

KOSMOPOLITAN SECURITIES (PVT.) LTD

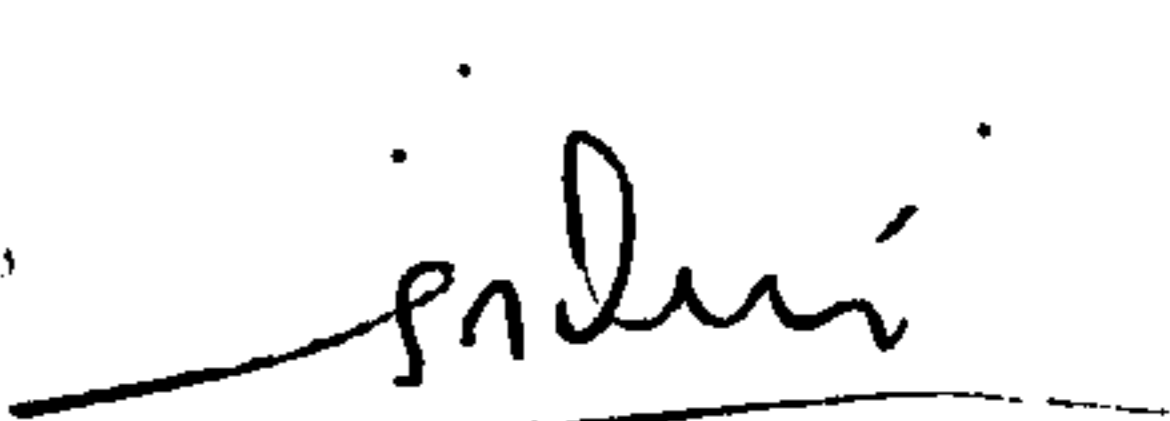
CONDENSED INTERIM BALANCE SHEET AS AT DECEMBER 31, 2015

	NOTE No.	(Un-audited)	(Audited)
		Dec 31, 2015 Rupees	June 30, 2015 Rupees
<u>CAPITAL & LIABILITIES</u>			
<u>AUTHORISED CAPITAL</u>			
1,500,000 Ordinary Shares of Rs. 100/= each.		150,000,000	150,000,000
<u>ISSUED, SUBSCRIBED & PAIDUP CAPITAL</u>			
76,000 Ordinary Shares of Rs. 100/= each allotted for consideration paid in Cash.		76,000,000	76,000,000
Accumulated Profit/ (loss)		957,595	295,580
		76,957,595	76,295,580
Accrued expenses		46,105	46,105
		77,003,700	76,341,685
<u>ASSETS</u>			
<u>NON CURRENT ASSETS</u>			
Intangible Assets	4	15,000,000	15,000,000
Long Term Investments	6	55,000,000	55,000,000
Long Term Deposits	7	505,809	505,809
		70,505,809	70,505,809
<u>CURRENT ASSETS</u>			
Cash & Bank Balances	8	6,497,891	5,835,876
		77,003,700	76,341,685

Note: The annexed notes 1 to 10 form an integral part of this financial statement



Chief Executive

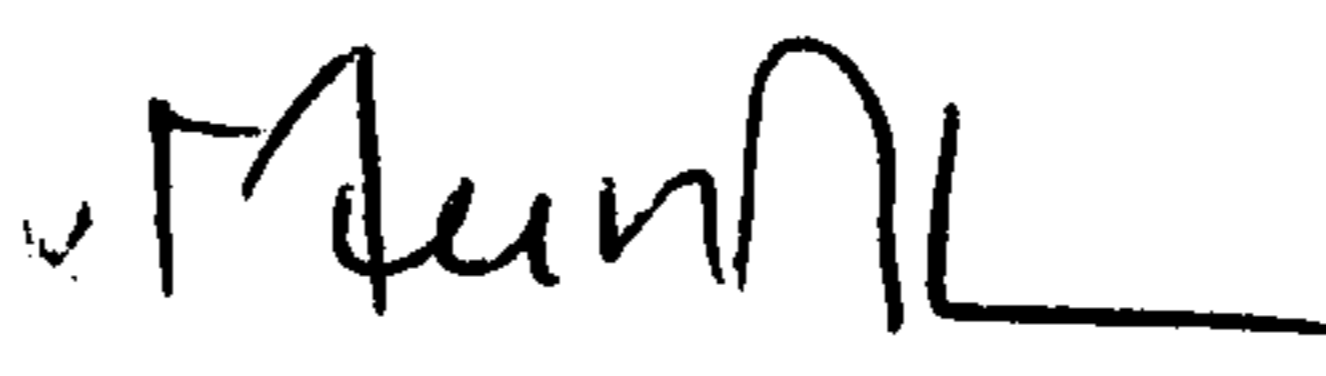


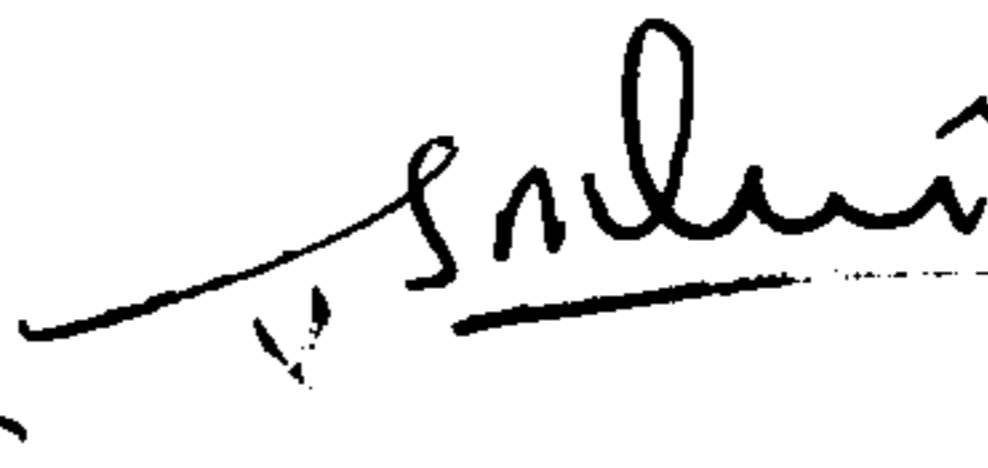
Director

KOSMOPOLITAN SECURITIES (PVT) LTD
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (Un-audited)
FOR THE HALF YEAR ENDED DECEMBER 31, 2015

	Dec 31, 2015 Rupees	Dec 31, 2014 Rupees
<u>Income:</u>		
Dividend Income-KSE Ltd.	881,625	601,108
	881,625	601,108
<u>Expenses:</u>		
Fee & Subscription	(109,407)	(31,205)
Audit Fee	-	-
Total Expenses	(109,407)	(31,205)
Profit/Loss Before Taxation	772,218	569,903
Provision for Income Tax	(110,203)	(60,111)
Net profit/Loss After Taxation	662,015	509,792
Earning/(Loss) per share	0.87	0.67

Note: The annexed notes 1 to 10 form an integral part of this financial statement


 Chief Executive


 Director

KOSMOPOLITAN SECURITIES (PVT.) LTD
CONDENSED INTERIM CASH FLOW STATEMENT (Un-audited)
FOR THE HALF YEAR ENDED DECEMBER 31, 2015

	Dec 31, 2015	June 30, 2015
	-----Rupees-----	
Cash flows From Operating activities		
Profit/Loss for the year	772,218	995,069
Adjustments for non -cash charges and other items	-	-
Operating profit before working capital changes	772,218	995,069
Changes in working capital		
(Increase) / Decrease in Current assets	-	300,000
Increase /(Decrease) in Current liabilities		300,000
Accrued expenses	-	8,433
Increase in Long Term Deposits	-	(505,809)
Taxes Paid	(110,203)	(120,222)
Cash flow from operations	(110,203)	(617,598)
Net Cash (used in)/generated from operating activities	662,015	677,471
Cash flows From Investing Activities	-	-
Net Cash (used in)/generated from investing activities	-	-
Net Cash (used in)/generated from Financing Activities	-	-
Net (decrease)/increase in cash and cash equivalents	662,015	677,471
Cash and cash equivalent at beginning	5,835,876	5,158,405
Cash and cash equivalent at end	<u>6,497,891</u>	<u>5,835,876</u>

Note: The annexed notes 1 to 10 form an integral part of this financial statement


Chief Executive


Director

KOSMOPOLITAN SECURITIES (PVT) LTD
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED DECEMBER 31, 2015

	Issued, Subscribed and Paid up Capital	Accumulated Loss	Total
	-----Rupees-----		
Balance as at June 30, 2013	76,000,000	(1,091,691)	74,908,309
Total Comprehensive Income/ (loss) for the year	-	512,424	512,424
Balance as at June 30, 2014	76,000,000	(579,267)	75,420,733
Total Comprehensive Income/ (loss) for the year	-	874,847	874,847
Balance as at June 30, 2015	76,000,000	295,580	76,295,580
Total Comprehensive Income/ (loss) for the half year	-	662,015	662,015
Balance as at December 31, 2015	<u>76,000,000</u>	<u>957,595</u>	<u>76,957,595</u>

Note: The annexed notes 1 to 10 form an integral part of this financial statement


Chief Executive


Director

KOSMOPOLITAN SECURITIES (PVT.) LTD
NOTES TO AND FORMING PART OF CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE HALF YEAR ENDED DECEMBER 31, 2015

1 The Company and its operation

The company was incorporated under the Companies Ordinance, 1984 on May 24, 2007 as a Private Limited Company. The principal activity of the company is to carry on the business of shares brokerage underwriting investment of portfolio management. Its registered office is situated at MR-7/52-53, 574/1, Adamjee Dawood Road, Jodia Bazar, Karachi. Subsequent to the end of current financial year, SECP has issued the brokerage license to Company.

2 BASIS OF PREPARATION

2.1 Basis of measurement

These financial statements have been prepared under the historical cost convention except otherwise specifically stated.

2.2 Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of Accounting and financial reporting standards for medium sized entities (MSE's) issued by the Institute of Chartered Accountants of Pakistan's and provision of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

2.3 Functional and presentation currency

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

2.4 Critical Accounting estimates and judgments:

The preparation of financial statements requires management to make judgments, estimates and assumption that have an effect on the application of policies and reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on the historical experience and various factors that are believe to be reasonable under the circumstances. The result of which the basis of making judgment about the carrying amount of assets and liabilities that are not readily apparent from other sources. The actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision 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.

Judgments made by management that have significant effect on the financial statements and estimates with significant probability of material adjustment in future are disclosed hereunder:

- (a) Impairment of financial assets (note 3.4); and
- (b) Classification of Investments.

2.5 Basis of preparation

These financial statements comprise of balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with explanatory notes and have been prepared under the 'historical cost convention' except as has been specifically stated below in respective notes.

2.6 Functional and presentation currency

These financial statements have been prepared in Pak Rupees, which is the Company's functional currency. All financial information presented in Pak Rupees has been rounded to nearest rupee.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Intangible assets

Intangible asset is recognized as an asset if it is probable that future economic benefit attributable to the asset will flow to the entity and the cost of such asset can be measured reliably.

Amortization is charged to profit and loss account on a straight line basis over the estimated useful lives of intangible assets unless such lives are indefinite. All intangible assets are systematically tested for impairment at each balance sheet date. A full year's amortization is charged on additions while no depreciation is charged on assets disposed during the year.

a) Membership Card and Offices

Membership cards, room and booth are stated at cost of acquisition. Provision is made annually in the accounts for permanent diminution, if any, in the value of this assets. During the last year upon demutualization of the Karachi Stock Exchange Limited the changes effected has been recorded which are stated in respective notes.

3.2 Investments

These represent Investments in equity instruments, are valued at lower of cost and fair value, determined on an aggregated basis. The fair value of these investments representing listed equity securities is determined on the basis of year-ended bid prices.

3.3 Trade debts

Trade debts originated by the company are recognized and carried at original invoice amount less an allowance for any uncollectible amounts. An estimate for doubtful debt is made when collection of the full amount is no longer probable. Bad debts are written-off as incurred.

3.4 Impairment of assets

All Company's assets are reviewed at each financial year end to determine whether there is objective evidence of impairment. If any such indication exists, the assets' recoverable amount is estimated and carrying amounts are adjusted accordingly. Impairment losses are recognised in the profit and loss account .

3.5 Trade and other payables

Liabilities for trade and other amount payables are carried at cost which is the fair value of the consideration to be paid in future for good and services.

3.6 Provisions

A provision is recognized in the financial statements when the company has a legal or constructive obligation as a result of a past event, 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.

3.7 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. Cash and cash equivalents consist of cash in hand and balances with banks.

3.8 Financial instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument and de-recognized when the Company loses control of the contractual rights that comprise the financial asset and in case of financial liability when the obligation specified in the contract is discharged, cancelled or expired.

3.9 Financial assets and liabilities

All financial assets and liabilities are initially measured at cost, which is the fair value of the consideration given and received respectively. These financial assets and liabilities are subsequently measured at fair value, or amortized cost, as the case may be.

3.10 Offsetting of financial assets and liabilities

All financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if the Company has a legal enforceable right to set off the recognized amounts and intends either to settle on net basis or to realize the assets and settle the liabilities simultaneously.

Dec 31, 2015	June 30, 2015
Rupees	Rupees

5 INTANGIBLE ASSETS

Membership Card Rights & Privileges
Pakistan Stock Exchange Limited TREC
Transferred to long term investments

15,000,000 15,000,000

4.1 & 5.1 15,000,000 15,000,000

5.1 During the last year Karachi Stock Exchange Limited has been demutualized and in terms whereof its members have been allowed in exchange of membership, " Trading Right Entitlement Certificate (TREC)" along with shareholding in Karachi Stock Exchange Ltd. The Company has recorded the value of membership in the KSE at Rs.70 Million as Intangibles while Karachi Stock Exchange vide letter no: KSE/SECP-2013/1 who have indicated notional value whereof at Rs. 15 Million. The Company have however allocated the carrying value/cost to the TREC at Rs.15 Million, and taken the balance to the value of Karachi Stock Exchange Limited shares.

6 LONG TERM INVESTMENTS

Available for Sale

4,007,383 Shares of Rs. 10 each of
Karachi Stock Exchange Limited

4.1 & 5.1 55,000,000 55,000,000

6.1 Face value of shares allotted by Karachi Stock Exchange Limited in lieu of membership of the KSE works out at Rs.40.07 Million, while the recorded value of the membership card as Intangible asset was Rs. 70 Million, however the company have recorded the remaining balance of Rs.55 million in shares and classified as available for sale and will follow the re-measurement method upon initiation of active market for these shares. In accordance with the demutualization policy 60% of allotted shares 2,404,430 have been kept in blocked account with the Central Depository Company of Paksitan Limited while 1,602,953 shares are certified to companies CDC account.

7 LONG TERM DEPOSITS

Deposit with Karachi Stock Exchange Ltd- Basic margin
Deposit with NCCPL
Deposit with CDC Pakistan Ltd.
Base Minimum Capital Requirement KSE

201,000	201,000
200,000	200,000
100,000	100,000
4,809	4,809
-	-
<u>505,809</u>	<u>505,809</u>

8 CASH & BANK BALANCES

- Cash-In-Hand
- Cash-At-Bank in Current Account

532,468	534,703
5,965,423	5,301,173
<u>6,497,891</u>	<u>5,835,876</u>

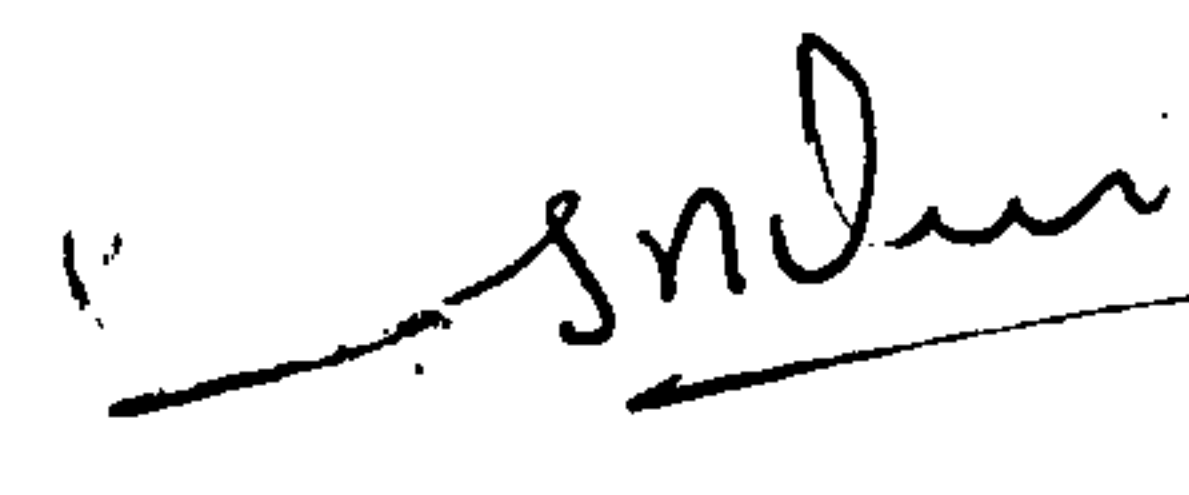
9 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information were authorized for issue by the Board of Directors on February 25, 2016.

10 GENERAL

10.1 Figures have been rounded off to the nearest rupee.


Chief Executive


Director