

Value Stock Commodities (Pvt.) Ltd.

Financial Statements

For the year ended June 30, 2015

TARIQ ABDUL GHANI MAQBOOL & CO.
CHARTERED ACCOUNTANTS

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **VALUE STOCK AND COMMODITIES (PVT.) LIMITED** as at June 30, 2015 and the related profit and loss account, statement of comprehensive income, 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 conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

- (a) In our opinion, proper books of accounts have been kept by the Company as required by the Companies Ordinance, 1984;
- (b) In our opinion-
 - (i) the balance sheet and profit and loss account together with the notes thereon, have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of accounts and are further in accordance with 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;
- (c) In our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2015 and of the loss, comprehensive income / loss, its cash flows and changes in equity for the year then ended; and
- (d) In our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

Tariq Abdul Ghani Maqbool & Co.
Tariq Abdul Ghani Maqbool & Co.
Chartered Accountants

Muhammad Safdar
(Engagement Partner)

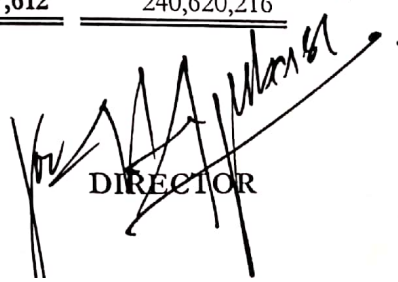
Date: October 02, 2015
Place: Lahore

VALUE STOCK AND COMMODITIES (PVT.) LIMITED
 [FORMERLY VALUE STOCK SECURITIES (PVT.) LIMITED]
 BALANCE SHEET
 AS AT JUNE 30, 2015

PROPERTY AND ASSETS	Note	2015 Rupees	2014 Rupees
NON CURRENT ASSETS			
Property and equipment-net	3	21,532,260	10,023,586
Intangible assets	4	21,685,500	21,685,500
Long term investments	5	24,564,500	24,564,500
Long term deposits	6	2,101,785	1,771,785
Deferred income tax asset	7	1,397,541	1,836,022
		71,281,586	59,881,393
CURRENT ASSETS			
Due from customers	8	90,006,998	113,131,657
Short term investments	9	12,098,406	26,530,058
Short term advances	10	1,247,067	1,319,570
Short term deposits, prepayments and other receivables	11	5,185,644	4,297,849
Advance income tax		440,157	1,008,502
Due from related parties	12	22,764,634	32,644,914
Cash and bank balances	13	22,773,120	1,806,273
		154,516,027	180,738,823
TOTAL		225,797,612	240,620,216
EQUITY AND LIABILITIES			
AUTHORIZED SHARE CAPITAL			
150,000 (2014: 150,000) ordinary shares of Rs.1,000/- each		150,000,000	150,000,000
ISSUED, SUBSCRIBED AND PAID UP CAPITAL			
100,000 (2014: 100,000) ordinary shares of Rs.1,000/- each		100,000,000	100,000,000
Accumulated Profit		24,024,523	36,584,991
		124,024,523	136,584,991
NON CURRENT LIABILITIES			
Liabilities against asset subject to finance lease	14	2,917,779	-
Long term loan	15	46,914,628	56,290,015
		49,832,407	56,290,015
CURRENT LIABILITIES			
Due to customers		17,743,681	17,053,655
Due to related parties	16	6,522,523	4,343,721
Accrued markup		169,678	328,318
Short term borrowing-secured	17	12,591,076	12,089,273
Current portion of non-current liabilities	18	11,692,885	10,250,700
Provision for taxation		70,874	147,616
Accrued and other liabilities	19	3,149,966	3,531,927
		51,940,682	47,745,210
Contingencies and commitments	20	-	-
TOTAL		225,797,612	240,620,216

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


 CHIEF EXECUTIVE


 DIRECTOR

VALUE STOCK AND COMMODITIES (PVT.) LIMITED
 [FORMERLY VALUE STOCK SECURITIES (PVT.) LIMITED]
 PROFIT AND LOSS ACCOUNT
 FOR THE YEAR ENDED JUNE 30, 2015

	Note	2015 Rupees	2014 Rupees
Income-net		6,923,652	13,368,495
Gain / (loss) on sale of securities		6,539,396	(2,068,733)
(Loss) / gain on remeasurement of investment		(8,648,738)	8,222,261
		4,814,311	19,522,024
Operating expenses			
Fee and subscription		1,231,740	836,018
Office expenses		641,244	615,872
Advertisement		23,400	10,500
Director's remunerations	25	300,000	281,666
Travelling and conveyance		441,199	559,087
Printing and stationery		88,761	95,478
Communication expense		314,893	51,970
Donations		136,000	60,500
Legal and professional charges		383,797	506,312
ent		758,685	925,769
Salaries and other benefits		4,749,012	5,130,736
Postage		101,527	57,814
Newspaper and periodicals		18,248	17,290
Repair and maintenance		160,750	202,840
Utilities		584,768	966,343
Insurance		111,080	153,383
Entertainment		789,783	765,939
Auditors' remuneration		125,000	100,000
Bad debts		545,000	917,917
Miscellaneous		642,360	112,697
Depreciation	3	2,553,867	1,804,692
		(14,701,113)	(14,172,823)
Other operating expenses	21	(505,530)	-
Operating (loss) before finance cost and taxation		(10,392,332)	5,349,200
Finance cost	22	(1,360,327)	(1,722,882)
		(11,752,660)	3,626,319
Other income	23	451,155	1,396,151
Profit/(loss) before taxation		(11,301,505)	5,022,470
Taxation	24	(1,258,963)	(247,201)
Net profit / (loss) for the year		(12,560,468)	4,775,269
Earning per share - basic and diluted	26	(125.60)	47.75

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


 CHIEF EXECUTIVE


 DIRECTOR

VALUE STOCK AND COMMODITIES (PVT.) LIMITED
[FORMERLY VALUE STOCK SECURITIES (PVT.) LIMITED]
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2015

	Note	2015 Rupees	2014 Rupees
Profit / (Loss) for the year		(12,560,468)	4,775,269
Other comprehensive income		-	-
Total comprehensive income / (loss) for the year		<u>(12,560,468)</u>	<u>4,775,269</u>


CHIEF EXECUTIVE

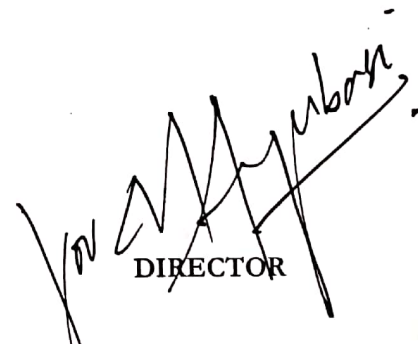

DIRECTOR

VALUE STOCK AND COMMODITIES (PVT.) LIMITED
 [FORMERLY VALUE STOCK SECURITIES (PVT.) LIMITED]
 STATEMENT OF CHANGES IN EQUITY
 FOR THE YEAR ENDED JUNE 30, 2015

	Share Capital	Accumulated Profit	Total
 Rupees		
Balance as at June 30, 2013	100,000,000	31,809,722	131,809,722
Total Comprehensive Income for the year ended June 30, 2014		4,775,269	4,775,269
Balance as at June 30, 2014	100,000,000	36,584,991	136,584,991
Total Comprehensive Income / (Loss) for the year ended June 30, 2015		(12,560,468)	(12,560,468)
Balance as at June 30, 2015	100,000,000	24,024,523	124,024,523

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


 CHIEF EXECUTIVE


 DIRECTOR

VALUE STOCK AND COMMODITIES (PVT.) LIMITED
 [FORMERLY VALUE STOCK SECURITIES (PVT.) LIMITED]
 CASH FLOW STATEMENT
 FOR THE YEAR ENDED JUNE 30, 2015

	2015 Rupees	2014 Rupees
CASH GENERATED FROM OPERATIONS		
Profit/ (loss) before income tax	(11,301,505)	5,022,470
Adjustment for non cash and other items:		
Depreciation	2,553,867	1,804,692
Profit on sales of vehicles	(14,094)	(626,495)
FV loss / (gain) on short term investment	1,396,033	(6,153,528)
Advance tax written off	505,230	-
Finance cost on lease liabilities	421,025	245,186
Finance cost on running finances	906,554	1,457,857
	<u>5,768,615</u>	<u>(3,272,288)</u>
Operating cash flow before working capital changes	(5,532,890)	1,750,182
Working capital changes		
(Increase)/Decrease in Current Assets:		
Due from customers	23,124,659	27,812,973
Due from related parties	9,880,280	126,742,080
Short term advances	72,503	187,790
Short term deposits, prepayments and other receivables	(887,795)	290,051
	<u>32,189,647</u>	<u>155,032,894</u>
Increase/(Decrease) in Current Liabilities:		
Due to customers	690,025	(20,355,143)
Due to related parties	2,178,803	(81,573,387)
Accrued and other liabilities	(381,961)	(15,383,639)
	<u>2,486,867</u>	<u>(117,312,169)</u>
	<u>34,676,514</u>	<u>37,720,725</u>
Operating cash flow after working capital changes	29,143,624	39,470,907
Taxes paid	(84,501)	(617,095)
Finance charges paid	(1,065,195)	(1,384,431)
Cash generated/ (used in) from operations	27,993,928	37,469,381
Cash flow from investing activities		
Property and equipment	(6,314,454)	(2,374,487)
Sales proceed on disposal of PPE	1,125,000	2,258,000
Purchase of intangibles	-	(1,250,000)
Short term investment-net	9,903,864	(11,104,650)
Long term deposits	(330,000)	(663,000)
	<u>4,384,410</u>	<u>(13,134,137)</u>
Cash flow from financing activities		
Mark-up on finance lease paid	(509,225)	(245,186)
Long term loan	(9,375,387)	(10,992,947)
Finance leases	(2,028,682)	(851,599)
Short term borrowings	501,803	(11,295,395)
	<u>(11,411,491)</u>	<u>(23,385,127)</u>
Net increase in cash and cash equivalents	20,966,846	950,117
Cash and cash equivalents at the beginning of the year	1,806,273	856,156
Cash and cash equivalents at the end of the year (note-13)	22,773,120	1,806,273

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


 CHIEF EXECUTIVE


 DIRECTOR

1 STATUS AND NATURE OF BUSINESS

Value Stock And Commodities (Private) Limited [Formerly Value Stock Securities (Private) Limited] is a private limited company incorporated on March 30, 2006 under the Companies Ordinance, 1984. The company is registered to become a corporate member of Lahore Stock Exchange Limited on purchase of corporate membership card. The registered office of the company is situated in Province of Punjab. The company will principally be engaged in brokerage of shares, portfolio management, investment advisory, consultancy and underwriting services.

2 SIGNIFICANT ACCOUNTING POLICIES

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 or directives of the Companies Ordinance, 1984 shall prevail.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except as stated hereafter in the relevant accounting policies. The preparation of financial statements in conformity with the approved accounting standards requires the use of certain accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are as follows:

- i) Estimated useful life of property and equipment - note 3
- ii) Receivable from customers - note 8
- iv) Provision for taxation - note 24

2.3 Functional and presentation currency

These financial statements are presented in Pak Rupee which is Company's functional currency as well as presentation currency.

2.4 Tangible fixed assets

Owned:

All fixed assets except freehold land are stated at cost less accumulated depreciation and accumulated impairment losses (if any). Cost in relation to certain property, plant and equipment signifies historical cost and directly attributable cost of bringing the asset to working condition. Borrowing cost pertaining to the construction/ erection period is also capitalized as part of historical cost. Freehold land is stated at cost.

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

Residual value and the useful life of assets are reviewed at least at each financial year end and adjusted if impact on depreciation is significant.

Depreciation on fixed assets is charged to profit and loss account applying the reducing balance method so as to write off the cost/depreciable amount of the assets over their estimated useful lives at the rates given in note No.3. The company charges the depreciation on additions from the month when the asset is available for use and on deletion up to the month in which the asset is disposed off.

An item of property, plant and equipment is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the profit and loss account in the year the asset is derecognized.

2.5 Assets subject to finance lease

Assets subject to finance lease are stated at lower of present value of minimum lease payments under the lease agreements and fair value of the assets. The related obligations of the lease are accounted for as liabilities. Assets acquired under finance lease are depreciated over the useful life of the assets on reducing balance method at the rates given in note No. 3. Depreciation on leased assets is charged to profit and loss account.

2.6 Intangible assets

Trading Rights Entitlement Certificate

This is stated at cost less impairment, if any. The carrying amount is reviewed at each balance sheet date to assess whether it is in excess of its recoverable amount. Where the carrying amount exceeds estimated recoverable amount, it is written down to its estimated recoverable amount.

2.7 Investments

The investments made by the Company are classified for the purpose of measurement into the following categories:

a) Investment at fair value through profit or loss

Investment at fair value through profit or loss are initially measured at cost, being the fair value of consideration given. At subsequent reporting dates, these investments are measured at fair value (quoted market price), unless fair value cannot be reliably measured. The investments for which a quoted market price is not available, are measured at cost as it is not possible to apply any other valuation methodology. Realized and unrealised gains and losses arising from changes in fair value are included in the net profit or loss for the period in which they arise.

Investments intended to be held for less than twelve months from the balance sheet date are included in current assets, all other investments are classified as non-current asset.

All purchases and sales of investments are recognised on the trade date which is the date that the company commits to purchase or sell the investment. Cost of purchase does not include transaction cost.

At each reporting date, the company reviews the carrying amounts of the investments to assess whether there is any indication that such investments have suffered an impairment loss. If any such indication exists, the recoverable amount is estimated in order to determine the extent of the impairment loss, if any. Impairment losses are recognised as expense. Where an impairment loss subsequently reverses, the carrying amount of the investment is increased to the revised recoverable amount but limited to the extent of initial cost of the investment. A reversal of the impairment loss is recognised as income.

b) Investments available - for sale

Investments that can not be classified as either held to maturity, financial assets at fair value through profit or loss or loan and receivables are classified under this category. These are measured initially and subsequent to the initial recognition at fair value and includes, in the case of initial recognition, transaction cost that are directly attributable to the acquisition of these investments.

Gain or loss from re-measurement to fair value are recognised directly in equity, except for impairment losses, until the derecognition at which time the cumulative gain or loss previously recognised in equity shall be recognised in profit or loss. Dividend on these investment are recognised in profit or loss as per revenue recognition policy of the company.

2.8 Borrowings

Loans and borrowing are recorded at the proceeds received. Financial charges are accounted for on the accrual basis. Borrowing costs directly attributable to the acquisition or construction of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are charged to the income in the period in which these are incurred.

2.9 Revenue recognition

a) Gain/ (loss) from dealing in securities

Capital gain or loss on sale of marketable securities are recognised in the period in which it arises.

b) Brokerage commission and share movement income

Brokerage commission and share movement income are recognised as and when services are provided.

c) Dividend Income

Dividend Income is recognised when the right to receive dividend is established.

d) Bank profit

Profit on deposits with banks is recognized on time proportion basis taking into account the amounts outstanding and rates applicable thereon.

2.10 Taxation

Income tax expense comprises current tax and deferred tax. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax is the amount of tax payable on taxable income for the year, using tax rates enacted or substantively enacted by the reporting date, and any adjustment to the tax payable in respect of previous years. Provision for current tax is based on taxable income at current rates of taxation applicable in Pakistan after taking into account tax credits, rebates and exemptions available, if any. However, for income covered under final tax regime, taxation is based on applicable tax rates under such regime. The amount of unpaid income tax in respect of the current or prior periods is recognized as a liability. Any excess paid over what is due in respect of the current or prior periods is recognized as an asset.

Deferred tax is accounted for using the balance sheet liability method providing for temporary differences between the carrying amounts of assets and liabilities for the financial reporting purposes and the amounts used for tax purposes. In this regard, the effects on deferred taxation of the portion of income that is subject to final tax regime is also considered in accordance with the requirement of "Technical Release-27" of The Institute of Chartered Accountants of Pakistan.

Deferred tax is measured at rates that are expected to be applied to the temporary differences when they reverse based on laws that have been enacted or substantively enacted by the reporting date. A deferred tax liability is recognized for all taxable temporary differences. A deferred tax asset is recognized for deductible temporary differences to the extent that future taxable profits will be available against which deductible temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

2.11 Financial instruments

Financial assets and financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument and de-recognized when the Company loses control of contractual rights that comprise the financial asset and in case of financial liabilities when the obligation specified in the contract is discharged, cancelled or expired.

The gain or loss relating to financial instruments is recognized immediately in the profit and loss account.

Particular recognition methods adopted by the Company are disclosed in the individual policy statements associated with each item of financial instruments.

2.12 Receivables from customers

Trade debt originated by the Company are carried at an amount, net of any allowance for any un-collectible amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off as and when identified.

2.13 Trade and other payable

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

2.14 Related party transactions

All the transactions with related parties are carried out by the Company at arm's length price determined in accordance with comparable uncontrolled price method prescribed under the Companies Ordinance, 1984.

2.15 Cash and cash equivalents

Cash and cash equivalents comprise of cash and bank balances and are carried in the balance sheet at cost. For the purpose of cash flow statement, cash and cash equivalent comprise cash in hand and at bank, demand deposits, other short term highly liquid instruments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.16 Off setting of financial assets and financial liabilities

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

2.17 Provisions

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

2.18 Earnings per share (EPS)

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS is calculated by adjusting basic EPS by the weighted average number of ordinary shares that would be issued on conversion of all dilutive potential ordinary shares into ordinary shares and post-tax effect of changes in profit or loss attributable to ordinary shareholders of the Company that would result from conversion of all dilutive potential ordinary shares into ordinary shares.

2.19 Impairment

The carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. An impairment loss is recognized if the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses are reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimate used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation and amortization, if any, if no impairment loss had been recognized.

	Note	2015 Rupees	2014 Rupees
3 PROPERTY AND EQUIPMENT - NET			
Operating fixed assets			
Owned	3.1	9,425,419	6,502,563
Leased	3.1	8,077,150	1,280,736
Capital work-in-progress	3.4	4,029,691	2,240,287
		<u>21,532,260</u>	<u>10,023,586</u>

3.1 Operating fixed assets	OWNED						LEASED		Grand total
	Building	Furniture and fixture	Office equipment	Computer and accessories	Vehicles	Total	Vehicles		
Year ended 30 June 2014									
Opening net book value	3,873,974	201,563	633,002	315,224	3,544,979	8,568,744	2,516,551	11,085,295	
Additions	-	-	12,200	22,000	100,000	134,200	-	134,200	
Transfer from leased assets:									
Cost	-	-	-	-	1,532,865	1,532,865	(1,532,865)	-	
Accumulated depreciation	-	-	-	-	(754,578)	(754,578)	754,578	-	
Disposal:									
Cost	-	-	-	-	(3,422,865)	(3,422,865)	-	(3,422,865)	
Accumulated depreciation	-	-	-	-	1,791,360	1,791,360	-	1,791,360	
Depreciation charge	(387,397)	(40,313)	(64,012)	(99,517)	(755,924)	(1,347,163)	(457,528)	(1,804,691)	
Closing net book value	3,486,577	161,250	581,191	237,707	2,035,836	6,502,563	1,280,736	7,783,299	
Year ended 30 June 2015									
Opening net book value	3,486,577	161,250	581,191	237,707	2,035,836	6,502,563	1,280,736	7,783,299	
Additions	-	-	179,050	16,500	4,329,500	4,525,050	8,858,996	13,384,046	
Disposal:									
Cost	-	-	-	-	-	-	(2,106,000)	(2,106,000)	
Accumulated depreciation	-	-	-	-	-	-	995,094	995,094	
Depreciation charge	(348,658)	(32,250)	(63,026)	(72,550)	(1,085,709)	(1,602,192)	(951,676)	(2,553,869)	
Closing net book value	3,137,919	129,000	697,215	181,657	5,279,626	9,425,419	8,077,150	17,502,568	
At 30 June 2015									
Cost	8,021,000	917,700	1,437,811	1,783,283	8,692,231	20,852,025	8,858,998	29,711,023	
Accumulated depreciation	(4,883,081)	(788,700)	(740,595)	(1,601,626)	(3,412,605)	(11,426,607)	(781,848)	(12,208,455)	
Net book value	3,137,919	129,000	697,216	181,657	5,279,626	9,425,419	8,077,150	17,502,568	
Annual rate of depreciation	10%	20%	10%	30%	20%		20%		

3.2 Due to the services provider nature of the Company, all the depreciation has been charged to operating expenses.

3.3 Detail of operating fixed assets disposed of during the year is as follows:

Description	Cost	Accumulated Depreciation	Net Book Value	Sales proceeds	Gain	Mode of disposal
Vehicle:						
HONDA PRSMTIC LEB-12-5521	2,106,000	995,094	1,110,906	1,125,000	14,094	Negotiation
2014	3,422,865	1,791,360	1,631,505	2,258,000	626,495	Negotiation

	Note	2015 Rupees	2014 Rupees
3.4 Capital work-in-progress			
Room in LSE south plaza		<u>4,029,691</u>	<u>2,240,287</u>

4 INTANGIBLE ASSETS

Membership license

Lahore Stock Exchange	4.1	-	-
PMEX		<u>1,250,000</u>	<u>1,250,000</u>
		1,250,000	1,250,000

Trading rights entitlement certificate (TREC)

Room rights

Lahore Stock Exchange	4.1	<u>11,935,500</u>	11,935,500
Faisalabad Branch	4.2	<u>7,500,000</u>	<u>7,500,000</u>
	4.2	<u>1,000,000</u>	<u>1,000,000</u>
		8,500,000	8,500,000
		<u>21,685,500</u>	<u>21,685,500</u>

- 4.1 Pursuant to the promulgation of the Stock Exchanges (Corporatisation, Demutualization and Integrations) Act, 2012 (The Act), the ownership in a stock exchange has been segregated from the right to trade on the exchange. Accordingly, the company has received the equity shares of Lahore Stock Exchange Limited (LSEL) and a Trading Right Entitlement Certificate (TREC) in lieu of its membership card of LSE. The company's entitlement in respect of LSEL's shares is determined on the basis of valuation of assets and liabilities of LSEL as approved by the SECP and the company has been allotted 843,975 shares of the face value of Rupees 10 / each, 60% of which i.e. 506,385 shares are kept in the blocked account and the divestment of the same will be made in accordance with the requirements of the act within two years from the date of demutualization. 40% of total ordinary shares i.e. 337,590 for Rs.10 each have been credited to the Company's CDC sub-account.

The allocation of the carrying value of the membership card between the shares (financial asset) and TREC (an intangible asset) has been made by the Company on the proportionate basis of the face value of the ordinary shares and TREC value assigned by the LSEL for Base Minimum Capital requirement purposes applicable to the stock exchange brokers currently.

- 4.2 This represents cost of offices and trading rights given by Lahore stock exchange with indefinite useful life. These are considered to be indefinite as there is no foreseeable limit on the period during which an entity expects to consume the future economic benefits.
- 4.3 The Company has pledged / hypothecated Trading Right Entitlement Certificate (TREC) and 337,590 ordinary shares of LSE in compliance with Base Minimum Capital (BMC) requirement under Regulation 2.1 of Lahore Stock Exchange Limited. The Board of Directors of LSE, through its notice No. 1245 dated February 28, 2014 has assigned a nominal value of Rs. 4.1 million to TREC Certificate and Rs. 3.8 million to LSE shares aggregating to the total BMC of Rs. 7.9 million.

5 LONG TERM INVESTMENTS

Available-for-sale investments - in shares of Un-quoted company

	2015	2014			2015	2014
Number of shares			Name of the investee company			
843,975	843,975	Lahore Stock Exchange Limited	4.1	<u>24,564,500</u>	<u>24,564,500</u>	

6 LONG TERM DEPOSITS

- Unsecured - considered good

Lahore stock exchange-guarantee limited	392,800	392,800
National clearing company of Pakistan limited	300,000	300,000
CDC security deposit	100,000	100,000
PMEX security deposit	750,000	750,000
Security deposit - Gujranwala office	25,000	25,000
Security deposit - DHA office	330,000	-
Others	<u>203,985</u>	<u>203,985</u>
	<u>2,101,785</u>	<u>1,771,785</u>

	Note	2015 Rupees	2014 Rupees
7 DEFERRED INCOME TAX ASSET			
Deferred Income Tax Asset- Opening		1,836,022	1,935,607
(Expense) / income for the year	24	(438,481)	(99,585)
Deferred Income Tax Asset- Closing	7.1	1,397,541	1,836,022
7.1	The net balance for deferred taxation is in respect of following temporary differences:		
<i>Taxable temporary differences:</i>			
Leased assets		2,584,688	207,912
<i>Deductible temporary differences:</i>			
Accelerated tax depreciation allowance		48,548	316,243
Loss available for carry forward		2,929,979	1,727,690
Tax credit		70,014	-
Leased liabilities		933,689	-
		(3,982,230)	(2,043,934)
		(1,397,542)	(1,836,022)
8 DUE FROM CUSTOMERS			
Unsecured and considered good	8.1	90,006,998	113,131,657

8.1 As at 30 June 2014, trade debts due from clients under normal trading activities in stock exchange were past due but not impaired. These relate to a number of independent customers from whom there is no recent history of default.

9 SHORT TERM INVESTMENTS

This represents investment in listed equity securities classified as "Financial assets at fair value through profit & loss". Particulars of investment are as follows:

No. of Shares		Name of Securities	Fair Value	
2015	2014		2015 Rupees	2014 Rupees
26,068	102,668	Adamjee Insurance Co. Limited	1,241,358	4,699,114
1,288	1,288	Aisha Steel Mills Limited	9,660	9,068
477	477	Arif Habib Corp.Limited	25,386	13,280
1,682	1,682	Askari Bank Limited	35,675	31,975
231	231	Attock Cement Pakistan Limited	44,029	36,429
539	539	Attock Refinery Limited.	123,135	114,424
9,000	9,000	Azgard Nine Limited	52,290	53,640
375	9,975	Bank Alfalah Limited	9,488	274,313
2,254	2,254	Bank Of Islamic Limited	22,991	22,224
6,872	6,872	Bank Of Khyber	75,592	75,523
9,447	9,447	Bank Of Punjab	86,251	85,968
-	3,654	Colony Sugar Mills Limite	-	27,770
285	285	Crescent Fibres Limited	12,398	8,493
289	289	Crescent Jute Products Limited	780	772
140,250	87,250	Dandot Cement Company Limited	1,556,775	850,688
1,500	1,500	Dawood Equities Limited	4,575	4,500
178	178	Descon Chemicals Limited	988	523
1,000	1,000	Descon Oxychem Limited	4,720	5,980
58,360	49,550	Diamond Industries Limited.	1,744,380	1,960,694
10	500	Din Textile Mills Limited	1,340	59,710
2,000	2,000	Ecopak Limited	34,020	37,200
-	1,000	Engro Corporation Limited	-	178,510
119	119	Engro Fertilizers Limited	10,554	6,801
966	5,966	Engro Polymer & Chemicals	9,457	80,720
100	100	Fatima Fertilizer Company	3,907	2,900
26	26	Fauji Fertilizer Company	3,885	2,919
200	200	First Capital Sec. Corp.	704	494
75	75	First Dawood Mutual Fund	-	525
67	67	First Elite Capital Modar	280	298

100	100	First Fid'Y Leas. Modarab	260	306
-	697	First Habib Bank Modaraba	-	10,838
200	200	First Habib Modaraba	2,080	1,950
127	127	First Pak Modaraba	220	273
500	500	First Punjab Modaraba	2,685	1,890
2,200	2,200	Flying Cement Company Limited	24,354	13,420
153	153	Ghani Glass Limited.	13,282	8,262
368	368	Habib Bank Limited	79,175	71,315
1,786	1,786	Honda Atlas Cars (Pak) Limited	390,562	166,259
1,000	1,000	Igi Investment Bank Limited.	1,690	1,450
1,100	1,100	Invest & Finance Securities	33,605	17,193
260	260	Invest Cap.Inv.Bank Limited	377	520
3,654	-	Imperial Sugar Limited	18,270	
7,093	107,093	J.S. Company Limited	176,261	1,118,051
155	155	Jubilee Spin. & Weav. Mil	662	775
200	200	Kasab Securities Limited	1,870	1,204
-	269	Kasb Bank Limited.	-	444
6,102	6,102	K-Electric Limited	51,379	51,806
-	500	Kot Addu Power Company	-	29,520
-	700,000	Lafarge Pakistan Cement Limited	-	11,186,000
35	35	Lotte Chemical Pakistan	242	252
495	495	Maple Leaf Cement Factory	38,887	14,875
27	2,127	Mcb Bank Limited	6,726	640,971
565	565	National Bank Of Pakistan	30,052	35,160
5	5	Netsol Company Limited	230	146
55	55	Nib Bank Limited	111	123
1,815	1,815	Nishat (Chunian) Limited	66,665	76,938
678	678	Orix Leasing Pakistan Limited	41,846	23,011
4,997	264,997	P.I.A.	54,317	1,746,330
148,124	98,124	Pace Pakistan Limited	1,079,824	391,515
500	500	Pak Oman Advantage Fund	-	4,465
83	4,583	Pakistan Petroleum Limite	13,634	1,028,150
9	9	Pakistan Re-Ins. Company	260	233
47	47	Pakistan State Oil Co. Lt	18,132	18,472
2	2	Pakstan Stock Market Fund	-	548
14,100	14,100	Pervez Ahmed Securities Limited	33,699	58,656
1,000	1,000	Picic Growth Fund	27,450	31,740
65	65	Picic Insurance Company	715	683
300	300	Pioneer Cement Limited.	25,587	13,998
12	12	Shaffi Chemical Ind. Limited.	46	42
57,555	57,555	Silk Bank Limited	110,506	118,563
4,000	4,000	Sitara Peroxide Limited	52,600	54,360
100	100	Standard Chartered Bank Limited	2,397	2,425
176	176	Standard Chartered Leasin	-	1,294
4,727	4,727	Sui Northern Gas Limited	125,927	107,067
103,000	-	Sui Southern Gas Limited	4,398,100	-
2,392	2,392	Summit Bank Limited.	8,109	8,013
350	350	The Hub Power Company Limited	-	20,559
54	54	Treet Corporation Limited	3,896	6,192
791	55,291	Trg Pakistan Limited.	24,165	775,733
300	300	Tri-Star Power Limited	519	501
130	130	United Bank Limited	22,220	21,913
95	95	Worldcall Telecom Limited	195	199
			12,098,406	26,530,058

9.1 The investment has been accounted for under International Accounting Standard 39- Financial Instrument: *Recognition and Measurement* and classified as "Financial assets at fair value through profit & loss".

10 SHORT TERM ADVANCES

-Unsecured and considered good
Advance to employee against salary

1,247,067 **1,319,570**

	Note	2015 Rupees	2014 Rupees
11 SHORT TERM DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES			
Short term deposits		598,606	390,000
Prepaid insurance		82,119	1,889
Other receivables		4,504,919	3,905,960
		<u>5,185,644</u>	<u>4,297,849</u>
12 DUE FROM RELATED PARTIES			
Associated undertaking	12.1	16,923,386	26,955,289
Directors and relatives	12.2	5,841,248	5,689,625
		<u>22,764,634</u>	<u>32,644,914</u>

12.1 These are short term, interest free, unsecured and without repayments schedule.

12.2 These are short term advances to related parties against normal trading.

13 CASH AND BANK BALANCES		239,306	353,091
Cash in hand			
With banks:		22,529,460	1,449,177
On current accounts		4,354	4,006
On PLS account	13.1	22,773,120	1,806,273
		<u>22,773,120</u>	<u>1,806,273</u>

13.1 Rate of profit on Pak Rupees bank deposit ranges from 6.5% to 7.05% (2014: 7.02 to 7.25%) per annum.

14 LIABILITIES AGAINST ASSET SUBJECT TO FINANCE LEASE		5,869,858	738,900
Future minimum lease payments		859,194	88,200
Less: Un-amortized finance charge		5,010,664	650,700
Present value of future minimum lease payments		2,092,885	650,700
Less: Current portion shown under current liabilities		2,917,779	-
		<u>2,917,779</u>	<u>-</u>

	2015		2014	
	Not later than one year	Later than one year but not later than five years	Not later than one year	Later than one year but not later than five years
Future minimum lease payments	2,679,284	3,190,574	738,900	-
Less: Un-amortized finance charge	586,399	272,794	88,200	-
Present value of future minimum lease payments	2,092,885	2,917,779	650,700	-

14.1 This represent finance leased assets by an agreement between the directors and the leasing companies for cars. The directors intends to exercise their options to purchase the assets on payment of last installments and residual values against lease key moneys and thereafter the assets will be transferred in the company's name.

14.2 Present value of minimum lease payments have been discounted at an interest rate implicit in leases which equate to an interest rate ranging from 15% to 23.65% per annum. Repayments are made on monthly basis in advance.

15 LONG TERM LOAN

Term Finance -Bank Alfalah Limited		56,514,628	65,890,015
Less: Current portion shown under current liabilities	18	9,600,000	9,600,000
		<u>46,914,628</u>	<u>56,290,015</u>

15.1 The running finance facility from Bank Alfalah Limited has been compromised through agreement dated 17th June 2013 & converted to Term Finance. The repayment of of loan is in eight (8) years having grace period of 5 years (i.e. May 2018) for mark up and after that it will carry mark up @ 6% and 1% increase in each year upto May 2021. The loan is secured through shares of quoted market security.

16 DUE TO RELATED PARTIES

Directors and relatives	16.1	6,522,523	4,343,721
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16.1 These are short term advances from related parties under normal trading activities.

	Note	2015 Rupees	2014 Rupees
17 SHORT TERM BORROWINGS-SECURED			
Running finance	17.1	12,591,076	12,089,273

17.1	Bankers	Note	Rate	2015		2014	
				Millions		Millions	
				Availed	Sanctioned	Availed	Sanctioned
	Summit Bank Ltd. RF2	17.1.1	Kibor + 4%	10.11	12.00	9.44	13.00
	Summit Bank Ltd.1	17.1.2	Kibor + 3.5%	2.48	10.00	2.65	10.00

17.1.1 It carries mark up at three months KIBOR plus 4 % per annum & payable quarterly. This security is secured against readily marketable securities in form of shares and personal guarantees of all directors and mortgagor along with PNWS of directors.

17.1.2 It carries mark up at 3 Months KIBOR plus 3.5% per annum & payable quarterly. This security is secured against readily marketable securities in form of shares and personal guarantees of all directors and mortgagor along with PNWS of directors.

18 CURRENT PORTION OF NON-CURRENT LIABILITIES

Current portion of liabilities against assets subject to finance lease	14	2,092,885	650,700
Current portion of long term loan	15	9,600,000	9,600,000
		<u>11,692,885</u>	<u>10,250,700</u>

19 ACCRUED AND OTHER LIABILITIES

Accrued expenses	529,232	458,297
Directors remuneration payable	11,667	36,666
Auditors remunerations payable	125,000	100,000
Other payables	2,484,067	2,936,964
	<u>3,149,966</u>	<u>3,531,927</u>

20 There are no contingencies and commitments as at June 30, 2015 (2014: nil).

21 OTHER OPERATING EXPENSES

Advance income tax written off	505,530	-
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22 FINANCE COST

Bank Charges	32,748	19,838
Mark-up on:		
Running finance	906,554	1,457,857
Liabilities against assets subject to finance lease	421,025	245,186
	<u>1,360,327</u>	<u>1,722,882</u>

23 OTHER INCOME

Gain on sale of vehicales	14,094	626,495
Accrued mark up waived off	-	3,065
Dividend income	364,849	730,297
Profit on deposits	8,606	12,700
Other services	63,605	23,595
	<u>451,155</u>	<u>1,396,151</u>

24 TAXATION

Current:

Normal tax regime	70,014	147,616
Final tax regime	750,469	-

Deferred

	820,482	147,616
	438,481	99,585
	<u>1,258,963</u>	<u>247,201</u>

24.1 Due to carry forward of taxable losses in the current and previous fiscal years minimum tax under section 113 of Income Tax Ordinance 2001 is applicable. Reconciliation of tax expenses and product of accounting profit with applicable tax rate is impracticable due to minimum tax.

25 REMUNERATION OF CHIEF EXECUTIVE AND DIRECTORS

The aggregate amount charged in the financial statements for remuneration including all benefits to Directors of the Company is as follows:

Managerial remuneration

Number of persons

Directors	
2015	2014
.....Rupees.....	
300,000	281,666
1	1

25.1 No remuneration was paid to chief executive and non-executive directors of the Company.

	Note	2015 Rupees	2014 Rupees
26 EARNING PER SHARE-BASIC AND DILUTED			
Earning attributable to ordinary shareholders		<u>(12,560,468)</u>	<u>4,775,269</u>
Weighted average number of ordinary shares in issue-No. of shares		<u>100,000</u>	<u>100,000</u>
Earning per share - basic		<u>(125.605)</u>	<u>47.753</u>
There is no dilutive effect on the basic earnings per share of the Company.			

27 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated undertakings, directors and their relatives. Detail of transactions disclosed in the financial statements are as follows:

Relation with the company	Nature of transaction		
Associated undertakings	Loan provided	29,377,237	15,804,670
	Loan refunded	39,408,140	32,642,740
Directors and relatives	Trading of securities	1,184,931,108	1,505,975,878
	Repayments against trading of securities	1,187,863,542	1,535,310,742

27.1 Amounts due to related parties are unsecured, interest free and have no fixed term of repayment.

28 NUMBER OF EMPLOYEES

Number of employees as on June 30

Average number of employees during the year

	<u>17</u>	<u>19</u>
	<u>18</u>	<u>18</u>

29 EVENTS AFTER THE BALANCE SHEET DATE

There were no events occurred after balance sheet date that requires adjustment in the financial statements.

30 DATE OF AUTHORIZATION

These financial statements were authorized for issue on 02/10/2015 by the Board of Directors of the Company.

31 CORRESPONDING FIGURES

Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison. However, no significant rearrangements have been made.

32 GENERAL

Figures presented in these financial statements have been rounded off to the nearest of Pak rupee.


CHIEF EXECUTIVE


DIRECTOR