

ANNUAL REPORT  
2009



**AMZ Ventures Limited**

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## **VISION STATEMENT**

To make AMZ Ventures Limited a profitable and sound financial institution with a strong investment portfolio and sustained business growth, resulting in value addition for all stakeholders.

## **MISSION STATEMENT**

- To invest in emerging businesses with the potential for market leadership
- To invest in a management team driven by ambition for success of the company.
- To run the affairs of the company with professional competence.
- To build up a diversified portfolio contributing significantly to the development of the company.
- To create strategic partnerships in key sectors of the economy that add value to the objectives of the company. Our goal is to be, not just an investor, but a productive partner working for the success of the company.

**CORPORATE INFORMATION**

<b>Board of Directors</b>	Mr. Athar Haneef Naseem Shaikh Ms. Fauzia Hasnain Mr. Inaam-ul-Haque Mr. Mehmood-ul-Haq Mr. Shahid Hafeez Ahmed Mr. Dawood Nasir Paul Mr. Syed Qutub Ahmed	Chairman & Chief Executive Director Director Director Director Director Director
<b>Audit Committee</b>	Mr. Dawood Nasir Paul Mr. Mehmood-ul-Haq Mr. Syed Qutub Ahmed	Chairman Member Member
<b>Chief Financial Officer &amp; Co. Secretary</b>	Mr. Muhammad Shahid Jamal	
<b>Chief Internal Auditor</b>	Mansoor Aslam Seraj Saleem Chartered Accountants	
<b>Legal Advisor</b>	Mohsin Tayebaly & Co. Barristers & Advocates	
<b>Auditors</b>	Haroon Zakaria & Co. Chartered Accountants (A member firm of msi Global Alliance)	
<b>Share Registrar</b>	THK Associates (Pvt.) Ltd. Ground Floor, Statelife Building # 3, Dr. Ziauddin Ahmed Road, Karachi-75530.	
<b>Registered Office</b>	19th Floor, Tower B, Saima Trade Towers I.I. Chundrigar Road. Karachi-74000, Pakistan Phone : (9221) 111-269-111 Fax: (9221) 2219760 Websites : <a href="http://www.amzventures.com">www.amzventures.com</a> <a href="http://www.amzt.com">www.amzt.com</a> <a href="http://www.gonetbpo.com">www.gonetbpo.com</a> <a href="http://www.amzdirect.com">www.amzdirect.com</a> E-mails : <a href="mailto:info@khi.go.net.pk">info@khi.go.net.pk</a> <a href="mailto:info@gonetbpo.com">info@gonetbpo.com</a> <a href="mailto:info@amzt.com">info@amzt.com</a> <a href="mailto:info@amzaccess.com">info@amzaccess.com</a>	

**KEY FINANCIAL INFORMATION**

**Balance Sheet (Significant Items only)**

Assets (Significant items only)

Fixed assets

Long term investment

Long term loan

Interest Accrued

Short term loan and advances

**Equity & Liabilities (Significant items only)**

Equity

Liabilities against assets subject to finance lease

Short term finance

**AS AT**

	<b>June 30, 2009</b>	<b>June 30, 2008</b>
	<b>37,975,300</b>	38,338,520
	<b>304,128,440</b>	304,128,440
	-	-
	<b>32,820,856</b>	13,895,128
	<b>91,509,727</b>	88,439,146
	<b>222,186,520</b>	233,655,246
	<b>27,309,416</b>	28,315,128
	-	24,721,000

**Profit & Loss Account (Significant items only)**

Revenue

Share floatation charges

Other administrative charges

Finance Cost

Loss for the year

Loss per share

<b>Year ended June 30, 2009</b>	<b>Year ended June 30, 2008</b>
-------------------------------------	-------------------------------------

**18,925,728** 4,542,289

- -

**1,333,974** 2,585,521

**29,212,455** 27,951,892

**(11,468,726)** (25,566,664)

**(0.38)** (0.85)

**DIRECTORS' REPORT TO THE SHAREHOLDERS**

AMZ Ventures Limited (AMZVL) was listed on the Karachi Stock Exchange in December 2004. It was set up as the AMZ Group's effort for the promotion and development of the venture capital concept in Pakistan.

**OPERATIONS REVIEW**

The fifth year of the Company's operation continued to be a difficult one for the Company primarily due to the lack of fresh resources and the existing debt burden. The management of your Company, in line with the previous year's strategy continued the cost cutting measures and focused on putting an effective marketing strategy in place for its US based subsidiary, Global Transcriptions Inc (GT), which is engaged in medical transcription. However business in the US has also been difficult due to the ongoing economic crisis in that country.

Aggressive cost control in the payroll of foreign subsidiary GT while impacting revenues has also resulted in a positive gross profit margin.

**FINANCIAL REVIEW**

The year under review was the fifth full year of operations of the Company since its incorporation. Comparative financial results of the Company, both on an individual and consolidated basis, for the year under review are as follows:

	Rupees in million			
	AMZVL			
	June 30, 2009		June 30, 2008	
	Stand Alone	Consolidated	Stand Alone	Consolidated
Turnover	18.925	49.176	4.542	41.616
Cost of services	-	(33.413)	-	(52.236)
Gross profit/(loss)	18.925	15.761	4.542	(10.619)
Marketing, distribution and other operating costs	(1.334)	(20.766)	(2.585)	(37.060)
Amortization of Intangibles	-	(2.624)	-	(22.362)
Gain/(Loss) on Sale of fixed assets	-	-	-	-
Finance cost	(29.212)	(37.725)	(27.951)	(35.263)
Other Income	0.152	-	0.428	-
Loss before tax	(11.469)	(45.353)	(25.566)	(105.304)
Loss per share	(0.38)	(1.51)	(0.85)	(3.53)

As similar to the last year, during the year under review, the Management of your company was mainly focused on new business opportunities for the company's US subsidiary, along with further curtailing and controlling of expenses.

**On stand alone basis:** The Company earned a gross revenue of Rs. 18.925 million (2008: Rs. 4.542 Million) during the year through its normal operations of charging markup to its subsidiary. As during this year there were no capital loss on the investment portfolio in the listed securities as it was in the last year, the earning of the current year was quite stable. Finance cost on the borrowings of the Company was relatively increased due to increase in KIBOR rate evidenced during the year 2008-2009.

**On consolidated basis:** during the year under review, turnover amounted to Rs. 49.176 million (2008:Rs. 41.616 million) representing an increase of 18% as compared to the previous year. This was mainly due

to increase in charging markup to its subsidiary at a higher rate. However, the cost of service were under control and rest with Rs. 33.413 million (2008: 52.236 million ) mainly due to further curtailing of head counts and measures taken for the reduction in production cost in its US based subsidiary. Other operating expenses have been reduced due to write off of various non-operational liabilities. During the current amortization has only been charged to the Customer list of the US subsidiary as the cost incurred on the development of the Software by local subsidiary had already been fully amortized during the year 2007 2008. Finance cost were comparatively higher this year due to increase in KIBOR rate during 2008-2009. The loss before tax has been reduced by 57% during the current year. In consideration of the loss for the year under review, the Directors have not declared any dividend or bonus payout to the shareholders of the Company.

M/s. Haroon Zakaria & Co. Chartered Accountants, the independent auditors of AMZ Ventures Limited (AMZVL) and AMZ Access (Pvt.) Ltd. have, in their audit report, highlighted the deteriorating financial position of the Company, and have qualified their current report by stating that the Company's ability to continue as a going concern is in doubt, and that the company may not be able to realize its assets and discharge its liabilities at stated amount. They have added that the Company should make a provision amounting to Rs. 304.128 million, as impairment against its investment in AMZ Access (Pvt.) Limited and Rs. 101.375 (2008: Rs. 85.375 million) against the latter's investment in AMZ Access Inc., USA. Similarly they also pointed that a trade receivables of Rs. 69.084 million from the foreign subsidiary are past due but no provision has been made in this financial statements.

Your Company, however, refutes these findings as your management is now moving to re-profile the existing business model and actively negotiating with your company's existing creditors for financial relief. In this manner the Management is confident of maintaining your Company's status as a going concern.

## 1. BOARD OF DIRECTORS

During the year under review, following changes took place on the Board of Directors.

Name of Directors	Nature of Change	Current Director
Mr. Yacoob S. Tabani	Resigned	Mr. Mahmood ul Haq

During the year under review, four Board meetings were held and attended as follows:

<u>Directors' Name</u>	<u>Number of Meetings</u>	
	<u>In Tenor</u>	<u>Attended</u>
Mr. Athar Haneef Naseem Shaikh	4	4
Ms. Fauzia Hasnain	4	4
Mr. Inaam-ul-Haque	4	1
Mr. Yacoob Shakoob Tabani	2	1
Mr. Shahid Hafeez Ahmed	4	1
Mr. Dawood Nasir Paul	4	3
Mr. Syed Qutub Ahmed	4	3
Mr. Mahmood ul Haq	2	2

Leave of absence was granted to directors who could not attend some of the Board meetings.

## CORPORATE GOVERNANCE

The Company has taken measures to comply with the listing regulations regarding the Code of Corporate Governance, details of which are contained in the annexure to this report. The Directors hereby confirm the following as required by clause (xxix) of the Code of Corporate Governance:

- a) The financial statements, prepared by the management present fairly the Company's state of affairs, the result of its operations, cash flows and changes in equity.
- b) Proper books of account have been maintained.

- c) Appropriate accounting policies have been consistently applied in preparation of financial statements. Further, accounting estimates are based on reasonable and prudent judgment.
- d) International Accounting Standards, as applicable in Pakistan, have been followed in preparation of financial statements.
- e) The system of internal control of the Company is in place and is sound in design and effectively monitored.
- f) There are no significant doubts upon the company's ability to continue as a going concern.
- g) No trades in the shares of the Company were carried out by the Directors, CEO, CFO, Company Secretary and their spouses and Minor Children.
- h) Statements regarding the following are annexed:
  - 1. Key financial data for the last one year.
  - 2. Pattern of shareholding

## AUDIT COMMITTEE

In compliance with the Code of Corporate Governance, the company has an audit committee comprising of the following members:

Mr. Dawood Nasir Paul	(Chairman)
Mr. Mahmood ul Haq	Member
Mr. Syed Qutub Ahmed	Member

## PATTERN OF SHAREHOLDING

The pattern of shareholding as on June 30, 2009 is annexed to this report.

## EXIT FROM NBFC

The license of the Company to act as a venture capital company expired on June 24, 2008. Instead of application for the renewal of license, the company through its letter dated May 26, 2008 has applied to the Commission presenting its intention to exit from the orbit of NBFC and to continue as a normal listed concern in the Karachi Stock Exchange. The Commission through its letter # NBFC/RS/JD-VS/AMZVL/1087/2008 provided its approval subject to the followings: i) surrender of the venture capital license. ii) Alter the Memorandum of Association of the Company in accordance with the decision of the Board. iii) Change the name of the Company so as to not include "Ventures" in line with the decision, and iv) intimate every stakeholder regarding the change in the nature of business.

AMZ Ventures has surrendered its NBFC License to the Commission through its letter dated June 26, 2009, similarly, also applied to the Securities & Exchange Commission of Pakistan, Companies Registration Office, Karachi for the change of name of the Company and object clauses of the Memorandum of Association of the Company through its letter dated July 9, 2009.

The SECP, Companies Registration office, Karachi through its letter # K-0047450/Com/2008/5509 dated October 08, 2009 has instructed to pass the resolutions related to the Change of Name and business as Special Resolutions. Therefore, in the forthcoming Annual General Meeting of the Company for which Notice of AGM-2009 is appended in the section Notice of Annual General Meeting, Special Business has to be conducted to pass such Special Resolutions.

## AUDITORS

The auditors, M/s Haroon Zakaria & Co. Chartered Accountants retire and being eligible offers themselves for reappointment.



## FUTURE STRATEGY

### CONTINUATION AS A NORMAL LISTED CONCERN

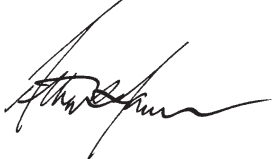
As mentioned above, in order to comply the requirement of the exit of Company from NBFC and in line with the instructions of the Securities & Exchange Commission of Pakistan, the Company has placed Special Business in the Notice of Annual General Meeting to be held on October 31, 2009 in which the Members will be required to resolve the proposed change of the name of the Company and its revised Memorandum and Articles of Associations in terms of deletions of various object clauses pertained with the business of Venture Capital.

After passing these resolutions by the members, new dimensions of the company will be ascertained to cater the profitability of the Company.

## ACKNOWLEDGEMENT

We wish to place on record our thanks to the Securities & Exchange Commission of Pakistan, the Karachi Stock Exchange and the State Bank of Pakistan for their continued guidance and support. We are also thankful to our shareholders for their understanding and support of our business strategy and unique business model and of course their trust and confidence reposed in the Board of Directors and the management team of the company. We would also like to place on record our appreciation for the commitment and hard work put in by the members of the management and staff.

For and on behalf of the Board of Directors



Athar Haneef Naseem Shaikh  
Chairman & Chief Executive

Dated: October 10, 2009

**STATEMENT OF COMPLIANCE WITH THE  
CODE OF CORPORATE GOVERNANCE****A. Statement of Compliance with the Code of Corporate Governance**

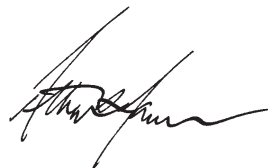
This statement is being presented to comply with the Code of Corporate Governance contained in the listing regulations of Karachi Stock Exchange for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance. The Company has applied the principles contained in the Code in the following manners:

1. The Company encourages representation of independent non-executive directors and directors representing minority interests on its Board of Directors. At present the Board includes six independent non-executive directors.
2. The directors have confirmed that none of them is serving as a director in more than ten listed companies, including this Company.
3. All the resident directors of the Company 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. Casual vacancy incurred during the year dully filled up.
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 Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended 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 CEO 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. Written notices of the Board meetings, 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 members of the Board have attended not attended orientation course during the period as the directors feel that they are completely familiar of their duties and responsibilities.
10. The Board has approved appointments of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment, as determined by the CEO.
11. The directors' report for this year has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.
12. The financial statements of the Company were duly endorsed by CEO and CFO before approval of the Board.
13. The directors, CEO and executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.
14. The Company has complied with all the corporate and financial reporting requirements of the Code.
15. The Board has formed an Audit Committee. It comprises three members, which are all non-executive directors including the Chairman of the Committee.

16. The meetings of the Audit Committee were held at least once every quarter prior to approval of interim and final results of the Company and as required by the Code. The terms of reference of the Committee have been formed and advised to the Committee for compliance.
17. At present the company has outsourced the functional of Internal Audit Department to a firm of Chartered Accountants and is in the process of setting up its own Internal Audit Department for an effective internal audit function manned by suitably qualified and experienced personnel who are conversant with the policies and procedures of the Company and they are involved in the internal audit function on a full time basis.
18. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review programme of the Institute of Chartered Accountants of Pakistan, 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 Institute of Chartered Accountants of Pakistan.
19. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
20. We confirm that all other material principles contained in the Code have been complied with.

**B. STATEMENT OF COMPLIANCE WITH THE BEST PRACTICES ON TRANSFER PRICING**

The company has fully complied with the best practices on Transfer Pricing as contained in the respective Listing regulations of the Karachi Stock Exchange in respect of all transactions carried out during the year ended Jun 30, 2009.



**Karachi**

**October 10, 2009**

**ATHAR HANEEF NASEEM SHAIKH**  
**Chairman & Chief Executive**

**Notice of Annual General Meeting**

Notice is hereby given that the 5th Annual General Meeting of AMZ VENTURES LIMITED will be held on Saturday October 31, 2009 at the Company registered office 19th floor, Tower-B, Saima Trade Towers, I.I.Chundrigar Road, Karachi-74000 at 08:30 a.m. to transact the following business:

**ORDINARY BUSINESS**

1. To confirm the minutes of the last Annual General Meeting held on October 29, 2008.
2. To receive, consider and adopt Annual Audited Accounts for the year ended June 30, 2009, together with the Reports of the Directors' and Auditors' thereon.
3. To appoint Auditors for the ensuing year and to fix their remuneration. The present Auditors M/s. Haroon Zakaria & Co. Chartered Accountants retire and being eligible, have offered themselves for re-appointment.
5. To transact such other business as may be placed before the meeting with the permission of the Chairman.

**SPECIAL BUSINESS**

1. In order to comply with the requirements of the Commission through its letter # NBFC/RS/JD VS/AMZVL/1087/2008 related to the approval of AMZ Ventures Limited to exit from the NBFC and to operate as a normal listed concern in the Karachi Stock Exchange, the Commission required the Company to change the name and objects clause of the Company in accordance with the decision of the Board which do not include "Ventures" in line with the decision. At the recommendation of the Board, the Shareholders of the Company are required to consider and if thought fit approve the change of name of the Company to " WHITEBAY LIMITED" and also to modify and change the Objects clause of the Memorandum of Association of the Company so as to delete all references to Venture Capital business and change the same to the related business and to pass Special Resolutions accordingly. The proposed Special Resolutions related to these changes are exhibits in the Statement under section 160(1)(b) and are enclosed with this notice to be circulated to the members which will be resolved as these are deemed fit by the members.

**Karachi dated: October 11, 2009**

By Order of the Board  
**Muhammad Shahid Jamal**  
Company Secretary

**Notes:**

1. Share Transfer Books will be closed from October 26, 2009 to October 31, 2009 (both days inclusive).
2. A member entitled to attend and vote at the meeting may appoint a proxy in writing to attend the meeting and vote on the member's behalf. A Proxy need not be a member of the Company.
3. Duly completed form of proxy must be deposited with the Company Secretary at the office of Company, situated at 19th floor, Tower-B, Saima Trade Towers, I.I.Chundrigar Road, Karachi-74000, not later than 48 hours before the time appointed for the meeting.

4. Shareholders are requested to notify any change in their address immediately to our Shares Registrar M/s. THK (Pvt.) Limited Ground Floor, State Life Building # 3, Dr. Ziauddin Ahmed Road, Karachi-75530, Pakistan. UAN: 111-000-322, Fax: 92-21-5655595.
5. CDC account holders will further have to follow the guidelines issued by the Securities & Exchange Commission of Pakistan for attending the meeting.
6. Any person who seeks to contest the Election of Directors of the Company shall file the following with the Company Secretary at the Registered Office of the Company not later than fourteen (14) days before the day of the above said Meeting:
  - His/her intention to offer himself/herself for Election of Directors in terms of section 178(3) of the Companies Ordinance 1984, together with:
    - a) Consent on form-28 as prescribed by the Companies Ordinance, 1984.
    - b) A declaration with consent to act as Director as prescribed vide clause (ii) of the Code of Corporate Governance of the SECP confirming his/her awareness of duties and powers of the Directors under the Ordinance, listing regulations of the Stock Exchanges and the Memorandum and Articles of Association of the Company.
    - c) A declaration in accordance with clause (iii) and (iv) of the Code besides declaring that he/she is not ineligible to become a Director of the Company under any circular or directive of SECP.

## **AMZ VENTURES LIMITED**

### **STATEMENT UNDER SECTION 160(1)(B) OF THE COMPANIES ORDINANCE 1984.**

In order to comply with the requirements of the Commission through its letter # NBFC/RS/JD-VS/AMZVL/1087/2008 related to the approval of AMZ Ventures Limited to exit from the NBFC and to operate as a normal listed concern in the Karachi Stock Exchange, the Commission required to change the name and objects of the Company in accordance with the decision of the Board which do not include "Ventures" in line with the decision. The Board decided to change the name of the company as "WHITEBAY LIMITED" and also decided to change the business of the company from Venture Capital Company to Normal related business. Therefore, the following special resolutions related to these changes are required to be passed as enumerated below and will be resolved as these deem fit. The Documents related to this statement can be viewed in the AGM-2009 to be held on October 31, 2009 at the registered office of the Company.

#### **RESOLVED THAT:-**

The name of the Company be and is hereby changed from AMZ Ventures Limited to "WHITEBAY LIMITED" subject to availability of name with SECP and subject to such further approvals as may be required from any regulatory authority.

#### **RESOLVED FURTHER THAT:**

The Memorandum of Association of the Company be and is hereby amended and modified by way of replacement and substitution of the following Clause I and Clause III in its entirety, subject to necessary approval of SECP and such further formalities as may be required under law:-

#### **RESOLVED FURTHER THAT:**

subclauses 1,3,4,5,6,7,8,10,12,13,14,15,16,17,22,23,24,25,26,27,28,29,30,31,32,33,34,35,36,37,38,41,42,43,44&52 of Clause III of the Memorandum of Association will be deleted in line with the exclusion of Venture Capital business. Text of these sub clauses are reproduced below for reference purposes."

1. To act as a venture capital company in terms of the Non-Banking Finance Companies Rules, 2003 and for such purpose engage in financing any venture project through equity or other instruments whether convertible into equity or not and provide managerial and/or technical expertise to venture projects, or act as a management company for management of venture capital fund.
3. To carry on or to conduct all or any of the business of financiers, promoters, underwriters, agents, trustees and liquidators of companies, firms, and individuals and to undertake or participate in the issue, reissue, floatation or conversion of , stocks, debenture stock, bonds, obligations and securities either directly or through or jointly with any other company, firm or individual.
4. To carry on the business of unit trusts and mutual funds, asset management and fund management and investment advisory and to organize, promote, form, create, establish, support, manage, operate and administer unit trusts and mutual funds schemes of any type or character, and to act as the management company for open-end unit trusts and closed-end mutual funds and schemes and to offer, issue, sell, hold, repurchase and accept the surrender of units and mutual fund certificates to the local and foreign private or public investors, including institutions, companies, agencies, statutory corporations, entities, government and semi-government institutions and trusts.
5. To conduct and/or be involved in either as lead manager or participating institution, financial advisory or financial services for profit.
6. To carry on and undertake the business of leasing and lease operations of all kinds and provide assistance to acquisition on lease including purchasing, selling, hiring or selling on hire all kinds of machinery, plant and equipment of every kind and description, oil rigs, helicopters, ships, air crafts, automobiles, computers and consumer, commercial and industrial goods, intensive seismic equipment and satellite based data communication system.
7. To provide advisory and consulting services relating to leasing, and to carry on and undertake the business of purchasing, selling on repurchase of all kinds of machinery, plant and equipment, within the scope of the leasing policy of the Company.
8. To carry on the business of discount, acceptance and guarantee house by issue, purchase, sale, distribute, arrange, accept, co-accept, discount, rediscount, underwrite and guarantee of Securities, Certificate of Investments, Certificate of Deposit, Commercial Paper, Participation Term Certificate, Term Finance Certificates, Bonds and Bills or any financial instrument issued in and outside Pakistan by any government or any authority or body corporate, entity, corporation, association, persons, whether in public or private sector, both in primary or secondary market or money market, to purchase receivables and book debts, to manage cash and funds for others, to borrow with or without security in any currency from any Source, to negotiate loans, to undertake portfolio management, advisory and consultancy services and to act as primary dealer, market maker, agent and broker in Government debt Instruments and other securities.
10. To avail, obtain, collect and ascertain the information of trading and price fluctuation at the local, national and international markets, stock exchanges, bullion markets, financial and investment institutions, establishments, enterprises, commodity and metal markets, financial markets; and to analyse, tabulate and computerize such information, for exporters, importers, institutions, individuals, distributors and business houses, according to their requirements for monetary consideration.
12. To carry on business and to act as traders, brokers, merchants, associates, members, representatives, arbitrators, administrators, liquidators, receivers, promoters, commission agents or agents or in any other capacity except managing agency in any part of the world, and to import, export, buy, sell, barter, exchange, or otherwise deal in goods, land, building, bullion, securities commodities, financial instruments, currencies, produce, articles and merchandise of every kind and description in any part of the world.

13. To provide long term finance to any person or persons or co-operative society or association of persons or body of individuals either at interest or without and/or with or without any security for construction, purchase, enlarge, or repair of any houses, flats, raw houses, bungalows, rooms, huts used for residential purposes either in total or part thereof or to purchase any free hold or leasehold lands, estate or interest in any property to be used for residential purposes.
14. To build, take on lease, purchase or acquire in any manner whatsoever any apartments, houses, flats, bungalows, raw houses, rooms & huts or other accommodation for residential use and to let or dispose of the same on any system of installment payment basis, rent, purchase basis or by outright sale whether by private treaty or in any other mode of disposition all or any integral part thereof.
15. To assist, encourage, sponsor and facilitate the participation of private, public and foreign capital in the creation, acquisition, expansion or modernization of commercial concerns and organizations primarily engaged in activities relating to technology, media and telecommunications including but not limited to techniques for information technology, IT enables Services, software development, content development for media, animation, computer graphics, whatsoever, through any company, corporation, firm or any other person or concern.
16. To assist, cooperate, collaborate or participate under any financial, joint venture or any other arrangement with any company, corporation, firm or other person or concern.
17. To enter into working arrangements of all kinds with other companies, corporations, firms or any other persons or concerns, and also make and carry into effect arrangements with respect to union of interests either, in whole or in part or any other arrangements with any other companies, corporations, firms or any other persons or concerns.
22. To directly and/or indirectly acquire, operate, manage and/or maintain the business of telephone answering service, call centres and other business process outsourcing companies.
23. To carry on the business as manufacturers/developers of computer internet programmes and word processors, data processors, outsourcing services and related issues, computer aided drafting specialists, computer based composers and publishers, software developments of every kind, consultants, designers, wholesalers, retailers, agents for the sale of and general merchants, dealers, suppliers and distributors of computer software, hardware, ancillary and allied equipment of every and any description;
24. To obtain, develop, promote, deal in, supply connections and provide back up, support services and training for Electronic Mail (E-Mail), Internet or any other form of computer or electronically transmitted or based communication technology that might be developed in the future including all related hardware, software and ancillaries;
25. To provide information technology (IT) related services, including but not limited to IT-enabled remote services such as call centers, customer relationship management, data processing, back office services, graphic design and other data-intensive professional services, which includes design, development and integration of software as well as any other technology intensive manufacturing or services (whether real or virtual);
26. To provide modern and innovative services and products in the field of information technology, computers and communications, services and products will include design, development and complete implementation of national and international internet, wireless payphone, telephone service, card payphone service, cellular service, radio service and all associated computer and communication services subjects to any permission as required under the law;
27. To acquire advanced telecommunication technology, E-Mail, internet, fax and exchange services, and provide both project and bureau services associated with this technology, project services include feasibility

- studies, consultation, project implementation, market development, foreign agency services, import services, maintenance, computer software customization, optimization and system integration;
28. To undertake projects relating to the promotion of communication services, carry out installation, wiring, commissioning, civil works, engage its business and commercial activities and provide human resources for skilled, semi-skilled and un-skilled jobs;
29. To set up a countrywide network for installation of C.P.P. (card payphone), scratch card, cable network. All systems later on introduced in value added, communication services, procure equipment and arrange its management, operations and maintenance;
30. To provide cable television distribution services, to install and provide cable television network and to provide all other services in connection with cable television networking subject to permission as required by law;
31. To carry on the business of sellers, buyers, warehouses, importers, exporters, assemblers, processors, stockists, packers or dealers in any legal form for personal lap-top, main frame, mini and / or micro computers, computer hardware, computer software, hardware back up systems, diagram masters, computer micro chips, supply boards, dot matrix, laser, ink-jet or any other kind of printers. plotters, scanners, monitors, floppy and hard disks their drives, computer related lasers / compact disks, CD-ROM and CD-Drives, ancillary and allied equipment of every and any description that is available in the local / international market or may be available in the future;
32. To carry on the business of advisors of computer language and codes, punch card operators and as consultants and advisors into all aspects of the computer technology and allied industries, and to undertake the business of computer stationary, peripheral equipment of all kinds and to supply of such staff and other personnel that may be required by persons having dealings with Company and to undertake, perform and carryout all services in connection with the computer trade and industry;
33. To run training institutions for the training of accounting, auditing, computer programming, computer auditing, system designing, computer aided drafting, feasibility studies, and provide maintenance and management related services to persons, corporations, forms, statutory bodies and autonomous and semi-autonomous corporations as permissible under the law;
34. To publish operating manuals, instructions guides and computer books related to computer software, hardware, marketing or other aspects of the industry;
35. To develop, install, advise or promote computer network including all or any type of ancillaries including hardware, software, personnel back-up, training and alter sale service;
36. To carry on and undertake trading business of all sorts and to act as indentors, importers, exporters, traders, suppliers and commission agents of products, commodities and materials in any form or shape manufactured or supplied by any company, firm, association of persons, body, whether incorporated or not, individuals. Government (Federal or Provincial), semi-Government/Autonomous agencies, departments, authorities, bodies (corporate or statutory), corporations subject to such permission as required under the law;
37. To carry on in or outside Pakistan the business of manufacturing, importers, exporters, indentors, transporters, dealers in all articles and commodities akin to or connected with any of the business of the Company capable of being conveniently carried on or necessary for the promotion of the objects herein contained, as permissible under the law.
38. To carry on agency business (except managing agency) and to acquire and hold selling agencies and to act as selling agents, business processing agents, commission agents, manufactures' representatives and distributing agents of and for the distribution of all kinds of merchandise, goods, commodities, products,



materials, substances, articles and things whether finished, semi-finished, raw, under process, refined, treated or otherwise pertaining to trade and commerce and for that purpose to remunerate them and to open and maintain depots and branches;

41. To purchase, take in exchange or on lease, rent, occupy or otherwise acquire any lands, hereditaments and estates and any property and effects therein or used or connected therewith and to acquire any grants, concession, leases, rights, easements, licenses, privileges and any other interests in land;

42. To acquire, erect, construct, lay down, enlarge, replace, balance, modernize, alter and maintain any buildings, works, plant and machinery necessary or convenient for the Company's business;

43. To sell, lease, improve, manage, develop, mortgage, exchange, turn to account or otherwise charge or deal with, dispose of absolutely, conditionally, or for any limited interest and grant any leave or license in respect of all or any of the property, rights or privileges of the Company, and to distribute in specie as dividend or bonus any money, , debentures or debenture stock that may be accepted as consideration for any such sale, lease, exchange or other disposition;

44. To sell, transfer or give any option of purchase over the whole or any part of the projects undertaken by the Company or the property and assets of the Company for such consideration and on such terms as the Company may think fit;

52. To pay for any property, rights or benefits acquired by the Company either in cash or in or other securities with such rights, in respect of dividend or otherwise, as may be deemed fit by the Company or by any securities which the Company has power to issue or partly in one mode and partly in another and generally on such terms as the Company may approve;

## **RESOLVED FURTHER THAT:**

the Articles of Association of the Company be and is hereby modified as follows:-

**(i) In definitions, sub-clause (d) be modified as follows**

**(d) "Company" means "WHITEBAY LIMITED."(formerly AMZ Ventures Limited)**

**(ii) The following provisions of the Articles will replace the existing provisions in their entirety:**

### **OPERATING POLICY**

The Company's Operating Policy will be determined by its Board of Directors in accordance with the provisions of such conditions as shall be from time to time prescribed under the Companies Ordinance 1984.

### **FORM OF TRANSFER**

The instrument of transfer of any share shall be in writing in the following form or in any usual or common form which the Directors shall approve.

I/We, \_\_\_\_\_ of \_\_\_\_\_ in consideration of the sum of Rs. \_\_\_\_\_ paid to me/us by \_\_\_\_\_ of (the "Transferee") do hereby transfer to the Transferee the share(s), numbered \_\_\_\_\_ to inclusive in WHITEBAY LIMITED (formerly AMZ Ventures Limited) to hold unto the Transferee, his executors, administrators and assigns, subject to the several conditions on which I/We held the same at the time of the execution hereof, and I/We, the Transferee, do hereby agree to take the said share (or shares) subject to the conditions aforesaid.

As witness our hands this _____ day of _____ .	
TRANSFEROR	TRANSFEEE
Signature	Signature
Full Address	Full Name, Father's/Husband's Name
	Nationality
	Occupation
	Full Address
Witness	Witness
Signature	Signature
Full Address	Full Address

**FORM OF PROXY**

Any instrument appointing a proxy may be in the following form, or in any other form which the Directors shall approve:

I, \_\_\_\_\_ of \_\_\_\_\_ in the district \_\_\_\_\_ of being a Member of WHITEBAY LIMITED (formerly AMZ Ventures Limited) hereby appoint \_\_\_\_\_ as my proxy to vote for me and on my behalf at the annual or extraordinary, (as the case may be) General Meeting of the Company to be held on the \_\_\_\_\_ day of \_\_\_\_\_ and at any adjournment thereof.  
Signed this \_\_\_\_\_ day of \_\_\_\_\_

**The Directors of the Company have no interest in the above Special Resolutions except in their capacity as members / shareholders."**

**AUDITORS' REPORT TO THE MEMBERS**

We have audited the annexed balance sheet of **AMZ VENTURES LIMITED** as at June 30, 2009 and the related profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conduct 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 said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

- a) the Company has not charged impairment to profit and loss account on investment in its subsidiary for which going concern assumption is inappropriate. Had the impairment been recorded, loss for the year would have been increased by Rs. 304.128 million (2008: 304.128 million).
- b) during the year the Company has incurred net loss of Rs. 11.468 million (2008: 25.57 million) and its accumulated losses reached to Rs.77.814 million (2008: 66.35 million). Its current liabilities exceed its current assets by Rs.119.96 million (2008: 89.70). The company has applied for exit from the ambit of Non Banking Finance Companies as discussed in note - 1.4 to these financial statements. The Company's financing arrangements have been expired and rescheduling of borrowings is unlikely. As discussed in Note - 1.4, the Company intends to enter in the technologies business whose success is dependent on the availability of finance and profitable market. These factors create uncertainty which may cast significant doubt about the company's ability to continue as a going concern accordingly company may not be able to realize its assets and discharge its liabilities at stated amount. The financial statements do not disclose this fact.
- c) in our opinion, subject to (a) and (b) above, proper books of accounts have been kept by the Company as required by the Companies Ordinance, 1984;
- d) in our opinion:
  - i) subject to (a) and (b) above, 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 the accounting policies consistently applied;
  - ii) the expenditure incurred during the year was for the purpose of the Company's business; and
  - iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;
- e) in our opinion, because of the effects of the matters discussed in the paragraphs (a) and (b) above, the financial statements do not give a true and fair view of the financial position of **AMZ VENTURES LIMITED** as of June 30, 2009 and of its financial performance and its cash flows and equity for the year then ended in accordance with International Financial Reporting Standards and do not give the information required by the Companies Ordinance, 1984, in the manner so required.
- f) In our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

financial position of AMZ VENTURES LIMITED as of June 30, 2009 and of its financial performance and its cash flows and equity for the year then ended in accordance with International Financial Reporting Standards and do not give the information required by the Companies Ordinance, 1984, in the manner so required.

f) In our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

Place: Karachi  
Dated: October 10, 2009

HAROON ZAKARIA & COMPANY  
CHARTERED ACCOUNTANTS

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

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance (the Statement ) prepared by the Board of Directors of AMZ Ventures Limited (“the Company”) to comply with the Listing Regulations of the Karachi Stock Exchange where the Company is listed.

The responsibility for compliance with the Code of Corporate Governance is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code of Corporate Governance 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 have not carried out any special review of the internal control system to enable us to express an opinion as to whether the Board's statement on internal control covers all controls and effectiveness of such internal controls.

Based on our review, except for the non compliance as stated in paragraph (9) of the statement, nothing has come to our attention, which causes us to believe that the statement of compliance 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, 2009.

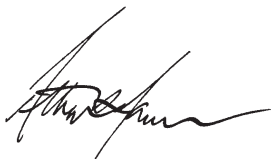
**Place: Karachi**  
**Date: October 10, 2009**

**Haroon Zakaria & Co.**  
Chartered Accountants

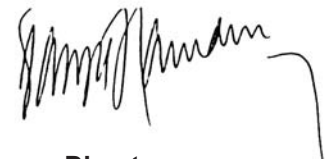
**BALANCE SHEET AS AT JUNE 30, 2009**

<b>ASSETS</b>	<b>Note</b>	<b>2009</b>	<b>2008</b>
		..... Rupees .....	
<b>NON- CURRENT ASSETS</b>			
Property and equipment	4	37,975,300	38,338,520
Long term investment	5	304,128,440	304,128,440
Deferred cost	6	-	380,328
Long term deposits	7	47,500	47,500
		<u>342,151,240</u>	<u>342,894,788</u>
<b>CURRENT ASSETS</b>			
Current maturity of long term lease deposits	7	-	152,500
Interest accrued	8	32,820,856	13,895,128
Short term loan and advances	9	91,509,727	88,439,146
Prepayment and other receivable	10	35,100	1,315,100
Cash and bank balances	11	6,978	14,226
		<u>124,372,661</u>	<u>103,816,100</u>
		<u>466,523,901</u>	<u>446,710,888</u>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized share capital			
100,000,000 Ordinary shares of Rs 10 each	12	<u>1,000,000,000</u>	<u>1,000,000,000</u>
Issued, subscribed and paid-up share capital	14	300,000,000	300,000,000
Accumulated loss		<u>(77,813,480)</u>	<u>(66,344,754)</u>
<b>SHARE HOLDER EQUITY</b>		<u>222,186,520</u>	<u>233,655,246</u>
<b>NON-CURRENT LIABILITIES</b>			
Long term Finance	15	-	-
Liabilities against subject to finance lease	16	-	19,536,437
<b>CURRENT LIABILITIES</b>			
Current and overdue portion of long term liabilities	17	162,309,004	143,778,691
Short term finance	18	-	24,721,000
Creditors, accrued and other liabilities	19	48,128,021	18,540,569
Accrued mark up	20	33,900,356	6,478,945
		<u>244,337,381</u>	<u>193,519,205</u>
<b>CONTINGENCIES AND COMMITMENTS</b>	21	<u>466,523,901</u>	<u>446,710,888</u>

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



**Chairman & Chief Executive**

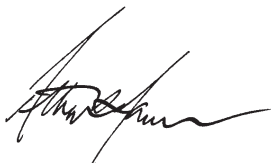


**Director**

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED JUNE 30, 2009**

	Note	2009 ..... Rupees .....	2008
Revenue - Net	22	<b>18,925,728</b>	4,542,289
Administrative expenses	23	<b>1,333,974</b>	2,585,521
Financial cost	24	<b>29,212,455</b>	27,951,892
		<b>30,546,429</b>	30,537,413
		<b>(11,620,701)</b>	(25,995,124)
Other income	25	<b>151,975</b>	428,460
<b>Loss before taxation</b>		<b>(11,468,726)</b>	(25,566,664)
Taxation		-	-
<b>Loss for the year</b>		<b>(11,468,726)</b>	(25,566,664)
<b>Loss per share - basic and diluted</b>	26	<b>(0.38)</b>	(0.85)

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



**Chairman & Chief Executive**

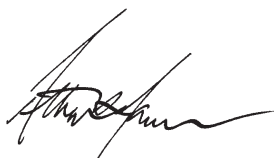


**DIRECTOR**

**CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2009**

	Note	2009 ..... Rupees .....	2008 ..... Rupees .....
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
<b>Cash used in operations after working capital changes</b>	27	25,887,731	15,963,632
Decrease in long term deposits		<u>152,500</u>	<u>-</u>
<b>Net cash generated from operating activities</b>		<u>26,040,231</u>	<u>15,963,632</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from disposal of fixed assets		<u>186,330</u>	<u>-</u>
<b>Net cash generated from investing activities</b>		<u>186,330</u>	<u>-</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Finance cost paid		<u>(506,684)</u>	<u>(28,254,032)</u>
Long term finance		<u>(412)</u>	<u>-</u>
Repayment of lease liabilities		<u>(1,005,712)</u>	<u>(4,873,490)</u>
Short term finance - net		<u>(24,721,000)</u>	<u>16,971,000</u>
<b>Net cash used in financing activities</b>		<u>(26,233,809)</u>	<u>(16,156,522)</u>
Net (decrease) in cash and cash equivalent		<u>(7,248)</u>	<u>(192,890)</u>
Cash and cash equivalent at beginning of year		<u>14,226</u>	<u>207,116</u>
<b>Cash and cash equivalent at end of year</b>	11	<u><u>6,978</u></u>	<u><u>14,226</u></u>

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



**Chairman & Chief Executive**



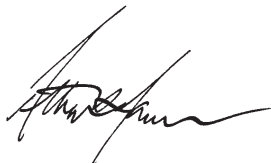
**Director**



**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED JUNE 30, 2009**

	Ordinary Class 'A' shares	Ordinary Class 'B' shares	Total	Accumulated loss	Total Equity
	-----Rupees-----				
<b>Balance as at June 30, 2007</b>	225,000,000	75,000,000	300,000,000	(40,778,090)	259,221,910
Recognized loss for the year	-	-	-	(25,566,664)	(25,566,664)
<b>Balance as at June 30, 2008</b>	<u>225,000,000</u>	<u>75,000,000</u>	<u>300,000,000</u>	<u>(66,344,754)</u>	<u>233,655,246</u>
Recognized loss for the year	-	-	-	(11,468,726)	(11,468,726)
<b>Balance as at June 30, 2009</b>	<u>225,000,000</u>	<u>75,000,000</u>	<u>300,000,000</u>	<u>(77,813,480)</u>	<u>222,186,520</u>

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



**Chairman & Chief Executive**



**Director**

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2009

### 1. STATUS AND NATURE OF BUSINESS

1.1. AMZ Ventures Limited (the Company) was incorporated in Pakistan as a Public Limited Company on May 13, 2004 under the Companies ordinance, 1984. The Company was listed on the Karachi Stock Exchange on December 13, 2004. The registered office of the Company is situated at 19th Floor, Tower B, Saima Trade Tower, I.I. Chundrigar Road, Karachi, Pakistan. The Company is licensed to undertake Venture Capital Investments business as a Non-Banking Finance Company (NBFC) in accordance with Rule 5 of the NBFC's and notified entities regulations 2007(NBFC). (Refer Note - 1.4)

1.2. The principal activity of the Company is to invest in rapidly growing companies, purchase equity securities, assist in the development of new products or services and also to add value to a Company through active participation or to act as a management Company for the management of the venture capital fund. currently, the company has invested in a wholly owned subsidiary AMZ Access (Private) Limited to finance the acquisition of US based medical transcription companies, to facilitate an expansion in existing infrastructure and utilize capacity of AMZ Access (Private) Limited to accommodate the anticipated additional business volumes, and to cater the working capital requirements of the local operations.

The Securities and Exchange Commission of Pakistan (SECP) has allowed the Company to expose more than 40% of its equity attributable to venture capital investment segment to any single person or group of companies, in relaxation of former Rule 22 (a) of the NBFC Rules, 2003 (Revised Rule 34 of the revised NBFC and Notification entities Regulation, 2007) in terms of Rule 84 of the NBFC Rules.

1.3. The group comprises:

**Holding Company**

AMZ Ventures Limited

**Direct subsidiary**

AMZ Access (Private) Limited

Indirect subsidiaries

AMZ Access Inc. (subsidiary of AMZ Access (Private) Limited)

Global Transcriptions (subsidiary of AMZ Access Inc.)

1.4. During the year Company has incurred loss of Rs. 11.5 million (2008:25.57 million) and its accumulated losses are increased to Rs.77.8 million (2008: 66.3 million). The license of Company has expired on June 24, 2008 and instead of its renewal, the Company has applied through its letter dated May 26, 2008 for the determination of the formalities required to be completed for the exit of the Company from the orbit of the NBFC and to be continued to operate as a normal listed concern. The SECP vide its letter No NBFC/RS//JD VS AMZVL/1087/2007 dated December 18, 2008 has approved the exit from the ambit of NBFC with certain conditions that are accordingly fulfilled by the Company except that formalities are pending for alteration in Memorandum relating change of name and object clause and posting of changes to the official website of the Company.

The Company intends to continue in the technologies business through support of its Group companies and also expect that lender Institutions will reschedule the loan obligations after above event has taken place . Owing to discussed factors these financial statements have been prepared on the basis of going concern assumption.

### 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, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 shall prevail.

**2.2. Basis of Measurement**

These financial statements have been prepared under the historical cost convention except as otherwise disclosed in these financial statement. Further accrual bases of accounting is followed except for cash flow statement.

**2.3. Functional and presentation currency**

These financial statements are presented in Pak Rupees, which is the functional and presentation currency of the Company and rounded off to the nearest rupee.

**2.4. Use of Estimates And Judgments**

The preparation of financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of asset, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are as follows:

**2.4.1 Property and Equipment**

The Company estimates the rate of depreciation of property and equipment. Further, the Company review the value of the assets for possible impairment on an annual basis. Any change in the estimates in future years might affect the carrying amounts of the respective items of property and equipment with a corresponding effect on the depreciation charge and impairment.

**2.4.2 Impairment**

The Company estimate at each balance sheet date whether there is any indication that the investment may be impaired. If such indication exists, the carrying amount of investment is reviewed to assess whether it is recorded in excess of the recoverable amount. Where carrying amount exceeds the recoverable amount, investment is written down to the recoverable amount.

**2.5. Standards, Interpretations and Amendments To Published Approved Accounting Standards**

**a) Initial application of a standard or an interpretation**

The Company has adopted the following new and amended IFRS and IFRIC interpretations as of July 01, 2008.

IFRS - 7	Financial Instruments: Disclosures
IFRIC - 12	Service concession arrangements
IFRIC - 13	Customer loyalty programs; and
IFRIC - 14	IAS 19 - The limit on defined benefit asset, minimum funding requirement and there interactions.

Adoption of these standards and interpretations did not have any material effect on the financial statements of the Company except for certain additional disclosures in respect of IFRS 7 included in the relevant notes to the financial statements.

**b) Amendments to published standards not yet effective**

The following revised standards and interpretations with respect to approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective revised standard and interpretation:

<b>Standards or interpretation</b>	<b>Date</b>
IAS 1 - Presentation of Financial Statements (Revised)	January 01, 2009
IAS 23 - Borrowing Costs (Revised)	January 01, 2009
IAS 27 - Consolidated and Separate Financial Statements (Revised)	January 01, 2009
IAS 32 - Financial Instruments (Amended)	January 01, 2009
IAS 39 - Financial Instruments Recognition and Measurement (Amended)	January 01, 2009
IFRS 2 - Share-based Payment (Amended)	January 01, 2009
IFRS 3 - Business Combinations (Revised)	July 01, 2009
IFRS 8 - Operating Segments	January 01, 2009
IFRIC 15 - Agreement for the Construction of Real Estate	January 01, 2009
IFRIC 16 - Hedge of Net Investment in a Foreign Operation	October 01, 2009
IFRIC 17 - Distribution of Non-Cash Assets to Owners	July 01, 2009
IFRIC 18 - Transfer of Assets from Customers	July 01, 2009

"The Company expects that the adoption of the above standards and interpretations will have nomaterial impact on the Company's financial statements in the period of initial application other han certain changes and / or enhancements in the presentation and disclosures of financial tatements.

**3. SIGNIFICANT ACCOUNTING POLICIES**

**3.1. Property, plant and equipment**

**a) Property, plant and equipment and depreciation**

**Initial recognition- owned and leased**

An item of property, plant and equipment is initially recognized at cost which is equal to the fair value of consideration paid at the time of acquisition or construction of the asset.

The Company accounts for property, plant and equipment acquired under finance leases by recording the assets and the related liability. These amounts are determined at the inception of lease, on the basis of the lower of the fair value and the present value of minimum lease payments. Financial charges are allocated to the accounting period in a manner so as to provide a constant rate of charge on these outstanding liability.

**Measurement subsequent to initial recognition- owned and leased.**

Property and equipment are stated at cost less accumulated depreciation and accumulated mpairment losses, if any.

**Depreciation- owned and leased.**

Depreciation is charged to income applying straight line method whereby the cost of an asset is written off over its estimated useful life. Full annual rate of depreciation is applied on all additions during the year. No depreciation is charged on assets deleted during the year. Same basis and estimates for depreciation are applied to owned assets and assets subject to finance lease.

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

Profit and loss on disposal of property, plant and equipment is included in income currently.

The assets' residual values and useful lives are continually reviewed by the Company and adjusted if impact on depreciation is significant. The Company's estimate of residual values of property, plant and equipment as at June 30, 2009 has not required any adjustment as its impact is considered insignificant.

b) **Capital work in process**

Capital work-in-progress is stated at cost accumulated up to the balance sheet date and represents expenditure incurred on property, plant and equipment in the course of construction. These expenditure are transferred to relevant category of property, plant and equipment as and when the assets start operation.

**3.2. Deferred costs**

Deferred cost is charged directly to the profit and loss account in the period it is incurred. However, as per Circular No. 1 of 2004 of SECP, deferred costs outstanding as on July 05, 2004 are allowed to be amortized in accordance with substituted fourth schedule to the Companies Ordinance, 1984.

**3.3. Long-term investment**

Investments in subsidiaries are accounted for using cost method of accounting as allowed by International Accounting Standard - 27 "Consolidated and Separate Financial Statements". Provision is made for impairment in the value of investments, if any.

**3.4. Loans and receivables**

These are non- derivative financial assets with fixed or determinable payments that are not quoted in an active market other than (a) those that the Company intends to sell immediately or in the near term, which shall be classified as held for trading, (b) those that the Company upon initial recognition designates as at fair value through profit or loss, (c) those that the Company upon initial recognition designates as available for sale.

Subsequent to initial measurement loans and receivables are measured at amortized cost using the effective interest method. Gains/losses arising on re-measurement of loans and receivables are taken to the profit and loss account.

**3.5. Cash and cash equivalents**

For the purpose of cash flow statement, cash and cash equivalents consist of cash bank balances.

**3.6. Long term loans**

These are initially recognized at cost being the fair value of the consideration received together with the associated transaction cost. Subsequently, these are recognized at amortized cost using the effective interest method.

**3.7. Taxation**

Income of the Company from all sources is exempt from tax under clause 101 of Part 1 of the Second Schedule to the Income Tax Ordinance, 2001. This exemption is available upto June 30, 2014. Accordingly, current and deferred taxation has not been accounted for in these financial statements.

**3.8. Provisions**

Provision are recognized in the balance sheet when the Company has a legal or constructive obligation as a result of past events, as it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of obligation.

**3.9. Revenue recognition**

Dividend income if any, is recognized when the Company's right to receive such dividend has been established.

Interest income is recognized on accrual basis, using effective interest rates.

Capital gain / (loss) recognized on trade date.

**3.10. Borrowing cost**

Borrowing costs specific to a significant addition of a project during its construction / erection period capitalized. Other borrowing costs are charged to the profit and loss account as and when incurred.

**3.11. Financial instruments**

Financial instrument are categorized in relevant notes.

**Financial Assets**

The classification depends on the purpose for which asst are acquired. Management determines the classification of its financial assets at initial recognition.

**Investment at cost**

These are initially measured at cost and subsequent to initial recognition these are measured at cost less impairment loss if any.

**Financial Liabilities**

All financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instruments. A financial liability is derecognized when the obligation under the liability is discharge or cancelled or expired.

**Offsetting of financial assets and financial liabilities**

Financial assets and liabilities are off-set and the net amount in reported in the financial statements only when the Company has a legally enforceable right to off-set the recognized amounts and the Company intends either to settle on a net basis or to realize the assets and settle the liability simultaneously.

**Regular way purchase and sale transactions**

All purchases and sales of financial assets that require delivery within the time frame established by regulation or market convention are recognized at the trade date. Trade date is the date on which the Company commits to purchase or sell the asset.

**3.12. Related parties and transactions with related parties**

Related parties include the Company's subsidiaries, associates, directors and key management personnel. All transactions involving related parties arising in the normal course of business are conducted at arm's length at normal commercial rates on the same terms and conditions as third party transactions using valuation modes, as admissible, except in extremely rare circumstances where, subject to the approval of the Board of Directors, it is in the interest of the Company to conduct related party transactions at a price other than the arm's length price.

**3.13. Dividend**

Dividend distribution, if any to the Company's shareholders is recognized as a liability in the Company's financial statements in the period in which such dividends are approved.

**3.14. Creditors, accrued and other liabilities**

These are carried at cost which is fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Company.

	Notes	2009 Rupees	2008 Rupees
<b>4. PROPERTY AND EQUIPMENT</b>			
Operating assets-tangible	4.1	663,300	1,026,520
Capital work-in-progress	4.3	<u>37,312,000</u>	<u>37,312,000</u>
		<u>37,975,300</u>	<u>38,338,520</u>

4.1 Operating Assets - Tangible

	Parking slots	Owned assets Computers & equipment	Sub Total	Leased assets Vehicles	Sub Total	Total
----- Rupees -----						
<b>Year ended June 30, 2009</b>						
Opening net book value	707,520	14,001	721,521	305,000	305,000	1,026,521
Additions	-	-	-	-	-	-
Disposals-net	-	-	-	(305,000)	(305,000)	(305,000)
Depreciation charge	(44,220)	(14,001)	(58,221)	-	-	(58,221)
Closing net book value	<u>663,300</u>	<u>-</u>	<u>663,300</u>	<u>-</u>	<u>-</u>	<u>663,300</u>
<b>As at June 30, 2009</b>						
Cost	884,400	201,550	1,085,950	-	-	1,085,950
Accumulated Depreciation	<u>(221,100)</u>	<u>(201,550)</u>	<u>(422,650)</u>	<u>-</u>	<u>-</u>	<u>(422,650)</u>
	<u>663,300</u>	<u>-</u>	<u>663,300</u>	<u>-</u>	<u>-</u>	<u>663,300</u>
<b>Year ended June 30, 2008</b>						
Opening net book value	751,740	28,001	779,741	610,000	610,000	1,389,741
Additions	-	-	-	-	-	-
Disposals-net	-	-	-	-	-	-
Depreciation charge	44,220	14,000	58,221	305,000	305,000	363,221
Closing net book value	<u>707,520</u>	<u>14,001</u>	<u>721,520</u>	<u>305,000</u>	<u>305,000</u>	<u>1,026,520</u>
<b>As at June 30, 2008</b>						
Cost	884,400	201,550	1,085,950	1,525,000	1,525,000	2,610,950
Accumulated Depreciation	<u>(176,880)</u>	<u>(187,549)</u>	<u>(364,430)</u>	<u>(1,220,000)</u>	<u>(1,220,000)</u>	<u>(1,584,430)</u>
	<u>707,520</u>	<u>14,001</u>	<u>721,520</u>	<u>305,000</u>	<u>305,000</u>	<u>1,026,520</u>
Rate of depreciation	5%	33%		20%		

4.2. DISPOSAL OF PROPERTY AND EQUIPMENTS

Particulars	Cost	Accumulated depreciation	Written Down value	Sale proceed	(Loss)	Mode of disposal	Particular of buyer
←----- Rupees -----→							
<b>LEASED</b>							
Vehicle	1,525,000	1,220,000	305,000	186,330	(118,670)	Negotiation	Mr. Naseem Shujat Mirza - related party
<b>2009</b>	<u>1,525,000</u>	<u>1,220,000</u>	<u>305,000</u>	<u>186,330</u>	<u>(118,670)</u>		
2008	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>		

		2009	2008
		..... Rupees .....	
<b>4.3. Capital work in progress</b>			
Office premises	4.3.1	<u>37,312,000</u>	<u>37,312,000</u>

**4.3.1** These are acquired under a finance lease arrangement. The management has assessed that substantial outflow of resources is required to bring the building into usable condition and hence it would be capitalized after completion of necessary renovation. The building has thus been classified as capital work-in-progress.

**4.3.2** The financial charges associated with the above-mentioned leasing arrangement have not been capitalized as the construction work is currently suspended.

**5. LONG TERM INVESTMENT**

**Investment in related party - at cost**

**Unquoted**

Amz Access (Private) Limited 30,412,844 shares of Rs. 10 each	5.1	<u>304,128,440</u>	<u>304,128,440</u>
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**5.1.** This represents investment in a 99.67% (2008: 99.67%) owned subsidiary AMZ Access (Private) Limited, a limited liability company incorporated in Pakistan.

**5.2.** No impairment has been provided in these financial statements as the management is confident that the value-in-use to be derived from projected future dividends will exceed the current carrying value.

**5.3.** The Securities and Exchange Commission of Pakistan (SECP) vide its letter No NBFC / MF-DD (R) / 642 / 2004 dated July 27, 2004 has permitted the company to issue its 7.5 Million ordinary class 'B' share @ Rs. 10 each against consideration otherwise than in cash, that is, against acquisition of 7.5 million ordinary shares of AMZ Access (Private) Limited at Rs. 10 each, in relaxation of Rule 7 (2)(i) of the NBFC Rules, 2003 in terms of Rule 84 of the NBFC Rules and Rule 8 of the companies (issue of capital) Rules, 1996.

**5.4.** The Company initially as outlined in note 5.3 above created its shareholding in AMZ Access (Private) Limited through an exchange of shares and subsequently made investments through cash amounting to Rs. 229,128,440. Hence, making up the investment of Rs. 304,128,440.

		2009	2008
		Rupees	Rupees
<b>6. DEFERRED COSTS</b>	Note		
Stamp and registration fee		-	225,434
Legal and professional		-	143,280
Printing and stationery		-	1,111
Traveling and conveyance		-	10,383
Others		-	120
		<u>-</u>	<u>380,328</u>
<b>7. LONG TERM DEPOSITS</b>			
Leasing company		-	152,500
Utilities		<u>47,500</u>	<u>47,500</u>
		<u>47,500</u>	200,000
less: current maturity of lease deposit		-	(152,500)
		<u>47,500</u>	<u>47,500</u>
<b>8. INTEREST ACCRUED</b>			
Interest Accrued - due from related party		<u>32,820,856</u>	<u>13,895,128</u>

**9. SHORT TERM LOAN AND ADVANCES**  
- Unsecured considered good

**Short term loan to related party**



AMZ Access (Private) Limited	9.1	<b>91,455,975</b>	88,385,394
Advances			
Advance income tax Supplier		<u>27,352</u> <u>26,400</u> <u>53,752</u> <u>91,509,727</u>	<u>27,352</u> <u>26,400</u> <u>53,752</u> <u>88,439,146</u>
	Note	<b>2009 Rupees</b>	<b>2008 Rupees</b>
<b>10. PREPAYMENT AND OTHER RECEIVABLE</b>			
Guarantee commission		-	1,280,000
Other Receivable		<u>35,100</u>	<u>35,100</u>
		<u>35,100</u>	<u>1,315,100</u>
<b>11. CASH AND BANK BALANCES</b>			
Cash in hand		<u>1,453</u>	817
Cash at bank-current account		<u>5,525</u>	<u>13,409</u>
		<u>6,978</u>	<u>14,226</u>
<b>12. AUTHORIZED SHARE CAPITAL</b>			
		<b>2009</b>	<b>2008</b>
<b>Number of ordinary shares</b>			
<b>Share of Rs. 10 each</b>			
<u>92,500,000</u>	<u>92,500,000</u>	Ordinary shares of class A	<u>925,000,000</u>
<u>7,500,000</u>	<u>7,500,000</u>	Ordinary shares of class B	<u>75,000,000</u>
<u>100,000,000</u>	<u>100,000,000</u>	13.1	<u>1,000,000,000</u>
<b>13.</b>	The holders of each class 'A' ordinary share will be entitled to vote on all matters presented to the shareholders. However, the holder of Class 'B' ordinary shares had the following additional rights, privileges and benefits that are not further available because of non achievement of performance benchmarks:		
	The class 'B' ordinary shares specifically and only for purposes of (i) voting for election for Directors of the Company and (ii) voting from removal of any Director of the Company, have four votes for each class 'B' ordinary shares as compared to one vote for each class 'A' ordinary shares. Currently class 'B' share holders are treated at par with class 'A' shareholders in compliance with Clause 133(a)(2) and Clause 133(d) of the Articles of Association of the Company.		
<b>14. ISSUED SUBSCRIBED AND PAID-UP CAPITAL</b>	Note	<b>2009 Rupees</b>	<b>2008 Rupees</b>
<b>Number of ordinary shares of Rs.10/- each</b>			
<b>2009</b>	<b>2008</b>		
<u>22,500,000</u>	<u>22,500,000</u>	Ordinary class A shares	<u>225,000,000</u>
<u>7,500,000</u>	<u>7,500,000</u>	Ordinary class B shares	<u>75,000,000</u>
<u>30,000,000</u>	<u>30,000,000</u>	14.1	<u>300,000,000</u>

- 14.1. This represent shares exchanged by the Company with the shareholders of AMZ Access (Private) Limited in consideration for an equal number of shares at face value as explained in note 5.3 and 5.4 to these financial statements.

**15. LONG TERM FINANCE - SECURED**

From financial institutions			
Orix Leasing Pakistan Limited	15.1	<b>12,000,000</b>	12,000,000
Bank of Punjab	15.2	<b>120,000,000</b>	120,000,000
From others-Unsecured			
Directors	15.3	<u>2,999,588</u>	<u>3,000,000</u>
		<b>134,999,588</b>	<b>135,000,000</b>
Overdue portion of liability		<u><b>(134,999,588)</b></u>	<u><b>(135,000,000)</b></u>
		<u>-</u>	<u>-</u>

- 15.1. This represent loan initially received for working capital requirement and rescheduled in Term finance facility. Markup for shall be six months KIBOR plus 5 percent and payable semi annually. This loan was payable on September 08, 2009 but still outstanding. The loan is secured against personal property and guarantees of Directors and their close relatives.

- 15.2. This represents finance obtained from Bank of Punjab for a period starting from October 10, 2006 to December 31, 2008. The finance carried markup at the rate of 3 months KIBOR ask side plus 350 basis points and is secured by way of demand promissory notes and guarantees of Rs. 128 million issued by First Dawood Investment Bank Limited.

The finance was initially provided to issue listed, non voting and redeemable preference shares there against. However, the management has suspended the said issue of preference shares and the Bank of Punjab has conveyed in principle interest vide its letter dated July 6, 2006 to convert the outstanding balance into long term finance facility. The Bank of Punjab through its offer letter dated December 01, 2006 has extended the maturity of the finance facility to December 31, 2007. Again the Bank of Punjab through its facility offer letter dated March 30, 2007 extended the maturity of the said facility to December 31, 2008 with markup at the rate for 6 month KIBOR plus 350 basis points payable quarterly. The principal amount will be repaid in two installment each of Rs. 60 million on September 30, 2008 and December 31, 2008. However, during September 2008, the Bank of Punjab has called the Bank Guarantee provided by the First Dawood Investment Bank Limited (FDIBL) against this Term Finance facility.

- 15.3. This represent loan given by directors of the Company carrying no markup and payable on demand after June 30, 2008.

	Note	2009 Rupees	2008 Rupees
<b>16. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE</b>			
The amount of future payment and the year in which they will become due are:			
Liabilities due			
Within one year		<u>33,963,465</u>	13,403,950
Between one and five years		-	22,011,650
		<b>33,963,465</b>	<b>35,415,600</b>
Financial charges allocated to future periods		<b>(6,654,049)</b>	(7,100,472)
Current and overdue portion shown under current liabilities		<u><b>(27,309,416)</b></u>	<u><b>(8,778,691)</b></u>
		<u>-</u>	<u><b>19,536,437</b></u>

- 16.1. This represents finance leases entered into with a modaraba for office premises. Total lease rentals due under lease agreement aggregate to Rs. 33.963 million (2008: Rs. 35.415 million) and are payable in equal monthly installments latest by 2010. Taxes, repairs, replacement and insurance costs are to be borne by the Company. In case of termination of agreement, the Company has to pay the entire rent for the unexpired period. Financing rates of approximately 7.76% to 22.64% (2008: 7.35% to 16.82%) per annum have been used as a discounting factor. The lease of office premises carries a floating rate of Karachi Interbank Offer Rate (KIBOR) + 8% (2008 : KIBOR + 8%) per annum with no floor and cap. During the year the finance lease for vehicle has been matured and final settlement of the said lease liability has been made.

**17. CURRENT AND OVERDUE PORTION OF LONG TERM LIABILITIES**

Lease Liabilities		
- Current portion	19,536,616	8,778,691
- Overdue portion	7,772,800	-
	<u>27,309,416</u>	<u>8,778,691</u>
Overdue portion of long term finance	134,999,588	135,000,000
	<u>162,309,004</u>	<u>143,778,691</u>

Note	2009 Rupees	2008 Rupees
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**18. SHORT TERM FINANCE**

Loan from related party - Unsecured	-	<u>24,721,000</u>
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18.1. This represent interest free loan from related party represent loan from an associate AMZ Securities (Private) Limited

**19. CREDITORS, ACCRUED LIABILITIES AND OTHER PAYABLE**

Creditors	15,170,172	15,170,172
Accrued liabilities	3,890,164	3,160,782
Payable to Associated Company - related party	29,000,000	-
Others	-	141,540
Tax deducted at source	67,685	68,075
	<u>48,128,021</u>	<u>18,540,569</u>

**20. ACCRUED MARK UP**

Long term finance	29,712,245	6,478,945
Finance lease arrangements	4,188,111	-
	<u>33,900,356</u>	<u>6,478,945</u>

**21. CONTINGENCIES AND COMMITMENTS**

**21.1. Contingencies**

Outstanding letter of guarantee issued in respect of lease of building to B.R.R International Modarba amounting to Rs. 57.312 million (2008: Rs. 57.312 million).

Guarantees valuing Rs. 128 million issued by First Dawood Investment Bank Limited to secure long term finance obtained from Bank of Punjab.

**21.2. Commitments**

Outstanding future lease rentals as at June 30, 2009 amounting to Rs.33,963,465 (2008: Rs.35,415,600).

**22. REVENUE - NET**

Capital gain		-	(9,352,839)
Interest income	22.1	<u>18,925,728</u>	<u>13,895,128</u>
		<u>18,925,728</u>	<u>4,542,289</u>

22.1. This represents interest earned on long term loan provided to AMZ Access (Private) Limited (subsidiary company) (refer note 9). Income has been earned at the rates between 16.51% and 20.95% (2008: between 13.70% and 19.44%).

	Note	2009 Rupees	2008 Rupees
<b>23. ADMINISTRATIVE EXPENSES</b>			
Utilities		79,800	85,000
Fee and subscription		73,700	76,500
Advertisement		28,710	21,600
Insurance		49,204	-
Traveling and conveyance		6,620	120,606
Entertainment		5,353	2,133
Printing and stationery		57,281	67,065
Auditors' remuneration	23.1	335,000	404,713
Legal and professional		209,122	509,984
Amortization of deferred costs	6	380,328	380,328
Depreciation	4.1	58,221	363,221
Others		50,635	554,371
		<u>1,333,974</u>	<u>2,585,521</u>
<b>23.1. Auditors' Remuneration</b>			
Statutory audit fee		150,000	150,000
Internal Audit fee		120,000	150,000
Half yearly review		30,000	50,000
Certification for Compliance with Code		15,000	25,000
Audit of consolidated financial statements		15,000	25,000
Out of pocket expenses		5,000	4,713
		<u>335,000</u>	<u>404,713</u>
<b>24. FINANCE COST</b>			
Lease financial charges		4,720,295	5,674,450
Markup on loans from banking companies		23,207,800	19,946,221
Guarantee commission		1,280,000	2,328,548
Bank charges		4,360	2,673
		<u>29,212,455</u>	<u>27,951,892</u>
<b>25. Other income</b>			
Rent on sub lease of vehicle		270,640	428,460
Loss on sale of vehicle		<u>(118,665)</u>	<u>-</u>
		<u>151,975</u>	<u>428,460</u>
	Note	2009 Rupees	2008 Rupees
<b>26. LOSS PER SHARE</b>			
<b>Basic</b>			
Loss per share is calculated by dividing the loss for the year by weighted average number of shares outstanding during the year as follows:			
Loss for the year attributable to ordinary shareholders - Rupees		<u>(11,468,726)</u>	<u>(25,566,664)</u>
Weighted average number of shares outstanding		<u>30,000,000</u>	<u>30,000,000</u>
Loss per share - Rupees		<u>(0.38)</u>	<u>(0.85)</u>

**Diluted**

There is no dilution effect on the basic earnings per share of the Company as the Company has no such commitments.

**27. CASH FLOW FROM OPERATING ACTIVITIES**

Loss for the year before taxation		(11,468,726)	(25,566,664)
Adjustment for:			
Depreciation	4.1	58,221	363,221
Amortization	6	380,328	380,328
Other charges		27,928,095	-
Finance cost	24	118,670	25,620,671
Loss before working capital changes		<u>17,016,588</u>	<u>797,556</u>

**Working capital changes**

**(Increase) / decrease in current assets**

Advances		(3,070,581)	(1,023,020)
Accrued mark up		(18,925,728)	
Prepayment and other receivable		1,280,000	(231,453)

**Increase / (decrease) in current liabilities**

Accrued and other payables		29,587,452	16,420,549
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**Net cash generated from operating activities after working capital changes**

<u>25,887,731</u>	<u>15,963,632</u>
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**28. REMUNERATION OF CHAIRMAN, CHIEF EXECUTIVES, DIRECTORS AND EXECUTIVES**

The company has not paid any amount to the chairman, chief executives directors and executives in consideration of remuneration and other benefits during the last two years.

**29. TRANSACTIONS WITH RELATED PARTIES**

The related parties comprises of group companies, i.e. AMZ Access (Private) Limited, AMZ Securities (Private) Limited, AMZ Technologies (Private) Limited, AMZ Access Inc and Global Transcription, key management personnel and companies in which directors are common or a director hold office or employees of group companies.

**29.1. Significant transaction made during the year are as follows:**

	Note	2009 Rupees	2008 Rupees
Interest income from AMZ Access (Private) Limited		18,925,728	13,895,128
Loan to AMZ Access (Private) Limited		3,147,381	16,976,349
Recovery from AMZ Access (Private) Limited		76,800	18,236,377
Received from AMZ Asset Management Ltd.		29,000,000	-
Short term loan received from AMZ Securities (Private) Limited		1,515,000	16,971,000
Short term loan repaid to AMZ Securities (Pvt) Ltd.		26,236,000	-
Disposal of vehicle and receipt of rentals		456,970	-

**29.2.** During the year ended June 30, 2009, the Company utilized office premises of AMZ Securities (Private) Limited free of cost.

**29.3.** Year end balances as at June 30, 2009 are disclosed in respective notes.

**30. FINANCIAL INSTRUMENTS BY CATEGORY**

**FINANCIAL ASSETS**

**At fair value through profit or loss**

Interest Accrued - due from related party		<u>32,820,856</u>	<u>13,895,128</u>
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<b>Loans and receivables</b>		
Prepayments and other receivable	35,100	1,315,100
Cash and bank balances	6,978	14,226
	<u>42,078</u>	<u>1,329,326</u>
<b>At amortized cost</b>		
Short term loan and advances	91,509,727	88,439,146
<b>At cost- Subsidiary company</b>		
Long term investment	304,128,440	304,128,440
	<u>304,128,440</u>	<u>304,128,440</u>
<b>FINANCIAL LIABILITIES</b>		
<b>Financial liabilities at amortized cost</b>		
Short term financing	-	24,721,000
Current maturity of long term liabilities	162,309,004	143,778,691
Creditors, accrued and other liabilities	48,128,021	18,540,569
	<u>162,309,004</u>	<u>143,778,691</u>
<b>At fair value through profit or loss</b>		
Accrued mark up	33,900,356	6,478,945
	<u>33,900,356</u>	<u>6,478,945</u>

**31. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management focuses on the unpredictability of financial markets and seeks potential adverse effects on the Company's financial performance.

Risk managed and measured by the Company are explained below:

- a) Credit risk
- b) Liquidity risk
- c) Market Risk

The Board of Directors has overall responsibility for the establishment and oversight of Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management policies.

**a) Credit risk**

Credit risk represents the accounting loss that would be recognized at the reporting date if counterparties fail completely to perform as contracted. Out of the total financial assets of Rs. 428.5 (2008: Rs. 407.79) million, the financial assets which are subject to credit risk amounted to Rs. 428.49 million (2008: Rs. 407.79 million).

All investing transactions are settled / paid for upon delivery as per the advice of investment committee. The Company's policy is to enter into financial instrument contract by following internal guidelines such as approving counter parties and approving credits.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to the credit risk at the reporting date is:

		2009 Rupees	2008 Rupees
Long term investments	5.1	304,128,440	304,128,440
Accrued income		32,820,856	13,895,128
Prepayments and other receivable		35,100	1,315,100
Short term loans and advances		91,509,727	88,439,146
Cash at bank-current account		5,525	13,409
		<u>428,499,648</u>	<u>407,791,223</u>

**b) Liquidity risk**

Liquidity risk is the the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure as far as possible to always have sufficient liquidity to meet its liabilities when due. The company is not materially exposed to liquidity risk as all obligations / commitments of the Company are short term in nature and are restricted to the extent of available liquidity.

The following are the contractual maturities of the financial liabilities, including estimated interest payments:

2009				
Carrying Amount	Contractual Cash flows	Less than 6 months	6 months to 1 year	1 year to 5 years
<b>Financial Liabilities</b>				
Long term financing	132,000,000	143,827,200	143,827,200	
Loan from directors	2,999,588	2,999,588	2,999,588	
Lease liabilities	27,309,416	33,963,465	19,932,805	14,030,660
Creditors, accrued and other liabilities	48,178,021	48,178,021	48,178,021	
Accrued mark up	33,916,456	33,916,456	33,916,456	

2008				
Carrying Amount	Contractual Cash flows	Less than 6 months	6 months to 1 year	1 year to 5 years
<b>Financial Liabilities</b>				
Long term financing	132,000,000	151,946,221	151,946,221	
Loan from directors	3,000,000	3,000,000	3,000,000	
Lease liabilities	28,315,128	35,400,125	6,161,882	7,226,593
Short term borrowings	24,721,000	24,721,000	24,721,000	22,011,650
Creditors, accrued and other liabilities	18,540,569	18,540,569	18,540,569	
Accrued mark up	6,478,945	6,478,945	6,478,945	

Contractual cash flows in respect of long term financing are based on six months KIBOR + 5% and KIBOR+3.5%.KIBOR is 12.76% (June 30 2008: 14.19%).

**c) Market Risk**

Market risk is the risk that changes in market price, such as foreign exchange rates, interest rates and equity prices will effect the Company's income or the value of its holdings of financial instruments.

**i) 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. At year end, the Company is not exposed to any currency risk.

**ii) Interest rate risk**

Interest rate risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

At the balance sheet date the interest rate profile of the Company's interest-bearing financial instruments was as follows:

	2009	2008
- Bank of Punjab	3 month KIBOR plus 3.5%	3 month KIBOR plus 3.5%
- Orix Leasing Pakistan Limited	6 month KIBOR plus 5%	6 month KIBOR plus 5%
- B.R.R. Guardian Modaraba	6 KIBOR asking plus 8%	6 KIBOR asking plus 8%

**Cash flow sensitivity analysis for variable rate instruments**

A change of 100 basis points in interest rates at the reporting date would have increased / (decreased) profit and equity for the year by the amounts shown below. The analysis assumes that all other variables remain constant. The analysis is performed on same basis for 2008.

	<b>Profit and Loss 100 bp</b>	
	Increase	(Decrease)
<b>As at June 30 2009</b>		
Cash flow Sensitivity - Variable Rate Instruments	<u>1,275,513</u>	<u>(1,275,513)</u>
<b>As at June 30 2008</b>		
Cash flow Sensitivity - Variable Rate Instruments	<u>848,428</u>	<u>(848,428)</u>

The sensitivity analysis prepared is not necessarily indicative of the effects on profit for the year and assets of the Company.

**d) Capital risk management**

The Company's objective when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The company finances its operations through equity, short term borrowings and by managing working capital. Quantitative data for share capital and share premium is given in statement of changes in equity and data for short term borrowings is given in note 18 of the financial statements. Company's gearing ratio is 42.21% (2008: 44.59%).

**e) Fair value of financial assets and liabilities**

The estimated fair value of financial instruments is not significantly different from their book value as shown in these financial statements. Fair value is the amount at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

**32. Reclassification**

Certain prior year's figures have been reclassified consequent upon certain changes in current year's presentation. The summary of material reclassification is as follows:

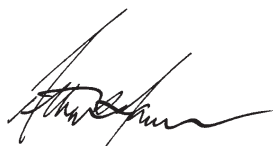
Note	Reclassification		Nature	Rupees
	From	To		
From 9 to 8	Short Term Loan to related party	Interesr Accrued	Markup	13,895,128

**33. DATE OF AUTHORIZATION FOR ISSUE**

These financial statements were authorized for issue by the Board of Directors of the Company on October 10, 2009.

**34. GENERAL**

Figures have been rounded off to the nearest rupee.



**Chairman & Chief Executive**



**Director**





**AMZ Ventures Limited**  
and Subsidiaries

Consolidated  
Financial Statements

For the Year ended  
June 30, 2009

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS**

We have audited the annexed consolidated financial statements comprising consolidated Balance Sheet of AMZ VENTURES LIMITED (the Holding Company) and its subsidiary companies AMZ Access (Private) Limited, AMZ Access Inc., U.S.A and Global Transcriptions U.S.A as at June 30, 2009 and the related consolidated Profit and Loss Account, consolidated Cash Flow Statement and consolidated Statement of Changes in Equity together with the notes forming part thereof, for the year then ended. We have also expressed separate opinions on the financial statements of AMZ VENTURES LIMITED and its subsidiary company AMZ Access (Private) Limited except for AMZ Access Inc., U.S.A and Global Transcriptions U.S.A which are to be audited by other firms of auditors. These financial statements are the responsibility of the Holding Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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.

Our audit report on separate financial statements of the Holding Company includes following qualifications:

- a) the Company has not charged impairment to profit and loss account on investment in its subsidiary for which going concern assumption is inappropriate. Had the impairment been recorded, loss for the year would have been increased by Rs. 304.128 million (2008: 304.128 million).
- b) during the year the Company has incurred net loss of Rs. 11.468 million (2008: 25.57 million) and its accumulated losses reached to Rs.77.814 million (2008: 66.35 million). Its current liabilities exceed its current assets by Rs.119.96 4 million (2008: 89.70). The company has applied for exit from the ambit of Non Banking Finance Companies as discussed in note - 1.4 to these financial statements. The Company's financing arrangements have been expired and rescheduling of borrowings is unlikely. As discussed in Note - 1.4, the Company intends to enter in the technologies business whose success is dependent on the availability of finance and profitable market. These factors create uncertainty which may cast significant doubt about the company's ability to continue as a going concern accordingly company may not be able to realize its assets and discharge its liabilities at stated amount. The financial statements do not disclose this fact.

Our audit report on the financial statements of the subsidiary AMZ Access (Private) Limited includes following qualifications:

- c) during the year company has incurred loss after tax of Rs. 0.775 millio (2008: 62.348 million) and its accumulated losses reached to Rs. 377.058 million (2008: 376.949 million) and its current liabilities exceed its current assets by Rs.193.285 million (2008: 171.059 million). These conditions create doubt about the company's ability to continue as a going concern basis, accordingly company may not be able to realize its assets and discharge its liabilities at stated amounts. That fact is not disclosed in these financial statements;
- d) the Company has not charged impairment to profit and loss account on investment in its subsidiaries for which going concern assumption is inappropriate. Had the impairment been recorded, loss for the year would have been increased by Rs. 101.375 million (2008: 85.375 million);
- e) the Company has trade debts of Rs. 69.084 million which are past due but no provision has been made in the financial statements. Had the provision been made, loss for the year would have been increased by the same amount;
- f) the Company had carried down revaluation of its property and equipment during 2003. In our opinion these assets are subject to the impairment test, however no impairment test has been performed. We could not determine the impact of such adjustments that may arise had the impairment test been performed;

The company do not perform impairment test on goodwill arisen on the consolidation with subsidiary AMZ Access (Private) Limited and its impact on the financial statements could not be ascertained.

The auditors of AMZ Access, Inc which is subsidiary of AMZ Access (Private) Limited has expressed qualification in the consolidated financial statements fort the year ended June 30, 2009 of AMZ Access Inc

with its subsidiary Global Transcriptions U.S.A. The qualification was expressed on non performing impairment test on the goodwill acquired in the acquisition of subsidiary. Had such test been performed loss in the Group's consolidated financial statements would be increased by the amount of impairment.

In our opinion, because of the effects of matters referred in the preceding paragraphs, the consolidated financial statements do not present fairly the financial position of AMZ Ventures LIMITED and its subsidiaries AMZ Access (Private) Limited, AMZ Access Inc., U.S.A and Global Transcriptions U.S.A as at June 30, 2009 and the results of their operations for the year then ended.

**Place: Karachi**  
**Date: October 10, 2009**

**Haroon Zakaria & Co.**  
Chartered Accountants

**CONSOLIDATED BALANCE SHEET  
AS AT JUNE 30, 2009**

<b>ASSETS</b>	<b>Note</b>	<b>2009</b>	<b>2008</b>
		..... Rupees .....	
<b>NON-CURRENT ASSETS</b>			
Property and equipment	6	103,695,731	117,648,544
Long term advances	7	-	-
Deferred costs	8	-	2,856,620
Long term deposits	9	2,174,945	5,095,426
		<b>105,870,676</b>	125,600,590
<b>CURRENT ASSETS</b>			
Current maturity of non-current assets	10	-	155,092
Trade debts	11	5,135,820	9,427,967
Advances	12	2,811,267	2,037,170
Trade deposits and prepayments	13	214,000	1,619,438
Other receivables	14	601,255	1,138,084
Cash and bank balances	15	1,100,237	1,379,662
		<b>9,862,578</b>	15,757,413
<b>TOTAL ASSETS</b>		<b>115,733,254</b>	141,358,003
<b>EQUITY AND LIABILITIES</b>			
Authorized share capital	16	<b>1,000,000,000</b>	1,000,000,000
<b>Equity attributable to equity holders of the parent</b>			
Issued, subscribed and paid-up share capital	17	<b>300,000,000</b>	300,000,000
Accumulated loss		<b>(588,886,857)</b>	(543,684,211)
Exchange difference on translation of foreign operations		<b>(3,181,448)</b>	(6,521,570)
		<b>(292,068,306)</b>	(250,205,782)
Minority interest		<b>(953,651)</b>	(781,236)
	A	<b>(293,021,957)</b>	(250,987,017)
<b>NON-CURRENT LIABILITIES</b>			
Liabilities against assets subject to finance lease	18	<b>17,755</b>	22,742,736
Long term loan	19	<b>29,418,318</b>	30,532,000
Deferred income	20	-	105,718
Long term deposits	21	-	278,556
		<b>29,436,073</b>	53,659,010
<b>CURRENT LIABILITIES</b>			
Trade and other payables	22	<b>74,973,616</b>	61,982,420
Accrued financial charges	23	<b>44,144,673</b>	9,632,676
Short term finances	24	<b>69,119,096</b>	95,704,096
Current maturity of non-current liabilities	25	<b>190,247,992</b>	170,533,058
Provision for taxation		<b>833,760</b>	833,760
		<b>379,319,137</b>	338,686,010
<b>TOTAL LIABILITIES</b>	B	<b>408,755,210</b>	392,345,020
<b>Contingencies and commitments</b>	26	-	-
<b>Total equity and liabilities</b>	A+B	<b>115,733,254</b>	141,358,003

The annexed notes form an integral part of these consolidated financial statements

**Chairman & Chief Executive**

**Director**

**CONSOLIDATED PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED JUNE 30, 2009**

	Note	2009 Rupees	2008
Revenue - net	27	49,175,637	41,616,679
Cost of services	28	(33,413,965)	(52,236,021)
<b>Gross profit / (loss)</b>		<b>15,761,673</b>	<b>(10,619,343)</b>
Marketing and distribution expenses	29	(10,778,657)	(275,155)
Administrative expenses	30	(22,474,470)	(28,738,757)
Other income/(Loss)	31	12,487,284	(8,046,382)
		<b>(20,765,844)</b>	<b>(37,060,294)</b>
<b>Operating loss</b>		<b>(5,004,171)</b>	<b>(47,679,637)</b>
Amortization of intangible assets	0	(2,623,746)	(22,362,101)
Finance cost	32	(37,725,302)	(35,263,221)
<b>Loss before taxation and minority interest</b>		<b>(45,353,219)</b>	<b>(105,304,959)</b>
Income tax expense	33	-	(592,323)
<b>Loss after taxation</b>		<b>(45,353,219)</b>	<b>(105,897,282)</b>
<b>Attributable to:</b>			
Equity holders of the parent		45,202,646	105,545,703
Minority interest		150,573	351,579
		<b>45,353,219</b>	<b>105,897,282</b>
<b>Loss per share -Basic and Diluted</b>	34	<b>(1.51)</b>	<b>(3.53)</b>

The annexed notes form an integral part of these consolidated financial statements



**Chairman & Chief Executive**

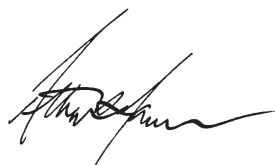


**Director**

**CONSOLIDATED CASH FLOW STATEMENT  
FOR THE YEAR ENDED JUNE 30, 2009**

	Note	2009 ..... Rupees .....	2008
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash used in operations after working capital changes	35	25,421,122	10,080,320
Decrease in long term deposits		2,641,925	206,405
Income tax paid		-	(672,273)
<b>Net cash generated from operating activities</b>		<b>28,063,047</b>	9,614,452
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		-	(14,803)
Proceeds from sale of property, plant and equipment		2,261,280	1,308,701
<b>Net cash generated from investing activities</b>		<b>2,261,280</b>	1,293,898
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Long term finance received		-	38,538
Long term finance repaid		(1,113,682)	-
Short term finance received		-	39,224,350
Short term finance repaid		(26,585,000)	-
Finance cost paid		(3,213,303)	(36,844,697)
Repayment of lease liabilities		(3,010,047)	(7,996,706)
<b>Net cash generated from financing activities</b>		<b>(33,922,032)</b>	(5,578,515)
Effect of exchange rate changes on value of foreign operations		3,318,279	(6,296,479)
Net increase / (decrease) in cash and cash equivalents		(279,426)	(966,644)
Cash and cash equivalents at the beginning of the year		1,379,662	2,346,306
Cash and cash equivalents at the end of the year	15	<b>1,100,237</b>	1,379,662

The annexed notes form an integral part of these consolidated financial statements



**Chairman & Chief Executive**



**Director**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED JUNE 30, 2009**

	Attributable to equity holders of the parent							
	Share Capital			Accumulated loss	Exchange difference on translation of foreign operation		Minority interest	Total equity
	Ordinary Class 'A' Shares	Ordinary Class 'B' Shares	Total		Total	Total		
	-----Rupees-----							
<b>Balance as at July 01, 2007</b>	225,000,000	75,000,000	300,000,000	(438,138,508)	(225,091)	(138,363,599)	(429,657)	(138,793,256)
Changes in equity for the year ended June 30, 2008								
Exchange loss	-	-	-	-	(6,296,479)	(6,296,479)	-	(6,296,479)
<b>Net income recognized directly in equity</b>	-	-	-	-	(6,296,479)	(6,296,479)	-	(6,296,479)
Loss for the year	-	-	-	(105,545,703)	-	(105,545,703)	(351,579)	(105,897,282)
<b>Balance as at June 30, 2008</b>	225,000,000	75,000,000	300,000,000	(543,684,211)	(6,521,570)	(250,205,782)	(781,236)	(250,987,017)
<b>Net income recognized directly in equity</b>	-	-	-	-	3,340,122	3,340,122	(21,843)	3,318,279
<b>Loss for the year</b>	-	-	-	(45,202,646)	-	(45,202,646)	(150,573)	(45,353,219)
<b>Balance as at June 30, 2009</b>	225,000,000	75,000,000	300,000,000	(588,886,857)	(3,181,448)	(292,068,306)	(953,651)	(293,021,957)

The annexed notes form an integral part of these consolidated financial statements



**Chairman & Chief Executive**



**Director**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2009****1 THE GROUP AND ITS OPERATIONS**

1.1 The group consist of:

**Holding company**

AMZ Ventures Limited

**Direct subsidiary of AMZ Ventures Limited**

AMZ Access (Private) Limited

**Indirect subsidiary of AMZ Ventures Limited**

AMZ Access Inc. (subsidiary of AMZ Access (private) Limited)

Global Transcriptions (subsidiary of AMZ Access Inc.)

1.2 AMZ Ventures Limited (the holding Company) was incorporated in Pakistan as a Public Limited Company on May 13, 2004 under the Companies Ordinance, 1984. The holding Company was granted listing on the Karachi Stock Exchange on December 13, 2004. The registered office of the Company is situated at 19th Floor, Tower B, Saima Trade Tower, I.I. Chundrigar Road, Karachi, Pakistan. The Company is licensed to undertake Venture Capital Investments business as a Non-Banking Finance Company in accordance with Rule 5 of the NBFC's and notified entities regulations 2007(NBFC).

The principal activity of the holding Company is to invest in rapidly growing companies, purchase equity securities, assist in the development of new products or services and also to add value to a company through active participation or to act as a management company for the management of venture capital fund.

1.3 The Securities and Exchange Commission of Pakistan (SECP) has allowed the holding company to expose more than forty per cent of its equity attributable to venture capital investment segment to any single person or group of companies, in relaxation of Rule 22 (a) of the NBFC Rules, 2003 in terms of Rule 84 of the NBFC Rules.

1.4 The holding Company has invested in a subsidiary AMZ Access (Private) Limited (the subsidiary) to finance the acquisition of US based Medical Transcription companies, to facilitate an expansion in existing infrastructure and utilize capacity of the anticipated additional business volumes, and to cater the working capital requirements of the local operations. The holding company holds 99.67% (2008: 99.67%) shares in AMZ Access (Private) Limited. The subsidiary was acquired on July 28, 2004. The net assets of AMZ Access (Private) Limited acquired on that date amounted to Rs.80.475 million.

**2 OTHER ACQUISITIONS**

AMZ Access (Private) Limited had made an investment in AMZ Access Inc. incorporated in United States of America (US) on May 4, 2004. No goodwill had arisen on the purchase of the said subsidiary. Further, Global Transcriptions a company incorporated in the United States was acquired through AMZ Access Inc. on October 1, 2004, which resulted in goodwill amounting to Rs. 13,714,074.

**3 BASIS OF CONSOLIDATION**

The consolidated financial statements include the financial statements of AMZ Ventures Limited (the "holding company"), AMZ Access (Private) Limited, AMZ Access Inc. and Global Transcriptions (the "subsidiaries") together referred to as the "Group". The consolidated financial statements of the holding company and its subsidiaries have been consolidated on a line by line basis using identical reporting dates and consistent accounting policies. The investment held by the holding company has been eliminated against the corresponding net assets of the subsidiaries in the consolidated financial statements.

Pursuant to the exemption available in paragraph 10 of International Accounting Standard 27: Consolidated and Separate Financial Statements", AMZ Access (Private) Limited does not prepare consolidated financial statements as the company itself is a subsidiary of AMZ Ventures Limited (holding company) and the board of directors of the holding company have opted not to prepare and present such



consolidated financial statements for the company, the debt and equity securities of the company are not listed, and the company has not applied for listing of its debt or equity securities. Further, the holding company is a public listed company incorporated in Pakistan and having its registered office at 19th Floor, Tower B, Saima Trade Towers, I.I.Chundrigar Road, Karachi, Pakistan. The holding company prepares and presents consolidated financial statements incorporating the company and its subsidiaries. Such consolidated statements are issued to the public and are available at the registered office of the holding company.

Subsidiaries are consolidated from the date on which control is transferred to the group and cease to be consolidated from the date on which control is transferred out of the group.

All inter-group balances, transactions and resulting unrealized profits / losses have been eliminated.

Minority interest represents the interests of individuals who are also directors of the holding company.

A summary of the financial statements of the subsidiaries being consolidated is as follows:

Name of subsidiary	AMZ Access		Global Transcriptions
	(Private) Limited	AMZ Access Inc	
Name of auditor	Haroon Zakaria & Co.	Brown Smith Wallace LLC	Brown Smith Wallace LLC
Date of audited financial statements	June 30, 2009	June 30, 2009	June 30, 2009
Relationship with the company	Direct Subsidiary	Indirect Subsidiary	Indirect Subsidiary
Nature of business	Internet, Software, IT enabled Services	IT enabled Services	Medical and legal transcription services
Holding percentage by respective company	99.67 (2008: 99.67)	100 (2008: 100)	100 (2008: 100)

The total assets and liabilities of indirect subsidiaries of the holding company included in these consolidated financial statements are Rs. 15,388,011 (2008: Rs. 39,097,333) and Rs. 79,703,918 (2008: Rs. 72,143,279) respectively, audited by a firm of certified accountants, out of the total assets and liabilities of the group of Rs. 115,733,254 (2008: Rs. 141,358,004) and Rs. 408,755,210 (2008: Rs. 392,345,020) respectively.

The indirect subsidiaries have made an aggregate loss of Rs. 7,948,897 (2008: Rs. 4,787,284) during the year.

**4 BASIS OF PREPARATION**

**4.1 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, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 shall prevail.

**4.2 Standards, Interpretations and Amendments To Published Approved Accounting Standards**

**a) Initial application of a standard or an interpretation**

The Company has adopted the following new and amended IFRS and IFRIC interpretations as of July 01, 2008.

IFRS - 7	Financial Instruments: Disclosures
IFRIC - 12	Service concession arrangements
IFRIC - 13	Customer loyalty programs; and
IFRIC - 14	IAS 19 - The limit on defined benefit asset, minimum funding requirement and there interactions.

Adoption of these standards and interpretations did not have any material effect on the financial statements of the Company except for certain additional disclosures in respect of IFRS 7 included in the relevant notes to the financial statements.

**b) Amendments to published standards not yet effective**

The following revised standards and interpretations with respect to approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective revised standard and interpretation:

<b>Standards or interpretation</b>	<b>Date</b>
IAS 1 - Presentation of Financial Statements (Revised)	January 01, 2009
IAS 23 - Borrowing Costs (Revised)	January 01, 2009
IAS 27 - Consolidated and Separate Financial Statements (Revised)	January 01, 2009
IAS 32 - Financial Instruments (Amended)	January 01, 2009
IAS 39 - Financial Instruments Recognition and Measurement (Amended)	January 01, 2009
IFRS 2 - Share-based Payment (Amended)	January 01, 2009
IFRS 3 - Business Combinations (Revised)	July 01, 2009
IFRS 8 - Operating Segments	January 01, 2009
IFRIC 15 - Agreement for the Construction of Real Estate	January 01, 2009
IFRIC 16 - Hedge of Net Investment in a Foreign Operation	October 01, 2009
IFRIC 17 - Distribution of Non-Cash Assets to Owners	July 01, 2009
IFRIC 18 - Transfer of Assets from Customers	July 01, 2009

"The Company expects that the adoption of the above standards and interpretations will have no material impact on the Company's financial statements in the period of initial application other than certain changes and / or enhancements in the presentation and disclosures of financial statements.

**4.3 Use of estimates and judgments**

The preparation of financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgments made by management in the application of approved accounting standard as, applicable in Pakistan, that have significant effect on the financial statements and estimates with a significant risk of material judgment in the next year are as follows:

**a) Property and equipment**

The Company's management determines the estimated useful lives and related depreciation charge for its property and equipment. This also includes estimating the residual values and depreciable lives. Further, the Company reviews the value of the assets for possible impairment on an annual basis. Any change in the estimates in future years might affect the carrying amounts of the respective items of property and equipments with a corresponding affect on the depreciation charge and impairment.

**b) Income Taxes**

In making the estimates for income taxes currently payable by the Company, the management looks at the current income tax law and the decisions of appellate authorities on certain issues in the past.

**c) Investments stated at Fair Value**

The Company has determined fair value of certain investments by using quotations from active market. Fair value estimates are made at a specific point of time based on market conditions and information about the financial instruments. These estimates are subjective in nature and involve uncertainties and matter of judgments (e.g. valuation, interest rates, etc.) and therefore, can not be determined with precision.

**d) Trade and Other Receivables**

The Company reviews its trade and other receivables regularly to assess amount of any provision required against such balances.

## 5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 5.1 Basis of measurement

These consolidated financial statements have been prepared under the 'historical cost convention' except as otherwise mentioned in relevant notes.

The consolidated financial statements have been prepared following the accrual basis of accounting except for the cash flow information.

### 5.2 PROPERTY AND EQUIPMENT

**a) Property and equipment, and depreciation**

#### Initial recognition

An item of property, plant and equipment is initially recognized at cost which is equal to the fair value of consideration paid at the time of acquisition or construction of the asset.

The group accounts for property, plant and equipment acquired under finance leases by recording the assets and the related liability. These amounts are determined at the inception of lease, on the basis of the lower of the fair value and the present value of minimum lease payments. Financial charges are allocated to the accounting period in a manner so as to provide a constant rate of charge on the outstanding liability.

#### Measurement subsequent to initial recognition

##### Carried using revaluation model

Communication equipments are stated at their revalued amounts, being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Fair value is determined by external professional valuers with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the balance sheet date.

**Carried using cost model**

Property, plant and equipments other than those mentioned above are stated at cost less accumulated depreciation and accumulated impairment losses.

**Depreciation**

Depreciation is charged to income applying the straight-line method whereby the cost of asset is written off over its estimated service life. Fully year's depreciation is charged in the year of additions whereas no depreciation is charged in the year of disposal. Same basis and estimates for depreciation are applied to owned assets and assets subject to finance lease.

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

Profit and loss on disposal of property, plant and equipment is included in income currently.

**b) Capital work in progress**

Capital work-in-progress is stated at cost accumulated up to the balance sheet date less impairment losses, if any and represents expenditure incurred on property, plant and equipment in the course of construction. These expenditures are transferred to relevant category of property, plant and equipment as and when the assets become available for use.

**c) Intangible assets****Goodwill**

Goodwill represents the excess of the cost of the acquisition over the fair value of identifiable net assets of the subsidiary at the date of acquisition. Subsequent to initial recognition goodwill is measured at cost less impairment loss, if any.

**Others**

These are recorded initially at cost and subsequently carried at cost less any accumulated amortization and any accumulated impairment losses.

These are amortized over their finite useful lives and amortization is charged to income using the straight line method.

Intangible assets having indefinite useful life are stated at acquisition cost. Provisions are made for permanent diminution in value of assets, if any.

**5.3 Impairment**

The carrying amount of the group's assets are reviewed at each balance sheet date to determine whether there is any objective evidence that an asset or group of assets may be impaired. If any such evidence exists, the asset's or group of assets' recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are charged to income currently.

**5.4 Deferred costs**

Deferred cost is charged directly to the profit and loss account in the period it is incurred. However, as per Circular No. 1 of 2004 of SECP, deferred costs outstanding as on July 05, 2004 are allowed to be amortized in accordance with substituted fourth schedule to the Companies Ordinance, 1984.

**5.5 Trade debts**

Receivables are carried at original invoice amount less an estimate of doubtful receivable balances based on review by the management of outstanding amount at the year end. Bad debts are written off when identified.

**5.6 Loans and receivables**

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market other than (a) those that the group intends to sell immediately or in the near term, which shall be classified as held for trading, (b) those that the group upon initial recognition designates as at fair value through profit or loss, (c) those that the group upon initial recognition designates as available for sale; or (d) those for which the group may not recover substantially all of its initial investment, other than because of credit deterioration, which shall be classified as available for sale.

Subsequent to initial measurement loans and receivables are measured at amortized cost using the effective interest method. Gains/losses arising on remeasurement of loans and receivables are taken to the profit and loss account.

Gain or loss is also recognized in profit and loss account when loans and receivables are derecognized or impaired, and through the amortization process.

## **5.7 Cash and cash equivalents**

For the purpose of cash flow statement, cash and cash equivalents consist of cash and bank balances.

## **5.8 Loans and Finances**

These are initially recognized at cost being the fair value of the consideration received together with the associated transaction cost. Subsequently, these are recognized at amortized cost using the effective interest method.

## **5.9 Taxation**

Income of the company from all sources is exempt from tax under clause 101 of Part 1 of the Second Schedule to the Income Tax Ordinance, 2001. This exemption is available upto June 30, 2014. Accordingly, current and deferred taxation has not been accounted for in these financial statements.

## **5.10 Provisions**

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

## **5.11 Revenue recognition**

Revenue from transcription services are provided when such services are rendered and acknowledged.

Return from carry over transactions is recorded on accrual basis.

Dividend income if any, is recognized when the group's right to receive such dividend has been established.

Revenue from scratch card sale if any, is recognized on delivery of cards to dealers. .

Bandwidth sale if any, is recognized on accrual basis

Revenue from dial up connections if any, is recognized when connection is activated.

Revenue from business process outsourcing if any, is recognized on the basis of provision of services and at the time when invoice is raised.

## **5.12 Borrowing cost**

Borrowing costs specific to a significant addition of a project during its construction / erection period are capitalized. Other borrowing costs are charged to the profit and loss account as and when incurred.

## **5.13 Foreign currencies**

### **Foreign currency transactions**

Transactions in foreign currencies are accounted for in rupees at the rate of exchange prevailing on the date of transaction. Monetary assets and liabilities in foreign currencies as at the balance sheet date are expressed in rupees at rates of exchange prevailing on that date except where forward exchange cover has been obtained for payment of liabilities, in which case the contracted rates are applied.

In the consolidated financial statements, the results and financial position of the subsidiaries are expressed in terms of Pakistani Rupee which is the functional currency of the holding company and the presentation currency of the group financial statements.

**Foreign operations**

The monetary assets and liabilities of foreign operations are translated to Pakistani Rupees at exchange rates prevailing at the balance sheet date. Non-monetary assets and liabilities are translated using the rates of exchange prevailing at the date of recognition of such assets and liabilities. Results of foreign operations are translated using an average of exchange rates for the year.

**Translation gains and losses**

Translation gains and losses are included in the profit and loss account except for those arising on the translation of net investment in foreign operations which are initially recognized in exchange translation reserve and recognized in profit and loss account on disposal of net investment in foreign operations.

**5.14 Financial instruments**

Financial instrument are categorized in relevant notes.

**Financial Assets**

The classification depends on the purpose for which asset are acquired. Management determines the classification of its financial assets at initial recognition.

**a) Loans and receivables**

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

All financial assets are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. Regular purchases and sales of investments are recognized on trade date-the date on which the Company commits to purchase or sales the assets. Financial assets are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognized when the right to receive the cash flows from the assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownerships.

Loan and receivables and held-to-maturity investments are carried at amortized cost using the effective interest method.

The Company assesses to each balance sheet date whether there is objective evidence that a financial asset at a group of financial assets in impaired.

**Financial Liabilities**

All financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instruments. A financial liability is derecognized when the obligation under the liability is discharge or cancelled or expired.

**5.15 Offsetting of financial assets and financial liabilities**

Financial assets and liabilities are off-set and the net amount in reported in the financial statements only when the Company has a legally enforceable right to off-set the recognized amounts and the Company intends either to settle on a net basis or to realize the assets and settle the liability simultaneously.

**5.16 Regular way purchase and sale transactions**

All purchases and sales of financial assets that require delivery within the time frame established by regulation or market convention are recognized at the trade date. Trade date is the date on which the group commits to purchase or sell the asset.

**5.17 Segment reporting**

A business segment is a distinguishable component of the group that is engaged in providing an individual product or service or a group of related products or services and that is subject to risk and returns that are different from those of other business segments. As the risk and rate of return are predominantly affected by difference in these products or services, the primary format for reporting segment information is based on business segment.

**5.18 Transfer pricing and related parties**

Related parties include the company's subsidiaries, associates, directors and key management personnel. All transactions involving related parties arising in the normal course of business are conducted at arm's length at normal commercial rates on the same terms and conditions as third party transactions using valuation modes, as admissible, except in extremely rare circumstances where, subject to the approval of the Board of Directors, it is in the interest of the company to conduct related party transactions at a price other than the arm's length price.

**Dividend**

Dividend distribution to the company's shareholders is recognized as a liability in the company's financial statements in the period in which such dividends are approved.

**Presentation**

Figures have been rounded-off to the nearest rupee.

		2009 Rupees	2008 Rupees
<b>6 PROPERTY AND EQUIPMENT</b>			
Property and equipment	6.1	41,187,681	52,516,748
Capital work-in-progress	6.2	37,312,000	37,312,000
Intangible assets	6.3	<u>25,196,050</u>	<u>27,819,796</u>
		<u><u>103,695,731</u></u>	<u><u>117,648,544</u></u>

# AMZ Ventures Limited



## 6.1 PROPERTY, PLANT AND EQUIPMENT

Description	OWNED ASSETS										LEASED ASSETS												
	Furniture and fixtures	Communicational equipment	ISP equipment	Computers equipment	Office equipment	Radio equipment	Medical Transcrip on equipment	Network equipment	Call Centre equipment	Vehicles	Generator	Switching equipment	Parking slots	Sub total	Vehicles	Generator	Office equipment	Computers equipment	Network equipment	Call Centre equipment	Sub Total	Total	
<b>Year ended Jun 30, 2008</b>	1,881,952	41,375,197	2,394,000	4,386,528	5,381,366	3,811,994	132,800	2,606,446	142,860	296,250	32,000	3,168,289	753,951	66,941,611	3,045,978	382,500	209,775	1,012,266	324,219	5,342,057	10,316,194	77,257,805	45,658
Opening net book amount	187,315	55,618	-	-	(247,614)	-	4,829	-	1,290	-	-	44,220	(46,431)	45,658	-	-	-	-	-	-	-	(60,461)	-
Additions/Adjustment	(32,443)	(90,881)	-	837,554	(861,220)	-	(1,920)	-	(891,120)	-	-	-	(13,186,748)	(60,461)	-	-	-	-	-	-	-	-	-
Acc. depreciation/Adjustment	(377,339)	(7,662,615)	(2,394,000)	(1,112,837)	(856,379)	(527,394)	(20,358)	(333,137)	(23,810)	(101,502)	(8,000)	(164,735)	(44,220)	(9,110,475)	(1,427,300)	(42,500)	(24,230)	(278,640)	(37,556)	(618,604)	(2,429,030)	(11,539,505)	(13,186,748)
Disposals net	(199,173)	(5,008,194)	-	(1,524,598)	(1,055,140)	(527,394)	(20,358)	(333,137)	(23,810)	(101,502)	(8,000)	(164,735)	(44,220)	(9,110,475)	(1,427,300)	(42,500)	(24,230)	(278,640)	(37,556)	(618,604)	(2,429,030)	(11,539,505)	(13,186,748)
Depreciation charge for the year	1,459,712	29,327,125	-	2,480,647	3,111,012	3,284,610	115,126	2,273,309	119,050	106,918	24,000	1,620,554	707,520	44,628,584	1,616,678	340,000	184,945	733,625	286,663	4,723,253	7,887,164	52,516,748	733,625
Closing net book amount	1,977,695	50,077,332	-	8,282,538	6,739,744	5,273,835	205,426	3,331,373	238,100	468,633	80,000	3,294,722	884,400	80,835,798	7,136,500	425,000	242,300	1,363,200	375,563	6,188,038	15,760,601	96,614,399	52,516,748
Cost/assessed value	(517,983)	(20,750,208)	-	(6,801,891)	(3,628,732)	(1,989,225)	(90,300)	(1,058,084)	(119,050)	(361,715)	(56,000)	(1,674,168)	(176,880)	(35,224,214)	(5,517,822)	(85,000)	(57,355)	(659,575)	(88,900)	(1,464,785)	(7,873,437)	(44,097,651)	(44,097,651)
Accumulated	1,459,712	29,327,124	-	2,480,647	3,111,012	3,284,610	115,126	2,273,309	119,050	106,918	24,000	1,620,554	707,520	44,628,584	1,616,678	340,000	184,945	733,625	286,663	4,723,253	7,887,164	52,516,748	733,625
<b>Year ended Jun 30, 2009</b>	1,459,712	29,327,124	-	2,480,647	3,111,012	3,284,610	115,126	2,273,309	119,050	106,918	24,000	1,620,554	707,520	44,628,584	1,616,678	340,000	184,945	733,625	286,663	4,723,253	7,887,164	52,516,748	733,625
Opening net book amount	(149,663)	-	-	(1,656,508)	(87,520)	-	(20,543)	(333,137)	(23,810)	(93,727)	(8,000)	(164,736)	(44,220)	(177,183)	(1,277,000)	(42,500)	(24,230)	(278,640)	(37,556)	(618,604)	(1,277,000)	(9,374,684)	(9,374,684)
Additions	(173,212)	(5,007,733)	-	(824,140)	2,157,227	94,583	1,940,172	95,240	13,191	16,000	1,458,818	663,300	35,729,547	191,378	297,500	160,715	454,985	249,107	4,104,449	5,458,134	41,187,881	41,187,881	41,187,881
Disposals net	1,386,837	24,319,391	-	824,140	2,413,648	2,757,227	94,583	1,940,172	95,240	13,191	16,000	1,458,818	663,300	35,729,547	191,378	297,500	160,715	454,985	249,107	4,104,449	5,458,134	41,187,881	41,187,881
Depreciation charge for the year	As at Jun 30, 2009	1,732,123	50,077,332	-	8,282,538	6,698,444	205,426	3,331,373	238,100	468,633	80,000	3,294,722	884,400	80,835,926	751,500	425,000	242,300	1,363,200	375,563	6,188,038	9,375,601	89,942,527	89,942,527
Cost/assessed value	Accumulated	(595,288)	(25,757,941)	-	(7,456,398)	(4,294,796)	(2,516,609)	(110,849)	(1,391,201)	(42,880)	(64,000)	(1,838,904)	(221,100)	(44,837,379)	(560,122)	(127,500)	(81,585)	(938,215)	(126,456)	(2,083,589)	(3,917,467)	(48,754,946)	(48,754,946)
Netbook amount	1,386,837	24,319,391	-	824,140	2,413,648	2,757,227	94,583	1,940,172	95,240	13,191	16,000	1,458,818	663,300	35,729,547	191,378	297,500	160,715	454,985	249,107	4,104,449	5,458,134	41,187,881	41,187,881

### 6.1.1 Depreciation expense has been allocated as under:

	2009	2008
Cost of services	28	28
Administrative expenses	30	30
	<b>7,640,045</b>	<b>8,927,937</b>
	<b>2,234,839</b>	<b>2,611,569</b>
	<b>9,874,884</b>	<b>11,539,506</b>

6.1.2 Communication equipments appearing in the books of the subsidiary were revalued as at June 30, 2003 by a firm of independent valuers Asif Associates (Private) Limited, registered surveyors and valuation consultants. Fair market value basis was used for the revaluation. Had the communication equipment been carried out at cost the book value of the assets would have been approximately the same as stated above as per the reason that such assets were acquired during that year at fair value as part of acquisition of subsidiary.

Since the revaluation was carried out before the acquisition of the subsidiary, the surplus amounting to Rs. 12,669,598 was accounted for as a pre acquisition reserve and hence been eliminated in these consolidated financial statements.



6.1.3 DISPOSAL OF FIXED ASSETS

Particulars	Cost	Adjustment of Security Deposit	Accumulated depreciation	Written Down value	Sale proceeds	Gain / (Loss)	Mode of disposal	Particular of buyers
←————— Rupees —————→								
<b>OWNED</b>								
Furniture and fixtures	245,572	-	95,909	149,663	97,950	(51,713)	Negotiation	Various
Office equipments	41,300	-	13,780	27,520	17,000	(10,520)	Negotiation	Mr. Mehmood-ul-Haq
<b>LEASED</b>								
Vehicle	6,385,000	-	5,108,000	1,277,000	2,686,330	1,409,330	Negotiation	Mr. Khawja Noman Imtiaz Mr. Naseem Shujat Mirza
<b>2009</b>	<u>6,671,872</u>	<u>-</u>	<u>5,217,689</u>	<u>1,454,183</u>	<u>2,801,280</u>	<u>1,347,097</u>		
<b>2008</b>	<u>29,358,459</u>	<u>-</u>	<u>16,171,711</u>	<u>13,186,748</u>	<u>1,308,701</u>	<u>11,878,047</u>		

6.2 Capital work in progress

Building	6.2.1	<b>2009</b>	<b>2008</b>
		<b>Rupees</b>	
		<u>37,312,000</u>	<u>37,312,000</u>

6.2.1 This represents building acquired under a finance lease arrangement. The management has assessed that substantial outflow of resources is required to bring the building into useable condition and hence it would be capitalized after completion of necessary renovation. The building has thus been classified as capital work-in-progress.

6.3 Intangible assets

Cost	<b>2009</b>	<b>2008</b>
Amortization to date	<b>Rupees</b>	
	<u>37,654,421</u>	104,324,995
	<u>(12,458,371)</u>	(76,505,199)
	<u>25,196,050</u>	<u>27,819,796</u>

6.3.1 Following is reconciliation of carrying amount of intangible assets:

Note	Rate %	Net book value as at July 01, 2008	Additions during the Year	Amortization for the year	Net book value as at June 30, 2009
Rupees					
Goodwill	6.3.2 5	11,656,962	-	-	11,656,962
Customer list	6.3.2 7.5	16,162,834	-	2,623,746	13,539,088
<b>2009</b>		<u>27,819,796</u>	<u>-</u>	<u>2,623,746</u>	<u>25,196,050</u>
<b>2008</b>		<u>50,181,897</u>	<u>-</u>	<u>22,362,101</u>	<u>27,819,796</u>

**6.3.2 Goodwill and customer list relate to the acquisition of subsidiary by AMZ Access Inc.**

The remaining negative goodwill is charged to profit and loss account as income immediately and goodwill on consolidation has not been amortized in accordance with the directive of SECP Vide SRO 1228 (I)/2006 dated December 6, 2006 and ICAP's Circular No. 03/2007.

As per the audited consolidated financial statements of AMZ Access (Private) Limited, on October 01, 2004, AMZ Access Inc. acquired 100% of the issued and outstanding shares of the capital stock of USD 788,704. Of this amount USD 438,684 was allocated to the purchase of customer list and USD 231,266 to goodwill. No value was assigned to certain covenants under the agreement including a covenant not to compete with the former stockholders.

Management has estimated the value and useful lives of intangible assets purchased in connection with its acquisition of Global Transcriptions based on its knowledge of the industry, information provided by the former stockholders and related factors. It is management's further belief that the additional cost of perfecting this data such as through independent appraisal of similar methods would outweigh the benefits received.

**6.3.3 Total amortization expense for the year charged to operations in respect of customer list was Rs.2,623,746 (2008: Rs.22,362,101).**

Note	2009 Rupees	2008 Rupees
<b>7 LONG TERM ADVANCES - Unsecured considered good</b>		
Due from executives	-	2,592
Less: Current maturity	-	(2,592)
Due from executives	-	-
Due from non executive employees	-	-
	-	-
Note	2009 Rupees	2008 Rupees

**8 DEFERRED COSTS**

Balance at beginning of the year		
Holding company	380,328	760,656
Subsidiaries	2,476,292	4,952,556
	2,856,620	5,713,212
Amortization for the year	(2,856,620)	(2,856,592)
	-	2,856,620

**8.1 Deferred costs incurred up to July 5, 2004 have been capitalized and are being amortized over a period of five years. These include formation expenses, share floatation charges and other preliminary expenses. Costs incurred after July 5, 2004 is being charged directly to income.**

**9 LONG TERM DEPOSITS**

Leasing companies	1,742,750	837,000
Less: Current portion	-	(152,500)
	1,742,750	684,500
Deposits with Pakistan Telecommunication Authority (PTA)	-	2,380,481
Utilities deposits	47,500	47,500
Others	384,695	1,982,945
	2,174,945	5,095,426

This represents refundable security deposit given to PTA against various lines for internet services.

<b>11 TRADE DEBTS - Unsecured</b>			
Considered good		5,135,819	9,427,967
Considered doubtful		<u>19,855,844</u>	<u>18,908,316</u>
		<b>24,991,663</b>	<b>28,336,283</b>
Less: Provision for doubtful debts	11.1	<u>(19,855,844)</u>	<u>(18,908,316)</u>
		<u><b>5,135,820</b></u>	<u><b>9,427,967</b></u>
<b>11.1</b> Movement in the provision for doubtful debts is as follows :			
Balance at beginning of the year		18,908,316	21,462,718
Provision during the year		<u>947,528</u>	<u>11,100,849</u>
		<b>19,855,844</b>	<b>32,563,567</b>
Write off during the year		<u>-</u>	<u>(13,655,251)</u>
		<u><b>19,855,844</b></u>	<u><b>18,908,316</b></u>
		<b>2009</b>	<b>2008</b>
	<b>Note</b>	<b>Rupees</b>	
<b>12 ADVANCES - Unsecured, considered good</b>			
<b>To related parties</b>			
Executives		774,505	-
<b>Other advances</b>			
Non executive employees		476,352	476,760
Suppliers		31,855	31,855
Advance income tax		<u>1,528,555</u>	<u>1,528,555</u>
		<u><b>2,036,762</b></u>	<u><b>2,037,170</b></u>
		<u><b>2,811,267</b></u>	<u><b>2,037,170</b></u>
<b>13 TRADE DEPOSITS AND PREPAYMENTS</b>			
Security deposits		214,000	214,000
Prepayments	13.1	<u>-</u>	<u>1,405,438</u>
		<b>214,000</b>	<b>1,619,438</b>
<b>13.1 Prepayments</b>			
Insurance		-	2,238
Rents, rates and taxes		-	71,700
Guarantee commission		<u>-</u>	<u>1,331,500</u>
		<u>-</u>	<u><b>1,405,438</b></u>
<b>14 OTHER RECEIVABLES</b>			
Receivable from related parties	14.1	-	173,219
Other receivables		<u>601,255</u>	<u>964,865</u>
		<u><b>601,255</b></u>	<u><b>1,138,084</b></u>
<b>14.1 Aggregate amount due from related parties is as follows:</b>			
AMZ Technologies (Private) Limited			<u><u>173,219</u></u>
<b>15 CASH AND BANK BALANCES</b>			
Cash in hand		10,702	5,369
At bank in current accounts		<u>1,089,535</u>	<u>1,374,293</u>
		<u><b>1,100,237</b></u>	<u><b>1,379,662</b></u>

			2009	2008
	Note		Rupees	
<b>16 AUTHORIZED SHARE CAPITAL</b>				
			2009	2008
		<b>Number of ordinary shares of Rs. 10 each</b>		
			92,500,000	92,500,000
		<b>Ordinary class A</b>	<b>925,000,000</b>	925,000,000
		<b>Ordinary class B</b>	<b>75,000,000</b>	75,000,000
			<u><b>100,000,000</b></u>	<u>100,000,000</u>
	<b>16.1</b>		<u><b>1,000,000,000</b></u>	<u>1,000,000,000</u>

**16.1** The holders of each class 'A' ordinary share will be entitled to vote on all matters presented to the shareholders. However, the holder of Class 'B' ordinary shares had the following additional rights, privileges and benefits that are not further available because of non achievement of performance benchmarks:

The class 'B' ordinary shares specifically and only for purposes of (i) voting for election for Directors of the Company and (ii) voting from removal of any Director of the Company, have four votes for each class 'B' ordinary shares as compared to one vote for each class 'A' ordinary shares. Currently class 'B' share holders are treated at par with class 'A' shareholders in compliance with Clause 133(a)(2) and Clause 133(d) of the Articles of Association of the Company.

**17 ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL**

			2009	2008
		<b>Number of Ordinary Shares of Rs. 10 each</b>		
			22,500,000	22,500,000
		Ordinary class A shares fully paid in cash		<b>225,000,000</b>
		Ordinary class B shares for consideration other than cash	7,500,000	7,500,000
		17.1		
		than cash		
			<u><b>30,000,000</b></u>	<u>30,000,000</u>
			<u><b>300,000,000</b></u>	<u>300,000,000</u>

17.1 This represents shares exchanged by the holding company with the shareholders of AMZ Access(Private) Limited in consideration for an equal number of shares at face value.

**18 LIABILITY AGAINST ASSETS SUBJECT TO FINANCE LEASE**

The amount of future payments and the year in which they will become due are:

2009		2008	
Minimum Lease Payments	Present Value of Payments	Minimum Lease Payments	Present Value of Payments
Rupees			

Liabilities due				
Within one year	39,246,714	31,997,992	17,541,537	12,283,058
Between one and five years	17,755	17,755	25,400,114	22,742,736
	<b>39,264,469</b>	<b>32,015,747</b>	42,941,651	35,025,794
Financial charges allocated to future periods	7,248,722	-	7,915,857	-
Present value of minimum lease payments	<b>32,015,747</b>	<b>32,015,747</b>	35,025,794	35,025,794
Current maturity shown under current liabilities	<b>31,997,992</b>	<b>31,997,992</b>	12,283,058	12,283,058
	<b>17,755</b>	<b>17,755</b>	22,742,736	22,742,736

18.1 This represents finance leases entered into with a modaraba and a local bank for office premises and vehicle respectively. Total lease rentals due under various lease agreements aggregate to Rs. 42.942 million (2008: Rs. 42.942 million) and are payable in equal monthly installments latest by 2010. Taxes, repairs, replacement and insurance costs are to be borne by the group. In case of termination of agreement, the group has to pay the entire rent for the unexpired period. Financing rates of approximately 3.2% to 13.62% (2008: 3.2% to 13.62%) per annum have been used as a discounting factor. The lease of office premises carries a floating rate of Karachi Interbank Offer Rate (KIBOR) + 8% (2008 : KIBOR + 8%) per annum with no floor or cap.

	Note	2009	2008
Rupees			
<b>19 LONG TERM LOANS</b>			
<b>From banking companies / financial institutions</b>			
<b>Secured</b>			
Orix Investment Bank	19.1	30,000,000	30,000,000
The Bank of Punjab	19.2	120,000,000	120,000,000
Orix Leasing Pakistan Limited	19.3	24,000,000	24,000,000
		<b>174,000,000</b>	174,000,000
<b>From related parties - unsecured</b>			
Directors	19.4	13,668,318	14,782,000
<b>Current maturity of long term loans</b>			
Orix Investment Bank Pakistan Limited		11,250,000	11,250,000
The Bank of Punjab		120,000,000	120,000,000
Orix Leasing Pakistan Limited		24,000,000	24,000,000
Directors		3,000,000	3,000,000
		<b>158,250,000</b>	158,250,000
		<b>29,418,318</b>	30,532,000

**19.1 Orix Investment Bank**

The facility carries markup at the rate of KIBOR+4% (2007: KIBOR+4%) per annum with no floor and cap. Principal is payable starting from February 2008 to August 2011 of Rs. 3,750,000 each after every 6 months and markup is repayable on quarterly basis. The finance is secured by way of first pari passu charge on all present and future plant, machinery equipments and book debts valuing Rs. 40,001,000. The loan has subsequently been renewed on August 5, 2006, for a period of five years including a grace period of one year (refer note 24.1).

**19.2 The Bank of Punjab**

This represents finance reshuffled by Bank of Punjab from working capital to term finance for a period of two years and three months starting from October 01, 2008 to December 31, 2008. The finance carried markup at the rate of 3 months KIBOR ask side plus 350 basis points and is secured by way of demand promissory notes and guarantees of Rs. 128 million issued by First Dawood Investment Bank Limited.

The finance was initially provided to issue listed, non voting and redeemable preference shares there against. However, the management has suspended the said issue of preference shares and the Bank of Punjab has conveyed in principle interest vide its letter dated July 6, 2006 to convert the outstanding balance into long term finance facility. The Bank of Punjab through its offer letter dated December 01, 2006 has extended the maturity of the finance facility to December 31, 2007. Again the Bank of Punjab through its facility offer letter dated March 30, 2007 extended the maturity of the said facility to December 31, 2008 with markup at the rate of 6 month KIBOR plus 350 basis points payable quarterly. The principal amount will be repaid on September 30, 2008 and December 31, 2008 of Rs. 60 million each. However, during September 2008, the Bank of Punjab has called the Bank Guarantee provided by the First Dawood Investment Bank Limited (FDIBL) against this Term Finance facility.

	Note	2009	2008
			Rupees
<b>19.3 Orix Leasing Pakistan Limited</b>			
Loan 1	19.3.1	12,000,000	12,000,000
Loan 2	19.3.2	12,000,000	12,000,000
		<u>24,000,000</u>	<u>24,000,000</u>

**19.3.1** The Company has applied for rescheduling to lender on a long term basis for a period of two years expired on September 1, 2008. Markup for subsequent period shall be six months KIBOR plus 5 percent and payable semi annually. Principal shall be payable on maturity. The loan is secured against personal property and guarantees of Directors and their close relatives.

**19.3.2** This represents two years term loan availed to finance the working capital requirements. The loan carries markup at the rate of 6 months ask KIBOR plus five percent. Markup is payable semi annually. Principal is payable through one payment at the time of maturity. The loan is secured against book debts and equipments valuing Rs. 24,000,000 and personal guarantees of directors.

**19.4 Directors loan**

This represents long term loan received from a Director and Sponsors of the group for a period of two years to meet the working capital requirements of the group. The loans does not carry any markup and payable on demand after June 2009.

	Note	2009	2008
			Rupees
<b>20 DEFERRED INCOME</b>			
Deferred revenue		105,718	211,446
Amortization for the year		<u>(105,718)</u>	<u>(105,728)</u>
		<u>-</u>	<u>105,718</u>

**20.1** This represents excess of sale value over carrying value of assets under sale and lease back arrangement. Lease term of the assets is three years, therefore, this revenue is being amortized over the same period as per requirements of IAS 17 'Leases'.

**21 LONG TERM DEPOSITS**

Deposits	21.1	-	278,556
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21.1 This represents calling card deposits and other deposits received from dealers.

**22 TRADE AND OTHER PAYABLES**

Creditors		19,476,917	26,378,780
Accrued liabilities		16,247,544	24,105,271
PTA Royalty payable		240,259	240,259
Tax deducted at source		2,646,678	2,645,913
Connectivity charges payable		-	2,345,235
Payable to Associated Co.		29,026,061	-
Others payables	22.1	7,336,158	6,266,963
		<u>74,973,616</u>	<u>61,982,420</u>

22.1 Included in the above is a sum of Rs.4,883,592 (US\$ 59,556) (2008: Rs.4,079,565 (US\$ 59,556) representing balance payable in respect of investments made in Global Transcriptions - a subsidiary company.

**23 ACCRUED FINANCIAL CHARGES**

On finance lease arrangements		4,603,041	-
On long term finances		39,541,632	9,632,676
		<u>44,144,673</u>	<u>9,632,676</u>

	Note	2009 Rupees	2008 Rupees
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**24 SHORT TERM FINANCES - Secured**

From related parties-unsecured	24.1	69,119,096	95,704,096
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24.1 This represents short term loan obtained from a related party for meeting working capital requirements. The loan does not carry mark up.

**25 CURRENT MATURITY OF NON CURRENT LIABILITIES**

Liabilities against assets subject to finance lease	18	31,997,992	12,283,058
Long term loans	19	158,250,000	158,250,000
		<u>190,247,992</u>	<u>170,533,058</u>

**26 CONTINGENCIES AND COMMITMENTS**

**26.1 Contingencies**

Outstanding letter of guarantee issued in respect of lease of building to B.R.R International Modaraba amounting to Rs. 57.312 million (2008: Rs. 57.312 million).

Guarantees valuing Rs. 128 million issued by First Dawood Investment Bank Limited to secure long term finance obtained from The Bank of Punjab.

	Note	2009 Rupees	2008 Rupees
<b>26.2 Commitments</b>			
Commitments for rentals under operating lease agreements are as follows:			
Within one year		17,541,537	17,541,537
One to five years		25,400,114	25,400,114
		<u>42,941,651</u>	<u>42,941,651</u>

	Note	2009 Rupees	2008 Rupees
<b>27 REVENUE - NET</b>			
Business process outsourcing			
Sale of software		-	384,000
Transcription, billing and coding, call center and data research		49,207,787	50,607,445
Sales discount		(32,150)	(21,928)
Discount		49,175,637	50,969,518
(Loss) on shares trading	27.1	-	(9,352,839)
		<u>49,175,637</u>	<u>41,616,679</u>
<b>27.1</b>	This represents losses incurred by trading in shares of listed companies. During the current year the Company has not made any trade in shares.		
<b>28 COST OF SERVICES</b>			
Salaries, wages and benefits	28.1	9,420,912	20,929,372
Utilities		-	62,015
Communication		4,735	4,316,386
Hostacy expenses		-	251,516
Outsourcing charges		16,347,946	17,546,241
Connectivity charges		-	161,040
Traveling & conveyance		327	944
Depreciation	6.1.1	7,640,045	8,927,937
Operating lease rentals		-	40,570
		<u>33,413,965</u>	<u>52,236,021</u>
<b>28.1</b>	The group does not offer retirement benefits.		
<b>29 MARKETING AND DISTRIBUTION EXPENSES</b>			
Salaries, wages and benefits		4,936,367	130,110
Advertisement		5,839,347	136,545
Traveling and conveyance		2,943	8,500
		<u>10,778,657</u>	<u>275,155</u>
	Note	2009 Rupees	2008 Rupees
<b>30 ADMINISTRATIVE EXPENSES</b>			
Salaries		8,387,975	848,117
Utilities		79,800	147,015
Fee and subscription		126,404	126,545
Advertisement		100,820	21,600
Vehicle running and maintenance		1,066,473	771,196
Insurance		1,675,492	1,287,732
Traveling and conveyance		133,600	120,606
Provision for doubtful debts		910,506	11,100,849
Write offs		949,527	-
Entertainment		161,527	43,275
Office maintenance		931,275	820,439
Printing and stationery		133,182	125,567
Security charges		-	8,130
Auditors' remuneration	30.1	1,181,850	550,000
Legal and professional		526,963	5,310,047
Rent rates and taxes		348,211	83,929



Repairs and maintenance		75,632	21,930
Amortization of deferred costs	8	2,856,620	2,856,592
Other expenses		593,776	1,883,621
Depreciation	6.1.1	<u>2,234,839</u>	<u>2,611,569</u>
		<u>22,474,470</u>	<u>28,738,757</u>
<b>30.1 Auditors' remuneration</b>			
Statutory audit fee		1,070,150	300,000
Half yearly review		50,000	50,000
Audit of consolidated financial statements		-	25,000
Certificate of Code of Corporate Governance		-	25,000
Internal Audit Fee		-	150,000
Out of pocket expenses		<u>61,700</u>	<u>-</u>
		<u>1,181,850</u>	<u>550,000</u>
<b>31 OTHER INCOME/(Loss)</b>			
<b>Income from financial assets</b>			
Other income		<u>11,575,197</u>	<u>3,520,828</u>
Exchange gain		<u>(728)</u>	<u>205,109</u>
		<u>11,574,469</u>	<u>3,725,937</u>
<b>Income from other than financial assets</b>			
Amortization of deferred income	20	<u>105,718</u>	<u>105,728</u>
Deposits written off		<u>(540,000)</u>	<u>-</u>
Gain/(Loss) on sale of property and equipment	31.1	<u>1,347,097</u>	<u>(11,878,047)</u>
		<u>912,815</u>	<u>(11,772,319)</u>
		<u>12,487,284</u>	<u>(8,046,382)</u>
	<b>Note</b>	<b>2009 Rupees</b>	<b>2008 Rupees</b>
<b>31.1 GAIN ON SALE OF PROPERTY AND EQUIPMENT</b>			
Gain on sale of property and equipment		925,767	-
Loss on sale of property and equipment		<u>(118,665)</u>	<u>(11,878,047)</u>
	6.1.3	<u>807,102</u>	<u>(11,878,047)</u>
<b>32 FINANCE COST</b>			
Lease finance charges		<u>5,304,264</u>	<u>6,670,117</u>
Markup on loans and finances		<u>30,923,294</u>	<u>26,180,235</u>
Bank guarantee commission		<u>1,279,999</u>	<u>2,328,548</u>
Bank charges		<u>217,745</u>	<u>84,321</u>
		<u>37,725,302</u>	<u>35,263,221</u>
		<u>37,725,302</u>	<u>35,263,221</u>
<b>33 INCOME TAX EXPENSE</b>			
<b>33.1 Current</b>			
Income of the holding company is exempt from tax. Due to tax loss for the year no minimum tax has been provided under section 113 of the Income Tax Ordinance 2001 in the financial statement of the subsidiary company.			
<b>33.2 Deferred</b>			
As of June 30, 2009, the US incorporated subsidiaries of AMZ Access (Private) Limited carried accumulated losses of approximately Rs. 136,121,765 (USD 1,676,996) {2008: Rs. 110,870,119 (USD 1,579,067)}, which could be used to offset future income resulting in deferred tax asset of Rs.47,642,617 (USD 586,948) {2008: Rs. 37,747,596 (USD 552,673)}. As recovery of this asset is dependent upon achieving profitable operations, the same has not been recognized in these financial statements.			

Certain activities of the AMZ Access (Private) Limited are exempt and certain are taxable. The company has carried forward tax losses amounting to Rs. 65,753,770 upto tax year 2008 and no provision is made for minimum taxation is made due to loss for the current year in accordance with the requirements of the Finance Act 2008..Further, income of the holding company is exempt from tax till 2014. Therefore, deferred tax has not been accounted for in these financial statements.

### 33.3 Effective tax rate reconciliation

In view of tax loss for the current year no provision for taxation is provided in accordance with the requirements of the Income Tax Ordinance, 2001 has been provided. Therefore, reconciliation of effective tax rate has not been presented.

### 34 LOSS PER SHARE

#### Basic

Loss per share is calculated by dividing the net loss for the year by the weighted average number of shares outstanding during the year as follows:

	Note	2009 Rupees	2008 Rupees
Net loss for the year attributable to ordinary shareholders - Rupees		<u>(45,353,219)</u>	<u>(87,936,967)</u>
Weighted average number of shares outstanding		<u>30,000,000</u>	<u>30,000,000</u>
Loss per share - Basic and diluted	(Rupees)	<u>(1.51)</u>	<u>(2.93)</u>

#### Diluted

There is no dilution effect on the basic earnings per share of the company as the company has no such commitments.

### CASH USED IN OPERATIONS AFTER WORKING CAPITAL CHANGES

Loss for the year before taxation		(45,353,219)	(105,304,959)
<b>Adjustment for:</b>			
Depreciation	6.1.1	9,874,884	11,539,506
Amortization of deferred costs	8	2,856,620	2,856,592
Amortization of intangible assets		2,623,746	22,362,101
Amortization of deferred income	20	(105,718)	(105,728)
Provision for doubtful debts	30	910,506	11,100,849
Bad debts written off	30	949,527	-
Deposits written off		540,000	-
(Gain)/Loss on sale of fixed assets - net	31	(1,347,097)	11,878,047
Finance cost	32	37,725,302	35,178,900
<b>Cash used in operations before working capital changes</b>		<u>8,674,550</u>	<u>(10,494,692)</u>

### Working capital changes

(Increase) / decrease in current assets

Trade debtors	2,432,114	885,769
Advances	(619,005)	725,804
Deposits and prepayments	1,405,438	(254,945)
Other receivables	536,829	(877,623)
	<u>3,755,376</u>	<u>479,004</u>

**(Decrease) / Increase in current liabilities**

Trade and other payables	<b>12,991,196</b>	20,096,008
<b>Cash used in operations after working capital changes</b>	<b><u>25,421,122</u></b>	<u>10,080,320</u>

**36 REMUNERATION OF CHAIRMAN, DIRECTORS AND EXECUTIVES**

**36.1** The aggregate amount charged in the financial statements for remuneration, including benefits to the Chairman and executives of the group is given below:

2009				
← Rupees →				
	Chairman	Directors	Executives	Total
Fees	-	-	-	-
Managerial remuneration	-	259,677	240,000	499,677
Reimbursement of expenses	-	-	84,168	84,168
<b>Total</b>	<b>-</b>	<b><u>259,677</u></b>	<b><u>324,168</u></b>	<b><u>583,845</u></b>
<b>Number of Persons</b>	<b>-</b>	<b><u>1</u></b>	<b><u>8</u></b>	<b><u>9</u></b>

2008				
Rupees				
	Chairman	Directors	Executives	Total
Fees	-	-	-	-
Managerial remuneration	-	259,677	240,000	499,677
Reimbursement of expenses	-	-	84,168	84,168
<b>Total</b>	<b>-</b>	<b><u>259,677</u></b>	<b><u>324,168</u></b>	<b><u>583,845</u></b>
<b>Number of Persons</b>	<b>-</b>	<b><u>1</u></b>	<b><u>8</u></b>	<b><u>9</u></b>

**36.2** The Chairman is provided with the free use of company maintained car.

**37 TRANSACTIONS WITH RELATED PARTIES**

The related parties comprises AMZ Access (Private) Limited, AMZ Securities (Private) Limited, AMZ Technologies (Private) Limited, AMZ Access Inc and Global Transcription, key management personnel and companies in which directors are common or a director hold office. The transactions with key management personnel are mentioned in relevant note:

Following is the summary of transactions with related parties disclosed as consolidated figures with other figures elsewhere in these financial statements.

**37.1** During the year ended June 30, 2009, the holding company utilized office premises of AMZ Securities (Private) Limited free of cost. Had the premises been acquired on operating lease from an independent third party, the company would have incurred rent expense of Rs. 120,000.

	Note	2009 Rupees	2008 Rupees
<b>Transactions incurred by AMZ Venture Limited</b>			
<b>AMZ Access (Private) Limited (Common directorship)</b>			
Loan received		76,800	18,236,377
Loan paid		3,147,381	16,976,349
Services rendered			
Services received		20,146,157	13,895,128
<b>AMZ Asset Management Limited (Common directorship)</b>			
Loan received		29,000,000	-
<b>AMZ Securities (Private) Limited (Common directorship)</b>			
Loan received		1,515,000	16,971,000
Loan paid		26,236,000	-
<b>Transactions incurred by AMZ Access (Private) Limited</b>			
<b>Global Transcription (A US based indirect subsidiary)</b>			
Services rendered		779,338	2,804,849
Receipt against services rendered		779,338	2,804,849
<b>AMZ ACCESS IINC. AND SUBSIDIARY</b>			
Gain on remeasurement of investment		16,000,000	11,342,500
<b>AMZ Ventures Limited (Holding company)</b>			
Receipt of Short term finance		3,146,381	1,260,028
Repayment of Short term finance		76,800	-
Interest expense		18,925,728	13,895,128
<b>AMZ Technologies (Private) Limited (Common directorship)</b>			
Payment of lease rentals on behalf of the company		199,280	52,142
<b>AMZ Securities (Private) Limited (Common directorship)</b>			
Receipt of Short term finance		1,000,000	-
Repayment of Short term finance		2,864,000	(22,253,350)
Reimbursement of expenses(payment)		-	(1,443,407)
Sale of furniture, fixture and equipment		-	3,200,000
<b>AMZ Asset Management Limited (Common directorship)</b>			
Services rendered		-	1,188,128
Sale of furniture, fixture and equipment		-	-
<b>Apvision (Pvt) Limited (Common directorship)</b>			
Services rendered		-	384,000
Services received		-	216,576
Sale of furniture, fixture and equipment		-	494,201

**38 SEGMENT INFORMATION**

The group has two primary reporting segments namely 'Internet and Related Services' and 'Business Process Outsourcing' (BPO) based on the nature of business and the related risks and returns associated with these segments. Internet and related services consist of revenue from sale of scratch cards, band width sale and dial up connections whereas BPO functions consist of medical and legal transcription services, data research services, software development and medical billing.

Inter-segment transactions are carried out at prices that are not materially different from those that would be available from / offered to independent counterparties. There were no inter-segment transactions during the year.

Segment assets and liabilities include all assets and liabilities related to the segment and relevant proportion of the assets and liabilities allocated to the segment on a reasonable basis.

Segment revenues and expenses include all revenues and expenses related to the segment and relevant proportion of the revenues and expenses allocated to the segment on a reasonable basis.

	Internet and related		Business process outsourcing		Others		Total	
	2009	2008	2009	2008	2009	2008	2009	2008
	← Rupees →							
Segment revenue	-	-	49,175,637	50,969,518	-	(9,352,839)	49,175,637	41,616,679
Segment expense	-	4,463,969	33,413,965	47,772,053	-	-	33,413,965	52,236,021
Segment result (loss)	-	(4,463,969)	15,761,673	3,197,465	-	(9,352,839)	15,761,673	(10,619,343)

<b>Profit / (Loss) from operating activities</b>	<b>15,761,673</b>	(10,619,343)
Marketing and distribution costs	(10,778,657)	(275,155)
Administrative expenses	(19,617,850)	(25,882,165)
Other income	13,834,381	(8,046,382)
Gain / (Loss) on sale of property and equipment	1,347,097	(1,128,300)
Amortization of intangibles	(2,856,620)	(2,856,592)
Financial charges	(37,725,302)	(35,263,221)
Loss before taxation and minority interest	(50,813,936)	(84,071,158)
Income tax expense	-	(592,323)
<b>Loss after taxation</b>	<b>(50,813,936)</b>	<b>(84,663,481)</b>
<b>Attributable to:</b>		
Equity holders of the parent	(45,202,646)	(105,545,703)
Minority interest	(150,573)	(351,579)
	<b>(45,353,219)</b>	<b>(105,897,282)</b>

	Internet and related		Business process outsourcing		Others		Total	
	2009	2008	2009	2008	2009	2008	2009	2008
	← Rupees →							
<b>Other information</b>								
Segment assets	35,842,478	43,778,438	59,667,529	72,878,646	20,223,247	24,700,919	115,733,254	141,358,004
Segment liabilities	70,197,410	67,516,931	274,551,528	264,067,812	63,172,512	60,760,277	407,921,450	392,345,020
Capital expenditure	-	-	-	-	45,658	-	45,658	-
Depreciation	3,820,022	4,463,969	6,027,536	7,043,606	27,325	31,931	9,874,884	11,539,506

**GEOGRAPHICAL SEGMENT ANALYSIS**

	USA		Pakistan		Total	
	2009	2008	2009	2008	2009	2008
	← Rupees →					
Segment revenue	49,207,787	47,564,247	(32,150)	(5,947,568)	49,175,637	41,616,679
Segment assets	33,305,250	39,097,333	82,428,004	96,762,978	115,733,254	135,860,311
Capital expenditure	93,303	-	502,150	-	595,453	-

	Note	2009 Rupees	2008 Rupees
<b>39 FINANCIAL INSTRUMENTS BY CATEGORY</b>			
<b>FINANCIAL ASSETS</b>			
<b>Loans and receivables</b>			
Loans and advances		-	155,092
Advances		2,811,267	2,037,170
Long term deposits		2,174,945	5,095,426
Cash and bank balances		1,100,237	1,379,662
		<u>6,086,449</u>	<u>8,667,350</u>
<b>At amortized cost</b>			
Trade deposits and Prepayments		214,000	1,619,438
Trade debts		5,135,820	9,427,967
Other receivables		601,255	1,138,084
Short term loan and advances		<u>5,951,075</u>	<u>12,185,489</u>
<b>FINANCIAL LIABILITIES</b>			
<b>Financial liabilities at amortized cost</b>			
Short term financing		69,119,096	95,704,096
Loans from banking companies		219,684,065	223,807,794
Creditors, accrued and other liabilities		74,973,616	61,982,420
Long term deposits		-	278,556
		<u>727,553,555</u>	<u>763,267,176</u>
<b>At fair value through profit or loss</b>			
Accrued mark up		<u>44,144,673</u>	<u>9,632,676</u>

**40 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management focuses on the unpredictability of financial markets and seeks potential adverse effects on the Company's financial performance.

Risk managed and measured by the Company are explained below:

- a) Credit risk
- b) Liquidity risk
- c) Market Risk

The Board of Directors has overall responsibility for the establishment and oversight of Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management policies.

**a) Credit risk**

Credit risk represents the accounting loss that would be recognized at the reporting date if counterparties fail completely to perform as contracted. Out of the total financial assets of Rs. 12.027 million (2008: Rs. 20.847 million), the financial assets which are subject to credit risk amounted to Rs. 20.847 million (2008: Rs. 20.847 million).

All investing transactions are settled / paid for upon delivery as per the advice of investment committee. The Company's policy is to enter into financial instrument contract by following internal guidelines such as approving counter parties and approving credits.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to the credit risk at the reporting date is:

	Note	2009 Rupees	2008 Rupees
Loans and advances		-	155,092
Advances		2,811,267	2,037,170
Long term deposits		2,174,945	5,095,426
Cash and bank balances		1,100,237	1,379,662
Trade deposits and Prepayments		214,000	1,619,438
Trade debts		5,135,820	9,427,967
Other receivables		601,255	1,138,084
		<u>12,037,523</u>	<u>20,852,839</u>

**b) Liquidity risk**

Liquidity risk is the the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure as far as possible to always have sufficient liquidity to meet its liabilities when due. The company is not materially exposed to liquidity risk as all obligations / commitments of the Company are short term in nature and are restricted to the extent of available liquidity.

The following are the contractual maturities of the financial liabilities, including estimated interest payments:

		2009				
		Carrying Amount	Contractual Cash flows	Less than 6 months	6 months to 1 year	1 year to 5 years
<b>Financial Liabilities</b>						
Long term financing		187,668,318	(187,668,318)	-	-	(187,668,318)
Lease liabilities		32,015,747	(32,015,747)	(15,998,996)	(15,998,996)	17,755
Trade and other payables		74,973,616	(74,973,616)	(74,973,616)	-	-
Accrued financial charges		44,144,673	(44,144,673)	-	(44,144,673)	-
		<b>338,802,354</b>	<b>(338,802,354)</b>	<b>(90,972,612)</b>	<b>(60,143,669)</b>	<b>(187,650,563)</b>
		2008				
		Carrying Amount	Contractual Cash flows	Less than 6 months	6 months to 1 year	1 year to 5 years
<b>Financial Liabilities</b>						
Short term finance		95,704,096	(95,704,096)	-	(95,704,096)	-
Trade and other payables		61,982,420	(61,982,420)	(61,982,420)	-	-
Accrued financial charges		9,632,676	(9,632,676)	-	(9,632,676)	-
		<b>167,319,192</b>	<b>(167,319,192)</b>	<b>(61,982,420)</b>	<b>(105,336,772)</b>	<b>-</b>

**c) Market Risk**

Market risk is the risk that changes in market price, such as foreign exchange rates, interest rates and equity prices will effect the Company's income or the value of its holdings of financial instruments.

**d) 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. At year end, the Company is not exposed to any currency risk.

**e) Interest rate risk**

Interest rate risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

At the balance sheet date the interest rate profile of the Company's interest-bearing financial instruments was as follows:

**Cash flow sensitivity analysis for variable rate instruments**

A change of 100 basis points in interest rates at the reporting date would have increased / (decreased) profit and equity for the year by the amounts shown below. The analysis assumes that all other variables remain constant. The analysis is performed on same basis for 2008.

	<b>Profit and Loss 100 bp Increase</b>	<b>(Decrease)</b>
<b>As at June 30 2009</b>		
Cash flow Sensitivity - Variable Rate Instruments	<u>2,303,484</u>	<u>(2,303,484)</u>
<b>As at June 30 2008</b>		
Cash flow Sensitivity - Variable Rate Instruments	<u>2,293,170</u>	<u>(2,293,170)</u>

The sensitivity analysis prepared is not necessarily indicative of the effects on profit for the year and asset s of the Company.

**f) Capital risk management**

The Company's objective when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The company finances its operations through equity, short term borrowings and by managing working capital. Quantitative data for share capital and share premium is given in statement of changes in equity and data for short term borrowings is given in note 18 of the financial statements. Company's gearing ratio is (6845.63)% (2008: 466.27%).

**g) Fair value of financial assets and liabilities**

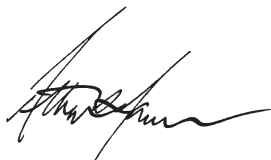
The estimated fair value of financial instruments is not significantly different from their book value as shown in these financial statements. Fair value is the amount at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

**41 DATE OF AUTHORIZATION FOR ISSUE**

These financial statements were authorized for issue by the Board of Directors of the Company on October 10, 2009.

**42 GENERAL**

Figures have been rounded off to the nearest rupee.



**Chairman & Chief Executive**



**Director**



**PATTERN OF SHAREHOLDING  
AS AT JUNE 30, 2009**

AMZ VENTURES LIMITED

PATTERN OF SHAREHOLDING  
AS OF 30 JUNE 2009

NO. OF SHAREHOLDERS	<-- HAVING SHARES-->		SHARES HELD	PERCENTAGE
	FROM	TO		
4	1	100	30	.0001
113	101	500	56211	.1873
183	501	1000	183000	.6100
433	1001	5000	1451000	4.8366
186	5001	10000	1582010	5.2733
64	10001	15000	834000	2.7800
38	15001	20000	706500	2.3550
32	20001	25000	751000	2.5033
17	25001	30000	479500	1.5983
10	30001	35000	334500	1.1150
11	35001	40000	419000	1.3966
4	40001	45000	172500	.5750
15	45001	50000	735500	2.4516
5	50001	55000	266999	.8899
6	55001	60000	348500	1.1616
4	60001	65000	248500	.8283
3	65001	70000	204500	.6816
3	70001	75000	223000	.7433
5	75001	80000	395500	1.3183
1	85001	90000	86500	.2883
2	90001	95000	182500	.6083
6	95001	100000	597500	1.9916
1	100001	105000	103500	.3450
1	105001	110000	108500	.3616
1	110001	115000	115000	.3833
2	120001	125000	250000	.8333
1	135001	140000	138000	.4600
1	170001	175000	171000	.5700
1	180001	185000	183000	.6100
1	190001	195000	194000	.6466
1	195001	200000	200000	.6666
2	205001	210000	416500	1.3883
5	245001	250000	1250000	4.1666
1	260001	265000	262000	.8733
1	340001	345000	341500	1.1383
1	385001	390000	386000	1.2866
2	395001	400000	800000	2.6666
1	400001	405000	404500	1.3483
1	430001	435000	432000	1.4400
1	465001	470000	466500	1.5550
1	495001	500000	500000	1.6666
1	595001	600000	595250	1.9841
1	620001	625000	622500	2.0750
1	745001	750000	750000	2.5000
1	1830001	1835000	1833000	6.1100
1	1995001	2000000	2000000	6.6666
2	2270001	2275000	4550000	15.1666
1	2665001	2670000	2669000	8.8966
1179			30000000	100.0000

AMZ VENTURES LIMITED  
CATEGORIES OF SHAREHOLDERS  
AS OF 30 JUNE 2009

PARTICULARS	SHAREHOLDERS	SHAREHOLDING	PERCENTAGE
DIRECTORS, CEO & CHILDREN	12	5027500	16.7583
ASSOCIATED COMPANIES	1	2000000	6.6666
BANKS, DFI & NBFI	6	2558500	8.5283
MODARABAS & MUTUAL FUNDS	1	58500	.1950
GENERAL PUBLIC (LOCAL)	1122	18218500	60.7283
GENERAL PUBLIC (FORGEIN)	10	958500	3.1950
OTHERS	27	1178500	3.9283
COMPANY TOTAL	1179	30000000	100.0000

**Form of Proxy**

I/We \_\_\_\_\_  
of \_\_\_\_\_  
being member(s) of AMZ Ventures Limited holding \_\_\_\_\_  
ordinary shares hereby appoint Mr./Mrs./ Miss \_\_\_\_\_  
of \_\_\_\_\_ another member of the Company or failing him / her  
\_\_\_\_\_ of \_\_\_\_\_  
another member of the Company as my / our proxy in my / our absence to attend and vote for me / us and  
on my / our behalf at the 4th Annual General Meeting of the Company to be held on the 29th day of October  
, 2008 at 09:00 a.m. at the Company Registered Office 19th floor, Tower-B, Saima Trade Towers, I. I.  
Chundrigar Road, Karachi-74000 and at any adjournment thereof.

As witness my / our hands seal this \_\_\_\_\_ day of \_\_\_\_\_ 2008.  
Signed by \_\_\_\_\_  
In the presence of \_\_\_\_\_

Folio No. \_\_\_\_\_  
CDC Account No. \_\_\_\_\_  
Participant I.D. No. \_\_\_\_\_

Signature on  
Five Rupees  
Revenue Stamp

The Signature should agree with  
the specimen registered  
with the Company

**Notes:**

1. This Proxy Form, duly completed and signed, must be received at the Registered Office of the Company, 19th floor, Tower-B, Saima Trade Towers, I.I. Chundrigar Road, Karachi-74000 not less than 48 Hours before the time of holding the meeting.
2. If a member appoints more than one proxy and more than one instruments of proxies are deposited by a member with the Company, all such instruments of proxy shall be rendered invalid.
- 3. For CDC Account Holders / Corporate Entities**

In addition to the above the following requirement has to be met.

- i) Attested Copies of NIC or the passport of the beneficial owners and the proxy shall be provided with the proxy form.
- ii) The proxy shall produce his original NIC or original passport at the time of the meeting.
- iii) In case of a corporate entity, the Board of Directors resolution / power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.