A MEMBER FIRM OF

jhi

GLOBAL PRESENCE
LOCAL EXCELLENCE

ASK
International Audit Specialist

FAZAL MAHMOOD & COMPANY
CHARTERED ACCOUNTANTS

FINANCIAL STATEMENTS

ABBASI AND COMPANY (PRIVATE) LIMITED

JUNE 30, 2015

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **ABBASI AND COMPANY (PRIVATE) LIMITED** ("the Company") as at June 30, 2015 and the related profit and loss account, statement of comprehensive income, cash flow statement, statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

a) in our opinion, proper books of account have been kept by the Company as required by the Companies Ordinance, 1984;

b) in our opinion-

   i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984 and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;

   ii) the expenditure incurred during the year was for the purpose of the Company's business; and

   iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company.

c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement, statement of changes in equity together with the notes forming part thereof conform with the approved accounting standards as applicable in Pakistan, and give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2015 and of the profit, comprehensive income, its cash flows and changes in equity for the year then ended; and

d) in our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

147-Shadman-1, Lahore-Pakistan
Fazal Mahmood & Co.
Chartered Accountants

Fazal Mahmood

LAHORE: 02 October 2015

FAZAL MAHMOOD & COMPANY
Chartered Accountants
Engagement Partner:Fazal Mahmood

ABBASI AND COMPANY (PRIVATE) LIMITED
BALANCE SHEET
AS AT 30 JUNE 2015

	Note	2015 Rupees	2014 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL & RESERVES			
Authorized Capital:			
5,000,000 ordinary shares of Rs. 10 each.		**50,000,000**	50,000,000
Shareholders' equity			
Issued, subscribed and paid up capital	4	**42,750,000**	42,750,000
Reserves	5	**358,094,503**	315,219,137
		400,844,503	357,969,137
NON CURRENT LIABILITIES			
Deferred liabilities	6	**4,944,278**	5,680,307
CURRENT LIABILITIES			
Trade Payables		164,616,781	87,758,029
Accruals		**484,919**	492,370
Margin with PMEX payable to clients		40,896,433	42,137,065
Other payables		3,455,132	1,387,475
Provision for taxation		11,637,272	5,480,466
		221,090,537	137,255,405
		626,879,318	500,904,849
CONTINGENCIES AND COMMITMENTS	7	-	-

	Note	2015 Rupees	2014 Rupees
ASSETS			
NON CURRENT ASSETS			
Tangible:			
Property and equipment	8	**226,373,539**	214,864,271
Long term deposits	9	**9,168,571**	8,851,020
Long term investment	10	**1,360,000**	1,360,000
		236,902,110	225,075,291
Intangible:			
Computer Software	11	-	22,500
Membership card	12	**750,000**	750,000
Trading rights entitlement certificate	13	**640,000**	640,000
		1,390,000	1,412,500
		238,292,110	226,487,791
CURRENT ASSETS			
Trade debts - unsecured and considered good		**1,856,089**	1,985,762
Financial assets	14	**61,059,085**	55,456,188
Margin Deposit with PMEX		40,896,433	42,137,065
Advances, prepayments and other receivables	15	**9,593,549**	7,055,940
Cash and bank balances	16	**275,182,052**	167,782,103
		388,587,208	274,417,058
		626,879,318	500,904,849

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

Muhammad Ismail

CHIEF EXECUTIVE

Fazal Mahmood & Co. C.A.

Abbasi

DIRECTOR

ABBASI AND COMPANY (PRIVATE) LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 Rupees	2014 Rupees
Brokerage revenue - net		60,754,205	44,504,193
Capital gain		8,843,969	2,368,107
Dividend income		4,495,744	2,069,892
		74,093,919	48,942,192
Other operating income	17	18,673,645	15,133,869
		92,767,564	64,076,061
(Loss) on sale of property and equipment		(355,224)	(26,710)
Less: Operating expenses	18	49,146,197	45,796,254
OPERATING PROFIT		43,266,143	18,253,097
Less: Finance cost	19	18,967	22,573
PROFIT BEFORE TAXATION		43,247,176	18,230,524
TAXATION	20	10,852,383	4,497,085
PROFIT AFTER TAXATION		32,394,793	13,733,439
BASIC AND DILUTED EARNING PER SHARE	21	7.58	3.21

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

Muhammad Ismail

CHIEF EXECUTIVE

Abbasi

DIRECTOR

ABBASI AND COMPANY (PRIVATE) LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2015

	2015 Rupees	2014 Rupees
PROFIT AFTER TAXATION	32,394,793	13,733,439
OTHER COMPREHENSIVE INCOME		
Items that may be re-classified subsequently to profit or loss account		
Available for sale financial assets:		
Net fair value gain/(loss) on re-measurement of investments arising during the year	13,409,145	(2,666,264)
Less: Net unrealized fair value loss / (gain) realized on disposal of investments now included in profit and loss account (reclassification adjustment)	(2,928,572)	219,964
	10,480,573	(2,446,300)
Items that will not be-classified subsequently to profit or loss account	-	-
TOTAL COMPREHENSIVE INCOME	42,875,366	11,287,139

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

Muhammad Ismail
CHIEF EXECUTIVE

Abbasi
DIRECTOR

Fazal Mahmood & Co. C.A.

ABBASI AND COMPANY (PRIVATE) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2015

	SHARE CAPITAL	CAPITAL RESERVE	REVENUE RESERVES			TOTAL EQUITY
	Issued, subscribed & paid up capital	Share Premium Reserve	General Reserve	Surplus / (Deficit) on remeasurement of investments	Un-appropriated Profit	
	---------- (IN RUPEES) ----------					
Balance as at 01 July 2013	42,750,000	98,350,000	130,000,000	(586,298)	76,168,296	346,681,998
Total comprehensive income						
Profit after taxation	-	-	-	-	13,733,439	13,733,439
Other comprehensive income						
- Fair value (loss) on re-measurement of investments held as "available for sale" to fair value	-	-	-	(2,666,264)	-	(2,666,264)
- Unrealized net fair value (gain) realized on disposal of investments held as "available for sale"	-	-	-	219,964	-	219,964
	-	-	-	(2,446,300)	13,733,439	11,287,139
Balance as at 30 June 2014	42,750,000	98,350,000	130,000,000	(3,032,598)	89,901,735	357,969,137
Total comprehensive income						
Profit after taxation	-	-	-	-	32,394,793	32,394,793
Other comprehensive income						
- Fair value (loss) on re-measurement of investments held as "available for sale" to fair value	-	-	-	13,409,145	-	13,409,145
- Unrealized net fair value gain realized on disposal of investments held as "available for sale"	-	-	-	(2,928,572)	-	(2,928,572)
- Transferred to General Reserve	-	-	70,000,000	-	(70,000,000)	-
	-	-	70,000,000	10,480,573	(37,605,207)	42,875,366
Balance as at 30 June 2015	42,750,000	98,350,000	200,000,000	7,447,975	52,296,528	400,844,503

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

Muhammad Ismail
CHIEF EXECUTIVE

Abbasi
DIRECTOR

Fazal Mahmood & Co. C.A.

ABBASI AND COMPANY (PRIVATE) LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 Rupees	2014 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		**43,247,176**	18,230,524
Adjustments for:			
Depreciation		**8,918,913**	6,938,007
Amortization		**22,500**	45,000
Capital gain		**(8,843,969)**	(2,368,107)
Loss on sale of property and equipment		**355,224**	26,710
Cash flow from operating activities before working capital changes		**43,699,844**	22,872,134
Adjustments for working capital changes:			
(Increase)/ decrease In current assets			
Trade debts		**129,673**	(244,050)
Advances, prepayments & other receivables		**4,065,952**	(3,571,985)
(Decrease)/ increase In current liabilities			
Trade payables, accrued and other payables		**78,918,958**	(29,788,929)
Cash (used in) / generated from operating activities		**83,114,584**	(33,604,964)
Income tax paid		**(12,035,167)**	(8,034,391)
Net cash (used in) / generated from operating activities		**114,779,260**	(18,767,221)
CASH FLOWS FROM INVESTING ACTIVITIES			
Sale proceeds from disposal of property and equipment		**8,743,000**	1,335,000
Additions in property and equipment		**(29,526,405)**	(3,223,609)
Financial assets		**13,721,646**	(47,901,674)
Long term deposits		**(317,551)**	(332,947)
Net Cash (out flow) in Investing Activities		**(7,379,310)**	(50,123,230)
CASH FLOWS FROM FINANCING ACTIVITIES			
		-	-
Net cash in flow from financing activities		-	-
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS		107,399,949	(68,890,452)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		167,782,103	236,672,555
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	16	275,182,052	167,782,103

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

Muhammad Ismail

CHIEF EXECUTIVE

Abbasi

DIRECTOR

Fazal Mahmood & Co. C.A.

ABBASI AND COMPANY (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

Note

1. **STATUS AND NATURE OF BUSINESS**

The company is incorporated as a private limited company in Pakistan on February 13, 1999. The company is a TREC holder of Lahore Stock Exchange Limited (Formerly Lahore Stock Exchange (Guarantee) Limited) and has also acquired membership of the Pakistan Mercantile Exchange Limited (Formerly National Commodity Exchange Limited). It is principally engaged in the business of brokerage, underwriting, buying and selling of stocks, shares, modaraba certificates, etc.

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 Standard (IFRS) issued by the International Accounting Standard Board as are notified under the Companies Ordinance, 1984, provision of and directives issued under the Companies Ordinance 1984. In case requirement differ, the provision or directives of the Companies Ordinance, 1984 , shall prevail.

2.2 *Basis of Measurement*

These financial statements have been prepared under the historical cost convention except otherwise stated in relevant notes.

2.3 *Functional and presentation currency*

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (the functional currency), which is the Pakistan Rupee (Rs).

2.4 *New standards and amendments/interpretations to exiting standards that are effective in the current year*

During the year certain amendments, revisions, improvements to approved accounting standards and interpretations became affective during the year which the Company has adopted, however, it did not have any significant impact on the Company's financial statements other than certain increased disclosures;

IAS 19 - Employee Benefits - (Amendment) - Defined Benefit Plans: Employee Contributions

IAS 32 - Financial Instruments: Presentation - (Amendment) - Offsetting Financial Assets and Financial Liabilities

IAS 36 - Impairment of Assets - (Amendment) - Recoverable Amount Disclosures for Non -Financial Assets

IAS 39 - Financial Instruments: Recognition and Measurements - (Amendment) - Novation of Derivatives and continuation of Hedge Accounting

IFRIC 21 - Levies

IFRS 2 - Share Based payment - (Improvement) - Definitions of vesting conditions

IFRS 3 - Business Combinations - (Improvement) - Accounting for contingent consideration in a business combination

IFRS 3 - Business Combinations - (Improvement) - Scope exceptions for joint ventures

IFRS 8 - Operating segments - reconciliation of the total of the reportable segments' assets to the entity's assets

IFRS 13 - Fair value measurement - scope of paragraph 52 (portfolio exception)

IAS 16 Property, Plant & Equipment and IAS 38 Intangible Assets - Revaluation method - proportionate restatement of accumulated depreciation / amortization

IAS 24 - Related party disclosures - key management

IAS 40 - Investment property - Interrelationship between IFRS3 and IAS 40 (ancillary services)

2.5 *Standards, interpretations and amendments to approved accounting standards that are not yet effective :*

The following amendments and interpretations with respect to the approved accounting standards as a applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation

Standard, amendment or interpretation	**Effective Date** (Annual periods begnning or after)
IFRS 10 - Consolidated Financial Statements	01 January 2015
IFRS 10 - Consolidated Financial Statements, IFRS 12 - Disclosure of Interests In Other Entities and IAS 27 - Separate Financial Statements - Investment Entities (Amendment)	01 January 2015
IFRS 10 - Consolidated Financial Statements, IFRS 12 - Disclosure of Interests In Other Entities and IAS 27 - Separate Financial Statements - Investment Entities: Applying the Consolidation Exception (Amendment)	01 January 2016
IFRS 10 - Consolidated Financial Statements and IAS 28 - Investment in Associates and Joint Ventures - Sale or contribution of Assets between an investor and its Associate or Joint Venture (Amendment)	01 January 2016

IFRS 11 - Joint Arrangements	01 January 2015
IFRS 11 - Joint Arrangements - Accounting for Acquisition of Interest in Joint Operation	01 January 2016
IFRS 12 - Disclosure of Interests in Other Entities	01 January 2015
IFRS 13 - Fair value Measurement	01 January 2015
IAS - 1 Presentation of Financial Statements - Disclosure Initiative (Amendment)	01 January 2016
IAS - 16 Property, plant & Equipment and IAS 38 - Intangible assets- Clarification of Acceptable Method of Depreciation and Amortization (Amendment)	01 January 2016
IAS - 16 Property, Plant & Equipment and IAS 41 Agriculture - Agriculture: Bearer Plants (Amendment)	01 January 2016
IAS 27 - Separate Financial statements - Equity Method in Separate Financial Statements	01 January 2016

The above standards and amendments are not expected to have any material impact on the Company's financial statements in the period of initial application.
In addition to the above standards and amendments, improvements to various accounting standards have also been issued by the IASB. Such improvements are generally effective for accounting periods beginning on or after January 01, 2016. The Company expects that such improvements to the standardswill not have any material impaction the Company's financial statements in the period of initial application.

2.6 **New standards that have been issued by IASB, but have not yet been notified by the SECP for the purpose of applicability in Pakistan**

		(Annual periods begnning or after)
IFRS 9	Financial Instruments: Classification and Measurement	01 January 2018
IFRS 14	Regulatory Deferral Accounts	01 January 2016
IFRS 15	Revenue from Contracts with Customers	01 January 2018

2.7 *Use of Estimate & Judgment*

The preparation of financial statements in conformity with International Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. It also requires management to exercise its judgment in the process of applying the company's accounting policies. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. Significant areas requiring the use of management estimates in the financial statements relates to provision for doubtful balances, provision for income taxes, useful life and residual values of property plant and equipment etc. However, assumptions and judgment made by management in the application of accounting policies that have significant effect on the financial statements are not expected to result in material adjustment to the carrying amounts of assets and liabilities in next year.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods. Judgments made by management in application of the approved accounting standards that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in respective policy notes.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principle accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

3.1 Tangible fixed assets - Property, Plant and Equipment and Depreciation

Property, plant & equipment is stated at cost less accumulated depreciation and impairment loss, if any, except for freehold land which is stated at cost. Cost of these assets consists of historical cost and directly attributable cost of bringing the assets to working condition. Depreciation on addition and deletion is charged on the basis of number of days the asset remains in use of the company. Assets' residual values, useful life and depreciation rates are reviewed and adjusted, if appropriate, at each balance sheet date. Any impairment loss, or its reversal, is also charged to income. When an impairment loss is recognized, the depreciation charge is adjusted in future periods to allocate the assets' carrying amount less the residual value over its estimated useful life. Normal repair and maintenance is charged to income as and when incurred. Major renewals and improvements are capitalized.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized in profit and loss account.

3.2 Intangible assets

These include computer software, membership cards and trading rights entitlement certificate.

a) Finite useful life

These are measured on initial recognition at cost. Following initial recognition these are carried at cost less accumulated amortization and accumulated impairment losses, if any. The carrying amounts are reviewed at each balance sheet date to assess whether they are recorded in excess of their recoverable amounts and where carrying values exceed estimated recoverable amount, these are written down to their estimated recoverable amount. Intangible assets are amortized using the reducing balance method over their useful life.

b) Infinite useful life

These are measured on initial recognition at cost. Following initial recognition these are carried at cost less accumulated impairment, if any. Cost on initial recognition in an acquisition transaction is determined as the amount of cash or cash equivalents paid or the fair value of other consideration given to acquire an asset at the time of asset acquisition. When there is an exchange of assets and the fair value of neither the asset received nor the asset given up can be reliably measured, the cost of the asset received should be measured at the carrying amount of the asset given up. The carrying amounts are reviewed at each balance sheet date to assess whether they are recorded in excess of their recoverable amounts and where carrying values exceed estimated recoverable amount, these are written down to their estimated recoverable amount.

3.3 Investments

Investments intended to be held for less than twelve months from the balance sheet date or to be sold to raise operating capital, are included in current assets, all other investments are classified as non-current. The cost of investments acquired in exchange transaction is measured at the carrying value of the asset with which it has been exchanged.

a) Available for sale

These are initially recognized at cost and at subsequent reporting dates measured at fair values. Gains or losses from changes in fair values are taken to other comprehensive income until disposal at which time these are recycled to profit and loss account.

b) Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are initially measured at fair value plus directly attributable transaction costs. After initial measurement loans and receivables are subsequently measured at amortized cost using effective interest rate method less impairment, if any. These are classified as current and non-current assets in accordance with criteria set out by the IFRS.

c) Available for sale - unqouted at cost

These are initially recognized at cost. Due to non availability of an active market, these are subsequently stated at cost as well.

3.4 Trade Receivables

These are stated net of provision. Full provisions are made against the debts considered doubtful. This includes receivable from members of stock exchange and customers.

3.5 Other receivables

Other receivables are recognized at nominal amount which is the fair value of the consideration to be received less an allowance for any uncollectible amount.

3.6 Revenue recognition

Brokerage fee are recognized as and when services are provided. Capital gains or losses on sale of investment are taken to income in the year in which they arise. Dividend income is recognized when the right to receive the dividend is established. Return on securities other than shares is recognized as and when it is due on accrual basis.

3.7 Borrowing Costs

Mark-up, interest and other charges on borrowings which are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset. All other borrowing costs i.e. mark-up, interest and other charges are charged to the profit and loss account in the period in which they are incurred.

3.8 Foreign Currency Translation

Transactions in foreign currency are accounted for at the exchange rates prevailing on the date of transactions. All monetary assets and liabilities denominated in foreign currencies at the year end are translated at exchange rates prevailing at the balance sheet date. Non monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transactions. Exchange differences are included in profit and loss account for the year.

3.9 Trade & other payables

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

3.10 Taxation

Provision of current tax is based on taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year if enacted. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

Deferred tax is accounted for using the liability method in respect of all taxable temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit. Deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

3.11 Employees Retirement Benefits

a) Defined contribution plan:

The company operates a funded provident fund scheme covering permanent employees and monthly equal contribution is made to the trust @10% of basic pay both by the employer and the employees.

b) Provisions

Provisions are recognized when the company has the legal or constructive obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation and are reliable estimate of the amount can be made.

3.12 Impairment

a) Financial Assets

A financial asset is considered to be impaired if objective evidence indicate that one or more events had a negative effect on the estimated future cash flow of that asset. An impairment loss in respect of a financial asset measured at amortized cost is calculated as a difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its current fair value. Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

b) Non- Financial Assets

The carrying amount of the Company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such indications exist, the asset's recoverable amount is estimated in order to determine the extent of the impairment loss, if any. Impairment loss is recognized as expense in the profit and loss account. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

3.13 Dividend & Appropriation to reserves

Dividend distribution to the Company's shareholders and appropriation to reserves is recognized in the financial statements in the period in which these are approved.

3.14 Cash and Cash Equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of cash flow statement, cash and cash equivalents comprise cash in hand, cash with banks and short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of change in value.

3.15 Earning per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is 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.

3.16 Share Capital

Ordinary shares are classified as equity and recognized at their fair value. Incremental costs directly attributable to the issue of new shares or options are shown in equity as deduction, net of tax, from the proceeds.

3.17 Financial Instruments

All financial assets and liabilities are recognized at the time when the company becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially measured at cost, which is the fair value of the consideration given and received respectively. These financial assets and liabilities are subsequently measured at fair value, amortized cost or cost as the case may be. A financial asset is de-recognized when the company loses control of its contractual rights that comprise the financial asset. A financial liability is de-recognized when it is extinguished. Any gain or loss on de-recognition of the financial assets or liabilities is taken to profit and loss account currently. The Company recognizes the regular way purchase or sale of financial assets using settlement date accounting.

3.18 Off Setting of Financial Assets and Financial Liabilities

A financial asset and a financial liability is off set and the net amount is reported in the balance sheet if the company has a legally enforceable right to set off the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

	Note	2015 Rupees	2014 Rupees
4. ISSUED, SUBSCRIBED AND PAID UP CAPITAL			
3,875,000 Ordinary share of Rs. 10/- each fully paid in cash.		**38,750,000**	38,750,000
400,000 Ordinary share of Rs. 10/- each issued for consideration other than cash.		**4,000,000**	4,000,000
		42,750,000	42,750,000
5. RESERVES			
Capital reserve			
Share premium reserves		**98,350,000**	98,350,000
Revenue reserve			
General Reserve		**200,000,000**	130,000,000
Unrealized (loss) on re-measurement of available for sale investments	5.1	**7,447,975**	(3,032,598)
Un-appropriated profit		**52,296,528**	89,901,735
		259,744,503	216,869,137
		358,094,503	315,219,137

	2015 Rupees	2014 Rupees
5.1 Un-realized (loss) / gain on available for sale investments		
Opening balance	**(3,032,598)**	(586,298)
Add: (loss) due to change in fair value	**13,409,145**	(2,666,264)
(Loss) / gain reclassified to profit and loss account on sale of Investments	**(2,928,572)**	219,964
	7,447,975	(3,032,598)

6 **DEFERRED LIABILITIES**

	Note	2015	2014
Deferred taxation	6.1	**4,944,278**	5,680,307

6.1 Deferred tax liability comprises of the following taxable temporary differences:

Accelerated tax depreciation	**4,944,278**	5,680,307
	4,944,278	5,680,307

7 **CONTINGENCIES AND COMITTMENTS**

There are no contingencies and commitments as at 30 June 2015 (2014: Nil)

8 **PROPERTY AND EQUIPMENT**

	Freehold land	Building on freehold land	Furniture & fixtures	Office equipment	Computers	Vehicles	Total
As at 01 July 2013							
Cost	164,257,807	52,112,577	2,180,866	12,961,958	9,466,208	22,134,875	263,114,291
Accumulated Depreciation	-	20,745,722	1,346,140	5,797,983	8,172,080	7,111,988	43,173,913
Net Book Value	164,257,807	31,366,855	834,726	7,163,975	1,294,128	15,022,887	219,940,378
Year ended 30 June 2014							
Opening Net Book Value	164,257,807	31,366,855	834,726	7,163,975	1,294,128	15,022,887	219,940,378
Additions	-	-	-	466,270	195,650	2,561,689	3,223,609
Disposals	-	-	-	-	-	1,361,710	(1,361,710)
Depreciation	-	3,136,685	83,473	733,804	418,082	2,565,962	(6,938,006)
Closing Net Book Value	164,257,807	28,230,170	751,253	6,896,441	1,071,696	13,656,904	214,864,271
As at 30 June 2014							
Cost	164,257,807	52,112,577	2,180,866	13,428,228	9,661,858	22,796,324	264,437,660
Accumulated Depreciation	-	23,882,407	1,429,613	6,531,787	8,590,162	9,139,420	49,573,389
Net Book Value	164,257,807	28,230,170	751,253	6,896,441	1,071,696	13,656,904	214,864,271
Year ended 30 June 2015							
Opening Net Book Value	164,257,807	28,230,170	751,253	6,896,441	1,071,696	13,656,904	214,864,271
Additions	-	-	-	163,000	3,520,581	25,842,824	29,526,405
Disposals	-	-	-	-	-	(9,098,224)	(9,098,224)
Depreciation	-	(2,823,017)	(75,125)	(704,290)	(951,402)	(4,365,079)	(8,918,913)
Closing Net Book Value	**164,257,807**	**25,407,153**	**676,128**	**6,355,151**	**3,640,875**	**26,036,425**	**226,373,539**
As at 30 June 2015							
Cost	164,257,807	52,112,577	2,180,866	13,591,228	13,182,439	34,661,987	279,986,904
Accumulated Depreciation	-	26,705,424	1,504,738	7,236,076	9,541,564	8,625,562	53,613,365
Net Book Value	**164,257,807**	**25,407,153**	**676,128**	**6,355,152**	**3,640,875**	**26,036,425**	**226,373,539**
Rate of Depreciation (%)	**-**	**10%**	**10%**	**10%**	**30%**	**20%**	

9 **LONG TERM DEPOSITS**

	2015 Rupees	2014 Rupees
Deposit with Central Depository Company of Pakistan Limited.	**100,000**	100,000
Exposure deposit with LSE.	**30,000**	30,000
Mobile deposit	**90,500**	89,500
Electricity & Sui gas deposit	**110,200**	110,200
Deposit with NCCPL.	**200,000**	200,000
Building deposit with PMEX	**2,500,000**	2,500,000
Clearing deposit with PMEX.	**5,637,871**	5,321,320
Deposit for Sialkot and Faisalabad trading Floors	**100,000**	100,000
Security Deposit LSE Clearing House Initial	**400,000**	400,000
	9,168,571	8,851,020

10 **LONG TERM INVESTMENT**

	Note	2015 Rupees	2014 Rupees
Available for sale - unquoted at cost:			
843,975 Ordinary shares of Lahore Stock Exchange Limited (refer note 13.1)	10.1	**1,360,000**	1,360,000

10.1 This includes 506,385 shares that are blocked in a separate account held with CDC and would be sold to strategic investors and general public in future.

11 **COMPUTER SOFTWARE - FINITE USEFUL LIFE**

	2015	2014
As at July 1,		
Cost	**4,981,279**	4,981,279
Accumulated amortization	**4,958,779**	4,913,779
Net Book Value	**22,500**	67,500
Year ended June 30,		
Opening Net Book Value	**22,500**	67,500
Amortization	**(22,500)**	(45,000)
Closing Net Book	**-**	22,500
As at June 30,		
Cost	**4,981,279**	4,981,279
Accumulated amortization	**4,981,279**	4,958,779
Net Book Value	**-**	22,500
	20%	20%

12 MEMBERSHIP CARD - INFINITE USEFUL LIFE

Pakistan Mercantile Exchange Limited	**750,000**	750,000
	750,000	750,000

13 TRADING RIGHTS ENTITLEMENT CERTIFICATE - INFINITE USEFUL LIFE

Lahore Stock Exchange Limited - at cost	**640,000**	640,000

13.1 This represents trading rights in Lahore stock exchange limited which have replaced membership cards of stock exchanges pursuant to the promulgation of Stock Exchanges (Corporatization, Demutualization and Integration) Act, 2012 (the 2012 Act). Before demutualization the stock exchanges were functioning as Guarantee Limited Companies, wherein ownership and trading rights were conferred to members through membership cards. Pursuant to demutualization, the ownership in a stock exchange has been segregated from the right to trade on the exchange. Therefore the membership cards were replaced by shares in the exchange representing ownership in the exchange and trading rights entitlement certificates (TREC) representing rights to trade in the exchange. As a result 843,975 shares of Rs.10/- each were been allotted to the Company out of which 60% of the shares were blocked in a separate account held with CDC and would be sold to strategic investors and general public in future at a price which remains to be finalized, proceeds of which would come to the members, while the remaining 40% were available to members with no condition on their future sale. The Institute of Chartered Accountants of Pakistan in its 'selected opinion' concluded that the demutualization, in substance, had not resulted in exchange of dissimilar assets, and therefore no gain or loss should be recognized and the segregation of ownership rights and the trading rights should be accounted for by allocating the cost/carrying value of the membership card between the two distinct assets on a reasonable basis. The TREC can only be sold or transferred once, however once sold it would not be sellable / transferable again. The transaction is in nature an exchange of an intangible asset (membership card) with a financial asset (shares) together with an intangible asset (TREC).

Institute of Chartered Accountants of Pakistan further in its 'selected opinion' stressed that any subsequent measurement of the shares and / or TREC would only be possible where reliable fair values can be measured. This would most likely happen when the blocked shares are sold to the strategic investor or to the general public through an IPO and an active market develops for the TREC.

Taking to account the above factors and in the absence of an active market for TREC and shares, the value of the TREC and shares was initially measured at the value of the membership card with which they were exchanged and subsequently carried at cost. For this purpose, the value of the membership card was allocated between TREC and Shares on proportionate basis at the initial ratio of 32:68 which was determined on the basis of the estimated values of LSE shares (Rs. 8.439 million) and TREC (Rs. 4.0 million). Resultantly the shares have been recognized at Rs. 1.360 million and TREC at Rs. 0.640 million. Institute of Chartered Accountants of Pakistan further in its 'selected opinion' stated that the apportioned carrying value would be required to be tested for impairment as per IAS 36, if any. When the management and the auditor conclude that there is no impairment, they may continue to use the apportioned carrying value.

In the notice No. 2081 dated April 28, 2015 the Lahore Stock Exchange intimated to all TREC holders that it has received Auditor's review report on the half-yearly accounts for the period ended December 31, 2014. Accordingly, for the purpose of calculation of Base Minimum Capital of LSE brokers the notional value of TREC is Rs. 4.1 Million and Net Asset Value per share of LSE is Rs. 11.60.

In order to comply with the Base Minimum Capital requirements, the company has mortgaged TREC and has pledged 40% - 337,590 shares of LSE amounting to Rs 4,000,000 & Rs 3,821,181 respectively, being the values assigned to these assets by LSE for Base Minimum Capital purpose.

14 FINANCIAL ASSETS

Available for sale:		
Shares of listed companies - at fair value	**61,059,085**	55,456,188
	61,059,085	55,456,188

15 ADVANCES, PREPAYMENTS OTHER RECEIVABLES

Advances to employees	**387,000**	457,000
Advances to suppliers	**-**	1,242,108
Advance Income tax	**8,748,265**	2,144,704
Other advances	**28,431**	14,121
Prepayments	**429,853**	313,107
Other receivables	**-**	2,884,900
	9,593,549	7,055,940

	2015	2014
	Rupees	**Rupees**
16 CASH AND BANK BALANCES		
Cash in hand	**10,818,568**	10,770,970
Cash at bank		
-In Current accounts	**3,656,426**	7,874,827
-In Saving accounts	**260,707,059**	149,136,306
	264,363,484	157,011,133
	275,182,052	167,782,103

17 OTHER OPERATING INCOME

Income from financial assets		
Interest / profit		
- on deposits with banks	**17,303,786**	13,891,842
Income from non financial assets		
Miscellaneous income	**141,399**	88,552
Client facilitation & services	**1,228,460**	1,153,475
	18,673,645	15,133,869

18 OPERATING EXPENSES

Directors' remuneration		5,410,400	4,989,400
Salaries and other benefits		17,016,312	16,095,905
Provident Fund		758,264	745,381
Utility expenses		3,364,875	2,779,338
Traveling and conveyance		9,000	12,250
Agent commission		2,700,571	1,942,414
L.S.E. MCF charges		1,272	5,578
L.S.E. IPF charges		1,272	5,578
L.S.E. Service charges		2,545	11,155
N.C.C.L Service charges		-	162,490
Fax & Internet expenses		1,384,174	2,593,142
Postage and telegram		286,373	80,708
Parcels		89,344	82,611
Insurance		754,874	534,762
Auditors' Remuneration		125,000	125,000
Legal and professional charges		248,000	330,100
Vehicle running and maintenance		2,553,543	3,253,936
Newspapers and periodicals		51,244	40,646
Printing and stationery		473,670	421,128
Advertisement		2,980	300,605
Repair and maintenance		1,796,110	1,469,390
Fee and subscription		213,207	208,807
Rent, Rates & Taxes		569,275	767,127
Donation	18.1	283,047	533,280
Entertainment		497,348	691,496
Computer expenses		571,457	412,370
Other expenses		1,040,627	218,649
Amortization	11	22,500	45,000
Depreciation	8	8,918,913	6,938,007
		49,146,197	45,796,253

18.1 None of the directors and their spouses have any interest in donee's fund to which donations are made.

19 FINANCE COST

Bank charges	18,967	22,573
	18,967	22,573

20 TAXATION

Current			
- For the year		11,637,272	5,480,466
- Prior years		(48,860)	(253,321)
Deferred			
- For the year		(736,029)	(730,060)
	20.1	10,852,383	4,497,085

	2015 Rupees	2014 Rupees
20.1 Reconciliation of income tax expense for the year		
Profit before taxation	43,247,176	18,230,524
Applicable tax rate	33%	34%
Tax calculated as the applicable tax rate	14,271,568	6,198,378
Tax effect of :		
- Tax effect of amounts that are admissible for tax purposes	(6,895,900)	(3,355,540)
- Tax effect of amounts that are inadmissible for tax purposes	2,950,666	2,389,250
- Tax effect relating to prior years	(48,860)	(253,321)
- Tax effect of timing differences	(736,029)	(730,060)
- Tax credits	(93,406)	(181,315)
- Others	1,404,342	429,693
	10,852,383	4,497,085

21 BASIC AND DILUTED EARNING PER SHARE

There is no dilutive effect on the basic earning per share of the company, which is based on :

Profit after taxation	32,394,793	13,733,439
Weighted average number of Ordinary shares	4,275,000	4,275,000
Earnings per share (Rupees)	7.58	3.21

22 REMUNERATION OF CHIEF EXECUTIVE & DIRECTORS

The aggregate amount charged in the accounts during the year for remuneration including benefits to Executives is as follows:

	June 30, 2015		June 30, 2014	
	Chief Executive	**Directors**	Chief Executive	Directors
Remuneration	**2,160,800**	**3,249,600**	2,024,800	2,964,600
Provident Fund	**115,198**	**169,196**	108,000	157,998
	2,275,998	**3,418,796**	2,132,800	3,122,598
Number of Persons	**1**	**2**	1	2

No meeting fee has been paid to any director of the company during the year (2014: Rs. Nil). Five Executives are provided with company maintained car for business and personal use.

23 FINANCIAL RISK MANAGEMENT

23.1 *Risk management framework*

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management policies.

The Board meets frequently throughout the year for developing and monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

23.2 *Financial assets and liabilities by category and their respective maturities*

	30 June 2015		30 June 2014	
	Maturity up to one year	**Maturity after one year**	Maturity up to one year	Maturity after one year
	------------------- **Rs. In**	**Thousands**-------------------		
Financial Asset				
Long term deposits	**-**	**9,168,571**	-	8,851,020
Long term investment	**-**	**1,360,000**	-	1,360,000
Trade debts - unsecured and considered good	**1,856,089**	**-**	1,985,762	-
Advances, prepayments and other receivables	**415,431**	**-**	3,356,021	-
Margin Deposit with PMEX	**40,896,433**	**-**	42,137,065	-
Financial assets	**61,059,085**	**-**	55,456,188	-
Cash and bank balances	**275,182,052**	**-**	167,782,103	-
Total	**379,409,090**	**10,528,571**	270,717,139	10,211,020

	30 June 2015		30 June 2014	
	Maturity up to one year	**Maturity after one year**	Maturity up to one year	Maturity after one year
	------------------- Rs. In	Thousands-------------------		
Financial Liability				
Trade Payables	**164,616,781**	**-**	87,758,029	-
Accruals	**484,919**	**-**	492,370	-
Margin with PMEX payable to clients	**40,896,433**	**-**	42,137,065	-
Other payables	**3,455,132**	**-**	1,387,475	-
Total	**209,453,265**	**-**	131,774,939	-

23.3 *Fair Values*

The carrying values of the financial assets and financial liabilities approximate their fair values. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. If the transaction is not based on market terms, or if a market price cannot be readily determined, then an estimate of future cash payments or receipts, discounted using the current market interest rate for a similar financial instrument, is used to approximate the fair value.

23.4 *Financial Risk Factors*

The Company has exposures to the following risks from its use of financial instruments:

- Credit Risk
- Liquidity Risk
- Market Risk

23.5 *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 to account 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 causes their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry. 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.

Credit risk of the Company arises form deposits with banks and financial institutions, trade debts, shorts term loans, deposits, short term investments 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 and other factors, and obtains necessary collaterals to reduce credit risks. Further, credit risk on liquid funds is limited because the counter parties are banks with reasonably high credit ratings.

The Company's policy is to enter into financial contracts in accordance with the internal risk management policies, investment and operational guidelines approved by the Board of Directors. In addition, credit risk is also minimized due to the fact that the Company invests only in high quality financial assets, majority of which have been rated by a reputable rating agency. The Company does not expect to incur material credit losses on its financial assets.

	2015	2014
	Rupees	Rupees
The carrying amount of financial assets represent the maximum credit exposure, as specified below;		
Long term deposits	**9,168,571**	8,851,020
Long term investment	**1,360,000**	1,360,000
Trade debts - unsecured and considered good	**1,856,089**	1,985,762
Advances, prepayments and other receivables	**415,431**	3,356,021
Margin Deposit with PMEX	**40,896,433**	42,137,065
Financial assets	**61,059,085**	55,456,188
Bank balances	**275,182,052**	157,011,133
	389,937,661	270,157,189

No provision has been made against trade debts as these are considered good.

23.6 **LIQUIDITY RISK**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of adequate funds through committed credit facilities and the ability to close out market positions due to dynamic nature of the business. The Company finances its operations through equity, borrowings and working capital with a view to maintaining an appropriate mix between various sources of finance to minimize risk. The management aims to maintain flexibility in funding by keeping regular committed credit lines. The following are the contractual maturities of the financial liabilities. It is not expected that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

Maturity up to One Year:		
Trade Payables	**164,616,781**	87,758,029
Accruals	**484,919**	492,370
Margin with PMEX payable to clients	**40,896,433**	42,137,065
Other payables	**3,455,132**	1,387,475
	209,453,265	131,774,939

23.7 **MARKET RISK**

Market risk means that fair value of 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 rate risk and price risk. The market risk associated with the company's business activities are discussed as under:

Foreign Exchange Risk Management

Currency Risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The company is not significantly exposed to currency risk as the company does not maintain bank accounts in foreign currencies.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Significant interest rate risk exposures are primarily managed by a mix of borrowings at fixed and variable interest rates and entering into interest rate swap contracts. The company's interest rate risk arises from short term cash finance facility. The company analyzes its interest rate exposure on a regular basis by monitoring existing facilities against prevailing market interest rates and taking into accounts various other financing options available.

Price Risk

Price risk represents the risk that fair value of financial instrument will fluctuate because of changes in the market prices, whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factor affecting all or similar financial instruments traded in the market. The company is exposed to equity price risk since it has investments in quoted equity securities amounting to Rs. 61.059 Million (2014: Rs. 55.456) Million at the balance sheet date. The company manages price risk by monitoring exposure in quoted equity securities and implementing the strict discipline in internal risk management and investment policies.

24 CAPITAL RISK MANAGEMENT

The company's objective when managing capital is to safe guard its ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stake holders: and to maintain strong capital base to support the development of its business.

The company manages its capital structure in the context of economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure the company may adjust amount of dividend paid to shareholders or issue new shares. The company is not subject to externally imposed capital requirements.

25 NUMBER OF EMPLOYEES

Number of employees at year end	**47**	47
Average number of employees during the year	**47**	41

26 PROVIDENT FUND TRUST

The Company has maintained an employees' provident fund trust and investments out of the provident fund have been made in accordance with the provisions of section 227 of the Companies Ordinance 1984 and the rules formulated for this purpose. The salient features of the fund are:

Size of Fund		**8,781,975**	7,629,790
Cost of Investments made	26.1	**221,303**	487,391
Percentage of Investments made		**2.52%**	6.39%
Fair value of investments		**268,570**	505,915

26.1 These represent investments in shares of listed equity securities and funds.

DATE OF AUTHORIZATION FOR ISSUE

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

GENERAL

- Figures have been rounded off to the nearest rupee.
- Corresponding figures have been classified / re-arranged for the purpose of comparison and better presentation. However, no significant reclassification / re-arrangement has been made during the year.

Muhammad Ismail

CHIEF EXECUTIVE

DIRECTOR