

128 SECURITIES (PVT) LIMITED
BALANCE SHEET AS AT 31 MARCH, 2016

	NOTE	31/03/2016 <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		10,673,273	20,000,000
Reserves			
Accumulated loss		(5,352,706)	(7,589,676)
TOTAL EQUITY		<u>69,194,567</u>	<u>76,284,324</u>
NON-CURRENT LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	5	23,760,237	32,056,216
		<u>23,760,237</u>	<u>32,056,216</u>
TOTAL LIABILITIES		<u>23,760,237</u>	<u>32,056,216</u>
CONTINGENCIES AND COMMITMENTS			
	6	-	-
TOTAL EQUITY AND LIABILITIES		<u>92,954,804</u>	<u>108,340,540</u>
ASSETS			
NON CURRENT ASSETS			
Property and equipment	7	1,150,717	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	4,732,285	962,285
		<u>47,087,497</u>	<u>41,295,364</u>
CURRENT ASSETS			
Trade debts	11	14,036,066	19,731,361
Advances and other receivables	12	15,039,320	22,187,012
Cash and bank balances	13	16,791,921	25,126,804
		<u>45,867,307</u>	<u>67,045,177</u>
TOTAL ASSETS		<u>92,954,804</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 31 MARCH, 2016

	NOTE	31/03/2016	30/06/2015
		<u>RS.</u>	<u>RS.</u>
OPERATING INCOME			
Commission Income	14	8,418,586	8,891,460
Other Income -	15	1,885,230	1,402,837
		10,303,816	10,294,297
OPERATING EXPENSES			
Administrative and general	16	8,063,486	9,813,178
Financial and others	17	3,360	5,351
		8,066,846	9,818,529
PROFIT BEFORE TAX		2,236,970	475,768
TAXATION			
Normal tax	18	-	157,003
Prior year tax adjustment		-	1,074
		-	158,077
PROFIT/(LOSS) AFTER TAX CARRIED TO EQUITY STATEMENT		2,236,970	317,691
EARNINGS PER SHARE - BASIC AND DILUTED	19	3.50	0.50

The annexed notes form an integral part of these accounts.

Chief Executive

Director

	31/03/2016 <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	4,586,318	12,143,687
Al-Falah - LSE A/c. 004802910036	3,156,277	11,984,349
128-SEC A/C0048-01001830	32,581	112,581
128-SEC A/C00310081000626019-BLHB	8,373,538	279,000
In current accounts		
Al-Falah-NGT A/c. 508-036-035284-01	69,813	69,813
House A/c. 0048-02910040	44,519	32,471
ABL LTD-LSE BR-480011	4,632	4,632
Al-Falah -A/c. 0031-0081-000626-01-9	68,672	480,700
MCB - LSE A/c. 28-0	9,000	9,000
CASH IN HAND	446,571	10,571
	<u>16,791,921</u>	<u>25,126,804</u>
14. COMMISSION INCOME		
Commission income	8,926,326	9,497,533
NCSS charges	507,740	296,605
CDC charges		308,465
Others		1,003
	<u>507,740</u>	<u>606,073</u>
	<u>8,418,586</u>	<u>8,891,460</u>
14.1 COMMISSION INCOME		
Gross commission income	10,733,529	18,922,727
Less: Commission Adjustment	(153,904)	(5,482,781)
Less: Commission expenses	(1,653,299)	(3,942,413)
	<u>8,926,326</u>	<u>9,497,533</u>
15. OTHER INCOME - bank interest		
Interest on bank deposit/PLS A/c.	216,498	830,642
Other Income	1,035,751	6,732
Dividend Income	632,981	565,463
	<u>1,885,230</u>	<u>1,402,837</u>

	31/03/2016	30/06/2015
	<u>Rs.</u>	<u>Rs.</u>
16. ADMINISTRATIVE AND GENERAL		
Directors Remuneration	1,290,000	1,140,000
Salaries & Benefits	2,955,850	3,303,229
Rent, Rates & Taxes	371,952	523,088
Printing & Stationery	109,800	87,378
Telephone & Postage	623,887	827,911
Electricity & Gas Expenses	561,439	598,069
Entertainment	140,841	444,646
Computer Repair & Maintenance	209,630	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	120,900	452,965
Legal & Professional charges	310,500	249,243
Other Expense	1,191,482	1,328,793
Depreciation	175,205	259,922
	<u>8,063,486</u>	<u>9,813,178</u>
	31/03/2016	30/06/2015
	<u>Rs.</u>	<u>Rs.</u>
17. FINANCIAL AND OTHERS		
Bank charges	3,360	5,351
	<u>3,360</u>	<u>5,351</u>

18. TAXATION

Commission income - net	8,926,326	8,712,082
Other income	1,885,230	778,619
	<u>10,811,556</u>	<u>9,490,701</u>
Minimum tax @ 1% on turnover	108,116	94,907
Normal tax	738,200	-
	<u>846,316</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>2,236,970</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>3.50</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.

		31/03/2016 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	23,380,393	31,555,450
Other Payables	5.2	379,844	500,766
		<u>23,760,237</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		209,699	10,948
CDC- client account		4,997	4,732
Tax Payable		8,145	-
Provision for tax		157,003	157,003
		<u>379,844</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 31.03.2016
	AS AT 01.07.2015	ADDITION (DELETION)	AS AT 31.03.2016	AS AT 01.07.2015	RATE %	FOR THE YEAR	AS AT 31.03.2016	
OWNED								
Office Equipment	1,650,526	3,600	1,654,126	1,152,355	15	56,449.24	1,208,804	445,322
Computer	2,223,966	74,150	2,298,116	2,066,660	30	52,077.60	2,118,738	179,378
Furniture & Fixtures	1,061,332	-	1,061,332	800,286	15	29,367.68	829,654	231,678
Vehicles	1,507,100	-	1,507,100	1,175,451	15	37,310.51	1,212,762	294,338
31/03/2016	6,442,924	77,750	6,520,674	5,194,753		175,205	5,369,957	1,150,717
30/06/2015	6,295,374	38,900	6,334,274	4,642,007		292,824	4,934,831	1,399,444

31/03/2016

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.

	31/03/2016	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	4,525,000	755,000
National Clearing Company of Pakistan Ltd	100,000	100,000
Office Security	<u>107,285</u>	<u>107,285</u>
	<u>4,732,285</u>	<u>962,285</u>

11. TRADE DEBTS

	<u>14,036,066</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	338,315	314,315
Advance Tax	252,389	151,616
Other receivables	<u>14,448,616</u>	<u>21,721,080</u>
	<u>15,039,320</u>	<u>22,187,012</u>