission income	**3,633,965**	4,753,743
Other expenses incurred on behalf of the fund	**967,143**	465,559
Reimbursement of other expenses incurred on behalf of the fund	**1,124,236**	573,763
Dividend income	**40,077,419**	21,498,992
Preliminary expenses incurred on behalf of the fund	**2,869,683**	3,242,735
Reimbursement of preliminary expenses incurred on behalf of the fund	**5,744,809**	1,660,167
Invesment made in fund under management	**70,000,000**	-
Redemption of units	**300,000**	5,000,000
Investments disposed off - at cost	**126,006,947**	1,056,241,785
Amount received against long-term receivable	**-**	6,000,000
Other expenses incurred	**551,856**	-
Bonus / additional shares / units (in numbers)	**72,963**	1,038,695

35.1.2 Transactions with other related parties

	2010	2009
JS Air (Private) Limited		
Other expenses incurred on behalf of the fund	**35,461**	-
Reimbursement of other expenses incurred on behalf of the fund	**35,461**	-
JS Global Capital Limited (JSGCL) - associate of JSCL		
Rent income	**1,051,864**	-
Rent expense	**5,027,765**	5,254,260
Expenses incurred by the company on behalf of JSGCL	**784,660**	2,321,834
Reimbursement of expenses incurred on behalf of JSGCL	**603,256**	2,495,738
JS Bank Limited (JSBL) - subsidiary of JSCL		
Mark up expense on short term borrowings	**52,237,536**	45,045,809
Expenses incurred by the company on behalf of JSBL	**35,461**	-
Reimbursement of expenses incurred on behalf of JSBL	**35,461**	-
Mahvash and Jahangir Siddiqui Foundation		
Donations paid	**-**	1,000,000

	2010	2009
	Rupees	
Pakistan International Container Terminal Limited		
Dividend income	**1,413,450**	2,826,900
Agritech Limited (formerly Pak American Fertilizer Limited)		
Markup income	**5,338,079**	8,158,429
Markup income received	**7,761,405**	6,187,805
Principal redemption	**20,000**	20,000
Staff Provident Fund		
Contributions during the year	**4,085,435**	6,005,852
Dividend paid	**-**	10,000

35.1.3 Transactions with Holding Company

Jahangir Siddiqui & Company Limited (JSCL) - Holding Company		
Rent received	**3,606,390**	6,854,869
Rental income	**5,130,022**	6,729,047
Dividend paid	**-**	52,023,617
Expenses incurred on behalf of JSCL	**1,474,747**	2,503,757
Reimbursement of expenses incurred on behalf of JSCL	**1,820,934**	2,329,060

35.1.4 Transactions with subsidiary company

JS ABAMCO Commodities Limited (JSACL) - subsidiary of JSIL		
Expenses incurred by the company on behalf of JSACL	**11,000**	11,860
Reimbursement of expenses incurred by the company on behalf of JSACL	**16,000**	6,860

35.1.5 Transactions with key management personnel

Chief Executive Officer		
Mark-up income earned on long-term loan	**1,705,594**	2,256,059
Repayment of long-term loan	**15,000,000**	2,849,838
Remuneration of key management personnel	**59,091,678**	92,127,946

35.2 Balances outstanding at the year end

35.2.1 Balances outstanding with associates

Receivable from JS Value Fund Limited	-	21,840
Receivable from JS Income Fund	-	21,648
Receivable from JS Aggressive Income Fund	-	21,648
Outstanding balance of expenses incurred on behalf of different funds	-	264,675

35.2.2 Balances outstanding with other related parties

Payable to JS Bank Limited	**826,395**	2,016,870
Receivable from JS Global Capital Limited	**1,272,101**	38,833
Payable to JS Global Capital Limited	**4,817,765**	-
Receivable from JS ABAMCO Commodities Limited	**-**	5,000
Receivable from Staff Provident Fund	**-**	53,781

35.2.3 Balances outstanding with Holding Company

Receivable from Jahangir Siddiqui & Company Limited	**196,151**	542,338

35.3 Other balances outstanding with related parties as at the year end have been disclosed in the relevant balance sheet notes.

35.4 Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the group. The management considered all members of their management team, including the Chief Executive Officer and Directors to be key management personnel.

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

35.6 Details of the remuneration relating to Chief Executive officer and directors are disclosed in note 34 to the financial statements.

	Note	2010	2009
		Rupees	
36 CASH AND CASH EQUIVALENTS			
- Cash and bank balances	12	**5,256,412**	4,176,078
- Short term borrowings - secured	18	**(311,454,723)**	(317,691,909)
		(306,198,311)	(313,515,831)

37 FINANCIAL INSTRUMENTS BY CATEGORY

	2010			
	Loans and receivables	Available for sale	At fair value through profit or loss	Total
Assets	------------------------- Rupees	-------------------------		
Non-current assets				
Long-term loans - considered good	1,346,339	-	-	**1,346,339**
	1,346,339	-	-	**1,346,339**
Current assets				
Investments	-	1,113,660,268	33,639,279	**1,147,299,547**
Loans and advances - considered good	1,610,941	-	-	**1,610,941**
Deposits and other receivables - unsecured	12,459,086	-	-	**12,459,086**
Balances due from funds under management - related parties	2,618,432	-	-	**2,618,432**
Cash and bank balances	5,256,412	-	-	**5,256,412**
	21,944,871	1,113,660,268	33,639,279	**1,169,244,418**
	23,291,210	**1,113,660,268**	**33,639,279**	**1,170,590,757**

	Liabilities at fair value through profit and loss	Others	Total
Liabilities	------------------------- Rupees	-------------------------	
Securitisation of management fee receivables - debt	-	453,186,759	**453,186,759**
Short term running finance - secured	-	311,454,723	**311,454,723**
Short term borrowings - unsecured	-	300,000,000	**300,000,000**
Accrued and other liabilities	-	34,225,507	**34,225,507**
Accrued mark-up	-	11,022,042	**11,022,042**
	-	**1,109,889,031**	**1,109,889,031**

	2009			
	Loans and receivables	Available for sale	At fair value through profit or loss	Total
Assets	------------------------- Rupees	-------------------------		
Non-current assets				
Long-term receivables from related parties - unsecured - considered good	3,863,798	-	-	3,863,798
Long-term loans - considered good	16,942,570	-	-	16,942,570
	20,806,368	-		20,806,368
Current assets				
Investments		1,292,772,977	37,003,603	1,329,776,580
Loans and advances	2,005,902	-	-	2,005,902
Deposits and other receivables	28,010,977	-	-	28,010,977
Balances due from funds under management	29,687,592	-	-	29,687,592
Cash and bank balances	4,176,078	-	-	4,176,078
	63,880,549	1,292,772,977	37,003,603	1,393,657,129
	84,686,917	1,292,772,977	37,003,603	1,414,463,497

	Liabilities at fair value through profit and loss	Others	Total
Liabilities	------------------------- Rupees	-------------------------	
Securitisation of management fee receivables - debt	-	576,061,761	576,061,761
Short term running finance - secured	-	317,691,909	317,691,909
Short term borrowings - unsecured		564,000,000	564,000,000
Accrued and other liabilities	-	48,592,450	48,592,450
Accrued mark-up	-	16,524,832	16,524,832
	-	1,522,870,952	1,522,870,952

38 FINANCIAL RISK MANAGEMENT

The group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The groups overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the groups financial performance.

38.1 Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price of securities due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market.

The group manages market risk by monitoring exposure on marketable securities by following the internal risk management policies and regulations laid down by the Securities and Exchange Commission of Pakistan.

Market risk comprises of three types of risk: currency risk, interest rate risk and other price risk.

38.1.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The group, at present is not exposed to currency risk as its operations are geographically restricted to Pakistan and all transactions are carried out in Pak Rupees.

38.1.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As the group has no significant interest-bearing assets, the groups income and operating cash flows are substantially independent of changes in market interest rates.

The group's intrest rate risk arises from securitization of management fee receivables and short term borrowings. Borrowings isssued at variable rates expose the Group to cash flow interest rate risk and borrowing issued at fixed rate gives exposure to fair value interest rate risk.

Yield / interest rate sensitivity position for on balance sheet financial instruments is based on the earlier of contractual repricing or maturity date.

	As at June 30, 2010			
	Exposed to Yield / Interest risk		Not exposed to Yield / Interest rate risk	Total
	Upto one year	More than one year		
Financial assets	----------------------Rupees----------------------			
Non-current assets				
Long-term loans - considered good	-	1,346,339	-	**1,346,339**
	-	1,346,339	-	**1,346,339**
Current assets				
Investments	120,062,318	-	1,027,237,229	**1,147,299,547**
Loans and advances - considered good	993,486	-	617,455	**1,610,941**
Deposits and other receivables	-	-	12,459,086	**12,459,086**
Balances due from funds under management - related parties	-	-	2,618,432	**2,618,432**
Cash and bank balances	3,605,189	-	1,651,223	**5,256,412**
	124,660,993	-	1,044,583,425	**1,169,244,418**
Sub Total	124,660,993	1,346,339	1,044,583,425	**1,170,590,757**

	As at June 30, 2010			
	Exposed to Yield / Interest risk		Not exposed to Yield / Interest rate risk	Total
	Upto one year	More than one year		
	---------------------Rupees---------------------			
Financial liabilities				
Securitisation of management fee receivables - debt	68,319,152	384,867,607	-	**453,186,759**
Short term running finance - secured	311,454,723	-	-	**311,454,723**
Short term borrowings - unsecured	300,000,000			**300,000,000**
Accrued and other liabilities	-	-	34,225,507	**34,225,507**
Accrued mark-up	-	-	11,022,042	**11,022,042**
Sub Total	679,773,875	384,867,607	45,247,549	**1,109,889,031**
On-balance sheet gap	**(555,112,882)**	**(383,521,268)**	**999,335,876**	**60,701,727**
Off-balance financial instruments	-	-	-	-
Off-balance sheet gap	-	-	-	-
Total interest rate sensitivity gap	(555,112,882)	(383,521,268)	999,335,876	60,701,727
Cumulative interest rate sensitivity gap	(555,112,882)	(383,521,268)		

	As at June 30, 2009			
	Exposed to Yield / Interest risk		Not exposed to Yield / Interest rate risk	Total
	Upto one year	More than one year		
Financial assets	---------------------Rupees---------------------			
Non-current assets				
Long-term receivables from related parties	-	-	3,863,798	3,863,798
Long-term loans	16,942,570	-	-	16,942,570
	16,942,570	-	3,863,798	20,806,368
Current assets				
Investments	271,389,174	-	1,058,387,406	1,329,776,580
Loans and advances	1,084,036	-	921,866	2,005,902
Deposits and other receivables	-	-	28,015,977	28,015,977
Balances due from funds under management	-	-	29,687,592	29,687,592
Cash and bank balances	2,179,131	-	1,996,947	4,176,078
	274,652,341	-	1,119,009,788	1,393,662,129
Sub Total	291,594,911	-	1,122,873,586	1,414,468,497

	As at June 30, 2009			
	Exposed to Yield / Interest risk		Not exposed to Yield / Interest rate risk	Total
	Upto one year	More than one year		
	---------------------Rupees---------------------			
Financial liabilities				
Securitisation of management fee receivables - debt	64,539,121	511,522,640	-	576,061,761
Short-term running finance - secured	317,691,909	-	-	317,691,909
Short term borrowings - unsecured	564,000,000	-	-	564,000,000
Accrued and other liabilities	-	-	48,548,894	48,548,894
Accrued mark-up	-	-	16,524,832	16,524,832
Sub Total	946,231,030	511,522,640	65,073,726	1,522,827,396
On-balance sheet gap	(654,636,119)	(511,522,640)	1,057,799,860	(108,358,899)
Off-balance financial instruments	-	-	-	-
Off-balance sheet gap	-	-	-	-
Total interest rate sensitivity gap	(654,636,119)	(511,522,640)	1,057,799,860	(108,358,899)
Cumulative interest rate sensitivity gap	(654,636,119)	(511,522,640)		

Cash flow sensitivity analysis for variable rate instruments

The increase/decrease in interest rates of 1% would have decreased / increased profits and equity for the year 2010 and 2009 by the amount of Rs. 7,697,438 (2009: Rs 4,020,796) and Rs. 6,521,959 (2009: Rs 13,380,801). This analysis assumes that all of the variables remains constant.

The interest rate profile of interest / mark-up bearing assets are given in notes 6 and 12 of these financial statements.

The interest rate profile of interest / mark-up bearing liabilities are given in notes 16, 18 and 19 of these financial statements.

38.1.3 Price Risk

The group is exposed to listed and quoted securities price risk because of investments held by the group and classified on the balance sheet as available for sale. To manage its price risk arising from investments, the group invests mainly in those funds which are managed by itself.

38.2 Credit risk

The group is exposed to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when they fall due. Credit risk arises from deposits with banks and financial institutions, investments in debt and equity securities and credit exposures arising as a result of dividends receivable on equity securities. For banks and financial institutions, only reputed parties are accepted. Credit risk on dividend receivable is minimal due to statutory protection. Management believes that the group is not exposed to any significant credit risk from investments in or receivables from the funds which are managed by the group itself. All transactions in listed securities are settled / paid for upon delivery using the central clearing company. The risk of default is considered minimal due to inherent systematic measures taken therein.

All the financial assets of the group except Rs 0.058 million (2009: Rs 0.075 million) are exposed to credit risk. The group controls credit risk by monitoring credit exposure, limiting transactions with specific counter parties, obtaining collaterals and continually assessing the credit worthiness of counter parties.

Exposure to credit risk

The maximum exposure to credit risk before any credit enhancements at June 30, 2010 is the carrying amount of the financial assets. The maximum exposure to credit risk at reporting date is:

	2010	2009
	Rupees	
Long-term loans - cosidered good	**1,346,339**	16,942,570
Loans and advances - considered good	**1,610,941**	2,005,902
Investments	**1,147,299,547**	1,329,776,580
Deposits and other receivables - unsecured	**18,732,711**	38,969,077
Balances due from funds under management - related parties	**2,618,432**	29,687,592
Cash and bank balances	**5,256,412**	4,176,078
	1,176,864,382	1,421,557,799

Holding Company's bank balances can be assessed with reference to external credit ratings as follows:

Rating	Highest	Lowest
Short Term	A1+	A1
Long Term	AAA	A

38.3 Liquidity risk

Liquidity risk is the risk that the group may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

The group is not materially exposed to liquidity risk as significant amount of obligations / commitments are supported by assigning future management fee of the specific funds of the group to a Special Purpose Vehicle for discharging the liability of the group. Other liabilities are short term in nature and are supported by other operating revenues generated by the group and are further in support against investments of the group which are readily convertible into cash.

The table below analyses the group's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

	As at June 30, 2010			
	Total	Upto three months	More than three months and upto one year	More than one year
	------------------------- Rupees --------------------------			
Securitisation of management fee receivables - debt	453,186,759	-	68,319,152	384,867,607
Short term running finance - secured	311,454,723	311,454,723	-	-
Short term borrowings - unsecured	300,000,000	300,000,000	-	-
Accrued and other liabilities	34,225,507	34,225,507	-	-
Accrued mark-up	13,072,003	11,022,042	-	2,049,961
	1,111,938,992	656,702,272	68,319,152	386,917,568

	As at June 30, 2009			
	Total	Upto three months	More than three months and upto one year	More than one year
	------------------------- Rupees --------------------------			
Securitisation of management fee receivables - debt	576,061,761	-	64,539,121	511,522,640
Short term running finance - secured	317,691,909	317,691,909	-	-
Short term borrowings - unsecured	564,000,000	564,000,000	-	-
Accrued and other liabilities	48,548,894	48,548,894	-	-
Accrued mark-up	16,524,832	15,255,684	-	1,269,148
	1,522,827,396	945,496,487	64,539,121	512,791,788

39 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the amount for which an asset could be exchanged, or liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the group is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the balance sheet date. The estimated fair value of all other financial assets and liabilities is considered not significantly different from book values as the items are either short term in nature or periodically repriced.

40 CAPITAL RISK MANAGEMENT

The primary objective of the group's capital management is to maintain healthy capital ratios, strong credit rating and optimal capital structures in order to ensure ample availability of finance for its existing and potential investment projects, to maximise shareholder value and reduce the cost of capital.

The group manages its capital structure and makes adjustment to it, in light of changes in economic conditions. In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

41 CORRESPONDING FIGURES

Corresponding figures relating to the discontinued operations of investment finance services business of the Holding Company which were shown with the figures of continuing operations last year have been reclassified and separated for better presentation in view of the reasons explained in note 1.4.

42 GENERAL

These financial statements were authorised for issue on August 17, 2010 by the Board of Directors of the Holding Company.

Chief Executive

Director

PATTERN OF SHAREHOLDING

AS AT JUNE 30, 2010

No. of shareholders	Shareholding From	Shareholding To	Total shares held
340	1	100	19,591
1255	101	500	539,777
833	501	1,000	789,920
1268	1,001	5,000	3,530,835
335	5,001	10,000	2,708,317
87	10,001	15,000	1,160,890
83	15,001	20,000	1,542,802
46	20,001	25,000	1,086,607
23	25,001	30,000	649,504
15	30,001	35,000	490,637
17	35,001	40,000	655,074
10	40,001	45,000	430,282
22	45,001	50,000	1,091,058
10	50,001	55,000	527,072
5	55,001	60,000	299,600
3	60,001	65,000	192,999
4	65,001	70,000	265,183
10	70,001	75,000	730,347
2	75,001	80,000	160,000
1	80,001	85,000	81,559
4	85,001	90,000	352,918
1	90,001	95,000	92,995
8	95,001	100,000	795,154
1	100,001	105,000	100,498
1	105,001	110,000	110,000
2	110,001	115,000	226,300
1	115,001	120,000	120,000
2	120,001	125,000	248,900
3	125,001	130,000	385,806
1	130,001	135,000	135,000
2	140,001	145,000	284,896
1	145,001	150,000	150,000
1	160,001	165,000	163,600
1	170,001	175,000	172,550
1	175,001	180,000	176,000
1	190,001	195,000	190,474
3	195,001	200,000	600,000
2	200,001	205,000	407,000
2	205,001	210,000	420,000
1	220,001	225,000	220,852
4	230,001	235,000	930,852
1	320,001	325,000	325,000
1	370,001	375,000	373,397
1	420,001	425,000	425,000
1	500,001	505,000	500,045
1	510,001	515,000	510,992
1	620,001	625,000	621,000
1	745,001	750,000	750,000
1	885,001	890,000	890,000
1	995,001	1,000,000	1,000,000
1	1,110,001	1,115,000	1,112,012
1	1,295,001	1,300,000	1,300,000
1	1,905,001	1,910,000	1,908,888
1	2,510,001	2,515,000	2,513,302
1	4,100,001	4,105,000	4,100,226
1	4,130,001	4,135,000	4,130,800
1	4,275,001	4,280,000	4,279,877
1	52,020,001	52,025,000	52,023,612
4429			**100,000,000**

Categories of shareholders	No.	Shares held	Percentage
Individual	4302	22,001,728	8.13
Insurance Companies	5	895,177	1.05
Joint Stock Companies	105	65,583,030	77.25
Financial Institutions	7	3,168,641	3.73
Modarba & Mutual Funds	2	28,000	0.03
Others	8	8,323,424	9.80
	4429	**100,000,000**	**100.00**

DISCLOSURE TO PATTERN OF SHARE HOLDING

	Shares held
1 Associated Companies, undertaking and related parties:	
- Jahangir Siddiqui & Co. Ltd	52,023,617
2 NIT AND ICP	
- National Bank of Pakistan, Trustee Deptt.	41,782
3 Directors, CEO, their spouses and minor children:	5,510
4 Public sector companies & corporations:	-
5 Banks, DFIs, NBFCs, Insurance companies modarabas and mutual funds	4,050,036
6 Shareholders holding 10% or more voting interest in the listed companies:	-
7 Executives	-

The Company Secretary
JS Investments Limited
7th Floor, The Forum,
Block 9, Khayaban-e-Jami
Clifton, Karachi

I/We____ of ________________________________ being Shareholder (s) of ___________________________________, holding ____________________________ shares as per Registered Folio No. / CDC A/c No. (For those who have shares in CDS) ____ hereby appoint Mr. / Ms ____ of (full address) ______________________________________ _____________________________________ or failing him / her Mr. / Ms. ____________________________ of (full address) ____ who is / are also Shareholder of the Company, as my proxy to attend, and vote for me / us on my / our behalf at the Annual General Meeting of the Company to be held on September 30, 2010 and / or any adjournment thereof.

As witness my / our hand / seal this __________________________ day of ___________________________ 2010. Signed by ______________________________ in the presence of ____(name and address) ____.

Witness:

1. Name ________________________
   Signature ______________________
   Address ______________________
   ____
   CNIC or ______________________
   Passport No. __________________

2. Name ________________________
   Signature ______________________
   Address ______________________
   ____
   CNIC or ______________________
   Passport No. __________________

Signature on Rs. 5/- Revenue Stamp

The Signature should agree with the specimen registered with the Company

Important:

1. This proxy form, duly completed and signed, must be received at the Office of the Company Situated at 7th Floor, The Forum, Block-9, Khayaban-e-Jami, Clifton, Karachi not less than 48 before the time of holding the meeting.

2. No Person shall act as proxy unless he / she himself / herself is a Shareholder of the Company, except that a Corporation may appoint a person who is not a member.

3. If a Shareholder appoints more than one proxy and more than one instruments of proxy are deposited with the Company all such instruments of proxy shall be rendered invalid.

4. Any individual Beneficial Owner of the Central Depository Company, entitled to vote at this meeting must bring his / her National Identity card with him / her to prove his / her identity, and in case of proxy, must enclose an attested copy of his / her National Identity Card. Representatives of Corporate members should bring the usual documents required for such purpose.

JS Investments Limited

AFFIX
CORRECT
POSTAGE

The Company Secretary
JS Investments Limited
7/F, The Forum,
Block-9, Clifton, Karachi

JS Investments Limited

7th Floor, The Forum,
G-20 Khayaban-e-Jami,
Block-9, Clifton, Karachi-75600

Phone: +92 21 111 222 626
Fax: +92 21 35361724
E-mail: info@jsil.com
Website: www.jsil.com