

SHEIKH & CHAUDHRI

Chartered Accountants

M. SAEED MALIK (FCA)



ENTERPRISE WORLDWIDE
AN INTERNATIONAL ASSOCIATION OF ACCOUNTANTS & ADVISORS

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AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **HABIB ULLAH SHEIKH (PRIVATE) LIMITED** ("the Company") 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 profit, total 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).

August 11, 2014
Lahore



Sheikh & Chaudhri
SHEIKH & CHAUDHRI
Chartered Accountants

Audit Engagement Partner: Muhammad Saeed Malik

HABIB ULLAH SHEIKH (PRIVATE) LIMITED

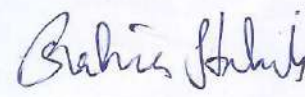
Balance Sheet

As at June 30, 2014

	Note	2014 Rupees	2013 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share Capital			
Authorised 100,000 (2013: 100,000) Ordinary Shares of Rs.1,000 each		100,000,000	100,000,000
Issued, Subscribed and Paid-up Capital	5	45,300,000	45,300,000
Accumulated Profit		23,928,594	19,936,075
		<u>69,228,594</u>	<u>65,236,075</u>
CURRENT LIABILITIES			
Trade and Other Payables	6	31,454,338	16,336,836
CONTINGENCIES AND COMMITMENTS			
	7	<u>100,682,932</u>	<u>81,572,911</u>
ASSETS			
NON- CURRENT ASSETS			
Property and Equipment			
Operating Fixed Assets	8	3,547,197	4,154,671
Intangible Assets	9	18,438,747	18,438,747
Long Term Investment	10	16,961,253	16,961,253
Long Term Deposits	11	4,503,320	2,281,000
Deferred Taxation - Net	12	79,242	15,809
		<u>43,529,759</u>	<u>41,851,480</u>
CURRENT ASSETS			
Trade Debts	13	5,038,520	3,823,934
Short Term Investments	14	11,804,565	12,803,340
Advances, Prepayment and Other Receivables	15	429,533	289,351
Cash and Bank Balances	16	39,880,555	22,804,806
		<u>57,153,173</u>	<u>39,721,431</u>
		<u>100,682,932</u>	<u>81,572,911</u>

The annexed notes 1 to 31 form an integral part of these financial statements.


Chief Executive


Director

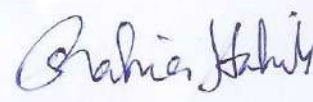


HABIB ULLAH SHEIKH (PRIVATE) LIMITED
Profit and Loss Account
For the year ended June 30, 2014

	Note	2014 Rupees	2013 Rupees
Operating Revenue	17	7,714,101	15,398,576
Administrative Expenses	18	(7,167,888)	(6,478,720)
Operating Profit		546,213	8,919,856
Other Operating Expenses	19	(154,475)	(238,987)
Other Income	20	3,937,710	2,899,872
Finance Costs	21	(3,856)	(6,458)
Surplus / (Deficit) on remeasurement of investments at fair value through profit or loss - Net	14	84,615	(439,922)
Profit before Taxation		4,410,207	11,134,361
Taxation	22	(417,688)	(646,002)
Profit after Taxation		3,992,519	10,488,359
Earnings Per Share - Basic and Diluted	23	88.14	231.53

The annexed notes 1 to 31 form an integral part of these financial statements.


Chief Executive


Director

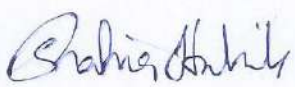


HABIB ULLAH SHEIKH (PRIVATE) LIMITED
Cash Flow Statement
For the year ended June 30, 2014

	Note	2014 Rupees	2013 Rupees
Cash Generated From Operations	24	14,889,840	7,676,199
Income Tax Paid		(481,121)	(1,156,250)
Mark-up / Interest Received		2,014,716	1,929,573
Net Cash Generated From Operating Activities		16,423,435	8,449,522
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase Of Fixed Assets		(131,750)	(4,174,046)
Sale Proceeds From Disposal Of Fixed Assets		-	712,500
Dividends Received		1,922,994	572,494
Long Term Deposits		(2,222,320)	50,969
Net Cash (Used In) Investing Activities		(431,076)	(2,838,083)
CASH FLOW FROM FINANCING ACTIVITIES			
Purchase Of Short Term Investments		(69,579,516)	(13,243,262)
Proceeds From Sale Of Short Term Investments		70,662,906	14,995,912
Net Cash Generated From Financing Activities		1,083,390	1,752,650
Net Increase in Cash and Cash Equivalents		17,075,749	7,364,089
Cash and Cash Equivalents at the beginning of the year	25	22,804,806	15,440,717
Cash and Cash Equivalents at the end of the year		39,880,555	22,804,806

The annexed notes 1 to 31 form an integral part of these financial statements.


Chief Executive

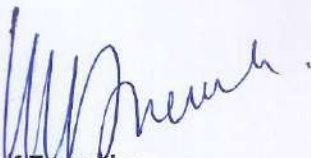

Director

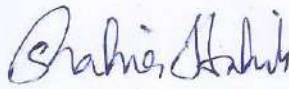


HABIB ULLAH SHEIKH (PRIVATE) LIMITED
Statement of Changes in Equity
For the year ended June 30, 2014

	Amount in Rupees		
	Ordinary Share Capital	Accumulated Profit	Total
Balance as on July 01, 2012	45,300,000	9,447,716	54,747,716
Total comprehensive income for the year	-	10,488,359	10,488,359
Balance as on June 30, 2013	45,300,000	19,936,075	65,236,075
Balance as on July 01, 2013	45,300,000	19,936,075	65,236,075
Total comprehensive income for the year	-	3,992,519	3,992,519
Balance as on June 30, 2014	45,300,000	23,928,594	69,228,594

The annexed notes 1 to 31 form an integral part of these financial statements.


Chief Executive


Director

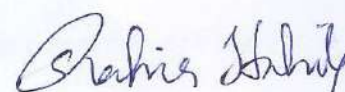


HABIB ULLAH SHEIKH (PRIVATE) LIMITED
Statement of Comprehensive Income
For the year ended June 30, 2014

	2014 Rupees	2013 Rupees
Profit after tax	3,992,519	10,488,359
Other comprehensive income	-	-
Total comprehensive income	<u>3,992,519</u>	<u>10,488,359</u>

The annexed notes 1 to 31 form an integral part of these financial statements.


Chief Executive


Director



HABIB ULLAH SHEIKH (PRIVATE) LIMITED

Notes to the Financial Statements

For the year ended June 30, 2014

1 LEGAL STATUS AND NATURE OF BUSINESS

HABIB ULLAH SHEIKH (PRIVATE) LIMITED ("the Company") was registered in Pakistan on May 30, 2006 as a Private Limited Company. The Registered Office of the Company is situated at Room No. 213, 2nd floor, Lahore Stock Exchange Building, 19 Khayaban-e-Aiwan-e-Iqbal, Lahore.

The Principle activity of the Company is financial consultancy, brokerage, underwriting, portfolio management / acquisition of securities and securities research.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards, as applicable in Pakistan. Approved accounting standards comprise of Accounting and Financial Reporting Standard for "Small-Sized Entities (MSE)" 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 Companies Ordinance, 1984 will prevail.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except for short term investments which is measured at fair value.

3 USE OF ESTIMATES AND JUDGEMENTS

3.1 The preparation of financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affects the application of policies and reported amounts of assets and liabilities, incomes and expenses. The estimates and associated assumptions and judgments 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 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 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 if the revision affects both current and future periods.

The areas where various assumptions and estimates are significant to company's financial statements or where judgments were exercised in application of accounting policies are as follows:

Provision for taxation

Residual values and useful lives of depreciable assets

Provisions and contingencies

Useful lives and residual values of property and equipment

The company reviews the useful lives of property, plant and equipment on 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 the depreciation charge and impairment.



4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

4.1 Property and Equipment

4.1.1 Operating Fixed Assets

Operating Fixed Assets are stated at cost less accumulated depreciation and any identified impairment loss if any, except for Capital work-in-Progress which is stated at cost.

Depreciation on Operating Fixed Assets is calculated on reducing balance method. Full month's depreciation is charged on additions, while no depreciation is charged in the month of disposal or deletion of assets. Rates of depreciation, which are disclosed in Note 9, are determined to allocate the cost of an asset less estimated residual value, if significant, over its useful life.

The assets' residual values and useful lives are reviewed at each financial year end, and adjusted if impact on depreciation is significant.

The Company assesses at each balance sheet date whether there is any indication that Property and Equipment may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment loss is recognized in income currently. The recoverable amount is the higher of an assets' fair value less costs to sell and value in use. Where an impairment loss is recognized, the depreciation charge is adjusted in the future periods to allocate the assets' revised carrying amount over its estimated useful life.

Normal repairs and maintenance costs are charged to the profit and loss account as and when incurred. Major renewals and improvements are capitalized. The gain or loss on disposal or retirement of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is recognized as an income or expense.

4.1.2 Capital Work-in-Progress

Capital Work-in-progress are stated at cost and consists of expenditure incurred, advances made and other directly attributable costs in respect of operating fixed assets in the course of their construction and installation. Transfers are made to relevant operating fixed assets category as and when assets are available for use.

4.2 Intangible Assets

Intangible assets with indefinite useful life are stated at cost less accumulated impairment losses, if any. Provisions are made for permanent diminution in the value of assets, if any. Gains or losses on disposal of intangible assets are taken to the profit and loss account.

4.3 Borrowing and Borrowing Cost

Borrowings are recorded at the proceeds received. Financial charges are accounted for on an accrual basis and are disclosed as Mark-up Accrued to the extent of the amount remaining unpaid. All mark-up, interest and other charges on long term, if any, and short term borrowings are charged to profit in the period in which they are incurred.

Borrowing cost directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use are added to the cost of those assets, until such time as the assets are ready for their intended use.



4.4 Trade and Other Payables

Liabilities for trade and other amounts payable are recognized and carried at cost which is the fair value of the consideration to be paid in the future for services received, whether or not billed to the Company.

4.5 Provisions

A provision is recognized in the balance sheet when the Company has a present legal or constructive obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are determined by discounting future cash flows and appropriate discount rate wherever required. Provisions are reviewed at each balance sheet date and adjusted to reflect current best estimate.

4.6 Advances and Deposits

These are stated at cost which represents the fair value of consideration given.

4.7 Trade Debts

Trade debts originated by the Company are recognized and carried at original invoice amount less provision for any uncollectible amounts, if any. Provision for doubtful debt is made when collection of the full amount is no longer probable. Bad debts are written off as incurred.

4.8 Investments

Classification of an investment is made on the basis of intended purpose for holding such investment. Management determines the appropriate classification of its investments at the time of purchase and reevaluates such designation on regular basis.

Investments are initially measured at fair value plus transaction costs directly attributable to acquisition, except for 'investment at fair value through profit or loss' which is measured initially at fair value.

The Company assess at the end of each reporting period whether there is any objective evidence that investments are impaired. If any such evidence exists, the Company applies the provisions of IAS 39 'Financial Instruments: Recognition and Measurement' to all investments, except investment in subsidiary company, which is tested for impairment in accordance with the provisions of IAS 36 'Impairment of Assets'.

(a) Investment at fair value through profit or loss

Investment classified as held-for-trading and those designated as such are included in this category. Investments are classified as held-for-trading if these are acquired for the purpose of selling in the short term. Gains or losses on investments held-for-trading are recognized in profit and loss account.

(b) Available-for-sale

Investments intended to be held for an indefinite period of time, which may be sold in response to need for liquidity, or changes to interest rates or equity prices are classified as available-for-sale. After initial recognition, investments which are classified as available-for-sale are measured at fair value. Gains or losses on available-for-sale investments are recognized directly in statement of comprehensive income until the investment is sold, de-recognized or is determined to be impaired, at which time the cumulative gain or loss previously reported in statement of comprehensive income is included in profit and loss account. These are sub-categorized as under:

Quoted

For investments that are actively traded in organized capital markets, fair value is determined by reference to stock exchange quoted market bids at the close of business on the balance sheet date.

Unquoted

Fair value of unquoted investments is determined on the basis of appropriate valuation techniques as allowed by IAS 39 'Financial Instruments: Recognition and Measurement'.



4.9 Taxation

(a) Current

Provision of current tax is based on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year if enacted after taking into account tax credits, rebates and exemptions, if any. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

(b) Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all 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 the taxable profit. Deferred tax liabilities are generally 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 is calculated at the rates are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited in the profit and loss account, except in the case of items credited or charged to equity in which case it is included in equity.

4.10 Cash and Bank Balances

Cash in hand and at bank are carried at nominal amount.

4.11 Revenue Recognition

i) Capital Gain or Loss

Capital gains and losses on sale of marketable securities are recorded on the date of sale.

ii) Dividend / Return on Securities

Dividend income is recognized when the right to receive payment is established. Whereas, return on securities other than shares is recognized on accrual basis.

iii) Brokerage

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

iv) Underwriting Commission

Underwriting commission is recognized when the agreement is executed.

v) Mark-up Interest

Mark-up income is recognized on a time proportion basis that takes into account the effective yield.

vi) Income on CFS

Income on CFS is recognized on accrual basis.

4.12 Financial Assets and Liabilities

All the financial assets and financial liabilities are recognized at the time when Company becomes a party to the contractual provisions of the instrument. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item. All financial liabilities are derecognized at the time when they are extinguished that is, when all obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on derecognition of the financial assets and financial liabilities is included in profit and loss account.

Assets or liabilities that are not contractual in nature and that are created as a result of statutory requirements imposed by the government are not the financial instruments of the Company.



4.13 Offsetting of Financial Assets and Financial Liabilities

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

4.14 Transactions with Related Parties

All transactions with related parties are entered into at arm's length basis as disclosed in note 30 (as defined in the Companies Ordinance, 1984).

4.15 Cash and Cash Equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of cash flow statement, cash and cash equivalents comprise cash in hand and cash with banks in current and saving accounts.

4.16 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. The financial statements are presented in Pakistani Rupees, which is the Company's functional and presentation currency.

5 Issued, Subscribed and Paid-up Capital

Number of Shares		2014	2013
2014	2013	Rupees	Rupees
45,300	45,300	45,300,000	45,300,000

6 Trade and Other Payables

Trade Creditors	31,260,366	15,760,236
Accrued Expenses	127,125	386,329
Income Tax Payable	51,614	90,525
Other Payables	15,233	99,746
	31,454,338	16,336,836

7 Contingencies and Commitments

There are no contingencies and commitments at the balance sheet date (2013: Rs. Nil).



8 Operating Fixed Assets

Amount in Rupees

	Furniture & Fittings	Vehicles	Office Equipments	Computers	Total
COST					
Balance as at 01 July 2012	719,154	896,250	612,950	252,221	2,480,575
Additions during the year	-	3,732,000	159,000	283,046	4,174,046
Disposal during the year	-	(896,250)	-	-	(896,250)
Balance as at 30 June 2013	719,154	3,732,000	771,950	535,267	5,758,371
Balance as at 01 July 2013	719,154	3,732,000	771,950	535,267	5,758,371
Additions during the year	-	-	70,500	61,250	131,750
Disposal during the year	-	-	(70,000)	(76,850)	(146,850)
Balance as at 30 June 2014	719,154	3,732,000	772,450	519,667	5,743,271
DEPRECIATION					
Balance as at 01 July 2012	422,215	558,676	376,167	191,712	1,548,770
Charge for the year	44,541	471,342	50,717	63,885	630,485
Disposal during the year	-	(575,555)	-	-	(575,555)
Balance as at 30 June 2013	466,756	454,463	426,884	255,597	1,603,700
Balance as at 01 July 2013	466,756	454,463	426,884	255,597	1,603,700
Charge for the year	37,860	491,631	49,802	90,058	669,351
Disposal during the year	-	-	(17,194)	(59,783)	(76,977)
Balance as at 30 June 2014	504,616	946,094	459,492	285,872	2,196,074
Book value as at 30 June 2013	252,398	3,277,537	345,066	279,670	4,154,671
Book value as at 30 June 2014	214,538	2,785,906	312,958	233,795	3,547,197
Annual depreciation rate %	15	15	15	30	



9 Intangible Assets	Note	2014 Rupees	2013 Rupees
Trading Right Entitlement Certificate - LSE		8,038,747	8,038,747
Rooms at LSE		10,000,000	10,000,000
Membership in Royal Palm		400,000	400,000
		<u>18,438,747</u>	<u>18,438,747</u>

These represent Trading Right Entitlement Certificate (TREC) received from Lahore Stock Exchange Limited (LSE) in accordance with the requirements of the Stock Exchanges (Corporatisation, Demutualization and Integration) Act, 2012 (The Act). The Company has also received shares of LSE after completion of the demutualisation process. The TREC have been recorded at 8.04 million. For details, refer to note 12.1.

10 Long Term Investment

Available for sale

Unquoted - shares of Lahore Stock Exchange Limited (LSE)	10.1	<u>16,961,253</u>	<u>16,961,253</u>
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10.1 Pursuant to demutualization of the Lahore Stock Exchange Limited (LSE), the ownership rights in a Stock Exchange were segregated from the right to trade on an exchange. As a result of such demutualization, the Company received shares and TREC from the LSE against its membership card which was carried at Rs. 25 million in the books of the Company.

The above arrangement has resulted in allocation of 843,975 shares at Rs. 10 each with a total face value of Rs. 8.44 million and TREC to the Company by the LSE. Out of total shares issued by the LSE, the Company has actually received 40% equity shares i.e. 337,590 shares. The remaining 60% shares have been transferred to CDC sub-account in the Company's name under the LSE's participant IDs with the CDC which will remain blocked until these are divested/sold to strategic investor(s), general public and financial institutions and proceeds are paid to the Company.

The Institute of Chartered Accountants of Pakistan in its technical guide dated May 29, 2013, concluded that the demutualization, in substance, had not resulted in exchange of dissimilar assets, and therefore no gain or loss should be recognized and the segregation of ownership rights and the trading rights should be accounted for by allocating the cost/carrying value of the membership card between the two distinct assets on a reasonable basis.

The above mentioned face value (Rs.8.44 million) of the shares issued by the LSE to its members including the Company has been determined on the basis of the fair valuation of the underlying assets and liabilities of the LSE in accordance with the requirements of the Stock Exchanges (Corporatisation, Demutualization and Integration) Act, 2012. In other words, shares worth Rs. 8.44 million received by the Company represent its share in the fair value of the net assets of the LSE. Under the current circumstances, where active market is not available for such shares, this net asset value based valuation has been considered as the closest estimate of the fair value of the shares.

Further recently, the LSE has introduced a minimum capital regime for the brokers, and for this purpose has valued TREC at Rs.4 million as per the decision of the Board of Directors of the LSE. This fact indicates an acceptable level of value for TREC which is also used by the Stock Exchange for risk management and to safeguard the investor's interest. In the absence of an active market for TREC, this assigned value of Rs. 4 million has been considered as the closest estimate of the fair value of the TREC.

Therefore, based on the above estimates of fair values of LSE shares (Rs. 8.44 million) and TREC (Rs. 4 million), the Company has allocated its carrying value of the membership card in the ratio of 0.68 to shares and 0.32 to TREC. Consequently, the investments have been recognized at Rs. 16.96 million and TREC at Rs. 8.04 million.



11 Long Term Deposits

Lahore Stock Exchange Limited
National Clearing Company
Other Security Deposits

Note	2014 Rupees	2013 Rupees
	4,073,320	1,881,000
	300,000	300,000
	130,000	100,000
	<u>4,503,320</u>	<u>2,281,000</u>

12 Deferred Taxation - Net**Taxable temporary difference**

Accelerated tax depreciation

131,553 138,164

Deductible temporary difference

Short term investments

(210,795) (153,973)

(79,242) (15,809)

13 Trade Debts - Considered good

As at June 30,

Less: Bad debts

	5,071,922	3,864,381
18	(33,402)	(40,447)
	<u>5,038,520</u>	<u>3,823,934</u>

13.1 These are unsecured and interest free.

14 Short Term Investments - Held for trading

No of shares		Name of Company	Market Values	
2014	2013			
65,000	-	Bank Alfalah Ltd.	1,787,500	-
50,000	-	BYCO Petroleum	567,500	-
50,000	-	Fauji Cement Company Ltd.	961,500	-
123,500	-	Nishat Chunnian Ltd.	5,235,165	-
25,000	-	Pak Elektron Ltd.	652,500	-
20,000	-	Pak Bulk Terminal	589,600	-
88,000	-	Sui Northern Gas	2,010,800	-
-	510,500	Pakgen Power Ltd.	-	12,803,340
<u>421,500</u>	<u>510,500</u>		<u>11,804,565</u>	<u>12,803,340</u>
		Name of Company	Carrying Values	
2014	2013			
65,000	-	Bank Alfalah Ltd.	1,756,895	-
50,000	-	BYCO Petroleum	634,883	-
50,000	-	Fauji Cement Company Ltd.	985,418	-
123,500	-	Nishat Chunnian Ltd.	4,916,549	-
25,000	-	Pak Elektron Ltd.	650,015	-
20,000	-	Pak Bulk Terminal	655,675	-
88,000	-	Sui Northern Gas	2,120,515	-
-	510,500	Pakgen Power Ltd.	-	13,243,262
<u>421,500</u>	<u>510,500</u>		<u>11,719,950</u>	<u>13,243,262</u>
			<u>84,615</u>	<u>(439,922)</u>

Surplus / (Deficit) on remeasurement to fair value - Net

15 Advances, Prepayment and Other Receivables

Advance income tax

400,825 255,204

Prepaid Insurance

28,708 34,147

429,533 289,351



16 Cash and Bank Balances

Cash in Hand

Note	2014 Rupees	2013 Rupees
	1,640	344

Balance With Banks in:

- Current Accounts

- PLS Accounts

	106,772	249,691
16.1	39,772,143	22,554,771
	39,878,915	22,804,462
	39,880,555	22,804,806

16.1 Cash at banks in PLS accounts carry mark-up rate ranging between 7.00 % to 8.75 % (2013: 6.00 % to 8.00 %).

17 Operating Revenue

Brokerage Commission

5,062,021 4,296,322

Account Opening Fee

11,000 13,000

Capital Gain

2,210,789 10,635,488

Account Maintenance and Custody Fee

427,395 453,766

Brokerage commission from Initial Public Offers

2,896 -

7,714,101	15,398,576
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18 Administrative Expenses

Salaries and benefits

3,177,624 ✓ 2,690,026

Directors' Remuneration

1,500,000 ✓ 1,377,000

CDC and Clearing House Charges

209,816 200,540

Electricity Charges

149,240 ✓ 99,683

Postage, Telephone and Telex

270,634 ✓ 207,283

Printing and Stationery

50,831 ✓ 45,128

Fees and Subscription

196,284 284,786

Repair and Maintenance

76,508 ✓ 211,466

Legal and Professional Charges

92,600 82,547

Insurance

127,330 ✓ 113,253

Travelling Expenses

391,341 ✓ 240,768

Books and periodical

36,452 8,630

Entertainment

187,824 250,315

Depreciation

8 669,351 ✓ 630,485

Miscellaneous expenses

32,053 ✓ 36,810

7,167,888	6,478,720
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19 Other Operating Expenses

Auditors' Remuneration

50,000 40,000

Bad Debts

13 33,402 ✓ 40,447

Charity and Donation

19.1 1,200 ✓ 1,595

Assets written off

69,873 ✓ 156,945

154,475	238,987
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19.1 Recipients of charity and donations do not include any donee in whom a director or his spouse had any interest.

20 Other Income

Mark-up / Interest Income

2,014,716 1,929,573

Liabilities written-back

- 6,000

Dividend Income

1,922,994 572,494

Profit on disposal of fixed asset

- 391,805

3,937,710	2,899,872
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	Note	2014 Rupees	2013 Rupees
21 Finance Costs			
Bank Commission and Other Charges		3,856	6,458
22 Taxation			
Current			
For the Year		481,121	1,156,250
Prior Year's		-	(372,518)
		481,121	783,732
		(63,433)	(137,730)
Deferred		417,688	646,002
23 Earnings Per Share			
23.1 Earnings Per Share - Basic			
Net profit for the year after taxation attributable to Ordinary Shareholders		3,992,519	10,488,359
		Number of Shares	
Weighted average Ordinary Shares in issue during the year	5	45,300	45,300
		Amount in Rupees	
		88.14	231.53
Basic Earnings Per Share			
23.2 Earnings Per Share - Diluted			
There is no dilution effect on Basic Earnings Per Share as the Company has no such commitments.			
24 CASH GENERATED FROM OPERATIONS		4,410,207	11,134,361
Profit before taxation			
Adjustment for non-cash charges and other items:			
Depreciation on operating fixed assets		669,351	630,485
Bad debts		33,402	40,447
Loss on remeasurement of short term investments		(84,615)	439,922
Realized (Gain) on disposal of short term investments		-	(3,091,967)
Profit on disposal of fixed asset		-	(391,805)
Mark-up / Interest Income		(2,014,716)	(1,929,573)
Assets written off		69,873	156,945
Liabilities written back		-	(6,000)
Dividend income		(1,922,994)	(572,494)
Working capital changes	24.1	13,729,332	1,265,878
		10,479,633	(3,458,162)
		14,889,840	7,676,199
24.1 Working capital changes			
(Increase) / Decrease in current assets			
Trade debts		(1,247,988)	(2,323,650)
Other receivables		(140,182)	(285,096)
Increase in current liabilities			
Trade and other payables		15,117,502	3,874,624
		13,729,332	1,265,878
25 Cash and Cash Equivalents			
Cash and Bank Balances	16	39,880,555	22,804,806
		39,880,555	22,804,806



26.2 Effective Interest Rates

Effective interest rates for the monetary financial assets and liabilities are mentioned in the respective notes to the financial statements.

26.3 Concentration of Credit Risk

Credit risk represents the accounting loss that would be recognised at the reporting date if counter parties fail to perform as contracted. The Company manages credit risk by limiting significant exposure to any individual customer and through credit limits to its customers.

26.4 Liquidity Risk

Liquidity Risk reflects an enterprise's inability in raising funds to meet commitments. To guard this risk, Company has diversified funding sources and assets are managed with liquidity in mind. The maturity profile is monitored to ensure that adequate liquidity is maintained.

26.5 Capital Risk Management

The Company's objectives regarding capital management are to safeguard Company's ability to continue as a going concern in order to provide better returns for shareholders, to safeguard the interest of other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Company is currently financing its operations through equity and working capital and since it does not have any long term debt in its capital structure, there is no gearing risk in current year.

26.6 Fair Value of Financial Assets and Liabilities

The Management is of the view that carrying values of financial assets and financial liabilities approximate their fair value.

27 Remuneration of Directors and Executives

The aggregate amount charged in the financial statements for remuneration including all benefits to the Chief Executive, Directors and Executives of the Company are as follows:

	Amount in Rupees					
	Chief Executive		Directors		Total	
	2014	2013	2014	2013	2014	2013
Managerial Remuneration	327,273	298,182	581,818	536,364	909,091	834,545
House Rent	147,273	134,182	261,818	241,364	409,091	375,545
Utilities	32,727	29,818	58,182	53,636	90,909	83,455
Medical Expenses	32,727	29,818	58,182	53,636	90,909	83,455
	540,000	492,000	960,000	885,000	1,500,000	1,377,000
Number of Persons	1	1	2	2	3	3

28 Transaction with Related Parties

The related parties comprise Directors of the Company and Key Management Personnel. Remuneration of Directors and Key Management Personnel is disclosed in note 27.



29 Number of Employees

Total number of employees as at 30 June 2014.

Average number of employees as at 30 June 2014.

Number of Employees

10	9
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9	8
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30 Date of Authorization for Issue

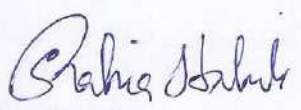
These financial statements were authorized for issue on August 11, 2014 by the Board of Directors of the Company.

31 General

Figures

- have been re-classified for the purpose of better comparison wherever necessary;
- have been rounded off to the nearest rupee unless otherwise stated.


Chief Executive


Director

