BRIDGE SECURITIES (PVT) LIMITED

UNAUDITED HALF YEAR ACCOUNTS

FOR THE YEAR ENDED DECEMBER 31, 2017

BRIDGE SECURITIES (PVT) LIMITED
BALANCE SHEET
AS AT DECEMBER 31, 2017

	Note	Un-audited December 31,2017 Rupees	Audited June 30,2017 Rupees
ASSETS			
NON CURRENT ASSETS			
Property and equipment	5	270,083	289,430
Intangible assets	6	6,363,250	6,366,500
Long term investments	7	11,489,876	11,489,875
Long term security deposits	8	600,000	600,000
		18,723,209	18,745,805
CURRENT ASSETS			
Trade Debts	9	1,766,964	1,123,721
Loans and advances	10	21,000	36,000
Trade deposits, short term prepayments and current account balance with statutory authorities	11	3,724,324	2,773,939
Cash and bank balances	12	4,364,072	756,501
		9,876,359	4,690,161
		28,599,568	23,435,967
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital	13	38,500,000	36,000,000
Accumulated loss		(14,957,453)	(14,761,334)
Fair value adjustment reserve		(13,010,124)	(13,010,124)
		10,532,423	8,228,542
Long term loan	14	14,525,000	14,525,000
		25,057,423	22,753,542
NON CURRENT LIABILITIES			
Deferred taxation	15	26,913	26,913
CURRENT LIABILITIES			
Trade and other payables	16	3,515,232	655,512
Provision for taxation		-	-
		3,515,232	655,512
CONTINGENCIES AND COMMITMENTS	17	-	-
		28,599,568	23,435,967

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

CHIEF EXECUTIVE

BRIDGE SECURITIES (PRIVATE) LIMITED
TREC HOLDER
PSX
CODE 308

BRIDGE SECURITIES (PRIVATE) LIMITED
TREC HOLDER
PSX
CODE 308

DIRECTOR

BRIDGE SECURITIES (PVT) LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED DECEMBER 31, 2017

	Note	Un-audited December 31,2017 Rupees	Audited June 30,2017 Rupees
Brokerage and commission	18	861,407	3,294,176
Direct cost	19	62,789	148,284
		798,618	3,145,892
Operating expenses	20	1,502,110	3,443,926
OPERATING LOSS		(703,492)	(298,034)
OTHER OPERATING INCOME	21	510,345	(108,053)
Finance cost	22	2,972	6,551
(LOSS) BEFORE TAXATION		(196,119)	(412,638)
Taxation	23	-	102,158
(LOSS) FOR THE YEAR		(196,119)	(514,796)
EARNING PER SHARE-BASIC AND DILUTED	24	(0.54)	(1.43)

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

CHIEF EXECUTIVE

BRIDGE SECURITIES (PRIVATE) LIMITED TREC HOLDER PSX CODE 308

BRIDGE SECURITIES (PRIVATE) LIMITED TREC HOLDER PSX CODE 308

DIRECTOR

BRIDGE SECURITIES (PVT) LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2017

	Un-audited December 31,2017 Rupees	Audited June 30,2017 Rupees
(Loss) for the year	(196,119)	(514,796)
Items that will not be reclassified subsequently to profit and loss account	-	-
Items that may be reclassified subsequently to profit and loss account		
(Loss)/Gain on revaluation of available for sale investment	-	(5,853,811)
Other comprehensive (loss)/income for the year	-	(5,853,811)
Total comprehensive (loss)/income for the year	(196,119)	(6,368,607)

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

CHIEF EXECUTIVE

DIRECTOR

BRIDGE SECURITIES (PVT) LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2017

	Note	Un-audited December 31,2017 Rupees	Audited June 30,2017 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss)/Profit before taxation		(196,119)	(412,638)
Adjustments of Items Not Involving Movements of Cash:			
Depreciation	5	19,347	29,486
Finance cost	22	2,972	4,800
Balances written off		-	10,000
Amortization	6.2	3,250	6,500
		25,569	50,786
Operating Cash Flows Before Working Capital Changes		(170,550)	(361,852)
(Increase) / Decrease In Working Capital			
(Increase) / decrease in current assets			
Account receivables		(643,243)	(57,170)
Trade deposits and short term prepayments		(900,000)	229,999
Loans and advances		15,000	(46,500)
Increase / (decrease) in current liabilities			
Trade and other payables		2,859,720	(7,619,116)
		1,331,477	(7,492,787)
Cash Generated From Operations		1,160,927	(7,854,639)
Taxes paid		(50,386)	(94,978)
Finance cost paid		(2,972)	(4,800)
		(53,358)	(99,778)
Net Cash Flows From Operating Activities		1,107,569	(7,954,417)
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		-	(203,660)
Right of room		-	(2,260,000)
Long term Deposits		-	-
Net Cash Flows From Investing Activities		-	(2,463,660)
CASH FLOWS FROM FINANCING ACTIVITIES			
Shares issued		2,500,000	
Receipt/ (Repayment) of Loan from directors		-	1,200,000
Net Cash Flows From Financing Activities		2,500,000	1,200,000
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		3,607,569	(9,218,076)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		756,501	12,110,032
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	A	4,364,070	2,891,956
A Cash and Cash Equivalents			
Cash and bank balances	12	4,364,072	756,501

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

CHIEF EXECUTIVE

BRIDGE SECURITIES (PRIVATE) LIMITED TREC HOLDER PSX CODE 308

BRIDGE SECURITIES (PRIVATE) LIMITED TREC HOLDER PSX CODE 308

DIRECTOR

BRIDGE SECURITIES (PVT) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2017

	Paid up share capital	Accumulated loss	Fair value adjustment reserve	Long term loan	Total
	---------- (R	u	p e	e s) ----------	
Balance as at June 30, 2016	36,000,000	(14,246,538)	(7,156,313)	14,525,000	29,122,149
Loss after taxation	-	(514,796)	-	-	(514,796)
Other comprehensive loss	-	-	(5,853,811)	-	(5,853,811)
Total comprehensive loss for the year	-	(514,796)	(5,853,811)	-	(6,368,607)
Balance as at June 30, 2017	36,000,000	(14,761,334)	(13,010,124)	14,525,000	22,753,542
Loss after taxation	-	(196,119)	-	-	(196,119)
Other comprehensive loss	-	-	-	-	-
Total comprehensive loss for the year	-	(196,119)	-	-	(196,119)
Capital issued during the year	2,500,000			-	
Balance as at December 31, 2017	38,500,000	(14,957,453)	(13,010,124)	14,525,000	22,557,423

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

CHIEF EXECUTIVE

BRIDGE SECURITIES (PRIVATE) LIMITED
TREC HOLDER
PSX
CODE 308

BRIDGE SECURITIES (PRIVATE) LIMITED
TREC HOLDER
PSX
CODE 308

DIRECTOR

BRIDGE SECURITIES (PVT) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

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 Limited.

2 BASIS OF PREPARATION

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.

The Companies Ordinance, 1984 has been repealed after the enactment of the Companies Act, 2017. However, as allowed by the SECP vide its circular no. 17 dated July 20, 2017, these financial statements have been prepared in accordance with the provisions of the repealed Companies Ordinance, 1984.

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.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

3 AMENDMENTS / INTERPRETATION TO EXISTING STANDARDS AND FORTHCOMING REQUIREMENTS

3.1 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, 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.

3.2 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, 2017 or later periods:

- 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 further clarify that when calculating deferred tax asset in respect of insufficient taxable temporary differences, the future taxable profit excludes tax deductions resulting from the reversal of those deductible temporary differences. 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.

- Amendments to IFRS 2 - 'Share-based Payment' clarify the accounting for certain types of arrangements and are effective for annual periods beginning on or after 1 January 2018. The amendments cover three accounting areas (a) measurement of cash-settled share-based payments; (b) classification of share-based payments settled net of tax withholdings; and (c) accounting for a modification of a share-based payment from cash-settled to equity-settled. The new requirements could affect the classification and/or measurement of these arrangements and potentially the timing and amount of expense recognized for new and outstanding awards. The amendments are not likely to have an impact on Company's financial statements.

- Transfers of Investment Property (Amendments to IAS 40 'Investment Property' - effective for annual periods beginning on or after 1 January 2018) clarifies that an entity shall transfer a property to, or from, investment property when, and only when there is a change in use. A change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. In isolation, a change in management's intentions for the use of a property does not provide evidence of a change in use. The amendments are not likely to have an impact on Company's financial statements.

- IFRIC 22 'Foreign Currency Transactions and Advance Consideration' (effective for annual periods beginning on or after 1 January 2018) clarifies which date should be used for translation when a foreign currency transaction involves payment or receipt in advance of the item it relates to. The related item is translated using the exchange rate on the date the advance foreign currency is received or paid and the prepayment or deferred income is recognized. The date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) would remain the date on which receipt of payment from advance consideration was recognized. If there are multiple payments or receipts in advance, the entity shall determine a date of the transaction for each payment or receipt of advance consideration.

- IFRIC 23 'Uncertainty over Income Tax Treatments' (effective for annual periods beginning on or after 1 January 2019) clarifies the accounting for income tax when there is uncertainty over income tax treatments under IAS 12. The interpretation requires the uncertainty over tax treatment be reflected in the measurement of current and deferred tax.

Annual improvements to IFRS standards 2014-2016 cycle. The new cycle of improvements addresses improvements to following approved accounting standards:

- Amendments to IFRS 12 'Disclosure of Interests in Other Entities' (effective for annual periods beginning on or after 1 January 2017) clarify that the requirements of IFRS 12 apply to an entity's interests that are classified as held for sale or discontinued operations in accordance with IFRS 5 – 'Non-current Assets Held for Sale and Discontinued Operations'. The amendments are not likely to have an impact on Company's financial statements.

- Amendments to IAS 28 'Investments in Associates and Joint Ventures' (effective for annual periods beginning on or after 1 January 2018) clarifies that a venture capital organization and other similar entities may elect to measure investments in associates and joint ventures at fair value through profit or loss, for each associate or joint venture separately at the time of initial recognition of investment. Furthermore, similar election is available to non-investment entity that has an interest in an associate or joint venture that is an investment entity, when applying the equity method, to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture. The amendments are not likely to have an impact on Company's financial statements.

In addition, the Companies Act, 2017 was enacted on 30 May 2017 and SECP vide its circular 17 of 2017 has clarified that the companies whose financial year closes on or before 30 June 2017 shall prepare their financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984.

The Companies Act, 2017 applicable for financial year beginning on 1 July 2017 requires certain additional disclosures and Section 235 of the repealed Companies Ordinance, 1984 relating to treatment of surplus arising out of revaluation of assets has not been carried forward in the Companies Act, 2017. This would require change in accounting policy relating to surplus on revaluation of fixed assets to bring it in line with the requirements of IAS 16 – Property, plant and equipment. Accordingly, surplus on revaluation of fixed assets will be part of equity.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 PROPERTY AND EQUIPMENT

Property and equipment are stated at cost less accumulated depreciation.

Depreciation is charged on reducing balance method at the rates mentioned in note no. 5. Depreciation on additions is charged for the month in which an asset is acquired while no depreciation is charged for the month in which an asset is disposed off. Normal repair and maintenance is charged to revenue as and when incurred, while major renewals and replacements are capitalized.

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

4.2 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.

4.2.1 Membership card and offices

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, and where the carrying value exceeds estimated recoverable amount, it is written down to its estimated recoverable amount.

4.2.2 Computer Software

Expenditure incurred to acquire identifiable computer software and having probable economic benefits exceeding the cost beyond one year, is recognized as an intangible asset. Such expenditure includes the purchase cost of software (license fee) and related overhead cost.

Costs associated with maintaining computer software programs are recognized as an expense when incurred.

Costs which enhance or extend the performance of computer software beyond its original specification and useful life is recognized as capital improvement and added to the original cost of the software.

Computer software and license costs are stated at cost less accumulated amortization and any identified impairment loss and amortized through reducing balance method using the rate specified in note 6.2 to the account.

Amortization is charged when asset is available for use until asset is disposed off.

4.3 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. Management determines the classification of its financial assets at initial recognition.

4.3.1 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.

4.3.2 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.

4.3.3 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 premeasured 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.

4.3.4 Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than twelve months after the balance sheet date, which are classified as non-current assets. Loans and receivables comprise trade debts, loans, advances, deposits, other receivable and cash and bank balances in the balance sheet.

4.4 FINANCIAL LIABILITIES

Financial liabilities are initially recognized at fair value plus directly attributable cost, if any, and subsequently carried at amortized cost using effective interest rate method.

4.5 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.

4.6 TRADE DEBTS AND OTHER RECIEVABLES

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.

4.7 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.

4.8 SHARE CAPITAL

Ordinary shares are classified as equity and recognized at their face value.

4.9 BORROWINGS

Borrowings that are acquired for long term financing are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the profit and loss account over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

4.10 TAXATION

Current

Provision for current taxation is based on taxable income at the applicable rates of taxation after taking into account tax credits, brought forward losses, accelerated depreciation allowances and any minimum limits imposed by the taxation laws.

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.

4.11 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.

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

4.13 FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION

Monetary assets and liabilities in foreign currencies are translated into Pakistan Rupees at the rates of exchange prevailing at the balance sheet date. Transactions in foreign currencies are translated into functional currency using the rates of exchange prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the profit and loss account.

4.14 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.

4.15 REVENUE RECOGNITION

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable, net of any direct expenses. Revenue is recognized on the following basis:

- Brokerage, consultancy and advisory fee, commission etc. are recognized as and when such services are provided.
- Profit on saving accounts, profit on exposure deposits and markup on marginal financing is recognized at effective yield on time proportion basis.
- Gains / (losses) arising on sale of investments are included in the profit and loss account in the period in which they arise.
- Dividend income is recorded when the right to receive the dividend is established.
- Unrealized capital gains / (losses) arising from mark to market of investments classified as at financial assets at fair value through profit or loss are included in profit and loss account for the period in which they arise.
- Other revenues are recorded, as and when due, on accrual basis.

4.16 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.

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

4.18 TRADE DATE ACCOUNTING

All "regular way" purchases and sales of financial assets are recognized on the trade date, i.e. the date on which the Company commits to purchase or sell an asset. Regular way purchases or sales of financial assets are those, the contract for which requires delivery of assets within the time frame generally established by regulation or convention in the market.

5 PROPERTY AND EQUIPMENT

Particulars	Cost			Depreciation				WDV
	As at June 30, 2017	Additions	As at December 31 30, 2017	Rate %	As at June 30, 2016	Charge for the year	at December 30, 2017	As at December 31 30, 2017
OWNED								
Furniture and fittings	19,500	-	19,500	10	10,176	466	10,642	8,858
Office equipment	184,543	-	184,543	10	60,432	6,206	66,638	117,905
Vehicle	42,200	-	42,200	10	5,170	1,852	7,022	35,178
Mobile phones	23,000	-	23,000	10	1,533	1,073	2,606	20,394
Computers	364,675	-	364,675	20	267,177	9,750	276,927	87,748
Rupees	633,918	-	633,918		344,488	19,347	363,835	270,083
2017 June Rupees	586,418	47,500	633,918		303,212	41,276	344,488	289,430

	Note	Un-audited December Rupees	Audited June 30,2017 Rupees
6 INTANGIBLE ASSETS			
Trading right entitlement certificate (TREC)	6.1	4,100,000	4,100,000
Rights of room		2,260,000	2,260,000
Software	6.2	3,250	6,500
		6,363,250	6,366,500

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. It has been carried at cost less impairment.

	Note	Un-audited December 31,2017 Rupees	Audited June 30,2017 Rupees
6.2 Software			
Cost:			
Balance as at July 01,		52,000	52,000
Additions during the year		-	-
Balance as at June 30,		52,000	52,000
Amortization:			
Balance as at July 01,		45,500	39,000
Charge for the year		3,250	6,500
Balance as at June 30,		48,750	45,500
Net book value		3,250	6,500
Rate of amortization		12.5%	12.5%

7 LONG TERM INVESTMENT

Available for sale investment

	Note	Un-audited December 31,2017 Rupees	Audited June 30,2017 Rupees
Unquoted - Shares of LSE Financial Services Limited			
Cost as at July 01,		24,500,000	24,500,000
Fair value adjustment		(13,010,124)	(13,010,124)
	7.1	11,489,876	11,489,876

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 had 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 Limited (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

The valuation of the aforementioned entity carried out the by the valuer after considering the latest available financial information, recent market development and growth of the business being carried by LSE Financial Services Limited.

		Note	Un-audited December 31,2017 Rupees	Audited June 30,2017 Rupees
8	**LONG TERM DEPOSITS**			
	Deposits with:			
	National Clearing Company of Pakistan Limited		300,000	300,000
	Central Depository Company of Pakistan Limited		100,000	100,000
	Pakistan Stock Exchange Limited		200,000	200,000
			600,000	600,000
9	**TRADE DEBTS**			
	Purchase of shares on behalf of clients	9.1	780,094	1,901,361
	Recievable from National Clearing Company of Pakistan		1,479,440	
	Balances written off		-	(294,518.00)
	Less: Provision for doubtful debts	9.1.1	(492,570)	(483,122.00)
			1,766,964	1,123,721
9.1	Aging Analysis			
	Upto five days		1,823	74,332
	More than five days		285,700	1,049,389
			287,524	1,123,721
9.1.1	Movement is as follows			
	Opening Balance		483,122	-
	Provision made during the year		9,448	483,122
			492,570	483,122

9.2 Trade debts and other recievables are recognized at fair value and subsequently measured at amortized cost.Aprovision for impairement in trade debts and other recievable is made when there is objective evidence that the company will not be able to collect all amounts due according to original term of recievables.Trade debts and other recievables considered irrecovable are written off.

	Note	Un-audited December 31,2017 Rupees	Audited June 30,2017 Rupees
10 LOANS AND ADVANCES			
(Unsecured but cosidered good by management)			
Advances to employees against salaries		21,000	36,000
11 TRADE DEPOSITS, SHORT TERM PREPAYMENTS AND CURRENT ACCOUNT BALANCE WITH STATUTORY AUTHORITIES			
Deposits with:			
National Clearing Company		3,500,000	2,600,000
Tax deducted at source		224,324	173,939
		3,724,324	2,773,939
12 CASH AND BANK BALANCES			
These were held as under:			
In hand		-	118
Cash at bank			
Current Account			
Pertaining to brokerage house		2,348,890	209,501
Peratining to clients'		2,015,182	546,882
		4,364,072	756,383
Deposit Account			
Pertaining to brokerage house		-	-
Peratining to clients'		-	-
		-	-
		4,364,072	756,383
		4,364,072	756,501

		Note	Un-audited December 31,2017 Rupees	Audited June 30,2017 Rupees
13	**SHARE CAPITAL**			
	Authorized			
	3,000,000 (2017: 3,000,000) ordinary shares of Rs.100/- each		300,000,000	300,000,000
	Issued, subscribed and paid up			
	385,000 (2017: 360,000) ordinary shares of Rs.100/- each fully paid in cash		38,500,000	36,000,000

13.1 **Pattern of Shareholding:**

Categories of shareholders
Individual

	% age of Shares Held		Number of Shares Held	
	Dec-17	Jun-17	Dec-17	Jun-17
Mr. Amjad Yaqoob	44.42%	44.44%	171,000	160,000
Fayaz Haider	55.58%	55.56%	214,000	200,000
	100%	100%	385,000	360,000

		Note		
14	**LONG TERM LOANS**			
	From related parties:			
	Directors	14.1	14,525,000	14,525,000
14.1	**Loan from directors:**			
	Balance as at July 01,		14,525,000	14,525,000
			14,525,000	14,525,000

14.2 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.

		2017 Rupees	2016 Rupees
15	**DEFERRED TAXATION**		
	Deferred credits/(debits) arising due to:		
	Accelerated tax depreciation	26,913	26,913
	Brought forward losses	-	-
		26,913	26,913
	Balance as at July 01,	26,913	12,921
	Add: charge for the year	-	13,992
		26,913	26,913

		Note	Un-audited December 31,2017 Rupees	Audited June 30,2017 Rupees
16	TRADE AND OTHER PAYABLES			
	Creditors for sale of shares on behalf of clients	16.1	3,477,182	501,449
	Payable to National Clearing Company of of Pakistan		-	36,950.00
	Accrued expense		38,050	117,113
			3,515,232	655,512

16.1 The total value of securities pertaining to clients is Rs. 20,789,291 held in sub-accounts of the company. No clients security is pledged with the financial institutions.

17 CONTINGENCIES AND COMMITMENTS

Contingencies and commitments as at balance sheet date were Rs. Nil (2016: Rs. Nil).

		Note	December 31,2017 Rupees	June 30,2017 Rupees
18	BROKERAGE AND COMMISSION			
	Retail Customers		999,232	3,821,244
	Less: Sales tax		(137,825)	(527,068)
			861,407	3,294,176
19	DIRECT COST			
	Pakistan Stock Exchange Limited expenses		20,515	40,073
	National Clearing Company of Pakistan trade fee		15,704	30,466
	Central Depository Company of Pakistan Charges		24,935	71,276
	SECP transaction fee		1,635	6,469
			62,789	148,284
20	OPERATING EXPENSES			
	Directors remuneration		562,500	1,500,000
	Staff salaries and benefits		581,200	1,194,700
	Rent, rates and taxes		25,355	25,768
	Communication expenses		72,490	103,294
	Electricity charges		73,354	105,032
	Postage and courier charges		4,757	14,330
	Printing and stationery		7,366	15,765
	Repair and maintenance		4,250	65,034
	Legal and professional charges		59,970	163,805
	Fee and subscription		16,180	87,035
	Insurance		2,873	3,006
	Travelling and conveyance		12,510	5,560
	Entertainment		39,089	85,757
	Donation		3,000	6,000
	Depreciation	5	19,347	41,276
	Amortization expense	6.2	3,250	6,500
	Miscellaneous expenses		14,619	21,064
			1,502,110	3,443,926

		Note	December 31,2017 Rupees	June 30,2017 Rupees
21	**OTHER OPERATING INCOME**			
	Income from financial assets			
	Dividend income		358,690	421,987
	IPO Commission		664	
	Bank profit		-	54,960
	Provision for doubtful debts		(9,448)	(483,122)
	Old balances written off		-	(294,518)
	Interest income		45,683	93,080
			395,588	(207,613)
	Income from assets other than financial assets			
	Other income		114,757	99,560
			510,345	(108,053)
22	**FINANCE COST**			
	Bank charges		2,972	6,551
23	**TAXATION**			
	Income tax:			
	-Current		-	88,166
	-Prior year		-	-
	-Deferred		-	13,992
			-	102,158

23.1 Income tax assessment of the Company have been finalized up to tax year 2016.

23.2 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.

		2017	2016
24	**EARNING PER SHARE- BASIC AND DILUTED**		
	Loss for the year-Rupees	(196,119)	(514,796)
	Weighted average number of ordinary shares outstanding during the year-Numbers	360,000	360,000
	Earning per share-Rupees	(0.54)	(1.43)

25 NUMBER OF EMPLOYEES

	Dec 2017	Jun 2017
	(N u m	b e r)
Total number of employees at the end of year	4	3
Average number of employees during the year	3	3

26 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:

	December 31,2017 Rupees	June 30,2017 Rupees
Mangerial remuneration	-	1,500,000
Number of persons	-	1

27 FINANCIAL INSTRUMENTS BY CATEGORY

Financial assets and financial liabilities		
Financial assets		
Financial instruments- available for sale		
Long term investment	11,489,876	11,489,875
Loans and receivables		
Long term deposits	600,000	600,000
Trade debts	1,766,964	1,123,721
Loans and advances	21,000	36,000
Trade deposits and other receivables	3,500,000	########
Cash and bank balances	4,364,072	756,501
	10,252,035	5,116,222
Financial liabilities		
Financial liabilities at amortized cost		
Trade and other payables	3,515,232	655,512
Provision for taxation	-	-
	3,515,232	655,512

28 FINANCIAL RISK MANAGEMENT

28.1 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:

		December 31,2017 Rupees	June 30,2017 Rupees
Long term investment		11,489,876	11,489,875
Long term deposits		600,000	600,000
Trade debts	28.1.1	1,766,964	1,123,721
Bank Balances	28.1.2	4,364,072	756,383
		18,220,911	13,969,979

28.1.1 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 as under :

	December 31,2017 Rupees	June 30,2017 Rupees
Upto 1 month	441,091	546,652
1 to 6 months	86,374	6,304
More than 6 months	596,255	867,572
	1,123,720	1,420,528

28.1.2 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	December 31,2017 Rupees	June 30,2017 Rupees
Cash at banks	A1+	4,364,072	3,421,183
	A1	-	15,800
		4,364,072	3,436,983

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:

	2017			
	Carrying Amount	Contractual Cash Flows	Maturity up to one year	Maturity after one
	Rupees			
Trade and other payables	3,515,232	3,515,232	3,515,232	-

	2016			
	Carrying Amount	Contractual Cash Flows	Maturity up to one year	Maturity after one
	Rupees			
Trade and other payables	655,512	655,512	655,512	-
Provision for taxation	-	-	-	-
	655,512	655,512	655,512	-

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

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. Nil (2016: 3,949). 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.

28.2 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

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) ;
- 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:

	2017 December		
	Level 1	Level 2	Level 3
	----------------Rupees----------------		
Financial assets			
Investments available for sale	-	11,489,876	-

	2017 June		
	Level 1	Level 2	Level 3
	----------------Rupees----------------		
Financial assets			
Investments available for sale	-	11,489,875	-

28.3 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% (2016: 0%) as of the balance sheet date.

29 OPERATING SEGMENT

29.1 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.

29.2 All non-current assets of the Company as at June 30, 2017 are located in Pakistan.

30 TRANSACTIONS WITH RELATED PARTIES

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

31 CORRESPONDING FIGURES

Corresponding figures have been rearranged/reclassified wherever needed for the purpose of better presentation, however, there were no material reclassifications.

32 GENERAL

Figures have been rounded off to the nearest rupee.

33 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorized for issue on 29 JAN 2018 by the Board of Directors of the Company.

CHIEF EXECUTIVE

BRIDGE SECURITIES (PRIVATE) LIMITED TREC HOLDER PSX CODE 308

BRIDGE SECURITIES (PRIVATE) LIMITED TREC HOLDER PSX CODE 308

DIRECTOR