

## AMPLE SECURITIES (PRIVATE) LIMITED

### BALANCE SHEET

AS AT DECEMBER 31, 2014

	Note	Dec-14 Rupees	2014 Rupees
<b>NON-CURRENT ASSETS</b>			
Property and Equipment	4	1,448,187	1,458,187
Intangible Assets	5	5,561,052	5,561,052
Long Term Investment	6	14,188,948	14,188,948
Long term deposits	7	4,239,809	4,235,000
		25,437,996	25,443,187
<b>CURRENT ASSETS</b>			
Advance tax		6,805,579	7,079,520
Short-term investment	8	-	65,071,183
Trade debts	9	124,659,026	53,016,405
Advance & Deposit	10	57,500	13,490,500
Trade Deposit	11	-	-
Cash and bank balances	12	24,979,173	25,147,311
		156,501,278	163,804,919
		<u>181,939,274</u>	<u>189,248,106</u>
<b>SHARE CAPITAL</b>			
<b>Authorised</b>			
30,000,000 ordinary shares of Rs.10/- each		<u>300,000,000</u>	<u>300,000,000</u>
Issued, subscribed and paid up	13	70,000,000	70,000,000
Unappropriated profit		37,605,820	36,220,864
(Loss) on re-measurement of investments available for sale		-	(3,925,131)
		107,605,820	102,295,733
<b>CURRENT LIABILITIES</b>			
Short term borrowing	14	7,942,046	3,734,964
Trade and other payable	15	66,391,408	83,217,409
		74,333,454	86,952,373
Contingencies and commitments	16	-	-
		<u>181,939,274</u>	<u>189,248,106</u>

The annexed notes form an integral part of these accounts.

  
Chief Executive

  
Director

## AMPLE SECURITIES (PRIVATE) LIMITED

### PROFIT & LOSS ACCOUNT

FOR THE YEAR ENDED DECEMBER 31 , 2014

	Note	Dec-14 Rupees	2014 Rupees
Operating revenue	17	8,641,534	12,788,535
Administrative expenses	18	6,890,368	13,292,376
Finance cost	19	366,210	1,134,503
		7,256,578	14,426,879
		<u>1,384,956</u>	<u>(1,638,344)</u>
(Loss) / profit before taxation		1,384,956	(1,638,344)
Taxation	20	-	125,771
(Loss) after taxation		<u>1,384,956</u>	<u>(1,764,115)</u>
(Loss) per share - Basic and diluted	21	0.20	(0.25)

The annexed notes form an integral part of these accounts.

  
Chief Executive

  
Director

**AMPLE SECURITIES (PRIVATE) LIMITED**

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED DECEMBER 31, 2014

	Issued, Subscribed & paid up Capital	Accumulated (Loss) / Profit ..... R u p e e s .....	Unrealized gain / (loss) on remeasurement of investment available for sale	Total
Balance as on June 30, 2013	70,000,000	37,984,979	(663,639)	107,321,340
<b>Total comprehensive income for the year</b>				
(Loss) after taxation for the year ended June 30, 2014	-	(1,764,115)	-	(1,764,115)
(loss) on re-measurement of investments available for sale	-	-	(3,261,492)	(3,261,492)
Total Comprehensive income for the year	-	(1,764,115)	(3,261,492)	(5,025,607)
Balance as on June 30, 2014	70,000,000	36,220,864	(3,925,131)	102,295,733
<b>Total comprehensive income for the year</b>				
(Loss) after taxation for the year ended December 31, 2014	-	1,384,956	-	1,384,956
(Loss) on re-measurement of investments available for sale	-	-	3,925,131	3,925,131
Total Comprehensive income for the year	-	1,384,956	3,925,131	5,310,087
Balance as on December 31, 2014	70,000,000	37,605,820	-	107,605,820

  
Chief Executive

  
Director

## AMPLE SECURITIES (PRIVATE) LIMITED

NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED DECEMBER 31, 2014

### 1. GENERAL INFORMATION

Ample Securities (Private) Limited was incorporated as a private limited company under the Companies Ordinance, 1984 on June 12, 2002. The registered office is situated at 209, 2nd floor Business & Finance Centre, I.I. Chudrigar Road, Karachi. The Company is a Trading Right Entitlement Certificate Holder of the Karachi Stock Exchange Limited and is engaged in the business of Stock brokerage and investment.

### 2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

#### 2.1 Statement of Compliances

These Financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan and the requirements of the Companies Ordinance, 1984. Approved Accounting Standards comprise of such International Accounting Standard as notified under the provisions of the Companies Ordinance, 1984. Wherever, the requirements of the Companies Ordinance, 1984, or directives issued by the Securities and Exchange Commission of Pakistan differ with the requirements of these Standards, the requirements of the Companies Ordinance, 1984 or the requirements of the said directives take precedence.

#### 2.2 Basis of measurement

These accounts have been prepared under the historical cost convention, without any adjustments for the effects of inflation or current values except for financial assets which are taken over on fair value basis.

#### 2.3 Functional and presentation currency

These financial statements are presented in Pakistan Rupees which is also the company's financial currency. All financial information presented in Pakistan Rupees has been rounded to the nearest rupee.

#### 2.4 Use of significant estimates and judgments

The preparation of financial statements in conformity with approved accounting standards requires management to make judgment, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expense.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making 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 effects only that period, or in the period of the revision and future periods if the revision effects both current and future periods.

Judgments made by management in the application of approved accounting standards that have significant effect on the financial statements and estimates with a significant risk of material adjustments in the next year are discussed in the ensuing paragraphs.

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of these financial statements are set out below:

#### 3.1 Taxation

The provision for current taxation is based on taxable income at the current rates of taxation. The company does not provide for deferred taxation as the timing differences are not likely to reverse in the foreseeable future.

#### 3.2 Property and equipment

- i) These are stated at cost less accumulated depreciation and impairment losses, if any;
- ii) Depreciation is charged on assets capitalized during the year considering the date of purchase and on disposals upto the month immediately preceding the disposal.
- iii) Maintenance and normal repairs are charged to income as and when incurred. Major renewals and improvements are capitalized;
- iv) Gain and losses on disposal of fixed assets, if any, included in profit and loss account currently;
- v) The Company reviews the useful lives and residual value of its assets on regular 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 effect on the depreciation charge.

#### 3.3 Impairment of non-financial assets

Assets that are subject to depreciation /amortization are reviewed at each balance sheet date to identify circumstances indicating occurrence of impairment loss or reversal of previous impairment losses. As impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost to sale and value in use. Reversal of impairment loss is restricted to the original costs of the asset.

#### 3.4 Intangible assets

An intangible asset is recognized as an asset if it is probable that the economic benefits attributable to the assets will flow to the company and cost of the asset can be measured reliably.

#### 3.5 Investments

All investments are initially recognized at fair value, being the cost of the consideration given including transaction cost associated with the investment, except in case of held for trading investments, in which case the transaction costs are charged off to the profit and loss account.

All purchases and sales of securities that require delivery within the time frame established by regulation or market convention such as 'T+2' purchase and sales are recognized at the trade date. Trade date is the date on which the Company commits to purchase or sale an asset.

The management determines the appropriate classification of the investment made by the Company in accordance with the requirements of International Accounting Standards (IAS) 39: 'Financial Instruments: Recognition and measurement at the time of purchase.

The Company classifies its investments in the following categories.

**Held-to-maturity investments**

Investments with a fixed maturity where the Company has the intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are carried at amortized cost using the effective interest rate method, less any accumulated impairment losses.

**Available-for-sale**

Investments intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in market prices, are classified as 'available-for-sale' Subsequent to initial measurement, available-for-sale investments are re-measured to fair value. Net gains and losses arising on changes in fair values of these investments are taken to equity. However, any premium or discount on acquisition of debt securities is amortized and taken to the profit and loss account over the life of the investment using the effective interest rate method. When securities are disposed of or impaired, the related fair value adjustments previously taken to equity are transferred to the profit and loss account.

Fair value for listed securities are the quoted prices on stock exchange on the date it is valued, Fair value of Term Finance Certificates, units of open end Mutual Funds and Government Securities are determined on the basis of rates notified by Mutual Fund Association of Pakistan for Term Finance Certificates, relevant redemption prices for the open-end Mutual Fund and quotations obtained from the PKRV sheets for Government Securities respectively. Unquoted securities are valued at cost.

3.6) **Staff retirement benefits**

There has been no policy in this respect.

3.7) **Borrowing cost**

Borrowing cost are recognized as an expense in the year in which they are incurred, except to the extent that they are directly attributable to the construction of qualifying assets in which case they are capitalized as part of the cost of that assets.

3.8) **Revenue recognition**

Brokerage and commission is recognized as and when such services are provided.

3.9) **Trade debts**

These are stated at net of provision for doubtful debts. Full provision is made against the debts considered doubtful.

3.10) **Cash and cash equivalents**

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of cash flow statement, cash and cash equivalents consist of cash in hand, balances with banks, highly liquid investment that are convertible to known amounts of cash and are subject to insignificant risk of change in value, and short-term running finance under mark-up arrangements.

3.11) **Financial instrument**

Financial asset and financial liabilities are recognized when the company becomes a party to the contractual provisions of the instrument and assets and liabilities are stated at fair value and amortized cost respectively. The Company derecognizes the financial assets and liabilities when it ceases to be party to such contractual provisions of the instruments. Financial instrument mainly comprise investments, trade and other receivables, cash and bank balances, deposit, borrowings, trade and other payable, accrued and other liabilities. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

4.	<b>PROPERTY AND EQUIPMENT</b>	1,448,187	1,458,187
		<b>Dec-14</b>	<b>2014</b>
		Rupees	Rupees
5.	<b>INTANGIBLE ASSETS</b>		
	Trading Right Entitlement Certificate	5,311,052	5,311,052
	National Commodity Exchange Ltd	250,000	250,000
		<u>5,561,052</u>	<u>5,561,052</u>

5.1 Pursuant to the promulgation of the Stock Exchanges (Corporatization, Demutualization and Integration) Act, 2012 (the Act), the membership in a stock exchange has been segregated from the right to trade on the exchange. Accordingly, the company has received equity shares of KSE and a Trading Right Entitlement (TRECs) in lieu of its membership card of KSE. The Company's entitlement in respect of KSE's shares is determined on the basis of valuation of assets and liabilities of KSE as approved by the SECP and the company has been allotted 4,007,383 shares of face value of Rs. 10- each, out of which 2,404,430 shares kept blocked account and the divestment of the same will be made in accordance with the requirements of the Act within two years from the date of Demutualization. 1,602,953 Shares of Karachi Stock Exchange (KSE) have been pledged to KSE to maintain Basic minimum Capital required to be maintain under the Rules & regulations of KSE.

The cost / book value of the KSE membership card amount to Rs. 19.50 million as at June 30, 2013. In the absence of an active market of the shares of KSE and TREC, the allocation of the carrying of the membership card between the shares (financial asset) and TRC (an intangible asset) has been made by the company on the basis of the face value of ordinary shares and TREC value assigned by the KSE for minimum capital requirement purpose applicable to the stock exchange broker currently.

5.2 Trading Right Entitlement Certificate (TRE) have been hypothecated to KSE as security to maintain the basic Minimum Capital required to be maintain under the Rules & regulation of Karachi Stock Exchange Limited.

#### 6. LONG TERM INVESTMENT

##### Un-quoted shares

Karachi Stock Exchange Limited	6.1	<u>14,188,948</u>	<u>14,188,948</u>
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#### 7. LONG TERM DEPOSITS

Long term deposits	<u>4,239,809</u>	<u>4,235,000</u>
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8	<u>-</u>	<u>65,071,183</u>
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#### 9. TRADE DEBTS

Others - Unsecured - considered good	<u>124,659,026</u>	<u>53,016,405</u>
	<u>124,659,026</u>	<u>53,016,405</u>

#### 10. ADVANCE & DEPOSIT

Advance for Right Share	-	13,437,500
Advance to Staff	<u>57,500</u>	<u>53,000</u>
	<u>57,500</u>	<u>13,490,500</u>

	Dec-14 Rupees	2014 Rupees
<b>11. TRADE DEPOSIT</b>		
Deposit	<u>-</u>	<u>-</u>
<b>12. CASH AND BANK BALANCES</b>		
Cash in hand	22,144	10,016
Cash at banks	<u>24,957,029</u>	<u>25,137,295</u>
	<u>24,979,173</u>	<u>25,147,311</u>
<b>13. ISSUED, SUBSCRIBED AND PAID UP</b>		
	Number of shares	
	2014	2013
	<u>2,950,000</u>	<u>2,950,000</u>
Ordinary shares of Rs. 10/- each issued for cash	29,500,000	29,500,000
	<u>4,050,000</u>	<u>4,050,000</u>
Ordinary shares of Rs. 10/- each issued for consideration other than cash	40,500,000	40,500,000
	<u>70,000,000</u>	<u>70,000,000</u>
	<u>7,000,000</u>	<u>7,000,000</u>
<b>14. SHORT TERMS BORROWING</b>		
Habib Metropolitan Bank Ltd	14.1	7,942,046
MCB - Temporary over draft		3578406
		<u>-</u>
		<u>156,558</u>
		<u>7,942,046</u>
		<u>3,734,964</u>
14.1	These are secured against pledge of shares quoted at Karachi Stock Exchange, Receivables and personal guarantee of Directors. The sanctioned limit is Rs. 100 Million, the financing carried mark-up @ KIBOR + 2% per annum.	
<b>15. TRADE AND OTHER PAYABLES</b>		
Creditors	65,740,682	82,243,492
Accrued expenses	<u>650,726</u>	<u>973,917</u>
	<u>66,391,408</u>	<u>83,217,409</u>
<b>16. CONTINGENCIES AND COMMITMENTS</b>		

The Company has not made any provision against Workers' Welfare fund (WWF) liability, if the same were made the income of the company would be lower by the same amount.

The management believes that there is no compelling reason to record provision on account of WWF contribution in the current financial statements because the petition against the applicability of WWF pending in the Honourable High Court of Sindh on similar subject and will be decided in favour of the petitioner.



		Dec-14	2014
		Rupees	Rupees
<b>17. OPERATING REVENUE</b>			
Brokerage commission - net		6,888,109	13,966,583
Dividend income		966,133	921,366
(Loss) / Profit on sale of marketable securities		-	(3,733,236)
Other income		-	2,805
Interest Income		465,653	1,294,670
Share application commission		321,639	336,347
		<u>8,641,534</u>	<u>12,788,535</u>
<b>18. ADMINISTRATIVE EXPENSES</b>			
Directors' remuneration	Note 18.1	660,000	1,430,000
Staff salary		2,610,251	5,044,134
EOBI		17,338	33,313
Laga charges		683,587	1,374,821
KSE service charges		22,000	29,000
CDC charges		336,120	831,547
KSE brokers association		-	25,000
PMEX annual fee		50,000	50,000
NCCS service charges		302,347	687,209
SECP expenses		4,705	89,905
Rent, rate and taxes		916,000	922,000
Electricity		164,963	358,237
Telephone and mobile		97,115	320,205
Printing and stationery		46,948	54,523
Vehicle running expenses		15,000	91,850
Repair and maintenance		107,610	131,352
Conveyance		-	796
Travelling expense		45,500	124,000
Legal and professional		35,500	130,200
Professional Tax		76,350	126,800
Audit fee	Note 18.2	-	60,000
Entertainment		5,954	15,783
General expenses		55,977	182,059
I.T Services charges		346,100	346,100
Computer supplies and expenses		5,740	51,759
Multinet & Internet expenses		143,400	286,800
Software expenses		82,263	163,626
Water charges		9,600	33,565
Advertisement Exp.		50,000	-
Depreciation	Note 4	-	297,792
		<u>6,890,368</u>	<u>13,292,376</u>

18.2 **Auditors' Remuneration**

Audit fee	-	60,000
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19. **FINANCE COST**

Markup & Bank Charges	366,210	1,134,503
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20. **TAXATION**

Current - for the year	-	125,771
	-	125,771

21. **EARNING / (LOSS) PER SHARE - Basic and diluted**

(Loss) after taxation	1,384,955	(1,764,115)
Weighted average number of ordinary shares	7,000,000	7,000,000
Earning / (Loss) per share	0.20	(0.25)

22. **CASH AND CASH EQUIVALENTS**

Cash and bank balances	24,979,173	25,147,311
Short term borrowing	(7,942,046)	(3,734,964)
	17,037,127	21,412,347

23. **DATE OF AUTHORIZATION FOR ISSUE**

These Quarterly statements have been approved by the Board of Directors of the Company and authorized for issue on October 10, 2014.

24. **FINANCIAL INSTRUMENT AND RELATED DISCLOSURES :**

The Company issues financial instruments mainly to finance its operations in addition to the financial instruments, trade debts and trade creditors arise directly from the company's operations.

24.1 **Market Risk**

Market risk is the risk that the value of investment in quoted shares may fluctuate as a result of changes in market prices. The market value of investment may fluctuate due to the changes in profitability of the Companies in which funds are invested or in general due to market sentiments.

24.2 **Interest rate risk**

Interest rate risk arises from the possibility that changes in interest rates will affect the value of financial instruments. The company is exposed to interest rate risk in respect of cash in deposit account and long term loans/finances.

24.3 **Concentration of credit risk**

The company considers that it is not exposed to major concentration of credit risk. The company, however, is exposed to credit related losses in the event of non-performance by counter parties to financial instruments but does not expect any counter parties to fail to meet the obligation.

24.4 **Fair value of financial instruments**

The carrying value of all the financial instruments reflected in the financial statements approximate the fair values.

25. **GENERAL**

Figures have been rounded off to the nearest rupee.



Chief Executive



Director