

**ASA STOCKS
(PRIVATE) LIMITED**

**Financial Statements
For The Year Ended 30 June, 2016**

**MUDASSAR EHTISHAM & CO
CHARTERED ACCOUNTANTS**

ASA STOCKS (PRIVATE) LIMITED


Balance Sheet

As at 30 June, 2016

		2016	2015
	Note	Rupees	Rupees
Non-Current Assets			
Fixed Assets			
Property and Equipment	4.1	2,842,611	1,617,552
Intangible Assets	4.2	4,000,000	4,000,000
		6,842,611	5,617,552
Long Term Security Deposits	6	5,768,768	6,219,884
Long Term Investments	7	9,553,797	9,553,797
		15,322,565	15,773,681
Current Assets			
Accounts Receivables	8	16,938,043	12,707,365
Advance, Deposits & Pre-payments	9	419,234	166,244
Short Term Investments	10	13,461,960	-
Cash and Bank Balances	11	3,280,896	2,262,548
		34,100,134	15,136,157
		56,265,310	36,527,390
Equity and Liabilities			
Share Capital	12	17,500,000	17,500,000
Unappropriated Profit / (Loss)		177,258	582,309
		17,677,258	18,082,309
Share deposit money		18,725,000	-
Loan from Directors	13	405,568	7,919,005
		405,568	7,919,005
Current Liabilities			
Trade Payables	14	7,973,831	2,263,684
Accrued and Other Liabilities	15	1,668,034	1,148,994
Short Term Running Finance	16	9,786,083	6,981,663
Provision for Taxation	23	29,536	131,735
		19,457,484	10,526,076
		56,265,310	36,527,390
Contingencies and Commitments	17		

The annexed notes 1 to 28 form an integral part of these Financial Statements.

Lahore:


 Chief Executive




 Director

ASA STOCKS (PRIVATE) LIMITED
Profit and Loss Account
For the Year Ended 30 June, 2016

		2016	2015
	<i>Note</i>	<i>Rupees</i>	<i>Rupees</i>
Revenue			
Income from brokerage	18	2,953,619	4,428,509
Gain / (loss) on investment		(75,506)	-
		2,878,113	4,428,509
Operating & Administrative Expenses	19	(3,673,270)	(3,290,429)
Operating profit / (loss)		(795,157)	1,138,080
Selling & Marketing Expenses	20	-	(2,500)
Financial Charges	21	(652,901)	(705,718)
		(1,448,058)	429,862
Other Income	22	1,072,543	691,481
Profit / (Loss) before Taxation		(375,515)	1,121,343
Taxation	23	(29,536)	(131,735)
Profit / (Loss) after Taxation		(405,051)	989,608

The annexed notes 1 to 28 form an integral part of these Financial Statements.

Lahore:


 Chief Executive




 Director

ASA STOCKS (PRIVATE) LIMITED

Cash Flow Statement

For the Year Ended 30 June, 2016

	2016	2015
	Rupees	Rupees
Cash flows from Operating Activities		
Profit /(Loss) before Taxation	(375,515)	1,121,343
Adjustments for Non Cash items:		
Depreciation	298,766	273,885
Finance Cost	652,901	705,718
	951,667	979,603
Operating Profit before Working Capital Changes	576,152	2,100,946
Changes in Operating Assets and Liabilities		
(Increase)/Decrease in:		
Accounts Receivable	(4,230,678)	(2,248,311)
Advance, Deposits & Pre-payments	(252,990)	361,352
Trade Creditors	5,798,854	938
Accrued and Other Liabilities	519,040	319,703
	1,834,226	(1,566,318)
Financial Charges paid	(652,901)	(705,718)
Taxes paid	(487,691)	(42,330)
	(1,140,592)	(748,048)
Net Cash used in Operating Activities	1,269,786	(213,420)
Cash Flows from Investing Activities		
Purchase of Assets	(2,356,577)	(52,500)
Sale of Fixed Assets	1,100,000	-
Long Term Securities	451,116	(1,073,304)
Net Cash used in Investing Activities	(805,461)	(1,125,804)
Cash Flows from Financing Activities		
Share deposit money	18,725,000	-
Short Term Investments	(13,461,960)	-
Short-Term Running Finance	2,804,420	3,196,276
Loan from Directors	(7,513,437)	-
Net Cash generated from Financing Activities	554,023	3,196,276
Net (decrease)/increase in Cash and Cash Equivalents	1,018,348	1,857,052
Cash and Cash Equivalents at the beginning of the year	2,262,548	405,496
Cash and Cash Equivalents at the end of the year	3,280,896	2,262,548

Note

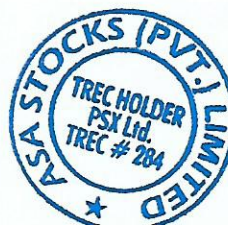
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The annexed notes 1 to 28 form an integral part of these Financial Statements.

Lahore:



Chief Executive




Director

ASA STOCKS (PRIVATE) LIMITED
Statement of Changes in Equity
For the Year Ended 30 June, 2016

	Share Capital Rupees	Share Premium Rupees	General Reserve Rupees	Unappropriated Profit/(Loss) Rupees	Total Rupees
Balance at on July 1, 2014	17,500,000	-	-	(407,299)	17,092,701
Net Profit/(Loss) for the year				989,608	989,608
Balance as at 30 June, 2015	17,500,000	-	-	582,309	18,082,309
Balance at on July 1, 2015	17,500,000	-	-	582,309	18,082,309
Net Profit/(Loss) for the year				(405,051)	(405,051)
Balance as at June 30, 2016	17,500,000	-	-	177,258	17,677,258

The annexed notes 1 to 28 form an integral part of these Financial Statements.

Lahore:

Chief Executive



Director

ASA STOCKS (PRIVATE) LIMITED

Notes to the Financial Statements

For the Year Ended 30 June, 2016

1 The Company's Operations and Registered Office

ASA Stocks (Pvt) Limited ("the Company") was incorporated in 8th November, 2012 as a Private limited Company under the Companies Ordinance, 1984. The Company is mainly engaged in the business of share brokerage, portfolio management, investment advisory and consultancy services. The Company is a member of Pakistan Stock Exchange Limited. The registered Office of the Company is situated at 79/A-C-1, Gulberg III, Lahore.

2 Statement of Compliance

These accounts have been prepared in accordance with the approved International Accounting Standards (IAS) issued by the International Accounting Standards Committee (IASC) and interpretations issued by the Standards Interpretations Committee of the IASC, as applicable in Pakistan. Approved Accounting Standards comprise of Accounting and Financial Reporting Standard for Small-Sized Entities (SSEs) issued by The Institute of Chartered Accountants of Pakistan and the requirements of the Companies Ordinance, 1984, along with the requirements of the Securities and Exchange Commission of Pakistan (SECP). Wherever, the requirements of the Companies Ordinance, 1984, the Rules, the Regulations or the directives issued by the SECP differ with the requirements of these IAS, the requirements of the Ordinance, the Rules, the Regulations or the requirements of the said directives take precedence.

3 Significant Accounting Policies

3.1 Accounting Convention

The financial statements have been prepared under the historical cost convention except for certain financial assets and liabilities which are stated at their fair value or amortized cost as applicable.

The preparation of financial statements in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognized prospectively commencing from the period of revision.

3.2 Property and Equipment

These are stated at historical cost less accumulated depreciation and impairment losses, if any, except freehold land and capital work in progress are stated at Cost.

Depreciation is calculated using the reducing balance method, at the rates specified in the fixed assets schedule, which are considered appropriate to write off the cost of the assets over their estimated useful lives. The Depreciation on property and equipment is charged on monthly basis.

3.3 Intangible Assets

This is stated at cost less impairment losses, if any. The carrying amounts are reviewed at each balance sheet date to assess whether these are recorded in excess of their recoverable amounts, and where carrying value is in excess of recoverable amount, these are written down to their estimated recoverable amount.

3.4 Long Term Deposits and Loans

Long term deposits and Loans are stated at Cost.

3.5 Loans and Receivables

These are non derivative financial Assets with fixed or determinable payments that are not quoted in an active market. Such assets are carries at amortised cost using the the effective interest method. Gains and losses are recognised in income when the loans and receivables are de-recognised or impaired as well as through the amortization process.

3.6 Taxation

Current

The charge for current taxation is based on taxable income at current rate of taxation of the Income Tax Ordinance, 2001 after taking into account applicable tax credits and rebates, if any. On Income subject to Normal Taxation and no presumptive basis on Income subject to Final Taxation.

Deferred Taxation

The company accounts for deferred taxation, using the liability method on all temporary timing differences. However, deferred tax is not provided if it can be established with reasonable accuracy that these differences will not reverse in the foreseeable future.

3.7 Trade and Settlement date Accounting

All "regular way" purchases and sales of listed securities are recognized on the trade date, i.e. the date that the Company commits to purchase/ sell the asset. Regular way purchase or sale of financial assets are those, the contract for which requires delivery of assets within the time frame established generally by regulation or convention in the market place concerned.

3.8 Securities under Repurchase/Reverse Repurchase Agreements

Transactions of repurchase/ reverse repurchase of investment securities are entered into at contracted rate for specified periods of time and are accounted for as follows.

3.9 Revenue Recognition

- a) Brokerage, advisory fees, commission and other income are accrued as and when due.
- b) Dividend income on equity investments is recognized, when the right to receive the same is established.
- c) Gains or losses on sale of investments are recognized in the period in which they arise.
- d) Underwriting commission is recognized when the agreement is executed. Take-up commission is recognized at the time commitment is fulfilled.
- e) Consultancy, advisory fee and service charges are recognized as and when earned.
- f) Unrealized capital gains/(losses) arising from marking to market of investments classified as 'financial assets at fair value through profit or loss - held for trading' are included in profit and loss account in the period in which they arise.

3.10 Return on Financing and Borrowings

Return on financing and borrowings is recognized on a time proportionate basis taking into account the relevant issue date and final maturity date.

3.11 Provisions

A provision is 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 embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

3.12 Cash and Cash Equivalents

For the purpose of cash flow statement, cash and cash equivalents comprise of cash in hand, balance with banks on current and deposit accounts and short term running finance account.

3.13 Contingencies and Commitments

Capital commitments and Contingences, unless those are actual liabilities, are not incorporated in the accounts.

		2016	2015
		Rupees	Rupees
4	Fixed Assets		
		Note	
	Property and Equipment	4.1	2,842,611
	Intangible	4.2	4,000,000
			<u>6,842,611</u>
			<u>5,617,552</u>

4 Property and Equipment

4.1 Tangible

PARTICULARS

PARTICULARS	COST					Book value		Depreciation rate
	As at July 2015	Additions during the Year	Deletion during the Year	As at 30 June, 2016	As at July 2015	For the Year	As at 30 June, 2016	
OWNED								
Office Equipments	145,520	-	-	145,520	35,507	11,001	46,508	10
Computer Equipments	157,300	135,730	-	293,030	67,811	28,585	96,396	20
Furniture and Fixtures	537,830	-	-	537,830	131,230	40,660	171,890	10
Electrical Installation	155,826	-	-	155,826	69,395	17,286	86,681	20
Vehicle	1,297,500	2,220,847	(1,245,000)	2,273,347	372,482	201,233	161,467	15
2016	2,293,976	2,356,577	(1,245,000)	3,405,553	676,424	298,766	562,942	2,842,611
2015	2,241,476	52,500	-	2,293,976	402,539	273,885	-	1,617,552

4.2 Intangible Asset

Membership Card Value

Transfer to Long Term Investment (LSE Shares)
Impairment for the year

	2016	2015
	Rupees	Rupees
Membership Card Value	4,000,000	4,000,000
Transfer to Long Term Investment (LSE Shares)	-	-
Impairment for the year	-	-
	4,000,000	4,000,000

Sr. No.	Symbol	Company Name (Listed)	Qty	Price	Amount
1	AKBL	Askari bank limited	100,000	18.68	1,868,000
2	BOP	the bank of punjab	50,000	8.04	402,000
3	BYCO	Byco petroleum pakistan limited	15,000	20.54	308,100
4	FFBL	Fauji fertilizer bin qasim limited	55,000	53.01	2,915,550
5	FFC	Fauji fertilizer company limited	26,000	114.72	2,982,720
6	HBL	Habib bank limited	2,000	197.56	395,120
7	IGIIL	IGI Insurance limited	3,000	190.82	572,460
8	LUCK	Lucky cement limited	1,000	648.51	648,510
9	PAKCEM	PAKCEM limited	100,000	17.66	1,766,000
10	PIBTL	Pakistan international bulk terminal li	50,000	32.07	1,603,500

13,461,960

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ASA STOCKS (PRIVATE) LIMITED

			2016	2015
	<i>Note</i>		Rupees	Rupees
6	Long Term Securities and Deposits			
	Deposits to PSX for Regular Market		200,000	700,000
	Deposits to LSE for Rooms		5,078,768	4,899,884
	Deposits to PSX Clearing House		-	30,000
	Deposits to NCCPL		200,000	300,000
	Deposits to CDC		200,000	200,000
	Deposits to Landlord		90,000	90,000
			<u>5,768,768</u>	<u>6,219,884</u>
7	Long Term Investments			
	Lahore Stock Exchange Financial Services Limited Shares - Unquoted		843,975	843,975
	Rate		11.32	11.32
			<u>9,553,797</u>	<u>9,553,797</u>
	The Company has pledged/hypothecated TRE Certificate of Pakistan Stock Exchange Limited (PSE) and 337,590 ordinary shares of LSEFSL with PSX in compliance with Base Minimum Capital (BMC) requirement under Regulation 2.1 of the Regulations Governing Risk Management of the PSX			
8	Trade Receivables			
	Trade Receivables	8.1	16,938,043	12,707,365
			<u>16,938,043</u>	<u>12,707,365</u>
	8.1 Receivables from Clients relate to Commission Income and are secured and considered good by the Management.			
9	Advance, Deposits & Pre-payments			
	Advance Tax		310,923	115,109
	Prepayments		11,848	20,631
	Other Receivables		96,463	30,454
			<u>419,234</u>	<u>166,244</u>
10	Short Term Investments			
	Cost of investment in listed securities	5	13,537,466	-
	Gain / (loss) on investment		(75,506)	-
			<u>13,461,960</u>	<u>-</u>
11	Cash and Bank Balances			
	Cash in Hand		74,759	152,107
	Cash in Bank			
	In saving/ Profit Accounts		3,206,137	2,110,441
	In Current Accounts		3,206,137	2,110,441
			<u>3,280,896</u>	<u>2,262,548</u>

ASA STOCKS (PRIVATE) LIMITED

			2016	2015
		<i>Note</i>	Rupees	Rupees
12	Authorized Capital			
	(300,000 Ordinary Shares of Rs. 100 each)		<u>30,000,000</u>	<u>30,000,000</u>
	Issued, Subscribed and Paid up			
	(175,000 Ordinary Shares of Rs. 100 each)		<u>17,500,000</u>	<u>17,500,000</u>
13	Loan from Directors			
	Loan from Directors --- Unsecured		-	7,919,005
			<u>-</u>	<u>7,919,005</u>
<i>13.1</i>	This unsecured and markup free loan has been obtained from Directors of the Company and is repayable at the option of the Company.			
14	Trade Payables			
	Payable to Clients	<i>14.1</i>	7,973,831	2,263,684
			<u>7,973,831</u>	<u>2,263,684</u>
<i>14.1</i>	Payable to clients relate to operating business. Amount is setted according to settlement dates.			
15	Accruals and Other Liabilities			
	Accrued Liabilities		1,659,353	1,144,063
	WHT Payable		2,724	1,074
	FED Payables		5,957	3,857
			<u>1,668,034</u>	<u>1,148,994</u>
16	Short Term Running Finance			
	Short Term Running Finance		9,786,083	6,981,663
			<u>9,786,083</u>	<u>6,981,663</u>
	This represented short term running finance facility from Summit Bank Limited, with a sanctioned limit of Rs. 20 millions. It carried a mark up rate of 3 months KIBOR + 2% per annum. The facility is secured against 100% cash collateral in shape of lien on US\$ 225,000/- time deposit in favore of Mrs. Zahida Akram (Director of the Company).			
17	Contingencies and Commitments			
	The Company has pledged/hypothecated TRE Certificate of Pakistan Stock Exchange Limited (PSE) and 337,590 ordinary shares of LSEFSL with PSX in compliance with Base Minimum Capital (BMC) requirement under Regulation 2.1 of the Regulations Governing Risk Management of the PSX.			
18	Income from brokerage			
	Commission Income - Net		2,953,619	4,428,509
			<u>2,953,619</u>	<u>4,428,509</u>

ASA STOCKS (PRIVATE) LIMITED

	<i>Note</i>	2016	2015
		Rupees	Rupees
19 Operating & Administrative Expenses			
Staff Salary		1,714,000	1,583,800
Fuel & power Expenses		320,234	261,108
Telephone and Internet charges		205,904	200,415
Postage and Telegram		58,730	68,090
Fee and Subscription		136,246	104,419
Printing and Stationary		27,594	71,073
Rent Rate and Taxes		478,200	390,060
Legal & Professional Charges		36,000	31,000
CDC Charges		87,375	68,403
NCSS Charges		77,821	61,775
Entertainment		82,460	64,832
Audit Remuneration	19.1	75,000	75,000
Newspaper & Periodicals		5,072	5,200
Repair and Maintenance		47,807	12,550
Depreciation	4.1	298,766	273,885
Miscellaneous Expenses		22,061	18,879
		<u>3,673,270</u>	<u>3,290,429</u>
19.1 Audit Remuneration			
Audit Fee		65,000	65,000
Out of Pocket Expenses		10,000	10,000
		<u>75,000</u>	<u>75,000</u>
20 Selling & Marketing Expenses			
Advertisement Expenses		-	2,500
		<u>-</u>	<u>2,500</u>
21 Financial Charges			
Bank Charges		5,632	5,040
Mark-up		647,270	700,678
		<u>652,901</u>	<u>705,718</u>
22 Other Income			
Charges from Client		2,629	1,833
Mark-up Received on Bank Deposits		48,666	124,185
Dividend Income		743,481	565,463
Mark-up Received on PSX Deposits		10,519	-
Gain on sale of Fixed Assets		267,248	-
		<u>1,072,543</u>	<u>691,481</u>

ASA STOCKS (PRIVATE) LIMITED

	<i>Note</i>	2016	2015
		Rupees	Rupees
23 Taxation			
Opening Balance		131,735	42,330
Add: Taxation for the year		29,536	131,735
		161,271	174,065
Less:			
Adjusted against advance tax		(131,735)	(42,330)
		29,536	131,735

23.1 This represent Current Taxation which has been provided Under Section 233A of Income Tax Ordinance, 2001 and Normal Taxation on other Income.

23.2 Deferred Taxation has not been provided as the Company is subject to Presumptive Taxation.

24 Remuneration of Chief Executive, Directors and Executives

Managerial Remuneration including House Rent & Utility

Chief Executive	-	-	
Executives	-	-	
Directors	-	-	
	-	-	
	-	-	

No Managerial remuneration has been paid to CEO of the company during the year. (2015 : NIL)

25 Accounting Estimates And Judgments

Property, plant and equipment

The Company reviews the rate of depreciation/useful life, residual values and value of assets for possible impairment on an annual basis. Any change in the estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment with a corresponding affect on the depreciation charge and impairment.

Intangible assets

The Company reviews the rate of amortization and value of intangible assets for possible impairment on an annual basis. Any change in the estimates in future years might affect the carrying amounts of respective items of intangible asset with a corresponding affect on the amortization charge and impairment.

ASA STOCKS (PRIVATE) LIMITED

	2016	2015
Note	Rupees	Rupees

Investment stated at fair value

The Company has determined fair value of certain investments by using quotations from active market. Fair value estimates are made at a specific point in time based on market conditions and information about financial instruments. These estimates are subjective in nature and involve uncertainties and matter of judgments (e.g. valuation, interest rates, etc.) and therefore cannot be determined with precision.

Trade debts

The Company reviews its debts portfolio regularly to assess amount of any provision required against such debtors.

26 Number of employees

Total number of employees at the end of year was 6 (2015: 5). Average number of employees was 5 (2015: 4)

27 Authorization

27.1 These financial statements were authorized for issue on 25 August, 2016 by the Board of Directors of the Company.

28 General

Figures have been rounded off to the nearest rupee.

Corresponding figures have been rearranged, wherever necessary for the purposes of comparison. However, no significant rearrangement / reclassification have been made in these financial statements.

The annexed notes 1 to 28 form an integral part of these Financial Statements.

Lahore: 
Chief Executive




Director