

DARSON SECURITIES (PRIVATE) LIMITED
CONDENSED INTERIM BALANCE SHEET
AS AT DECEMBER 31, 2017

	(Un-audited) DEC 31, 2017	(Audited) JUNE 30, 2017
	-----Rupees-----	
NON-CURRENT ASSETS		
Property and equipment	6,585,022	6,604,602
Intangible assets	56,552,165	56,552,165
Long-term investments	3,846,040	14,137,000
Long-term Deposits	1,800,000	2,100,000
	68,783,227	79,393,767
CURRENT ASSETS		
Trade receivable - considered good	40,435,160	66,430,091
Loan and advances	73,874,025	48,208,688
Short term deposits and prepayments	47,207,628	52,652,243
Short term investments	88,429,378	85,929,413
Advance tax	33,478,309	30,303,514
Cash and bank balances	47,937,344	61,772,734
	331,361,844	345,296,683
TOTAL ASSETS	400,145,071	424,690,450
EQUITY AND LIABILITIES		
Authorized Share Capital	500,000,000	500,000,000
5,000,000 (June 30, 2017: 2,000,000) ordinary shares of Rupees 100 each		
Issued, subscribed and paid up share capital	200,000,000	200,000,000
Accumulated profit	153,709,663	166,344,835
	353,709,663	366,344,835
CURRENT LIABILITIES		
Trade payables and other payables	46,435,408	58,345,615
CONTINGENCIES AND COMMITMENTS		
	-	-
TOTAL EQUITY & LIABILITIES	400,145,071	424,690,450

The annexed notes from 1 to 22 form an integral part of the condensed interim financial information.

DARSON SECURITIES (PRIVATE) LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2017

	(Un-audited) DEC 31, 2017	(Un-audited) DEC 31, 2016
	-----Rupees-----	
Brokerage income	18,286,788	28,731,279
Gain/ (loss) on re-measurement of investments through profit or loss	7,241,250	(322,097)
(Loss)/ Gain on disposal of investments - net	(16,103,694)	11,399,929
	9,424,344	39,809,111
Less:		
Operating and administrative expenses	25,657,279	36,793,616
Finance cost	73,692	40,725
	25,730,971	36,834,341
(Loss)/ profit from operations	(16,306,627)	2,974,770
Other income	4,451,320	18,725,538
(Loss)/ profit before taxation	(11,855,307)	21,700,308
Taxation	779,865	3,165,306
(Loss)/ profit after taxation	(12,635,172)	18,535,002
(Loss)/ earning per share - basic - diluted	(6.32)	9.27

The annexed notes from 1 to 22 form an integral part of the condensed interim financial information.

DARSON SECURITIES (PRIVATE) LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2017

	(Un-audited) DEC 31, 2017	(Un-audited) DEC 31, 2016
	-----Rupees-----	
(Loss)/ profit after taxation	<u>(12,635,172)</u>	<u>18,535,002</u>
Other comprehensive income	-	-
Total comprehensive (loss)/ income for the period	<u><u>(12,635,172)</u></u>	<u><u>18,535,002</u></u>

The annexed notes from 1 to 22 form an integral part of the condensed interim financial information.

DARSON SECURITIES (PRIVATE) LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2017

	Issued, subscribed & paid-up capital	Accumulated profits	Total
	----- (Rupees) -----		
Balance as at July 01, 2016	200,000,000	77,013,136	277,013,136
Total comprehensive income for the half year ended December 31, 2016	-	18,535,002	18,535,002
Balance as at December 31, 2016 (Un-audited)	200,000,000	95,548,138	295,548,138
Total comprehensive income for the half year ended June 30, 2017	-	70,796,697	70,796,697
Balance as at June 30, 2017 (Audited)	200,000,000	166,344,835	366,344,836
Total comprehensive loss for the half year ended December 31, 2017	-	(12,635,172)	(12,635,172)
Balance as at December 31, 2017 (Un-audited)	200,000,000	153,709,663	353,709,664

The annexed notes from 1 to 22 form an integral part of the condensed interim financial information.

DARSON SECURITIES (PRIVATE) LIMITED
NOTES TO UN-AUDITED CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE HALF YEAR ENDED DECEMBER 31, 2017

1 LEGAL STATUS AND NATURE OF BUSINESS

Darson Securities (Private) Limited ("*the Company*") was incorporated in Pakistan under the repealed Companies Ordinance, 1984 having CIUN 0041048 as a private limited company on March 11, 2000.

The Company is a holder of Trading Right Entitlement Certificate (TREC) Pakistan Stock Exchange Limited (PSX) [formerly Karachi Stock Exchange Limited] and member of Pakistan Mercantile Exchange Limited (PMEX). The Company has also acquired the membership of the National Commodity Exchange Limited. The principal activity of the company is to carry on business of trading and share brokerage and money market brokerage. Other activities include investment in a mix of listed and un-listed equity securities. The registered office of the company is situated at Room no. 102 1st Floor Lahore Stock Exchange Building Lahore

2 BASIS OF PREPARATION

2.1 Statement of Compliance

These condensed interim financial information of the Company for the half year ended December 31, 2017 have been prepared in accordance with the requirements of the International Accounting Standard 34 "Interim Financial Reporting" and provision and directives issued under the repealed Companies Ordinance, 1984. In case where the requirements differ, the provisions of or directives issued under the repealed Companies Ordinance, 1984 have been followed.

These condensed interim financial information comprise of the balance sheet as at December 31, 2017 and profit and loss account, statement of comprehensive income, statement of changes in equity and cash flow statement for the half year ended December 31, 2017 which have been subjected to review but not audit.

The comparative balance sheet presented in these condensed interim financial statements as at June 30, 2017 has been extracted from the audited financial statements of the company for the year ended June 30, 2017, whereas the comparative profit and loss account, statement of comprehensive income, statement of changes in equity and the cash flow statement for the half year ended December 31, 2016 which have been subjected to review but not audit.

These condensed interim financial information have been prepared under the accrual basis of accounting except for cash flow statement.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of these condensed interim financial information are the same as those applied in the preparation of the financial statements for the year ended June 30, 2017.

4 ACCOUNTING ESTIMATES AND JUDGEMENTS

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

The significant judgments made by management in applying the accounting policies and the key sources of estimation uncertainty are consistent with those applied in the preparation of the audited annual financial statements of the Company for the year ended June 30, 2017.

5 FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements for the year ended June 30, 2017.

		(Unaudited) December 31, 2017	(Audited) June 30, 2017
6 PROPERTY AND EQUIPMENT			
Carrying amount at beginning of the period/year		6,604,602	6,507,903
Additions during the period/year	6.1	426,720	1,105,800
Book value of disposals		-	-
Depreciation charge for the period/year		(446,300)	(1,009,101)
Carrying amount at the end of the period/year		<u>6,585,022</u>	<u>6,604,602</u>
6.1 Additions to property and equipment			
Details of the cost of property and equipment that have been acquired during the period are as follows:			
Office equipment		117,700	766,400
Computers		190,320	339,400
Motor vehicle		118,700	-
		<u>426,720</u>	<u>1,105,800</u>
7 INTANGIBLE ASSETS			
Trading Right Entitlement Certificate		5,000,000	5,000,000
Membership - Pakistan Mercantile Exchange Limited (PMEX)		1,000,000	1,000,000
		6,000,000	6,000,000
Rooms		50,552,165	50,552,165
		56,552,165	56,552,165
8 LONG TERM INVESTMENTS			
Investments - at cost			
- LSE Financial Services Limited		3,846,040	3,846,040
Investments - at fair value through profit or loss account			
- Pakistan Stock Exchange Limited		-	10,290,960
		3,846,040	14,137,000
9 LONG TERM DEPOSITS			
Deposit with CDC		200,000	200,000
Deposit with PSX		200,000	200,000
Deposit with NCCPL		1,300,000	1,600,000
Deposit with PMEX		100,000	100,000
		1,800,000	2,100,000

10	TRADE RECEIVABLES		
	Trade debts - considered good (<i>unsecured</i>)	40,435,160	66,430,091
	Trade debts - considered doubtful	14,824,454	14,824,454
		55,259,614	81,254,545
	Less : Provision for doubtful debts	(14,824,454)	(14,824,454)
		40,435,160	66,430,091
11	LOANS AND ADVANCES		
	Loan	11.1 72,500,000	47,122,281
	Advance to employees	1,374,025	1,086,407
		73,874,025	48,208,688
11.1	This represents interest free and non-contractual loan paid to Director of the Company.		
12	SHORT TERM DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES		
	PMEX clearing deposit	2,251,413	2,251,413
	PMEX margin deposit	421,693	581,693
	NCCPL	8,146,242	3,830,857
	Exposure margin deposit - future	18,000,000	14,000,000
	Exposure margin deposit - ready	13,000,000	9,500,000
	Base minimum capital deposit	-	18,000,000
	Prepayments	900,000	-
	other receivable	4,488,280	4,488,280
		47,207,628	52,652,243
13	SHORT TERM INVESTMENTS		
	Financial assets at fair value through profit or loss - held for trading: Investment in quoted equity securities		
	Shares of listed companies - <i>at fair value</i>	88,429,378	85,929,413
14	CASH AND BANK BALANCES		
	Cash in hand	275,493	391,436
	Cash at bank - <i>in current accounts</i>	14.1 47,661,851	61,381,298
		47,937,344	61,772,734
14.1	Cash at bank		
	- in house accounts	39,395,030	34,449,680
	- at client accounts	8,266,821	26,931,618
		47,661,851	61,381,298
15	ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL		
	Dec 31, 2017	June 30, 2017	
	-----Number of shares-----		
	<u>2,000,000</u>	<u>2,000,000</u>	
			<i>Ordinary shares of Rs. Each fully paid in cash</i>
			20,000,000
			20,000,000
16	TRADE AND OTHER PAYABLES		
	Trade creditors	44,573,978	54,836,552

Accrued expenses	1,861,430	1,444,224
Other payable - NCCPL clearing charges	-	2,064,839
	<u>46,435,408</u>	<u>58,345,615</u>

17 CONTINGENCIES AND COMMITMENTS

There are no known contingencies and commitments AS at the June 30, 2017 (December 31, 217 : NIL).

	(Unaudited) December 31, 2017	(Un-audited) December 31, 2016
Note	-----Rupees-----	-----
18 BROKERAGE REVENUE		
Total commission	<u>18,286,788</u>	<u>28,731,279</u>

19 ADMINISTRATIVE AND GENERAL EXPENSES

Salaries and other benefits	12,983,764	9,648,000
CDC and NCCPL charges	1,467,930	4,191,031
Commission expenses	600,234	3,959,140
Utility expenses	2,181,600	3,553,227
L.S.E & K.S.E Charges	490,262	1,844,054
Depreciation	446,300	1,097,475
Computer expenses	1,116,918	1,474,629
Legal and professional charges	2,393,514	1,431,119
Entertainment	999,975	1,423,888
Donation	-	1,300,000
Impairment loss	-	3,019,900
Repair and maintenance	1,589,700	1,074,751
Printing and stationery	541,770	822,905
Vehicle Running and Maintenance	-	725,925
Communication and postage	555,910	577,741
Traveling and conveyance	186,218	313,806
Miscellaneous charges	-	66,518
Auditors' remuneration	-	250,000
Newspapers and periodicals	-	19,507
SECP transaction fee	103,184	-
	<u>25,657,279</u>	<u>36,793,616</u>

20 FINANCE COST

Bank charges	<u>73,692</u>	<u>40,725</u>
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21 OTHER OPERATING INCOME

Market making fee	-	13,511,487
Devidend income	1,252,472	5,214,051
Transaction fee	3,198,848	-
	<u>4,451,320</u>	<u>18,725,538</u>

22 EARNINGS PER SHARE

There is no dilutive effect on the basic earning per share of the company, which is based on:

Profit after taxation	<u>(12,635,172)</u>	<u>18,535,002</u>
Weighted average number of ordinary shares	<u>2,000,000</u>	<u>2,000,000</u>
Earnings per share	<u>(6.32)</u>	<u>9.27</u>