

128 SECURITIES (PVT) LIMITED
BALANCE SHEET AS AT 31 MARCH, 2019

	NOTE	31/03/2019 <u>RS.</u>	30/06/2018 <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			
692,740 ordinary shares of Rs.100/- each	4	69,274,000	69,274,000
Reserves		371,349	371,349
Accumulated loss		(35,659,694)	(36,009,819)
TOTAL EQUITY		<u>33,985,655</u>	<u>33,635,530</u>
NON-CURRENT LIABILITIES			
-			
CURRENT LIABILITIES			
Trade and other payables	5	26,076,474	27,266,732
Provision for taxation	6	720,704	720,704
		<u>26,797,178</u>	<u>27,987,436</u>
TOTAL LIABILITIES		<u>26,797,178</u>	<u>27,987,436</u>
CONTINGENCIES AND COMMITMENTS			
-			
TOTAL EQUITY AND LIABILITIES		<u>60,782,833</u>	<u>61,622,966</u>
ASSETS			
NON CURRENT ASSETS			
Property and equipment	7	925,561	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	767,285	767,285
		<u>19,451,914</u>	<u>19,574,350</u>
CURRENT ASSETS			
Trade debts	11	23,064,351	3,474,618
Loan and advances	12	2,809,693	6,560,209
Trade deposits and short-term prepayments	13	4,500,000	11,360,958
Advance Tax	14	972,726	450,117
Short-term investments	15	3,656,496	3,096,460
Cash and bank balances	16	6,327,653	17,106,254
		<u>41,330,919</u>	<u>42,048,616</u>
TOTAL ASSETS		<u>60,782,833</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 MARCH, 2019

	NOTE	31/03/2019	30/06/2018		
		<u>RS.</u>	<u>RS.</u>		
Brokerage income	17	5,155,059	8,614,971		
Unrelaized gain / loss on remeasurmenr of short-term investments		-	1,834,836		
Operating expnses	18	<u>(385,373)</u>	<u>(803,794)</u>		
		4,769,686	9,646,013		
Administrative expenses	19	<u>(5,668,260)</u>	<u>(15,753,055)</u>		
Operating (loss) / profit		(898,574)	(6,107,042)		
Bank and other charges	20	(23,618)	(41,779)		
Other income	21	<u>1,272,317</u>	<u>(8,654,811)</u>		
(Loss) / profit before taxation		350,125	(14,803,632)		
Taxation					
- current tax expense	22	<table border="1" style="display: inline-table; width: 80px; height: 20px; vertical-align: middle;"><tr><td style="text-align: center;">-</td></tr></table>	-	<table border="1" style="display: inline-table; width: 80px; height: 20px; vertical-align: middle;"><tr><td style="text-align: center;">853,811</td></tr></table>	853,811
-					
853,811					
		<u>-</u>	<u>(853,811)</u>		
(Loss) / profit after taxation		<u>350,125</u>	<u>(15,657,443)</u>		

The annexed notes form an integral part of these accounts.

Chief Executive

Director

	31/03/2019	30/06/2018
	<u>Rs.</u>	<u>Rs.</u>
16. CASH AND BANK BALANCES		
CASH AT BANKS		
In saving accounts		
128-SEC A/C00310081000626019-BLHB	4,657,608	2,760,076
In current accounts		
HOUSE A/C (BAFL NGT A/C# 5508-5000383695	1,829	-
Al-Falah House A/c. 0048-1003377688	844,187	11,605
HOUSE A/C #0147-0071-000996-50-8	-	4,001,788
Al-Falah -A/c. 0031-0081-000626-01-9	16,230	51,285
MCB - LSE A/c. 28-0	-	-
BAHL 01470981000996010	-	9,653,258
BAFL LES AC # 0048-1006008202	256,552	244,490
CASH IN HAND	551,247	383,752
	<u>6,327,653</u>	<u>17,106,254</u>
17. INCOME		
Brokerage income	17.1 5,155,059	8,614,971
	<u>5,155,059</u>	<u>8,614,971</u>
17.1 Brokerage income by segment		
Retail customers	5,155,059	8,614,971
	<u>5,155,059</u>	<u>8,614,971</u>
18. Operating Expenses		
Commission Expenses	227,325	412,803
NCCS charges	94,835	208,142
CDC charges	63,213	182,849
	<u>385,373</u>	<u>803,794</u>

19. ADMINISTRATIVE EXPENSES

Directors Remuneration	-	533,000
Salaries & Benefits	2,410,734	3,495,598
Rent, Rates & Taxes	930,224	697,533
Printing & Stationery	87,746	155,166
Telephone & Postage	459,972	855,642
Electricity & Gas Expenses	459,818	883,139
Entertainment	148,257	179,995
Computer Repair & Maintenance	139,226	311,390
Newspaper & Periodicals	4,258	3,294
Travelling & Conveyance	63,450	2,300
Vehicle Repair & Maint Exp	4,770	
Publicity & Advertisement	-	25,000
Charity & Donation	18,000	450
Audit Fee	19.1	-
Fee & Taxes	-	17,151
Legal & Professional charges	720,965	813,400
Other Expense / Miscelinious Exp	90,046	3,269,865
Depreciation	130,636	178,092
Amortization	-	41,492
Impairment loss on TREC	-	2,500,000
Provision for doubtful debts	-	1,533,751
Bad Debts	158	6,797
	5,668,260	15,753,055

19.1 Auditor's remuneration

Statutory audit	-	150,000
Certifications and other charges	-	100,000
	-	250,000

20. FINANCIAL CHARGES

Bank and other charges	23,618	41,779
	23,618	41,779

21. OTHER INCOME - bank interest

Interest on bank deposit/PLS A/c.	-	95,446
Write-off of other receivables	-	(9,034,386)
Realized loss on sale of short-term investment	-	(734,836)
Other Income	850,329	591,841
Dividend Income	421,988	427,124
	1,272,317	(8,654,811)

22. TAXATION

Provison made during the year for;

- current

-	853,811
-	853,811

		31/03/2019 Rs.	30/06/2018 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>69,274,000</u>	<u>69,274,000</u>
Pattern of shareholding is given as under:			
Chief Executive			
Shahid Mahmood		34,528,600	34,528,600
Directors			
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>
5. TRADE AND OTHER PAYABLES			
Due to Clients	5.1	21,775,415	26,374,412
Other Payables		4,301,059	892,320
		<u>26,076,474</u>	<u>27,266,732</u>
5.1 This does not include any amounts due to related parties			
6. PROVISION FOR TAXATION			
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>
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.
	AS AT 1/7/2018	ADDITION (DELETION)	AS AT 31/03/2109	AS AT 1/7/2018	RATE %	FOR THE YEAR	AS AT 31/03/2109	AS AT 31/03/2109
OWNED								
Office Equipment	2,018,216		2,018,216	1,431,020	15	66,060	1,497,080	521,136.45
Computer	2,348,916	8,200	2,357,116	2,252,103	30	23,628	2,275,731	81,385.08
Furniture & Fixtures	1,061,332		1,061,332	901,017	15	18,035	919,053	142,279.25
Vehicles	1,507,100	-	1,507,100	1,303,426	15	22,913	1,326,340	180,760.41
	6,935,564	8,200	6,943,764	5,887,567		130,636	6,018,203	925,561

	31/03/2019 <u>RS.</u>	30/06/2018 <u>RS.</u>
Property and Equipment	844,176	951,184
Accounting software	81,385	96,813
	925,561	1,047,997

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 %age	Value Assigned Rs.
LSE shares	8.44 M	68	23,800,000
LSE TREC	4.0 M	32	11,200,000
	12.44 M	100	35,000,000

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.

	31/03/2019	30/06/2018
	<u>RS.</u>	<u>RS.</u>

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 remeasurement to fair value due to their temporary character.

10. LONG TERM DEPOSITS

Deposits with:

Security CDC	100,000	100,000
National Clearing Company of Pakistan Ltd	100,000	100,000
Pakistan Stock Exchange	200,000	200,000
Office Security	367,285	367,285
	<u>767,285</u>	<u>767,285</u>

11. TRADE DEBTS

Considered Good	23,064,351	3,474,618
Considered doubtful	-	1,533,751
	<u>23,064,351</u>	<u>5,008,369</u>
Less: Provision for doubtful debts	-	1,533,751
	<u>23,064,351</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	268,046	5,761,950
Advance to staff - Secured	2,541,647	798,259
	<u>2,809,693</u>	<u>6,560,209</u>

13. TRADES DEPOSITS AND SHORT-TERM PREPAYMENTS

Exposure and other short-term deposits	4,500,000	5,400,000
Receivables form NCCPL	-	5,756,214
Other receivables	-	204,744
	<u>4,500,000</u>	<u>11,360,958</u>

14. INCOME TAX REFUNDABLE

Advance Tax-opening	450,117	107,696
Add: Current Advance Tax	<u>522,609</u>	<u>863,630</u>
	972,726	971,326
Less: Adjustment with Provision for taxation	-	(521,209)
	<u>972,726</u>	<u>450,117</u>

15. SHORT TERM INVESTMENTS**Investment at fair value through profit or loss**

Investment in listed securities	<u>3,656,496</u>	<u>3,096,460</u>
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128 SECURITIES (PVT) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH, 2019

	<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
Profit/(Loss) for the year		350,125		350,125
Balance as at 31 March, 2019	69,274,000	(35,659,694)	371,349	33,985,654

Chief Executive

Director