ABM SECURITIES (PVT) LIMITED
BALANCE SHEET
AS AT JUNE 30, 2016

	Note	2016 Rupees	2015 Rupees (Re-stated)	2014 Rupees (Re-stated)
ASSETS				
NON CURRENT ASSETS				
Property and equipment	5	286,883	236,603	241,712
Intangible assets	6	1,562,433	1,562,433	1,562,433
Long term investment	7	17,341,330	15,273,837	15,274,138
Long term deposits	8	500,000	530,000	855,000
		19,690,646	17,602,872	17,933,283
CURRENT ASSETS				
Trade debts	9	2,456,395	2,214,859	6,290,119
Investment at fair value through profit and loss	10	10,808,292	10,875,782	8,222,814
Loans and advances	11	10,000	-	-
Trade deposits ,short term prepayments and current account balance with statutory authorities	12	632,678	643,729	682,913
Cash and bank balances	13	7,678,374	10,486,139	5,466,213
		21,585,739	24,220,509	20,662,059
		41,276,385	41,823,381	38,595,342
EQUITY AND LIABILITIES				
SHARE CAPITAL AND RESERVES				
Share capital	14	10,000,000	10,000,000	10,000,000
Accumulated profit		2,894,645	2,548,156	(395,600)
Fair value adjustment reserve		14,804,065	12,736,571	12,736,571
		27,698,710	25,284,727	22,340,971
LONG TERM LOAN FROM DIRECTORS	15	5,000,000	4,000,000	4,000,000
		32,698,710	29,284,727	26,340,971
NON CURRENT LIABILITIES				
Deferred taxation	16	-	-	-
CURRENT LIABILITIES				
Trade and other payables	17	7,172,009	10,532,987	6,941,447
Mark up accrued on short term borrowings		-	-	7,258
Short term borrowings	18	1,405,666	2,005,666	5,305,666
		8,577,675	12,538,653	12,254,371
CONTINGENCIES AND COMMITMENTS	19	-	-	-
		41,276,385	41,823,381	38,595,342

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

CHIEF EXECUTIVE **DIRECTOR**

ABM SECURITIES (PVT) LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2016

	Note	2016 Rupees	2015 Rupees	2014 Rupees
Brokerage and commission	20	2,580,759	3,312,417	2,530,384
Capital gain on marketable securities		230,931	124,691	421,417
		2,811,690	3,437,108	2,951,801
Direct cost	21	514,549	944,730	730,074
		2,297,141	2,492,378	2,221,727
Operating expenses	22	2,888,997	2,430,024	1,870,207
OPERATING PROFIT		(591,856)	62,354	351,520
Other operating income	23	1,179,832	3,082,268	807,063
Finance cost	24	31,296	14,750	44,282
PROFIT BEFORE TAXATION		556,680	3,129,872	1,114,301
Taxation	25	210,191	186,116	148,756
PROFIT FOR THE YEAR		346,489	2,943,756	965,545
EARNING PER SHARE- BASIC AND DILUTED	26	0.35	2.94	0.97

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

CHIEF EXECUTIVE **DIRECTOR**

ABM SECURITIES (PVT) LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2016

	2016 Rupees	2015 Rupees (Re-stated)	2014 Rupees (Re-stated)
Profit for the year	346,489	2,943,756	965,545
Items that will not be reclassified subsequently to profit and loss account	-	-	-
Items that may be reclassified subsequently to profit and loss account			
Gain on revaluation of available for sale investment	######	-	#######
Other comprehensive income for the year	######	-	#######
Total comprehensive income	######	2,943,756	#######

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

CHIEF EXECUTIVE **DIRECTOR**

ABM SECURITIES (PVT) LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2016

	Note	2016 Rupees	2015 Rupees	2014 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before taxation		556,680	3,129,872	1,114,301
Adjustments of items not involving movements of cash:				
Depreciation		50,293	41,639	41,525
Dividend income		(1,197,180)	(1,288,215)	(856,338)
Gain on sale of shares		-	(699)	-
Bad debts		(167,422)	533,735	445,179
Finance cost		31,296	14,750	44,282
Unrealised loss/(gain) on remeasurement of investment		184,770	(2,327,090)	(395,904)
		(1,098,243)	(3,025,879)	(721,256)
Operating cash Flows Before Working capital changes		(541,563)	103,993	393,045
(Increase) / Decrease in Working Capital				
(Increase) / decrease in current assets				
Account receivables		(241,536)	3,541,525	(245,424)
Loans and advances		(10,000)	-	-
Trade deposits and short term prepayments		30,000	325,000	(325,000)
Short term investment		(117,280)	(325,878)	661,781
Increase / (decrease) in current liabilities				
Trade and other payables		(3,193,556)	3,591,540	936,609
		(3,532,372)	7,132,187	1,027,966
Cash Generated From Operations		(4,073,935)	7,236,180	1,421,011
Taxes paid		(199,140)	(146,932)	(148,755)
Finance cost paid		(31,296)	(22,008)	(37,822)
		(230,436)	(168,940)	(186,577)
Net cash Flows From Operating Activities		(4,304,371)	7,067,240	1,234,434
CASH FLOWS FROM INVESTING ACTIVITIES				
Fixed capital expenditure		(100,573)	(36,530)	(18,800)
Sale of shares		-	1,000	-
Dividend income received		1,197,180	1,288,215	856,338
Net cash Flows From Investing Activities		1,096,607	1,252,685	837,538
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipt/ (Repayment) of Loan from directors		-	300,000	(200,000)
Net Cash Flows From Financing Activities		-	300,000	(200,000)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		(3,207,765)	8,619,925	1,871,972
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		10,486,139	1,866,213	(5,760)
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**A**	7,278,374	10,486,139	1,866,213
A Cash and Cash Equivalents				
Short term running finance	**18**	(400,000)	-	(3,600,000)
Cash and bank balances	**13**	7,678,374	10,486,139	5,466,213
		7,278,374	10,486,139	1,866,213

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

CHIEF EXECUTIVE **DIRECTOR**

ABM SECURITIES (PVT) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2016

	Paid up capital	Acumulated profit/ (loss)	Fair value adjustment reserve	Long term loan	Total
	--------- (R	u p	e	e	s) ---------
Balance as at June 30, 2013- Restated	10,000,000	(1,361,145)	-	4,000,000	12,638,855
Profit after taxation	-	965,545	-		965,545
Other comprehensive income	-	-	12,736,571	-	12,736,571
Total comprehensive income for the year	-	965,545	12,736,571	-	13,702,116
Balance as at June 30, 2014- Restated	10,000,000	(395,600)	12,736,571	4,000,000	26,340,971
Profit after taxation	-	2,943,756	-	-	2,943,756
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	-	2,943,756	-	-	2,943,756
Balance as at June 30, 2015- Restated	10,000,000	2,548,156	12,736,571	4,000,000	29,284,727
Adjustment made to reclassify short term borrowings	-	-		1,000,000	1,000,000
Profit after taxation	-	346,489	-	-	346,489
Other comprehensive income	-	-	2,067,494	-	2,067,494
Total comprehensive income for the year	-	346,489	2,067,494	-	2,413,983
Balance as at June 30, 2016	10,000,000	2,894,645	14,804,065	5,000,000	32,698,710

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

CHIEF EXECUTIVE **DIRECTOR**

ABM SECURITIES (PVT) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

1 COMPANY AND ITS OPERATION

1.1 The company was incorporated as Private Limited Company on February 10, 2004 under the Companies Ordinance, 1984. The company is engaged in the business of share brokerage and investment in securities. The registered office of the Company is situated at 5th Floor, Room # 506, 19- Khayaban-e-Aiwan-e-Iqbal, Lahore Stock Exchange Building, Lahore.

The company is holder of Trading Right Entitlement Certificate (TREC) Holder of Pakistan Stock Exchange.

2 BASIS OF PREPARATION

2.1 STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the 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 (IASB) as notified under the provisions of the Companies Ordinance 1984 and the directives issued by the Securities and Exchange Commission of Pakistan (SECP). 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 IFRSs, the requirements of Companies Ordinance, 1984 or the requirements of the said directives issued by the SECP take precedence.

2.2 ACCOUNTING CONVENTION

These financial statements have been prepared under the historical cost convention except as stated hereafter in the relevant accounting policies. Further accrual basis of accounting is followed in the preparation of these financial statements except for cash flow information.

2.3 FUNCTIONAL AND PRESENTATION CURRENCY

The financial statements are presented in Pakistani Rupee, which is the company's functional and presentation currency.

2.4 JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

2.5 AMENDMENTS / INTERPRETATION TO EXISTING STANDARDS AND FORTHCOMING REQUIREMENTS

2.5.1 Amendments to published standards that are effective in current year but not relevant to the Company.

There are amendments to published standards that are mandatory for accounting periods beginning on or after July 01, 2015 but are considered not to be relevant or do not have any significant impact on the Company’s financial statements and are therefore not detailed in these financial statements.

2.5.2 Standards and amendments to published approved accounting standards that are not yet effective but relevant to the Company

The following standards and amendments to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after July 01, 2016 or later periods:

- Amendments to IAS 38 Intangible Assets and IAS 16 Property, Plant and Equipment (effective for annual periods beginning on or after 1 January 2016) introduce severe restrictions on the use of revenue-based amortization for intangible assets and explicitly state that revenue-based methods of depreciation cannot be used for property, plant and equipment. The rebuttable presumption that the use of revenue-based amortization methods for intangible assets is inappropriate and can be overcome only when revenue and the consumption of the economic benefits of the intangible asset are 'highly correlated', or when the intangible asset is expressed as a measure of revenue.

- Amendments to IAS 12 'Income Taxes' are effective for annual periods beginning on or after 1 January 2017. The amendments clarify that the existence of a deductible temporary difference depends solely on a comparison of the carrying amount of an asset and its tax base at the end of the reporting period, and is not affected by possible future changes in the carrying amount or expected manner of recovery of the asset. The amendments are not likely to have an impact on Company's financial statements.

- Amendments to IAS 7 'Statement of Cash Flows' are part of IASB's broader disclosure initiative and are effective for annual periods beginning on or after 1 January 2017. The amendments require disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flow and non-cash changes.

- IFRS 7 'Financial Instruments- Disclosures'. IFRS 7 is amended to clarify when servicing arrangements on continuing involvement in transferred financial assets in cases when they are derecognized in their entirety are in the scope of its disclosure requirements. IFRS 7 is also amended to clarify that additional disclosures required by 'Disclosures: Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS7)' are not specifically required for inclusion in condensed interim financial statements for all interim periods.

The above amendments are not likely to have a material impact on Company's financial statements.

2.5.3 Standard and amendments to published standards that are not yet effective and not considered relevant to the company

There are other standard and amendments to published standards that are mandatory for accounting periods beginning on or after July 01, 2016 but are considered not to be relevant or do not have any significant impact on the Company's financial statements and are therefore not detailed in these financial statements.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 CHANGE IN ACCOUNTING POLICY

During the year, the company has changed its accounting policies in respect of treatment of available for sale investment and interest free long term loan obtained from the directors of the company as explained in note nos. 7 and 32(b) to the financial statements.

3.2 SHARE CAPITAL

Ordinary shares are classified as equity and recognized at their face value. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, if any.

3.3 PROPERTY AND EQUIPMENT AND DEPRECIATION

Property and equipment are stated at cost less accumulated depreciation.

Depreciation is charged on reducing balance method at the rates mentioned in the note no. 5. Depreciation on addition is charged from the month the asset is available for use while no depreciation is charged in the month in which the asset is disposed off.

Normal repair and maintenance is charged to revenue as and when incurred, while major renewals and replacement are capitalized.

Gain or loss on disposal of property and equipment, if any is taken to profit and loss account.

3.4 INTANGIBLE ASSETS

Intangible assets with finite useful life are stated at cost less amortization and impairment, if any. The carrying amount is reviewed at each balance sheet date to assess whether it is in excess of its recoverable amount, and where carrying value exceeds estimated recoverable amount, it is written down to estimated recoverable amount.

3.5 FINANCIAL ASSETS

Financial assets are classified in the following categories: Held-to-maturity, at fair value through profit or loss, available-for-sale and loans and receivables. The classification depends on the purpose for which the financial assets were acquired. The company determines the classification of its financial assets at initial recognition and, where allowed and appropriate, re-evaluates the designation at each balance sheet date.

3.5.1 Held to Maturity

The investments with fixed maturity, if any, that the company has to positive intent and ability to hold to maturity. Held to maturity investments are initially measured at fair value plus transaction costs and are subsequently stated at amortized cost using the effective interest rate method less impairment, if any. These are classified as current and non-current assets in accordance with criteria set out by IFRSs.

3.5.2 At fair value through profit and loss

Investments classified as held for trading are included in the category of financial assets at fair value through profit and loss. These are listed securities that are acquired principally for the purpose of generating a profit from short term fluctuations in price or dealer's margin.

All investments are initially recognized at cost, being the fair value of the consideration given excluding acquisition charges with the investment. After initial recognition, investments are measured at their fair values. Unrealized gains and losses on investments are recognized in profit and loss account of the period.

Fair values of these securities representing listed equity and debt securities are determined by reference to stock exchange quoted market prices at the close of the business on balance sheet date.

3.5.3 Available-for-sale

Investments which are intended to be held for an undefined period of time but may be sold in response to the need for liquidity or changes in interest rates are classified as available-for-sale.

Subsequent to initial recognition at cost, these are remeasured at fair value. The Company uses latest stock exchange quotations to determine the fair value of its quoted investments whereas fair value of investments in un-quoted companies is determined by applying the appropriate valuation techniques as permissible under IAS 39 (Financial Instruments: Recognition and Measurement). Gains or losses on available-for-sale investments are recognized directly in other comprehensive income until the investments are sold or disposed-off, or until the investments are determined to be impaired, at that time cumulative gain or loss previously recognized in other comprehensive income, is re-classified from equity to profit and loss as re-classification adjustment.

3.6 TRADE DEBTS AND OTHER RECEIVABLES

Trade debts and other receivables are recognized initially at cost which is the fair value of consideration to be received less provision for doubtful debts, if any. A provision for doubtful debt is established when there is an objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. Trade debts and other receivables considered irrecoverable are written off.

3.7 CASH AND CASH EQUIVALENTS

Cash and cash equivalents are carried in the balance sheet at fair value. For the purpose of cash flow statement, cash and cash equivalents consist of cash in hand, balances at banks in current and deposit accounts and short term running finances with bank.

3.8 TAXATION

Current

Provision for current taxation is based on taxable income at the applicable rates of taxation after taking into account tax credits and tax rebates available, if any, minimum tax or alternative corporate tax u/s 113 of the Income Tax Ordinance, 2001, whichever is higher.

Deferred

The company accounts for deferred taxation using the liability method on all timing differences which are considered reversible in the foreseeable future.

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax assets to be utilized.

Deferred tax is calculated at the rates expected to apply to the period when the related temporary differences reverse, based on tax rates that have been enacted or substantially enacted by the balance sheet date.

3.9 TRADE AND OTHER PAYABLES

Trade and other payables are carried at cost, which is the fair value of the consideration to be paid, in the future for goods and services received.

3.10 PROVISIONS

Provisions are recognized when the company has a legal or constructive obligation as a result of past events and it is probable that an out flow of economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. However provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

Contingent assets are not recognised and are also not disclosed unless an inflow of economic benefits is probable and contingent liabilities are not recognised and are disclosed unless the probability of an outflow of resources embodying economic benefits is remote.

3.11 IMPAIRMENT

The Company assesses at each reporting date whether there is any indication that operating fixed assets may be impaired. If such an indication exists, the carrying amounts of the related assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amounts, assets are written down to their recoverable amounts and the resulting impairment loss is charged to the profit and loss account. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

3.12 OFFSETTING OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

A financial asset and a financial liability is only offset and the net amount is reported in the balance sheet date, where there is a legal enforceable right to set off the recognized amount and the company intends either to settle on a net basis or to realize the asset and settle the liability simultaneously. Income and expenses arising from such assets and liabilities are also accordingly offset.

3.13 REVENUE RECOGNITION

- Brokerage, consultancy and advisory fees are recognized as and when services are provided.
- Capital gains or losses on sale of marketable securities are accounted for the year in which they arise.
- Dividend income is recorded when the right to receive the dividend is established.
- Interest income is recognized on time proportion basis using effective interest rates.
- Other revenues are recorded, as and when due, on accrual basis.

3.14 BASIC AND DILUTED EARNINGS PER SHARE

The Company presents basic and diluted earnings per share (EPS) for its shareholders. 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 year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, if any.

3.15 RELATED PARTY TRANSACTIONS

Transactions and contracts with the related parties are carried out at an arm's length price determined in accordance with comparable uncontrolled price method.

4 RELATED PARTY TRANSACTIONS

Transactions with related parties have been disclosed in the relevant notes to the financial statements except that commission earned from related parties i.e. directors and shareholders during the year was amounting Rs. 18,816 (2015: Rs. 9,791).

		Note	2016 Rupees	2015 Rupees	2014 Rupees
6	**INTANGIBLE ASSETS**				
	Trading right entitlement certificate (TREC)	6.1	1,062,433	1,062,433	1,062,433
	Rights of room		500,000	500,000	500,000
			1,562,433	1,562,433	1,562,433

6.1 It represents Trading Right Entitlement Certificate (TREC) received from the Pakistan Stock Exchange Limited without any additional payment, in lieu of TREC issued by the Lahore Stock Exchange Limited, surrendered on, January 10, 2016 on the consequence of Scheme(s) of Integration approved by the Securities and Exchange Commission of Pakistan vide Order No. 01/2016 dated January 11, 2016 under regulation 6 (8) of the Stock Exchange (Corporatization, Demutualization and Integration) Regulations, 2012. The Trading Right entitlement certificate is pledged/mortgaged with the Pakistan Stock Exchange Limited as a collateral for running the brokerage business and to meet partly, the Base Minimum Capital Requirement.

		Note	2016 Rupees	2015 Rupees (Re-stated)	2014 Rupees (Re-stated)
7	**LONG TERM INVESTMENT**				
	Available for sale investment				
	Unquoted - Shares of LSE Financial Services Limited (Formerly: Lahore Stock Exchange Limited)				
	Cost as at July 01,		2,537,266	2,537,266	2,537,567
	Fair value adjustment		14,804,064	12,736,571	12,736,571
		7.1	17,341,330	15,273,837	15,274,138

7.1 Pursuant to the promulgation of the Stock Exchanges (Corporation, Demutualization and Integration) Act, 2012 (The Act), The Lahore Sock Exchange Limited, now LSE Financial Services Limited allotted 843,975 shares of the face value of Rs. 10 each to the TREC holder. All shares are held in freeze status in the respective CDC sub-account of the TREC holder. The divestment of the same will be made in accordance with the requirements of the Act within one year from the date of Scheme(s) of Integration approved by the Securities and Exchange Commission of Pakistan vide Order No. 01/2016 dated January 11, 2016 under regulation 6 (8) of the Stock Exchange (Corporatization, Demutualization and Integration) Regulations, 2012. The Company has pledged 843,875 shares of LSE Financial Services Limited with the Pakistan Stock Exchange to fulfill the Base Minimum Capital requirement.

The valuation of the aforementioned entity carried out the by the valuer after considering the latest available financial information, recent market development, effect of integration and new scope of business to be carried by LSE Financial Services Limited.

The company has changed its accounting policy in respect of "Available for Sale Investment" from cost to fair value. The relevant adjustment has been made retrospectively as per International Accounting Standard 8 "Accounting Policies, Changes in Accounting Estimates and Errors". Further, there was no effect on earning per share in consequence of change in accounting policy.

	Note	2016 Rupees	2015 Rupees (Re-stated)	2014 Rupees (Re-stated)
8 LONG TERM DEPOSITS				
Deposits with:				
Lahore Stock Exchange		-	230,000	230,000
Pakistan Stock Exchange		200,000	-	-
National Clearing Company		300,000	300,000	300,000
Others		-	-	325,000
		500,000	530,000	855,000

9 TRADE DEBTS

These are receivable against purchase of shares on behalf of client and commission charged thereof and these are secured to the extent of margin maintained with the TREC holder. Further, these are considered good by the management of the company.

	2016 Rupees	2015 Rupees	2014 Rupees
10 INVESTMENTS AT FAIR VALUE THROUGH PROFIT AND LOSS			
Investment - listed companies			
Cost	10,993,062	8,548,692	7,826,910
(Loss)/Gain on remeasurement of fair value of investment as at June 30,	(184,770)	2,327,090	395,904
	10,808,292	10,875,782	8,222,814
11 LOANS AND ADVANCES			
(Unsecured but considered good by management)			
Advances to employees against salaries	10,000	-	-
12 TRADE DEPOSITS, SHORT TERM REPAYMENTS AND CURRENT ACCOUNT BALANCE WITH STATUTORY AUTHORITIES			
Tax deducted at source	632,678	643,729	682,913
13 CASH AND BANK BALANCES			
These were held as under:			
In hand	91,334	91,334	93,404
At bank - on current accounts	7,587,040	10,394,805	5,372,809
	7,678,374	10,486,139	5,466,213

		Note	2016 Rupees	2015 Rupees	2014 Rupees
14	**SHARE CAPITAL**				
	Authorized				
	1,000,000 (2015:1,000,000) ordinary shares of Rs.10/- each		10,000,000	10,000,000	10,000,000
	Issued, subscribed and paid up				
	1,000,000 (2015:1,000,000) ordinary shares of Rs.10/- each fully paid in cash		10,000,000	10,000,000	10,000,000
15	**LONG TERM LOANS**				
	From related parties:				
	Directors	**15.1**	5,000,000	4,000,000	4,000,000
15.1	**Loan from directors:**				
	Balance as at July 01,		4,000,000	4,000,000	4,000,000
	Add: Adjustment made to reclassify short term borrowings		1,000,000	-	-
			5,000,000	4,000,000	4,000,000

15.2 This represents interest free loan obtained from the directors of the company. The loan is repayable at the discretion of the company. However, these are not payable within next 12 (twelve) months from the balance sheet date.

		2016 Rupees	2015 Rupees	2014 Rupees
16	**DEFERRED TAXATION**			
	Deferred credits/(debits) arising due to:			
	Accelerated tax depreciation	26,733	24,544	24,638
	Brought forward losses	(529,147)	(539,000)	(689,225)
		(502,414)	(514,456)	(664,587)
	Balance as at July 01,	-	-	-
	Add: charge for the year	-	-	-
		-	-	-

At year end net deductible temporary differences amounting Rs. 1,620,689 (2015:Rs. 1,607,674) which results in a net deferred tax asset of Rs. 502,414 (2015:Rs. 514,456). However, deferred tax asset has not been recognized in these financial statements being prudent. Management is of the view that recognition of deferred tax asset shall be reassessed as at June 30, 2017.

		Note	2016 Rupees	2015 Rupees	2014 Rupees
17	**TRADE AND OTHER PAYABLES**				
	Creditors for sale of shares on behalf of clients	**17.1**	7,042,551	10,306,279	6,761,771
	Accrued expense		129,458	226,709	179,676
			7,172,009	10,532,987	6,941,447

17.1 This includes amounting Rs.6,405(2015: Rs.4,490) payable to related parties i.e. directors and shareholders of the company against sale of shares.

		Note	2016 Rupees	2015 Rupees	2014 Rupees
18	**SHORT TERM BORROWINGS**				
	Short term borrowings from:				
	Habib Bank Limited -(secured) Running finance	**18.1**	400,000	-	3,600,000
	Directors-Unsecured and interest free		1,005,666	2,005,666	1,705,666
			1,405,666	2,005,666	5,305,666

18.1 This facility of Rs.10 million (2015: Rs.10 million) is available to the company under the mark up arrangement from Habib Bank Limited, Lahore Stock Exchange, Lahore. Rate of mark up is three months Average KIBOR (Ask) plus 300 bps p.a. (2015: three months average KIBOR (Ask) plus 300 bps p.a.). This facility is secured by pledge of shares and against receivables.

19 CONTINGENCIES AND COMMITMENTS

Contingencies and commitments are Rs.nil (2015: Rs.nil)

		2016 Rupees	2015 Rupees	2014 Rupees
20	**BROKERAGE AND COMMISSION**			
	Commission income	2,580,759	3,312,417	2,530,384
21	**DIRECT COST**			
	Commission paid	223,509	678,956	553,859
	National Clearing Company trade fee	84,785	99,146	22,489
	Central Depository Company charges	187,984	166,049	147,750
	Member Contribution fund charges	116	122	627
	Investor Protection fund	3,006	122	627
	SECP fee	2,869	89	457
	Service charges	12,280	245	4,265
		514,549	944,730	730,074

	Note	2016 Rupees	2015 Rupees	2014 Rupees
22 OPERATING EXPENSES				
Directors' remuneration		692,830	610,000	438,000
Staff salaries and benefits		1,137,164	1,007,500	759,000
Rent, rates and taxes		20,000	26,341	26,173
Communication expenses		148,935	119,605	117,607
Utility charges		175,905	103,639	85,457
Postage and courier charges		18,099	12,780	10,479
Printing and stationery		56,500	40,943	8,355
Repair and maintenance		84,680	24,405	48,310
Computer software maintenance		63,650	43,620	49,500
Legal and professional charges		153,250	169,100	136,000
Fee and subscription		116,545	66,325	68,400
Books and newspapers		3,826	4,152	4,330
Entertainment		31,878	28,217	20,702
Advertisement and business promotion expenses		17,037	16,490	15,820
Depreciation	5	50,293	41,639	41,525
Others		118,405	115,268	40,549
		2,888,997	2,430,024	1,870,207
23 OTHER OPERATING INCOME				
Dividend income		1,197,180	1,288,215	856,338
Unrealized (loss) /gain on remeasurement of investment at fair value through profit and loss		(184,770)	2,327,090	395,904
Other income		-	699	-
Old balances written (off)/back		167,422	(533,735)	(445,179)
		1,179,832	3,082,268	807,063
24 FINANCE COST				
Mark up on short term running finance		11,050	7,474	18,128
Bank charges		20,246	7,276	26,154
		31,296	14,750	44,282
25 TAXATION				
Income tax:				
-Current		209,769	191,504	148,756
-Prior year		422	(5,388)	-
-Deferred		-	-	-
		210,191	186,116	148,756

25.1 Income tax assessment of the Company have been finalized up to tax year 2015.

25.2 No numeric tax rate reconciliation is presented in these financial statements as the company is either liable to pay tax under final tax regime or alternate corporate tax under the section 113 (c) of Income Tax Ordinance

	2016	2015	2014
26 EARNING PER SHARE- BASIC AND DILUTED			
Profit for the year-Rupees	346,489	2,943,756	965,545
Weighted average number of ordinary shares outstanding during the year	1,000,000	1,000,000	1,000,000
Earning per share-Rupees	0.35	2.94	0.97

27 NUMBER OF EMPLOYEES

	2016	2015	2014
		(N u m b e r)	
Total number of employees at the end of year	6	6	6
Average number of employees during the year	6	6	6

28 REMUNERATION TO CHIEF EXECUTIVE AND DIRECTORS

The aggregate amount charged in the financial statements for the year for remuneration, including certain benefits to the chief executive and directors of the company is as follows:

	2016 -------------Rupees-------------		
	Chief Executive	**Director**	**Total**
Managerial Remuneration	467,830	225,000	692,830
Number of persons	1	1	2

	2015 -------------Rupees-------------		
	Chief Executive	**Director**	**Total**
Managerial Remuneration	400,000	210,000	610,000
Number of persons	1	1	2

	2014 -------------Rupees-------------		
	Chief Executive	**Director**	**Total**
Managerial Remuneration	348,000	90,000	438,000
Number of persons	1	1	2

29 FINANCIAL INSTRUMENTS BY CATEGORY

Financial assets and financial liabilities

	2016 Rupees	2015 Rupees
Financial assets		
Financial asset- available for sale		
Long term investment	17,341,330	15,273,837
Investment at fair value through profit and loss	10,808,292	10,875,782
Loans and receivables		
Long term deposits	500,000	530,000
Trade debts	2,456,395	2,214,859
Cash and bank balances	7,678,374	10,486,139
	10,634,769	13,230,998
Financial liabilities		
Financial liabilities at amortized cost		
Trade and other payables	7,172,009	10,532,987
Short- term borrowings	1,405,666	2,005,666
	8,577,675	12,538,653

30 FINANCIAL RISK MANAGEMENT

30.1 The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (interest/mark-up rate risk and price risk). The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance. Overall, risks arising from the company's financial assets and liabilities are limited. The Company consistently manages its exposure to financial risk without any material change from previous periods in the manner described in notes below.

The Board of Directors has overall responsibility for the establishment and oversight of Company's risk management framework. All treasury related transactions are carried out within the parameters of these policies.

a) Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss, without taking into account the fair value of any collateral. Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economics, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

Exposure to Credit Risk

Credit risk of the Company arises from deposits with banks and financial institutions, trade debts, short term loans, deposits, receivable / payable against sale of securities and other receivables. The carrying amount of financial assets represents the maximum credit exposure. To reduce the exposure to credit risk, the Company has developed its own risk management policies and guidelines whereby clients are provided trading limits according to their net worth and proper margins are collected and maintained from the clients. The management continuously monitors the credit exposure towards the clients and makes provision against those balances considered doubtful of recovery. The Company's management, as part of risk management policies and guidelines, reviews clients' financial position, considers past experience, obtain authorized approvals and arrange for necessary collaterals in the form of equity securities to reduce credit risks and other factors. Further, credit risk on liquid funds is limited because the counter parties are banks with reasonably high credit ratings.

The carrying amount of financial assets represent the maximum credit exposure at the reporting date, which are detailed as follows:

		2016 Rupees	2015 Rupees
Long term investment		17,341,330	15,273,837
Long term deposits		500,000	530,000
Trade debts	**30.1.1**	2,456,395	2,214,859
Bank balances	**30.1.2**	7,587,040	10,394,805
		27,884,765	28,413,501

30.1.1 The maximum exposure to credit risk for trade debts is due from local clients and the aging of trade debts at the reporting date was:

	2016 Rupees	2015 Rupees
Upto 1 month	2,250,137	2,028,883
1 to 6 months	205,139	184,968
More then 6 months	1,119	1,009
	2,456,395	2,214,859

30.1.2 Concentration of Credit Risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counterparties whose aggregate exposure is significant in relation to the Company's total exposure. The Company's portfolio of financial instruments is broadly diversified and transactions are entered into with diverse credit-worthy counterparties thereby mitigating any significant concentrations of credit risk.

Geographically there is no concentration of credit risk.

The credit quality of Company's liquid funds can be assessed with reference to external credit ratings as follows:

	Note rating	2016 Rupees	2015 Rupees
Cash at banks	A1+	7,587,040	10,394,805

b) Liquidity Risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation. The following are the contractual maturities of financial liabilities, including expected interest payments and excluding the impact of netting agreements:

	2016			
	Carrying Amount	Contractual Cash Flows	Maturity up to one year	Maturity after one year
	Rupees			
Trade and other payables	7,172,009	7,172,009	7,172,009	-
Short term borrowings	1,405,666	1,405,666	1,405,666	-
	8,577,675	8,577,675	8,577,675	-

	2015			
	Carrying Amount	Contractual Cash Flows	Maturity up to one year	Maturity after one year
	Rupees			
Trade and other payables	10,532,987	10,532,987	10,532,987	-
Short term borrowings	2,005,666	2,005,666	2,005,666	-
	12,538,653	12,538,653	12,538,653	-

Liquidity Risk Management

The company'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 or risking damage to the company's reputation.

The company monitors cash flow requirements and produces cash flow projections for the short and long term. Typically, the company ensures that it has sufficient cash on demand to meet expected operational cash flows, including serving of financial obligations. This includes maintenance of balance sheet liquidity ratios, debtors and creditors concentration both in terms of overall funding mix and avoidance of undue reliance on large individual customer. Further, the company has the support of its sponsors in respect of any liquidity shortfalls.

c) Market Risk

Market risk means that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices such as foreign exchange rates, interest rates and equity prices. The objective is to manage and control market risk exposures within acceptable parameters, while optimizing the return. Market risk comprises of three types of risk: foreign exchange or currency risk, interest / mark up rate risk and price risk. The market risks associated with the Company's business activities are discussed as under:

i) Foreign Currency Risk

Foreign currency risk arises mainly where receivables and payables exist due to transaction in foreign currency. Currently, the Company is not exposed to currency risk since there are no foreign currency transactions and balances at the reporting date.

ii) Price Risk

Price risk represents the risk that the fair value of a financial instrument will fluctuate because of changes in the market prices (other than those arising from interest/ mark up rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all or similar financial instruments traded in the market. Presently, daily stock market fluctuation is controlled by government authorities with cap and floor of 5%. The restriction of floor prices reduces the volatility of prices of equity securities and the chances of market crash at any moment. The Company manages price risk by monitoring the exposure in quoted equity securities and implementing the strict discipline in internal risk management and investment policies, which includes disposing of its own equity investment and collateral held before it led the company to incur significant mark to market and credit losses. The Company is exposed to equity price risk since it has investments in quoted equity securities and also the company holds collaterals in the form of equity securities against their debtor balances at the reporting date.

Sensitivity Analysis

The table below summarizes Company's equity price risk as of 30 June 2016 and 2015 and shows the effects of a hypothetical 10% increase and a 10% decrease in market prices of investments through profit and loss as at the year end reporting dates. The selected hypothetical change does not reflect what could be considered to be the best or worst case scenarios. Indeed, results could be worse because of the nature of equity markets and the aforementioned concentrations existing in Company's equity investment portfolio.

	Fair Value Rupees	Hypothetical Price Change	Estimated Fair Value After Hypothetical Change In Price Rupees	Hypothetical Increase/(Decrease) in Share Holders' Equity Rupees
June 30, 2016	10,808,292	10% increase	11,889,121	1,080,829
		10% decrease	9,727,463	(1,080,829)
June 30, 2015	10,875,782	10% increase	11,963,360	1,087,578
		10% decrease	9,788,203	(1,087,578)

iii) Interest Rate Risk

Interest / mark-up rate risk is the risk that value of a financial instrument or future cash flows of a financial instrument will fluctuate due to changes in the market interest / mark-up rates. Sensitivity to interest / mark up rate risk arises from mismatches of financial assets and liabilities that mature or re-price in a given period. The Company manages these mismatches through risk management strategies where significant changes in gap position can be adjusted.

The effective interest / mark-up rates in respect of financial instruments are mentioned in respective notes to the financial statements.

Sensitivity Analysis

The company is exposed to interest rate risk in respect of its variable rate instruments. A 100 basis points increase in variable interest rates would have decreased profit by Rs.4,000 (2015: nil). A 100 basis points decrease in variable interest rate would have had an equal but opposite impact on profit. This sensitivity analysis is based on assumption that all variables, with the exception of interest rates, remain unchanged.

30.2 Fair value of financial instruments

Fair value is the amount for which an asset could be exchanged, or liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The estimated fair value of all financial assets and liabilities is considered not significantly different from book values as the items are either short - term in nature or periodically reprised.

International Financial Reporting Standard 13, 'Financial Instruments : Disclosure' requires the company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (level 2) ; and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

The level in the fair value hierarchy within which the fair value measurement is categorized in its entirety shall be determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

The table below analyses financial instruments measured at fair value at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorized:

	2016		
	Level 1	**Level 2**	**Level 3**
	-----------------Rupees-----------------		
Financial assets			
Investment at fair value through profit and loss	10,808,292	-	-
Investments available for sale	-	17,341,330	-
	10,808,292	17,341,330	-

	2015		
	Level 1	Level 2	Level 3
	-----------------Rupees-----------------		
Financial assets			
Investment at fair value through profit and loss	10,875,782	-	-
Investments available for sale	-	15,273,837	-
	10,875,782	15,273,837	-

30.3 Capital risk management

The Company's objective when managing capital is to safeguard the Company's ability to remain as a going concern and continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Company has a gearing ratio of 8% (2015: 12%) as of the balance sheet date.

31 OPERATING SEGMENT

31.1 These financial statements have been prepared on the basis of a single reportable segment which is consistent with the internal reporting used by the chief operating decision-maker. The chief operating decision-maker is responsible for allocating resources and assessing performance of the operating segments.

31.2 All non-current assets of the Company at June 30, 2016 are located in Pakistan.

32 CORRESPONDING FIGURES

Corresponding figures have been rearranged/reclassified wherever needed for the purpose of better presentation, however, there were no material rearrangements except that:

a) Deposits with Lahore Stock Exchange, Pakistan Stock Exchange, National Clearing Company and Others amounting Rs. 500,000, Rs. 530,000 and Rs. 855,000 for the year(s) ended June 30, 2016, 2015 and 2014 respectively have been reclassified from short term deposits to long term deposits.

b) Loan from the directors has been reclassified from long term liability to equity in accordance with the Technical Release 32, "Accounting Directors' Loan" issued by the Institute of Chartered Accountants of Pakistan dated January 09, 2016. The relevant adjustment has been made retrospectively as per International Accounting Standard 8 "Accounting Policies, Changes in Accounting Estimates and Errors". The company has decided to apply the aforesaid TR with effect from this year. Further, there was no effect on earning per share on the consequence of above reclassification.

33 GENERAL

Figures have been rounded off to the nearest of rupee.

34 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorized for issue on ___________________ by the Board of Directors of the Company.

CHIEF EXECUTIVE **DIRECTOR**

5 PROPERTY AND EQUIPMENT

Particulars	Cost			Depreciation				WDV
	As at June 30, 2015	Additions	As at June 30, 2016	Rate %	As at June 30, 2015	Charge for the year	As at June 30, 2016	As at June 30, 2016
OWNED								
Furniture and fittings	639,062	-	639,062	10	531,283	10,778	542,061	97,001
Computers	488,924	80,920	569,844	30	434,627	28,164	462,791	107,053
Electrical equipment	98,940	19,653	118,593	10	24,413	11,351	35,764	82,829
Rupees	1,226,926	100,573	1,327,499		990,323	50,293	1,040,616	286,883
2015 Rupees	1,190,396	36,530	1,226,926		948,684	41,639	990,323	236,603