



**IQBAL YASIR & COMPANY**  
CHARTERED ACCOUNTANTS

FOSTERING FINANCIAL EXCELLENCE

**REVIEW REPORT ON PROFORMA FINANCIAL STATEMENTS**

We have reviewed the annexed proforma consolidated financial statements of ANCHOR CAPITAL INVESTMENTS LIMITED, which comprise the consolidated statement of financial position as at July 17, 2014, and the consolidated statement of comprehensive income and consolidated statement of changes in equity for the period from March 10, 2014 to July 17 2014, and a summary of significant accounting policies and other explanatory information which has been adjusted for the net effect of the issue of US \$ 250,000 of additional share capital pursuant to an offer dated September 4, 2014 as if that capital was issued as at July 17, 2014.

Management is responsible for the preparation of these proforma financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Our responsibility is to express a conclusion on the annexed consolidated financial statements. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2400, Engagements to Review Historical Financial Statements. ISRE 2400 requires us to conclude whether anything has come to our attention that causes us to believe that the financial statements, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework. This Standard also requires us to comply with relevant ethical requirements.

A review of financial statements in accordance with ISRE 2400 is a limited assurance engagement. The reviewer performs procedures, primarily consisting of making inquiries of management and others within the company, as appropriate, and applying analytical procedures, and evaluates the evidence obtained. The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these financial statements.

Based on our review, the net effect of induction of issued, subscribed and paid up capital of US \$ 250,000/- on the last audited consolidated financial statements, nothing has come to our attention that causes us to believe that these proforma financial statements do not present fairly, in all material respects, the financial position of the company as at July 17 2014, and of its financial performance for the period from March 10, 2014 to July 17 2014, in accordance with the International Financial Reporting Standard.

Lahore

Dated: 31 OCT 2014

*Iqbal Yasir & Co.*  
Iqbal Yasir and Company  
(Chartered Accountants)



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ANCHOR CAPITAL INVESTMENTS LIMITED  
CONSOLIDATED PROFORMA STATEMENT OF FINANCIAL POSITION  
AS AT JULY 17, 2014

	Note	USD 17-07-2014
<b>ASSETS</b>		
<b>NON CURRENT ASSETS</b>		
Property, plant and equipment	4	1,866
		<u>1,866</u>
<b>CURRENT ASSETS</b>		
Trade receivables	5	933,517
Cash and bank balance	6	243,200
		<u>1,176,717</u>
<b>TOTAL ASSETS</b>		<u><u>1,178,583</u></u>
<b>EQUITY AND LIABILITIES</b>		
<b>SHARE CAPITAL AND RESERVES</b>		
Authorized share capital	7	14,000,001
		<u>825,000</u>
Issued, subscribed and paid up capital		<u>353,583</u>
Consolidated retained earnings		<u>1,178,583</u>
<b>CONTINGENCIES AND COMMITMENTS</b>		
<b>TOTAL EQUITY AND LIABILITIES</b>	8	<u><u>1,178,583</u></u>

The annexed notes from 1 to 14 form an integral part of these financial statements.

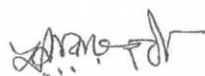
  
DIRECTOR

  
DIRECTOR

ANCHOR CAPITAL INVESTMENTS LIMITED  
CONSOLIDATED PROFORMA STATEMENT OF PROFIT AND LOSS  
FOR THE PERIOD FROM MARCH 10, 2014 TO JULY 17, 2014

	Note	USD 17-07-2014
<b><u>PROFIT AND LOSS ACCOUNT:</u></b>		
Revenue	10	-
Cost of sales		-
Gross profit		-
Administrative expenses	11	9,500
Selling and marketing expenses		-
Other operating expenses		-
		(9,500)
Operating profit		(9,500)
Bargain purchase gain on acquisition of subsidiary		363,083
Finance cost		-
Profit before tax		353,583
Tax		-
Profit after tax		353,583
<b><u>OTHER COMPREHENSIVE INCOME:</u></b>		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange Gain/(Loss) on translating Foreign Operations		-
Income tax relating to items that may be reclassified		-
Other comprehensive income for the period, net of tax		-
<i>Items that will not be reclassified to profit or loss:</i>		
Income tax relating to items that will not be reclassified		-
Total comprehensive income for the period		353,583

The annexed notes from 1 to 14 form an integral part of these financial statements.



DIRECTOR

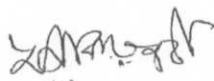


DIRECTOR

ANCHOR CAPITAL INVESTMENTS LIMITED  
CONSOLIDATED PROFORMA STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD FROM MARCH 10, 2014 TO JULY 17, 2014

	Share Capital	Reserves	Other Comprehensiv e Income	Total
	USD			
Shares issued during the period	825,000	-	-	825,000
Total comprehensive income for the period	-	353,583	-	353,583
Balance as at July 17, 2014	825,000	353,583	-	1,178,583

The annexed notes from 1 to 14 form an integral part of these financial statements.



DIRECTOR

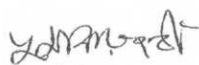


DIRECTOR

**CONSOLIDATED PROFORMA STATEMENT OF CASH FLOWS  
FOR THE PERIOD FROM MARCH 10, 2014 TO JULY 17, 2014**

	Note	USD 17-07-2014
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation		353,583
Adjustments to:		
Depreciation for the period		-
Bargain purchase gain in acquiring subsidiary		(363,083)
Exchange Gain on translating foreign operation		-
		<u>(363,083)</u>
Operating profit before working capital changes		<u>(9,500)</u>
<b>WORKING CAPITAL CHANGES</b>		
(Increase)/decrease in current assets		
Trade receivables		-
Increase/(decrease) in current liabilities		
Trade creditors		-
Cash generated from operations		<u>(9,500)</u>
Income taxes paid		-
Net cash outflows from operating activities		<u>(9,500)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Fixed assets purchased		-
Cash of subsidiary Anchor Capital Limited acquired		2,700
Net cash inflows from investing activities		<u>2,700</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Shares issued during the period		250,000
Net cash inflows from financing activities		<u>250,000</u>
Net increase/(decrease) in cash and cash equivalents		243,200
Cash and cash equivalents at beginning of the period		-
Cash and cash equivalents at the end of the period		<u>243,200</u>

The annexed notes from 1 to 14 form an integral part of these financial statements.



DIRECTOR



DIRECTOR

**ANCHOR CAPITAL INVESTMENTS LIMITED**  
**NOTES TO THE PROFORMA FINANCIAL STATEMENTS**  
**FOR THE PERIOD FROM MARCH 10, 2014 TO JULY 17, 2014**

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**1. STATUS AND NATURE OF BUSINESS**

The group consists of the following companies:

**1.1 Holding company**

Anchor Capital Investments Limited was incorporated under the international Companies Act, 1987 in Samoa as an international company on the March 10, 2014. The registered office of the company is situated at Level 2, Lotemau Centre, Vaea Street, Apia, Samoa. The principal activities of the company are investment holding and business consultancy.

**1.2 Subsidiary company**

Anchor Capital Limited was incorporated on 14 June 2010 as a limited liability company in Hong Kong. The main activity of the company is to act as business consultant. There have been no significant changes in the nature of these activities during the financial year.

**The registered office of the company is as follows:**

Flat 502 5/F Prosperous Bldg  
48-52 Des Voeux Road Central  
Hong Kong.

**2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

**2.1 Basis of consolidation**

The consolidated financial statements incorporate the financial statements of the company and its subsidiary made up to July 17, 2014 using uniting of interest method. Under the uniting of interest method, the cost of the business combination is measured at the aggregate of the fair values at the date of exchange, of assets given, liabilities incurred or assumed, and equity.

At the acquisition date, the cost of the business combination is allocated to identifiable assets, liabilities and contingent liabilities in the business combination which are measured initially at closing values at the acquisition date. The excess of the cost of the business combination over the Group's interest in the net closing value of the identifiable assets, liabilities and contingent liabilities, the group will:

- A). Reassess the identification and measurement of the acquiree's identifiable assets, liabilities and contingent liabilities and the measurement of the cost of the combination; and
- B). Recognise immediately in profit or loss any excess remaining after that assessment.

Subsidiaries are consolidated from the acquisition date, which is the date on which the group effectively obtains control, until the date on which the group ceases to control the subsidiaries. Control exists when the group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that are exercisable are taken into the account.

Intragroup balances, transactions and unrealised gains and losses on the intragroup transactions are eliminated in full. Intragroup losses may indicate an impairment that requires recognition in consolidated financial statements. If a subsidiary uses accounting



policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to its financial statements in preparing consolidated financial statements.

The gain or loss on the disposal of a subsidiary, which is the difference between the net disposal proceeds and the Group's share of its net assets as of the date of disposal including the carrying amount of goodwill and the cumulative amount of any exchange differences that relate to the subsidiary, is recognized in the consolidated statement of comprehensive income.

Under the uniting of interest method, the cost of business combination is measured at the aggregate of fair values at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued. Non controlling interest is that portion of the profit or loss and net assets of the subsidiary attributable to the equity interests that are not owned, directly and indirectly through subsidiaries, by the group. It is measured at the Non controlling interest share of the fair value of the subsidiaries identifiable assets and liabilities at the acquisition date and the Non controlling interest share of changes in the subsidiaries equity since that date.

## **2.2 Statement of compliance**

These financial statements have been prepared in accordance with the International Accounting and Financial Reporting Standards and the requirements of the Samoa's International Companies Act, 1987. In case requirements differ, the provisions or directives of the International Companies Act, 1987 shall prevail.

## **3. SIGNIFICANT OF ACCOUNTING POLICIES**

### **3.1 Basis of preparation**

The financial statements of the group and of the company have been prepared under the historical cost convention.

### **3.2 Property, plant and equipment**

#### **Owned assets:**

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Cost in relation to property plant and equipment consists of historical costs and subsequent changes due to revaluations, if any.

Depreciation on property, plant and equipment is charged on reducing balance method at the rates stated in note 4 to these financial statements.

Depreciation charge commences from the month in which asset is available for use and continues until the month of disposal.

Maintenance and normal repairs are charged to income as and when incurred. Major renewals and improvements are capitalized and assets so replaced, if any, are retired. Gains and losses on disposal of property, plant and equipment are recognized in the profit and loss account.



### **3.3 Impairment of assets**

The carrying amounts of the company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment loss. If any such indication exists, the asset's recoverable amount is estimated in order to determine the extent of impairment loss if any. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. Impairment losses are charged to the profit and loss account, but if any revaluation surplus in respect of such assets exists, then such impairment is firstly charged against that surplus and then remaining portion, if any, is charged to profit and loss account.

### **3.4 Trade receivables**

Receivables are stated at anticipated realizable value. Bad debts are written off in the period in which they are identified. Allowance for bad and doubtful debts is made on estimates of possible losses which may arise from non-collection of certain debts.

### **3.5 Trade creditors**

Payables are stated at their nominal values which are the fair values of the consideration to be paid in the future for goods and services received.

### **3.6 Cash and cash equivalent**

Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in value. For the purpose of the cash flow statement, cash and cash equivalents are presented net of bank overdrafts and fixed deposits pledged.

### **3.7 Taxation**

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

### **3.8 Foreign currencies**

Transactions in foreign currencies during the financial year are converted into US Dollars at exchange rates ruling at the transaction dates. Foreign currency monetary assets and liabilities at the balance sheet date are translated into US Dollars at exchange rates ruling at that date. All exchange gains or losses are dealt with in the income statement.

### **3.9 Translation of foreign operations**

Items included in the financial statements of each of Anchor Capital Investments Limited entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in US Dollar (USD\$) which is the Parent company's functional and presentation currency.





### **3.10 Functional currency**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges. The financial statements of subsidiary Anchor Capital Limited, is consolidated at the rate of 1HKD= 0.12903 USD at the acquisition date of July 17, 2014.

### **3.11 Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable. revenue is recognised when it is probable that the economic benefits associated with the transaction will flow to the Group, and the amount of revenue and the cost incurred or to be incurred in respect of the transaction can be measured reliably. revenue is shown at value of goods sold and services rendered net of return inwards and discounts allowed. Revenue from sales of goods is recognised when significant risks and rewards of ownership of the goods have been transferred to the buyers.

### **3.12 Financial instruments**

Financial instruments are recognised in the Balance Sheet when the Company is a party to the contractual provision of the instruments. The recognised financial instruments of the company in the Balance Sheet comprise cash and cash equivalents, trade receivables and payables that arise directly from its operations, non-trade receivables and payables arising from transactions entered into in the normal course of business, borrowings, and ordinary share capital. The accounting of measurement applied, are disclosed above. The information on the extent and nature of these recognised financial instruments, including significant terms and conditions that may affect the amount, timing and certainty of future cash flows are disclosed in the respective notes to the financial statements.



4. PROPERTY, PLANT AND EQUIPMENT

Particulars	COST			Rate %	DEPRECIATION			WDV as on July 17, 2014
	As on March 10, 2014	Acquired in business combination	As on July 17, 2014		As on March 10, 2014	For the Period	As on July 17, 2014	
	----- (USD) -----							



USD  
17-07-2014

5. **TRADE RECEIVABLES**

The Company's normal trade credit terms vary from 30 to 90 days. Other trade credit terms are assessed and approved on a case-by-case basis.

6. **CASH AND BANK BALANCE**

Cash in hand	240,500
Cash at bank:	
- current accounts	119
- saving Accounts	2,581
	<u>243,200</u>

7. **SHARE CAPITAL**

**Authorized share capital**

1,000,000,000 ordinary shares of USD 0.01 each	10,000,000
400,000,000 convertible shares of USD 0.01 each	4,000,000
1 founder share of USD 1.00 each	1
	<u>14,000,001</u>

**Issued, subscribes and paid up share capital**

62,500,000 ordinary shares of US \$ 0.01 each including 25,000,000 issued under offer dated September 4, 2014	625,000
20,000,000 convertible redeemable shares of US \$ 0.01 each	200,000
	<u>825,000</u>

8. **CONTINGENCIES AND COMMITMENTS**

**CONTINGENCIES:**

There were no contingencies as on the balance sheet date.

**COMMITMENTS:**

There were no capital commitments as on the balance sheet date.

9. **OFFSETTING**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet, if the company has a legally enforceable right to offset the recognized amounts and the company intends to settle either on a net basis or realize the asset and settle the liability.

10. **REVENUE**

Revenue comprises the fair value of the consideration received or receivable for the sale of goods in the ordinary course of the company's Tahceti vciotimesp. any recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company and specific criteria has been met for each of the company's activities as described below:

**Sale of goods**

Revenue from sale of goods is recognized when significant risks and rewards of ownership of the goods have passed to the customers which coincide with the dispatch of goods to the customers.

**Rendering of services**

Revenue from contracts is recognized on accrual basis

**Interest / Mark up Income**

Interest / Mark up is recognized on a time proportion basis by reference to the principal outstanding and the applicable rate of return.



	USD
<b>11. ADMINISTRATIVE EXPENSES</b>	<b>17-07-2014</b>
Legal and professional	5,000
Audit fee	2,500
Fees & subscription	2,000
	<u>9,500</u>

## 12. FINANCIAL RISK MANAGEMENT

### 12.1 Financial risk factors

Financial instruments comprise advances, deposits, interest accrued, trade debts, cash and bank balances, short term borrowings and trade and other payables, short term investments.

The Group has exposure to the following risks from its use of financial instruments.:

Market risk

Liquidity risk

Credit risk

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

The Group's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to react to changes in market conditions and the Group's activities.

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management

#### (a) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

#### (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. Currency risk arises mainly from future commercial transactions or receivables and payables that exist.

The Group's exposure to currency risk arising from currency exposure to the United States Dollar (USD) on amounts placed with scheduled banks in foreign currency account.

#### (II) Interest rate risk

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

The Group has no significant long-term interest-bearing assets. The Group's interest rate risk arises from short term borrowing. Borrowings obtained at variable rates expose the Group to cash flow. At the balance sheet date the interest rate profile of the Group's interest bearing financial

#### (III) Interest rate risk management

The Group manages interest rate risk by analyzing its interest rate exposure on dynamic basis. Cash flow interest rate risk is managed by simulating various scenarios taking into consideration refinancing, renewal of existing positions and alternative financing. Based on these scenarios, the Group calculates impact on profit after taxation and equity of defined interest rate shift, mostly 100 basis points.



(b) **Credit risk**

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to history of information about counterparty performance. The balance sheet shows the reported balance sheet.

(c) **Liquidity risk**

Liquidity risk is the risk that the entity will encounter difficulty in meeting its obligations associated with its financial liabilities.

The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses.

**12.2 Fair values of financial assets and liabilities**

The carrying values of all financial assets and liabilities reflected in financial statements approximate their fair values. Fair value is determined on the basis of objective evidence at each reporting date.

**Financial instruments by categories**

**Assets as per balance sheet**

Trade receivables

Other financial assets

**Liabilities as per balance sheet**

Trade payables

Held to Maturity	Available for sale	Loans, receivables/ payables
(USD)		
		933,517
243,280		
243,280		933,517

**12.3 Capital risk management**

The Group's objective when managing capital is to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, and to maintain the Group's capital ratios in order to support the Group's operations.

**13. DATE OF AUTHORIZATION FOR ISSUE**

These financial statements have been approved and authorized for issue on 31 October 2014 by the Board of Directors of the parent company.

**14. GENERAL**

Equity has been transferred off to the parent's equity.



DIRECTOR



DIRECTOR