

128 SECURITIES (PVT) LIMITED
BALANCE SHEET AS AT 31 DECEMBER, 2015

	NOTE	31/12/2015 <u>RS.</u>	30/06/2015 <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		6,800,000	20,000,000
Reserves			
Accumulated loss		(6,359,107)	(7,589,676)
TOTAL EQUITY		<u>64,314,893</u>	<u>76,284,324</u>
NON-CURRENT LIABILITIES			
		-	-
CURRENT LIABILITIES			
Trade and other payables	5	28,443,084	32,056,216
		<u>28,443,084</u>	<u>32,056,216</u>
TOTAL LIABILITIES		<u>28,443,084</u>	<u>32,056,216</u>
CONTINGENCIES AND COMMITMENTS			
	6	-	-
TOTAL EQUITY AND LIABILITIES		<u>92,757,977</u>	<u>108,340,540</u>
ASSETS			
NON CURRENT ASSETS			
Property and equipment	7	1,164,989	1,248,171
Room and TREC - intangible	8	13,200,000	13,200,000
Investments	9	28,004,495	25,884,908
Long term deposits	10	962,285	962,285
		<u>43,331,769</u>	<u>41,295,364</u>
CURRENT ASSETS			
Trade debts	11	23,827,862	19,731,361
Advances and other receivables	12	14,123,061	22,187,012
Cash and bank balances	13	11,475,285	25,126,804
		<u>49,426,208</u>	<u>67,045,177</u>
TOTAL ASSETS		<u>92,757,977</u>	<u>108,340,540</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 SEPTEMBER, 2015

	NOTE	31/12/2015	30/06/2015
		<u>RS.</u>	<u>RS.</u>
OPERATING INCOME			
Commission Income	14	6,083,125	8,891,460
Other Income -	15	346,224	1,402,837
		6,429,349	10,294,297
OPERATING EXPENSES			
Administrative and general	16	5,201,275	9,813,178
Financial and others	17	(2,495)	5,351
		5,198,780	9,818,529
PROFIT BEFORE TAX		1,230,569	475,768
TAXATION			
Normal tax	18	-	157,003
Prior year tax adjustment		-	1,074
		-	158,077
PROFIT/(LOSS) AFTER TAX CARRIED TO EQUITY STATEMENT		1,230,569	317,691
EARNINGS PER SHARE - BASIC AND DILUTED	19	1.93	0.50

The annexed notes form an integral part of these accounts.

Chief Executive

Director

	31/12/2015 <u>Rs.</u>	30/06/2015 <u>Rs.</u>
13. CASH AND BANK BALANCES		
CASH AT BANKS		
In saving accounts		
Al-Falah-DHA A/c. 0033-02918383	1,718,696	12,143,687
Al-Falah - LSE A/c. 004802910036	6,201,037	11,984,349
128-SEC A/C0048-01001830	1,032,581	112,581
128-SEC A/C00310081000626019-BLHB	1,027,356	279,000
In current accounts		-
Al-Falah-NGT A/c. 508-036-035284-01	69,813	69,813
House A/c. 0048-02910040	70,499	32,471
ABL LTD-LSE BR-480011	4,632	4,632
Al-Falah -A/c. 0031-0081-000626-01-9	1,046,100	480,700
MCB - LSE A/c. 28-0	9,000	9,000
CASH IN HAND	295,571	10,571
	11,475,285	25,126,804
14. COMMISSION INCOME		
Commission income	6,083,125	9,497,533
NCSS charges	-	296,605
CDC charges	-	308,465
Others	-	1,003
	-	606,073
	6,083,125	8,891,460
14.1 COMMISSION INCOME		
Gross commission income	8,286,169	18,922,727
Less: Commission Adjustment	(2,203,044)	(5,482,781)
Less: Commission expenses	-	(3,942,413)
	6,083,125	9,497,533
15. OTHER INCOME - bank interest		
Interest on bank deposit/PLS A/c.	-	830,642
Other Income	346,224	6,732
Dividend Income	-	565,463
	346,224	1,402,837

		31/12/2015	30/06/2015
		<u>Rs.</u>	<u>Rs.</u>
16. ADMINISTRATIVE AND GENERAL			
Directors Remuneration	16.1	930,000	1,140,000
Salaries & Benefits		2,053,900	3,303,229
Rent, Rates & Taxes		187,476	523,088
Printing & Stationery		41,940	87,378
Telephone & Postage	16.2	398,823	827,911
Electricity & Gas Expenses		441,866	598,069
Entertainment		97,115	444,646
Computer Repair & Maintenance		112,260	470,540
Newspaper & Periodicals		-	7,644
Travelling & Conveyance		-	33,400
Publicity & Advertisement		-	59,500
Charity & Donation		2,000	1,850
Audit Fee		-	25,000
Fee & Taxes		98,620	452,965
Legal & Professional charges		176,500	249,243
Other Expense		551,442	1,328,793
Depreciation		109,333	259,922
		<u>5,201,275</u>	<u>9,813,178</u>
16.1 SALARIES & BENEFITS			
Hashim Mahmood		240,000	480,000
Qasim Mahmood		690,000	660,000
		<u>930,000</u>	<u>1,140,000</u>
16.2 TELEPHONE & POSTAGE			
Mobile Bill		398,823	162,868
Postage		-	123,801
Internet		-	90,750
Telephone		-	450,492
		<u>398,823</u>	<u>827,911</u>

	31/12/2015	30/06/2015
	<u>Rs.</u>	<u>Rs.</u>
17. FINANCIAL AND OTHERS		
Bank charges	<u>(2,495)</u>	<u>5,351</u>
	<u>(2,495)</u>	<u>5,351</u>
18. TAXATION		
Commission income - net	6,083,125	8,712,082
Other income	<u>346,224</u>	<u>778,619</u>
	<u>6,429,349</u>	<u>9,490,701</u>
Minimum tax @ 1% on turnover	64,293	94,907
Normal tax	<u>406,088</u>	<u>-</u>
	<u>470,381</u>	<u>94,907</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>1,230,569</u>	<u>317,691</u>
Number of ordinary shares issue	<u>638,740</u>	<u>638,740</u>
Profit/ (Loss) per share-basis in rupees	<u>1.93</u>	<u>0.50</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 monitoring the company's risk management policies.

		31/12/2015 Rs.	30/06/2015 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	28,132,262	31,555,450
Other Payables	5.2	310,822	500,766
		<u>28,443,084</u>	<u>32,056,216</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		-	25,000
FED - purchase		-	143,913
FED - sale		-	159,170
Other payables		-	10,948
CDC- client account		4,827	4,732
Tax Payable		305,995	-
Provision for tax		-	157,003
		<u>310,822</u>	<u>500,766</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 31.12.2015
	AS AT 01.07.2015	ADDITION (DELETION)	AS AT 31.12.2015	AS AT 01.07.2015	RATE %	FOR THE YEAR	AS AT 31.12.2015	
OWNED								
Office Equipment	1,650,526	-	1,650,526	1,152,355	15	37,363	1,189,718	460,808
Computer	2,223,966	26,150	2,250,116	2,066,660	30	27,518	2,094,178	155,938
Furniture & Fixtures	1,061,332	-	1,061,332	800,286	15	19,578	819,864	241,468
Vehicles	1,507,100	-	1,507,100	1,175,451	15	24,874	1,200,325	306,775
31/12/2015	6,442,924	26,150	6,469,074	5,194,753		109,333	5,304,085	1,164,989
30/06/2015	6,295,374	38,900	6,334,274	4,642,007		292,824	4,934,831	1,399,444

31/12/2015

RS.

30/06/2015

RS.

8. ROOM AND TREC-INTANGIBLE

8.1 Trading Rights Entitlement Certificate-(TREC)

11,200,000

11,200,000

8.2 Room - 612

2,000,000

2,000,000

13,200,000

13,200,000

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.

	31/12/2015	30/06/2015
	<u>RS.</u>	<u>RS.</u>
9. INVESTMENTS		
INVESTMENT -IN LISTED COMPANY-SHARES	4,204,495	2,084,908
INVESTMENT -IN LAHORE STOCK EXCHANGE -SHARES	<u>23,800,000</u>	<u>23,800,000</u>
	<u>28,004,495</u>	<u>25,884,908</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:

Lahore Stock Exchange Ltd	755,000	755,000
National Clearing Company of Pakistan Ltd	100,000	100,000
Office Security	<u>107,285</u>	<u>107,285</u>
	<u>962,285</u>	<u>962,285</u>

11. TRADE DEBTS

	<u>23,827,862</u>	<u>19,731,361</u>
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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	314,315
Advance Tax	156,594	151,616
Other receivables	<u>13,628,152</u>	<u>21,721,080</u>
	<u>14,123,061</u>	<u>22,187,012</u>

12.1) Advance to Staff

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

