AUDITED FINANCIAL STATEMENTS

OF

AKY SECURITIES (PVT) LIMITED

FOR THE YEAR ENDED

JUNE 30,2017

RAHMAN SARFARAZ RAHIM IQBAL RAFIQ
Chartered Accountants
Karachi,Lahore & Islamabad

Russell Bedford

Rahman Sarfaraz Rahim Iqbal Rafiq
CHARTERED ACCOUNTANTS

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AUDITORS REPORT TO THE MEMBERS

We have audited the annexed balance sheet of the **AKY Securities (Private) Limited** ("the Company") as at June 30, 2017 and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof for the year then ended and we state that we have obtained all the information and explanation which to the best of our knowledge and belief, were necessary for the purpose 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 the management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that—

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

(b) in our opinion—

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

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

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

(c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2017, and of the loss, total comprehensive income, changes in equity and its cash flows for the year then ended; and

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

Karachi
Dated 0 2 OCT 2017

Rahman Sarfaraz Rahim Iqbal Rafiq
Chartered Accountants
Engagement Partner: Muhammad Rafiq Dosani

AKY SECURITIES (PRIVATE) LIMITED
BALANCE SHEET
AS AT JUNE 30, 2017

	Note	2017	2016
		Rupees	
NON CURRENT ASSETS			
Property and equipment	4	3,166,688	390,019
Intangible assets	5	5,358,154	26,586,240
Long term Investment - Available for Sale	6	41,163,833	71,013,760
Long term deposits	7	504,810	504,810
		50,193,485	98,494,829
CURRENT ASSETS			
Short term investment - Held for trading	8	28,992,832	37,810,856
Trade debts	9	1,793,788	-
Loan, deposits and other Receivables	10	20,530,643	-
Taxation-net		146,383	-
Cash and bank balances	11	42,396,449	3,723,883
		93,860,095	41,534,739
		144,053,580	140,029,568
CAPITAL AND LIABILITIES			
Authorized capital 1,500,000 (2016: 1,500,000) ordinary shares of Rs. 100/ each		150,000,000	150,000,000
Issued, subscribed and paid up capital	12	118,900,000	118,900,000
Unappropriated profit		5,916,925	17,229,566
Surplus on remeasurement of Investments	6.1.1	12,758,329	-
		137,575,254	136,129,566
CURRENT LIABILITIES			
Loan from director		3,200,002	3,800,002
Trade and other payables	13	3,278,324	100,000
		6,478,326	3,900,002
Contingencies and commitments	14	-	-
		144,053,580	140,029,568

The annexed notes from 1 to 25 form an integral part of these financial statements

Mr

CHIEF EXECUTIVE

Salim Yusuf

DIRECTOR

AKY SECURITIES (PRIVATE) LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2017

	Note	2017	2016
		Rupees	
Operating revenue	15	2,745,857	3,329,966
Capital Gain		32,530,024	-
Unrealize (loss) / gain on remeasurement of investments held for trading	8.1	(26,088,285)	2,319,786
		9,187,596	5,649,752
Operating expenses			
Administrative expenses	16	(3,554,441)	(658,566)
Financial charges	17	(52,474)	(1,679)
		(3,606,915)	(660,245)
Profit on bank deposit		746,379	96,877
Other expenses	18	(17,386,240)	-
(Loss) / Profit before taxation		(11,059,180)	5,086,384
Taxation	19	(253,462)	(434,604)
(Loss) / Profit after taxation		(11,312,642)	4,651,780

The annexed notes from 1 to 25 form an integral part of these financial statements

CHIEF EXECUTIVE

DIRECTOR

AKY SECURITIES (PRIVATE) LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2017

	2017	2016
	Rupees	
(Loss) / profit after taxation	**(11,312,642)**	4,651,779
Other comprehensive income		
Unrealise gain / (loss) on remeasurement of available for sales investments	**12,758,329**	-
Total comprehensive income for the year	**1,445,687**	4,651,779

The annexed notes from 1 to 25 form an integral part of these financial statements

CHIEF EXECUTIVE

Salim yusuf
DIRECTOR

AKY SECURITIES (PRIVATE) LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2017

	2017	2016
	Rupees	
(Loss) / Profit before taxation	**(11,059,180)**	5,086,384
CASH FLOWS FROM OPERATING ACTIVITIES :		
Adjustment for:		
Depreciation and amortisation	**1,923,236**	56,630
Finance cost	**(52,474)**	(1,679)
Unrealise (loss) / gain on remeasurement of investments held for trading	**26,088,285**	(2,319,786)
Impairment on TREC	**17,386,240**	-
	45,345,287	(2,264,835)
Operating profit before working capital changes	**34,286,107**	2,821,549
(Increase)/Decrease in Current Assets		
Trade debts	**(1,793,788)**	-
Loan, deposits and other Receivables	**(20,530,643)**	-
Increase/(Decrease) in Current Liabilities		
Loan from director	**(600,000)**	-
Trade and other payable	**3,178,324**	100,000
	(19,746,107)	100,000
Financial cost paid	**52,474**	1,679
Taxes paid	**(399,845)**	(434,604)
Net cash generated from operating activities	**14,192,629**	2,488,623
CASH FLOWS FROM INVESTING ACTIVITIES :		
Short term investments -net	**(34,906,309)**	638,119
Long term deposits	-	-
Disposal of long term investment	**60,244,305**	-
Capital expenditure	**(858,059)**	(14,473)
Net cash generated from investing activities	**24,479,937**	623,646
Increase in cash and cash equivalent during the year	**38,672,566**	3,112,269
Cash and cash equivalent at the beginning of the year	**3,723,883**	611,614
Cash and cash equivalent at the end of the year	**42,396,449**	3,723,883

The annexed notes from 1 to 25 form an integral part of these financial statements

CHIEF EXECUTIVE

Salim Yusuf

DIRECTOR

AKY SECURITIES (PRIVATE) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2017

	Share Capital	Unappropriated Profit	Total
		Rupees	
Balance as at July 01, 2015	118,900,000	12,577,787	131,477,787
Profit for the year ended June 30, 2016	-	4,651,780	4,651,780
Balance as at June 30, 2016	118,900,000	17,229,567	136,129,567
Balance as at July 01, 2016	**118,900,000**	**17,229,567**	**136,129,567**
Loss for the year ended June 30, 2017	-	**(11,312,642)**	**(11,312,642)**
Balance as at June 30, 2017	**118,900,000**	**5,916,925**	**124,816,925**

The annexed notes from 1 to 25 form an integral part of these financial statements

CHIEF EXECUTIVE

Salim Yousuf
DIRECTOR

AKY SECURITIES (PRIVATE) LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 2017

1 STATUS AND NATURE OF BUSINESS

AKY Securities (Private) Limited is incorporated under the Companies Ordinance, 1984 on November 01, 2005 as a private limited company. The company is a corporate member of Karachi stock exchange Limited. The registered office of the company is located at room No. 48, Karachi Stock Exchange Building, Karachi Stock Exchange road, Karachi. The Company is principally engaged in the business of securities brokerage and IPO.

2 BASIS OF PREPARATION

2.1 Statement of compliance

During the year, the Companies Act 2017 (the Act) has been promulgated, however, Securities and Exchange Commission of Pakistan (SECP) vide its circular no. 17 of 2017 dated July 20, 2017 communicated Commission's decision that the Companies whose financial year closes on or before Jun 30, 2017 shall prepare their financial statements in accordance with the provision of the repealed Companies Ordinance, 1984.Accordingly, 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 repealed Companies Ordinance, 1984, provisions of and directives issued under the repealed Companies Ordinance, 1984. In case requirements differ, the provisions of or directives under the Companies Ordinance, 1984 prevail.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention, except for certain short term investments which are stated at fair value.

2.3 Functional and presentation currency

These financial statements are presented in Pak Rupees, which is Company's functional and presentation currency.

2.4 Use of estimates and judgments

The preparation of financial statements in conformity with approved financial reporting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses.

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 judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

2.5 Initial application of new standards and amendments to approved accounting standards

2.5.1 *Amendments to approved accounting standards effective during the year ended June 30, 2017:*

There were certain new amendments to the approved accounting standards which became effective during the year ended June 30, 2017 but are considered not to be relevant or have any significant effect on the Company's financial reporting and are, therefore, not disclosed in these financial statements.

2.5.2 *Standards and amendments to approved accounting standards that are effective for the Company's accounting periods beginning on or after July 1, 2017:*

There are certain new standards and amendments to the approved accounting standards that will become effective for the Company's annual accounting periods beginning on or after July 1, 2017. However, these amendments will not have a significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these financial statements. Further, the new standards are yet to be adopted by the SECP. In addition to the foregoing, the Companies Act 2017 which is not effective on these financial statements, has added certain disclosure requirements which will be applicable in future.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal 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 except as stated below:

3.1 Correction of prior period error

Pursuant to the promulgation of Stock Exchanges (Corporatisation, Demutualization and Integration) Act, 2012, the Company had allocated the cost of its KSE membership card into two components as follows: (a) a Trading Right Entitlement (TRE) Certificate [classified as an 'intangible asset']; and (b) ordinary shares of Pakistan Stock Exchange Limited (PSX) [classified as an 'available-for-sale investment'] on a resonable basis as enumerated in a professional opinion provided by the Institute of Chartered Accountants of Pakistan (ICAP) in this regard.

The allocated cost of TRE Certificate as referred to above, however, inadvertently included the cost of an office amounting to 3 million and a booth in PSX amounting to 1.2 million which should have been classified as 'tangible fixed assets' in the balance sheet and, accordingly, should have been depreciated at a rate reasonable in relation to their useful life.

Since the financial effects of correction of the aforesaid error are not considered to be material, the Company has incorporated necessary adjustments in these financial statements prospectively and, accordingly, has not presented an additional balance sheet as the beginning of the comparative year in accordance with the requirements of 'International Accounting Standard (IAS) 1 'Presentation of Financial Statements'.

3.2 Property and equipment

Items of property and equipment are stated at historical cost less accumulated depreciation and impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the asset including borrowing costs.

Where major components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property and equipment.

Subsequent costs are included in the carrying amount or recognised as separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the profit and loss account during the year in which they are incurred.

Disposal of an item of property and equipment is recognised when significant risks and rewards incidental to ownership have been transferred to buyers. Gains and losses on disposal are determined by comparing the proceeds with the carrying amount and are recognised within 'Other operating expenses/income' in the profit and loss account.

Depreciation is charged to profit and loss account using reducing balance method whereby the cost of the asset less its estimated residual value is written off over the estimated useful life at rates given in note 7. Depreciation on additions is charged from day from which asset is available for use and on disposals upto the day of disposal.

3.3 Intangible Assets

An intangible asset is recognised as an asset if it is probable that the economic benefits attributable to the asset will flow to the Company and the cost of the asset can be measured reliably.

-Trading Rights Entitlement (TRE) Certificate

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

-Computer software

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

Costs associated with maintaining computer software programmes are recognised as an expense when incurred.

Costs which enhance or extend the performance of computer software beyond its original specification and useful life is recognised 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 over a period of four years using the straight line method.

Amortization is charged from the date when the related asset is available for use till the date such asset is disposed off.

3.4 Impairment of non-financial assets

Assets that are subject to depreciation/amortisation are reviewed at each balance sheet date to identify circumstances indicating occurrence of impairment loss or reversal of previous impairment losses. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sale and value in use. Reversal of impairment loss is restricted to the original cost of the asset.

3.5 Financial assets

3.5.1 Classification

The Company classifies its financial assets in the following categories: at fair value through profit or loss, held to maturity, loans and receivables, and available-for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

a) **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 12 months after the end of the reporting period. These are classified as non-current assets. The Company's loans and receivables comprise 'trade debts', 'trade deposits and other receivables' and 'cash and cash equivalents' in the balance sheet.

b) **Held to maturity financial assets**

Held to maturity financial assets are non-derivative financial assets with fixed or determinable payments and fixed maturity with a positive intention and ability to hold to maturity.

c) **Available-for-sale financial assets**

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in current assets as the management intends to dispose off the same within 12 months.

d) **Financial assets at fair value through profit or loss**

Financial assets at fair value through profit or loss are financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss. A financial asset is classified as held for trading if acquired principally for the purpose of selling in the short term. Assets in this category are classified as current assets.

3.5.2 **Recognition and measurement**

Regular purchases and sales of financial assets are recognised on the trade date – the date on which the Company commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the profit and loss account. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the profit and loss account within income / expenses in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the profit and loss account as part of operating income when the Company's right to receive payments is established.

Changes in fair value of monetary and non-monetary securities classified as available-for-sale are recognised in other comprehensive income. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the profit and loss account as 'gains and losses from investment securities'.

Interest on available-for-sale securities calculated using the effective interest method is recognised in the profit and loss account as part of other income. Dividends on available for sale equity instruments are recognised in the profit and loss account as part of other income when the Company's right to receive payments is established.

3.5.3 Impairment of financial assets

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss is removed from equity and recognised in the profit and loss account. Impairment losses recognised in the profit and loss account on equity instruments are not reversed through the profit and loss account. Impairment testing of trade debts and other receivables is described in note 3.6.

3.6 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle either on a net basis, or realise the asset and settle the liability simultaneously.

3.7 Trade debts and other receivables

Trade debts and other receivables are recognised at fair value and subsequently measured at amortized cost. A provision for impairment in trade debts and other receivables is made when there is objective evidence that the Company will not be able to collect all amounts due according to original terms of receivables. Trade debts and other receivables considered irrecoverable are written off.

3.8 Fiduciary assets

Assets held in trust or in a fiduciary capacity by the company are not treated as assets of the Company and accordingly are not included in these financial statements.

3.9 Cash and cash equivalents

Cash and cash equivalents in the statement of cash flows includes cash in hand, balance with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts / short term borrowings. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

3.10 Share capital

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

3.11 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised 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.

3.12 Trade and other payables

Trade and other payables are recognized initially at fair value plus directly attributable cost, if any, and subsequently measured at amortized cost using the effective interest method.

These are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

3.13 Taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

-Current

The current income tax charge is based on the taxable income for the year calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

-Deferred

Deferred tax is recognised using balance sheet liability method to the extent that it is probable that future taxable profits will be available, providing for all temporary differences between carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes at the tax rates that are expected to be applied based on the laws that have been enacted or substantively enacted by the reporting date.

3.14 Provisions

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

3.15 Financial instruments

All financial assets and liabilities are recognized at the time when the company becomes a party to the contractual provisions of the instruments. Any gain or loss on the recognition and derecognizing of the financial assets and liabilities is taken to profit and loss account currently.

3.16 Foreign currency transactions and translation

Monetary assets and liabilities in foreign currencies are translated into Pak 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 recognised in the profit and loss account.

3.17 Revenue recognition

Revenue is recognised 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 recognised on the following basis:

Brokerage, consultancy and advisory fee, commission etc. are recognised as and when such services are provided.

Income from bank deposits is recognised at effective yield on time proportion basis.

Dividend income is recorded when the right to receive the dividend is established.

Gains / (losses) arising on sale of investments are included in the profit and loss account in the period in which they arise.

4 PROPERTY AND EQUIPMENT

	Furniture & fixture	Office Equipments	Computer	Offices at PSX	Total
As at June 30, 2015					
Cost	830,900	220,865	1,544,906	-	2,596,671
Accumulated depreciation	(538,544)	(142,681)	(1,483,270)	-	(2,164,495)
Net book value	292,356	78,184	61,636	-	432,176
Year ended June 30, 2016					
Opening net book value	292,356	78,184	61,636	-	432,176
Additions during the year	-	-	14,473	-	14,473
Depreciation for the year	(29,236)	(7,818)	(19,576)	-	(56,630)
Closing net book value	**263,120**	**70,366**	**56,533**	-	**390,019**
Cost	830,900	220,865	1,559,379	-	2,611,144
Accumulated depreciation	(567,780)	(150,499)	(1,502,846)	-	(2,221,125)
Net book value	**263,120**	**70,366**	**56,533**	-	**390,019**
Year ended June 30, 2017					
Opening net book value	263,120	70,366	56,533	-	390,019
Additions / transfers during the year (refer note 3.1)	34,300	-	425,050	4,200,000	4,659,350
Depreciation for the year	(27,962)	(7,036)	(70,658)	(1,777,025)	(1,882,681)
Closing net book value	**269,458**	**63,330**	**410,925**	**2,422,975**	**3,166,688**
As at June 30, 2017					
Cost	865,200	220,865	1,984,429	4,200,000	7,270,494
Accumulated depreciation	(595,742)	(157,535)	(1,573,504)	(1,777,025)	(4,103,806)
Net book value	**269,458**	**63,330**	**410,925**	**2,422,975**	**3,166,688**
Depreciation rates	**10%**	**10%**	**30%**	**5%**	

5 INTANGIBLE ASSETS

	Note	2017	2016
		——— Rupees ———	
Computer software	5.1	**358,154**	-
Trading Rights Entitlement (TRE) Certificate			
Cost		**26,586,240**	26,586,240
Reclassified to operating fixed assets	3.1	**(4,200,000)**	-
Impairment		**(17,386,240)**	-
	5.2	**5,000,000**	26,586,240
		5,358,154	26,586,240

5.1 **Computer software**

	2017	2016
Net carrying amount		
Opening net book value	-	-
Additions during the year	**398,709**	-
Amortisation charge	**(40,555)**	-
Closing net book value	**358,154**	-
Gross carrying amount		
Cost	**398,709**	-
Accumulated amortisation	**(40,555)**	-
Net book value	**358,154**	-
Amortisation rate	20%	0%

Nb

5.2 Pursuant to the promulgation of the Stock Exchanges (Corporatisation, Demutualization and Integration) Stock Exchanges (Corporatisation, Demutualization and Integration) Act 2012 (ACT), the Company has received a Trading Right Entitlement Certificate (TRECs) in lieu of its membership card of PSX. These have been carried at cost.

During the year the Company has recorded impairment on TREC based on the minimum value provided by the Pakistan Stock Exchange Limited.

		Note	2017	2016
			Rupees	
6	**LONG TERM INVESTMENT-AVAILABLE FOR SALE**			
	Investment in shares of Pakistan Stock Exchange Limited	**6.1**	**41,163,833**	71,013,760

6.1 This represents the investment in ordinary shares of Pakistan Stock Exchange Limited (PSX) received by the Company in pursuance of the promulgation of Stock Exchanges (Corporatization, Demutualization and Integration) Act, 2012. The total number of shares received by the Company were 4,007,383 out of which 60% shares were held in a separate blocked account in the Central Depository Company of Pakistan Limited (CDC) to restrict the sale of such shares by the members of PSX.

During the year the company has disposed off 60% shares of PSX as follows:

40% shares were sold to Chinese consortium by PSX vide their letter dated December 29, 2016 at an offer price of Rs. 28 per ordinary share. However, as per the above mentioned letter 10% of the consideration amount is retained for a period of one year to settle any outstanding liabilities of PSX and will be remitted to the company after the expiry of the specified period.

20% shares were sold after successful completion of book building process.

Since these shares were listed on PSX in June 2017, therefore, the remaining 40% shares are carried at their market value as at June 30, 2017 as under :.

		2017
6.1.1	*Movement of Unrealize gain on remeasurement*	Rupees
	Book value as at June 30, 2017	**28,405,504**
	Market value as at June 30, 2017	**41,163,833**
	Unrealize gain for the year -OCI	**12,758,329**

		2017	2016
7	**LONG TERM DEPOSITS**	Rupees	
	Pakistan Stock Exchange	**204,810**	204,810
	National Clearing Company of Pakistan	**200,000**	200,000
	Central Depository Company	**100,000**	100,000
		504,810	504,810
8	**SHORT TERM INVESTMENT - HELD FOR TRADING**		
	Investment in quoted equity securities	**27,699,009**	36,399,073
	Investment in un-quoted equity securities	-	117,960
	Investment in open-end funds	**1,293,823**	1,293,823
		28,992,832	37,810,856

		2017	2016
8.1	**Movement in unrealized gain on remeasurement of investments held for trading**	Rupees	
	At the beginning of the year	**45,870,634**	43,550,848
	Net unrealized (loss) / gain in the value of investments for the year	**(26,088,285)**	2,319,786
		19,782,349	45,870,634

8.2 Fair value of shares pledged with PSX as at 30 June 2017 amounted to Rs. 12.38 million. The pledged securities belong to brokerage house.

		Note	2017	2016
9	**TRADE DEBTS**	**Note**	Rupees	
	Considered good -Secured	9.1	**1,793,788**	-

9.1 **The aging analysis of trade debts is as follows:**

	2017	2016
Upto five days	**599,002**	-
More than five days	**1,194,786**	-
	1,793,788	-

9.2 This includes Rs. 1.21million (2016: Rs. NIL) due from related parties. The Company holds capital securities having fair value of Rs. 18.65 million (2016: Rs. NIL) owned by its clients, as collaterals against trade debts.

9.3 No Provision has been recorded on balance due for more than 5 days as the corresponding adjusted value of collateral after applying VAR haircut exceeded its outstanding balance.

		Note	2017	2016
10	**LOAN, DEPOSITS AND OTHER RECEIVABLES**	**Note**	Rupees	
	Exposure deposit with PSX		**16,000,000**	-
	Receivables from PSX		**4,488,268**	-
	Loan to Staff		**42,375**	-
			20,530,643	-
11	**CASH AND BANK**			
	Cash at bank - Current accounts		**2,927,543**	460
	Cash at bank - Deposit accounts	11.1	**39,468,906**	3,723,423
		11.2	**42,396,449**	3,723,883

11.1 The return on these balances is 3.75% (2016: 4% to 5%) per annum on daily product basis.

11.2 Bank balances include customers' bank balances held in designated bank accounts amounting to Rs. 2.92 million (2016: Rs. NIL).

12 **ISSUED, SUBSCRIBED AND PAID UP CAPITAL**

2017	2016		2017	2016
(Number of shares)			Rupees	
1,112,000	1,112,000	Ordinary shares of Rs.100/- each fully paid other than cash	**111,200,000**	111,200,000
77,000	77,000	Ordinary shares of Rs.100/- each fully paid in cash	**7,700,000**	7,700,000
1,189,000	1,189,000		**118,900,000**	118,900,000

12.1 **Pattern of shareholding**

Categories of shareholders	2017		2016	
Individuals	Number of shares held	% of Shares held	Number of shares held	% of Shares held
Abdul kadir Yousuf	1,187,000	99.83%	1,187,000	99.83%
Amin Yousuf	1,000	0.08%	1,000	0.08%
Yousuf	1,000	0.08%	1,000	0.08%
	1,189,000	100.00%	1,189,000	100.00%

13 TRADE AND OTHER PAYABLES

	2017	2016
	Rupees	
Trade Payable	2,927,543	-
SST Payable	23,981	-
Audit Fee Payable	326,800	100,000
	3,278,324	100,000

14 CONTINGENCIES AND COMMITMENTS

There are no material contingencies and commitments to report as at balance sheet date.

15 OPERATING REVENUE

	Note	2017	2016
		Rupees	
Brokerage Commission Income		809,411	
Dividend income		1,936,446	3,324,850
IPO commission		-	5,116
		2,745,857	3,329,966

16 ADMINISTRATIVE EXPENSES

	Note	2017	2016
Salaries And Benefits		650,000	-
Staff Bonus		68,000	-
PSX service charges		99,534	72,110
NCCPL charges		6,382	1,600
CDC charges		83,356	51,730
Fees and subscription		64,900	208,525
Auditors Remuneration		175,000	100,000
Repair & Maintenance		154,783	-
Depreciation	4	1,882,681	56,630
Amortization'		40,555	-
General expenses		329,250	167,971
		3,554,441	658,566

17 FINANCIAL CHARGES

	2017	2016
Bank Documents Charges	41,000	-
Bank charges	11,474	1,679
	52,474	1,679

18 OTHER EXPENSES

	Note	2017	2016
Impairment on TREC	5.2	17,386,240	-

19	TAXATION	Note	2017	2016
			Rupees	
	Current year	19.1	**253,462**	434,604

19.1 The income tax assessments of the Company have been finalised up to and including the tax year 2016. Tax returns are deemed to be assessed under provisions of the Income Tax Ordinance, 2001 ("the Ordinance") unless selected for an audit by the taxation authorities. The Commissioner of Income Tax may, at any time during a period of five years from date of filing of return, select the deemed assessment order for audit.

19.2 The numerical reconciliation between the tax expense and accounting profit has not been presented as the total income of the company attracted presumptive tax and minimum tax under Section 113 of the income tax ordinance, 2001.

20 RELATED PARTY TRANSACTIONS AND BALANCES

Related parties comprise of key management personnel and directors and their close family members, major shareholders of the Company. Transaction with related parties are on arm's length. Remuneration and benefits to executives of the Company are in accordance with the terms of the employment. Transactions with related parties during the year other than those disclosed elsewhere in the financial statements are as follows:

	2017	2016
Key Management personnel	Rupees	
Loan from director		
Transactions during the year	(600,000)	-
Balance outstanding	3,200,002	3,800,002

20 FINANCIAL INSTRUMENTS

20.1 Financial risk factors

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

- Credit risk
- Liquidity risk
- Market risk

(i) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss, without taking into account the fair value of any collateral. Concentration of credit risk arises when a number of financial instruments or contracts are entered into with the same party, or when counter parties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause 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 carrying amount of financial assets represents the maximum credit exposure. To reduce the exposure to credit risk the Company has developed a policy of obtaining advance payments from its customers. Except for customers relating to the Government and certain small and medium sized enterprises, the management strictly adheres to this policy. For any balances receivable from such small and medium sized enterprises, the management continuously monitors the credit exposure towards them and makes provisions against those balances considered doubtful of recovery. Cash is held only with banks with high quality credit worthiness.

The maximum exposure to credit risk at the reporting date is as follows:

	2017	2016
	Rupees	
Long term deposits	**504,810**	504,810
Trade debts	**1,793,788**	-
Other receivables	**20,530,643**	-
Bank balances	**42,396,449**	3,723,883
	65,225,690	4,228,693

Based on past experience, consideration of financial position, past track records and recoveries, the Company believes that trade debtors considered good do not require any impairment except for already provided. None of the other financial assets are either past due or impaired. The aging of trade debts at the reporting date is disclosed in note 9.

(ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected or difficulty in raising funds to meet commitments associated with financial liabilities 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 interest payments:

	Carrying value	Contractual cash flows		
		Total	Up to one year	More than one year
	Rupees			
Loan from director	**3,200,002**	**3,200,002**	**3,200,002**	-
Trade and other payables	**3,278,324**	**3,278,324**	**3,278,324**	-
June 30, 2017	**6,478,326**	**6,478,326**	**6,478,326**	-
Loan from director	3,800,002	3,800,002	3,800,002	-
Trade and other payables	100,000	100,000	100,000	-
June 30, 2016	3,900,002	3,900,002	3,900,002	-

(iii) Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market. Market risk comprises of currency risk, interest rate risk and price risk.

(a) Currency risk

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

(b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Majority of the interest rate exposure arises from short and long term borrowings from banks and term deposits with banks. At the balance sheet date, the Company does not hold any significant interest bearing financial instruments.

(c) Price risk

Price risk includes equity price risk which is the risk of changes in the fair value of equity securities as a result of changes in levels of Pakistan Stock Exchange-Index and the value of individual shares.

The table below summarises the Company's equity price risk as at June 30, 2017 and shows the effect of a hypothetical 5% increase or decrease in market prices as at the year end. The selected hypothetical change does not reflect what could be considered to be the best or worst case scenario.

	Fair value	Hypothetical price change	Estimated fair value after hypothetical change in prices	Hypothetical increase (decrease) in profit / (loss) before tax
June 30, 2017	**68,862,842**	**5% increase**	**72,305,984**	**3,443,142**
June 30, 2016	36,399,073	5% increase	38,219,027	1,819,954

20.2 Financial instruments by category

The table below provides reconciliation of the line items in the Company's statement of financial position to the categories of financial instruments.

	2017			
	At fair value 'through profit or loss'	Loans and receivables	Available for sale	Other financial liabilities
June 30, 2017	Rupees			
Financial assets				
Long term Investment	-	-	41,163,833	-
Long term deposits	-	504,810	-	-
Short term investment	28,992,832	-	-	-
Trade debts	-	1,793,788	-	-
Other Receivables	-	20,530,643	-	-
Cash and bank balances	-	42,396,449	-	-
	28,992,832	65,225,690	41,163,833	-
Financial liabilities				
Loan from directors	-	-	-	3,200,002
Trade and other payables	-	-	-	3,278,324
	-	-	-	6,478,326

	2016			
	At fair value 'through profit or loss'	Loans and receivables	Available for sale	Other financial liabilities
June 30, 2016	Rupees			
Financial assets				
Long term Investment	-	-	71,013,760	-
Long term deposits	-	504,810	-	-
Short term investment	37,810,856	-	-	-
Trade debts	-	-	-	-
Other Receivables	-	-	-	-
Cash and bank balances	-	3,723,883	-	-
	37,810,856	4,228,693	71,013,760	-
Financial liabilities				
Loan from directors	-	-	-	3,800,002
Trade and other payables	-	-	-	100,000
	-	-	-	3,900,002

20.3 **Measurement of fair values**

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

When measuring the fair value of an asset or a liability, the Company uses valuation techniques that are appropriate in the circumstances and uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The table below analyses equity 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:

	Level 1	Level 2	Level 3	Total
June 30, 2017		Rupees		
Financial assets	68,862,842	1,293,823	-	70,156,665

	Level 1	Level 2	Level 3	Total
June 30, 2016		Rupees		
Financial assets	36,399,073	1,411,783	71,013,760	108,824,616

During the year ended June 30, 2017, the Company did not acquire any new shares of investee companies classified in level 3. However, 60% shares of PSX were disposed (refer note 6.1) and remaining 40% shares transferred from level 3 to level 1 after listing of PSX.

21 CAPITAL RISK MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure.

Net capital and Liquid capital requirements of the Company are set and regulated by Pakistan Stock Exchange Limited. These requirements are put in place to ensure sufficient solvency margins and are based on excess of current assets over current liabilities.

22 INVESTMENT TURNOVER

Turnover during the period comprises of the following:

During the year ended June 30, 2017	Turnover in Value
Institution	-
Retail	399,453,391
Proprietary	16,458,869
Total	**415,912,260**

23 NUMBER OF EMPLOYEES

Number of persons employed by the Company as on the year end are 04 (2016: NIL) and average number of employees during the year are 04 (2016: NIL).

24 APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the board of directors and authorized for issue on 02 OCT 2017.

25 GENERAL

Figures have been rounded off to the nearest rupee and corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison.

CHIEF EXECUTIVE **DIRECTOR**