

128 SECURITIES (PVT) LIMITED
BALANCE SHEET AS AT 30 SEP, 2016

	NOTE	9/30/2016 <u>RS.</u>	30/06/2016 <u>RS.</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL & RESERVES			
Authorized capital			
1,000,000 ordinary shares of Rs.100/- each		<u>100,000,000</u>	<u>100,000,000</u>
Issued, subscribed and paid-up capital			
638,740 ordinary shares of Rs.100/- each	4	63,874,000	63,874,000
Share Money Deposit			
		-	-
Reserves			
Accumulated loss		(20,986,690)	(22,536,788)
TOTAL EQUITY		<u>42,887,310</u>	<u>41,337,212</u>
NON-CURRENT LIABILITIES			
		5,590,000	-
CURRENT LIABILITIES			
Trade and other payables	5	44,292,764	25,845,426
		<u>44,292,764</u>	<u>25,845,426</u>
TOTAL LIABILITIES		<u>49,882,764</u>	<u>25,845,426</u>
CONTINGENCIES AND COMMITMENTS			
	6	-	-
TOTAL EQUITY AND LIABILITIES		<u>92,770,074</u>	<u>67,182,638</u>
ASSETS			
NON CURRENT ASSETS			
Property and equipment	7	1,227,376	1,127,875
Room and TREC - intangible	8	7,000,000	7,000,000
Investments	9	15,871,144	15,871,144
Long term deposits	10	7,362,285	5,962,285
		<u>31,460,805</u>	<u>29,961,304</u>
CURRENT ASSETS			
Trade debts	11	26,776,340	16,007,210
Advances and other receivables	12	5,107,540	4,818,878
Cash and bank balances	13	29,425,388	16,395,246
		<u>61,309,268</u>	<u>37,221,334</u>
TOTAL ASSETS		<u>92,770,073</u>	<u>67,182,638</u>

The annexed notes form an integral part of these accounts.

Chief Executive

Director

128 SECURITIES (PVT) LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 SEP, 2016

	NOTE	9/30/2016	30/06/2016
		<u>RS.</u>	<u>RS.</u>
OPERATING INCOME			
Commission Income	14	4,819,942	11,563,431
Other Income -	15	63,631	1,040,850
		4,883,573	12,604,281
OPERATING EXPENSES			
Administrative and general	16	3,334,095	27,120,853
Financial and others	17	(620)	39,351
		3,333,475	27,160,204
PROFIT BEFORE TAX		1,550,098	(14,555,923)
TAXATION	18		
Normal tax		-	115,634
Tax On Dividend Income		-	-
Prior year tax adjustment		-	275,556
		-	391,190
PROFIT/(LOSS) AFTER TAX CARRIED TO EQUITY STATEMENT		1,550,098	(14,947,113)
EARNINGS PER SHARE - BASIC AND DILUTED	19	2.43	(23.40)

The annexed notes form an integral part of these accounts.

Chief Executive

Director

	9/30/2016 <u>Rs.</u>	30/06/2016 <u>Rs.</u>
13. CASH AND BANK BALANCES		
CASH AT BANKS		
In saving accounts		
Al-Falah-DHA A/c. 0033-02918383	3,123,947	1,449,325
Al-Falah - LSE A/c. 004802910036	12,235,712	7,683,752
128-SEC A/C0048-01001830	32,581	32,581
128-SEC A/C00310081000626019-BLHB	28,978	6,512,978
In current accounts		
House A/c. 0048-02910040	1,497,632	223,952
ABL LTD-LSE BR-480011	4,632	4,632
Al-Falah -A/c. 0031-0081-000626-01-9	187,100	378,220
MCB - LSE A/c. 28-0	9,000	9,000
BAHL Proprietary a/c # 0147-0071-000996-50-08	12,090,000	-
CASH IN HAND	215,806	100,806
	<u>29,425,388</u>	<u>16,395,246</u>

14. COMMISSION INCOME

Commission income	5,011,636	12,285,091
NCSS,LSE charges	191,694	290,631
CDC charges	-	431,029
Others	-	-
	<u>191,694</u>	<u>721,660</u>
	<u>4,819,942</u>	<u>11,563,431</u>

14.1 COMMISSION INCOME

Gross commission income	5,011,636	14,344,760
Less: Commission Adjustment	-	(306,577)
Less: Commission expenses	-	(1,753,092)
	<u>5,011,636</u>	<u>12,285,091</u>

15. OTHER INCOME - bank interest

Interest on bank deposit/PLS A/c.		407,869
Other Income	63,631	-
Dividend Income		632,981
	<u>63,631</u>	<u>1,040,850</u>

		9/30/2016 <u>Rs.</u>	30/06/2016 <u>Rs.</u>
16. ADMINISTRATIVE AND GENERAL			
Directors Remuneration	16.1	360,000	1,650,000
Salaries & Benefits		916,100	4,343,250
Rent, Rates & Taxes		101,462	565,652
Printing & Stationery		37,160	130,900
Telephone & Postage	16.2	208,090	840,305
Electricity & Gas Expenses		358,277	740,851
Entertainment		44,680	443,888
Computer Repair & Maintenance		171,470	520,070
Newspaper & Periodicals		-	2,714
Travelling & Conveyance		-	21,400
Publicity & Advertisement		-	2,000
Charity & Donation		-	3,000
Audit Fee		-	250,000
Fee & Taxes		9,022	213,865
Legal & Professional charges		116,000	469,100
Other Expense		950,336	1,562,730
Depreciation		61,498	248,847
other operating charges		-	15,112,281
		<u>3,334,095</u>	<u>27,120,853</u>
16.1 SALARIES & BENEFITS			
Hashim Mahmood		120,000	480,000
Qasim Mahmood		240,000	1,170,000
		<u>360,000</u>	<u>1,650,000</u>
16.2 TELEPHONE & POSTAGE			
Mobile Bill		208,090	156,909
Postage		-	122,964
Internet		-	109,564
Telephone		-	450,868
		<u>208,090</u>	<u>840,305</u>

	30-09-2016	30/06/2016
	<u>Rs.</u>	<u>Rs.</u>
17. FINANCIAL AND OTHERS		
Bank charges	<u>(620)</u>	<u>39,351</u>
	<u>(620)</u>	<u>39,351</u>
18. TAXATION		
Profit Before Tax	<u>1,550,098</u>	<u>(14,555,923)</u>
Total Income		
Commission income - net	4,819,942	11,563,431
Other income	<u>63,631</u>	<u>1,040,850</u>
	<u>4,883,573</u>	<u>12,604,281</u>
Profit Allocation		
Final Tax Income	-	(730,992)
Normal Taxable Income	1,550,098	(13,824,931)
	1,550,098	(14,555,923)
Taxation		
Minimum tax @ 1% on turnover	48,836	126,043
Normal tax @ 32%	<u>496,031</u>	<u>(4,423,978)</u>

19. EARNINGS PER SHARE - BASIC AND DILUTED

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

Profit/(Loss) attributable to ordinary share holders in Rs.	<u>1,550,098</u>	<u>(14,947,113)</u>
Number of ordinary shares issue	<u>638,740</u>	<u>638,740</u>
Profit/ (Loss) per share-basis in rupees	<u>2.43</u>	<u>(23.40)</u>

20. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURE

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

- Credit Risk
- Liquidity Risk
- Market Risk

The board of directors has overall responsibility for the establishment and oversight of company's risk management framework. The board is also responsible for developing and

		9/30/2016 Rs.	30/06/2016 Rs.
4. SHARE CAPITAL			
Authorised Capital			
1,000,000 (2014:1,000,000) ordinary shares of Rs.100/- each		<u>100,000,000</u>	<u>100,000,000</u>
Issued, subscribed and Paid-up capital			
638,740 (2014:638,740) ordinary shares of Rs.100/- each		<u>63,874,000</u>	<u>63,874,000</u>
Pattern of shareholding is given as under:			
Chief Executive			
Shahid Mahmood		63,774,000	63,774,000
Directors			
Qasim Mahmood		50,000	50,000
Hashim Mahmood		50,000	50,000
		<u>63,874,000</u>	<u>63,874,000</u>
5. TRADE AND OTHER PAYABLES			
Due to Clients	5.1	43,406,147	25,183,264
Other Payables	5.2	886,617	662,162
		<u>44,292,764</u>	<u>25,845,426</u>
5.1 Due to clients the amounts due to customers and members on account of trades undertaken before year-end but becoming due after year-end.			
5.2 OTHER PAYABLES			
Audit fee payable		300,000	300,000
FED - purchase		211,902	75,069
FED - sale		240,768	93,433
Other payables		(84,869)	12,865
CDC- client account		6,660	5,705
CVT		44,529	6,270
CDC- Tax Payable		23,817	23,817
Supplier & Services Tax Payable		25,284	26,275
Employee Tax Payable		3,293	3,094
Provision for tax		115,233	115,634
		<u>886,617</u>	<u>662,162</u>

6. CONTINGENCIES AND COMMITMENTS

Contingencies

Neither any contingent loss nor gain is expected by the company.

Commitments

Except routine and fully provided commitments neither any guarantee has been given nor any material commitment made by the company.

7. PROPERTY AND EQUIPMENT-TANGIBLE

PARTICULARS	COST			DEPRECIATION			W.D.V.	
	AS AT 01.07.2016	ADDITION (DELETION)	AS AT 30.09.2016	AS AT 01.07.2016	RATE %	FOR THE YEAR	AS AT 30.09.2016	AS AT 30.09.2016
OWNED								
Office Equipment	1,654,126	7,500	1,661,626	1,227,621	15	16,275	1,243,896	417,730
Computer	2,348,916	153,500	2,502,416	2,151,337	30	26,331	2,177,668	324,748
Furniture & Fixtures	1,061,332	-	1,061,332	839,443	15	8,321	847,764	213,568
Vehicles	1,507,100	-	1,507,100	1,225,198	15	10,571	1,235,769	271,331
42643	6,571,474	161,000	6,732,474	5,443,600		61,498	5,505,097	1,227,377
30/06/2016								

8. ROOM AND TREC-INTANGIBLE

8.1 Trading Rights Entitlement Certificate-(TREC)

8.2 Room - 612

	9/30/2016 <u>RS.</u>	30/06/2016 <u>RS.</u>
8.1 Trading Rights Entitlement Certificate-(TREC)	5,000,000	11,200,000
8.2 Room - 612	2,000,000	2,000,000
	<u>7,000,000</u>	<u>13,200,000</u>

8.1 Pursuant to the promulgation of the stock exchanges(Corporatisation, Demutualization and Integration) Act,2012, the ownership rights in a stock exchange were segregated from the right to trade on an exchange. As a result, the above arrangement has resulted in allocation of 843,975 shares at Rs10 each having break up value of Rs 11.32 each,with a total face value of Rs 8.4 Million and Trading Rights Entitlement Certificate (TREC) to the company by the LSE. out of total shares of 843,975 allocated to the company 506,385 shares are transferred to CDC sub- account in the company's name under the LSE's participant IDs with the CDC which will remain blocked untill these are divest/sold to strategic investor(s),general public and financial institutions and proceeds are paid to the company. under the current circumstances, where active market is not available for such shares, this net asset value based valuation has been considered as the closest estimate of the fair value of the shares.

Further, the LSE has introduced a minimum capital requirement of Rs. 4 million and in the absence of an active market for TREC, this assigned value has been considered as the closest estimate of the fair value of the TREC. Therefore, based on the above estimates of the fair value of LSE shares,(Rs. 8.44 Million) and TREC (Rs. 4 Million), the company has allocated its carrying value of the membership card (Rs. 35 Million) in the ratio of 68 to shares and 32 to TREC. Consequently, the investments in LSE shares and TREC stands worked out as under:

Particulars	Fair value Rs.	Ratio %age	Value Assigned Rs.
LSE shares	8.44 M	68	23,800,000
LSE TREC	4.0 M	32	11,200,000
	<u>12.44 M</u>	<u>100</u>	<u>35,000,000</u>

8.2 This represent cost of offices given by Lahore Stock Exchange with indefinite useful life. These are considered to be indefinite as there is no foreseeable limit on the period during which an entity expects to consume the future economic benefits.

	9/30/2016	30/06/2016
	<u>RS.</u>	<u>RS.</u>
9. INVESTMENTS		
INVESTMENT -IN LISTED COMPANY-SHARES	983,425	983,425
INVESTMENT -IN LAHORE STOCK EXCHANGE -SHARES	<u>14,887,719</u>	<u>14,887,719</u>
	<u>15,871,144</u>	<u>15,871,144</u>

This represents the apportioned value of the membership card as allocated for TREC @ 32% and LSE Shares@ 68%. Management does not provide for deficit/ surplus on remeasurment to fair value due to their temporary character.

10. LONG TERM DEPOSITS

Deposits with:

Pakistan Stock Exchange Ltd	6,595,000	5,195,000
Security CDC	100,000	100,000
National Clearing Company of Pakistan Ltd	300,000	300,000
Office Security	<u>367,285</u>	<u>367,285</u>
	<u>7,362,285</u>	<u>5,962,285</u>
11. TRADE DEBTS	<u>26,776,340</u>	<u>16,007,210</u>

These represent the amounts due from customers and members on account of trades undertaken before year-end but becoming due after year-end. All receivable amounts are secured and considered good by the management.

12. ADVANCES AND OTHER RECEIVABLE

Advance to staff	12.1 338,315	338,315
Advance Tax	621,416	333,474
CAPITAL GAIN TAX	720	-
Other receivables	<u>4,147,089</u>	<u>4,147,089</u>
	<u>5,107,540</u>	<u>4,818,878</u>

12.1) Advance to Staff

The amounts are interest free, unsecured and considered good by the management.

