GPH SECURITIES (PVT) LTD

Trading Right Entitlement Certificate (TREC) Holder-PSX/262
Pakistan Stock Exchange Limited

DIRECTOR'S REPORT

On behalf of the Board of Directors of **"GPH SECURITIES (PRIVATE) LIMITED"** (the company), I am pleased to present Director's report, the audited financial statements and auditor's report for the year ended June 30, 2017.

The company is pleased with the continued improvement in the Capital Gain earnings and Commission Income during the fiscal year. This shows that the company took good investment decisions over the year and enjoyed positive support from the PSX market when is achieved its highest Index levels based on healthy support from both local and foreign investors. On the other hand, increased rates of taxation on Capital Gain and Dividends has burdened the profitability over the year and hence do not go well with the business and its future health.

The Management has kept keen check over business expenses despite the increased cost of running the business over the past years. Apart from efficiently managing the business operations, Regulations governing the brokerage houses have considerably increased over the last years, so management deserves accolade for meeting all the regulatory requirements of PSX and SECP.

Future outlook:

The management has reservations regarding the future of Capital Market in Pakistan. Uncertainty surrounding the Political sphere creates negative investment impression amongst the investors and institutions. Whereas a smooth government transition, will give huge boost to businesses continuity and expansion. Increased taxations and regulations are also hindering the growth of capital market and foreign investments in the country. Economy statistics are also not supportive for the market, as record high loans and worsening import export deficit is burdening the exchequer and creating an uncertain situation regarding the strength and stability of the economy.

On the bright side, PSX inclusion in the Emerging Market index is a big achievement with the potential of bringing foreign investment in the country. Support should also be obtained from CPEC, which will allow local businesses to expand.

Profit Appropriations:

No dividend was declared by the company and no other appropriation was made by the company.

Acknowledgement:

In the end we would like to thanks and appreciate the cooperation and dedication of the company's executive and staff dedicated in the smooth management of company's affairs.

On behalf of the board

Humayun Shahzada

HUMAYUN SHAHZADA
CHIEF EXECUTIVE OFFICER

Lahore.
October 07, 2017

AUDITORS' REPORT TO THE MEMBERS

We have audited the accompanying financial statements of **GPH Securities (Private) Limited** ("Company" or "the Company"), which comprise the balance sheet as at June 30, 2017 and the profit and loss account, the statement of comprehensive income, the statement of changes in equity and the cash flow statement for the year then ended, together with a summary of significant accounting policies and other explanatory notes, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with approved accounting standards as applicable in Pakistan and the requirements of the Companies Ordinance, 1984. This responsibility includes designing, implementing and maintaining such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing as applicable in Pakistan. Those standards require that we comply with ethical requirements and that we plan and perform the audit to obtain reasonable assurance over whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view of the Company in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Company's financial statements conform with approved accounting standards as applicable in Pakistan, give the information required by the Companies Ordinance, 1984, in the manner so required, and respectively give a true and fair view of the Company's affairs as at June 30, 2017 and of the Company's profit, comprehensive income, changes in equity and cash flows for the year then ended.

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Report on Other Matters Required by the Companies Ordinance, 1984

Based on our audit, we further report that in our opinion:

a) Proper books of account have been kept by the company as required by the Companies Ordinance, 1984;

b) The balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of accounts and are further in accordance with accounting policies consistently applied;

c) The expenditure incurred during the year was for the purpose of the Company's business;

d) The business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company; and

e) Zakat deductible at source under the Zakat and Usher Ordinance, 1980 (XVIII of 1980) was deducted by the Company and deposited in the Central Zakat Fund established under Section 7 of that Ordinance.

IECnet S.K.S.S.S
Chartered Accountants
Engagement Partner: **Muhammad Aslam Khan**
Lahore.
October 07, 2017.

INDEPENDENT ASSURANCE REPORT ON COMPLIANCE WITH THE LICENSING CONDITIONS APPLICABLE TO GPH SECURITIES (PRIVATE) LIMITED

We have been engaged to perform a limited assurance engagement on the compliance report issued by **GPH Securities (Private) Limited** ("the Company") on its compliance with licensing conditions to carry on business activities imposed by Securities & Exchange Commission of Pakistan for the year ended 30 June 2017, as required in terms of the Companies (Compliance with Licensing Conditions) General Order, 2016 (the "SECP Order") issued by the Securities & Exchange Commission of Pakistan.

The criteria against which the subject matter information (that is, the Compliance Report) is assessed are the SECP Order and applicable licensing conditions imposed by the Authority.

Management's Responsibility

It is the responsibility of Management and of the Board of Directors of the Company to comply with the licensing conditions applicable to the Company, and to prepare and present the Compliance Report in accordance with the applicable criteria.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Chartered Accountants issued by the Institute of Chartered Accountants of Pakistan, which is based on the fundamental principles of integrity, objectivity, professional competence, due care, confidentiality and professional behavior.

Our firm applies the International Standard on Quality Control-1 "Quality Control for firms that perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements" and, accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's Responsibility

Our responsibility is to express a conclusion on the Compliance Report. We conducted our engagement in accordance with the International Standard on Assurance Engagement 3000, `Assurance Engagements other than audits or reviews of historical financial statements` issued by the International Auditing and Assurance Standards Board. This standard requires that we plan and perform this engagement to obtain limited assurance about whether the compliance report is free from material misstatement.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than, a reasonable assurance engagement;

consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. The procedures selected were based on the requirements of SECP Order and also depended on our judgment. As part of our work, we performed, amongst others, the following procedures:

- Checked that the company has obtained necessary license from the Securities & Exchange Commission of Pakistan to undertake the business activities authorized in its memorandum of association;
- Checked that Company is compliant with the conditions contained in the license to carry the business activities imposed by the Securities & Exchange Commission of Pakistan;
- Reviewed and verified compliance, to the extent that such compliance can be objectively verified; and
- Checked that the compliance report reflects the status of the company's compliance with the applicable licensing conditions.

Opinion

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Based on our limited assurance engagement, nothing has come to our attention that causes us to believe that the compliance report does not fairly reflect, in all material respects, the Company's compliance status in accordance with the SECP's Order and the licensing conditions imposed by the Authority.

IECnet S.K.S.S.S,
Chartered Accountants

Engagement partner: **Mr. Muhammad Aslam Khan.**
Lahore.
Date: November 30, 2017

GPH SECURITIES (PRIVATE) LIMITED
BALANCE SHEET
AS AT 30 JUNE 2017

	Note	2017 Rupees	2016 Rupees
ASSETS			
Non Current Assets			
Property, plant and equipment	4	8,434,321	8,984,852
Intangible assets	5	5,028,563	5,040,804
Long term investments	6	14,887,719	14,887,719
Long term deposits	7	500,000	830,000
		28,850,603	29,743,375
Current Assets			
Trade receivables	8	79,876	806,644
Short term investments	9	36,655,859	32,885,903
Trade deposits and short term prepayments	10	726,225	712,447
Advance income tax	11	2,944,439	2,233,290
Cash and bank balance	12	13,866,285	22,055,720
		54,272,684	58,694,004
		83,123,287	88,437,379
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Authorized share Capital 1,000,000 (2016: 1,000,000) ordinary shares of Rs. 100 each		100,000,000	100,000,000
Issued, subscribed and paid-up capital	13	100,000,000	100,000,000
Reserves		(21,192,244)	(20,142,187)
		78,807,756	79,857,813
Current Liabilities			
Trade and other payables	14	3,591,487	7,869,759
Provision for taxation	15	724,044	709,807
		4,315,531	8,579,566
Contingencies and commitments	16	-	-
		83,123,287	88,437,379

The annexed notes from 01 to 32 form an integral part of these financial statements.

Humayun Shah Zada
CHIEF EXECUTIVE

DIRECTOR

GPH SECURITIES (PRIVATE) LIMITED
PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 Rupees	2016 Rupees
Revenue	17	3,886,041	4,197,617
Operating expenses	18	(4,708,212)	(5,339,352)
Operating loss		(822,171)	(1,141,735)
Finance cost	19	(4,499)	(3,513)
		(826,670)	(1,145,248)
Other income	20	6,257,143	3,722,368
Other charges	21	(6,294,875)	(27,297,302)
(Loss) / profit before taxation		(864,402)	(24,720,182)
Taxation	22	(724,044)	(852,017)
(Loss) / profit after taxation		(1,588,446)	(25,572,199)
(Loss) / earnings per share - basic and diluted	23	(1.59)	(25.57)

The annexed notes from 01 to 32 form an integral part of these financial statements.

Humayun Shahzada
CHIEF EXECUTIVE

DIRECTOR

GPH SECURITIES (PRIVATE) LIMITED
STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 Rupees	2016 Rupees
(Loss) / profit for the year		(1,588,446)	(25,572,199)
Other comprehensive income		-	-
Total comprehensive (loss) / income for the year		(1,588,446)	(25,572,199)

The annexed notes from 01 to 32 form an integral part of these financial statements.

Humayun Shahzada
CHIEF EXECUTIVE

DIRECTOR

GPH SECURITIES (PRIVATE) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2017

	Share Capital	Revenue Reserves	Total
			(Rupees)
Balance as at 01 July 2014	100,000,000	1,462,173	101,462,173
Total comprehensive income for the year :			
Profit for the year ended 30 June 2015	-	3,967,839	3,967,839
Balance as at 01 July 2015	100,000,000	5,430,012	105,430,012
Total comprehensive income for the year :			
Loss for the year ended 30 June 2016	-	(25,572,199)	(25,572,199)
Balance as at 30 June 2016	100,000,000	(20,142,187)	79,857,813
Prior Year Adjustment		538,389	
Total comprehensive income for the year :			
Profit/(Loss) for the year ended 30 June 2017	-	(1,588,446)	2,025,225
Balance as at 30 June 2017	**100,000,000**	**(21,192,244)**	**81,883,038**

The annexed notes from 01 to 32 form an integral part of these financial statements.

Humayun Shahzada

CHIEF EXECUTIVE

DIRECTOR

GPH SECURITIES (PRIVATE) LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 Rupees	2016 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss) / profit before taxation		(864,402)	(24,720,182)
Adjustments for non cash / non operating items:			
Finance cost	19	4,499	3,513
Amortization		12,241	15,356
Depreciation	4.01	611,331	676,832
Revaluation loss on short term investments	9.01	6,294,875	17,185,021
Impairment loss on LSE shares	6.01	-	5,512,281
Impairment on TREC	5.02	-	4,600,000
Long Term Deposits		330,000	-
Priora Year adjustment		538,389	
Dividend income	17	(2,372,148)	(3,203,991)
		5,419,187	24,789,012
Operating profit before working capital changes		4,554,785	68,830
Adjustments for working capital changes:			
(Increase) / decrease in trade debts		726,768	174,479
Decrease / (increase) in investment		(10,064,831)	(4,742,659)
(Increase) / decrease in trade deposits and short term prepayments		(724,927)	(1,113,751)
(Decrease) / increase in trade and other payables		(4,264,035)	(7,966,565)
		(14,327,026)	(13,648,496)
Cash (used in) / generated from operating activities		(9,772,239)	(13,579,666)
Tax paid		(724,044)	(852,017)
Finance cost paid		(4,499)	(3,513)
Net cash (used in) / generated from operating activities		(10,500,782)	(14,435,196)
CASH FLOW FROM INVESTING ACTIVITIES			
Capital expenditure		(60,800)	(9,000)
Intangible assets acquired		-	(24,236)
Dividend income		2,372,148	3,203,991
Net cash generated from investing activities		2,311,348	3,170,755
CASH FLOW FROM FINANCING ACTIVITIES		-	-
Net (decrease) / increase in cash and cash equivalents		(8,189,435)	(11,264,441)
Cash and cash equivalents at the beginning of the year		22,055,720	33,320,161
Cash and cash equivalents at the end of the year		13,866,285	22,055,720

The annexed notes from 01 to 32 form an integral part of these financial statements.

Humayun Shahzada
CHIEF EXECUTIVE

DIRECTOR

1 LEGAL STATUS AND NATURE OF BUSINESS

The Company was incorporated on May 24, 2007 as Private Limited Company under the provisions of Companies Ordinance, 1984 in Lahore, Pakistan. The registered office of the Company is situated at Room No. 202, 2nd Floor, Lahore Stock Exchange Building, 19 - Khayaban-e-Aiwan-e-Iqbal, Lahore. The Company is a Trading Right Entitlement Certificate (TREC) holder of Pakistan Stock Exchange Limited (formerly Lahore Stock Exchange (Guarantee) Limited) and is engaged in the business of brokerage.

2 STATEMENT OF COMPLIANCE AND SIGNIFICANT ESTIMATES

2.01 Statement of Compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan and the requirements of Companies Ordinance, 1984. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standard Board as notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives under the Companies Ordinance, 1984 shall prevail.

2.02 Basis of measurement

These financial statements have been prepared under the historical cost convention except for certain financial instruments at fair value and employees retirement benefits at present value. In these financial statements, except for cash flow statement, all transactions have been accounted for on accrual basis.

2.03 Judgements, estimates and assumptions

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions and judgements are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which forms the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

Judgements made by management in the application of approved accounting standards that have significant effect on the financial statements and estimates with a risk of material adjustment in subsequent years are as follow:

Depreciation method, rates and useful lives of property, plant and equipment

The management of the Company reassesses useful lives, depreciation method and rates for items of property, plant and equipment annually by considering expected pattern of economic benefits that the Company expects to drive from that item.

Recoverable amount of assets / cash generating units

The management of the Company reviews carrying amounts of its assets and cash generating units for possible impairment and makes formal estimates of recoverable amount if there is any such indication.

Employees retirement benefits

The present value of defined benefit obligation is based assumptions of future outcomes, the principal ones being in respect of increases in remuneration, expected average remaining working lives of employees and discount rate used to derive present value of defined benefit obligation.

Taxation

The Company takes into account the current income tax law and decisions taken by appellate authorities. Instances where the Company's view differs from the view taken by the income tax department at the assessment stage and where the Company considers that its view on items of material nature is in accordance with law, the amounts are shown as contingent liabilities.

Provisions

Provisions are based on best estimate of the expenditure required to settle the present obligation at the reporting date, that is, the amount that the Company would rationally pay to settle the obligation at the reporting date or to transfer it to a third party.

2.04 Standards, interpretations and amendments to published approved accounting standards

The following amendments to existing standards have been published that are applicable to the company's financial statements covering annual periods, beginning on or after the following dates:

- Standards, amendments to published standards and interpretations effective in current year

Following are the amendments that are applicable for accounting periods beginning on or after 01 July 2015:

New/Revised Standards, Interpretations and Amendments

IFRS 13- Fair Value Measurement. The standard aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs. The standard only affects the disclosures in the Company's financial statements.

Improvement to Accounting Standards Issued by the IASB

IFRS 5	Non-current Assets Held for Sale and Discontinued Operations- (changes in methods of disposal).
IFRS 7	Financial Instruments: Disclosures- (servicing contracts and applicability of the amendments to IFRS 7 to condensed interim financial statements)
IAS 19	Employee Benefits- (discount rate: regional market issue)
IAS 34	Interim Financial Reporting- (disclosure of information 'elsewhere in the interim financial report')

'The adoption of the above improvements to accounting standards and interpretations are not likely to have an impact on the Company's financial statements.

- Standards, interpretations and amendments to published standards that are effective but not relevant to the company

The other new standards, amendments and interpretations that are mandatory for accounting periods beginning on or after 01 July 2015 are considered not to be relevant or to have any significant impact on the company's financial reporting and operations.

- Standards, interpretations and amendments to existing standards that are not yet effective

The following amendments and interpretations to existing standards have been published and are mandatory for accounting periods beginning on or after their respective effective dates.

IFRS 10 - Consolidated Financial Statements	01 January 2016
IFRS 11 - Joint Arrangements	01 January 2016
IFRS 12 - Disclosure of Interests in Other Entities	01 January 2016
IAS 16 and 38 - Clarification of Acceptable Method of Depreciation and Amortization	01 January 2016
IAS 16 and 41 - Agriculture: Bearer Plants	01 January 2016

The above standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements except for the increased disclosures in certain cases.

In addition to the above, the following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

Standard or Interpretation		Effective Date (Annual periods beginning on or after)
IFRS 09 -	Financial Instruments: Classification and Measurement	01 January 2018
IFRS 14 -	Regulatory Deferral Accounts	01 January 2016
IFRS 15 -	Revenue from Contracts with Customers	01 January 2018
IFRS 16 -	Leases	01 January 2019

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in the financial statements.

3.01 Property, plant and equipment

Recognition and measurement

Items of property and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the item.

Parts of an item of property and equipment having different useful lives are recognized as seperate items.

Major renewals and improvements of an item of property and equipment are recognized in the carrying amount of the item if it is probable that the embodied future economic benefits will flow to the Company and the cost of renewal or improvement can be measured reliably. The cost of the day-to-day servicing of property and equipment are recognized in profit or loss as incurred.

Depreciation

Depreciation is recognized in profit or loss by applying reducing balance method over the useful life of each item of property and equipment using the rates specified in note 4 to the financial statements.

Depreciation on addition to property and equipment is charged from the month in which the item becomes available for use. Depreciation is discontinued from the month in which it is disposed or classified as held for disposal.

Depreciation method, useful lives and residual values are reviewed at each reporting date.

De-recognition

An item of property and equipment is de-recognized when permanently retired from use. Any gain or loss on disposal of property, plant and equipment is recognized in profit and loss account.

3.02 Financial Instruments

Recognition

A financial instrument is recognized when the company becomes a party to the contractual provisions of the instrument.

De-recognition

Financial assets are de-recognized if the Company's contractual rights to the cash flows from the financial assets expire or if the Company transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Financial liabilities are de-recognized if the Company's obligations specified in the contract expire or are discharged, cancelled or transferred to another party without retaining any obligation. Any gain or loss on de-recognition of financial assets and financial liabilities is recognized in the profit and loss account.

Measurement

The particular measurement methods adopted are disclosed in the individual policy statements associated with each instrument.

Off-setting

A financial asset and a financial liability is offset and the net amount reported in the balance sheet if the Company has legally enforceable right to set-off the recognized amounts and intends either to settle on a net basis to realize the asset and settle the liability simultaneously.

"Regular way" purchases and sales of financial assets.

All regular way purchases and sales of financial assets are recognized on trade date, i.e. the date the Company commits to purchase or sell the asset. Regular way purchase or sales of financial assets are those contracts which requires delivery of assets within the time frame generally established by the regulation or convention in the market.

3.03 Ordinary share capital

Ordinary share capital is recognized as equity. Incremental costs directly attributable to the issuer of ordinary shares and share options are recognized as deduction from equity.

3.04 Borrowing

These are recognized initially at fair value less attributable transaction costs. Subsequent to initial recognition, these are stated at amortized cost with any difference between cost and redemption value being recognized in the profit or loss over the period of the borrowing on an effective interest basis.

3.05 Employees retirement benefits

Short term employees benefits

The Company recognizes the undiscounted amount of short term employees benefits to be paid in exchange for services rendered by employees as a liability after deducting amount already paid and as an expense in profit and loss account unless it is included in the cost of inventories or property, plant and equipment as permitted or required by the approved accounting standards. If the amount paid exceeds the undiscounted amount of benefits, the excess is recognized as an asset to the extent that the prepayment would lead to a reduction in future payments or cash refund.

The Company provides for compensated absences of its employees on unavailed balance of leaves in the period in which the leaves are earned.

Post-employment benefits

The Company operates an unfunded gratuity scheme (defined benefit plan) for all its permanent employees who have completed minimum qualified period for service as defined under the respective scheme. Liability is adjusted annually to cover the obligation and the adjustment is charged to profit and loss account. The determination of the Company's obligation under the scheme requires assumptions to be made of future outcomes, the principal ones being in respect of increase in remuneration, expected average remaining working lives of employees and discount rate used to derive present value of defined benefit obligation.

3.06 Trade and other payables

Liabilities for trade and other payables are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Company and subsequently measured at amortized cost.

3.07 Trade and other receivables

Trade debts and other receivables are recognized initially at original invoice amount which is the fair value of trade debts and other receivables and subsequently measured at amortized cost less provision for impairment, if any. A provision for impairment is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of receivables. Trade debts and other receivables considered irrecoverable are written off.

3.08 Investment at fair value through profit and loss account

Investments are classified as investments at fair value through profit and loss account when either they are designated as such on initial recognition or are classified as held for trading. Held for trading investments are investments that are acquired principally for the purpose of selling them in the near future; or that are part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of profit taking or that are derivatives, excluding financial guarantee contracts and designated and hedging instruments.

These are recognized initially at cost which includes transaction costs associated with the investment. Subsequent to initial recognition, quoted investments are measured at fair value. Unrealized gains and losses arising from changes in fair value are recognized in profit and loss account. Gain or loss on sale of investments is recognized in profit and loss account. Fair value of quoted investments is measured by reference to published price quotations in an active market. Unquoted investments, where active market does not exist, are carried at cost and checked for impairment at each year end. Impairment loss, if any, is charged to profit and loss account.

3.09 Investment available for sale

Investments are classified as available for sale when these are intended to be held for an indefinite period of time and may be sold in response to need for the liquidity or change in equity prices.

These are recognized initially at cost which includes transaction costs associated with the investment. Subsequent to initial recognition, quoted investments are measured at fair value. Unrealized gains and losses arising from changes in fair value are recognized in equity until the investments are disposed off or impaired. Gain or loss on sale of these investments is recognised in profit and loss account. Fair value of quoted investments is measured by reference to published price quotations in an active market. Unquoted investments, where active market does not exist, are carried at cost and checked for impairment at each year end. Impairment loss, if any, is charged to profit and loss account.

3.10 Securities sold / purchased under repurchase / resale agreements

Securities sold subject to a linked repurchase agreement ('repo') are retained in the financial statements and the counterparty liability is included in borrowings under repurchase agreements. The difference between sale and repurchase price is treated as mark-up income and is accrued over the life of agreement using the effective yield method.

3.11 Revenue

Revenue is measured at fair value of the consideration received or receivable, net of returns allowances, trade discounts and rebates, and represents amounts received or receivable for goods and services provided and other operating income earned in the normal course of business. Revenue is recognized when it is probable that the economic benefits associated with the transaction will flow to the Company, and the amount of revenue and the associated costs incurred or to be incurred can be measured reliably.

Revenue from different sources is recognized as follows:

Brokerage income is recognized as and when such services are rendered.

Dividend income is recognized when right to receive payment is established.

Underwriting commission is recognized as and when the contract is executed. Take-up commission is recognized at the time of actual take-up.

Commission on continuous funding system is recognized as and when accrued.

Rental income is recognized as and when accrued.

Mark-up on saving account is recognized on time proportion basis.

3.12 Borrowing cost

Borrowing cost directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying asset is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are recognized in the profit or loss as incurred.

3.13 Income tax

Income tax expense compromises current tax and deferred tax. Income tax expense is recognized in profit and loss account except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax is the amount of tax payable on taxable income for the year, using tax rates enacted or substantively enacted by the reporting date, and any adjustment to the tax payable in respect of previous years. Provision for current tax is based on higher of the taxable income at current rates of taxation in Pakistan after taking into account tax credits, rebates and exemptions available, if any, or 1% of turnover. However, for income covered under final tax regime, taxation is based on applicable tax rates under such regime. The amount of unpaid income tax in respect of the current or prior periods is recognized as a liability. Any excess paid over what is due in respect of the current or prior periods is recognized as an asset.

Deferred tax is accounted for using the balance sheet liability method providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes. In this regard, the effect on deferred taxation of the portion of income that is subject to final tax regime is also considered in accordance with the requirement of "Technical Release-27" of the Institute of the Chartered Accountants of Pakistan. Deferred tax is measured at rate that are expected to be applies to the temporary differences when they reverse, based on laws that have been enacted or substantively enacted by the reporting date. A deferred tax liability is recognized for all taxable temporary differences. A deferred tax asset is recognized for deductible temporary differences to the extent that future taxable profits will be available against which temporary differences can be utilized. Deferred tax asset are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax is not recognized for timing differences that are not expected to reverse and for the temporary differences arising from the initial recognition of goodwill and initial recognition of assets and liabilities in a transaction that is not a business combination and that at the time of transaction affects neither the accounting nor the taxable profit.

3.14 Cash and cash equivalents

Cash and cash equivalent for the purpose of cash flow statement compromise cash in hand and in current accounts with various banks after deducting balances under lien, if any. Cash and cash equivalents are carried at cost.

3.15 Functional currency

These financial statements are prepared in Pak Rupees which is Company's functional currency.

3.16 Foreign currency transactions and balances

Transactions in foreign currency are translated to the functional currency of the Company using exchange rate at the date of transaction. Monetary assets and liabilities denominated in foreign currency at the reporting date are translated to the functional currency at exchange rate at that date. Non-monetary assets and liabilities denominated in foreign currency that are measured at fair value are translated to the functional currency at exchange rate at the date that fair value was determined. Non-monetary assets and liabilities denominated in the foreign currency that are measured at historical cost are translated to functional currency at exchange rate at the date of transaction. Gain or loss arising on translation of foreign currency transactions and balances is recognized in profit and loss account.

3.17 Impairment

An impairment loss is recognized if the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in profit and loss account. Impairment losses are reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimate used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation and amortization, if no impairment loss had been recognized.

3.18 Related party transactions

Related party transactions are carried out on an arm's length basis. Pricing for these transactions is determined on the basis of comparable uncontrolled price method, which sets the price by reference to comparable goods and services sold in an economically comparable market to a buyer unrelated to the seller.

3.19 Provisions

Provisions are recognized when the Company has a legal and constructive obligation as a result of past events and it is probable that outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

3.20 Trading Policy

Trade date policy is opted by the company to account for the transactions.

4 Property, plant and equipment

The following is a statement of operating fixed assets (tangible):

(Rupees)

	Office Building	Electric Equipment	Furniture and Fixture	Vehicles	Total
At 30 June 2014					
Cost	12,500,000	172,180	45,660	2,225,927	14,943,767
Accumulated depreciation	(3,770,783)	(87,791)	(23,822)	(652,938)	(4,535,334)
Net book value as at 30 June 2014	8,729,217	84,389	21,838	1,572,989	10,408,433
Year ended 30 June 2015					
Additions	-	6,300	-	-	6,300
Depreciation charge for the year (note 4.01)	(436,461)	(8,806)	(2,184)	(314,598)	(762,049)
Net book value as at 30 June 2015	**8,292,756**	**81,883**	**19,654**	**1,258,391**	**9,652,684**
Year ended 30 June 2016					
Additions	-	2,500	6,500	-	9,000
Depreciation charge for the year (note 4.01)	(414,638)	(8,334)	(2,182)	(251,678)	(676,832)
Net book value as at 30 June 2016	**7,878,118**	**76,049**	**23,972**	**1,006,713**	**8,984,852**
At 30 June 2015					
Cost	12,500,000	172,180	45,660	2,225,927	14,943,767
Accumulated depreciation	(4,207,244)	(96,597)	(26,006)	(967,536)	(5,297,383)
Net book value	8,292,756	75,583	19,654	1,258,391	9,646,384
At 30 June 2016					
Cost	12,500,000	180,980	52,160	2,225,927	14,959,067
Accumulated depreciation	(4,621,882)	(104,931)	(28,188)	(1,219,214)	(5,974,215)
Net book value as at 30 june 2016	**7,878,118**	**76,049**	**23,972**	**1,006,713**	**8,984,852**
Year ended 30 June 2017					
Additions	-	60,800	-	-	60,800
Depreciation charge for the year (note 4.01)	(393,906)	(13,685)	(2,397)	(201,343)	(611,331)
Net book value as at 30 June 2017	**7,484,212**	**123,164**	**21,575**	**805,370**	**8,434,321**
At 30 June 2017					
Cost	12,500,000	241,780	52,160	2,225,927	15,019,867
Accumulated depreciation	(5,015,788)	(118,616)	(30,585)	(1,420,557)	(6,585,546)
Net book value	**7,484,212**	**123,164**	**21,575**	**805,370**	**8,434,321**
Annual rates of depreciation (%)	5	10	10	20	

4.01 Depreciation charge for the year has been allocated as follows:

	2017 Rupees	2016 Rupees
Operating expenses	611,331	676,832
	611,331	**676,832**

4.02 No impairment relating to operating fixed assets has been recognised in the current year.

		Note	2017 Rupees	2016 Rupees
5	**INTANGIBLE ASSETS**			
	Accounting software	5.01	28,563	40,804
	TREC	5.02	5,000,000	5,000,000
			5,028,563	5,040,804
5.01	**Accounting software**			
	Net carrying value			
	Accounting software		40,804	56,160
	Amortization charge		12,241	(15,356)
	Net book value (NBV) as at 30 June		53,045	40,804
	Gross carrying value			
	Cost		129,336	129,336
	Accumulated amortization		(100,773)	(88,532)
	Net book value		28,563	40,804
	Amortization rate per annum		30%	30%
5.02	**Trading Rights Entitlement Certficate - TREC**			
	Pakistan Stock Exchange Limited (2016 : LSE)			
	Opening balance		5,000,000	9,600,000
	Impairment during the year		-	(4,600,000)
	Closing net book value	5.02.1	5,000,000	5,000,000

5.02.1 This represents trading rights in Pakistan Stock Exchange Limited which have replaced membership cards of stock exchange pursuant to the promulgation of Stock Exchanges (Corporatization, Demutualization and Integration) Act, 2012 (the 2012 act). Before demutualization the stock exchanges were functioning as Guarantee Limited Companies, wherein ownership and trading rights were conferred to members through membership cards. Pursuant to demutualization, the ownership in a stock exchange has been segregated from the right to trade on the exchange. Therefore, the membership cards have now been replaced by shares in the exchange representing ownership in the exchange and Trading Rights Entitlements Certificates (TREC) representing rights to trade in the exchange. As a result 843,975 shares of Rs. 10/- each have been allotted to the Company out of which 60% of the shares are blocked in a separate account held with CDC and would be sold to strategic investors and general public in future at a price which remains to be finalized, proceeds of which would come to the members, while the remaining 40% are available to members with no condition on their future sale. The Institute of Chartered Accountants of Pakistan in its technical guide dated May 29, 2013, concluded that the demutualization, in substance, had not resulted in exchange of dissimilar assets, and therefore no gain or loss should be recognized and the segregation of ownership rights and the trading rights should be accounted for by allocating the cost / carrying value of the membership card between the two distinct assets on a reasonable basis. The TREC can only be sold or transferred once, however, once sold it would not be saleable / transferable again. The transaction is in nature an exchange of an intangible asset (membership card) with a financial asset (shares) together with an intangible asset (TREC).

The above mentioned face value (Rs. 8,439,750/-) of the shares issued by the LSE to its members including the Company has been determined on the basis of the fair valuation of the underlying assets and liabilities of the Stock Exchange in accordance with the requirements of the Demutualization Act. In other words, shares worth Rs. 8,439,750/- received by the Company represent its share in the fair value of the net assets of the LSE. Under the current circumstances where active market is not available for such shares, this net asset valued based valuation has been considered as the closest estimate of the fair value of the shares.

5.02.2 Further recently, the PSX has introduced a minimum capital regime for the brokers, and for this purpose have revalued TREC at Rs. 5,000,000/- as per the decision of the BOD of the PSX. This fact indicates an acceptable level of value for TREC which is also used by the Stock Exchange for risk management and to safeguard the investor's interest. In the absence of an active market for TREC, this assigned value of Rs. 5,000,000/- has been considered as the closest estimate of the fair value of the TREC.

		Note	2017 Rupees	2016 Rupees
6	**LONG TERM INVESTMENTS**			
	Available for sale			
	Investment in PSX Shares 843,975 (2016: 843,975) shares	6.01	14,887,719	14,887,719
	6.01 Opening balance		14,887,719	20,400,000
	Impairment loss during the year		-	(5,512,281)
	Closing net book value		14,887,719	14,887,719
7	**LONG TERM DEPOSITS**			
	Security deposits			
	CDC deposit		100,000	100,000
	LSE clearing house deposit		200,000	430,000
	NCCPL deposit		200,000	300,000
			500,000	830,000
8	**TRADE DEBTS**			
	Unsecured:			
	-Considered good		350,070	1,089,606
	Provision for doubtful debt		(270,194)	(282,962)
		8.01	79,876	806,644
	8.01 Aging analysis of trede debts			
	Trade debts		350,070	
	Due for more than five (5) days		(275,001)	
	Collateral in the form of listed securities		4,808	
	Due within five (5) Days		79,876	N/A

The provision is created to the extent by which the amount receivable exceeeds the collateral held from the customers after applying the haircuts

		Note	2017 Rupees	2016 Rupees
9	**SHORT TERM INVESTMENTS**			
	Held for trading			
	Investment in listed securities - at fair value through profit & loss	9.01	36,655,859	32,885,903
	9.01 Opening balance		32,885,903	45,328,265
	Additions		10,064,831	4,742,659
	Revaluation (loss)/Gain during the year		(6,294,875)	(17,185,021)
			36,655,859	32,885,903
10	**TRADE DEPOSITS AND SHORT TERM PREPAYMENTS**			
	Dividend receivable		32,813	250,162
	Other advances		693,413	462,285
			726,225	712,447
11	**ADVANCE INCOME TAX**			
	Income tax refundable		2,944,439	2,233,290
12	**CASH AND BANK BALANCES**			
	Cash in hand		27,523	47,909
	Cash at bank			
	- current account		3,504,522	7,863,598
	- saving account	12.01	10,334,240	14,144,213
			13,866,285	22,055,720

12.01 These carry profit @ 4% to 5 % (2016: 5 %) per annum approximately.

	2017	2016
House and Client bank balances		
House Account	10,642,401	14,618,558
Client Account	3,196,361	7,389,253
	13,838,762	**22,007,811**

Note Rs. 124,944 in the client account belongs to broker that is kept in the client account for clearing.

13 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

1,000,000 (2016: 1,000,000) shares of Rs. 100 each		100,000,000	100,000,000

Pattern of shareholding - Person holding more than 5% shar	**%**	**No. of shares**	**No. of shares**
Humayun ShAhzada	55%	550,000	550,000
Muhammad Gulzar Sheikh	25%	250,000	250,000
Pervez Ahmed Sheikh	20%	200,000	200,000
	100%	1,000,000	1,000,000

	Note	**2017 Rupees**	**2016 Rupees**
14 TRADE AND OTHER PAYABLES			
Trade creditors		3,071,415	7,224,335
Accrued expenses		491,530	631,334
Federal excise duty payable		24,702	14,090
Income tax on salary		2,192	-
Wht LSE		1,323	-
Cvt payable		325	-
		3,591,487	7,869,759
15 PROVISION FOR TAXATION			
Opening balance		709,807	45,157
Taxation - current		724,044	852,017
		1,433,851	897,174
Tax payments /adjustments during the year		(709,807)	(187,367)
		724,044	709,807

16 CONTINGENCIES AND COMMITMENTS

16.01 Contingencies

Contingencies as at balance sheet date were Nil (2016: Nil).

16.02 Commitments

There were no commitments as at balance sheet date.

	Note	**2017 Rupees**	**2016 Rupees**
17 REVENUE			
Commission income	17.01	913,520	366,497
Dividend income		2,372,148	3,203,991
Saving A/c profit		600,374	627,129
		3,886,041	4,197,617
17.01 Break up of Commission income			
Proprietary Trades		-	-
Retail Customers		913,520	366,497
Institutional Customers		-	-
		913,520	366,497
17.02 Income From Dividends			
Dividend income		2,372,148	3,203,991
18 OPERATING EXPENSES			
Director's remuneration	29	1,926,000	2,406,000
Salaries, wages and other benefits		972,400	884,000
Travelling and conveyance		39,708	21,957

	Note		
Vehicle running and maintenance		200,240	184,900
Printing and stationery		27,621	27,149
Telephone and postage		26,002	24,374
Electricity charges		90,530	92,268
Rent, rates, taxes and renewals		149,380	134,912
Insurance		5,859	6,931
Repair and maintenance		61,897	67,745
Legal and professional charges		60,600	60,600
Auditor's remuneration	18.01	250,000	250,000
Entertainment expenses		38,130	34,925
Amortization		12,241	15,356
Provision for doubtful debt	24.03	-	282,962
Depreciation	4.01	611,331	676,832
LSE charges		153,102	122,841
Fee and subscription		38,203	8,335
Miscellaneous expenses		44,967	37,265
		4,708,212	5,339,352

18.01 Auditor's Remuneration

Statutory audit fee	250,000	250,000
	250,000	250,000

19 FINANCE COST

Bank charges	4,499	3,513
	4,499	3,513

	Note	2017 Rupees	2016 Rupees

20 OTHER INCOME

Capital gain - taxable	6,257,143	3,722,368
Capital Gain - non taxable	-	-
	6,257,143	3,722,368

21 OTHER CHARGES

Revaluation loss on short term investments	6,294,875	17,185,021
Impairment loss on LSE shares	-	5,512,281
Impairment loss on TREC	-	4,600,000
	6,294,875	27,297,302

22 TAXATION

Current	38,860	3,665
Capital gain tax	423,272	142,210
Dividend tax	261,912	-
Prior year adjustment	-	706,142
	724,044	852,017

22.01 Provision for the year has been made in accordance with section 233(A) of the Income Tax Ordinance, 2001 ("the Ordinance").

22.02 Assessment for and upto tax year 2016 are deemed assessment under section 120 (1) of the Ordinance, as per Income Tax Returns filed by the company.

22.03 There is no relationship between tax expense and accounting profit since the company's profits are subject to tax under section 233(A). Accordingly, no numerical reconciliation has been presented.

23 EARNINGS / (LOSS) PER SHARE

(Loss) / profit for the year	(1,588,446)	(25,572,199)
Weighted average number of ordinary shares issued during the year	1,000,000	1,000,000
(Loss) / earnings per share	(1.59)	(25.57)

There is no dilutive effect on the basic earnings per share.

24 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURE

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including currency risk, interest rate risk and price risk). The Company's overall risk management policy focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

Risk management framework

The Board of Directors of the Company has an overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities..

24.01 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss, without taking into account the fair value of any collateral. Credit risk arises from the inability of the issuers of the instruments, the relevant financial institutions or counter parties in case of placements or other arrangements to fulfil their obligations. There is a possibility of participants and of failure of the financial markets, the depositories, the settlements or clearing system.

	Rating Agency	Credit Rating	
		Short term	Long term
Bank Islami Pakistan Limited	PACRA	A-1	A+
Habib Bank Limited	JCR	A1+	AAA

Exposure to credit risk

Credit risk of the Company arises principally from its trade debts, long term deposits, advances, deposits and other receivables and bank balances. The carrying amount of these financial assets represents the maximum credit exposure.

	Note	2017 Rupees	2016 Rupees
Long term deposits	7	500,000	830,000
Trade receivables	8	350,070	1,089,606
Trade deposits and short term prepayments	10	726,225	712,447
Bank balances	12	13,838,762	22,007,811
		15,415,057	24,639,864

Credit risk management

To reduce the exposure to credit risk, the Company has developed its own risk management policies and guidelines whereby clients are provided trading limits according to their worth and proper margins are collected from and maintained by the clients. The Management continuously monitors the credit exposure towards the clients and makes provision against those balances considered doubtful for recovery.

The Company's policy is to enter into financial contracts in accordance with the internal risk management policies and investment and operational guidelines.

All transactions in listed securities are settled using National Clearing Company of Pakistan Limited, being the central clearing company of the country. The risk of default in such transactions is considered minimal, as delivery of securities is guaranteed by the stock exchange. The Company does not expect to incur material credit losses on its financial assets.

The maximum exposure to credit risk before any credit enhancements at 30 June 2017 is the carrying amount of the financial assets as set out below:

	Note	2017 Rupees	2016 Rupees
Long term investment - Available for sale	6	14,887,719	14,887,719
Long term deposits	7	500,000	830,000
Trade debts	8	79,876	806,644
Short term investments - Held for trading	9	36,655,859	32,885,903
Deposits and prepayments	10	726,225	712,447
Bank balances	12	13,838,762	22,007,811
		66,688,441	72,130,524

Except for the impairment disclosed above, no impairment has been recognized in respect of these receivables as the security against the same is adequate. The Company is doing its utmost to recover the amount from the doubtful clients and is confident that majority of the amount would be recovered based on the past experience and the recovery efforts being carried out by the Company.

The credit quality of the Company's cash and cash equivalents, held with various commercial banks and financial institutions is assessed with reference to external credit ratings thereof, ranging from AAA to A+ assigned by reputable credit rating agencies.

Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Company's total credit exposure. The Company's portfolio of financial instruments is diversified and transactions are entered into with credit-worthy counterparties of diverse natures thereby mitigating any significant concentrations of credit risk.

24.02 Liquidity risk

Liquidity risk represents the risk that the company will encounter difficulties in meeting obligations associated with financial liabilities. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities. Due to growing nature of the business, the company maintains flexibility in funding by maintaining committed credit lines available.

The table below analyses how management monitors net liquidity based on details of the remaining contractual maturities of financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

Description	Carrying Amounts	Contractual cash flows	Less than 1 year	Between 1 and 5 years	Over 5 years
30-Jun-17					
Trade and other payables	3,562,945	3,562,945	3,562,945	-	-
	3,562,945	3,562,945	3,562,945	-	-

Description	Carrying Amounts	Contractual cash flows	Less than 1 year	Between 1 and 5 years	Over 5 years
30-Jun-16					
Trade and other payables	7,855,669	7,855,669	7,765,887	89,782	-
	7,855,669	7,855,669	7,765,887	89,782	-

24.03 Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market.

Market risk comprises of three types of risk: currency risk, interest rate risk and other price risk.

As at 30 June 2017	Within one year Rupees	More than one year and upto five years Rupees	Above five years Rupees	Not exposed to interest rate risk Rupees	Total Rupees
FINANCIAL ASSETS					
Trade receivables	79,876	270,194	-	-	350,070
Short term investment	36,655,859	-	-	-	36,655,859
Deposits and prepayments	3,614,403				3,614,403
Bank balances	10,334,240	-	-	3,504,522	13,838,762
	50,684,378	270,194	-	3,504,522	54,459,094
FINANCIAL LIABILITIES					
Trade and other payables	-	-	-	3,591,487	3,591,487
	-	-	-	3,591,487	3,591,487
Total Interest rate sensitivity gap	50,684,378	270,194	-		
'Cumulative interest rate sensitivity gap	50,684,378	50,954,572	50,954,572		

As at 30 June 2016	Within one year Rupees	More than one year and upto five years Rupees	Above five years Rupees	Not exposed to interest rate risk Rupees	Total Rupees
FINANCIAL ASSETS					
Trade receivables	806,644	282,962	-	-	1,089,606
Short term investment	32,885,903	-	-	-	32,885,903
Deposits and prepayments	712,447				712,447
Bank balances	14,144,213	-	-	7,863,598	22,007,811
	48,549,207	282,962	-	7,863,598	56,695,767
FINANCIAL LIABILITIES					
Trade and other payables					
	-	-	-	7,869,759	7,869,759
Total Interest rate sensitivity gap	48,549,207	282,962	-		
Cumulative interest rate sensitivity gap	48,549,207	48,832,169	48,832,169		

Mark-up rates are mentioned in the respective notes to the accounts.

Market risk management

The Company manages market risk by monitoring exposure on marketable securities by following the internal risk management and investment policies and guidelines.

- Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company, at present, is not exposed to currency risk as all transactions are carried out in Pak Rupees.

- Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in the market yield.

Sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore a change in interest rate at the reporting date would not have affected the after tax loss of the Company.

Other price risk

Price risk includes equity price risk which is the risk of changes in the fair value of equity securities as a result of changes in the levels of KSE-Index and the value of individual shares.

The equity price risk exposure arises from investments in equity securities held by the Company for which prices in the future are uncertain. There is no outstanding exposure of the Company in lieu of equity securities as at 30 June 2016.

24.04 Fair value of financial instruments

The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Fair value measurements using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at 30 June 2017	Level 1	Level 2	Level 3	Total
Financial asset:				
Held for trading:				
Investment in listed securities	36,655,859	-	-	36,655,859
Available for sale:				
Investment in shares of PSX	-	-	14,887,719	14,887,719
Total non-financial assets	36,655,859	-	14,887,719	51,543,578
As at 30 June 2016	Level 1	Level 2	Level 3	Total
Financial asset:				
Held for trading:				
Investment in listed securities	32,885,903	-	-	32,885,903
Available for sale:				
Investment in shares of PSX	-	-	14,887,719	14,887,719
Total non-financial assets	32,885,903	-	14,887,719	47,773,622

24.05 Capital risk management

The primary objective of the Company's capital management is to maintain healthy capital ratios and optimal capital structure in order to ensure ample availability of finance for its existing operations, for maximizing shareholder's value, for tapping potential investment opportunities and to reduce cost of capital.

The Company manages its capital structure and makes adjustment to it, in light of changes in economic conditions. Furthermore, the Company finances its operations through equity, borrowing and management of its working capital with a view to maintain an appropriate mix between various sources of finance to minimize risk.

Net capital requirements of the Company are set and regulated by KSE. These requirements are put in place to ensure sufficient solvency margins and are based on excess of current assets over current liabilities. The Company manages its net capital requirements by assessing its capital structure against required capital level on a regular basis.

25 CUSTOMER ASSETS HELD

	2017 Rupees	2016 Rupees
25.01 Bank Accounts		
Client Account	3,196,361	7,389,253

Note Rs. 124,944 in the client account belongs to broker that is kept in the client account for clearing.

25.02 Central Depository System

Asset under custody (As At 30-june-2017)	293,011,921	N/A

26 PLEDGED SECURITIES IN FINANCIAL INSTITUTIONS

There are no securities pledged with the financial institutions either belonging to the customers or to the brokerage house.

27 SUBSEQUENT EVENTS

There were no significant adjustable events subsequent to 30 June 2016, which may require an adjustment to the financial statements or additional disclosure and have not already been disclosed in these financial statements.

28 RELATED PARTY TRANSACTIONS

The related parties of the company comprise of the directors of the company who are also the major shareholders and key management personnel of the company.

The related party transactions of the company mainly comprise of the remunerations and loan paid to its directors.

29 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	Chief Exective		Directors	
	2017 Rupees	2016 Rupees	2017 Rupees	2016 Rupees
Managerial remuneration	723,000	723,000	1,203,000	1,683,000
	723,000	723,000	1,203,000	1,683,000
Number of persons	1	-	2	-

30 NUMBER OF EMPLOYEES

Annual number of employees at the year end	6	6

Average number of employees during the year were 6 (2016: 6).

31 AUTHORIZATION OF FINANCIAL STATEMENTS

These financial statements have been approved and authorized for issue by the Board of Directors of the company on 07 October 2017.

32 GENERAL

- Figures have been rounded-off to the nearest of rupees.
- previous year figures have been re-arranged / reclassified, wherever necessary, to facilitate comparison.

Humayun Shah Jocda

CHIEF EXECUTIVE

DIRECTOR