

AMER SECURITIES (PRIVATE) LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2015

**NASIR NOUMAN & CO.
CHARTERED ACCOUNTANTS**



NASIR NOUMAN & CO.
Chartered Accountants

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AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **AMER SECURITIES (PRIVATE) LIMITED** ('the Company') 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 then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards 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 accounts 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, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with the approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984 in the manner so required and give a true and fair view of the state of the Company's affairs as at June 30, 2015; and of the loss, 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 Usher Ordinance, 1980 (XVIII of 1980).

Nasir Nouman & Co.
Chartered Accountants

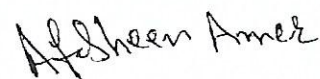
Lahore
October 07, 2015

AMER SECURITIES (PRIVATE) LIMITED
BALANCE SHEET
AS AT JUNE 30, 2015

	Note	2015 Rupees	2014 Rupees
ASSETS			
Non-Current Assets			
Property and equipment	4	2,641,063	2,939,713
Intangible assets	5	4,112,491	2,975,691
Long term investment	6	9,790,110	-
Long term deposits	7	633,000	633,000
		<u>17,176,664</u>	<u>6,548,404</u>
Current Assets			
Short term investments	8	29,507,530	18,994,101
Trade debts - unsecured	9	18,840,498	45,962,541
Advances, deposits & other receivables	10	475,093	276,234
Cash and bank balances	11	17,756,482	6,428,360
		<u>66,579,603</u>	<u>71,661,236</u>
TOTAL ASSETS		<u><u>83,756,267</u></u>	<u><u>78,209,640</u></u>
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Authorized share capital	12	<u>20,000,000</u>	<u>20,000,000</u>
Issued, subscribed and paid-up share capital	12	20,000,000	20,000,000
Share deposit money	13	12,068,678	12,068,678
Un-appropriated profit		<u>18,114,401</u>	<u>12,723,238</u>
		50,183,079	44,791,916
Non-Current Liabilities			
Deferred liabilities - gratuity	14	745,500	634,500
Current Liabilities			
Trade and other payables	15	32,654,352	32,783,224
Provision for taxation		173,336	-
		<u>32,827,688</u>	<u>32,783,224</u>
Contingencies and Commitments	16		
TOTAL EQUITY AND LIABILITIES		<u><u>83,756,267</u></u>	<u><u>78,209,640</u></u>

The annexed notes from 1 to 25 form an integral part of these financial statements.


(Chief Executive)


(Director)

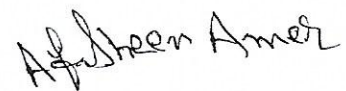
AMER SECURITIES (PRIVATE) LIMITED
 PROFIT AND LOSS ACCOUNT
 FOR THE YEAR ENDED JUNE 30, 2015

	Notes	2015 RUPEES	2014 RUPEES
Commission income - net	17	1,335,593	723,604
Other income	18	3,075,547	428,075
Administrative expenses	19	(6,207,853)	(5,590,113)
Loss on investment at fair value through profit and loss		(2,065,396)	(6,802,657)
Loss before finance cost		<u>(3,862,109)</u>	<u>(11,241,091)</u>
Finance cost	20	(331,258)	(264,983)
Loss before taxation		<u>(4,193,367)</u>	<u>(11,506,074)</u>
Taxation	21	(205,580)	(37,492)
Loss after taxation		<u><u>(4,398,947)</u></u>	<u><u>(11,543,566)</u></u>
Loss per share - basic and diluted		<u><u>(220)</u></u>	<u><u>(577)</u></u>

The annexed notes from 1 to 25 form an integral part of these financial statements.



(Chief Executive)



(Director)

AMER SECURITIES (PRIVATE) LIMITED
 CASH FLOW STATEMENT
 FOR THE YEAR ENDED JUNE 30, 2015

	Note	2015 Rupees	2014 Rupees
CASH FLOW FROM OPERATING ACTIVITIES			
Loss before taxation		(4,193,367)	(11,543,566)
Adjustment for items not involving movement of funds			
Depreciation	4.1	316,649	343,570
Amortization	5.1	5,400	5,400
Loss on investment at fair value through profit and loss		(2,065,396)	6,802,658
Gain on TREC valuation		(1,142,200)	-
Provision for gratuity		111,000	60,000
Profit before working capital changes		(2,774,547)	7,211,628
Effect on cash flow due to working capital changes			
Decrease/ (Increase) in current assets			
Trade debtors		27,122,043	26,714,538
Advances, deposits and other receivables		13,044	20,095,316
		27,135,087	46,809,854
(Decrease) / Increase in Current Liabilities			
Creditors, accrued and other liabilities		(128,872)	(33,929,232)
Accrued markup		-	(48,088)
		(128,872)	(33,977,320)
		20,038,301	8,500,596
Taxes paid		(244,146)	(14,129)
Net cash generated from /(used in) operating activities		19,794,155	8,486,467
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of fixed assets		(18,000)	(76,200)
Short term investments- net		(8,448,033)	(6,708,394)
Net cash (used in)/ generated from investing activities		(8,466,033)	(6,784,594)
CASH FLOW FROM FINANCING ACTIVITIES			
Share deposit money received		-	9,000,000
Short term borrowings		-	(4,624,936)
Net cash generated from financing activities		-	4,375,064
NET INCREASE IN CASH AND CASH EQUIVALENTS		11,328,122	6,076,938
CASH & CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		6,428,360	351,422
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	11	17,756,482	6,428,360

The annexed notes from 1 to 25 form an integral part of these financial statements.


 (Chief Executive)



 (Director)

AMER SECURITIES (PRIVATE) LIMITED
 STATEMENT OF CHANGES IN EQUITY
 FOR THE YEAR ENDED JUNE 30, 2015

Description	Share Capital	Share Deposit Money	Un-appropriated Profit / Accumulated Loss	Total
Balance as at June 30, 2013	20,000,000	3,068,678	24,266,804	47,335,482
Loss for the year			(11,543,566)	(11,543,566)
Transactions with owners of the Company recognized directly in equity:				
Share deposit money received	-	9,000,000	-	9,000,000
Balance as at June 30, 2014	<u>20,000,000</u>	<u>12,068,678</u>	<u>12,723,238</u>	<u>44,791,916</u>
Loss for the period	-	-	(4,398,947)	(4,398,947)
Gain on revaluation of LSE shares (Note 6.1)	-	-	9,790,110	9,790,110
Balance as at June 30, 2015	<u>20,000,000</u>	<u>12,068,678</u>	<u>18,114,401</u>	<u>50,183,079</u>

The annexed notes from 1 to 25 form an integral part of these financial statements.


 (Chief Executive)


 (Director)

AMER SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

1 THE STATUS AND NATURE OF THE COMPANY'S BUSINESS

The Company was incorporated under the Companies Ordinance, 1984 as a Private Limited Company with the main objective to deal in the business of stock exchange brokers. The Company started its commercial operations in September, 2003. The registered office of the Company is situated at Room # 620, 6th Floor, LSE Building, 19 Khayaban - e - Aiwan - e - Iqbal, Lahore.

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 Standards for Medium Sized Entities (MSEs) 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 Basis of measurement

These financial statements have been prepared under the historical cost convention except otherwise stated in forthcoming policies and notes. In these financial statements, except for the amount reflected in the cash flow statements, all transactions have been accounted for on accrual basis.

2.3 Functional and presentation currency

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

2.4 Significant accounting estimates and judgments

The preparation of financial statements in conformity with the Accounting and Financial Reporting Standards for MSEs issued by the ICAP requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under circumstances, and the results of which form the basis for making judgment about carrying value 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 estimates are 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.

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

- Residual values and useful lives of property and equipment (note 3.1);
- Provision for doubtful debts (note 3.7);
- Provision for taxation (note 3.11);
- Staff retirement benefits (note 3.21); and
- Contingencies and commitments (note 3.23).

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 Property and equipment

These are stated at cost less accumulated depreciation and any accumulated impairment losses.

Items of property, plant and equipment are depreciated on reducing balance method at the annual rates given in Note 4 depending on the class of assets. The residual value and useful lives are reviewed and adjusted, if appropriate at each balance sheet date. ✓

AMER SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

Property and equipment - continued

Depreciation on additions is charged for the full month in which an asset is available to use and on deletions up to the month immediately preceding the deletion, to better reflect the pattern of utilization of economic benefits derived from the asset. Depreciation commences when the asset is available for intended use and continues till the asset is derecognized.

Normal repairs and maintenance are charged to expenses as and when incurred. Major renewals and replacements are capitalized. Gains or losses on disposal or retirement of property, plant and equipment are determined as the difference between the sales proceeds and the carrying amount of asset and are included in the profit and loss account.

3.2 Intangible assets

Intangible assets are stated at cost less accumulated amortization and accumulated impairment losses, if any. The depreciable amount of intangible asset is amortized on a systematic basis over the estimated useful lives using the straight-line method.

3.3 Long term deposits

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

3.4 Investments

Investments available for sale

These are recognized at fair value. Gains or losses from changes in fair values are taken to equity until disposal at which time these are recycled to profit and loss account

Investments held to maturity

Investments with fixed or determinable payments and fixed maturity, which the Company has the positive intent and ability to hold to maturity, are carried at amortized cost, using the effective interest rate method less impairment losses, if so determined.

Investments at fair value through profit or loss

Investments which are acquired principally for the purpose of selling in the near term or the investments that are part of a portfolio of financial instruments exhibiting short term profit taking are classified as investments at fair value through profit or loss. These are stated at fair values with any resulting gains or losses recognized directly in the profit and loss account. The fair value of such investments representing listed equity securities are determined on the basis of prevailing market prices.

3.5 Membership cards and licenses

These intangible assets are stated at acquisition cost less 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 whether the carrying value exceeds estimated recoverable amount, it is written down to its estimated recoverable

3.6 Trade date accounting

All "regular way" purchases and sales of listed shares are recognized on the trade date, that is the date that the Company commits to purchase / sell the assets. Regular way purchases or sales of listed shares delivered T + 2 basis as per stock exchange regulations.

3.7 Trade debts

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

3.8 Advances, deposits and other receivables

Advances, deposits, prepayments and other receivables are included in current assets, except for having maturities greater than twelve months after the balance sheet date, which are classified as non-current assets. ✓

AMER SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

3.9 Borrowing costs

Borrowing costs are recognized as an expense in the period in which these are incurred except to the extent of borrowing cost that are directly attributable to the acquisition, construction or production of a qualifying assets. Such borrowing costs, if any, are capitalized as part of the cost of the asset.

3.10 Impairments

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

3.11 Taxation

Current

Provision for current taxation is based on taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated at the prevailing rates of taxation after taking into account tax credits, rebates and exemption available, if any. The charge for current tax also includes adjustments, where considered necessary, to provision for taxation made in previous years arising from assessments framed during the year for such years. However, for income under final tax regime, taxation is based on applicable tax rates under such regime.

Deferred

Deferred taxation is recognized on all major timing differences between the carrying amount for financial reporting purposes and the amounts used for taxation purposes. The net deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the asset can be

3.12 Mark up bearing borrowings

Mark up bearing borrowings are recognized initially at cost being the fair value of consideration received, less attributable transaction cost. Subsequent to the initial recognition, mark up bearing borrowings are stated at original cost less subsequent repayments.

3.13 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources 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 estimates.

3.14 Offsetting of financial assets and financial liabilities

The financial assets and a financial liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to set off the recognized amounts and the Company intends to settle on a net basis, or to realize the asset and settle liability simultaneously.

3.15 Financial instruments

Financial assets and liabilities are recognized when the 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. The Company derecognizes the financial assets and liabilities when it ceases to be a party to such contractual provisions of the instruments. The Company recognizes the regular way purchase or sale of financial assets using settlement date accounting.

3.16 Cash and cash equivalents

Cash and Cash equivalents comprises cash balance, bank deposits, short term investments and receivables against continuous funding system transactions. For the purpose of cash flows, cash and cash equivalents are presented net off short term borrowings which are repayable on demand or in the short term and form an integral part of the Company's cash management policies. ✓

AMER SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

3.17 Share capital

Ordinary shares are classified as equity and recognized at their face value.

3.18 Related party transactions

Transactions with related parties are carried out on commercial terms and conditions.

3.19 Trade and other payables

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

3.20 Earning per share

Earning per share is calculated by dividing the profit attributable to ordinary equity holders by the weighted average number of shares outstanding during the year.

3.21 Staff retirement benefits

The Company operates an unfunded gratuity scheme for all its permanent employees, which provides for the benefits dependent on the length of service of the employee on terminal date, subject to the completion of minimum qualifying period of service. Gratuity is based on employees last drawn salary.

3.22 Revenue recognition

i) **Brokerage income**

Brokerage income is recognized as and when services are provided on accrual basis.

ii) **Capital gains**

Sales and purchases of securities are recorded on the execution of contract. Capital gains or losses, calculated as the difference between the sale proceeds excluding transaction cost, and the carrying amount of a security is included in profit and loss account for the period. Carrying value of the security for this purpose is calculated on an individual portfolio basis using the moving average method.

iii) **Dividend income**

Dividend income on equity investment is recognized, when the right to receive the same is established.

iv) **Interest income**

Interest income is recognized as and when it is due on accrual basis.

v) **Underwriting commission**

Underwriting commission is recognized when the agreement is executed.

3.23 Contingencies and commitments

Contingencies and commitments unless those are actual liabilities, are not incorporated in the financial statements.

3.24 Figures

Figures have been rearranged and regrouped where necessary for the comparison purpose. ✓

AMER SECURITIES (PRIVATE) LIMITED
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2015

4 PROPERTY AND EQUIPMENT - OWNED

PARTICULARS	COST			RATE	DEPRECIATION			BOOK VALUE
	As at June 30, 2014	Additions	As at June 30, 2015		As at June 30, 2014	For the year	As at June 30, 2015	As at June 30, 2015
Rupees.....				%Rupees.....		
Tangible assets								
Furniture and fixtures	128,150	-	128,150	10%	71,541	5,661	77,202	50,948
Office building	3,476,916	-	3,476,916	10%	728,217	274,870	1,003,087	2,473,829
Office equipment	71,200	-	71,200	10%	47,409	2,379	49,788	21,412
Computer and accessories	483,466	18,000	501,466	30%	383,015	32,723	415,738	85,728
Electronic fittings	30,500	-	30,500	10%	20,338	1,016	21,354	9,146
2015	<u>4,190,232</u>	<u>18,000</u>	<u>4,208,232</u>		<u>1,250,520</u>	<u>316,649</u>	<u>1,567,169</u>	<u>2,641,063</u>
2014	<u>4,114,032</u>	<u>76,200</u>	<u>4,190,232</u>		<u>906,950</u>	<u>343,570</u>	<u>1,250,520</u>	<u>2,939,713</u>
						2015 Rupees	2014 Rupees	

5 INTANGIBLE ASSETS

Computer software	5.1	12,491	17,891
Membership card and licenses			
-- Lahore Stock Exchange (TREC)	5.2	<u>4,100,000</u>	<u>2,957,800</u>
		<u>4,112,491</u>	<u>2,975,691</u>

5.1 Intangible assets

Software	54,000	-	54,000	10%	36,109	5,400	41,509	12,491
2015	<u>54,000</u>	<u>-</u>	<u>54,000</u>		<u>36,109</u>	<u>5,400</u>	<u>41,509</u>	<u>12,491</u>
2014	<u>54,000</u>	<u>-</u>	<u>54,000</u>		<u>30,709</u>	<u>5,400</u>	<u>36,109</u>	<u>17,891</u>

5.2 This represents value of trading rights 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 the demutualization process. The carrying value of the membership card of Rs 9.2 Million has been apportioned between TREC and shares received from LSE as explained in note 6.1. Carrying values of TREC as on June 30, 2015 has been revalued to the value disseminated by LSE on April 28, 2015. The resultant gain as calculated below has been charged to Profit and Loss account.

Carrying value of TREC	2,957,800	2,957,800
Notional value of TREC of LSE as per Notice # 2081 dated: April 28, 2015 of LSE	4,100,000	-
Gain on TREC valuation	<u>1,142,200</u>	<u>2,957,800</u>

6 LONG TERM INVESTMENTS

Available for sale:

Ordinary shares - LSE	6.1	9,790,110 ✓	-
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AMER SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

6.1 Pursuant to the promulgation of the Stock Exchanges (Corporatization, Demutualization and Integration) Act 2012 (The Act), the ownership in a stock exchange had been segregated from the right to trade on the Exchange. This arrangement resulted in allocation of 843,975 ordinary shares of Rs 10/- each and Trading Rights Entitlement Certificate (TREC) to the Company by the LSE against cancellation/ surrender of membership of LSE. Out of these total shares allocated to the Company, 506,385 shares were 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 LSE introduced a minimum capital requirement of Rs. 4 million for holders of TREC. In the absence of an active market, this value was assigned to TREC for the purpose of allocation of carrying value of membership. Ordinary shares of LSE allocated to the Company were assigned a value of Rs. 8.44 million based on face value of those shares. As the active market for such shares as well as TREC was not available, the carrying value of the membership cancelled/surrendered (Rs. 9.2 million) was allocated as follows:

	Assigned values for allocation	Allocation of carrying value of membership
	Rupees	Rupees
Trading Rights Entitlement Certificate	4,000,000	2,957,800
843,975 ordinary shares at Rs. 10 each in LSE	8,439,750	6,242,200
	<u>12,439,750</u>	<u>9,200,000</u>

The cost/book value of the LSE membership card worked out to Rs. 9.200 million as at June 30, 2013. In the absence of an active market of the shares of LSE and TREC, the carrying value of the membership card had been previously allocated between the shares (financial asset) and TREC (an intangible asset) on the basis of value determined for minimum capital and face value of shares. However, being prudent, the value attributable to 843,975 shares was assumed at nil by the management in last year Financial Statements. As on June 30, 2015, the market value of LSE shares has been revalued based on the Net Asset value of LSE shares calculated on the basis of half yearly accounts for the period ended December 31, 2014 as confirmed by LSE Notice dated: April 28, 2015. Accordingly, the value of shares has been assigned through equity.

	2015 Rupees	2014 Rupees
Carrying value of 843,975 shares of LSE	-	-
Net Asset value of 843,975 ordinary shares LSE (Rs. 11.60 / share) as per Notice # 2081 dated: April 28, 2015 of LSE	9,790,110	-
Gain on revaluation of LSE shares - Charged to equity	<u>9,790,110</u>	<u>-</u>

7 LONG TERM DEPOSITS

Lahore Stock Exchange Limited	230,000	230,000
Central Depository Company Limited	103,000	103,000
National Clearing Company of Pakistan Limited	300,000	300,000
	<u>633,000</u>	<u>633,000</u>

8 SHORT TERM INVESTMENTS

At fair value through profit and loss

Held for trading	8.1	29,507,530	18,994,101
		<u>29,507,530</u>	<u>18,994,101</u>

AMER SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

	2015 Rupees	2014 Rupees
8.1 Cost of investment	31,572,926	25,796,758
Less: Loss on investment held at fair value through profit and loss	(2,065,396)	(6,802,657)
8.1.1	<u>29,507,530</u>	<u>18,994,101</u>
8.1.1 The Company has pledged its investments in securities of carrying value of Rs 0.896 million with KSE to obtain trading Exposure.		
9 TRADE DEBTS - UNSECURED	<u>18,840,498</u>	<u>45,962,541</u>
These unsecured trade debts have been considered good.		
10 ADVANCES, DEPOSITS & OTHER RECEIVABLES		
Withholding tax	-	23,885
Other receivables	81,041	94,084
Income tax refundable	149,906	-
Advance income tax	244,146	158,265
	<u>475,093</u>	<u>276,234</u>
11 CASH AND BANK BALANCES		
Cash at banks-current accounts	<u>17,756,482</u>	<u>6,428,360</u>
	<u>17,756,482</u>	<u>6,428,360</u>
12 SHARE CAPITAL		
Authorized share capital		
20,000 Ordinary shares of Rs. 1,000/- each.	<u>20,000,000</u>	<u>20,000,000</u>
Paid-up capital		
20,000 Ordinary shares of Rs. 1,000/- each fully paid in cash	<u>20,000,000</u>	<u>20,000,000</u>
13 SHARE DEPOSIT MONEY		
Opening balance	12,068,678	3,068,678
Received during the year	-	9,000,000
Closing balance	<u>12,068,678</u>	<u>12,068,678</u>
The Company intends to increase its share capital. Share deposit money has been obtained from directors in this regard.		
14 DEFERRED LIABILITIES - GRATUITY		
Opening balance	634,500	574,500
Provision made during the year	111,000	60,000
Less: paid during the year	-	-
Closing balance	<u>745,500</u>	<u>634,500</u>
15 TRADE AND OTHER PAYABLES		
Accounts payables	20,621,157	31,156,750
Accrued expenses	339,521	299,879
Commission payable	10,065	378,664
Loan from director	11,303,957	418,280
Other payables	379,652	529,651
	<u>32,654,352</u>	<u>32,783,224</u> ✓

AMER SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

		2015 Rupees	2014 Rupees
16 CONTINGENCIES AND COMMITMENTS			
	The Company has no contingency and commitment as on June 30, 2015 (2014: Nil).		
17 COMMISSION INCOME			
Gross commission income		4,078,628	4,063,685
Less: direct expenses		(2,659,293)	(3,224,304)
Less: Federal excise duty		(83,742)	(115,777)
Net commission income		<u>1,335,593</u>	<u>723,604</u>
18 OTHER INCOME			
Share transfer		26,300	22,425
UIN fee		111,400	103,085
Gain on TREC valuation		1,142,200	-
Income from shares trading		704,321	-
Dividend income		1,140,826	560,805
Less: Disbursed to the clients		(49,500)	(258,240)
		<u>1,091,326</u>	<u>302,565</u>
		<u>3,075,547</u>	<u>428,075</u>
19 ADMINISTRATIVE EXPENSES			
Salaries, wages and benefits	19.1	1,866,395	1,343,700
Directors' remuneration		742,000	780,000
Repair and maintenance		28,230	1,500
Rent and taxes		-	415,272
Communication		348,286	328,273
Utilities		153,898	504,199
Legal and professional charges		111,135	142,225
Auditors' remuneration		120,000	120,000
Charity and donation		8,944	3,000
Zakat		-	57,500
Depreciation		316,649	343,570
Amortization		5,400	5,400
Stock exchange charges		350,610	343,638
CDC charges		287,916	390,159
KSE broker charges		1,318,716	508,360
Printing and stationery		30,739	20,196
Entertainment		306,737	181,915
Miscellaneous		67,488	4,031
Office expenses		117,210	26,425
Computer expenses		27,500	70,750
		<u>6,207,853</u>	<u>5,590,113</u>
19.1	This includes the company's contribution towards staff retirement benefits amounting to Rs.111,000 (2014: Rs. 60,000)		
20 FINANCIAL EXPENSES			
Markup charges	20.1	303,749	225,265
Bank charges		27,509	39,718
		<u>331,258</u>	<u>264,983</u>

AMER SECURITIES (PRIVATE) LIMITED
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2015

20.1 This mark up has been charged at the rate of three months KIBOR plus 2.5% on short running finance facility availed during the year from Bank Al Habib Limited.

		2015 Rupees	2014 Rupees
21 TAXATION			
Prior year		32,244	-
Current year		173,336	37,492
Deferred	21.1	-	-
		<u>205,580</u>	<u>37,492</u>

21.1 As the Company is being assessed under presumptive tax regime, hence, no deferred tax is recognized in these financial statements.

22 LOSS PER SHARE

	Rupees		Rupees
Loss after taxation	(4,398,947)		(11,543,566)
Number of ordinary shares	No.	20,000	20,000
Loss per share	Rupees	<u>(220)</u>	<u>(577)</u>

23 REMUNERATION OF CHIEF EXECUTIVE AND DIRECTORS

	2015		2014	
	Rupees	No. of person	Rupees	No. of person
Managerial remuneration:				
Chief Executive	371,000	1	390,000	1
Directors	371,000	1	390,000	1
	<u>742,000</u>	<u>2</u>	<u>780,000</u>	<u>2</u>

23.1 Remuneration of Chief Executive and directors has been included in "Administrative Expenses - Salaries, wages and benefits (Note 19)".

24 NUMBER OF EMPLOYEES

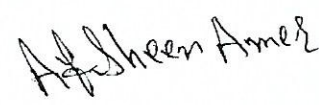
Total number of employees of the Company as at reporting date are 7 (2014 : 6). Average number of employees during the year was 6.

25 DATE OF AUTHORIZATION

These financial statements were authorized for issue on October 06, 2015 by the board of directors of the Company.



(Chief Executive)



(Director)