



TREET CORPORATION LIMITED CONSOLIDATED AND ITS SUBSIDIARY COMPANIES
NOTES TO THE ACCOUNTS
For the year ended 30 June 2007

1. STATUS AND NATURE OF THE BUSINESS

The Group comprises:

Holding Company

Treet Corporation Limited ("the Parent Company")

Subsidiary Companies

Global Econo Trade (Private) Limited (GET)

First Treet Manufacturing Modaraba (FTMM)

TCL Labor Hire Company (Private) Limited (TCL Labor Hire)

The Parent Company is incorporated in Pakistan on 22 January 1977 as a public limited company under the Company's Act 1913 (now Companies Ordinance 1984). Its shares are listed on Karachi and Lahore Stock Exchanges. The principal activity of the Parent Company is manufacture and sale of razors and razor blades along with sale of soaps. The registered office of the Parent Company is situated at 72-B, Industrial Area Kotlakhpat, Lahore.

GET was incorporated in Pakistan on 21 October 2004 as a private limited company under the Companies Ordinance, 1984. The principal activity of GET is marketing and sale of razors and razor blades manufactured by the Parent Company. GET is also engaged in the business of manufacturing and sale of soaps. GET commenced its commercial operations from 01 January 2005. The registered office of GET is situated at 56 Shahrah-e-Quaid-e-Azam, Lahore.

FTMM is a multi purpose, perpetual and multi dimensional Modaraba formed under the Modaraba companies and Modaraba (Floatation and Control) Ordinance, 1980 on 27 July 2005 and rules framed there under and is managed by GET, incorporated in Pakistan under the Companies Ordinance, 1984 and registered with registrar of Modaraba companies. The registered office of FTMM is situated at 56 Shahrah-e-Quaid-e-Azam, Lahore. FTMM is listed on Lahore stock exchange (Guarantee) Limited. A packaging plant under the name of "Packaging solutions" has been set out by the FTMM. The principal activity of "Packaging solutions" is to manufacture and sale, all kinds of corrugated boxes and packaging.

TCL Labor Hire was incorporated in Pakistan on 18 September 2006 as a private limited company under the Companies Ordinance, 1984. TCL Labor Hire is engaged in business of providing a whole range of services of industrial managerial, administrative, technical & accounting control as well as janitorial and premises maintenance, providing of contractual employment and supply of labour. The registered office of TCL Labor Hire is situated at 56 Shahrah-e-Quaid-e-Azam Lahore.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

These financial statements have been prepared in accordance with the requirements of Companies Ordinance, 1984 and the approved International Financial Reporting Standards (IFRSs) as applicable in Pakistan. Approved accounting standards comprise of such IFRSs as notified under the provisions of the Companies Ordinance, 1984. Wherever, the requirements of the Companies Ordinance, 1984 or directives issued by the Securities and Exchange Commission of Pakistan differ with the requirements of these standards, the requirements of Companies Ordinance, 1984 or the requirements of the said directives have been followed.

2.2 Accounting convention

These accounts have been prepared under the historical cost convention, except for certain Long and Short Term Investments, which are stated at fair/present value while land and buildings, are stated at revalued amounts. In these financial statements, except for the cash flow statement, all the transactions have been accounted for on accrual basis.

The preparation of financial statements in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that effect the application of policies and reported amount of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revision to accounting estimates are recognised prospectively commencing from the period of revision.