

BRIDGE SECURITIES (PVT) LIMITED

UNAUDITED HALF YEAR ACCOUNTS

FOR THE YEAR ENDED DECEMBER 31, 2016

BRIDGE SECURITIES (PVT) LIMITED
BALANCE SHEET
AS AT DECEMBER 31, 2016

	Note	2016-Dec Rupees	2016 Rupees (Re-stated)
ASSETS			
NON CURRENT ASSETS			
Property and equipment	4	266,093	283,206
Intangible assets	5	6,366,500	6,373,000
Long term investments	6	17,343,686	17,343,686
Long term security deposits	7	600,000	700,000
		24,576,280	24,699,892
CURRENT ASSETS			
Trade Debts	8	2,032,488	1,420,528
Loans and advances	9	36,000	60,000
Trade deposits, short term prepayments and current account balance with statutory authorities	10	2,301,082	105,743
Cash and bank balances	11	1,313,750	3,436,983
		5,683,320	5,023,254
		<u>30,259,600</u>	<u>29,723,146</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital	12	36,000,000	36,000,000
Accumulated loss		(13,817,015)	(14,246,538)
Fair value adjustment reserve		(7,156,313)	(7,156,313)
		<u>15,026,672</u>	<u>14,597,149</u>
Long term loan	13	14,525,000	14,525,000
		29,551,672	29,122,149
NON CURRENT LIABILITIES			
Deferred taxation	14	12,921	12,921
CURRENT LIABILITIES			
Trade and other payables	15	567,729	460,798
Provision for taxation		127,278	127,278
		695,007	588,076
CONTINGENCIES AND COMMITMENTS			
	16	-	-
		<u>30,259,600</u>	<u>29,723,146</u>

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

CHIEF EXECUTIVE

Angul Jeeva



BRIDGE SECURITIES (PVT) LIMITED
 PROFIT AND LOSS ACCOUNT
 FOR THE YEAR ENDED DECEMBER 31, 2016

	Note	2016-Dec Rupees	2016 Rupees
Brokerage and commission	17	1,666,935	2,443,621
Direct cost	18	75,838	662,478
		1,591,097	1,781,143
Operating expenses	19	1,691,766	2,490,597
OPERATING LOSS		(100,669)	(709,454)
OTHER OPERATING INCOME	20	533,829	846,643
Impairment loss- TREC		-	-
finance cost	21	3,636	4,800
PROFIT/(LOSS) BEFORE TAXATION		429,524	132,389
Provision for taxation	22	0	110,001
PROFIT/(LOSS) FOR THE YEAR		<u>429,524</u>	<u>22,388</u>
EARNING/(LOSS) PER SHARE- BASIC AND DILUTED	23	<u>1.19</u>	<u>0.06</u>

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

CHIEF EXECUTIVE

Ajay Kumar



BRIDGE SECURITIES (PVT) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2016

	Paid up capital	Accumulated loss	Fair value adjustment reserve	Long term loan	Total
	----- (R u p e e s) -----				
Balance as at June 30, 2014-Restated	36,000,000	(7,905,743)	(9,224,052)	13,325,000	32,195,205
Loss after taxation	-	(6,363,182)	-	-	(6,363,182)
Other comprehensive loss	-	-	-	-	-
Total comprehensive loss for the year	-	(6,363,182)	-	-	(6,363,182)
Balance as at June 30, 2015-Restated	36,000,000	(14,268,925)	(9,224,052)	13,325,000	25,832,023
Loan received during the year	-	-	-	1,200,000	1,200,000
Loss after taxation	-	22,388	-	-	22,388
Other comprehensive income	-	-	2,067,739	-	2,067,739
Total comprehensive loss for the year	-	22,388	2,067,739	-	2,090,127
Balance as at June 30, 2016-Restated	36,000,000	(14,246,538)	(7,156,313)	14,525,000	29,122,149
Profit after taxation	-	429,524	-	-	429,524
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	-	429,524	-	-	429,524
Balance as at december 31, 2016	36,000,000	(13,817,015)	(7,156,313)	14,525,000	29,551,672

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

CHIEF EXECUTIVE

Anupal Yadav



DIRECTOR



[Signature]

BRIDGE SECURITIES (PVT) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

1 COMPANY AND ITS OPERATION

- 1.1** Bridge Securities (Pvt) Limited (The Company) is limited by shares incorporated in Pakistan on 7th April, 2006. The registered office of the company is situated at T- Centre, 4/16- Mezannine Floor, M-1, Ali Akbar Street, Near Achi Qabar, Jodia Bazar, Karachi and main office for business is situated at Room # 214 , 2nd Floor, LSE Building, 19-Khayaban-e-Aiwan-e-Iqbal, Lahore. The principal activity of the company is to carry on the business of shares, brokerage, underwriting, investment and portfolio management.
The company is holder of Trading Right Entitlement Certificate (TREC) 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 STANDARD 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 01 July 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 01 July 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 01 July 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. 6 and 30(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. 4. 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 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.

3.15 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.

4 PROPERTY AND EQUIPMENT

Particulars	Cost		Rate %	Depreciation		WDV As at Dec 31, 2016
	As at June 30, 2016	Additions		As at Dec 31, 2016	Charge for the year	
OWNED						
Furniture and fittings	19,500	-	10	9,140	1,036	9,324
Office equipment	184,543	23,000	10	46,642	18,580	142,321
Vehicle	42,200	-	10	1,055	5,170	35,976
Computers	340,175	10,000	20	246,375	25,327	78,473
Rupees	586,418	33,000		303,212	50,113	266,093
2015 Rupees	377,958	4,800		253,219	20,508	79,546
2014 Rupees	377,958	-		228,646	24,573	124,739

	Note	2016-Dec Rupees	2016 Rupees	2014 Rupees
5 INTANGIBLE ASSETS				
Trading right entitlement certificate (TREC)	5.1	4,100,000	4,100,000	10,500,000
Rights of room		2,260,000	2,260,000	-
Software	5.2	6,500	13,000	26,000
		<u>6,366,500</u>	<u>6,373,000</u>	<u>10,526,000</u>

5.1 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-Dec Rupees	2016 Rupees (Re-stated)	2014 Rupees (Re-stated)
5.2 Software				
Cost:				
Balance as at July 01,		52,000	52,000	52,000
Additions during the year		-	-	-
Balance as at June 30,		<u>52,000</u>	<u>52,000</u>	<u>52,000</u>
Amortization:				
Balance as at July 01,		39,000	32,500	19,500
Charge for the year		6,500	6,500	6,500
Balance as at June 30,		<u>45,500</u>	<u>39,000</u>	<u>26,000</u>
Net book value		<u>6,500</u>	<u>13,000</u>	<u>26,000</u>
Rate of amortization		<u>12.5%</u>	<u>12.5%</u>	<u>12.5%</u>

6 LONG TERM INVESTMENT

Available for sale investment

Unquoted Shares of LSE Financial Services Limited
(Formerly: Lahore Stock Exchange Limited)

Cost as at July 01,		24,500,000	24,500,000	24,500,000
Fair value adjustment		(7,156,313)	(7,156,313)	(9,224,052)
	6.1	<u>17,343,687</u>	<u>17,343,687</u>	<u>15,275,948</u>

6.1 Pursuant to the promulgation of the Stock Exchanges (Corporation, Demutualization and Integration) Act, 2012 (The Act), The Lahore Stock 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 843,975 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.

	2016-Dec Rupees	2016 Rupees	2014 Rupees
7 LONG TERM DEPOSITS			
Deposits with:			
Lahore Stock Exchange	-	-	500,000
National Clearing Company	300,000	300,000	300,000
Central Depository Company	100,000	100,000	102,500
Pakistan Stock Exchange	200,000	300,000	-
Others	-	-	150,000
	<u>600,000</u>	<u>700,000</u>	<u>1,052,500</u>
8 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-Dec Rupees	2016 Rupees	2014 Rupees
9 LOANS AND ADVANCES			
(Unsecured but considered good by management)			
Advances to employees against salaries	36,000	60,000	60,761
Others	-	-	232,500
	<u>36,000</u>	<u>60,000</u>	<u>293,261</u>
10 TRADE DEPOSITS, SHORT TERM REPAYMENTS AND CURRENT ACCOUNT BALANCE WITH STATUTORY AUTHORITIES			
National Clearing Company	2,100,000		
Tax deducted at source	201,082	105,743	20,428
	<u>2,301,082</u>	<u>105,743</u>	<u>20,428</u>

	Note	2016-Dec Rupees	2016 Rupees	2014 Rupees
11	CASH AND BANK BALANCES			
	These were held as under:			
	In hand	7,307	-	-
	At bank - on current accounts on deposit account	1,306,443 -	3,042,125 394,858	2,651,770 -
		<u>1,313,750</u>	<u>3,436,983</u>	<u>2,651,770</u>
12	SHARE CAPITAL			
	Authorized			
	3,000,000 (2015:3,000,000) ordinary shares of Rs.100/- each	<u>300,000,000</u>	<u>300,000,000</u>	<u>300,000,000</u>
	Issued, subscribed and paid up			
	360,000 (2015:360,000) ordinary shares of Rs.100/- each fully paid in cash	<u>36,000,000</u>	<u>36,000,000</u>	<u>36,000,000</u>
13	LONG TERM LOANS			
	From related parties:			
	Directors	13.1	<u>14,525,000</u>	<u>14,525,000</u>
13.1	Loan from directors:			
	Balance as at July 01,		14,525,000	13,325,000
	Add: Adjustment made to reclassify short term borrowings		1,200,000	-
			<u>14,525,000</u>	<u>13,325,000</u>
13.2	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-Dec Rupees	2016 Rupees
14	DEFERRED TAXATION			2014 Rupees
	Deferred credits/(debits) arising due to:			
	Accelerated tax depreciation		-	6,147
	Brought forward losses		-	(5,565)
			<u>-</u>	<u>582</u>
	Balance as at July 01,		9,870	-
	Add: charge for the year		(9,870)	-
			<u>-</u>	<u>9,870</u>

	Note	2016-Dec Rupees	2016 Rupees	2014 Rupees
15	TRADE AND OTHER PAYABLES			
	Creditors for sale of shares on behalf of clients	473,768	363,099	1,260,860
	Accrued expense	88,785	97,699	83,800
	Other liabilities	5,176	-	73,269
		<u>567,729</u>	<u>460,798</u>	<u>1,417,929</u>
16	CONTINGENCIES AND COMMITMENTS			
	Contingencies and commitments are Rs.nil (2015: Rs.nil)			
17	BROKERAGE AND COMMISSION			
	Commission income	<u>1,666,935</u>	<u>2,443,621</u>	<u>2,063,659</u>
18	DIRECT COST			
	Pakistan Stock Exchange expenses	10,000	59,285.00	-
	Lahore Stock Exchange expenses	10,595	13,977	7,113
	National Clearing Company trade fee	26,862	21,375	-
	Commission paid	0	509,013	-
	Central Depository Company charges	28,381	58,828	72,716
		<u>75,838</u>	<u>662,478</u>	<u>79,829</u>
19	OPERATING EXPENSES			
	Directors remuneration	750,000	750,000	1,500,000
	Staff salaries and benefits	627,000	755,500	510,000
	Rent, rates and taxes	25,768	136,717	210,200
	Communication expenses	33,660	79,131	-
	Electricity charges	56,878	103,586	163,738
	Postage and courier charges	2,741	6,469	11,043
	Printing and stationery	4,880	6,845	415
	Repair and maintenance	7,020	184,136	24,960
	Legal and professional charges	66,950	171,950	60,000
	Fee and subscription	19,600	131,065	71,170
	Entertainment	27,876	66,794	36,334
	Advertisement	-	-	30,000
	Donation	3,000	5,500	-
	Depreciation	4	50,113	24,573
	Amortization expense	5.2	6,500	6,500
	Travelling and conveyance		2,490	41,580
	Miscellaneous expenses		7,290	15,338
		<u>1,691,766</u>	<u>2,511,224</u>	<u>2,973,854</u>

	Note	2016-Dec Rupees	2016 Rupees	2014 Rupees
20	OTHER OPERATING INCOME			
	Income from financial assets			
	Dividend income	-	632,981	-
	Bank profit	-	98,316	-
		-	731,297	-
	Income from assets other than financial assets			
	Old balances written back	-	-	-
	Old balances written off	-	(10,000)	-
	Other income	533,829	125,346	983,534
		533,829	115,346	983,534
		533,829	846,643	983,534
21	FINANCE COST			
	Bank charges	3,636	4,800	4,156
		3,636	4,800	4,156
22	TAXATION			
	Income tax:			
	-Current	-	105,796	20,637
	-Prior year	-	1,154	-
	-Deferred	-	(9,288)	-
		-	97,662	20,637
22.1	Income tax assessment of the Company have been finalized up to tax year 2015.			
22.2	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 minimum tax u/s 113 of Income Tax Ordinance 2001.			
23	EARNING/(LOSS) PER SHARE- BASIC AND DILUTED	2016-Dec	2016	2014
	Profit for the year-Rupees	429,524	22,388	(31,283)
	Weighted average number of ordinary shares outstanding during the year-Numbers	360,000	360,000	360,000
	Earning/(loss) per share-Rupees	1.19	0.06	(0.09)
24	NUMBER OF EMPLOYEES	2016-Dec	2016	2014
		(N u m b e r)		
	Total number of employees at the end of year	3	2	2
	Average number of employees during the year	3	2	2
25	CHIEF EXECUTIVE AND DIRECTOR REMUNERATION			

The aggregate amount charged in the financial statements for the year for remuneration to the chief executive of the Company is as follows:

	2016 Rupees	2015 Rupees
Managerial remuneration	<u>750,000</u>	<u>750,000</u>
Number of persons	<u>1</u>	<u>1</u>

26 FINANCIAL INSTRUMENTS BY CATEGORY

Financial assets and financial liabilities

Financial assets

Financial instruments- available for sale

Long term investment	<u>17,343,686</u>	<u>17,343,686</u>
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Loans and receivables

Long term deposits	600,000	700,000
Trade debts	2,032,488	1,420,528
Loans and advances	36,000	60,000
Trade deposits and other receivables	2,301,082	105,743
Cash and bank balances	<u>1,313,750</u>	<u>3,436,983</u>
	<u>6,283,320</u>	<u>5,723,253</u>

Financial liabilities

Financial liabilities at amortized cost

Trade and other payables	<u>567,729</u>	<u>460,798</u>
	<u>567,729</u>	<u>460,798</u>

27 FINANCIAL RISK MANAGEMENT

27.1 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 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		17,343,686	17,343,686
Long term deposits		600,000	700,000
Trade debts	27.1.1	2,032,488	1,420,528
Bank Balances	27.1.2	1,313,750	3,042,125
		<u>21,289,924</u>	<u>22,506,339</u>

27.1.1 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	546,652	524,651
1 to 6 months	6,304	6,050
More then 6 months	867,572	832,655
	<u>1,420,528</u>	<u>1,363,357</u>

27.1.2 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+	3,421,183	12,095,232
	A1	15,800	14,800
		<u>3,436,983</u>	<u>12,110,032</u>

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
	R	u	p	e e s
Trade and other payables	567,729	567,729	567,729	-

	2015			
	Carrying Amount	Contractual Cash Flows	Maturity up to one year	Maturity after one
	R	u	p	e e s
Trade and other payables	460,798	460,798	460,798	-

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.

Sensitivity Analysis

Currently, the Company is not exposed to any price risk as it does not hold any significant investments exposed to price risk at the reporting date.

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 increased profit by Rs.3,949 (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.

27.2 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			
Investments available for sale	-	17,343,686	-
	-----	-----	-----
	2015		
	Level 1	Level 2	Level 3
	-----Rupees-----		
Financial assets			
Investments available for sale	-	17,343,686	-
	-----	-----	-----

27.3 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 0% (2015: 0%) as of the balance sheet date.

28 OPERATING SEGMENT

28.1 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.

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

29 TRANSACTIONS WITH RELATED PARTIES

Transactions with related parties have been disclosed in the relevant notes to the financial statements.

30 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 National Clearing Company, Central Depository Company, Pakistan Stock Exchange, and Others amounting Rs. 700,000, Rs. 940,000 and Rs. 1,052,500 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.

31 GENERAL

Figures have been rounded off to the nearest of rupee.

32 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorized for issue on February 02, 2017 by the Board of Directors of the Company.

Muhammad Yousaf
CHIEF EXECUTIVE



DIRECTOR



[Handwritten Signature]