



Atlas Fund of Funds

ANNUAL REPORT

30 June 2015

Atlas
funds

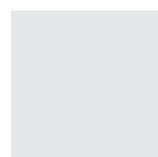
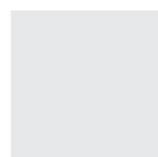
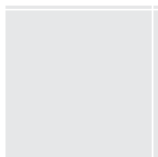
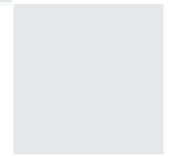
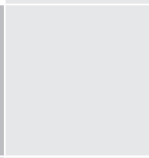
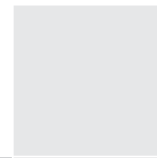
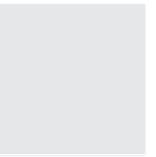
Nurturing your investments

Managed By



Atlas Asset Management

Rated AM2- by PACRA




A decorative graphic consisting of five gray squares of varying sizes and positions, arranged in a scattered pattern across the top half of the page. One square is on the left, one is centered, one is on the right, and two are on the far right.

Company Profile

Atlas Asset Management Limited (AAML), an Atlas Group Company, was incorporated on 20 August 2002 as an unlisted public limited company and is registered with the Securities and Exchange Commission of Pakistan as an asset management company for managing open-ended funds and closed-end funds. AAML is also a licensed pension fund manager to manage voluntary pension funds.

AAML is a wholly owned subsidiary of Shirazi Investments (Pvt.) Limited (SIL). As the parent company, SIL sponsors Atlas Group projects. Atlas Group is a diversified group dealing in engineering, financial services, power generation, real estate & trading.

AAML strives to be a market leader in providing quality fund management services with customer satisfaction as its aim, and is consistently committed to offering its investors the best possible risk adjusted returns on a diverse range of products, meeting not only the customers' current requirements but also exceeding their future expectations. With its strong emphasis on systems and controls, quality human resource and backing of Atlas Group, AAML enjoys a distinct advantage.

A decorative graphic consisting of four gray squares of varying sizes and positions, arranged in a scattered pattern across the bottom half of the page. One square is on the left, one is in the center, one is on the right, and one is on the far right.

A collection of gray squares of various sizes and shades scattered across the top and right side of the page. One square is on the left, one is centered at the top, and several others are on the right side, some overlapping.


Vision

To be a market leader in providing quality fund management services with customer satisfaction as our premier goal.

A cluster of gray squares of various sizes and shades located on the right side of the page, partially overlapping the text area.

Mission

We are committed to offering our investors the best possible risk adjusted returns on a diverse range of products, providing a stimulating and challenging environment for our employees, and committing to the highest ethical and fiduciary standards. We firmly believe that by placing the best interests of our clients first, we will also serve the best interest of our employees, our shareholders and the communities in which we operate.

A cluster of gray squares of various sizes and shades located at the bottom of the page, partially overlapping the text area.



Contents

Organisation	04
Board of Directors of the Management Company	05
Chairman's Review	07
Corporate Information	08
Independent Auditors' Report to the Directors of AAML	09
Statement of Assets and Liabilities	10
Income Statement	11
Distribution Statement	12
Notes to and forming part of the Financial Statements	13

Organisation

Management Company

Atlas Asset Management Limited

Board of Directors of the Management Company

Chairman	Mr. Yusuf H. Shirazi <i>(Non-Executive Director)</i>
Directors	Mr. Azam Faruque <i>(Independent Director)</i> Mr. Shamshad Nabi <i>(Independent Director)</i> Mr. Frahim Ali Khan <i>(Non-Executive Director)</i> Mr. Ali H. Shirazi <i>(Non-Executive Director)</i> Mr. Arshad P. Rana <i>(Non-Executive Director)</i>

Chief Executive Officer Mr. M. Habib-ur-Rahman
(Executive Director)

Company Secretary Ms Qurrat-ul-Ain Jafari

Board Committees

Audit Committee

Chairman	Mr. Azam Faruque
Members	Mr. Shamshad Nabi Mr. Frahim Ali Khan
Secretary	Mr. M. Uzair Uddin Siddiqui

Board Evaluation Committee

Chairman	Mr. Azam Faruque
Members	Mr. Shamshad Nabi Mr. Ali H. Shirazi
Secretary	Mr. M. Habib-ur-Rahman

Human Resource & Remuneration Committee

Chairman	Mr. Frahim Ali Khan
Members	Mr. Ali H. Shirazi Mr. M. Habib-ur-Rahman

The above information is as at 09 October 2015.

Investment Committee

Chairman	Mr. M. Habib-ur-Rahman
Members	Mr. Ali H. Shirazi Mr. Muhammad Abdul Samad Mr. Khalid Mahmood Mr. Muhammad Umar Khan Mr. Fawad Javaid Mr. Faran-ul-Haq
Secretary	Mr. Muhammad Shakeel

Management Committee

Chairman	Mr. M. Habib-ur-Rahman
Members	Mr. Muhammad Abdul Samad Mr. Abbas Sajjad Mr. Khalid Mahmood Ms Qurrat-ul-Ain Jafari
Secretary	Mr. Muhammad Umar Khan

Risk Management Committee

Chairman	Mr. M. Habib-ur-Rahman
Members	Mr. Muhammad Abdul Samad Ms Zainab Hussain
Secretary	Syed Bilal Ejaz

Chief Internal Auditor

Mr. M. Uzair Uddin Siddiqui

Registered Office

Ground Floor, Federation House
Sharae Firdousi, Clifton, Karachi - 75600
Tel: (92-21) 111-MUTUAL (6-888-25)
(92-21) 35379501-04
Fax: (92-21) 35379280
Email: info@atlasfunds.com.pk
Website: www.atlasfunds.com.pk

Board of Directors of the Management Company

Mr. Yusuf H. Shirazi Chairman

Mr. Shirazi is a Law graduate (L.L.B) with BA (Hons) and JD (Diploma in Journalism) Punjab University and AMP Harvard. He served in the Financial Services of the Central Superior Services of Pakistan for eight years. He is the author of five books including 'Aid or Trade' adjudged by the Writers Guild as the best book of the year and continues to be a columnist, particularly on economy. Mr. Shirazi is the Chairman of the Atlas Group, which among others, has joint ventures with GS Yuasa International, Honda Motor Company and MAN, to name a few. He has been the president of Karachi Chamber of Commerce and Industries for two terms. He has been on the Board of Harvard Business School Alumni Association and is the Founder President of Harvard Club of Pakistan and Harvard Business School Club of Pakistan. He has been visiting faculty member of National Defence University, National School of Public Policy and Naval War College. He has been on the Board of Governors LUMS, GIK and FC College. Previously, he also served on the Board of Fauji Foundation Institute of Management and Computer Sciences (FFIMCS) and Institute of Space Technology - Space and Upper Atmosphere Research Commission (SUPARCO).

Mr. Azam Faruque Director

Mr. Azam Faruque is a Graduate in Electrical Engineering and Computer Sciences from the Princeton University, USA, and an MBA (High Honours) from the University of Chicago, Booth School of Business, USA. He is the Chief Executive of Cherat Cement Company Limited. He has served as a member on the Boards of the State Bank of Pakistan, National Bank of Pakistan, Oil & Gas Development Company Limited, Privatization Commission of Pakistan, and on the Board of Governors of the GIK Institute. He was also a member, of the National Commission on Science and Technology. Presently, he is on the Board of Directors of Faruque (Pvt.) Limited, Madian Hydro Power Limited and International Industries Limited. He is also a Member of the National Committee of the Aga Khan Foundation.

Mr. Shamshad Nabi Director

Mr. Shamshad Nabi is a Chartered Accountant by profession. He is a Fellow of the Institute of Chartered Accountants of England & Wales and Institute of Chartered Accountants of Pakistan. He has also completed his MBA in Finance from the University of Wales in the UK. Mr. Nabi has over 40 years working experience in the UK, Saudi Arabia and Pakistan mostly in asset management and development banking. He has had a long association with the Mutual fund industry in Pakistan, having served the NIT from 1966 to 1980 including the last four years as the NIT's Deputy Managing Director. He was the first Chief Executive Officer of the Mutual Funds Association of Pakistan from August 2007 to July 2012. During his association with the NIT, Mr. Nabi served on the Board of Directors of a large number of listed companies including ICI Pakistan Limited, Siemens Pakistan Limited, former Reckit & Colman of Pakistan Limited, Premier Tobacco Company Limited and Gul Ahmed Textiles Mills Limited besides many others. He has also served on the Board of Directors of the Karachi Stock Exchange. From 1980 until the end of 2002, Mr. Nabi worked for the Islamic Development Bank in Jeddah, Saudi Arabia for almost the entire period in the Grade of Director in the Treasury & Finance Department, Business Development Department and the Trade Finance Department. He has also worked for The Citizens Foundation in an Honorary capacity for four years as Advisor. Presently, he is on the Board of Directors of Cherat Cement Company Limited.

Mr. Frahim Ali Khan Director

Mr. Frahim Ali Khan has over 46 years of experience in General Management, Finance, Investment and Taxation. He graduated in Commerce from the Karachi University in 1965 and also obtained a degree in law from the same University. He has also attended the Senior Managers' Program from Harvard University, USA, Financial Management from Stanford University, USA, and General Management Program from Insead University, France. He joined the Atlas Group in 1967 and has served in different senior positions. Currently, his other directorships include Atlas Battery Limited, Atlas Engineering Limited, Atlas Power Limited, Shirazi Trading Company (Pvt.) Limited, Atlas Hi-Tech Limited, Atlas Autos (Pvt.) Limited, Atlas Metals (Pvt.) Limited and Atlas Foundation. Earlier, he has also served on the Boards of Atlas Honda Limited and Atlas Insurance Limited, and has been the CEO of Shirazi Investments (Pvt.) Limited, Shirazi Trading Company (Pvt.) Limited, and former Atlas Investment Bank Limited.

Board of Directors of the Management Company

Mr. Ali H. Shirazi

Director

Mr. Ali H. Shirazi graduated in Political Science from Yale University, U.S.A. in 2000 and thereafter completed his Masters in Law from Bristol University, U.K. in 2005. He has worked with the Bank of Tokyo-Mitsubishi in New York as well as American Honda in Torrance, California. He is an Atlas Group Director, and is responsible for Group's financial services. He is also on the Boards of Atlas Insurance Limited, Atlas Battery Limited, Atlas Engineering Limited, Shirazi Capital (Pvt.) Ltd., Shirazi (Pvt.) Ltd., Shirazi Investments (Pvt.) Limited, Shirazi Trading Company (Pvt.) Limited, Atlas Metals (Pvt.) Limited, Atlas Venture Limited, Techlogix International Limited, National Clearing Company of Pakistan Limited, Ghulam Ishaq Khan Institute of Engineering Sciences and Technology (as alternate director), and National Management Foundation (sponsoring body of LUMS).

Mr. Arshad P. Rana

Director

Mr. Arshad P. Rana is a graduate from Government College, Lahore; B.S. in Insurance & Economics from Iran and MBA from USA. He is a senior expert in insurance industry and has been affiliated with Atlas Insurance Limited, an associate company of the Atlas Group since 1991; first as General Manager and then as Chief Operating Officer before being appointed as the Chief Executive Officer of the company in March 2004. In his professional career that spans over 35 years, he has worked in Iran, USA and Middle East. Since his appointment to this position, Mr. Rana has been managing the company affairs with a professional approach having the vision to make Atlas Insurance Limited as one of the best performing companies in the market. Under his leadership, Atlas Insurance Limited has won several awards in the financial sector. Mr. Rana has been the Chairman, Insurance Association of Pakistan (IAP), Lahore Regional Committee in 2002-2003 and Vice Chairman, Central Committee (IAP) in the year 2004-2005 prior to becoming the Chairman, Insurance Association of Pakistan in 2005-2006.

Mr. M. Habib-ur-Rahman

Chief Executive Officer

Mr. M. Habib-ur-Rahman is an FCA from the Institute of Chartered Accountants of England & Wales and has attended the management level programme (PMD) from Harvard Business School, USA. He has been a founding member and past Chairman / Director of the Mutual Funds Association of Pakistan (MUFAP), and is currently on the Board of Directors of MUFAP. He played an instrumental role in setting up the first open-end mutual fund in the private sector in Pakistan. He has been SECP's nominee on the Board of Karachi Stock Exchange in 2000, 2001, & 2003, and has also been a member of the Commission's Advisory Group on Capital Markets, and the Commission's Enquiry Committee on management of Exposure Rules by KSE / LSE.

Chairman's Review

It is my pleasure to present to you the Annual Reports of Atlas Fund of Funds for the FY ended 30 June 2015.

FINANCIAL REVIEW

As of 30 June 2015 the total assets of the Fund stood at Rs.18.06 million. The liabilities represents unclaimed dividends, proceeds on revocation pending payment/ transfer to certificate holders, accrued & other liabilities, and liability against provisions for Workers' Welfare Fund (WWF) and Federal Excise Duty (FED) against which the Fund has filed petitions in the Honourable Sindh High Court. The hearing of the petitions remains pending. Net income for the period ended 30 June 2015 stood at Rs.1,064,130.

As stated on the statement of net assets, as at 30 June 2015, out of the above settlement amounts, Rs.1.0 million and Rs.2.58 million are still unrealized by the Certificate Holders in respect of cash settlement and transfer of investee funds respectively. Unpaid dividends as at 30 June 2015 aggregate to Rs.1.03 million.

The petitions filed in the Honourable Sindh High Court against Workers' Welfare Fund (WWF) and Federal Excise Duty (FED) are pending. As at 30 June 2015, the liability against these provisions, aggregating to Rs.9.75 million, was retained in bank account with the Trustee of the Fund. The Fund shall continue to exist as a legal entity until the decision of these petitions and final distribution to Certificate Holders.

RATING

The Pakistan Credit Rating Agency Limited (PACRA) has maintained asset manager rating of Atlas Asset Management Limited (AAML) to "AM2-" (AM Two Minus). The rating denotes the company's very strong capacity to manage the risks inherent in asset management and meets high investment management industry standards and benchmarks.

جلتے ہیں جس کیلئے تیری آنکھوں کے دیے
ڈھونڈ لایا ہوں وہی گیت میں تیرے لئے

(Good better best:
Let it not rest:
Till your good is better:
And your better best)

ACKNOWLEDGEMENT

I would like to thank the Securities and Exchange Commission of Pakistan, the Board of Directors, and the Group Executive Committee for their help, support and guidance. I also thank the financial institutions and the unit holders for their help, support and the confidence reposed in the Fund and the Chief Executive Officer, Mr. M. Habib-ur-Rahman and his management team for their hard work, dedication, and sincerity of purpose.

Karachi: 31 August 2015

Yusuf H. Shirazi
Chairman



Atlas Fund of Funds

Corporate Information

Trustee

MCB Financial Services Limited
3rd Floor, Adamjee House, I. I. Chundrigar Road Karachi

Auditors

A. F. Ferguson & Co.
Chartered Accountants

Legal Advisers

Mohsin Tayebaly & Co.

Bankers

Bank Alfalah Limited
Faysal Bank Limited
Summit Bank Limited

INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS OF ATLAS ASSET MANAGEMENT LIMITED

We have audited the accompanying financial statements comprising the statement of Assets and Liabilities of Atlas Fund of Funds (the Fund) as at June 30, 2015 and the related income statement and distribution statement together with the notes forming part thereof for the year then ended. These financial statements have been prepared by management of the Fund in accordance with the accounting policies as disclosed in note 4 to these financial statements for the purpose of meeting the regulatory requirement relating to submission of tax return.

Management Company's responsibility for the financial statements

Management Company (**Atlas Asset Management Limited**) of the Fund is responsible for the preparation of these financial statements in accordance with the accounting policies disclosed in note 4 to the financial statements 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.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the International Standards on Auditing as applicable in Pakistan. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements of the Fund for the year ended June 30, 2015 are prepared, in all material respect, in accordance with the accounting policies as disclosed in note 4 to the financial statements.

Emphasis of Matter

We draw attention to note 1 of these financial statements which refers to the decision of the certificate holders to revoke the Fund. These financial statements have been prepared using the liquidation basis of accounting. Our opinion is not qualified respect of this matter.

Basis of accounting and restriction on distribution and use

Without modifying our opinion, we also draw attention to note 1 of these financial statements which describes the basis of preparation. These financial statements have been prepared for the purpose of submission to the taxation authorities. As a result, the financial statements may not be suitable for any other purpose. Our report is included solely for the Board of Directors of Atlas Asset Management Limited to comply with their regulatory requirement of submitting the financial statements to tax authorities.

Karachi: 31 August 2015

A. F. Ferguson & Co.
Chartered Accountants

Engagement Partner: Salman Hussain

STATEMENT OF ASSETS AND LIABILITIES

AS AT 30 JUNE 2015

	Note	2015 Rupees	2014
ASSETS			
Bank balances			
In PLS Savings Account		14,421,866	1,867,856
In Dividend accounts		1,029,256	1,039,377
		15,451,122	2,907,233
Investment in Atlas Money Market Fund		-	12,251,319
Profit receivable on bank balances		30,944	14,221
Units of investee funds awaiting transfer to certificate holders	6	2,577,872	3,519,728
Total Assets		18,059,938	18,692,501
LIABILITIES			
Unclaimed Dividends		1,029,256	1,039,377
Payable to certificate holders :			
Settlement of proceeds on revocation			
Cash settlement		999,923	1,759,013
Transfer of units of investee funds (contra)		2,577,872	3,519,728
		3,577,795	5,278,741
Liability in respect of post revocation profits	7	3,626,769	2,562,639
		7,204,564	7,841,380
Liabilities against pending petitions in the Honourable Sindh High Court	8	9,745,517	9,723,800
Accrued and other liabilities	9	80,601	87,944
Total Liabilities		18,059,938	18,692,501

The annexed notes from 1 to 12 form an integral part of these interim financial statements.

For Atlas Asset Management Limited
(Management Company)

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Azam Faruque
Director

INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2015

	2015	2014
Note	----- Rupees -----	----- Rupees -----
INCOME		
Profit on bank deposits	68,762	4,187,410
Dividend income	-	18,688,477
Capital gain on sale of investments - net	1,073,315	528,717
Unrealised gain on revaluation of investments - net	-	4,275,861
	1,142,077	27,680,465
EXPENSES		
Remuneration of Atlas Asset Management Limited - Management Company	-	702,167
Sindh sales tax on remuneration of the Management Company	-	130,322
Federal Excise Duty on remuneration of the Management Company	-	112,347
Remuneration of MCB Financial Services Limited - Trustee	-	61,923
Annual fees - Securities and Exchange Commission of Pakistan	-	33,354
Securities transaction cost	-	15,000
Auditors' remuneration	10 50,000	49,826
Other expense	-	23,976
Bank charges	6,230	10,818
Post Revocation charges	-	317,018
Provision for Workers' Welfare Fund	21,717	524,475
	77,947	1,981,226
Net income for the period before taxation	1,064,130	25,699,239
Taxation	-	-
Payable to certificate holders in respect of post revocation profits	(1,064,130)	(2,562,639)
Net income for the period after taxation	-	23,136,600

The annexed notes from 1 to 12 form an integral part of these interim financial statements.

**For Atlas Asset Management Limited
(Management Company)**

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Azam Faruque
Director

DISTRIBUTION STATEMENT FOR THE YEAR ENDED 30 JUNE 2015

	2015	2014
	----- Rupees -----	
Undistributed income brought forward	-	83,751,587
Cash dividend: nil (2014: Rs.1.82 per certificate declared on 4 July 2013)	-	(76,440,000)
	-	<u>7,311,587</u>
Net income for the year - after taxation	-	23,136,600
Less: Income distributed to the certificate holders as part of final settlement upon revocation of the Fund	-	30,448,187
	-	<u>(30,448,187)</u>
Undistributed income carried forward	<u>-</u>	<u>-</u>

The annexed notes from 1 to 12 form an integral part of these interim financial statements.

**For Atlas Asset Management Limited
(Management Company)**

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Azam Faruque
Director

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

1. LEGAL STATUS

- 1.1 Atlas Fund of Funds (the Fund), is a closed end mutual fund managed by Atlas Asset Management Limited (AAML) as management company, with MCB Financial Services Limited (MCBFSL) as the trustee. As per the decision of the certificate holders of the Fund in the general meeting held on 30 January 2013 to revoke the Fund, and the approval of the Securities and Exchange Commission of Pakistan (the Commission) through their letter no. SCD/AMCW/ATFF/519/2013 dated 3 May 2013 read with letter no. NBFC/AMCW/ATFF/662/2013 dated 26 July 2013, the process of revocation of the Fund was completed and the final report on the revocation of the Fund was submitted jointly by the Management Company and the Trustee to the Commission on 30 August 2013.
- 1.2 Following the approval for revocation of the Fund, the Management Company of the Fund carried out the process of disposal of assets and liabilities and based on net assets of Rs.495.66 million appearing in the books of the Fund as at 26 July 2013, issued the settlement proceeds to the certificate holders, as reported in note 25.2 of the audited financial statements of the Fund for the FY 2012-13, excluding the amount retained in respect of the provisions for Workers' Welfare Fund and Federal Excise Duty, as detailed in note 7 below, against which the petitions filed in the Honourable Sindh High Court are pending. The Fund shall continue to exist as a legal entity until the decision of these petitions. In view of the above, the Fund is not a going concern and the financial statements have been prepared on liquidation basis. The use of liquidation basis of accounting did not have any impact on the values of assets and liabilities of the Fund determined in accordance with the basis of preparation of the interim financial statements as disclosed in note 2 and 3 below.
- 1.3 The post revocation activities and administration of the Fund are being managed by Atlas Asset Management Limited situated at Ground Floor, Federation House, Shahrae Firdousi, Clifton, Karachi.
- 1.4 The Commission, through their letter no. NBFC - II/DD/AAML/724/2013 dated 24 September 2013 in response to the final report on the revocation of the Fund, required the Management Company to report to the Commission on quarterly basis, the status of the pending petitions in the Honourable Sindh High Court in respect of Workers' Welfare Fund (WWF) and Federal Excise Duty (FED) on quarterly basis, which are being complied with by the Management Company. The hearing of both these petitions is so far pending.
- 1.5 The Management Company of the Fund, in their final joint report on revocation with the Trustee of the Fund, had sought the approval of the Commission to invest the amount representing liability against provisions for WWF and FED, pending the decision of the Honourable Sindh High Court and other liabilities, in Atlas Money Market Fund (AMF), an open ended fund managed by the Management Company. The Commission, in their letter no. NBFC - II/DD/AAML/724/2013 dated 24 September 2013, on the basis of endorsement of the proposal by the Trustee, has allowed the Management Company to retain such amount with banks, or invest in the AMF, after ensuring the best interests of the certificate holders and compliance to regulatory framework. The Management Company of the Fund has utilized such option after analyzing the beneficial impact of the same for the certificate holders.
- 1.6 Following the completion of revocation formalities, the certificates of the Fund were de-listed from the Karachi Stock Exchange with effect from 16 September 2013.

2. BASIS OF PRESENTATION

These financial statements have been prepared solely for the purpose of submission to the taxation authorities. These financial statements comprise of statements of assets and liabilities, income statement and distribution statement alongwith the notes forming part thereof for the year ended 30 June 2015.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

3. BASIS OF PREPARATION

- 3.1** These special purpose financial statements have been prepared in accordance with the accounting policies as mentioned in note 4 below. These policies are consistent with the recognition principle specified under approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and directives issued by the Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements of the NBFC Rules, the NBFC Regulations or directives issued by SECP differ with the requirements of IFRS, the requirements of the NBFC Rules, the NBFC Regulations or the directives issued by SECP prevail. The disclosures have been limited as these are special purpose financial statements as stated in note 2 above.
- 3.2** In response to the request of the Management Company regarding relaxation of the requirements of Regulation 38(f) and 38(g) of the NBFC Regulations, 2008, the Commission, through their letter no.SCD/AMCW/AAML/ ATFF/849/2014 dated 16 January 2014, granted approval to the Management Company to publish electronically, by uploading on the Management Company's website, an un-audited statement of net assets in abridged form to the certificate holders on quarterly basis, together with the status of pending petitions, subject to intimation thereof to the certificate holders through press notice on half yearly and annual basis, and transmission via email to those certificate holders whose email addresses are available with the Management Company.

The management company has prepared these financial statements for the purposes of meeting these regulatory requirements.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in preparation of these financial statements are set out below.

4.1 Financial assets

4.1.1 Classification

The Fund has classified its financial assets in the following categories:

a) Loans and receivables

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

b) Financial assets at fair value through profit or loss

Financial assets that are acquired principally for the purpose of generating profit from short-term fluctuations in prices are classified as held for trading in the 'Financial assets at fair value through profit or loss' category.

4.1.2 Regular way contracts

Regular purchases and sales of financial assets are recognised on the trade date - the date on which the Fund commits to purchase or sell the asset. Regular way purchases / sales of investments require delivery of securities within two days after transaction date as per the stock exchange regulations.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

4.1.3 Initial recognition and measurement

Financial assets are initially recognised at fair value plus transaction costs except for financial assets carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the income statement.

4.1.4 Subsequent measurement

Subsequent to initial recognition, financial assets designated by the management as at fair value through profit or loss are marked to market by reference to the net asset values (redemption prices) declared by the respective funds. Gains / losses on financial assets classified as at fair value through profit or loss is taken to the income statement.

Financial assets classified as loans and receivables are carried at amortised cost.

4.1.5 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership.

4.1.6 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the Statement of Assets and Liabilities when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the assets and settle the liabilities simultaneously.

4.2 Financial liabilities

All financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instrument. They are initially recognised at fair value and subsequently stated at amortised cost.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired.

4.3 Provisions

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

4.4 Distribution to certificate holders

Distribution to certificate holders is recognised upon declaration and approval by the Board of Directors of the Management Company.

Distributions declared subsequent to the year end reporting date are considered as non-adjusting events and are recognised in the financial statements of the period in which such distributions are declared and approved by the Board of Directors of the Management Company.

4.5 Revenue recognition

- Gain on sale of investments are included in the Income Statement in the period in which it arises.
- Dividend income is recognised when the right to receive dividend is established.
- Interest income on bank balances and deposits is recognised on an accrual basis.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

4.6 Expenses

All expenses chargeable to the Fund including remuneration of management company, trustee, annual fee of the SECP are recognised in the income statement on an accrual basis.

4.7 Liability in respect of post revocation profits

In terms of the settlement process communicated to certificate holders, profits on bank balances and investments retained pending settlement of pending petitions is payable to the certificate holders after the decision of the Honourable High Court.

30 June
2015

30 June
2014

----- Rupees -----

5. INVESTMENTS

At fair value through profit or loss - Held for trading 5.1 - 12,251,319

Name of Mutual Fund	Number of units				Rupees		
	As at 01 July 2014	Purchases during the year	Bonus during the year	Redeemed during the year	As at 30 June 2015	Carrying Cost	Market Value
Atlas Money Market Fund	24,379	2,943	-	27,322	-	-	-

This investment had been made in line with the approval granted by the Securities and Exchange Commission of Pakistan vide their letter no. NBFC - II/DD/AAML/724/2013 dated 24 September 2013. During the year ended 30 June 2015, the fund has divested from Atlas Money Market Fund. The funds realised have been placed in bank account.

30 June
2015

30 June
2014

----- Rupees -----

6. UNITS OF INVESTEE FUNDS AWAITING TRANSFER TO CERTIFICATE HOLDERS

6.1 2,577,872 3,519,728

6.1 This represents the portion awaiting transfer of units of the investee funds to the certificate holders, against which executed transfer deeds have been issued to them at the time of final settlement upon revocation. The total settlement in this form aggregated to Rs.223.61 million of which transfers aggregating Rs.222.19 million (30 June 2014: Rs.220.93 million) have already been executed. The remaining transfers are awaiting submission of the executed transfer deeds by the certificate holders to the relevant asset management companies managing the investee funds.

As at 30 June 2015, the market value of these units aggregates to Rs.2.578 million (2014: Rs.3.519 million), based on the net asset value of the investee funds, as per the breakup below. The valuation gain of Rs.1.157 million (2014: Rs.0.83 million) relates to the respective certificate holders whose units are still pending transfer.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

Name of Fund	Total units outstanding	Market value at the time of transfer	Market value as at 30 June 2015	Unrealised gain on revaluation of investments - net
	No. of units	-----Rupees-----		
JS Growth Fund	4,495	351,043	719,650	368,607
JS Value Fund	4,016	377,700	722,358	344,658
Meezan Balanced Fund	33,581	303,818	492,633	188,815
PICIC Energy Fund	52,019	388,259	643,231	254,972
	94,111	1,420,820	2,577,872	1,157,052

The outstanding units shown above includes units received from investee funds subsequent to revocation as follows:

	As bonus issue	On reinvestment of dividend
	30 June 2015	30 June 2014
	----- Rupees -----	
JS Growth Fund	1,383	24
JS Value Fund	1,008	81
Meezan Balanced Fund	7,553	1,742
PICIC Energy Fund	19,558	-

7. LIABILITY IN RESPECT OF POST REVOCATION PROFITS

7.1	3,626,769	2,562,639
-----	------------------	------------------

7.1 In terms of the settlement process communicated to certificate holders, profit on bank balances and investments retained pending settlement of pending petitions is payable to the certificate holders after the decision of the Honourable Sindh High Court.

8. LIABILITIES AGAINST PENDING PETITIONS IN THE HONORABLE SINDH HIGH COURT

Provision for Workers' Welfare Fund	9,554,259	9,532,542
Provision for Federal Excise Duty	191,258	191,258
8.1	9,745,517	9,723,800

8.1 As at 30 June 2015, the amount representing the aggregate liability against provisions for Workers' Welfare Fund (WWF) and Federal Excise Duty (FED) against which the Fund has filed petitions in the Honourable Sindh High Court has been deposited in the bank account. The hearing of the petitions remains pending.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

	30 June 2015	30 June 2014
	----- Rupees -----	
9. ACCRUED AND OTHER LIABILITIES		
Auditors' remuneration payable	50,000	50,000
Withholding tax payable	-	7,343
Sindh sales tax payable on remuneration of the Management Company	30,601	30,601
	<u>80,601</u>	<u>87,944</u>
10. AUDITORS' REMUNERATION		
Annual audit fee	45,000	45,000
Sindh Sales Tax on services	2,250	1,800
Out of pocket expenses	2,750	3,026
	<u>50,000</u>	<u>49,826</u>
11. GENERAL		
11.1 Figures have been rounded off to the nearest Rupee.		
12. AUTHORISATION OF ISSUE		
These financial statements were authorized for issue by the Board of Directors of the Management Company on 31 August 2015.		

**For Atlas Asset Management Limited
(Management Company)**

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Azam Faruque
Director

Karachi Head Office

Ground Floor, Federation House,
Sharae Firdousi, Clifton,
Karachi-75600.
Ph: (92-21) 35379501- 04
Fax: (92-21) 35379280

Savings Center Karachi

Faiyaz Centre, Ground Floor,
Shahra-e-Faisal (opp. FTC building),
Karachi-74400.
Ph: (92-21) 34522601-02
Fax: (92-21) 34522603

Lahore Office

C/o. Atlas Honda Limited,
1-Mcleod Road, Lahore.
Ph: (92-42) 37364904
Fax: (92-42) 37351119

Rawalpindi Office

C/o. Atlas Honda Limited,
60, Bank Road, Saddar,
Rawalpindi.
Tel: (92-51) 5856411
Fax: (92-51) 5120497

Savings Center Abbottabad

Office # 5, First Floor,
Al- Fateh Shopping Center
(opp Radio Station),
Abbottabad.
Ph : (92-992) 408186