

**MND INVESTMENT (PVT) LIMITED**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2014**

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **MND Investment (Pvt) Limited** as at June 30, 2014 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 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 in agreement with the books of account and are further in accordance with accounting policies consistently applied;
  - (ii) the expenditure incurred during the year was for the purpose of the company's business; and
  - (iii) 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, in the manner so required and respectively give a true and fair view of the state of the company's affairs as at June 30, 2014 and of the loss, 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.

  
CHARTERED ACCOUNTANTS  
MUHAMMAD AMIN

Lahore:

29 SEP 2014

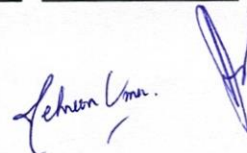
**MND INVESTMENT (PVT) LIMITED**  
**BALANCE SHEET**  
**AS AT JUNE 30, 2014**

|   | Note | 2014<br>Rupees           | 2013<br>Rupees           |
|---|------|--------------------------|--------------------------|
| <b>ASSETS</b>   |      |                          |                          |
| <b>NON CURRENT ASSETS</b>   |      |                          |                          |
| Property and equipment  | 3    | 309,787                  | 397,725                  |
| Intangible assets   | 4    | 11,000,000               | 11,000,000               |
| Long term investments   | 5    | 9,553,797                | 9,553,797                |
|   |      | <u>20,863,584</u>        | <u>20,951,522</u>        |
| <b>CURRENT ASSETS</b>   |      |                          |                          |
| Account receivables   |      | 11,876,394               | 5,891,008                |
| Investment at fair value through profit and loss  | 6    | 2,274,812                | 2,176,515                |
| Trade deposits ,short term prepayments and current account balance with statutory authorities | 7    | 710,526                  | 658,417                  |
| Cash and bank balances  | 8    | 2,199,626                | 1,663,375                |
|   |      | <u>17,061,358</u>        | <u>10,389,315</u>        |
|   |      | <u><u>37,924,942</u></u> | <u><u>31,340,837</u></u> |
| <b>EQUITY AND LIABILITIES</b>   |      |                          |                          |
| <b>SHARE CAPITAL AND RESERVES</b>   |      |                          |                          |
| Share capital   | 9    | 38,680,000               | 38,680,000               |
| Share deposit money   |      | 11,500,000               | -                        |
| Accumulated loss  |      | (21,676,355)             | (17,949,319)             |
|   |      | <u>28,503,645</u>        | <u>20,730,681</u>        |
| <b>NON CURRENT LIABILITIES</b>  |      |                          |                          |
| <b>Deferred Liabilities</b>   |      |                          |                          |
| Deferred taxation   | 10   | -                        | 14,909                   |
| <b>CURRENT LIABILITIES</b>  |      |                          |                          |
| Trade and other payables  | 11   | 9,421,297                | 10,595,247               |
| <b>CONTINGENCIES AND COMMITMENTS</b>  |      |                          |                          |
|   | 12   | -                        | -                        |
|   |      | <u>37,924,942</u>        | <u>31,340,837</u>        |

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



**CHIEF EXECUTIVE**



**DIRECTOR**

**MND INVESTMENT (PVT) LIMITED  
PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED JUNE 30, 2014**

|  | Note | 2014<br>Rupees     | 2013<br>Rupees     |
|--|------|--------------------|--------------------|
| Brokerage and commission                   | 13   | 4,402,164          | 1,026,741          |
| Capital loss                               |      | 261,353            | -                  |
|  |      | 4,140,811          | 1,026,741          |
| Direct cost                                | 14   | 536,338            | 307,303            |
|  |      | 3,604,473          | 719,438            |
| <b>Operating expenses</b>                  | 15   | 4,040,599          | 655,592            |
| <b>OPERATING PROFIT/(LOSS)</b>             |      | (436,126)          | 63,846             |
| <b>OTHER OPERATING INCOME / (EXPENSES)</b> | 16   | (3,056,886)        | (112,909)          |
| Impairment loss                            | 17   | -                  | 4,853,608          |
| Finance cost                               | 18   | 196,471            | 712                |
| <b>LOSS BEFORE TAXATION</b>                |      | (3,689,483)        | (4,903,383)        |
| Provision for taxation                     |      |                    |                    |
| - Current                                  |      | 52,462             | 5,134              |
| - Deferred                                 |      | (14,909)           | 14,909             |
|  |      | 37,553             | 20,043             |
| <b>LOSS FOR THE YEAR</b>                   |      | <u>(3,727,036)</u> | <u>(4,923,426)</u> |
| <b>LOSS PER SHARE- BASIC</b>               | 19   | <u>(0.96)</u>      | <u>(1.27)</u>      |

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

*John Kumar*

**CHIEF EXECUTIVE**

*John Kumar*

**DIRECTOR**

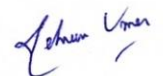
**MND INVESTMENT (PVT) LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED JUNE 30, 2014**

|   | <b>2014</b><br><b>Rupees</b> | <b>2013</b><br><b>Rupees</b> |
|---|------------------------------|------------------------------|
| Loss for the year                                       | (3,727,036)                  | (4,923,426)                  |
| Impairment on long term investment - Available for sale | -                            | 11,592,595                   |
|   | <hr/>                        | <hr/>                        |
| <b>Total comprehensive loss for the year</b>            | <b><u>(3,727,036)</u></b>    | <b><u>(16,516,021)</u></b>   |

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



**CHIEF EXECUTIVE**

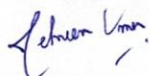


**DIRECTOR**

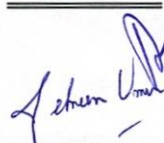
MND INVESTMENT (PVT) LIMITED  
 CASH FLOW STATEMENT  
 FOR THE YEAR ENDED JUNE 30, 2014

|   | Note     | 2014<br>Rupees          | 2013<br>Rupees          |
|---|----------|-------------------------|-------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                   |          |                         |                         |
| Loss before taxation  |          | (3,689,483)             | (4,903,383)             |
| <b>Adjustments of items not involving movements of cash:</b>  |          |                         |                         |
| Depreciation  |          | 87,938                  | 117,199                 |
| Finance cost  |          | 196,471                 | 712                     |
| Impairment loss   |          | -                       | 4,853,608               |
| Unrealised (gain) /loss on remeasurement of investment        |          | (98,297)                | 112,909                 |
|   |          | <u>186,112</u>          | <u>5,084,428</u>        |
| <b>Operating cash Flows Before Working capital changes</b>    |          | <b>(3,503,371)</b>      | <b>181,045</b>          |
| <b>(Increase) / Decrease in Working Capital</b>               |          |                         |                         |
| (Increase) / decrease in current assets                       |          |                         |                         |
| Account receivables   |          | (5,985,386)             | (5,891,008)             |
| Trade deposits and short term prepayments                     |          | (52,109)                | (651,000)               |
| Increase / (decrease) in current liabilities                  |          |                         |                         |
| Trade and other payables                                      |          | (1,173,950)             | 10,498,347              |
|   |          | <u>(7,211,445)</u>      | <u>3,956,340</u>        |
| <b>Cash Generated From Operations</b>                         |          | <b>(10,714,817)</b>     | <b>4,137,385</b>        |
| Taxes paid  |          | (52,462)                | (9,243)                 |
| Finance cost paid   |          | (196,471)               | (712)                   |
|   |          | <u>(248,933)</u>        | <u>(9,955)</u>          |
| <b>Net cash Flows From Operating Activities</b>               |          | <b>(10,963,749)</b>     | <b>4,127,430</b>        |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                   |          |                         |                         |
| Fixed capital expenditure                                     |          | -                       | (33,000)                |
| Investment made during the year                               |          | -                       | (2,289,424)             |
| <b>Net cash Flows From Investing Activities</b>               |          | <b>-</b>                | <b>(2,322,424)</b>      |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                   |          |                         |                         |
| Share deposit money received                                  |          | 11,500,000              | -                       |
| Director's loan (repayment)/receipt                           |          | -                       | (256,156)               |
| <b>Net Cash Flows From Financing Activities</b>               |          | <b>11,500,000</b>       | <b>(256,156)</b>        |
| <b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b> |          | <b>536,251</b>          | <b>1,548,850</b>        |
| <b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b> |          | <b>1,663,375</b>        | <b>114,525</b>          |
| <b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>       | <b>A</b> | <b><u>2,199,626</u></b> | <b><u>1,663,375</u></b> |
| <b>A Cash and Cash Equivalents</b>                            |          |                         |                         |
| Cash and bank balances  | <b>9</b> | <u>2,199,626</u>        | <u>1,663,375</u>        |
|   |          | <u>2,199,626</u>        | <u>1,663,375</u>        |

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



CHIEF EXECUTIVE



DIRECTOR

MND INVESTMENT (PVT) LIMITED  
 STATEMENT OF CHANGES IN EQUITY  
 FOR THE YEAR ENDED JUNE 30, 2014

|                                       | Paid up capital           | Accumulated loss | Total        | Share deposit money | Total        |
|---------------------------------------|---------------------------|------------------|--------------|---------------------|--------------|
|                                       | ----- (R u p e e s) ----- |                  |              |                     |              |
| Balance as at June 30, 2012           | 38,680,000                | (1,433,298)      | 37,246,702   | -                   | 37,246,702   |
| Total comprehensive loss for the year | -                         | (16,516,021)     | (16,516,021) | -                   | (16,516,021) |
| Balance as at June 30, 2013           | 38,680,000                | (17,949,319)     | 20,730,681   | -                   | 20,730,681   |
| Total comprehensive loss for the year | -                         | (3,727,036)      | (3,727,036)  | -                   | (3,727,036)  |
| Share deposit money received          | -                         | -                | -            | 11,500,000          | 11,500,000   |
| Balance as at June 30, 2014           | 38,680,000                | (21,676,355)     | 17,003,645   | 11,500,000          | 28,503,645   |

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



CHIEF EXECUTIVE



DIRECTOR

**MND INVESTMENT (PVT) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2014**

**1 COMPANY AND ITS OPERATION**

1.1 The company was incorporated as Private Limited Company on June 22, 2007 under the Companies Ordinance, 1984. The company is engaged in the business of share brokerage and investment in securities. The registered office of the company is situated at Room No. 509, 5th Floor, Lahore Stock Exchange Building, 19-Khyayaban-e-Aiwan-e-Iqbal, Lahore.

The company is a holder of Trading Right Entitlement Certificate (TREC) Holder of Lahore Stock Exchange.

1.2 The company has accumulated loss Rs.21.638 millions And loss for the year Rs.3.689 millions. The company has been operated for the whole year. The overall performance of stock exchanges of the country was not well. However, the management of the company is committed to provide the continue financial support to the company.

Accordingly, these financial statements have been prepared on going concern basis and do not include any adjustment relating to the recoverability and classification of recorded assets and liabilities that may be necessary should the company not be able to continue as a going concern.

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**2.1 BASIS OF PREPARATION**

These financial statements have been prepared in accordance with the approved accounting standards, as applicable in Pakistan. Approved accounting standards comprise of such Accounting and Financial Reporting Standards for Small Sized Entities issued by the Institute of Chartered Accountants of Pakistan and provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance 1984 shall prevail.

**2.2 ACCOUNTING CONVENTION**

These accounts have been prepared under the historical cost convention.

**2.3 PROPERTY AND EQUIPMENT AND DEPRECIATION**

Property and equipment are stated at cost less accumulated depreciation.

Depreciation is charged on reducing balance method at the rates mentioned in the note no. 3. Depreciation on addition is charged from the month the asset is available for use while no depreciation is charged in the month in which the asset is disposed off.

Normal repair and maintenance is charged to revenue as and when incurred, while major renewals and replacement are capitalized.

Gain or loss on disposal of property and equipment, if any is taken to profit and loss account.



## 2.4 INTANGIBLE ASSETS

Intangible assets with finite useful life are stated at cost less amortization and 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 carrying value exceeds estimated recoverable amount, it is written down to estimated recoverable amount.

## 2.5 FINANCIAL ASSETS

Financial assets are classified in the following categories: Held-to-maturity, at fair value through profit or loss, available-for-sale and loans and receivables. The classification depends on the purpose for which the financial assets were acquired. The company determines the classification of its financial assets at initial recognition and, where allowed and appropriate, re-evaluates the designation at each balance sheet date.

### 2.5.1 Held to Maturity

The investments with fixed maturity, if any, that the company has to positive intent and ability to hold to maturity. Held to maturity investments are initially measured at fair value plus transaction costs and are subsequently stated at amortized cost using the effective interest rate method less impairment, if any. These are classified as current and non-current assets in accordance with criteria set out by

### 2.5.2 At fair value through profit

Investments classified as held for trading are included in the category of financial assets at fair value through profit and loss. These are listed securities that are acquired principally for the purpose of generating a profit from short term fluctuations in price or dealer's margin.

All investments are initially recognized at cost, being the fair value of the consideration given excluding acquisition charges with the investment. After initial recognition, investments are measured at their fair values. Unrealized gains and losses on investments are recognized in profit and loss account of the period.

Fair values of these securities representing listed equity and debt securities are determined by reference to stock exchange quoted market prices at the close of the business on balance sheet date.

### 2.5.3 Available-for-sale

Investments which are intended to be held for an undefined period of time but may be sold in response to the need for liquidity or changes in interest rates are classified as available-for-sale

Subsequent to initial recognition at cost, these are remeasured at fair value. The Company uses latest stock exchange quotations to determine the fair value of its quoted investments whereas fair value of investments in un-quoted companies is determined by applying the appropriate valuation techniques as permissible under IAS 39 (Financial Instruments: Recognition and Measurement). Gains or losses on available-for-sale investments are recognized directly in other comprehensive income until the investments are sold or disposed-off, or until the investments are determined to be impaired, at that time cumulative gain or loss previously recognized in other comprehensive income, is re-classified from equity to profit and loss as re-classification adjustment. Lahore Stock Exchange Limited issued shares to the TREC Holder 843,975 as referred in note no. 5.1 out of which 506,385 shares are in the name of Ex. chief executive of the company as per SECP direction.

## 2.6 ACCOUNT RECEIVABLES

These are stated at net of provision for doubtful debts, if any. Account receivables are reviewed at each balance sheet date. Full provision is made against the debts considered doubtful. Bad debts and other receivables are written off as and when identified.

## 2.7 TRADE AND OTHER PAYABLES

These are stated at cost.

## 2.8 REVENUE RECOGNITION

- Brokerage income is recorded on the date of transaction.
- Capital gains or losses on sale of marketable securities are accounted for the year in which they arise.
- Dividend income is recognized on receipt basis.

## 2.9 TAXATION

### Current

Provision for current taxation is based on taxable income at the applicable rates of taxation after taking into account tax credits and tax rebates available, if any, or minimum tax as envisaged u/s 233A of the Income Tax Ordinance, 2001, whichever is higher.

### Deferred

The company accounts for deferred taxation using the liability method on all timing differences which are considered reversible in the foreseeable future.

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax assets to be utilized.

Deferred tax is calculated at the rates expected to apply to the period when the related temporary differences reverse, based on tax rates that have been enacted or substantially enacted by the balance sheet date.

MND INVESTMENT (PVT) LIMITED  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2014

3. PROPERTY AND EQUIPMENT

| Particulars            | Cost                   |                        | Rate<br>% | Depreciation           |                        | WDV<br>As at June<br>30, 2014 |
|------------------------|------------------------|------------------------|-----------|------------------------|------------------------|-------------------------------|
|                        | As at June<br>30, 2013 | As at June<br>30, 2014 |           | As at June<br>30, 2013 | Charge for<br>the year |                               |
|                        | Additions              |                        |           |                        |                        |                               |
| <b>OWNED</b>           |                        |                        |           |                        |                        |                               |
| Furniture and fittings | 90,000                 | 90,000                 | 10        | 39,956                 | 5,004                  | 44,961                        |
| Office equipment       | 36,000                 | 36,000                 | 10        | 15,982                 | 2,002                  | 17,984                        |
| Computers              | 977,000                | 977,000                | 30        | 823,007                | 46,198                 | 869,205                       |
| Vehicles               | 600,000                | 600,000                | 20        | 426,330                | 34,734                 | 461,064                       |
| <b>Rupees</b>          | <b>1,703,000</b>       | <b>1,703,000</b>       |           | <b>1,305,275</b>       | <b>87,938</b>          | <b>1,393,213</b>              |
| <b>2013</b>            | <b>1,670,000</b>       | <b>1,703,000</b>       |           | <b>1,188,076</b>       | <b>117,199</b>         | <b>1,305,275</b>              |

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|                                       | Note | 2014<br>Rupees    | 2013<br>Rupees    |
|---------------------------------------|------|-------------------|-------------------|
| <b>4. INTANGIBLE ASSETS</b>           |      |                   |                   |
| Rights of room                        |      | 7,000,000         | 7,000,000         |
| Trading right entitlement certificate | 4.1  | <u>4,000,000</u>  | <u>4,000,000</u>  |
|                                       |      | <u>11,000,000</u> | <u>11,000,000</u> |

- 4.1 It represents Trading Right Entitlement Certificate (TREC) received from Lahore Stock Exchange Limited (LSE) in accordance with the requirements of the Stock Exchanges (Corporatization, Demutualization and Integration) Act, 2012 (the Act). The Company has also received shares of LSE after completion of demutualization process. For details, refer note 5.1

|  | Note | 2014<br>Rupees   | 2013<br>Rupees      |
|--|------|------------------|---------------------|
| <b>5. LONG TERM INVESTMENTS</b>                        |      |                  |                     |
| Available for sale investment                          |      |                  |                     |
| Unquoted - Shares of Lahore Stock Exchange Limited (LS | 5.1  | <u>9,553,797</u> | <u>9,553,797.00</u> |

- 5.1 Pursuant to the promulgation of the Stock Exchanges (Corporation, Demutualization and Integration) Act, 2012 (The Act), the ownership in a Stock Exchange had been segregated from the right to trade on the Exchange. Accordingly, the company had received equity shares of LSE and a Trading Right Entitlement Certificate (TREC) in lieu of its membership card of LSE. The company's entitlement in respect of LSE's share is determined on the basis of valuation of assets and liabilities of LSE as approved by the SECP and the company had been allotted 843,975 shares of the face value of Rs. 10 each out of which 506,385 shares are kept in 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.

The cost/book value of the LSE membership card amounts to Rs. 30 million as at June 30, 2013. In the absence of an active market of the shares of LSE and TREC, the allocation of the carrying value of the membership card between the shares (financial asset) and TREC (intangible asset) had been made by the company proportionately on the basis of latest break-up value of ordinary shares of LSE and the TREC value assigned by the LSE for the minimum capital requirement purposes applicable to the Stock Exchange brokers currently.

|   | 2014<br>Rupees   | 2013<br>Rupees   |
|---|------------------|------------------|
| <b>6. INVESTMENTS AT FAIR VALUE THROUGH PROFIT AND LOSS</b> |                  |                  |
| Cost of investment  | 2,176,515        | 2,289,424        |
| Gain / (loss) on remeasurment of investment at fair value   | <u>98,297</u>    | <u>(112,909)</u> |
|   | <u>2,274,812</u> | <u>2,176,515</u> |

|  | 2014<br>Rupees     | 2013<br>Rupees    |
|--|--------------------|-------------------|
| <b>7. TRADE DEPOSITS, SHORT TERM REPAYMENTS AND CURRENT ACCOUNT BALANCE WITH STATUTORY AUTHORITIES</b>   |                    |                   |
| Deposits with:   |                    |                   |
| Lahore Stock Exchange  | 251,000            | 251,000           |
| National Clearing Company  | 300,000            | 300,000           |
| Central Depository Company   | 100,000            | 100,000           |
| Tax deducted source  | 59,526             | 7,417             |
|  | <u>710,526</u>     | <u>658,417</u>    |
| <br>   |                    |                   |
| <b>8. CASH AND BANK BALANCES</b>   |                    |                   |
| These were held as under:  |                    |                   |
| In hand  | 109,950            | 109,950           |
| At bank - on current accounts  | 2,089,676          | 1,553,425         |
|  | <u>2,199,626</u>   | <u>1,663,375</u>  |
| <br>   |                    |                   |
| <b>9. SHARE CAPITAL</b>  |                    |                   |
| Authorized   |                    |                   |
| 4,500,000 (2013:4,500,000) ordinary shares of Rs.10/- each   | <u>45,000,000</u>  | <u>45,000,000</u> |
| Issued, subscribed and paid up   |                    |                   |
| 1,000 (2013:1,000) ordinary shares of Rs.10/- each   | 10,000             | 10,000            |
| 3,867,000 (2013: 3,867,000) ordinary shares of Rs.10/- each fully paid for consideration other than cash | 38,670,000         | 38,670,000        |
|  | <u>38,680,000</u>  | <u>38,680,000</u> |
| <br>   |                    |                   |
| <b>10. DEFERRED TAXATION</b>   |                    |                   |
| Deferred credits/(debits) arising due to:  |                    |                   |
| Accelerated tax depreciation   | 14,502             | 21,632            |
| Brought forward losses   | (1,169,842)        | (6,723)           |
|  | <u>(1,155,340)</u> | <u>14,909</u>     |
| Balance as at July 01,   | 14,909             |                   |
| Add: charge for the year   | (14,909)           | 14,909            |
|  | <u>-</u>           | <u>14,909</u>     |

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|   | 2014<br>Rupees   | 2013<br>Rupees    |
|---|------------------|-------------------|
| <b>11. TRADE AND OTHER PAYABLES</b>               |                  |                   |
| Creditors for sale of shares on behalf of clients | 8,899,479        | 10,174,681        |
| Accrued expense                                   | 521,818          | 420,566           |
|   | <u>9,421,297</u> | <u>10,595,247</u> |

**12. CONTINGENCIES AND COMMITMENTS**

Contingencies and commitments as at balance sheet date were Rs. Nil ( 2013: Rs. Nil).

|                                     | Note | 2014<br>Rupees   | 2013<br>Rupees   |
|-------------------------------------|------|------------------|------------------|
| <b>13. BROKERAGE AND COMMISSION</b> |      |                  |                  |
| Commission income                   |      | <u>4,402,164</u> | <u>1,026,741</u> |
| <b>14. DIRECT COST</b>              |      |                  |                  |
| Lahore Stock Exchange Limited       |      | 32,032           | -                |
| National Clearing Company trade fee |      | 27,483           | 177,382          |
| Commission paid                     |      | 413,871          | 93,811           |
| Central Depository Company charges  |      | 62,952           | 36,110           |
|                                     |      | <u>536,338</u>   | <u>307,303</u>   |

**15. OPERATING EXPENSES**

|                                |   |                  |                |
|--------------------------------|---|------------------|----------------|
| Staff salaries and benefits    |   | 1,647,449        | 229,794        |
| Rent, rates and taxes          |   | 30,000           | -              |
| Communication expenses         |   | 309,608          | 46,869         |
| Electricity charges            |   | 213,487          | 41,738         |
| Postage and courier charges    |   | 32,628           | 9,975          |
| Printing and stationery        |   | 64,761           | 7,356          |
| Repair and maintenance         |   | 101,660          | 24,550         |
| Legal and professional charges |   | 149,197          | 3,000          |
| Fee and subscription           |   | 74,395           | 121,900        |
| Insurance                      |   | 9,916            | -              |
| Books and newspapers           |   | 16,723           | 2,431          |
| Entertainment                  |   | 248,040          | 28,280         |
| Advertisement                  |   | 91,580           | -              |
| Donation                       |   | 747,900          | -              |
| Depreciation                   | 3 | 87,938           | 117,199        |
| Others                         |   | 215,317          | 22,500         |
|                                |   | <u>4,040,599</u> | <u>655,592</u> |

*N*

|   | 2014<br>Rupees         | 2013<br>Rupees     |
|---|------------------------|--------------------|
| <b>16. OTHER OPERATING INCOME / (EXPENSES)</b>                                      |                        |                    |
| Dividend income   | 84,397                 | -                  |
| Profit/(loss) on remeasurement of<br>investment at fair value through profit & loss | 98,297                 | (112,909)          |
| Old balances written off  | (3,239,580)            | -                  |
|   | <u>(3,056,886)</u>     | <u>(112,909)</u>   |
| <b>17. IMPAIRMENT LOSS</b>  |                        |                    |
| Value assigned to Trading Right Entitlement Certificate (TREC)                      | 4,000,000              | 8,853,608          |
| Fair value as at June 30,   | 4,000,000              | 4,000,000          |
| Impairment loss   | -                      | 4,853,608          |
| <b>18. FINANCE COST</b>   |                        |                    |
| Bank charges  | 196,471                | 712                |
|   | <u>196,471</u>         | <u>712</u>         |
| <b>19. LOSS PER SHARE</b>   |                        |                    |
| Loss for the year-Rupees  | <u>(3,727,036)</u>     | <u>(4,923,426)</u> |
| Weighted Average Number of ordinary shares  | <u>3,868,000</u>       | <u>3,868,000</u>   |
| Loss per share  | <u>(0.96)</u>          | <u>(1.27)</u>      |
| <b>20. NUMBER OF EMPLOYEES</b>  |                        |                    |
| Total number of employees at the end of year:                                       | <u>2014</u>            | <u>2013</u>        |
|   | <b>( N u m b e r )</b> |                    |
|   | <u>7</u>               | <u>7</u>           |

**21. DATE OF AUTHORISATION FOR ISSUE**

29 SEP 2014

These financial statements were authorized for issue on \_\_\_\_\_ by the Board of Directors of the Company.

**22. GENERAL**

- Figures have been rounded off to the nearest of rupee.
- Comparative figures have been rearranged wherever needed for comparison purpose, however, there were no material rearrangements need to be disclosed.

  
CHIEF EXECUTIVE

  
DIRECTOR