MUHAMMAD AMER RIAZ SECURITES (PVT) LIMITED
BALANCE SHEET AS AT 30 JUNE, 2015

	NOTE	2015 RS.	2014 RS.
EQUITY AND LIABILITIES			
SHARE CAPITAL & RESERVES			
Authorized Share Capital			
1200,000 ordinary shares of Rs.10/- each		12,000,000	12,000,000
Issued, subscribed & paid up share capital			
1,050,000 ordinary shares of Rs.10/- each	4	10,500,000	10,500,000
SHARE MONEY DEPOSIT		2,900,000	-
Reserves			
Revenue Reserve			
Accumulated Profit/(Loss)		(89,463)	(283,340)
TOTAL EQUITY		13,310,537	10,216,660
NON - CURRENT LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	5	10,901,000	12,128,993
Provision for taxation		47,289	50,392
		10,948,289	12,179,385
TOTAL LIABILITIES		10,948,289	12,179,385
CONTINGENCIES & COMMITMENTS	6		
TOTAL EQUITY AND LIABILITIES		24,258,827	22,396,045
ASSETS			
NON - CURRENT ASSETS			
Operating Fixed Assets	7	617,626	781,097
Trec Of LSE	8	1,280,000	1,280,000
Long term security deposits	9	630,000	630,000
		2,527,626	2,691,097
CURRENT ASSETS			
Short term investments	10	8,771,317	7,513,445
Advances and other receivables		40,206	46,742
Trade Debts	11	3,833,118	4,606,323
Cash and bank balances	12	9,086,561	7,538,438
		21,731,202	19,704,948
TOTAL ASSETS		24,258,827	22,396,045

The annexed notes form an integral part of these accounts.

Chief Executive

M.A. CHAUDHRI & CO. Chartered Accountants LAHORE

Director

MUHAMMAD AMER RIAZ SECURITES (PVT) LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 30 JUNE, 2015

	NOTE	2015 RS.	2014 RS.
OPERATING INCOME			
Commission income - net	13	1,525,469	1,863,150
Dividend income		226,185	210,993
Other income		-	816,425
Gain on sale of securities	14	1,291,938	206,140
		3,043,592	3,096,708
OPERATING EXPENSES			
Administrative and general	15	2,784,560	2,935,935
Financial and others	16	10,042	1,993
		2,794,602	2,937,928
PROFIT BEFORE TAX		248,990	158,780
TAXATION	17		
Normal Tax		47,289	50,392
prior year tax		3,659	-
capital gain on securities		4,165	9,380
		55,113	59,772
PROFIT AFTER TAX		193,877	99,008
EARNINGS PER SHARE - BASIC AND DILUTED	18	0.18	0.09

The annexed notes form an integral part of these accounts.

Chief Executive

Director

MUHAMMAD AMER RIAZ SECURITES (PVT) LIMITED

CASH FLOW STATEMENT

FOR THE PERIOD 30 JUNE, 2015

	2015	2014
	Rs.	Rs.
CASH FLOW FROM OPERATING ACTIVITIES		
Profit for the year - after tax	193,877	99,008
Adjustments for:		
Depreciation for the year	163,472	28,361
	357,349	**127,369**
(Increase) / decrease in current assets		
Short term investments	(1,257,872)	-
Trade debts	773,205	13,097,750
Advances and other receivables	6,536	(46,742)
(Decrease) / increase in current liabilities		
Provision for taxation	(3,103)	50,392
Trade and other payables	(1,227,993)	(7,409,542)
Net cash generated/(used in) from operating activities	**(1,351,878)**	**5,819,227**
CASH FLOW FROM INVESTING ACTIVITIES	-	-
CASH FLOW FROM FINANCING ACTIVITIES		
Increase in Share money deposit	2,900,000	-
Net cash generated from financing activities	**2,900,000**	-
CASH AND BANK BALANCES-at the beginning of the year	7,538,438	1,719,211
CASH AND BANK BALANCES-at the end of the year	**9,086,561**	**7,538,438**

Chief Executive

M.A. CHAUDHRI & CO
Chartered Accountants
LAHORE

Director

MUHAMMAD AMER RIAZ SECURITES (PVT) LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD 30 JUNE, 2015

	Share Capital	share money deposit	Accumulated Profit /(Loss)	Shareholders equity
Balance as at 30 June, 2013	10,500,000	-	(382,348)	10,117,652
Profit / (Loss) for the year	-	-	99,008	99,008
Balance as at 30 June, 2014	10,500,000	-	(283,340)	10,216,660
received during the year	-	2,900,000	-	2,900,000
Profit / (Loss) for the year	-	-	193,877	193,877
Balance as at 30 June, 2015	10,500,000	2,900,000	(89,463)	13,310,537

Chief Executive

M.A. CHAUDHRI & CO Chartered Accountants LAHORE

Director

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2015

1) THE COMPANY AND ITS OPERATIONS

MUHAMMAD AMER RIAZ SECURITIES (PVT) LIMITED was incorporated under the Companies Ordinance, 1984 vide Certificate No. 0083542 dated 22 April, 2013 issued by Joint Registrar of Companies Lahore Region Lahore. The registered office of the company is located at Room no. 306, Lahore stock Exchange Building, 19 Khayaban-e-Iqbal, Lahore. The company has also acquired membership of the National commodity Exchange Limited.

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 and the requirments of the Companies Ordinance, 1984. Approved accounting and financial reporting standards comprise of such standards as approved by Insititute of Chartered Accountants of Pakistan for Small-Sized and Medium-Sized Entities. Wherever, the requirements of the Companies Ordinance, 1984 or directives issued by the Securities and Exchange Commission of Pakistan differ with the requirements of these standards, the requirements of the Companies Ordinance, 1984 or the requirements of the said directives take precedence.

2.2) Basis of measurement

These financial statements have been prepared under the 'historical cost convention.

2.3) Functional and presentation currency

These financial stetements are presented in Pak Rupees, which is the functional and presentation currency of the company and rounded off to the nearest rupee.

2.4) USE OF ESTIMATES AND JUDGEMENTS

The preparation of fiancial statements in confirmity with approved accounting standards, as applicable in Pakistan, requires management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assests, 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 results of which form the basis of making the judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

Informantion about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on amounts recognised in the financial statements are described in respective note.

3) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3.1) Empolyee Benefits

The company operates an un-approved un-funded gratuity scheme covering all permanent employees.

3.2) Compensated Absences

The company accounts for these benefits in the accounting period in which the absences are paid.

3.3) Taxation

Current

Provision for 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. 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.

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 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 that 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 changed to equity in which case it is included in equity.

3.4) Property, plant and equipment and depreciation

3.4.1) Owned assets

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any.

3.4.2) Subsequent cost

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 costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

3.4.3) Depreciation

Depreciation on property, plant and equipment is charged to profit and loss account applying the reducing balance method so as to write off the cost/ depreciable amount of the assets over their estimated useful lives at the rates given in respective note. The company charges the depreciation on additions from the date when the assest is available for use and on deletions upto the date when the assets is de-recongnized. The residual values and useful lives are reviewed by the management, at each financial year-end and adjusted if impact on depreciation is significant.

3.4.4) Impairment

Where the carrying amount of assets exceeds its estimated recoverable amount it is written down immediately to its recoverable amount.

3.5) Intangible assets

Intangible assets with indefinite life are stated at cost less impairment if any. Intangible assets with finite useful life are stated at cost less amortisation and impairment if any.

3.5.1) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific assets to which it relates. All other expenditure is expensed as incurred.

3.5.2) Amortisation

Intangible assets with indefinite useful lives are not amortised instead they are systematically tested for impairment at each balance sheet date. Intangible assets with finite useful lives are amortised at straight line basis over the life of the asset.

3.6) Stock in trade

These are valued at lower of cost and net realisable values less impairment loss, if any. Cost is determined under the weighted average basis. Cost comprises all costs of purchases, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realisable value signifies the estimated selling price in the ordinary course of the business less net estimated cost of completion and selling expenses.

Scrap stocks are valued at estimated net realisable value.

3.7) Trade debts and other receivables

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

3.8) Foreign currency translation

Transactions in foreign currencies are translated into Pak Rupees at the rates of exchange approximating those prevailing on the date of transactions. Monetary assets and liabilities in foreign currencies are translated into Pak Rupees at the rates of exchange ruling on the balance sheet date.

Exchange differences are included in the profit and loss account currently.

3.9) Provisions

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

3.10) Financial instruments

Financial instruments carried on the balance sheet include investments, receivables, cash and bank balances, finances under mark-up arrangements, other payables, deposits, creditors, accrued and other liabilities. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

3.11) Borrowing costs

Borrowing costs are interest or other auxiliary costs incurred by the Company in connection with borrowing of funds and is treated as periodic cost and charged to profit and loss account.

3.12) Research and development costs

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

3.13) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and bank deposits.

3.14) Revenue recognition

Dividend on other investments is recognized when right to receive the dividend is established.

Interest income is recognized on time proportion basis taking into account the amounts outstanding and rates applicable thereon.

Gains/ (losses) arising on sale of investments are included in the profit and loss account in the period in which they arise.

Service income is recognized when services are rendered.

Miscellaneous income is recognized on receipt basis.

3.15) Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are only offset and the net amount reported in the balance sheet when there is a legally enforceable right to set off the recognised amount and the Company intends to either settle on a net basis, or to realise the assets and settle the liability simultaneously.

3.16) Trade and other payables

Trade and other payables are recognized initially at fair value plus directly attributable cost, if any, and subsequently measured at amortised cost.

3.17) Impairment

The carrying value of company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment loss. If such indication exists the asset's recoverable amount is estimated. An impairment loss is recognised wherever the carrying value of the assets exceeds its recoverable amount. Impairment losses are recognised in profit and loss account.

3.18) Earnings per share

Earnings per share is calculated by dividing the profit after tax for the period by the weighted average number of shares outstanding during the period.

3.19) Dividend distributions and appropriations

Dividend distribution to the company's shareholders and appropriation to/ from reserves is recognized in the period in which these are approved.

	2015 RS.	2014 RS.
4.ISSUED SUBSCRIBED & PAID UP CAPITAL		
50,000 ordinary shares of Rs. 10/- each issued against cash	500,000	500,000
1,000,000 shares of Rs. 10/-each issued against consideration other than cash	10,000,000	10,000,000
	10,500,000	10,500,000
Pattern of shareholding is given as under:		
Chief Executive		
Muhammad Amer Riaz	10,000,000	10,000,000
Directors		
Naeem Murtaza Khan Langah	500,000	500,000
	10,500,000	10,500,000
5. TRADE AND OTHER PAYABLES		
Due to Clients	9,729,829	10,587,764
Salaries payabale	620,000	600,000
Audit fee payable	25,000	25000
FED payable	35,240	17,064
Expenses payable	490,931	899,165
	10,901,000	12,128,993
6. CONTINGENCIES AND COMMITMENTS	NIL	NIL

7. OPERATING FIXED ASSETS

PARTICULARS	COST			DEPRECIATION				W.D.V.
	AS ON 01.07.2014	ADDITION (Deletion)	AS ON 30.06.2015	AS ON 01.07.2014	RATE %	For the year	AS ON 30.06.2015	AS ON 30.06.2015
Furniture & Fixtures	210,500	-	210,500	10,394	15	30,016	40,410	170,090
Office equipment	286,416	-	286,416	14,141	15	40,841	54,982	231,434
Computers	342,068	-	342,068	33,351	30	92,615	125,966	216,102
2015	838,984	-	838,984	57,886		163,472	221,358	617,626
2014	838,984	-	838,984	29,526		28,361	57,887	781,097

	2015	2014
8. TREC - Intangible		
Trading rights entitlement certificate-TREC	1,280,000	1,280,000

Pursuant to the promulgation of the stock exchanes(Corporatisation, Demutualization and Integration) Act,2012, the ownership rights in a stock exchange were segregated from the right to trade on an exchange. As a result, the above arrangement has resulted in allocation of 843,975 shares at Rs10 each having break up value of Rs 11.32 each,witrh a total face value of Rs 8.4 Million and Trading Rights Entitlement Certificate(TREC) to the company by the LSE. out of total shares of 843,975 allocated to the company 506,385 shares are transferred to CDC sub- account in the company's name under the LSE's participant IDs with the CDC which will remain blocked untill these are divest/sold to strategic investor(s),general public and financial institutions and proceeds are paid to the company. 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, the LSE has introduced a minimum capital requirement of Rs. 4.00 million and in the absence of an active market for TREC, this assigned value has been considered as the closest estimate of the fair value of the TREC. Therefore, based on the above estimates of the fair value of LSE shares, (Rs. 8.44 Million) and TREC (Rs. 4.00 Million), the company has allocated its carrying value of the membership card in the ratio of 68 to shares and 32 to TREC. Consequently, the investments in LSE shares and TREC stands worked out as under:

Particulars	Fair value	Ratio	Value Assigned
	Rs.	%age	Rs.
LSE shares	8.44 M	68	2,720,000
LSE TREC	4.0 M	32	1,280,000
	12.44 M	100	4,000,000

9. LONG TERM SECURITY DEPOSITS

These represent the rent security deposits in respect of following branches:

Security deposit- LSE	430,000	430,000
Security deposit- CDC	200,000	200,000
	630,000	630,000

	2015	2014
	Rs.	Rs.
10. SHORT TERM INVESTMENTS		
Investment in listed companies -Shares	6,051,317	4,793,445
Investment in lahore stock exchange -Shares	2,720,000	2,720,000
	8,771,317	7,513,445
11. TRADE DEBTS	3,833,118	4,606,323

These represent the amounts due from customers and members on account of trades undertaken before year-end but becoming due after year-end under the T+2 system of clearing. All receivable amounts are secured and considered good by the management.

	2015	2014
12. CASH AND BANK BALANCES		
Cash at Banks		
In Current Accounts		
MCB Bank Ltd A/c. 1217	7,748,582	7,193,801
MCB Bank Ltd A/c. 1242	283,209	2,061
MCB Bank Multan A/c. 3111	1,018,440	166,976
	9,050,231	7,362,838
Cash in Hand	36,330	175,600
	9,086,561	7,538,438
13. COMMISSION INCOME		
Commission income	1,525,469	1,863,150
Less: Commission paid	-	-
	1,525,469	1,863,150
14. GAIN ON SALE OF SECURITIES	1,291,938	206,140
Sales of share	5,639,582	-
Less: cost of share sold	(4,347,644)	-
	1,291,938	206,140

	2015	2014
	Rs.	Rs.
15. ADMINISTRATIVE AND GENERAL		
Directors Remuneration	720,000	600,000
Staff Salaries & Benefits	715,000	729,000
Travelling Expenses	248,754	255,125
Telephone & Postage	182,451	157,795
Electricity Charges	104,649	121,764
Printing & Stationery	2,925	103,668
Repair & Maintenance	78,912	98,036
Office General Expenses	25,618	37,008
Newspaper Periodicals	3,265	2,576
Audit Fee	25,000	25,000
Computer & I T. Expenses	57,000	22,500
Entertainment	17,420	53,513
Fee and taxes	108,326	115,060
LSE - NCSS & Charges	211,768	369,159
Legal & Professional Charges	45,000	73,370
Office Rent	72,000	144,000
Donation	3,000	-
Depreciation	163,472	28,361
	2,784,560	**2,935,935**
16. FINANCIAL AND OTHERS		
Bank charges	10,042	1,993
	10,042	1,993
17. TAXATION		
Current year		
Normal tax @ 33% of 143,299 (L/Y 34 %)	47,289	50,392
Capital gain tax	4,165	9,380
Prior year Tax	3,659	-
	55,113	59,772
PROFIT BEFORE TAX	248,990	158,780
Taxable Income	143,299	148,210
Exempt Income	105,691	10,570
	248,990	158,780

Techincal realse 27 (TR27) has been issued by the ICAP which prescribes that there is no need to provide deferred tax liabilities/ assets of those companies whose entire revenue is covered under presumptive tax regime as there will be no timing differences.As the company, centire revenue falls under section 169 of the income tax ord, 2001 therefore, no provision for deferred tax assets or liabilities is recongnized in the balance sheet.

18. EARNINGS PER SHARE-BASIC AND DILUTED		
Profit attributable to ordinary share holders in Rs.	193,877	99,008
Number of ordinary shares issue	10,500,000	10,500,000
Profit per share-basis in Rs.	0.18	0.09

19. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURE

The company has exposure to the following risks from its use of financial instruments:

Credit Risk
Liquidity Risk
Market Risk

The board of directors has overall responsibilty for the establishment and oversight of company's risk management framwork. The board is also responsible for developing and mointoring the company's risk management policies.

CREDIT RISK EXPOSURE

Credit risk represents the accounting loss that would be recognized at the reporting date if contracting parties failed completely to perform as contracted. The company believes that it is not exposed to major concentration of credit risk. Further, it manages credit risk in trade receivable by executing formal agreements with the debtors.

The carrying amount of financial assets represents the maximum credit exposure before any credit enhancement. The maximum exposure to the credit risk at the reporting date is:

	2015	2014
	Rs.	Rs.
Bank balances	9,050,231	7,362,838

LIQUIDITY RISK

Liquidity risk reflects an enterprise's inability in raising funds to meet commitments. The company follows an effective cash management and planning policy to ensure availability of funds and to take appropriate measures for new requirements.

The company is not materially exposed to liquidity risk as the obligations/ commitments of the company are being fulfilled on timely basis.

The following are the contractual maturities of the financial liabilities:

	2015		
	Carrying amount	Next twelve months	More than one year
Financial liabilities			
Trade and other payables	10,901,000	10,901,000	-

	2014		
	Carrying amount	Next twelve months	More than one year
Financial liabilities			
Trade and other payables	12,128,993	12,128,993	-

MARKET RISK

Market risk is the risk that changes in market price, such as foreign exchange rate, interest rate and equity prices will affect the company's income or value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. The company has short term loans at variable rates. Rates on short term finances are disclosed in relevant notes.

YIELD/ MARKUP RATE EXPOSURE

Yield/ mark-up rate risk is the risk that the value of financial instrument due to change in market yield/ mark-up rates. Sensitivity to yield/mark-up rate risk arises from mismatches of financial assets and financial liabilities that mature or reprise in a given period. The company manages these mismatches through risk managements strategies where significant changes in gap position can be adjusted. The company is exposed to yield/ mark-up rate in respect of the following:

	2015	2014	2015	2014
	effective rate of markup		carrying amount	
Financial assets				
Cash and bank balances	-	-	9,086,561	7,538,438
Financial liabilities				
Short term financing	-	-	-	-
Total yield/ markup rate risk sensitivity gap			9,086,561	7,538,438

EXPOSURE TO CURRENCY RISK

Currency risk is the risk that the financial instrument will fluctuate due to changes in foreign exchange rates. In appropriate cases, the management takes out forward contract to mitigate the risk.

The company's exposure to the foreign currency risk at the reporting date is as follows:

	2015	2014
	Rs.	Rs.
Outstanding letter of credit	-	-
Net exposure	-	-

20. CHIEF EXECUTIVE, DIRECTORS' AND EXECUTIVES' REMUNERATION

	2015			2014		
	Chief Executive	Directors	Executives	Chief Executive	Directors	Executives
Managerial remuneration	-	-	-	-	600,000	-
	-	-	-	-	**600,000**	-
Number of persons	-	-	-	-	-	-

21. FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values.

22. AUTHORIZATION OF FINANCIAL STATEMENTS

These financial statements were approved and authorzied by the board of directors for issue on ______________.

23. GENERAL

Figures have been rounded off to the nearest of rupee.

Chief Executive

M.A. CHAUDHRI & CO
Chartered Accountants
LAHORE

Director