

**NEW PEAK SECURITIES
(PRIVATE) LIMITED**

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

**MUDASSAR EHTISHAM & CO.
CHARTERED ACCOUNTANTS**



GENEVA GROUP INTERNATIONAL
SWITZERLAND

MUDASSAR EHTISHAM & CO.
Chartered Accountants

Independent Member Of Geneva Group International
(Switzerland)

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **NEW PEAK SECURITIES (PRIVATE) LIMITED ("THE COMPANY")** as at June 30, 2016 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 account have been kept by the Company as required by the Companies Ordinance, 1984;
- b. In our opinion:
 - I. the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;
 - II. the expenditure incurred during the year was for the purpose of the Company's business; and
 - III. the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;
- c. in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2016 and of the profit, its cash flows and changes in equity for the year then ended; and
- d. in our opinion, no Zakat deductible at source under Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

Mudassar Ehtisham & Co.
Chartered Accountants
Engagement Partner: Muhammad Ehtisham

Lahore
September 20, 2016

Head Office:
50/2 Lawrence Road,
Lahore - Pakistan.
Tel: +92-42-36370215
Fax: +92-42-36363614
info@mudassarehtisham.com

Islamabad Office:
Room No. 2, 2nd Floor,
Pacific Centre, F-8 Markaz, Islamabad.
Tel: +92-051-2263636
Fax: +92-051-2853536
yasir@mudassarehtisham.com

Multan Office:
Room No. 29, 1st Floor, Hajveri
Arcade, Kutchery Road, Multan.
Tel: +92-061-4500967, 4500968
Fax: +92-061-4780067
waqas@mudassarehtisham.com

Faisalabad Office:
Office No.1, 1st Floor
Noor Center, Opposit Mujahid
Hospital, Faisalabad.
Phone: +92-041-8503241
Fax: +92-041-8503242
irfan@mudassarehtisham.com

Associates' International Presence

Dubai (UAE), Jeddah (KSA), London (UK), Melbourne (Australia), New York (USA)

NEW PEAK SECURITIES (PRIVATE) LIMITED


Balance Sheet

As at 30 June, 2016

| | Note | 2016 Rupees | 2015 Rupees |
|--|------|--------------------|-------------------|
| Non-Current Assets | | | |
| Fixed assets | | | |
| Property and equipment | 4.1 | 2,940,631 | 1,821,087 |
| Intangible asset | 4.2 | 4,000,000 | 888,000 |
| Long Term Investment | 6 | 30,346,030 | 6,512,000 |
| Long Term Advances | 7 | 581,000 | 631,000 |
| | | <u>37,867,661</u> | <u>9,852,087</u> |
| Current Assets | | | |
| Short Term Investments | 8 | 859,335 | - |
| Accounts Receivables | 9 | 74,345,415 | 56,691,834 |
| Advances, deposits & pre-payments | 10 | 831,629 | 99,249 |
| Cash and bank balances | 11 | 38,459,704 | 23,047,795 |
| | | <u>114,496,083</u> | <u>79,838,878</u> |
| | | <u>152,363,744</u> | <u>89,690,965</u> |
| Equity and Liabilities | | | |
| Share capital | 12 | 20,000,000 | 10,000,000 |
| Unappropriated Profit / (Loss) | | 30,726,423 | 3,195,875 |
| | | <u>50,726,423</u> | <u>13,195,875</u> |
| Non-Current Liabilities | | | |
| Long term Loan | 13 | 2,900,000 | 2,900,000 |
| Liabilities against assets subject to finance lease | 14 | 264,938 | 655,538 |
| | | <u>3,164,938</u> | <u>3,555,538</u> |
| Current Liabilities | | | |
| Current portion of liabilities against assets subject to finance lease | | 388,631 | 372,922 |
| Account payables | 15 | 95,676,817 | 68,338,098 |
| Accrued and Other Liabilities | 16 | 1,507,606 | 3,978,446 |
| Provision for taxation | 17 | 899,329 | 250,086 |
| | | <u>98,472,383</u> | <u>72,939,552</u> |
| Contingencies and commitments | 18 | <u>152,363,744</u> | <u>89,690,965</u> |

The annexed notes 1 to 30 form an integral part of these financial statements.

Lahore:


Chief Executive


Director

NEW PEAK SECURITIES (PRIVATE) LIMITED


Profit and Loss Account

For the Year ended 30 June, 2016

| | Note | 2016 Rupees | 2015 Rupees |
|---|------|--------------------------|-------------------------|
| Revenue | | | |
| Income from brokerage | 19 | 26,912,307 | 25,008,058 |
| Un realized gain / (loss) on investment | 8 | 458,181 | - |
| | | <u>27,370,488</u> | <u>25,008,058</u> |
| Operating and Administrative expenses | 20 | (25,344,691) | (23,701,228) |
| Profit /(loss) from operation | | <u>2,025,798</u> | <u>1,306,830</u> |
| Financial charges | 21 | (64,313) | (53,467) |
| Other income | 22 | 27,750,306 | 2,201,979 |
| Other Operating expenses | 23 | - | (10,138) |
| Profit / (Loss) before taxation | | <u>29,711,791</u> | <u>3,445,204</u> |
| Taxation | 17 | (649,243) | (250,086) |
| Profit / (Loss) after taxation | | <u><u>29,062,548</u></u> | <u><u>3,195,118</u></u> |

The annexed notes 1 to 30 form an integral part of these financial statements.

Lahore:



Chief Executive



Director

NEW PEAK SECURITIES (PRIVATE) LIMITED

Cash Flow Statement

For the Year Ended 30 June, 2016

| | Note | 2016 Rupees | 2015 Rupees |
|---|------|---------------------|--------------------|
| Cash flows from operating activities | | 29,711,791 | 3,445,204 |
| Profit before taxation | | | |
| Adjustments for non cash items: | | | |
| Depreciation and Impairment | | 870,250 | 849,144 |
| Gain / Loss on sale of asset | | - | 10,138 |
| Un-realized Gain / loss | | (27,404,211) | - |
| Financial Charges | | 64,313 | 53,467 |
| | | <u>(26,469,649)</u> | <u>912,749</u> |
| Operating profit before working capital changes | | 3,242,142 | 4,357,953 |
| Changes in operating assets and liabilities | | | |
| (Increase)/decrease in: | | | |
| Accounts Receivable | | (17,653,581) | (11,609,925) |
| Advances, deposits & prepayments | | (732,380) | (85,112) |
| Account payables | | 27,338,719 | 4,313,673 |
| Accrued and Other Liabilities | | (2,470,840) | 2,168,571 |
| | | <u>6,481,918</u> | <u>(5,212,793)</u> |
| | | <u>6,481,918</u> | <u>(5,212,793)</u> |
| Cash utilized in operations | | 9,724,060 | (854,840) |
| Financial charges paid | | (64,313) | (53,467) |
| Short Term Investments | | (401,154) | 5,000,000 |
| Taxes paid | | - | (446,216) |
| | | <u>(465,467)</u> | <u>4,500,317</u> |
| | | 9,258,594 | 3,645,477 |
| Net cash used in operating activities | | | |
| Cash flows from investing activities | | | |
| Purchase of Assets | | (1,989,793) | (108,300) |
| Disposal of fixed assets | | - | 1,000,000 |
| Long Term Advances | | 50,000 | (100,000) |
| Net cash used in investing activities | | (1,939,793) | 791,700 |
| Cash flows from financing activities | | | |
| Issue of Share Capital | | 10,000,000 | - |
| Dividend Paid | | (1,532,000) | (1,158,000) |
| Repayment of lease obligation | | (374,891) | (926,722) |
| Net cash generated from financing activities | | <u>8,093,109</u> | <u>(2,084,722)</u> |
| Net (decrease)/increase in cash and cash equivalents | | 15,411,909 | 2,352,455 |
| Cash and cash equivalents at the beginning of the year | | <u>23,047,795</u> | <u>20,695,340</u> |
| Cash and cash equivalents at the end of the year | 11 | <u>38,459,704</u> | <u>23,047,795</u> |

The annexed notes 1 to 30 form an integral part of these financial statements.

Lahore:



Chief Executive



Director

NEW PEAK SECURITIES (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 as at 01 July 2014 | 10,000,000 | - | - | 1,158,757 | 11,158,757 |
| Net profit / (loss) for the year ended 30 June 2015 | - | - | - | - | - |
| Dividend paid during the year | - | - | - | 3,195,118 | 3,195,118 |
| Balance as at 30 June 2015 | <u>10,000,000</u> | <u>-</u> | <u>-</u> | <u>(1,158,000)</u> | <u>(1,158,000)</u> |
| Balance as at 01 July 2015 | 10,000,000 | - | - | 3,195,875 | 13,195,875 |
| Issue of Shares | 10,000,000 | - | - | - | 10,000,000 |
| Net profit / (loss) for the year ended 30 June, 2016 | - | - | - | 29,062,548 | 29,062,548 |
| Dividend paid during the year | - | - | - | (1,532,000) | (1,532,000) |
| Balance as at 30 June, 2016 | <u>20,000,000</u> | <u>-</u> | <u>-</u> | <u>30,726,423</u> | <u>50,726,423</u> |

The annexed notes 1 to 30 form an integral part of these financial statements.

Lahore:



Chief Executive



Director

NEW PEAK SECURITIES (PRIVATE) LIMITED

Notes to the Financial Statements

For the Year ended 30 June, 2016

1 The Company's operations and registered office

New Peak Securities (Private) Limited ("the Company") was incorporated in March, 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 suite # 521, 5th Floor Siddiq Trade Centre, 72 Main Boulevard Gulberg 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 Medium-Sized Entities (MSEs) 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 fully charged in the year in which assets are purchased and no depreciation is charged in the year of sale of asset.

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 amortized cost using the effective interest method. Gains and losses are recognized in income when the loans and receivables are de-recognized 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.

Deffered Taxation

The company accounts for deffered taxation, using the liability method on all temporary timing differences. However, deffered tax is no provided if it can be established with reasonable accuracy that these differences will not reserve 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

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.

| | <i>Note</i> | 2016 Rupees | 2015 Rupees |
|------------------------|-------------|------------------|------------------|
| 4 Fixed assets | | | |
| Property and equipment | 4.1 | 2,940,631 | 1,821,087 |
| Intangible | 4.2 | 4,000,000 | 4,000,000 |
| | | <u>6,940,631</u> | <u>5,821,087</u> |

4 Property and Equipment

4.1 Tangible

| PARTICULARS | COST | | | | DEPRECIATION | | | | Book value as at 30 Jun 2016 | Depreciation rate % |
|------------------------|-------------------|---------------------------|---------------------------|-------------------|-------------------|----------------|------------------------|-------------------|------------------------------|---------------------|
| | As at 1 July 2015 | Additions during the year | Deletions during the year | As at 30 Jun 2016 | As at 1 July 2015 | For the year | Additions/ (Deletions) | As at 30 Jun 2016 | | |
| OWNED | | | | | | | | | | |
| Office Equipment | 49,477 | - | - | 49,477 | 20,036 | 4,416 | - | 24,452 | 25,025 | 15 |
| Furniture & Fixture | 112,050 | - | - | 112,050 | 64,560 | 7,124 | - | 71,684 | 40,367 | 15 |
| Computers | 303,870 | 41,500 | - | 345,370 | 194,707 | 45,199 | - | 239,906 | 105,464 | 30 |
| Vehicles | 100,000 | 1,948,293 | - | 2,048,293 | 45,000 | 300,494 | - | 345,494 | 1,702,799 | 15 |
| LEASED | | | | | | | | | | |
| Vehicles | 2,299,000 | - | - | 2,299,000 | 765,567 | 506,033 | - | 1,271,600 | 1,027,400 | 33 |
| Leasehold Improvements | 82,754 | - | - | 82,754 | 36,193 | 6,984 | - | 43,177 | 39,577 | 15 |
| Rupees | 2,947,151 | 1,989,793 | - | 4,936,944 | 1,126,063 | 870,250 | - | 1,996,313 | 2,940,631 | |
| Rupees | 2,039,351 | 2,407,300 | (1,395,000) | 2,947,151 | 661,783 | 849,144 | (384,863) | 1,126,064 | 1,821,087 | |

4.2 Intangible Asset

Membership Card Value

| | 2016 Rupees | 2015 Rupees |
|-----------------------|------------------|----------------|
| Membership Card Value | 4,000,000 | 888,000 |
| | <u>4,000,000</u> | <u>888,000</u> |

Value of TRE Certificate of Pakistan Stock Exchange Limited is Rs. 4 million (TRE Certificate and 3,034,603 Shares of ISETRMCL Pledged to Pakistan Stock Exchange)

NEW PEAK SECURITIES (PRIVATE) LIMITED

2016
Rupees

2015
Rupees

5 Short Term Investments

| S. N. | Symbol | Company Name (Listed) | Qty | Price | Amount |
|-------|--------|--|--------|-------|---------|
| 1 | PIBTL | Pakistan International Bulk Terminal Limited | 20,000 | 32.07 | 641,400 |
| 2 | PTC | Pakistan Telecommunication Limited | 14,500 | 15.03 | 217,935 |

859,335

NEW PEAK SECURITIES (PRIVATE) LIMITED

| | <i>Note</i> | 2016 Rupees | 2015 Rupees |
|---|--|-------------------|-------------------|
| 6 Long Term Investment | | | |
| Investment in Shares of ISE Towers REIT Management Limited (Available for Sale) | | 3,034,603 | 3,034,603 |
| Price | | 10.00 | 2.15 |
| | | <u>30,346,030</u> | <u>6,512,000</u> |
| 6.1 | These represent the shares received from ISE Towers REIT Management Limited (Formerly Islamabad Stock Exchange (ISE) in pursuance of corporatization and demutualization of ISE as public company limited by shares in accordance with the requirement of the Stock Exchanges (Corporatization, Demutualization and Integration Act, 2012 (the Act.)). In addition, the company has also received Trading Right Entitlement Certificate (TREC) from ISE which now has become TREC of Pakistan Stock Exchange Limited after Integration of the Stock Exchanges. | | |
| 6.2 | Accordingly, the company has been allotted 3,034,603 shares of ISE of Rs. 10/- each based on the valuation of their assets and liabilities as approved by the SECP. The company has received 40% equity shares i.e. 1,213,841 shares of ISE. The remaining 60% shares are transferred to CDC sub-account in company's name under ISE's participant IDs with the CDC which will remain blocked until these are divested to strategic investor's), general public and financial institutions. Now all these shares as 3,034,603 are pledged with PSX's participant IDs to maintain the Base Minimum Capital "BMC". As the fair value of both the asset transfer and assets obtain can not be determined with reasonable accuracy, the investment in shares has been recorded at the face value of Rs. 10/- each in the Company's book. | | |
| 6.3 | No tax provision has been made on Gain on exchange of membership card with TREC, as such gain is exempted from tax under clause 110B of Second Schedule of Income Tax Ordinance , 2001. | | |
| 7 Long Term Advances | | | |
| National Clearing Company of Pakistan Limited | | 300,000 | 300,000 |
| Central Depository Company of Pakistan Limited | | 100,000 | 100,000 |
| Office Security Deposits | | 81,000 | 81,000 |
| Pakistan Stock Exchange | | 50,000 | 50,000 |
| Deposits Against Exposure | | 50,000 | 100,000 |
| | | <u>581,000</u> | <u>631,000</u> |
| 8 Short Term Investments | | | |
| Cost of investment in listed securities | | 401,154 | - |
| Un-realized Gain / (loss) on investment | | 458,181 | - |
| | 5 | <u>859,335</u> | <u>-</u> |
| 9 Accounts Receivables | | | |
| Accounts Receivables | | 74,345,415 | 56,691,834 |
| | 9.1 | <u>74,345,415</u> | <u>56,691,834</u> |
| 9.1 | Receivables from clients relate to operating revenues and are secured but considered good by the Management. | | |

NEW PEAK SECURITIES (PRIVATE) LIMITED

| | <i>Note</i> | 2016 Rupees | 2015 Rupees |
|--|-------------|-------------------|-------------------|
| 10 Advances, deposits & pre-payments | | | |
| Advance to Staff | | 30,772 | 30,000 |
| Advance Tax | | 691,342 | 69,249 |
| Income Tax Refundable | | 75,000 | - |
| Prepaid Insurance | | 32,083 | - |
| Other Advances | | 2,432 | - |
| | | <u>831,629</u> | <u>99,249</u> |
| 11 Cash and bank balances | | | |
| Cash in hand | | 23,810 | 205,654 |
| Cash in Bank | | | |
| In saving/ Profit Accounts | | 16,195,995 | - |
| In Current Accounts | | 22,239,899 | 22,842,141 |
| | | <u>38,435,894</u> | <u>22,842,141</u> |
| | | <u>38,459,704</u> | <u>23,047,795</u> |
| 12 Share capital | | | |
| Authorized | | | |
| 400,000 Ordinary shares (2015: 100,000) of Rs. 100 each | | 40,000,000 | 10,000,000 |
| | | <u>40,000,000</u> | <u>10,000,000</u> |
| Issued, subscribed and paid up | | | |
| 200,000 Ordinary shares(2015: 100,000) of Rs. 100 each fully paid-up in cash | | 20,000,000 | 10,000,000 |
| | | <u>20,000,000</u> | <u>10,000,000</u> |
| 13 Long term Loan | | | |
| Loan from sponsors | | 2,900,000 | 2,900,000 |
| | | <u>2,900,000</u> | <u>2,900,000</u> |
| 13.1 This unsecured and markup free loan has been obtained from directors of the company and is repayable at the option of the Company. | | | |
| 14 Liability against assets subject to finance lease | | | |
| Present Value of Minimum Lease Payment | | 653,569 | 1,028,460 |
| Less: Current Portion shown under Current Liabilities | | (388,631) | (372,922) |
| | | <u>264,938</u> | <u>655,538</u> |
| Minimum lease rentals payable | | | |
| Not later than one year | | 431,772 | 449,544 |
| Later than one year and not later than five years | | 287,848 | 749,240 |
| | | <u>719,620</u> | <u>1,198,784</u> |
| Less: Future financial charges | | (66,051) | (170,324) |
| Net lease obligation | | <u>653,569</u> | <u>1,028,460</u> |

NEW PEAK SECURITIES (PRIVATE) LIMITED

| | <i>Note</i> | 2016 Rupees | 2015 Rupees |
|--|-------------|-------------------|-------------------|
| 14.1 | | | |
| The Company has entered into a lease agreement with Bank Al-Habib Limited to acquire Vehicle. The liabilities under lease agreement are payable on monthly basis and are subject to financial charges ranging 12 Month avg. KIBOR + 0.00% per annum. The lease facility is secured against title of asset. | | | |
| 15 | | | |
| Account payables | | | |
| Account payables | 15.1 | <u>95,676,817</u> | <u>68,338,098</u> |
| | | <u>95,676,817</u> | <u>68,338,098</u> |
| | | | |
| 15.1 Payable to clients relate to operating business. | | | |
| 16 | | | |
| Accrued and Other Liabilities | | | |
| Commission to agents | | - | 1,022,161 |
| Withholding Tax Payable | | 23,229 | 788,808 |
| FED Payable | | 1,380,083 | 1,515,442 |
| Accrued Liabilities | | 104,294 | 652,035 |
| | | <u>1,507,606</u> | <u>3,978,446</u> |
| | | | |
| 17 | | | |
| Provision for taxation | | | |
| Opening Balance | | 250,086 | - |
| Add: Taxation for the Period | | <u>649,243</u> | <u>250,086</u> |
| | | 899,329 | 250,086 |
| Less: | | | |
| Adjusted against Advance Tax / paid | | <u>-</u> | <u>-</u> |
| | | <u>899,329</u> | <u>250,086</u> |
| | | | |
| 18 | | | |
| Contingencies and Commitments | | | |
| 18.1 | | | |
| The Company has pledged/hypothecated TRE Certificate of Pakistan Stock Exchange Limited (PSX) and 3,034,603 ordinary shares of ISETRMCL with PSX in compliance with Base Minimum Capital (BMC) requirement under Regulation 2.1 of the Regulations Governing Risk Management of the PSX. | | | |
| 19 | | | |
| Income from brokerage | | | |
| Commission Income - Net | | <u>26,912,307</u> | <u>25,008,058</u> |
| | | <u>26,912,307</u> | <u>25,008,058</u> |

NEW PEAK SECURITIES (PRIVATE) LIMITED

| | <i>Note</i> | 2016 Rupees | 2015 Rupees |
|--|-------------|------------------------|------------------------|
| 20 Operating and Administrative expenses | | | |
| Remuneration of Directors, Chief Executive | | 4,154,800 | 3,541,500 |
| Utility Charges | | 511,555 | 384,073 |
| Staff Salaries ,Wages and Bonuses | | 3,267,130 | 3,806,921 |
| Rent Expenses | | 543,200 | 424,440 |
| Printing & Stationery | | 190,725 | 225,038 |
| Labor Charges | | - | 4,600 |
| Internet charges | | 316,134 | 245,287 |
| Travelling Expenses | | 72,216 | 284,508 |
| Legal & Professional Charges | | 30,000 | 30,000 |
| Auditor's remuneration | 20.1 | 228,070 | 100,000 |
| Commission Paid to agents | | 10,736,233 | 11,103,320 |
| Repair and Maintenance | | 82,605 | 23,814 |
| Entertainment Expense | | 1,071,842 | 916,193 |
| ISE Charges | | 39,909 | - |
| SECP Charges | | 100,000 | 20,000 |
| NCCPL Charges | | 700,897 | 768,112 |
| CDC Charges | | 569,687 | 461,228 |
| Courier Charges | | 26,504 | 32,518 |
| Donation | | - | - |
| Service Charges | | 477,774 | 380,722 |
| Vehicle insurance and Running Expenses | | 133,066 | 67,280 |
| Misc. Expenses | | 52,450 | 32,530 |
| LSE Service charges | | 83,230 | - |
| Depreciation | 4.1 | 870,250 | 849,144 |
| Exchange Charges | | 1,086,414 | - |
| | | <u>25,344,691</u> | <u>23,701,228</u> |
| 20.1 Auditor's remuneration | | | |
| Audit Fee | | 228,070 | 100,000 |
| Out of Pocket Expenses | | - | - |
| | | <u>228,070</u> | <u>100,000</u> |
| 21 Financial charges | | | |
| Bank charges | | 11,998 | 24,363 |
| Finance Cost | | 52,315 | 29,104 |
| | | <u>64,313</u> | <u>53,467</u> |
| 22 Other Income | | | |
| Bank Profit | | 242,157 | 454,115 |
| Dividend Income | | 534,821 | 1,747,864 |
| Other Income | | 27,297 | - |
| Gain / (loss) on re-measurement of TREC value | | 3,112,000 | - |
| Un-realized gain / (loss) on remeasurement of ISETRML shares | | 23,834,030 | - |
| | | <u>27,750,306</u> | <u>2,201,979</u> |

NEW PEAK SECURITIES (PRIVATE) LIMITED

| | <i>Note</i> | 2016 Rupees | 2015 Rupees |
|------------------------------------|-------------|----------------|----------------|
| 23 Other Operating expenses | | | |
| Other operating expense | | - | 10,138 |
| | | <u>-</u> | <u>10,138</u> |

24 Taxation

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

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

25 Remuneration of Chief Executive, Directors and Executives

| | 2016 | 2015 |
|--|-------------------------|-------------------------|
| <u>Managerial Remuneration including House Rent & Utility</u> | | |
| Chief Executive | 1,360,000 | 1,484,000 |
| Executives | - | - |
| Directors | <u>2,794,800</u> | <u>2,057,500</u> |
| | <u>4,154,800</u> | <u>3,541,500</u> |

Managerial remuneration has been paid to director Rs. 2,794,800 (2015: Rs. 2,057,500) and CEO Rs. 1,360,000 (2015: Rs. 1,484,000) of the company during the year.

26 Accounting Estimates And Judgments

26.1 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.

26.2 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.

26.3 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.

NEW PEAK SECURITIES (PRIVATE) LIMITED

| Note | 2016 Rupees | 2015 Rupees |
|------|----------------|----------------|
|------|----------------|----------------|

26.4 Trade debts

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

27 Number of employees

Total number of employees at the end of year was 16 (2015: 15). Average number of employees was 16 (2015: 15)

28 Non adjusting event after balance sheet date

The board of directors of the company in their meeting has proposed to pay cash dividend. This dividend is subject to approval by the shareholders at the forthcoming annual general meeting. (2015: Rs. 1.53 per ordinary share of Rs. 100 each.)

29 Authorization

29.1 These financial statements were authorized for issue on 20 September, 2016 by the Board of Directors of the Company.

30 General

30.1 Figures have been rounded off to the nearest of rupee.

30.2 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 30 form an integral part of these financial statements.

Lahore:



Chief Executive



Director