



RSM

Avais Hyder Liaquat Nauman
Chartered Accountants

KHADIM ALI SHAH BUKHARI SECURITIES (PRIVATE) LIMITED
Financial Statements

For the Year Ended June 30, 2015

AUDITORS' REPORT TO THE MEMBERS

RSM Awaiz Hyder Liaquat Nauman
Chartered Accountants

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We have audited the annexed balance sheet of **KHADIM ALI SHAH BUKHARI SECURITIES (PRIVATE) LIMITED** as at **June 30, 2015** and the related profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year than ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards 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;

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Faisalabad : 92 (40) 854 165/854 1965
Peshawar : 92 (91) 527 8310/527 7205
Quetta : 92 (81) 282 9009
Kabul : 93 (799) 058155

- (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 statement, statement of cash flows 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, 2015 and of the profit, 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.

Adnan Zaman
Chartered Accountants
Karachi.
Dated: 08 OCT 2015

08 OCT 2015

Engagement Partner: Adnan Zaman

KHADIM ALI SHAH BUKHARI SECURITIES (PRIVATE) LIMITED
BALANCE SHEET
AS AT JUNE 30, 2015

	Note	2015 Rupees	2014 Rupees
Non-current assets			
Fixed assets - owned	3	605,462	-
Membership right	4	15,000,000	15,000,000
Security deposit - CDC		100,000	100,000
Long term investment	5	3,375,900	-
		19,081,362	15,100,000
Current assets			
Advances & accrued income	6	738,655	831
Advance tax		89,560	30,776
Investment- Held for trading	7	7,135,718	-
Cash and bank balances	8	3,536,120	4,347,345
		11,500,053	4,378,952
		30,581,415	19,478,952
Equity and liabilities			
Authorized share capital			
2,000,000 ordinary shares of Rs. 10/- each		20,000,000	20,000,000
Issued, subscribed & paid up share capital			
200,000 Ordinary shares of Rs. 10/- each issued for cash		2,000,000	2,000,000
1,500,000 Ordinary shares of Rs. 10/- each issued other than in cash		15,000,000	15,000,000
		17,000,000	17,000,000
Advance against issue of shares		12,260,800	2,584,900
Unappropriated profit / (accumulated loss)		919,672	(197,573)
		30,180,472	19,387,327
Current liabilities			
Accounts payable	9	127,000	45,000
Provision for tax		273,943	46,625
Contingencies and commitments	10		
Total equity and liabilities		30,581,415	19,478,952

The annexed notes 1 to 14 form an integral part of these financial statements.


 Chief Executive Officer

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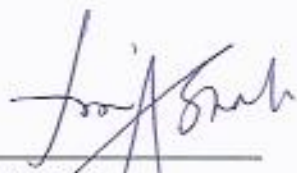

 Director

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KHADIM ALI SHAH BUKHARI SECURITIES (PRIVATE) LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2015

	Note	2015 Rupees	2014 Rupees
Revenue	11	1,229,331	-
Expenditures			
Administrative expenses	12	238,609	92,295
Bank charges		832	182
		239,441	92,477
Other income - Profit on bank deposit		203,080	278,978
Unrealized gain/(loss) on remeasurement of Investments		198,218	-
Profit/(loss) before taxation		<u>1,391,188</u>	<u>186,501</u>
Taxation		(273,943)	(46,625)
Profit for the year		<u><u>1,117,245</u></u>	<u><u>139,876</u></u>

The annexed notes 1 to 14 form an integral part of these financial statements.



Chief Executive Officer

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Director

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KHADIM ALI SHAH BUKHARI SECURITIES (PRIVATE) LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2015

	2015 Rupees	2014 Rupees
Cash flows from operating activities		
Profit before taxation	1,391,188	186,501
Adjustments for:		
Depreciation	55,042	-
Net gain on remeasurement of investment held for trading	(198,218)	-
Operating profit before working capital changes	1,248,012	186,501
Increase in current assets		
Advances & accrued income	(737,824)	(102)
Increase / (decrease) in current liabilities		
Accrued expenses & other liabilities	35,375	(15,000)
Cash used in operations	545,563	171,399
Income tax paid	(58,784)	(27,888)
Net cash generated from (used in) operating activities	486,779	143,511
Cash flow from investing activities		
Investment in TFC	(6,937,500)	-
Investment in shares	(3,375,900)	-
Purchase of fixed assets	(660,504)	-
Net cash generated from (used in) investing activities	(10,973,904)	-
Cash flow from financing activities		
Long term deposit	-	(100,000)
Advance against shares	9,675,900	200,000
Net cash generated from financing activities	9,675,900	100,000
Net increase in cash and cash equivalent (A+B+C)	(811,225)	243,511
Cash and cash equivalent at the beginning of the year	4,347,345	4,103,834
Cash and cash equivalent at the end of the year	3,536,120	4,347,345

The annexed notes 1 to 14 form an integral part of these financial statements.



 Chief Executive Officer

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 Director

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KHADIM ALI SHAH BUKHARI SECURITIES (PRIVATE) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2015

	Share capital	Advance against shares/share deposit money	Unappropriated profit / (accumulated loss)	Total
	-----Rupees-----			
issue of share capital	17,000,000	2,384,900	(337,449)	19,047,451
Advance against issue of shares	-	200,000	-	200,000
Profit for the year	-	-	139,876	139,876
Balance as at June 30, 2014	17,000,000	2,584,900	(197,573)	19,387,327
Advance against issue of shares	-	9,675,900	-	9,675,900
Profit for the year	-	-	1,117,245	1,117,245
Balance as at June 30, 2015	17,000,000	12,260,800	919,672	30,180,472

The annexed notes 1 to 14 form an integral part of these financial statements.


Chief Executive Officer


Director

Director

1433

KHADIM ALI SHAH BUKHARI SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Khadim Ali Shah Bukhari Securities (Private) Limited (the Company) was incorporated in Pakistan on April 25, 2013 under the Companies Ordinance, 1984. The registered office of the Company is situated at Flat no 1, Khan Plaza, Firdous Market, 112/h, Gulberg, Lahore, Punjab.
- 1.2 The Company's business objectives include dealing in the business of stocks, money market, foreign exchange and commodity broking. Other activities include investment in a mix of listed and unlisted equity and debt securities, economic research and advisory services.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Accounting Convention

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

2.2 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 Standards for "Small-Sized Entities (SSEs) 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.

2.3 Membership right

These are stated at cost less impairment, if any. The carrying amounts are reviewed at each balance sheet date to assess whether they are in excess of their recoverable amount, and where the carrying values exceed the estimated recoverable amount, these are written down to their estimated recoverable amount.

2.4 Taxation

Provision for current taxation is based on taxable income at the current rates of taxation after taking into account applicable tax credits and rebates, if any.

2.5 Trade and other payables

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in future for goods and services.

2.6 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of the cash flow statement, cash and cash equivalents comprise cash in hand and with banks on deposit account.

2.7 Revenue recognition

Brokerage, advisory fee and commission income is recognized on accrual basis on the rendering/performance of services. Bank profit is recognized on accrual basis.

2.8 Provisions

Provision are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

2.9 Investments

Provision are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

i) Held for trading "at fair value through profit or loss"

Such investments are initially recognised at fair value and subsequently measured at fair value. As per requirement of IAS-39 "Financial Instruments, Recognition and Measurement" the gain or loss on revaluation of investment held for trading is to be included in profit and loss account.

ii) Available for sale

Investment securities held by the Modaraba which may be sold in response to needs for liquidity or changes in interest rates or equity prices are classified as available for sale. These investments are initially recognised at fair value plus transaction cost and subsequently measured at fair value. The investments, for which quoted market price is not available, are measured at costs as it is not possible to apply any other valuation methodology. Gains and losses arising from re-measurement at fair value is recognised in other comprehensive income.

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3. Fixed assets - owned

Particulars	COST				Rate	DEPRECIATION				WDV
	As at 01/07/2014	Addition	Disposals	As at 30/06/2015		As at 01/07/2014	For the year	Disposal	As at 30/06/2015	
Computers & accessories	-	660,504	-	660,504	20%	-	55,042	-	55,042	605,462
Total 2015	-	660,504	-	660,504		-	55,042	-	55,042	605,462

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	Note	2015 (Rupees)	2014 (Rupees)
4 Membership right			
Trading Rights Entitlement (TRE) Certificate	4.1	15,000,000	15,000,000
4.1	This represents certificate issued by Lahore Stock Exchange (LSE), in pursuance of section 5 of the Stock Exchanges (Corporatization, Demutualization and Integration) Act, 2012 read with regulation 6 of Stock Exchanges (Corporatization, Demutualization and Integration) Regulation, 2012 to members of stock exchanges of Pakistan for their trading rights entitlement as brokers.		
	In pursuance of above laws, the TRE certificate of Mr. Nasir Ali Shah Bukhari was transferred to the company on May 06, 2013. This certificate was only one time saleable as per these laws therefore, market value of the certificate cannot be ascertained as it cannot be traded in the market further. The certificate Membership right has indefinite life and value in use, and it is certain that economic benefits will flow to the company in future. The membership right has been recorded at value determined by a valuator having bearing its name on State Bank of Pakistan's (SBP) panel of Approved Valuers.		
5 Long term investment			
Investment in shares of Lahore Stock Exchange (337,500 Shares of Rs. 10/- each)	5.1	3,375,900	-
5.1	Net assets value per share of Lahore Stock Exchange Limited is Rs. 11.17 as per audited financial statements as at June 30, 2014.		
6 Advances, Accrued income & Receivable			
Profit receivable on bank deposit		-	831
Accrued profit on TFC		153,655	-
Advance for Software		585,000	-
		<u>738,655</u>	<u>831</u>
7 Investment- Held for trading			
Investment in TFCs		7,135,718	-
8 Cash and bank balances			
Cash in hand		13,357	7,815
Cash at bank - deposits account	8.1	3,522,763	4,339,530
		<u>3,536,120</u>	<u>4,347,345</u>
8.1	These carry profit rate ranging from 6% to 7% (2014: 6% to 7%) per annum.		
9 Accounts payable			
Audit fee		31,500	30,000
Professional fee		31,500	15,000
Sales Tax Payable		64,000	-
		<u>127,000</u>	<u>45,000</u>
10 Contingencies and commitments			
10.1 Contingencies			
		There were no contingencies at the year end.	
10.2 Commitment			
		There is an agreement for purchase of share trading software with M/s Softech Systems Private Limited. An advance of PKR 500,000 has been paid there against till balance sheet date.	

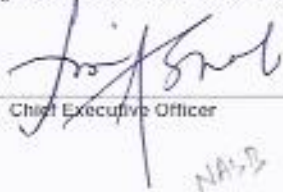
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	Note	2015 (Rupees)	2014 (Rupees)
11. Revenue			
Market Making Fee		500,000	-
Profit on TFC		503,146	-
Dividend		226,165	-
		<u>1,229,331</u>	<u>-</u>
12. Administrative expenses			
Printing & Stationery		12,900	6,155
Conveyance		1,525	1,965
Legal and professional charges		12,000	9,000
Fee subscription & charges		20,322	11,575
Depreciation expenses		55,042	-
Others		68,570	-
Auditor's remuneration	10.1	68,250	63,600
		<u>238,609</u>	<u>92,295</u>
12.1 Auditor's remuneration			
Statutory audit		31,500	30,000
Other certification		31,500	30,000
Out of pocket expenses		5,250	3,600
		<u>68,250</u>	<u>63,600</u>

08 OCT 2015

13. Date of authorization of issue
These financial statements has been authorized for issue on _____ by the Board of Directors of the company

14. General
Figures have been rounded off to nearest rupee.


Chief Executive Officer


Director

NASB

NASB

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