

**128 SECURITIES (PVT) LIMITED**  
**BALANCE SHEET AS AT 31 December, 2018**

|   | NOTE | 12/31/2018<br><u>RS.</u> | 6/30/2018<br><u>RS.</u> |
|---|------|--------------------------|-------------------------|
| <b>EQUITY AND LIABILITIES</b>                 |      |                          |                         |
| <b>SHARE CAPITAL &amp; RESERVES</b>           |      |                          |                         |
| <b>Authorized capital</b>                     |      |                          |                         |
| 1,000,000 ordinary shares of Rs.100/- each    |      | <u>100,000,000</u>       | <u>100,000,000</u>      |
| <b>Issued, subscribed and paid-up capital</b> |      |                          |                         |
| 692,740 ordinary shares of Rs.100/- each      | 4    | 69,274,000               | 69,274,000              |
| <b>Share Money Deposit</b>                    |      | 371,349                  | 371,349                 |
| <b>Reserves</b>                               |      |                          |                         |
| Accumulated loss                              |      | (34,823,133)             | (36,009,819)            |
| <b>TOTAL EQUITY</b>                           |      | <u>34,822,216</u>        | <u>33,635,530</u>       |
| <b>NON-CURRENT LIABILITIES</b>                |      |                          |                         |
|   |      | -                        | -                       |
| <b>CURRENT LIABILITIES</b>                    |      |                          |                         |
| Trade and other payables                      | 5    | 23,763,457               | 27,266,732              |
| Provision for taxation                        | 6    | 720,704                  | 720,704                 |
|   |      | <u>24,484,161</u>        | <u>27,987,436</u>       |
| <b>TOTAL LIABILITIES</b>                      |      | <u>24,484,161</u>        | <u>27,987,436</u>       |
| <b>CONTINGENCIES AND COMMITMENTS</b>          |      |                          |                         |
|   |      | -                        | -                       |
| <b>TOTAL EQUITY AND LIABILITIES</b>           |      | <u>59,306,377</u>        | <u>61,622,966</u>       |
| <b>ASSETS</b>                                 |      |                          |                         |
| <b>NON CURRENT ASSETS</b>                     |      |                          |                         |
| Property and equipment                        | 7    | 1,056,197                | 1,047,997               |
| Room and TREC - intangible                    | 8    | 2,500,000                | 2,500,000               |
| Long-term Investments                         | 9    | 15,259,068               | 15,259,068              |
| Long term deposits                            | 10   | 4,367,285                | 767,285                 |
|   |      | <u>23,182,550</u>        | <u>19,574,350</u>       |
| <b>CURRENT ASSETS</b>                         |      |                          |                         |
| Trade debts                                   | 11   | 9,352,961                | 3,474,618               |
| Loan and advances                             | 12   | 3,393,073                | 6,560,209               |
| Trade deposits and short-term prepayments     | 13   | -                        | 11,360,958              |
| Advance Tax                                   | 14   | -                        | 450,117                 |
| Short-term investments                        | 15   | 3,656,496                | 3,096,460               |
| Cash and bank balances                        | 13   | 19,721,297               | 17,106,254              |
|   |      | <u>36,123,827</u>        | <u>42,048,616</u>       |
| <b>TOTAL ASSETS</b>                           |      | <u>59,306,377</u>        | <u>61,622,966</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 31 Dec, 2018**

|  | NOTE | 12/31/2018              | 6/30/2018                  |
|--|------|-------------------------|----------------------------|
|  |      | <u>RS.</u>              | <u>RS.</u>                 |
| Brokerage income   | 17   | 3,523,464               | 8,614,971                  |
| Unrelaied gain / loss on remeasurement of short-term investments |      | -                       | 1,834,836                  |
| Operating expnses  | 18   | <u>(228,252)</u>        | <u>(803,794)</u>           |
|  |      | <b>3,295,212</b>        | <b>9,646,013</b>           |
| Administrative expenses  | 19   | <u>(3,300,749)</u>      | <u>(15,753,055)</u>        |
| <b>Operating (loss) / profit</b>                                 |      | <b>(5,537)</b>          | <b>(6,107,042)</b>         |
| Bank and other charges   | 20   | (18,108)                | (41,779)                   |
| Other income   | 21   | <u>1,212,996</u>        | <u>(8,654,811)</u>         |
| <b>(Loss) / profit before taxation</b>                           |      | <b>1,189,351</b>        | <b>(14,803,632)</b>        |
| <b>Taxation</b>  |      |                         |                            |
| - current tax expense  | 22   | 2,665                   | 853,811                    |
| - deferred tax expense / (income)                                |      | -                       | -                          |
|  |      | <u>(2,665)</u>          | <u>(853,811)</u>           |
| <b>(Loss) / profit after taxation</b>                            |      | <u><b>1,186,686</b></u> | <u><b>(15,657,443)</b></u> |

The annexed notes form an integral part of these accounts.

Chief Executive

Director

|   | 12/31/2018               | 6/30/2018                |
|---|--------------------------|--------------------------|
|   | <u>Rs.</u>               | <u>Rs.</u>               |
| <b>16. CASH AND BANK BALANCES</b>           |                          |                          |
| <b>CASH AT BANKS</b>                        |                          |                          |
| <b>In saving accounts</b>                   |                          |                          |
| Al-Falah-DHA A/c. 0033-1002866964           | -                        | -                        |
| Al-Falah - LSE A/c. 0048-1003377685         | -                        | -                        |
| 128-SEC A/C0048-01001830                    | -                        | -                        |
| 128-SEC A/C00310081000626019-BLHB           | -                        | 2,760,076                |
| <b>In current accounts</b>                  |                          |                          |
| HOUSE A/C (BAFL NGT A/C# 5508-5000383695    | 838                      | -                        |
| Al-Falah-NGT A/c. 508-036-035284-01         | -                        | -                        |
| Al-Falah House A/c. 0048-1003377688         | 2,598,671                | 11,605                   |
| HOUSE A/C #0147-0071-000996-50-8            | -                        | 4,001,788                |
| HBL DHA- 18587901080903                     | -                        | -                        |
| ABL LTD-LSE BR-480011                       | -                        | -                        |
| BANK ALFALAH DHA (HOUSE AC) 0033-           | -                        | -                        |
| Al-Falah -A/c. 0031-0081-000626-01-9        | 13,143,620               | 51,285                   |
| MCB - LSE A/c. 28-0                         | 38,257                   | -                        |
| BAHL 01470981000996010                      | -                        | 9,653,258                |
| BAFL LES AC # 0048-1006008202               | 3,353,354                | 244,490                  |
| <b>CASH IN HAND</b>                         | 586,557                  | 383,752                  |
|   | <u><b>19,721,297</b></u> | <u><b>17,106,254</b></u> |
| <br><b>17. INCOME</b>                       |                          |                          |
| Brokerage income                            | 17.1 <u>3,523,464</u>    | <u>8,614,971</u>         |
|   | <u><b>3,523,464</b></u>  | <u><b>8,614,971</b></u>  |
| <br><b>17.1 Brokerage income by segment</b> |                          |                          |
| Proprietary / related party trades          | -                        | -                        |
| Retail customers                            | 3,523,464                | 8,614,971                |
| Insitutional customers                      | -                        | -                        |
|   | <u><b>3,523,464</b></u>  | <u><b>8,614,971</b></u>  |
| <br><b>18. Operating Expneses</b>           |                          |                          |
| Commission Expenses                         | 169,216                  | 412,803                  |
| NCCS charges                                | -                        | 208,142                  |
| CDC charges                                 | 59,036                   | 182,849                  |
| Other                                       | -                        | -                        |
|   | <u><b>228,252</b></u>    | <u><b>803,794</b></u>    |

**19. ADMINISTRATIVE EXPENSES**

|                               |                         |                          |
|-------------------------------|-------------------------|--------------------------|
| Directors Remuneration        | -                       | 533,000                  |
| Salaries & Benefits           | 1,518,605               | 3,495,598                |
| Rent, Rates & Taxes           | 548,304                 | 697,533                  |
| Printing & Stationery         | 54,700                  | 155,166                  |
| Telephone & Postage           | 296,091                 | 855,642                  |
| Electricity & Gas Expenses    | 397,538                 | 883,139                  |
| Entertainment                 | 82,700                  | 179,995                  |
| Computer Repair & Maintenance | 22,150                  | 311,390                  |
| Newspaper & Periodicals       | -                       | 3,294                    |
| Travelling & Conveyance       | -                       | 2,300                    |
| Publicity & Advertisement     | -                       | 25,000                   |
| Charity & Donation            | -                       | 450                      |
| Audit Fee                     | <b>19.1</b>             | 250,000                  |
| Fee & Taxes                   | -                       | 17,151                   |
| Legal & Professional charges  | 370,035                 | 813,400                  |
| Other Expense                 | 10,468                  | 3,269,865                |
| Depreciation                  | -                       | 178,092                  |
| Amortization                  | -                       | 41,492                   |
| Impairment loss on TREC       | -                       | 2,500,000                |
| Provision for doubtful debts  | -                       | 1,533,751                |
| Bad Debts                     | 158                     | 6,797                    |
|                               | <b><u>3,300,749</u></b> | <b><u>15,753,055</u></b> |

**19.1 Auditor's remuneration**

|                                  |                 |                       |
|----------------------------------|-----------------|-----------------------|
| Statutory audit                  | -               | 150,000               |
| Certifications and other charges | -               | 100,000               |
|                                  | <b><u>-</u></b> | <b><u>250,000</u></b> |

**20. FINANCIAL CHARGES**

|                        |                      |                      |
|------------------------|----------------------|----------------------|
| Bank and other charges | <u>18,108</u>        | <u>41,779</u>        |
|                        | <b><u>18,108</u></b> | <b><u>41,779</u></b> |

**21. OTHER INCOME - bank interest**

|  |                         |                           |
|--|-------------------------|---------------------------|
| Interest on bank deposit/PLS A/c.              | 19,113                  | 95,446                    |
| Write-off of other receivables                 |                         | (9,034,386)               |
| Realized loss on sale of short-term investment |                         | (734,836)                 |
| Other Income                                   | 771,895                 | 591,841                   |
| Dividend Income                                | <u>421,988</u>          | <u>427,124</u>            |
|  | <b><u>1,212,996</u></b> | <b><u>(8,654,811)</u></b> |

**22. TAXATION**

Provision made during the year for;

|              |   |                       |         |
|--------------|---|-----------------------|---------|
| - current    | <table border="1"><tr><td>2,665</td><td>853,811</td></tr></table> | 2,665                 | 853,811 |
| 2,665        | 853,811   |                       |         |
| - prior year | <table border="1"><tr><td>-</td><td>-</td></tr></table>           | -                     | -       |
| -            | -   |                       |         |
|              | <b><u>2,665</u></b>   | <b><u>853,811</u></b> |         |

|  |     | 12/31/2018<br>Rs.  | 6/30/2018<br>Rs.   |
|--|-----|--------------------|--------------------|
| <b>4. SHARE CAPITAL</b>                                      |     |                    |                    |
| <b>Authorised Capital</b>                                    |     |                    |                    |
| 1,000,000 (2014:1,000,000) ordinary shares of Rs.100/- each  |     | <u>100,000,000</u> | <u>100,000,000</u> |
| <b>Issued, subscribed and Paid-up capital</b>                |     |                    |                    |
| 638,740 (2014:638,740) ordinary shares of Rs.100/- each      |     | <u>69,274,000</u>  | <u>69,274,000</u>  |
| <b>Pattern of shareholding is given as under:</b>            |     |                    |                    |
| <b>Chief Executive</b>                                       |     |                    |                    |
| Shahid Mahmood   |     | 34,528,600         | 34,528,600         |
| <b>Directors</b>   |     |                    |                    |
| Qasim Mahmood  |     | -                  | -                  |
| Hashim Mahmood   |     | 108,400            | 108,400            |
| M Shahzad Haider Zaidi                                       |     | 17,318,500         | 17,318,500         |
| Syed Kaleem Haider Zaidi                                     |     | 17,318,500         | 17,318,500         |
|  |     | <u>69,274,000</u>  | <u>69,274,000</u>  |
| <b>5. TRADE AND OTHER PAYABLES</b>                           |     |                    |                    |
| Due to Clients   | 5.1 | 22,044,903         | 26,374,412         |
| Other Payables   |     | 1,718,554          | 892,320            |
|  |     | <u>23,763,457</u>  | <u>27,266,732</u>  |
| 5.1 This does not include any amounts due to related parties |     |                    |                    |
| <b>6. PROVISION FOR TAXATION</b>                             |     |                    |                    |
| Balance at the beginning of the year                         |     | 720,704            | 388,102            |
| Add: Current Year Provision                                  |     | -                  | 853,811            |
|  |     | <u>720,704</u>     | <u>1,241,913</u>   |
| Prior Year   |     | -                  | -                  |
| Less: Adjustment with advance tax                            |     | -                  | (521,209)          |
| Balance at the end of the year                               |     | <u>720,704</u>     | <u>720,704</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.<br>AS AT<br>12/31/2018 |
|----------------------|-------------------|------------------------|---------------------|-------------------|-----------|-----------------|---------------------|-------------------------------|
|                      | AS AT<br>7/1/2018 | ADDITION<br>(DELETION) | AS AT<br>12/31/2018 | AS AT<br>7/1/2018 | RATE<br>% | FOR THE<br>YEAR | AS AT<br>12/31/2018 |                               |
| <b>OWNED</b>         |                   |                        |                     |                   |           |                 |                     |                               |
| Office Equipment     | 2,018,216         |                        | 2,018,216           | 1,431,020         | 15        | -               | 1,431,020           | 587,196.00                    |
| Computer             | 2,348,916         | 8,200                  | 2,357,116           | 2,252,103         | 30        | -               | 2,252,103           | 105,013.00                    |
| Furniture & Fixtures | 1,061,332         |                        | 1,061,332           | 901,017           | 15        | -               | 901,017             | 160,314.65                    |
| Vehicles             | 1,507,100         | -                      | 1,507,100           | 1,303,426         | 15        | -               | 1,303,426           | 203,673.70                    |
|                      | <b>6,935,564</b>  | <b>8,200</b>           | <b>6,943,764</b>    | <b>5,887,567</b>  |           |                 | <b>5,887,567</b>    | <b>1,056,197</b>              |

31/12/2018      30/06/2018  
RS.                      RS.

|                        |                  |                  |
|------------------------|------------------|------------------|
| Property and Equipment | 951,184          | 951,184          |
| Accounting software    | 105,013          | 96,813           |
|                        | <u>1,056,197</u> | <u>1,047,997</u> |

## 8. ROOM AND TREC-INTANGIBLE

8.1 Trading Rights Entitlement Certificate-(TREC)

2,500,000      5,000,000

8.2 Impairment loss

-                      2,500,000

2,500,000                      2,500,000

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 until 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<br>%age | Value Assigned<br>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.

**31/12/2018**    **30/06/2018**  
**RS.**                    **RS.**

**9. INVESTMENTS**

|  |                   |                   |
|--|-------------------|-------------------|
| INVESTMENT -IN LISTED COMPANY-SHARES         |                   |                   |
| INVESTMENT -IN LAHORE STOCK EXCHANGE -SHARES | 15,259,068        | 15,436,303        |
| Adjustment for remeasurement to fair value   | -                 | (177,235)         |
|  | <u>15,259,068</u> | <u>15,259,068</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               | 2,400,000        | -              |
| Security CDC                              | 100,000          | 100,000        |
| Security NCCPL                            | 1,200,000        | -              |
| National Clearing Company of Pakistan Ltd | 100,000          | 100,000        |
| Pakistan Stock Exchange                   | 200,000          | 200,000        |
| Office Security                           | 367,285          | 367,285        |
|   | <u>4,367,285</u> | <u>767,285</u> |

**11. TRADE DEBTS**

|                                    |                  |                  |
|------------------------------------|------------------|------------------|
| Considered Good                    | 9,352,961        | 3,474,618        |
| Considered doubtful                | -                | 1,533,751        |
|                                    | <u>9,352,961</u> | <u>5,008,369</u> |
| Less: Provision for doubtful debts | -                | 1,533,751        |
|                                    | <u>9,352,961</u> | <u>3,474,618</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. LOANS AND ADVANCES**

|                                      |                  |                  |
|--------------------------------------|------------------|------------------|
| Receivables from Director- unsecured | 277,489          | 5,761,950        |
| Other receivables                    |                  |                  |
| Advance to staff - Secured           | 3,115,584        | 798,259          |
|                                      | <u>3,393,073</u> | <u>6,560,209</u> |

**13. TRADES DEPOSITS AND SHORT-TERM PREPAYMENTS**

|  |          |                   |
|--|----------|-------------------|
| Exposure and other short-term deposits |          | 5,400,000         |
| Receivables form NCCPL                 |          | 5,756,214         |
| Advance Tax                            |          | -                 |
| Other receivables                      | -        | 204,744           |
|  | <u>-</u> | <u>11,360,958</u> |

**14. INCOME TAX REFUNDABLE**

|  |          |                |
|--|----------|----------------|
| Advance Tax-opening                          |          | 107,696        |
| Add: Current Advance Tax                     |          | 863,630        |
|  | <u>-</u> | <u>971,326</u> |
| Less: Adjustment with Provision for taxation |          | (521,209)      |
|  | <u>-</u> | <u>450,117</u> |

**15. SHORT TERM INVESTMENTS**

|  |                  |                  |
|--|------------------|------------------|
| <b>Investment at fair value through profit or loss</b> |                  |                  |
| Investment in listed securities                        | <u>3,656,496</u> | <u>3,096,460</u> |

**128 SECURITIES (PVT) LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER, 2018**

|                                       | <u>Share Capital</u> | <u>Accumulated loss</u> | <u>Fair Value reserve</u> | <u>Total</u>      |
|---------------------------------------|----------------------|-------------------------|---------------------------|-------------------|
| Balance as at 30 June, 2017           | 63,874,000           | (20,352,377)            | 548,584                   | 44,070,207        |
| Addition During the Year              | 5,400,000            |                         |                           | 5,400,000         |
| Profit/(Loss) for the year            |                      | (15,657,443)            |                           | (15,657,443)      |
| Other comprehensive loss for the year |                      |                         | (177,235)                 | (177,235)         |
| Balance as at 30 June, 2018           | 69,274,000           | (36,009,819)            | 371,349                   | 33,635,529        |
| Addition During the Year              | -                    |                         |                           | -                 |
| Profit/(Loss) for the year            |                      | 1,186,686               |                           | 1,186,686         |
| Other comprehensive loss for the year |                      |                         |                           | -                 |
| Balance as at 31 Dec, 2018            | <u>69,274,000</u>    | <u>(34,823,133)</u>     | <u>371,349</u>            | <u>34,822,215</u> |

**Chief Executive**

**Director**