

FINANCIAL STATEMENT  
TARIQ VOHRA SECURITIES (PRIVATE) LIMITED  
FOR THE YEAR ENDED JUNE 30, 2014

## **COMPANY INFORMATION**

### **Board of Directors**

Mohammad Asif Vohra(Chief Executive)

Shaikh Mohammad Zubair

### **Company Secretary**

Syed Mustafa Hassan

### **Auditors**

A.G. HABIB & CO.

### **Legal Advisors**

Lawyers & Lawyers

### **Bankers**

Bank Al Habib Limited

### **Registered Office**

Office #3, Mezzanine Floor,  
91-c, Jami Commercial Street 11,  
Phase VII, D.H.A.  
Karachi

## DIRECTOR'S REPORT

To  
The Members,

The Directors of M/s. Tariq Vohra Securities (Private) Limited are pleased to present the Annual Report together with the company's Audited Financials Statements and Auditors' Report of your company for the financial year ended June 30, 2014. The summarized financial results for the year ended June 30, 2014 are as under:

FINANCIALS RESULTS	2014 (Rupees)
Operating revenue	6,900,468
Loss before taxation	(127,399)
Taxation	144,986
Loss after taxation	(272,385)
Loss per share (Rs.)	-0.27

During the year under review, the Company has loss Rs. 0.127 million including unrealized loss of Rs.0.926 million (2013: unrealized gain Rs.2.214 million) as compared to last year loss Rs. 0.938 million. The realized capital loss during the year was Rs. 0.728 million (2013: loss Rs. 2.484 million)

Total expenditure during the year was Rs.5.393 million as compared to last year Rs. 2.821 million. The tax paid for the year Rs. 0.145 million as compared to Rs. 0.014 million for corresponding year.

The road map of development has inspired confidence amongst the investors which is reflected in the performance of the Capital Market.

ABSTRACT UNDER SECTION 218 OF THE COMPANIES ORDINANCE, 1984

The abstract under section 218 is attached, the same has been previously circulated to the share holders.

### AUDITORS

The present auditors, M/s. A. G. Habib & Co, Chartered Accountants, retire and being eligible, offer themselves for re-appointment for the year ending June 30, 2015.

### CONCLUSION

The Directors appreciates and acknowledging the dedicated services, loyalty and hard work of all the employees of the Company and hope this spirit of devotion and dedication will continue.

For & on behalf of the Board



MUHAMMAD ASIF VOHRA  
Chief Executive/Director  
Karachi: October 10, 2014

**TVS**

**TARIQ VOHRA SECURITIES (PRIVATE) LIMITED**  
TREC HOLDER KARACHI STOCK EXCHANGE LIMITED

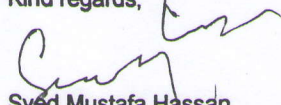
**Abstract U/S 218 of Increase in Remuneration of Chief Executive Officer**

TO ALL MEMBERS OF THE COMPANY

31<sup>st</sup> March, 2014

Pursuant to Section 218(2) of the Companies Ordinance, 1984, the members of the Company are hereby notified that the Board of Directors in their meeting held on March 31, 2014, has revised the monthly remuneration of the company's Chief Executive Officer, Mr. Muhammad Asif Vohra with effect from 1<sup>st</sup> April 2014. His remuneration will now be Rs. 125,000/- per month.

Kind regards,



Syed Mustafa Hassan

Company Secretary

Ref: \_\_\_\_\_

Date: \_\_\_\_\_

### AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of "TARIQ VOHRA SECURITIES (PRIVATE) LIMITED" (the Company) as at June 30, 2014; and the related profit and loss account, Cash flow statement and the statement of changes in equity together with the notes forming part thereof, for the year then ended 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 purpose of our audit.

It is the responsibility of the company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

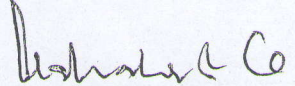
We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

- (a) in our opinion proper books of account have been kept by the company as required by the Companies Ordinance, 1984;
- (b) in our opinion:
  - (i) 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 agreement with the books of account and are further in accordance with accounting policies consistently applied;
  - (ii) the expenditure incurred during the period was for the purpose of the company's business; and
  - (iii) the business conducted, investments made and the expenditure incurred during the period were in accordance with the objects of the company;
- (c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof, conform with approved accounting standard as applicable in Pakistan and give the information required by the Companies Ordinance, 1984 in the manner so required and respectively give a true and fair view of the state of the company's affair as at June 30, 2014 and of the Loss for the Year then ended: and

in our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980

Karachi

Dated: 10 OCT 2014

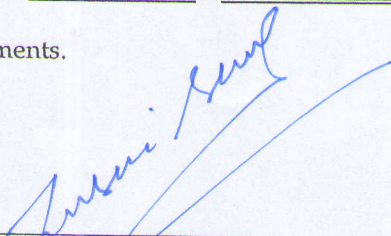
  
A. G. HABIB & CO.  
Chartered Accountant

**TARIQ VOHRA SECURITIES (PRIVATE) LIMITED**  
**BALANCE SHEET**  
**AS AT JUNE 30, 2014**

	Note	2014 RUPEES	2013 RUPEES
<b>EQUITIES AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Share Capital	4	101,030,000	101,030,000
Unappropriated (loss)/profit		(36,503,801)	(36,231,416)
Shareholders' equity		64,526,199	64,798,584
<b>CURRENT LIABILITIES</b>			
Creditors	5	320,728	383
Accrued and other liabilities	6	224,557	186,091
Taxation		144,986	11,718
		690,271	198,192
Contingencies and commitments	7	-	-
		<u>65,216,470</u>	<u>64,996,776</u>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property and equipment	8	39,991	50,488
Intangible assets	9	15,000,000	15,000,000
Investment-available for sale	10	40,073,830	40,073,830
Long term deposits	11	446,000	446,000
<b>CURRENT ASSETS</b>			
Short Term Investments	12	8,625,794	3,158,517
Trade debts - Unsecured considered good	13	-	5,290,520
Advances, deposits, prepayments and other receivables	14	568,590	253,234
Cash and bank balances	15	462,265	724,187
		9,656,649	9,426,458
		<u>65,216,470</u>	<u>64,996,776</u>

The annexed notes form an integral part of these financial statements.


  
 CHIEF EXECUTIVE

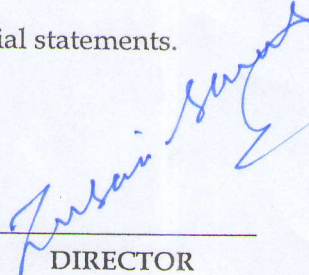
  
 DIRECTOR

**TARIQ VOHRA SECURITIES (PRIVATE) LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	Note	2014 RUPEES	2013 RUPEES
Operating revenue	16	6,900,468	2,153,049
Capital Gain/(Loss) on Investment		(728,148)	(2,483,931)
Gain / (Loss) on revaluation on held for trading investments to fair value		(925,898)	2,214,082
		<u>5,246,422</u>	<u>1,883,200</u>
<b>OPERATING EXPENSES</b>			
Administrative expenses	17	5,371,493	2,817,556
Financial charges	18	2,328	3,728
		<u>5,373,821</u>	<u>2,821,284</u>
(Loss) before taxation		(127,399)	(938,084)
Taxation			
- Current	19	144,986	11,718
- Prior year		-	2,440
		<u>144,986</u>	<u>14,158</u>
(Loss) after taxation		<u>(272,385)</u>	<u>(952,242)</u>
Earning per share	20	<u>(0.27)</u>	<u>(6.02)</u>

The annexed notes form an integral part of these financial statements.

  
 CHIEF EXECUTIVE

  
 DIRECTOR

**TARIQ VOHRA SECURITIES (PRIVATE) LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	2014 (Rupees)	2013 (Rupees)
Loss for the year	(272,385)	(952,242)
Other comprehensive income	-	-
Total comprehensive profit/(loss) for the year transferred to equity	<u>(272,385)</u>	<u>(952,242)</u>

The annexed notes form an integral part of these financial statements.

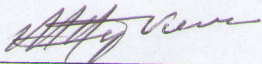
  
\_\_\_\_\_  
CHIEF EXECUTIVE

  
\_\_\_\_\_  
DIRECTOR



TARIQ VOHRA SECURITIES (PRIVATE) LIMITED  
 CASH FLOW STATEMENT  
 FOR THE YEAR ENDED JUNE 30, 2014

	2014 RUPEES	2013 RUPEES
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
(Loss) before taxation	(127,399)	(938,084)
Adjustments for :		
Depreciation	10,497	13,824
Finance cost	2,328	3,728
	12,825	17,552
Operating profit before Working Capital Changes	(114,574)	(920,532)
<b>Change in Working Capital</b>		
<b>(Increase)/Decrease in Current Assets</b>		
Advance and Payments	(315,356)	(53,832)
Trade debts	5,290,520	671,011
	4,975,164	617,179
<b>Increase/(Decrease) in Current Liabilities</b>		
Trade and other payable	492,079	25,091
	492,079	25,091
	5,467,243	642,270
Cash generated from operations	5,352,669	(278,262)
Financial charges paid	(2,328)	(3,728)
Income tax paid	(144,986)	(14,158)
Net cash inflow / (outflow) from operating activities	5,205,355	(296,148)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Short term Investment	(5,467,277)	817,159
Fixed Capital Expenditure	-	-
Net cash (outflow) from operating activities	(5,467,277)	817,159
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Short Term Running Finance	-	-
Net cash (outflow) / inflow from financing activities	-	-
Net increase in cash & cash equivalents	(261,922)	521,011
Cash and cash equivalents at the beginning	724,187	203,176
Cash and cash equivalents at the end of the year	462,265	724,187

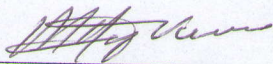
  
 CHIEF EXECUTIVE

  
 DIRECTOR

**TARIQ VOHRA SECURITIES (PRIVATE) LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	Share Capital (Rupees)	Unappropriated Profit (Rupees)	Total (Rupees)
Balance as at June 30, 2012	101,030,000	(5,353,004)	95,676,996
(Loss) for the year ended June 30, 2013	-	(952,242)	(6,478,068)
Revaluation of KSE Shares and TREC due to Demutualization		(29,926,170)	(29,926,170)
Balance as at June 30, 2013	<u>101,030,000</u>	<u>(36,231,416)</u>	<u>59,272,758</u>
(Loss) for the year ended June 30, 2014		(272,385)	(272,385)
<b>Balance as at June 30, 2014</b>	<b><u>101,030,000</u></b>	<b><u>(36,503,801)</u></b>	<b><u>59,000,373</u></b>

The annexed notes form an integral part of these financial statements.

  
 CHIEF EXECUTIVE

  
 DIRECTOR

**TARIQ VOHRA SECURITIES (PRIVATE) LIMITED**  
**NOTES FORMING PART OF THE ACCOUNTS**  
**FOR THE YEAR ENDED JUNE 30, 2014**

**1. STATUS AND NATURE OF BUSINESS**

Tariq Vohra Securities (Private) Limited ("Company") was incorporated under the Companies Ordinance, 1984 on 27th March 2006 as a private limited company. The Company is a corporate TRE Certificate holder of Karachi Stock Exchange Limited. The registered office of the Company is located at Plot 91-C, Office # 3, Mezzanine floor Jami Commercial Street-II, Phase-VII, DHA, Karachi. The Principle activities include trading and brokerage for equities, underwriting of public issues, etc.

**2. BASIS OF PREPARATION**

**2.1 Statement of compliance**

These financial statements have been prepared in accordance with requirements of the Companies Ordinance, 1984 (the Ordinance), directives issued by the Securities and Exchange Commission of Pakistan (SECP) and approved financial reporting standards as applicable in Pakistan. Approved financial reporting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standard Board as are notified under the provisions of the Ordinance. Wherever the requirements of the Ordinance, or the directives issued by the SECP differ with the requirements of these standards, the requirements of Ordinance or of the said directives have been followed.

**2.2 Basis of measurement**

These financial statements have been prepared under the historical cost convention, except for certain short term investment which are stated at fair value.

**2.3 Functional and presentation currency**

These financial statements are presented in Pak Rupees, which is Company's functional and presentation currency.

**2.4 Use of estimates and judgments**

The preparation of financial statement in conformity with approved financial reporting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

**2.5 Initial application of standards, amendments or an interpretation to existing standards**

**(a) Standards, amendments to published standards and interpretations that are effective in 2009 and are relevant to the Company**

IAS 1 (revised), Presentation of financial statements (effective from January 1, 2009). The revised standard prohibits the presentation of items of income and expenses (that is, non-owner changes in equity) in the statement of changes in equity, requiring non-owner changes in equity to be presented separately from owner changes in equity. All non-owner changes in equity are required to be shown in a performance statement, but entities can choose whether to present one performance statement (the statement of comprehensive income) or two statements (the income statement and the statement of comprehensive income) Where entities restate or reclassify comparative information, they are required to present a restated balance sheet as at beginning of comparative period in addition to the current requirement to present balance sheets at the end of the current period and comparative period.

The Company has preferred to present two statements a profit and loss account (income statement) and a statement of other comprehensive income. Comparative information has also been represented so that it is in conformity with the revised standard. As this change only impacts presentation aspects, there is no impact on profit for the year.

IAS 36 (Amendment), 'Impairment of assets' (effective from January 1, 2009). In accordance with new requirements, disclosures equivalent to those for value-in-use calculation should be made where fair value less costs to sell is calculated on the basis of discounted cash flows. Adoption of the amendment is not expected to have any effect on the Company's financial statements.

IAS 23 (amendment), 'Borrowing costs' (effective from January 1, 2009). The amendment requires an entity to capitalize borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. The option of immediately expensing those borrowing costs is removed. The company's current accounting policy is in compliance with this amendment, and therefore there is no effect on the Company's financial statements.

IFRS 7 'Financial instruments-Disclosures' (amendment)-effective from January 1 2009. The amendment requires enhanced disclosure about fair value measurement and liquidity risk. In particular, the amendment requires disclosure of the fair value measurement by level of a fair value measurement hierarchy. As the change in accounting policy only results in additional disclosures, there is no impact on profit for the year.

IFRIC 17, 'Distribution of non-cash assets to owners' (effective on or after 1 July 2009). The interpretation is part of the IASB's annual improvements project published in April 2009. This interpretation provides guidance on accounting for arrangements whereby an entity distributes non-cash assets to shareholders either as a distribution of reserves or as dividends. IFRS 5 has also been amended to require that assets are classified as held for distribution only when they are available for distribution in their present condition and the distribution is highly probable. The Company will apply IFRIC 17 from 1 January 2010. It is not expected to have a material impact on the Company's financial statements.

Number of other amendments in other IFRS and IAS which were part of the International accounting Standards Board's (IASB's) annual improvements project, published in April 2009.

**b) Standards, amendments to published standards and interpretations that are effective in 2009 but not relevant to the Company**

The other new standards, amendments and interpretations that are mandatory for accounting periods beginning on or after July 1, 2009 are considered not to be relevant or to have any significant effect on the Company's financial reporting and operations.

**c) Standards, amendments to published standards and interpretations to existing standards that are not yet effective and have not been early adopted by the Company**

Following new standards, amendments and interpretation to existing standards have been issued but are not effective for the financial year beginning July 1, 2009 and have not been early adopted by the Company:

IAS 1 (amendment), 'Presentation of financial statements' The amendment is part of the IASB's annual improvements project published in April 2009. The amendment provides clarification that the potential settlement of a liability by the issue of equity is not relevant to its classification as current or non-current. By amending the definition of current liability, the amendment permits a liability to be classified as non-current (provided that the entity has an unconditional right to defer settlement by transfer of cash or other assets for at least 12 months after the accounting period) notwithstanding the fact that the entity could be required by the counterparty to settle in shares at any time. The Company will apply IAS 1 (amendment) from July 1, 2010. It is not expected to have a material impact on the Company's financial statements.

Prepayments of a minimum funding requirement (amendments to IFRIC 14), effective from January 1, 2011. The amendments correct an unintended consequence of IFRIC 14, 'IAS 19- The limit on a defined benefit asset, minimum funding requirements and their interaction'. Without the amendments, entities are not permitted to recognize as an some voluntary prepayments for minimum funding contributions. This was not intended when IFRIC 14 was issued, and the amendments correct the problem. The company's does not have any defined benefit plan, hence, these amendments will have no impact on the Company's financial statements.

IAS 24 (revised), 'Related Party Disclosures', effective from January 1, 2011. The revised standard supersedes IAS 24, 'Related party disclosures', issued in 2003. Application of the revised standard will only impact the format and extent of disclosures presented in the Company's financial statements.

IAS 38 (amendment), 'Intangible assets'. The amendment is part of the IASB's annual improvements project published in April 2009 and the company will apply IAS 38 (amendment) from the date IFRS 3 (revised) is adopted. The amendment clarifies guidance in measuring the fair value of an intangible asset acquired in a business combination and it permits the grouping of intangible assets as a single asset if each asset has similar useful economic lives. The amendment will not result in any impact on the Company's financial statements.

IAS 39 (amendment): 'Cash flow hedge accounting'. This amendment provides clarification when to recognise gains or losses on hedging instruments as a reclassification adjustments in a cash flow hedge of a forecast transaction that results subsequently in the recognition of a financial instrument. The amendment clarifies that gains or losses should be reclassified from equity to profit or loss in the period in which the hedged forecast cash flow affects profit or loss. The Company will apply IAS 39 (Amendment) from July 1, 2010. It is not expected to have any affect on the Company's financial statements.

IFRS 2 (amendments), 'Group cash-settled and share-based payment transactions' In addition to incorporating IFRIC 8, 'Scope of IFRS 2', and IFRIC 11 IFRS 2- Group and treasury share transactions', the amendment expand on the guidance in IFRIC 11 to address the classification of the Company's arrangement that were not covered by that interpretation. The new guidance is not expected to have any material impact on the Company's financial statements.

IFRS 5 (amendment), 'Measurement of non-current assets (or disposal groups) classified as held-for-sale'. The amendment is part of the IASB's annual improvements project published in April 2009. The amendment provides clarification that IFRS 5 specifies the disclosures required in respect of non-current assets (or disposal groups) classified as held for sale or discontinued operations. It also clarifies that the general requirement of IAS 1 still apply, particularly paragraph 15 (to achieve a fair presentation) and paragraph 125 (source of estimation uncertainty) of IAS 1. The Company will apply IFRS 5 (amendment) from July 1, 2010. It is not expected to have a material impact on the Company's financial statements.

IFRS 9, 'Financial Instruments', effective from January 1, 2013. IFRS 9 addresses the classification and measurement of financial assets. The Company is yet to assess the full impact of IFRS 9.

IFRIC 18, 'Transfers of assets from customers' (effective for periods beginning on or after July 1, 2009). The interpretation provides guidance on how to account for items of property, plant and equipment received from customers or cash that is received and used to acquire or construct specific assets. This interpretation is only applicable to such assets that are used to connect the customer to a network or to provide ongoing access to a supply of goods or services or both. This interpretation is not expected to have any impact on the company's financial statements.

IFRIC 19 (interpretation), 'Extinguishing Financial Liabilities with Equity Instruments', effective from annual periods beginning on or after July 1, 2010. The interpretation clarifies the requirements of IFRS when an entity renegotiates the terms of a financial liability with its creditor and the creditor agrees to accept the entity's shares or other equity instruments to settle the financial liability fully or partially. The Company has not offered its shares to the creditors, therefore, this interpretation will have no impact on the Company's financial statements.

There are a number of minor amendments in other IFRS and IAS which are part of annual improvement project published in April 2009 and May 2010 (not addressed above). These amendments are unlikely to have any impact on the Company's financial statements and therefore have not been analysed in detail.

### **3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **3.1 Property, plant and equipment**

##### **Owned**

Items of property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the asset including borrowing costs (note 3.17).

Where major components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Subsequent costs are included in the carrying amount or recognised as separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the profit and loss account during the year in which they are incurred.

Disposal of an item of property and equipment is recognised when significant risks and rewards incidental to ownership have been transferred to buyers. Gains and losses on disposal are determined by comparing the proceeds with the carrying amount and are recognised within 'Other operating expenses/income' in the profit and loss account.

Depreciation is charged to profit and loss account using reducing balance method whereby the cost of the asset less its estimated residual value is written off over the estimated useful life at rates given in note 8. Depreciation on additions is charged from the month in which asset is available for use and on disposals up to the month preceding the month of disposal.

#### **3.2 Intangible assets**

An intangible asset is recognised as an asset if it is probable that the economic benefits attributable to the asset will flow to the Company and the cost of the asset can be measured reliably.

##### **Trading Rights Entitlement Certificate**

This is stated at cost less impairment-if any. The carrying amount is reviewed at each balance sheet date to assess whether it is in excess of its recoverable amount, and where the carrying value exceeds estimated recoverable amount, it is written down to its estimated recoverable amount.

### **Computer Software**

Expenditure incurred to acquire identifiable computer software and having probable economic benefits exceeding the cost beyond one year is recognised as an intangible asset. Such expenditure includes the purchase cost of software (license fee) and related overhead cost.

Cost associated with maintaining computer software programmes are recognised as an expense when incurred.

Cost which enhance or extend the performance of computer software beyond its original specification and useful life is recognised as capital improvement and added to the original cost of

Computer software and license costs are stated at cost less accumulated amortization and any identified impairment loss and amortized over a period of four years using the straight line method.

Amortization is charged from the quarter in which the related asset is available for use while no amortization is charged for the quarter in which such asset is disposed off.

### **3.3 Impairment of non-financial assets**

Assets that are subject to depreciation/amortization are reviewed at each balance sheet date to identify circumstances indicating occurrence of impairment loss or reversal of previous impairment losses. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sale and value in use. Reversal of impairment loss is restricted to the original cost of the asset.

### **3.4 Financial assets**

#### **3.4.1 Classification**

The Company classifies its financial assets in the following categories at fair value through profit or loss, held to maturity, loans and receivables, and available-for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

#### **a) Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Company's loans and receivables comprise 'trade debts', 'trade deposits and other receivables' and cash and cash equivalents' in the balance sheet.

#### **b) Held to maturity financial assets**

Held to maturity financial assets are non-derivative financial assets with fixed or determinable payment and fixed maturity with a positive intention and ability to hold to maturity.

#### **c) Available-for-sale financial assets**

available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in current assets as the management intends to dispose off the same within 12 months.

#### **d) Financial assets at fair value through profit or loss**

Financial assets at fair value through profit or loss are financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss. A financial asset is classified as held for trading if acquired principally for the purpose of selling in the short term. Assets in this category are classified as current assets.

#### **3.4.2 Recognition and measurement**

Regular purchases and sales of financial assets are recognised on the trade date--the date on which the company commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the profit and loss account. Financial assets are derecognised when the rights to receive cash flows from the investment have expired or have been transferred and the company has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' categories are presented in the profit and loss account within income/expenses in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the profit and loss account as part of operating income when the company's right to receive payment is established.

Changes in fair value of monetary and non-monetary securities classified as available-for-sale are recognised in other comprehensive income. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the profit and loss account as 'gains and losses investment securities'.

Interest on available -for- securities calculated using the effective interest method is recognised in the profit and loss account as part of other income. Dividends on available for sale equity instruments are recognised in the profit and loss account as part of other income when the Company's right to receive payments is established.

#### **3.4.3 Impairment of financial assets**

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. If any such evidence exists for available - for sale financial assets, the cumulative loss is removed from equity and recognised in the profit and loss account. Impairment losses recognised in the profit and loss account on equity instruments are not reversed through the profit and loss account. Impairment testing of trade debts and other receivables is described in notes 3.6.

#### **3.5 Offsetting financial Instruments**

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle either on a net basis, or realise the asset and settle the liability simultaneously.

#### **3.6 Trade debts and other receivables**

Trade debts and other receivables are recognised at fair value and subsequently measured at amortized cost. A provision for impairment in trade debts and other receivables is made when there is objective evidence that the Company will not be able to collect all amounts due according to original terms of receivables. Trade debts and other receivables considered irrecoverable are written off.

#### **3.7 Fiduciary assets**

Assets held in trust or in a fiduciary capacity by the company are not treated as assets of the company and accordingly are not included in these financial statements.

#### **3.8 Cash and cash equivalents**

Cash and cash equivalents in the statement of cash flows includes cash in hand, balance with banks, other short-term highly liquid investment with original maturities of three months or less, and bank overdrafts/ short term borrowings. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

#### **3.9 Share capital**

Ordinary shares are classified as equity and recognised at their face value. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

#### **3.10 Borrowings**

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the profit and loss account over the period of the borrowing using the effective interest method.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

#### **3.11 Trade and other payables**

Trade and other payables are recognised initially at fair value plus directly attributable cost, if any, and subsequently measured at amortized cost using the effective interest method.

These are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

#### **3.12 Taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

### Current

The current income tax charge is based on the taxable income for the year calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

### Deferred

Deferred tax is recognised using balance sheet liability method, providing for all temporary differences between carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised only to the extent it is probable that future taxable profits will be available against which temporary differences can be utilised. Deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

### 3.13 Provisions

Provisions are recognized when the company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made of the amount of obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect current best estimate.

### 3.14 Financial Instruments

All Financial assets and liabilities are recognised at the time when the company becomes a party to the contractual provisions of the instruments. Any gain or loss on the recognition and derecognizing of the financial assets and liabilities is taken to profit and loss account currently.

### 3.15 Foreign currency transactions and translation

Monetary assets and liabilities in foreign currencies are translated into pak rupees at the rates of exchange prevailing at the balance sheet date. Transactions in foreign currencies are translated into functional currency using the rates of exchange prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

### 3.16 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable, net of any direct expenses. Revenue is recognised on the following basis:

- Brokerage consultancy and advisory fee, commission etc, are recognised as and when such services are provided.
- Income from bank deposits is recognised at effective yield on time proportion basis.
- Dividend income is recorded when the right to receive the dividend is established.
- Gains / (losses) arising on sale of investments are included in the profit and loss account in the period in which they arise.
- Unrealized capital gains / (losses) arising from mark to market of investments classified as financial assets at fair value through profit or loss-held for trading are included in profit and loss account for the period in which they arise.
- Rental income from investment properties is recognised on accrual basis.

### 3.17 Borrowing costs

Borrowing costs are recognised as an expense in the year in which they are incurred except where such costs are directly attributable to the acquisition or construction of qualifying asset in which such costs are capitalized as part of the cost of that asset. Borrowing costs included exchange differences arising from foreign currency borrowings to the extent these are regarded as an adjustment to borrowing costs.



	2014 Rupees	2013 Rupees
<b>4 SHARE CAPITAL</b>		
<b>ISSUED, SUBSCRIBED AND PAID UP CAPITAL</b>		
1,010,300 ordinary shares of Rs. 100/- each fully paid (2013: 1,010,300 shares)	<u>101,030,000</u>	<u>101,030,000</u>
<b>AUTHORIZED CAPITAL</b>		
1,500,000 Ordinary shares of Rs. 100/ each	<u>150,000,000</u>	<u>150,000,000</u>
<b>5 CREDITORS</b>		
Creditors	<u>320,728</u>	<u>383</u>
<b>6 ACCRUED AND OTHER LIABILITIES</b>		
Accrued Expenses	120,000	120,000
SST Payable	104,557	66,091
	<u>224,557</u>	<u>186,091</u>
<b>7 CONTINGENCIES AND COMMITMENTS</b>	<u>-</u>	<u>-</u>

There are no material contingencies including Pending "or" Threatened law suit and unasserted claims, further no claims in connection with litigation have been "or" are expected to be received / paid. There are no commitments other than future lease payments against assets subject to finance lease.

**8 PROPERTY AND EQUIPMENT**

Particulars	COST			Rate %	DEPRECIATION			W.D.V As at June 30, 2014
	As at July 01, 2013	Additions/ (Deletions)	As at June 30, 2014		As At July 01, 2013	For the year	As at June 30, 2014	
Furniture and Fixture	81,450	-	81,450	15	50,455	4,649	55,104	26,346
Computers	165,800	-	165,800	30	146,307	5,848	152,155	13,645
Rupees 2014	247,250	-	247,250		196,762	10,497	207,259	39,991
Rupees 2013	247,250	-	247,250		182,938	13,824	196,762	50,488

		2014 Rupees	2013 Rupees
<b>9 INTANGIBLE ASSETS</b>			
Trading Right Entitlement Certificate - KSE	10.1	15,000,000	15,000,000
		<u>15,000,000</u>	<u>15,000,000</u>

		2014 Rupees	2013 Rupees
<b>10 INVESTMENT-AVAILABLE FOR SALE</b>			
Shares of Karachi Stock Exchange Ltd	10.1	<u>40,073,830</u>	<u>40,073,830</u>
		<u>40,073,830</u>	<u>40,073,830</u>
<b>10.1</b>	Pursuant of the promulgation of the Stock Exchanges (Corporatisation, Demutualization and integration) Act, 2012 (The Act) the ownership in a Stock Exchange has been segregated from the right to trade on the Exchange. Accordingly, the company has received equity shares of KSE and Trading Right Entitlement (TRECs) in lieu of it membership card of KSE. The Company's entitlement in respect of KSE's shares is determined on the basis of valuation of assets and liabilities of KSE as approved by SECP and the Company has been allotted 4,007,383 shares of the face value of Rs. 10/- each, out of which 2,404,430 shares are kept in the blocked account and the divestment of the same will be made in accordance with the requirements of the Act within two years from the date of Demutualization.		
	In the absence of an active market of the shares of KSE and TREC, the Company has taken the cost of the shares and TREC at Rs: 40.073 million and Rs: 15 million respectively, which is the value approved by the Board of Directors of KSE and endorsed by the SECP.		
	During the year KSEL, through a notice, instructed all TRE Certificate holders to maintain/comply with Base Minimum Capital (BMC) requirement under Regulation Governing Risk Management of KSEL ("the Regulation") in the form calculated in the schedule-1 to the above Regulation. Total BMC requirement determined by the Board of Directors of KSEL in their meeting held on 10th December 2012 was Rs. 30.955 million for each individual TRE Certificate Holder. Accordingly, the Company has complied with above requirement in the following manner:		
	1 Creating mortgage or charge over TRE Certificate amounting to Rs. 15 million being notional value assigned / decided by KSEL.		
	2 Pledging / Lien marked over 40% shares (No. of shares: 1,602,953) of KSEL amounting to Rs. 15.955 million.		
<b>11 LONG TERM DEPOSITS</b>			
Deposits - KSE		110,000	110,000
Central Depository Company of Pakistan		100,000	100,000
National Clearing Company of Pakistan		200,000	200,000
Office Deposit		36,000	36,000
		<u>446,000</u>	<u>446,000</u>
<b>12 SHORT TERM INVESTMENT</b>			
Available for Trading Securities	12.1	<u>8,625,794</u>	<u>3,158,517</u>
Cost of Shares Investment		8,226,582	1,833,407
<b>Changes due to fair Market Value</b>			
Opening		1,325,110	(888,972)
During the Year		(925,898)	2,214,082
		<u>399,212</u>	<u>1,325,110</u>
		<u>8,625,794</u>	<u>3,158,517</u>
<b>13 TRADE DEBTS - (Unsecured Considered Good)</b>		<u>-</u>	<u>5,290,520</u>
<b>14 ADVANCES, DEPOSITS, PREPAYMENT AND OTHER RECEIVABLES</b>			
Advance tax		327,074	108,052
Income tax refundable		239,504	143,170
Other Receivables		2,012	2,012
		<u>568,590</u>	<u>253,234</u>

		2014 Rupees	2013 Rupees
<b>15 CASH AND BANK BALANCES</b>			
Cash in Hand		9,830	4,860
Cash at bank - In current account		452,435	719,327
		<u>462,265</u>	<u>724,187</u>
<b>16 OPERATING REVENUE</b>			
Commission income		6,049,179	2,142,768
Commission on IPO		9,176	-
Dividend Income		835,765	10,041
Return profit on cash margin on future contract		6,348	240
		<u>6,900,468</u>	<u>2,153,049</u>
<b>17 ADMINISTRATIVE EXPENSES</b>			
Salaries, benefits and allowances		2,680,000	576,000
Directors' remuneration	17.1	1,095,000	960,000
KSE rent, electricity and service charges		255,639	107,344
C.D.C charges		131,267	110,817
Printing and stationery		143,890	91,630
Legal and Professional		80,000	95,000
Communication expenses		119,925	145,290
Auditor remuneration	17.2	40,000	40,000
Traveling and conveyance expenses		64,225	89,125
Entertainment and sales promotion		97,780	89,875
Fuel, Water & Power		163,998	113,786
Insurance, Rent & Taxes		342,687	258,256
Repair and maintenance		123,745	101,430
Depreciation	8	10,497	13,824
General expenses		22,840	25,180
		<u>5,371,493</u>	<u>2,817,556</u>
<b>17.1 DIRECTORS' REMUNERATION</b>			
Chief Executive			
Managerial Remuneration		730,000	640,000
House Rent		292,000	256,000
Utilities		73,000	64,000
Total		<u>1,095,000</u>	<u>960,000</u>
No. of persons		<u>One</u>	<u>One</u>
<b>17.2 AUDITORS REMUNERATION</b>			
Statutory audit fee		40,000	40,000
		<u>40,000</u>	<u>40,000</u>
<b>18 FINANCIAL CHARGES</b>			
Bank charges		2,328	3,728
		<u>2,328</u>	<u>3,728</u>
<b>19 TAXATION</b>			
Current for the year		144,986	11,718
		<u>144,986</u>	<u>11,718</u>

	2014 Rupees	2013 Rupees
<b>20 EARNINGS PER SHARE</b>		
(Loss) after taxation	<u>(272,385)</u>	<u>(6,085,217)</u>
Number of ordinary shares in issue	<u>1,010,300</u>	<u>1,010,300</u>
Earning per share (in Rupee)	<u>(0.27)</u>	<u>(6.02)</u>

**21 RELATED PARTY TRANSACTIONS**

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over other party in making financial and operating decisions.

The related parties comprise of major shareholders, associated companies with or without common directors, directors of the company and key management personnel, staff provident fund, and financial institution having nominee on the Board of Directors. The remuneration of Director is disclosed in note 16.1 to the financial statements.

**22 CAPITAL RISK MANAGEMENT**

The Board's policy of capital risk management is to maintain a strong capital base, ratios and credit rating so as to maintain investor, creditor and market confidence, sustain future development of the business, safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefit for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The board of Directors monitors the return on capital, which the Company defines as net profit after taxation divided by total shareholders' equity. There were no changes in Company's approach to capital management during the year and the Company is not subject to externally imposed capital requirements.

**23 APPROVAL OF FINANCIAL STATEMENTS**

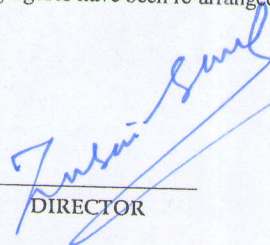
The financial statements were approved by the board of directors and authorized for issue on

**10 OCT 2014**

**24 GENERAL**

Figures have been rounded off to the nearest rupee and corresponding figures have been re-arranged, where necessary, for the purpose of comparison.

  
 \_\_\_\_\_  
 CHIEF EXECUTIVE

  
 \_\_\_\_\_  
 DIRECTOR