GDS Final
Accounts
30-June-2017

05-April-2018

Final

GUL DHAMI SECURITIES (PRIVATE) LIMITED

Financial Statements
For the Year Ended 30 June, 2017

BAKER TILLY
MEHMOOD IDREES
QAMAR
CHARTERED ACCOUNTANTS

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AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **GUL DHAMI SECURITIES (PRIVATE) LIMITED** (the Company) as at **30 June 2017** and the related profit and loss account, statement of comprehensive income, cash flow statement and 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 purposes 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, the requirements of the Companies Ordinance, 1984 and the Securities Brokers (Licensing and Operations) Regulations 2016. 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 accounts have been kept by the company as required by the Securities Brokers (Licensing and Operations) Regulations 2016 and 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 Securities Brokers (Licensing and Operations) Regulations 2016 and the Companies Ordinance, 1984, and are in agreement with the books of accounts and are further in accordance with accounting policies consistently applied;
   i. the expenditure incurred during the year was for the purpose of the Company's business; and
   ii. the business conducted, investments made and the expenditure incurred during the year 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, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan and give the information required by the Companies Ordinance, 1984 and the Securities Brokers (Licensing and Operations) Regulations 2016, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2017 and of the profit, its comprehensive income, its cash flows and changes in equity for the year then ended; and

d) in our opinion, no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

OTHER MATTERS

a) The financial statements for the year ended 30 June 2016 were audited by another firm of Chartered Accountants whose audit report dated 03 October 2016 expressed an unqualified opinion thereon.

b) In accordance with the requirements of the Securities Brokers (Licensing and Operations) Regulations 2016, we report on the following matters:

i. The Company has maintained throughout the financial year systems adequate to enable us to identify with reasonable accuracy the assets held on behalf of customers and distinguish such assets from the proprietary assets of the Company;

ii. The Company was in compliance with the requirements of Section 78 of the Securities Act, 2015 and the relevant requirements of those regulations at the date on which the balance sheet is prepared;

iii. Internal control system and compliance function commensurate with the size and nature of services performed by the Company was implemented during the year; and

iv. The compliance officer performed its function with efficiency during the year.

Bakertilly MIQ

Baker Tilly Mehmood Idrees Qamar Chartered Accountants

Baker Tilly Mehmood Idrees Qamar
Chartered Accountants

Engagement Partner: Siraj Ahmad
Date: 30 September 2017
Place: Islamabad

GUL DHAMI SECURITIES (PRIVATE) LIMITED

Balance Sheet

As at 30 June, 2017

	Note	2017 Rupees	2016 Rupees
ASSETS			
Non-Current Assets			
Property and equipment	6	1,142,245	1,308,271
LSE LSL Room		19,162,560	19,162,560
Intangible asset	7	4,000,000	4,000,000
Long term investment	8	8,439,750	8,439,750
Long term deposits	9	1,130,000	1,130,116
		33,874,555	**34,040,697**
Current Assets			
Trade debts - net	10	4,263,746	2,414,569
Other receivables	11	3,595,358	1,297,911
Short term investment	12	2,974,092	4,465,000
Cash and bank balances	13	22,045,158	17,446,269
		32,878,354	**25,623,749**
		66,752,909	**59,664,446**
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital	14	78,150,000	78,150,000
Unappropriated profit		(27,656,183)	(28,883,338)
		50,493,817	**49,266,662**
LIABILITIES			
Current Liabilities			
Trade and other payables	15	15,705,961	10,376,976
Provision for taxation - net	16	553,131	20,808
		16,259,092	**10,397,784**
Contingencies and commitments	17	-	-
		66,752,909	**59,664,446**

The annexed notes from 1 to 29 an integral part of these financial statements

Gul. A. Dhami

GUL DHAMI SECURITIES (PVT) LTD.
Corporate Member Pakistan Stock Exchange
Member PSX-327

CHIEF EXECUTIVE

Abida Gul.

DIRECTOR

GUL DHAMI SECURITIES (PRIVATE) LIMITED

Profit and Loss Account

For the year ended 30 June, 2017

	Note	2017 Rupees	2016 Rupees
Revenue	*18*	4,682,986	2,080,826
Operating and Administrative expenses	*19*	(4,489,858)	(31,801,576)
Profit from operations		**193,128**	**(29,720,750)**
Finance cost	*20*	(5,308)	(4,281)
Other income	*21*	1,592,466	3,132,734
Profit before taxation		**1,780,286**	**(26,592,297)**
Taxation	*22*	(553,131)	(20,808)
Profit for the year		**1,227,155**	**(26,613,105)**

The annexed notes from 1 to 29 an integral part of these financial statements.

Gul. A. Dhami

CHIEF EXECUTIVE

GUL DHAMI SECURITIES (PVT) LTD. Corporate Member Pakistan Stock Exchange Member PSX-327

Abida Gul

DIRECTOR

GUL DHAMI SECURITIES (PRIVATE) LIMITED

Statement of Comprehensive Income

For the year ended 30 June, 2017

	2017 Rupees	2016 Rupees
Profit/ (Loss) for the year	1,227,155	(26,613,105)
Items that may be reclassified subsequently to profit or loss	-	-
Items that will not be reclassified subsequently to profit or loss	-	-
Total comprehensive income/ (loss) for the year	**1,227,155**	**(26,613,105)**

The annexed notes from 1 to 29 an integral part of these financial statements.

Gul. A. Dhami

Chief Executive

GUL DHAMI SECURITIES (PVT) LTD.
Corporate Member Pakistan Stock Exchange
Member
PSX-327

Harida Gul.

Director

GUL DHAMI SECURITIES (PRIVATE) LIMITED

Statement of Changes in Equity

For the year ended 30 June, 2017

	Share capital	Unappropriated profit	Total
	Rupees	Rupees	Rupees
Balance as on 1 July 2015	78,150,000	(2,270,233)	75,879,767
Total comprehensive income/ (loss) for the year	-	(26,613,105)	(26,613,105)
Balance as at 30 June 2016	**78,150,000**	**(28,883,338)**	**49,266,662**
Total comprehensive income/ (loss) for the year	-	1,227,155	**1,227,155**
Balance as at 30 June 2017	**78,150,000**	**(27,656,183)**	**50,493,817**

The annexed notes from 1 to 29 an integral part of these financial statements

Gul. A. Dhami

CHIEF EXECUTIVE

GUL DHAMI SECURITIES (PVT) LTD. Corporate Member Pakistan Stock Exchange Member PSX-027

Abida Gul.

DIRECTOR

1 LEGAL STATUS AND NATURE OF BUSINESS

Ghul Dhami Securities (Private) Limited (the Company) is a private limited company incorporated on 14 October, 2014 in Pakistan under the Companies Ordinance, 1984. The company is domiciled in Lahore. The company is primarily engaged in the business of stock, brokerage, and secondary capital market operations. It is also actively taking part in the Initial Public Offerings (IPO's) and providing all relative services to the general public to promote investment. Head office of the company is situated at 609, 6th floor, Lahore Stock Exchange building, Khayaban-E-Iqbal Lahore.

2 STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of or the directives issued under the Companies Ordinance, 1984 and the Securities Brokers (Licensing and Operations) Regulations 2016. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 and the Securities Brokers (Licensing and Operations) Regulations 2016 shall prevail.

3 USE OF ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with the approved accounting standards require management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that period, or in the period of revision and future periods in other cases. Judgments made by management in application of the approved accounting standards that have significant on the financial statements and estimates with a significant risk of material adjustments in the next year are discussed in respective policy notes. The areas where various assumptions and estimates are significant to the Company's financial statements or where judgment was exercised in application of accounting policies are as follows:

(i) Estimates of useful life of property, plant and equipment (Note 6)
(ii) Estimate of useful life intangible assets (Note 7)
(iii) Provisions and contingencies
(iv) Impairment of non-financial assets
(v) Provision for taxation (Note 26)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

4.1 Basis of measurement

These financial statements have been prepared under the historical cost convention except for short term investments which are carried at their fair value

4.2 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates. These financial statements are presented in Pak Rupees, which is the Company's functional currency.

4.3 Taxation

Income tax expense comprises current and deferred tax.

Current tax

Provision for current taxation is based on taxable income at the applicable rates of taxation after taking into account tax credits and tax rebates, if any. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or in other comprehensive income.

Deferred tax

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized. Deferred tax assets 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 on temporary differences arising from the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences arising on the initial recognition of goodwill.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse, based on tax rates that have been enacted. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different taxable entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

The Company takes into account the current income tax law and decisions taken by the taxation authorities. Instances where the Company's views differ from 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.

4.4 Property, plant and equipment and capital work in progress

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses, except freehold land and capital work in progress, which are stated at cost less impairment losses, if any. Cost comprises acquisition and other directly attributable costs.

Depreciation is provided on a written down value basis and charged to profit or loss to write off the depreciable amount of each asset over its estimated useful life at the rates specified in note 6. Depreciation on addition in property, plant and equipment is charged from the date when the asset becomes available for use up to the date of its disposal.

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized, if any. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized net within other income in profit or loss.

The Company reviews the useful life and residual value of property, plant and equipment on a regular basis. Any change in estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment with a corresponding effect on depreciation charge and impairment.

4.5 Impairment

Non-financial assets

The carrying amounts of non-financial assets other than deferred tax asset, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit, or CGU").

The Company's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs. An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit and loss account.

Impairment loss recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates 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 or amortization, if no impairment loss had been recognized.

Financial assets

Financial assets are assessed at each reporting date except trade receivables to determine whether there is objective evidence that they are impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably. Objective evidence that financial assets are impaired may include default or delinquency by a debtor, indications that a debtor or issuer will enter bankruptcy.

All individually significant assets are assessed for specific impairment. All individually significant assets found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Assets that are not individually significant are collectively assessed for impairment by grouping together assets with similar risk characteristics.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss and reflected in an allowance account. Interest on the impaired asset continues to be recognized through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit and loss account.

Trade receivables which are overdue for more than 5 days are fully provided for to the extent of amount not covered by the collateral after applying haircuts in accordance with the Securities Brokers (Licensing and Operations) Regulations, 2016

4.6 Investments

4.6.1 Available for sale investments

These are initially measured at their fair value plus directly attributable transaction cost and at subsequent reporting dates measured at fair values and gains or losses from changes in fair values other than impairment loss are recognized in other comprehensive income until disposal at which time these are recycled to profit or loss. Impairment loss on investments available for sale is recognized in the profit or loss.

4.6.2 Investments at fair value through profit or loss

Investments which are acquired principally for the purpose of selling in the near term or the investments that are part of a portfolio of financial instruments exhibiting short term profit taking, are classified as fair value through profit or loss and designated as such upon initial recognition. These are stated at fair values with any resulting gains or losses recognized directly in profit or loss.

4.6.3 Loans and receivables

Investments are classified as loans and receivables which have fixed or determinable payments and are not quoted in an active market. These investments are initially measured at fair values plus directly attributable transaction costs. Subsequent to initial recognition, these are stated at their amortized cost using the effective interest method, less any impairment losses.

4.7 Foreign currency transaction and translation

Transactions in foreign currency are accounted for at the exchange rates prevailing on the date of transactions. All monetary assets and liabilities denominated in foreign currencies at the year end are translated in Pak Rupees at exchange rates prevailing at the balance sheet date. Non monetary items that are measured in terms of historical cost in a foreign currency are translated using exchange rate at the date of transaction. Exchange differences are included in profit and loss account for the year.

4.8 Trade and settlement date accounting

All "regular way" purchases and sales of listed securities are recognized on the trade date, i.e. the date that the Company commits to purchase/sell the asset. Regular way purchase or sale of financial assets are those, the contract for which requires delivery of assets within the time frame established generally by regulation or convention in the market place concerned.

4.9 Revenue recognition

Revenue is recognized when significant risk and rewards of ownership have been transferred to the customers, recovery of the consideration is probable, the associated costs can be estimated reliably, there is no continuing management involvement and the amount of revenue can be measured reliably.

Revenue is recognized as follows in following cases:

(a) Brokerage and commission are accrued as and when due.

(b) Dividend income is recognized in profit or loss on the date that the Company's right to receive payment is established.

(c) Interest income is recognized as it accrues in profit or loss, using effective interest method.

(d) Underwriting commission is recognized when the agreement is executed. Take-up commission is recognized at the time commitment is fulfilled.

4.10 Borrowing costs

Borrowing costs which are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset. Borrowing cost includes exchange differences arising from foreign currency borrowings to the extent these are regarded as an adjustment to borrowing costs. All other borrowing costs are charged to profit and loss account.

4.11 Research and development cost

Research and development costs are charged to income as and when incurred.

4.12 Provisions

A provision is recognized in the balance sheet when the Company has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are determined by discounting the expected future cash flows at a pre tax discount rate that reflects current market assessment of time value of money and risk specific to the liability.

Provisions are reviewed at each balance sheet date and adjusted to reflect current best estimate.

4.13 Dividend and reserve appropriation

Dividend is recognized as a liability in the period in which it is declared. Movement in reserves is recognized in the year in which it is approved.

4.14 Financial instruments

Non-derivative financial assets

These are initially recognized on the date that they are originated i.e. trade date which is the date that the Company becomes a party to the contractual provisions of the instrument.

A financial asset is derecognized when the contractual rights to the cash flows from the asset expire, or when the Company transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in such transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability.

The Company classifies non-derivative financial assets as available for sale, held for trading, loans and other receivables. Loans and receivables comprise investments classified as loans and receivables, cash and bank balances and trade and other receivables.

Trade debts, other receivables and other financial assets

Trade debts and other receivables are initially recognized at fair value plus any directly attributable transaction cost. Subsequent to initial recognition, these are measured at amortized cost using effective interest method, less any impairment losses. Known bad debts are written off, when identified.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash with banks on current, saving/ deposit accounts, bank overdraft and other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of change in value.

Non-derivative financial liabilities

The Company initially recognizes non derivative financial liabilities on the date that they are originated or the date that the Company becomes a party to the contractual provisions of the instrument. The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled or expired.

These financial liabilities are recognized initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest method. Non-derivative financial liabilities comprise markup bearing borrowings including obligations under finance lease, short term borrowing and trade and other payables.

Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if the Company has a legally enforceable right to setoff the recognized amounts and intends either to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

4.15 Finance income and finance costs

Finance income comprises interest income on funds invested (including available-for-sale financial assets), dividend income, gain on disposal of available-for-sale financial assets and changes in fair value of investments held for trading.

Finance costs comprise interest expense on borrowings, changes in fair value of investment carried at fair value through profit or loss and impairment losses recognized on financial assets. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in profit or loss using effective interest method.

Foreign currency gains and losses are reported on a net basis.

5 APPLICABILITY OF STANDARDS

5.1 Changes in accounting policies and disclosures resulting from adoption of amendments and interpretations during the year

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial year except as described below:

Amended standards and interpretations

The Company has adopted the following accounting standards and amendment which became effective during the year:

- Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11)
- Clarification of Acceptable Methods of Depreciation and Amortization (Amendments to IAS 16 and IAS 38)
- Agriculture: Bearer Plants (Amendments to IAS 16 and IAS 41)
- Equity Method in Separate Financial Statements (Amendments to IAS 27)
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)
- Annual Improvements 2012-2014 Cycle
- Disclosure Initiative (Amendments to IAS 1)
- Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28)

The adoption of the above amendment and accounting standards did not have any effect on the financial statements.

5.2 Standards, amendments to accounting standards and improvements to accounting standards that are not yet effective.

The following amendments to the approved accounting standards, as applicable in Pakistan, will

Standard	Effective date (annual periods beginning on
- IAS 7 - Statement of Cash Flows (Amendments) - Disclosure Initiative	1-Jan-17
- IAS 12 - Income Taxes (Amendment) - Recognition of Deferred Tax Assets for unrealized losses.	1-Jan-17
- Annual Improvements to IFRS Standards 2014–2016 Cycle – Amendments to IFRS 12	1-Jan-17
- IFRS 10 - Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	Not yet finalized
- IFRIC 22 - Foreign Currency Transactions and Advance Consideration	1-Jan-18
- IFRIC 23 - Uncertainty over Income Tax Treatments	1-Jan-19
- Transfers of Investment Property (Amendments to IAS 40)	1-Jan-18

The Company expects that the adoption of the above amendments to the standards will not affect the Company's financial statements, in the period of initial application except for certain additional disclosures resulting from adoption of IAS 7 - Statement of Cash Flows (Amendments) - Disclosure initiative.

Further, the following new standards have been issued by the International Accounting Standards Board (IASB), which are yet to be notified by the Securities and Exchange Commission of Pakistan (SECP) for the purpose of applicability in Pakistan:

Standard	IASB Effective date (annual periods beginning on
- IFRS 1 - First-time adoption of International Financial	1 July 2009
- IFRS 14 - Regulatory Deferral Accounts	1-Jan-16
- IFRS 9 - Financial Instruments	1-Jan-18
- IFRS 15 - Revenue from Contract with Customers	1-Jan-18
- IFRS 16 - Leases	1-Jan-19
- IFRS 17 - Insurance Contracts	1-Jan-21

6 PROPERTY AND EQUIPMENT

	Cost			Accumulated Depreciation				Net book value as at 30 June 2017	Rate of Depreciation
	As at 1 July 2016	Additions/ (Deletions)	As at 30 June 2017	As at 1 July 2016	Adjustments	For the year	As at 30 June 2017		
	Rupees								%age
Computers	980,390	38,800	1,019,190	880,198	-	35,878	916,076	103,114	30
Office equipment	238,648	50,000	288,648	114,647	-	14,900	129,547	159,101	10
Furniture and fixtures	296,707	-	296,707	169,034	-	12,767	181,801	114,906	10
Vehicles	3,128,535	-	3,128,535	2,172,130	-	191,281	2,363,411	765,124	20
	4,644,280	88,800	4,733,080	3,336,009	-	254,826	3,590,835	1,142,245	

	Cost			Accumulated Depreciation				Net book value as at 30 June 2016	Rate of Depreciation
	As at 1 July 2015	Additions/ (Deletions)	As at 30 June 2016	As at 1 July 2015	Adjustments	For the year	As at 30 June 2016		
	Rupees								%age
Computers	980,390		980,390	837,258	-	42,940	880,198	100,192	30
Office equipment	225,648	13,000	238,648	100,868	-	13,778	114,647	124,001	10
Furniture and fixtures	296,707	-	296,707	154,848	-	14,186	169,034	127,673	10
Vehicles	3,128,535		3,128,535	1,933,029		239,101	2,172,130	956,405	20
	4,631,280	13,000	4,644,280	3,026,004	-	310,005	3,336,009	1,308,271	

	Note	2017 Rupees	2016 Rupees
7 INTANGIBLE ASSET			
Trading Right Entitlement Certificate (TREC) -	7.1	4,000,000	4,000,000

7.1 Pursuant to the Stock Exchange (Corporatization, Demutualization and Integration) Act, 2012, stock exchanges operating as guarantee limited companies were converted to public limited companies (referred to as "corporatization") along with separation of ownership rights from members' trading rights (referred to as "demutualization"). As a result of demutualization, membership cards were replaced by shares in LSE Financial Services Limited being financial asset classified under "long term investment" and trading rights entitlement certificates (TREC) representing rights to trade on the Exchange being an intangible asset. The value represents cost of membership allocated to TREC based on fair value of TREC and shares in the Exchange at a split-off date and subsequent impairment loss, if any. TREC has indefinite useful life. In order to meet Base Minimum Capital (BMC), TREC has been pledged with Pakistan Stock Exchange Limited (PSX), which came into existence as a result of integration of stock exchanges on 11 January, 2016. Notional value of TREC notified by PSX amounts to Rs. 5 million, hence no impairment has been recognized in the books of accounts.

	Note	2017 Rupees	2016 Rupees
8 LONG TERM INVESTMENT			
Investments available for sale			
Limited (unquoted) - at cost	8.1	8,439,750	8,439,750

8.1 This represents 843,975 shares of Rs. 11.32 each which were alloted to the Company subsequent to demutualization of stock exchanges as referred in Note 7.1 to the financial statements. The Company received 337,590 shares being 40% of total shares alloted to the Company. Remaining 60% of the shares are transferred to CDC sub-account in the Company's name under ISE's participant IDs with the CDC which will remain blocked until these are sold to strategic investors, general public and financial institutions. TRE Certificate of Pakistan Stock Exchange Limited (PSL) and 337,590 ordinary shares of LSEFSL shares are pledged with PSX to meet BMC requirements.

These shares do not have a quoted market price in an active market and fair value cannot be estimated reliably, therefore, these are carried at cost. Further, these have been classified in Level 3 category as per IFRS 13. The break-value of these shares as notified by PSX amounts to Rs. 18.29 per share, hence no impairment has been recognized in the books of accounts for these shares.

9 LONG TERM DEPOSITS

	Note	2017 Rupees	2016 Rupees
CDC membership deposit		200,000	200,000
NCCPL deposit		200,000	200,116
Initial exposure with LSEFSL		200,000	200,000
Other security deposits		530,000	530,000
		1,130,000	**1,130,116**

10 TRADE DEBTS - NET

	Note	2017 Rupees	2016 Rupees
Considered good - secured		350,231	2,414,569
Considered doubtful		3,913,515	-
	10.1	4,263,746	2,414,569
Provision for doubtful debts		-	-
		4,263,746	**2,414,569**

10.1 Market value of securities held in CDC sub-accounts against these trade debts amount to Rs. 9,438,017.

	Note	2017 Rupees	2016 Rupees
11 OTHER RECEIVABLES			
Receivable from NCSS		2,096,459	522,864
Advance tax		470,908	336,020
Other receivables		1,027,992	439,027
		3,595,358	**1,297,911**
12 SHORT TERM INVESTMENT			
Investments at fair value through profit or loss			
Investment in listed securities		2,974,092	3,097,501
Gain/loss on securities		-	1,367,499
	12.1	2,974,092	4,465,000

12.1 These represent investment in listed securities, held by the Company, valued based quoted prices of these securities at PSX which is the active/ principal market for these securities. These are classified in Level 1 category as per IFRS 13.

	Note	2017 Rupees	2016 Rupees
13 CASH AND BANK BALANCES			
Cash in hand		-	-
Cash at bank			
Saving accounts		20,980,736	
Current accounts		1,064,422	17,446,269
	13.1	**22,045,158**	**17,446,269**
		22,045,158	**17,446,269**

13.1 This includes Rs. 20,980,736 (2016: 9,082,369) amount held on account of clients.

	Note	2017 Rupees	2016 Rupees
14 SHARE CAPITAL			
Authorized			
10,000,000 (2016: 10,000,000) Ordinary Shares of Rupees 10/- each		100,000,000	100,000,000
Issued, subscribed and paid up			
7,815,000 (2016: 7,815,000) Ordinary Shares of Rupees 10/- each fully paid in cash	*14.1*	78,150,000	78,150,000

14.1 Details of shareholders holding more than 5% shares in the Company are as follows

	Shareholding %age	%age
Gul Abdullah Dhami - 7,804,000 (2016: 7,804,000) shares	**99.86%**	**99.86%**

	Note	2017 Rupees	2016 Rupees
15 TRADE AND OTHER PAYABLES			
Creditors		13,122,761	9,082,369
Accrued liabilities	Loso	227,311	889,506
Withholding taxes payable	STBL + sch	1,174,868	405,101
Other payables		1181021	-
		15,705,961	**10,376,976**
16 PROVISION FOR TAXATION			
Advance tax		-	-
Provision for current tax		553,131	20,808
		553,131	**20,808**

	Note	2017 Rupees	2016 Rupees

17 CONTINGENCIES AND COMMITMENTS

17.1 There are no contingencies and commitments of the Company as of 30 June 2017.

	Note	2017 Rupees	2016 Rupees
18 REVENUE			
Commission income from brokerage	*18.1*	4,682,986	2,080,826

18.1 This represents commission income of brokerage from retail customers.

	Note	2017 Rupees	2016 Rupees
19 OPERATING AND ADMINISTRATIVE EXPENSES			
Staff salaries and benefits		1,609,200	1,481,800
Directors Remuneration		1,407,000	1,272,000
Utilities		60,730	-
Postagr & Courier		5,872	-
Communication expense		71,959	242,494
Repair and maintenance		234,073	292,192
Entertaintment charges		44,916	39,909
Traveling and conveyance		190,600	2,930
Newspaper & periodicals		4,074	-
Printing and stationery		30,408	-
Auditor's remuniration		75,000	75,000
LSE charges		15,580	30,729
Fees and subscription		169,941	-
Legal and professional charges		263,917.00	342,349
Depreciation and Impairment	*6*	254,826	27,870,255
Miscelleneous		51,762	151,918
		4,489,858	**31,801,576**

		Note	2017 Rupees	2016 Rupees
20	**FINANCE COST**			
	Bank and other charges		5,308	4,281
21	**OTHER INCOME**			
	Dividend income		282,794	720,107
	Unrealized gain / (loss) on securities		-	1,367,499
	Bank profit		1,332,180	938,715
	Balance witten off		(22,507)	-
	Other		-	106,412
			1,592,466	**3,132,734**
22	**TAXATION**			
	Current		553,131	20,808
	Prior		-	-
	Deferred		-	-
			553,131	**20,808**

23 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amount charged in these financial statements in respect of remuneration including benefits applicable to chief executive, directors and executives of the Company are given below:

Managerial Remuneration including House Rent & Utility

	2017	2016
Chief Executive (No. of person 1.)	396,000	396,000
Executives		
Directors (No. of person 3.)	1,011,000	984,000
	1,407,000	1,380,000

FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

24.1 Risk management framework

The Director/ Chief Executive has overall responsibility for the establishment and oversight of the Company's risk management framework. He is also responsible for developing and monitoring the Company's risk management policies. The Director/ Chief Executive monitors frequently throughout the year for developing and monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and control, 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. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

24.2 Financial assets and liabilities by category and their respective maturities

	June 30, 2017		June 30, 2016	
	Maturity up to One year	Maturity after One year	Maturity up to One year	Maturity after One year
Financial assets				
Long term investments	-	8,439,750	-	8,439,750
Long term deposits	-	1,130,000	-	1,130,116
Trade debts	4,263,746	-	2,414,569	-
Deposits	3,595,358	-	1,297,911	-
Short term investments	2,974,092	-	4,465,000	-
Cash and bank balances	22,045,158	-	17,446,269	-
	32,878,354	**9,569,750**	**25,623,749**	**9,569,866**
Financial liabilities				
Trade and other payables	15,705,961	-	10,376,976	-
	15,705,961	**-**	**10,376,976**	**-**

24.3 Fair values

Fair value is the amount that would be received on sale of an asset or paid on transfer of a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and fair value estimates. Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The fair value of financial assets and liabilities traded in active markets i.e. listed equity shares are based on the quoted market prices at the close of trading on the year end date. The quoted market prices used for financial assets held by the Company is current bid price. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13, 'Fair Value Measurements' requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

24.4 Financial risk factors

The Company has exposures to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

1.4.1 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 to account of any collateral. Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political, or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry. The Company's portfolio of financial instruments is broadly diversified and transactions are entered into with diverse credit worth counterparties thereby mitigating any significant concentrations of credit risk.

Credit risk of the Company arises from deposits with banks and financial institutions, trade debts, short term loans and advances, short term investments and other receivables. The carrying amount of financial assets represents the maximum credit exposure. 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 net worth and proper margins are collected and maintained from the clients. the management continuously monitors the credit exposure towards the clients and makes provision against those balances considered doubtful of recovery. The Company's management as part of risk management policies and guidelines, reviews clients' financial position, considers past experience and other factors, and obtains necessary collaterals to reduce credit risks. Further, credit risk on liquid funds is limited because the counter parties are banks with reasonably high credit ratings.

The Company's policy is to enter into financial contracts in accordance with the internal risk management policies, investment and operational guidelines approved by the Director/ Chief Executive. In addition, credit risk is also minimized due to the fact that the Company invests only in high quality financial assets, majority of which have been rated by a reputable rating agency. The Company does not expect to incur material credit losses on its financial assets.

The carrying amount of financial assets represent the maximum credit exposure, as specified below:-

	2017 Rupees	2016 Rupees
Long term investments	8,439,750	8,439,750
Long term deposits	1,130,000	1,130,116
Trade debt - net	4,263,746	2,414,569
Deposits	3,595,358	1,297,911
Short term investments	2,974,092	4,465,000
Cash at bank	22,045,158	17,446,269
	42,448,105	**35,193,615**

24.4.2 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of adequate funds through committed credit facilities and the ability to close out market positions due to dynamic nature of the business. The Company finances its operations through equity, borrowings and working capital with a view to maintaining an appropriate mix between various sources of finance to minimize risk. The management aims to maintain flexibility in funding by keeping regular committed credit lines.

The following are the contractual maturities of financial liabilities:

	As at 30 June 2017		
Financial liabilities	**Carrying amount**	**Within one year**	**More than one**
Trade and other payables	14,531,093	14,531,093	-
Total	**14,531,093**	**14,531,093**	-
	As at 30 June 2016		
Financial liabilities	**Carrying amount**	**Within one year**	**More than one**
Trade and other payables	9,971,875	9,971,875	-
Total	**9,971,875**	**9,971,875**	-

It is not expected that the cash flow included in the maturity analysis could occur significantly earlier or at significantly different amounts.

24.4.3 Market risk

Market risk means that value of a financial instrument with fluctuate because of changes in market prices such as foreign exchange rates, interest rates and equity prices. The objective is to manage and control market risk exposures within acceptable parameters, while optimizing the return. Market risk comprises of three types of risk: foreign exchange or currency risk, interest rate risk and price risk. The market risk associated with the company's business activities are discussed as under:

Foreign exchange risk management

Currency Risk is the risk that value of a financial instrument will fluctuate because of changes in foreign exchange rates. The company is not exposed to currency risk as the Company does not maintain bank accounts in foreign currencies.

Interest rate risk management

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Significant interest rate risk exposures are primarily managed by a mix of borrowings at fixed and variable interest rates. The company analyzes its interest rate exposure on a regular basis by monitoring existing facilities against prevailing market interest rates and taking into accounts various other financing options available.

Price risk

Price risk represents the risk that fair value of financial instrument will fluctuate because of changes in the market prices, whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factor affecting all or similar financial instruments traded in the market. The company is significantly exposed to equity price risk since it carry investments in quoted securities (Note 14 to the financial statements).

25 CAPITAL RISK MANAGEMENT

The Company's objective when managing capital is to safe guard its ability to continue as a going concern so that it can continue to provide returns for the shareholder and benefits for other stake holders. Further, the Company has to comply with capital requirements (paid-up capital, net worth, minimum net capital) applicable to related category of broker (trading, trading and self clearing, trading and clearing) in which the broker falls as specified under the Securities Brokers (Licensing and Operations) Regulations 2016. Net capital balance of the Company as at 30 June, 2017 amounts to Rs. 23,009,775 (2016: Rs. 12,182,159) and liquid capital of the Company as at 30 June, 2017 amounts to Rs. 26,768,172 (2016: not applicable).

26 RELATED PARTY TRANSACTIONS

The related parties of the Company comprise of shareholders/ directors, key management personnel, entities with common shareholding, entities over which the directors are able to exercise influence and entities under common directorship. Transactions with related parties and the balances outstanding at the year end are disclosed in the respective notes to the financial statements.

27 NUMBER OF EMLOYEES

Total number of employees at the end of year were 5 (2016: 4). Average number of employees were 5 (2016: 4)

28 GENERAL

28.1 Figures have been rounded off to the nearest of rupee.

28.2 Corresponding figures have been rearranged, wherever necessary for the purposes of comparison.

29 AUTHORIZATION

29.1 These financial statements were authorized for issue on 29-Sep-2017 by the Board of Directors of the Company.

Gul. A. Dhami

Saida Gul.

Gul. A. Dhami