

**PROGRESSIVE SECURITIES (PVT) LIMITED**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2016**

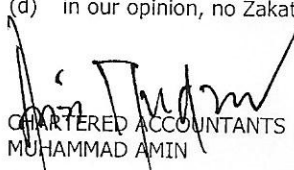
AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **Progressive Securities (Pvt) Limited** as at June 30, 2016 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 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 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 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 policy consistently applied except for the change in accounting policies as stated in note 3.1 to the annexed financial statements with which we concur;
  - (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 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, 2016 and of the profit, its 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.

  
CHARTERED ACCOUNTANTS  
MUHAMMAD AMIN

Lahore: 08 SEP 2016

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

	No	Note	2016 Rupees	2015 Rupees (Re-stated)	2014 Rupees (Re-stated)
<b>ASSETS</b>					
<b>NON-CURRENT ASSETS</b>					
Property and equipment	5		1,816,074	1,358,542	1,393,374
Intangible assets	6		8,481,203	6,981,203	6,981,203
Long term investment	7		17,343,686	15,275,948	15,275,948
Long term deposits	8		675,000	938,000	938,000
			28,315,963	24,553,693	24,588,525
<b>CURRENT ASSETS</b>					
Trade debts	9		21,676,596	24,351,406	29,027,494
Loan and advances	10		360,716	265,752	118,834
Investment at fair value through profit and loss	11		10,505,600	13,780,340	11,838,250
Trade deposits, short term prepayments and current account balances with statutory authorities	12		1,761,451	528,410	576,917
Other receivables			188,854	-	-
Cash and bank balances	13		8,608,761	26,116,185	1,537,730
			43,101,978	65,042,093	43,099,225
			71,417,941	89,595,785	67,687,750
<b>EQUITY AND LIABILITIES</b>					
<b>SHARE CAPITAL AND RESERVES</b>					
Share capital	14		20,500,000	20,500,000	20,500,000
Accumulated profit			8,902,227	7,983,138	6,840,817
Fair value adjustment reserve			10,294,889	8,227,151	8,227,151
			39,697,116	36,710,289	35,567,968
<b>LONG TERM LOAN FROM CHIEF EXECUTIVE</b>					
	15		13,531,092	13,531,092	13,531,092
			53,228,208	50,241,381	49,099,060
<b>NON-CURRENT LIABILITIES</b>					
Deferred liabilities	16		-	-	-
<b>CURRENT LIABILITIES</b>					
Trade and other payables	17		10,215,392	37,132,185	10,395,687
Accrued interest			3,604	-	48,399
Short term borrowings	18		7,970,737	2,222,219	8,144,604
			18,189,733	39,354,404	18,588,690
<b>CONTINGENCIES AND COMMITMENTS</b>					
	19		-	-	-
			71,417,941	89,595,785	67,687,750

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

CHIEF EXECUTIVE

DIRECTOR

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

	Note	2016 Rupees	2015 Rupees	2014 Rupees
Brokerage and commission	20	13,399,958	7,711,576	6,672,813
Capital gain/(loss) on marketable securities		(342,918)	-	5,018,434
		13,057,040	7,711,576	11,691,247
Direct cost	21	6,034,811	1,965,895	1,679,584
		7,022,229	5,745,681	10,011,663
Operating expenses	22	5,036,795	3,941,057	5,700,981
Operating profit		1,985,434	1,804,624	4,310,682
Other operating income/(expense)	23	(325,432)	(337,341)	2,137,794
Finance cost	24	74,636	50,278	159,170
Profit before taxation		1,585,367	1,417,005	6,289,306
Taxation:	25	666,278	274,684	250,444
Profit for the year		919,089	1,142,321	6,038,862
			----Rupees----	
Earning per share-basic and diluted	26	0.45	0.56	2.95

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

CHIEF EXECUTIVE

DIRECTOR

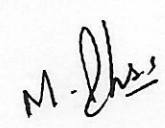


PROGRESSIVE SECURITIES (PVT) LIMITED  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED JUNE 30, 2016

	2016 Rupees	2015 Rupees (Re-stated)	2014 Rupees (Re-stated)
Profit for the year	919,089	1,142,321	6,038,862
Items that will not be reclassified subsequently to profit and loss account	-	-	-
Items that may be reclassified subsequently to profit and loss account			
Gain on revaluation of available for sale investment	2,067,739	-	8,227,151
Other comprehensive income for the year	2,067,739	-	8,227,151
Total comprehensive income for the year	<u>5,054,567</u>	<u>1,142,321</u>	<u>14,266,013</u>

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

  
CHIEF EXECUTIVE

  
DIRECTOR

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

	Note	2016 Rupees	2015 Rupees	2014 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Profit before taxation		1,585,367	1,417,005	6,289,306
Adjustments for non cash items:				
Depreciation		275,659	237,281	281,671
Finance cost		74,636	50,278	159,170
Unrealized (profit)/loss on remeasurement of investments		1,727,867	(1,942,090)	(1,926,800)
Balances written off		151,046	4,060,895	-
		2,229,208	2,406,364	(1,485,959)
Operating cash Flows Before Working capital changes		3,814,574	3,823,369	4,803,347
(Increase) / Decrease in Working Capital				
(Increase) / decrease in current assets				
Account receivables		2,536,764	615,194	1,211,549
Loans and advances		(94,964)	(146,918)	(8,024)
Trade deposits and short term prepayments		(800,000)	-	-
Other receivables		(188,855)	-	-
Increase / (decrease) in current liabilities				
Trade and other payables		(26,913,189)	26,736,498	2,241,843
		(25,460,244)	27,204,773	3,445,368
Cash Generated From Operations		(21,645,670)	31,028,142	8,248,715
Taxes paid		(1,099,318)	(226,177)	(117,796)
Finance cost paid		(74,636)	(98,677)	(187,770)
		(1,173,954)	(324,853)	(305,566)
Net cash Flows From Operating Activities		(22,819,624)	30,703,289	7,943,149
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Fixed capital expenditure		(733,191)	(202,450)	(116,750)
Long term deposits		250,000	-	-
Intangible asset		(1,500,000)	-	-
Investments		1,546,873	-	(9,911,450)
Net cash Flows From Investing Activities		(436,318)	(202,450)	(10,028,200)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Long term loans		-	-	513,264
Short term running finance - from related parties		3,169,891	(3,277,781)	5,500,000
Net Cash Flows From Financing Activities		3,169,891	(3,277,781)	6,013,264
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(20,086,050)	27,223,058	3,928,213
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		26,116,184	(1,106,874)	(5,035,087)
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	A	6,030,135	26,116,184	(1,106,874)
<b>A Cash and Cash Equivalents</b>				
Short term running finance	18	(2,578,626)	-	(2,644,604)
Cash and bank balances	13	8,608,761	26,116,185	1,537,730
		6,030,135	26,116,185	(1,106,874)

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

CHIEF EXECUTIVE

DIRECTOR

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

	Paid up Capital	Accumulate d Profit	Fair value adjustment reserve	Long term Loan	Total
	----- (R u p e e s) -----				
Balance as at June 30, 2013- Restated	20,500,000	801,955	-	13,017,828	34,319,783
Profit after taxation	-	6,038,862	-	-	6,038,862
Other comprehensive income	-	-	8,227,151	-	8,227,151
Total comprehensive income for the year	-	6,038,862	8,227,151	-	14,266,013
Loan received during the year	-	-	-	513,264	513,264
Balance as at June 30, 2014- Restated	20,500,000	6,840,817	8,227,151	13,531,092	49,099,060
Profit after taxation	-	1,142,321	-	-	1,142,321
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	-	1,142,321	-	-	1,142,321
Balance as at June 30, 2015- Restated	20,500,000	7,983,138	8,227,151	13,531,092	50,241,381
Profit after taxation	-	919,089	-	-	919,089
Other comprehensive income	-	-	2,067,739	-	2,067,739
Total comprehensive income for the year	-	919,089	2,067,739	-	2,986,828
Balance as at June 30, 2016	20,500,000	8,902,227	10,294,889	13,531,092	53,228,208

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

CHIEF EXECUTIVE

DIRECTOR

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

**1 COMPANY AND ITS OPERATION**

The company was incorporated as Private Limited Company on April 26, 2000 under the Companies Ordinance, 1984. The company is engaged in the business of share brokerage and investment in securities. The registered office of the Company is situated at 5th Floor, Room # 520, 19- Khayaban-e-Aiwan-e-Iqbal, Lahore Stock Exchange Building, Lahore.

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

**2 BASIS OF PREPARATION**

**2.1 STATEMENT OF COMPLIANCE**

These financial statements have been prepared in accordance with the approved accounting standards, as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the provisions of the Companies Ordinance 1984 and the directives issued by the Securities and Exchange Commission of Pakistan (SECP). Wherever, the requirements of the Companies Ordinance, 1984 or directives issued by the Securities and Exchange Commission of Pakistan differ with the requirements of these IFRSs, the requirements of Companies Ordinance, 1984 or the requirements of the said directives issued by the SECP take precedence.

**2.2 ACCOUNTING CONVENTION**

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

**2.3 FUNCTIONAL AND PRESENTATION CURRENCY**

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

**2.4 JUDGEMENTS, ESTIMATES AND ASSUMPTIONS**

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

**2.5 AMENDMENTS / INTERPRETATION TO EXISTING STANDARD AND FORTHCOMING REQUIREMENTS**

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

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

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

The following standards and amendments to existing standards have been published and are mandatory





for the Company's accounting periods beginning on or after 01 July 2016 or later periods:

- Amendments to IAS 38 Intangible Assets and IAS 16 Property, Plant and Equipment (effective for annual periods beginning on or after 1 January 2016) introduce severe restrictions on the use of revenue-based amortization for intangible assets and explicitly state that revenue-based methods of depreciation cannot be used for property, plant and equipment. The rebuttable presumption that the use of revenue-based amortization methods for intangible assets is inappropriate and can be overcome only when revenue and the consumption of the economic benefits of the intangible asset are 'highly correlated', or when the intangible asset is expressed as a measure of revenue.
- Amendments to IAS 12 'Income Taxes' are effective for annual periods beginning on or after 1 January 2017. The amendments clarify that the existence of a deductible temporary difference depends solely on a comparison of the carrying amount of an asset and its tax base at the end of the reporting period, and is not affected by possible future changes in the carrying amount or expected manner of recovery of the asset. The amendments are not likely to have an impact on Company's financial statements.
- Amendments to IAS 7 'Statement of Cash Flows' are part of IASB's broader disclosure initiative and are effective for annual periods beginning on or after 1 January 2017. The amendments require disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flow and non-cash changes.
- IFRS 7 'Financial Instruments- Disclosures'. IFRS 7 is amended to clarify when servicing arrangements on continuing involvement in transferred financial assets in cases when they are derecognized in their entirety are in the scope of its disclosure requirements. IFRS 7 is also amended to clarify that additional disclosures required by 'Disclosures: Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS7)' are not specifically required for inclusion in condensed interim financial statements for all interim periods.

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

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

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

### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 3.1 CHANGE IN ACCOUNTING POLICY

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

#### 3.2 SHARE CAPITAL

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

#### 3.3 PROPERTY AND EQUIPMENT

Property and equipment are stated at cost less accumulated depreciation.

Depreciation is charged on reducing balance method at the rates mentioned in note no. 5. Depreciation on additions is charged for the month in which an asset is acquired while no depreciation is charged for the

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month in which an asset is disposed off. Normal repair and maintenance is charged to revenue as and when incurred, while major renewals and replacements are capitalized.

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

### 3.4 INTANGIBLE ASSETS

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

### 3.5 FINANCIAL ASSETS

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

#### 3.5.1 Held to Maturity

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

#### 3.5.2 At fair value through profit and loss

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

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

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

#### 3.5.3 Available-for-sale

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

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

### 3.6 TRADE DEBTS AND OTHER RECEIVABLES

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

### 3.7 CASH AND CASH EQUIVALENTS

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

### 3.8 TAXATION

#### Current

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

#### Deferred

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

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

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

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

### 3.9 TRADE AND OTHER PAYABLES

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

### 3.10 PROVISIONS

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

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

### 3.11 IMPAIRMENT

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

### 3.12 OFFSETTING OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

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



### 3.13 REVENUE RECOGNITION

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

### 3.14 BASIC AND DILUTED EARNINGS PER SHARE

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

### 3.15 RELATED PARTY TRANSACTIONS

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

### 4 RELATED PARTY TRANSACTIONS

Transactions with related parties have been disclosed in the relevant notes to the financial statements except that commission earned from related parties i.e. directors and shareholders during the year was amounting Rs. 4,622 (2015: Rs. 24,239).

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5 PROPERTY AND EQUIPMENT

Particulars	Cost		Rate %	Depreciation		Book value As at June 30, 2016
	As at July 01, 2015	Additions/ (Deletions)		As at July 01, 2015	Charge for the year	
		As at June 30, 2016			As at June 30, 2016	
OWNED						
Computers	1,716,561	264,440	30	1,586,987	74,878	319,136
Mobile phones	308,200	-	30	234,284	22,175	51,741
Furniture and fixtures	252,140	273,346	10	110,021	27,996	387,469
Office equipment	153,620	30,260	10	98,405	7,508	77,967
Air conditioner	288,400	38,000	10	170,574	13,050	142,776
Electric equipment	437,086	127,145	10	153,709	35,535	374,987
Arms and ammunition	265,000	-	10	97,135	16,787	151,078
Vehicles	2,477,200	-	20	2,088,550	77,730	310,920
Rupees	5,898,207	733,191		4,539,665	275,659	1,816,074

# 5.1 PROPERTY AND EQUIPMENT

Particulars	Cost		Rate %	Depreciation		Book value As at June 30, 2015
	As at July 01, 2014	Additions/ (Deletions)		As at July 01, 2014	Charge for the year	
OWNED						
Computers	1,712,361	4,200	30	1,533,155	53,832	129,574
Mobile phones	254,500	53,700	30	220,408	13,876	73,916
Furniture and fixtures	233,690	18,450	10	95,578	14,443	142,119
Office equipment	153,620	-	10	92,270	6,135	55,215
Air conditioner	288,400	-	10	157,482	13,092	117,826
Electric equipment	375,986	61,100	10	128,203	25,506	283,377
Arms and ammunition	200,000	65,000	10	83,900	13,235	167,865
Vehicles	2,477,200	-	20	1,991,387	97,163	388,650
Rupees	5,695,757	202,450		4,302,383	237,281	1,358,542

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	Note	2016 Rupees	2015 Rupees	2014 Rupees
<b>6 INTANGIBLE ASSETS</b>				
Trading right entitlement certificate (TREC)	6.1	2,951,203	2,951,203	2,951,203
Rights of room		5,530,000	4,030,000	4,030,000
		<u>8,481,203</u>	<u>6,981,203</u>	<u>6,981,203</u>

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

	Note	2016 Rupees	2015 Rupees (Re-stated)	2014 Rupees (Re-stated)
<b>7 LONG TERM INVESTMENT</b>				
Available for sale investment				
Unquoted - Shares of LSE Financial Services Limited				
(Formerly: Lahore Stock Exchange Limited)				
Cost as at July 01,		7,048,797	7,048,797	7,048,797
Fair value adjustment		10,294,889	8,227,151	8,227,151
	7.1	<u>17,343,686</u>	<u>15,275,948</u>	<u>15,275,948</u>

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

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

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

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	Note	2016 Rupees	2015 Rupees	2014 Rupees
<b>8 LONG TERM DEPOSITS</b>				
Deposits with:				
Lahore Stock Exchange		-	450,000	450,000
Pakistan Stock Exchange		200,000	-	-
National Clearing Company		300,000	300,000	300,000
Central Depository Company (CDC)		100,000	100,000	100,000
Others		75,000	88,000	88,000
		<u>675,000</u>	<u>938,000</u>	<u>938,000</u>
<b>9 TRADE DEBTS</b>	<b>9.1</b>	<u>21,676,596</u>	<u>24,351,406</u>	<u>29,027,494</u>
9.1 These are receivable against purchase of shares on behalf of client and commission charged thereof. These include amounting Rs.47,890 (2015: Rs.Nil) receivable from related parties i.e. directors and shareholders of the company. These are secured to the extent of margin maintained with the TREC holder. Further, these are considered good by the management of the company.				
<b>10 LOANS AND ADVANCES</b>		2016 Rupees	2015 Rupees	2014 Rupees
Advances to: (unsecured but considered good )				
Employees		<u>360,716</u>	<u>265,752</u>	<u>118,834</u>
		<u>360,716</u>	<u>265,752</u>	<u>118,834</u>
<b>11 INVESTMENTS AT FAIR VALUE THROUGH PROFIT AND LOSS</b>				
Investment - listed companies				
Cost		12,233,467	11,838,250	9,911,450
Gain on remeasurement of fair value of investment as at June 30, 2016		<u>(1,727,867)</u>	<u>1,942,090</u>	<u>1,926,800</u>
		<u>10,505,600</u>	<u>13,780,340</u>	<u>11,838,250</u>
<b>12 TRADE DEPOSITS, SHORT TERM PREPAYMENTS AND CURRENT ACCOUNT BALANCE WITH STATUTORY AUTHORITIES</b>				
Deposits with:				
National Clearing Company		800,000	-	-
Tax deducted source		<u>961,451</u>	<u>528,410</u>	<u>576,917</u>
		<u>1,761,451</u>	<u>528,410</u>	<u>576,917</u>

Or



	Note	2016 Rupees	2015 Rupees	2014 Rupees
<b>13 CASH AND BANK BALANCES</b>				
These were held as under:				
In hand		1,060,525	1,060,246	1,060,992
At bank - on current accounts		<u>7,548,236</u>	<u>25,055,939</u>	<u>476,738</u>
		<u>8,608,761</u>	<u>26,116,185</u>	<u>1,537,730</u>
<b>14 SHARE CAPITAL</b>				
Authorized				
2,500,000 (2015:2,500,000) ordinary shares of Rs.10/- each		<u>25,000,000</u>	<u>25,000,000</u>	<u>25,000,000</u>
Issued, subscribed and paid up				
1,050,000 (2015:1,050,000) ordinary shares of Rs.10/- each fully paid in cash		10,500,000	10,500,000	10,500,000
1,000,000 (2015:1,000,000) ordinary shares of Rs.10/ each fully paid for consideration other than cash		<u>10,000,000</u>	<u>10,000,000</u>	<u>10,000,000</u>
		<u>20,500,000</u>	<u>20,500,000</u>	<u>20,500,000</u>
<b>15 LONG TERM LOAN</b>				
From related party:				
Chief Executive	15.1	<u>13,531,092</u>	<u>13,531,092</u>	<u>13,531,092</u>
<b>15.1 Loan from Chief Executive:</b>				
Balance as at July 01,		13,531,092	13,531,092	13,017,828
Add: Loan received during the year		<u>-</u>	<u>-</u>	<u>513,264</u>
		<u>13,531,092</u>	<u>13,531,092</u>	<u>13,531,092</u>
<b>15.2</b> This represent interest free and unsecured loan obtained from the Chief Executive of the company. The loan is repayable at the discretion of the company. However, this is not repayable within next 12 (twelve) months from the balance sheet date.				
<b>16 DEFERRED LIABILITIES</b>		2016 Rupees	2015 Rupees	2014 Rupees
Deferred Taxation				
Deferred credits/(debits) arising due to:				
Accelerated tax depreciation		82,918	46,339	31,403
Brought forward losses		<u>(3,426,990)</u>	<u>(4,418,542)</u>	<u>(4,195,596)</u>
		<u>(3,344,072)</u>	<u>(4,372,203)</u>	<u>(4,164,193)</u>
Balance as at July 01,		-	-	-
Add: Charge for the year		<u>-</u>	<u>-</u>	<u>-</u>
		<u>-</u>	<u>-</u>	<u>-</u>

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At the year end net deductible temporary differences amounting Rs. 10,787,327 (2015: Rs.13,663,135) which results in a net deferred tax asset of Rs. 3,344,072 (2015:Rs.4,372,203). However, deferred tax asset has not been recognized in these financial statement being prudent. Management is of the view that recognition of deferred tax asset shall be re-assessed as at June 30, 2017.

	Note	2016 Rupees	2015 Rupees	2014 Rupees
<b>17 TRADE AND OTHER PAYABLES</b>				
Creditors for sale of shares on behalf of clients	17.1	9,851,727	36,698,353	9,400,384
Accrued expenses		333,421	405,838	989,474
Tax deducted at source payable		7,128	27,994	5,829
Other Payables		23,116	-	-
		<u>10,215,392</u>	<u>37,132,185</u>	<u>10,395,687</u>

17.1 This includes amounting Rs.Nil (2015: Rs.2,178,461) payable to related parties i.e. directors and shareholders of the company against sale of shares.

#### 18 SHORT TERM BORROWINGS

From financial instructions - Running finance	18.1	2,578,626	-	2,644,604
From related party - unsecured	18.2	5,392,110	2,222,219	5,500,000
		<u>7,970,737</u>	<u>2,222,219</u>	<u>8,144,604</u>

18.1 The company has been sanctioned a credit limit of Rs.15 Million (2015: Rs.15 Million) by the MCB Bank Limited, Stock Exchange Branch, Lahore. It is secured by pledge of proprietary shares registered with CDC and personal guarantee of the directors. It carries mark up at the rate of three months KIBOR plus 2.5% spread p.a. (2015: 3 month KIBOR plus 2.5% spread with floor of 11.53% p.a.)

18.2 This represents interest free and unsecured loan obtained from Chief Executive of the company.

#### 19 CONTINGENCIES AND COMMITMENTS

##### Contingencies

Claim against the company not acknowledged as debt Rs.Nil (2015: Rs.Nil).

##### Commitments

Commitments in respect of contract for capital expenditure Rs.Nil (2015: Rs.Nil)

	2016 Rupees	2015 Rupees	2014 Rupees
<b>20 BROKERAGE AND COMMISSION</b>			
Commission income	<u>13,399,958</u>	<u>7,711,576</u>	<u>6,672,813</u>
<b>21 DIRECT COST</b>			
Commission Paid	4,451,863	-	-
Central Depository Company charges	412,445	347,193	322,728
Lahore Stock Exchange expenses	619,426	1,618,702	1,356,856
Pakistan Stock Exchange expenses	224,694	-	-
National clearing charges	326,383	-	-
	<u>6,034,811</u>	<u>1,965,895</u>	<u>1,679,584</u>

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	Note	2016 Rupees	2015 Rupees	2014 Rupees
<b>22 OPERATING EXPENSES</b>				
Directors' remuneration		300,000	300,000	300,000
Staff salaries and benefits		1,339,000	1,382,000	2,066,500
Rent, rates and taxes		41,925	20,000	24,450
Communication		280,774	220,745	267,735
Electricity		89,070	64,904	55,678
Postage and courier		43,351	25,831	102,143
Legal and professional		160,700	110,000	54,000
Fee and subscription		84,755	74,310	77,270
Printing and stationery		52,128	46,778	138,393
Office expense		61,060	-	-
Repair and maintenance		395,619	73,200	103,085
Vehicle running and maintenance		3,000	40,900	398,900
Traveling and conveyance		114,795	-	176,630
Software maintenance		188,000	41,000	35,500
Newspaper and periodicals		7,230	6,836	56,860
Entertainment		449,526	395,311	498,655
Charity and donation		290,900	189,350	267,948
Branch offices		686,344	616,474	525,366
Depreciation	5	275,659	237,281	281,671
Miscellaneous		172,959	96,137	270,197
		<u>5,036,795</u>	<u>3,941,057</u>	<u>5,700,981</u>
<b>23 OTHER OPERATING INCOME/(EXPENSE)</b>				
Income from financial assets				
Gain/loss on remeasurement of fair value of investment	11	(1,727,867)	1,942,090	1,926,800
Dividend income		1,553,481	1,781,464	210,994
		<u>(174,386)</u>	<u>3,723,554</u>	<u>2,137,794</u>
Income from assets other than financial assets				
Balances written off		(151,046)	(4,060,895)	-
		<u>(325,432)</u>	<u>(337,341)</u>	<u>2,137,794</u>
<b>24 FINANCE COST</b>				
Mark up on running finance		10,608	-	99,892
Bank charges		64,028	50,278	59,278
		<u>74,636</u>	<u>50,278</u>	<u>159,170</u>
<b>25 TAXATION</b>				
Income tax:				
-Current		617,771	274,684	250,444
-Prior year		48,507	-	-
-Deferred		-	-	-
		<u>666,278</u>	<u>274,684</u>	<u>250,444</u>

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

25.2 No numeric tax rate reconciliation is presented in these financial statements as the company is either liable to pay tax under final tax regime or minimum tax u/s 113 of Income Tax Ordinance 2001.

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	2016	2015	2014
<b>26 EARNING PER SHARE - BASIC AND DILUTED</b>			
Profit for the year - Rupees	<u>919,089</u>	<u>1,142,321</u>	<u>6,038,862</u>
Weighted Average Number of ordinary shares outstanding during the year - Numbers.	<u>2,050,000</u>	<u>2,050,000</u>	<u>2,050,000</u>
Earning per share - Rupees.	<u>0.45</u>	<u>0.56</u>	<u>2.95</u>

**27 NUMBER OF EMPLOYEES**

	2016	2015	2014
	( N u m b e r )		
Total number of employees at the end of the year	<u>12</u>	<u>12</u>	<u>13</u>
Average number of employees at the year end	<u>12</u>	<u>12</u>	<u>13</u>

**28 REMUNERATION TO CHIEF EXECUTIVE**

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

	2016 Rupees	2015 Rupees	2014 Rupees
Chief Executive remuneration	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>
Number of persons	<u>1</u>	<u>1</u>	<u>1</u>

The Chief Executive is also provided with free use of company maintained cars.

	2016 Rupees	2015 Rupees
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**29 FINANCIAL INSTRUMENTS BY CATEGORY**

**Financial assets and financial liabilities**

**Financial assets**

**Financial instruments- available for sale**

Long term investment	<u>17,343,686</u>	<u>15,275,948</u>
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Investment at fair value through profit and loss	<u>10,505,600</u>	<u>13,780,340</u>
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**Loans and receivables**

Long term deposits	675,000	938,000
Trade debts	21,676,596	24,351,406
Loans and advances	360,716	265,752
Trade deposits and other receivables	1,950,305	528,410
Cash and bank balances	<u>8,608,761</u>	<u>26,116,185</u>
	<u>33,271,378</u>	<u>52,199,753</u>

**Financial liabilities**

**Financial liabilities at amortized cost**

Accrued interest	3,604	-
Short- term borrowings	7,970,737	2,222,219
Trade and other payables	<u>10,215,392</u>	<u>37,132,185</u>
	<u>18,189,732</u>	<u>39,354,404</u>

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

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

a) Credit Risk

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

Exposure to Credit Risk

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

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

	Note	2016 Rupees	2015 Rupees
Long term investment		17,343,686	15,275,948
Long term deposits		675,000	938,000
Trade debts	30.1.1	21,676,596	24,351,406
Short term deposits		800,000	-
Other receivables		188,854	-
Bank balances	30.1.2	7,548,236	25,055,939
		<u>48,232,373</u>	<u>65,621,293</u>

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

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	2016 Rupees	2015 Rupees
Upto 1 month	6,804,746	7,644,426
1 to 6 months	1,041,524	1,170,044
More then 6 months	13,830,326	15,536,936
	<u>21,676,596</u>	<u>24,351,406</u>

### 30.1.2 Concentration of Credit Risk

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

Geographically there is no concentration of credit risk.

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

	Note rating	2016 Rupees	2015 Rupees
Cash at banks	A1+	<u>7,548,236</u>	<u>25,055,939</u>

### b) Liquidity Risk

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

	2016			
	Carrying Amount	Contractual Cash Flows	Maturity upto one year	Maturity after one year
	-----R u p e e s-----			
Trade and other payables	10,215,392	10,215,392	10,215,392	-
Mark up accrued	3,604	3,604	3,604	-
Short term borrowings	7,970,737	7,970,737	7,970,737	-
	<u>18,189,732</u>	<u>18,189,732</u>	<u>18,189,732</u>	<u>-</u>

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2015			
Carrying Amount	Contractual Cash Flows	Maturity upto one year	Maturity after one
-----R u p e e s-----			
Trade and other payables	37,132,185	37,132,185	37,132,185
Mark up accrued	-	-	-
Short term borrowings	2,222,219	2,222,219	2,222,219
	<u>39,354,404</u>	<u>39,354,404</u>	<u>39,354,404</u>
			-

### Liquidity Risk Management

The company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation.

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

#### c) Market Risk

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

##### i) Foreign Currency Risk

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

##### ii) Price Risk

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

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## Sensitivity Analysis

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

	Fair Value Rupees	Hypothetical Price Change	Estimated Fair Value After Hypothetical Change In Price Rupees	Hypothetical Increase/(De- crease) in Share Holders' Equity Rupees
June 30, 2016	10,505,600	10% increase 10%	11,556,160 9,455,040	1,050,560 (1,050,560)
June 30, 2015	13,780,340	10% increase 10%	15,158,374 12,402,306	1,378,034 (1,378,034)

### iii) Interest Rate Risk

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

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

## Sensitivity Analysis

The company is exposed to interest rate risk in respect of its variable rate instruments. A 100 basis points increase in variable interest rates would have decreased profit by Rs.25,786 (2015: nil). A 100 basis points decrease in variable interest rate would have had an equal but opposite impact on profit. This sensitivity analysis is based on assumption that all variables, with the exception of interest rates, remain unchanged.

### 30.2 Fair value of financial instruments

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

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

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



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

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

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

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

2016			
Level 1	Level 2	Level 3	
-----Rupees-----			
Financial assets			
Investment at fair value through profit and loss	10,505,600	-	-
Investments available for sale	-	17,343,686	-
	<u>10,505,600</u>	<u>17,343,686</u>	<u>-</u>
2015			
Level 1	Level 2	Level 3	
-----Rupees-----			
Financial assets			
Investment at fair value through profit and loss	13,780,340	-	-
Investments available for sale	-	15,275,948	-
	<u>13,780,340</u>	<u>15,275,948</u>	<u>-</u>

### 30.3 Capital risk management

The Company's objective when managing capital is to safeguard the Company's ability to remain as a going concern and continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Company has a gearing ratio of 15% (2015: 4%) as of the balance sheet date.

## 31 OPERATING SEGMENT

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

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

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### 32 CORRESPONDING FIGURES

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

- a) Deposits with Lahore Stock Exchange, Pakistan Stock Exchange, National Clearing Company, Central Depository Company and Others amounting Rs. 675,000, Rs. 938,000 and Rs. 938,000 for the year(s) ended June 30, 2016, 2015 and 2014 respectively have been reclassified from short term deposits to long term deposits.
- b) Loan from the directors has been reclassified from long term liability to equity in accordance with the Technical Release 32, "Accounting Directors' Loan" issued by the Institute of Chartered Accountants of Pakistan dated January 09, 2016. The relevant adjustment has been made retrospectively as per International Accounting Standard 8 "Accounting Policies, Changes in Accounting Estimates and Errors". The company has decided to apply the aforesaid TR with effect from this year. Further, there was no effect on earning per share on the consequence of above reclassification.

### 33 GENERAL

Figures have been rounded off to the nearest rupee.

### 34 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorized for issue on 08 SEP 2016 by the Board of Directors of the company.



CHIEF EXECUTIVE



DIRECTOR