

TOPLINE SECURITIES LIMITED

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **Topline Securities 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 purpose 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 accounts 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 and cash flow statement, together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of accounts 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 and the 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 ended; and
- (d) in our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980.


Chartered Accountants
Engagement Partner – Ahsan Elahi Vohra - FCA

Karachi

Dated: 2 SEP 2016

TOPLINE SECURITIES LIMITED

**BALANCE SHEET
AS AT JUNE 30, 2016**

	Note	2016 Rupees	2015 Rupees Restated	2014 Rupees Restated
ASSETS				
Non-current assets				
Property and equipment	5	2,787,889	3,513,435	5,309,298
Intangible assets	6	12,500,000	21,788,933	21,842,715
Long term investments	7	60,000,000	83,053,105	58,211,067
Long term advances		1,200,000	-	866,664
Deferred taxation	8	186,893	612,332	-
Long term deposits	9	1,624,028	729,309	624,500
		<u>78,298,810</u>	<u>109,697,114</u>	<u>86,854,244</u>
Current assets				
Trade debts - considered good	10	42,456,301	70,367,099	121,944,772
Loans and advances	11	314,707	413,118	152,768
Trade deposits and short term prepayments	12	125,052,382	212,726,903	147,379,848
Other receivables		5,800,820	3,234,649	3,788,983
Short term investments	13	73,853,247	-	20,196,620
Cash and bank balances	14	202,714,646	54,796,990	41,406,621
		<u>450,192,103</u>	<u>341,538,759</u>	<u>334,869,612</u>
Total assets		<u>528,490,913</u>	<u>451,235,873</u>	<u>421,723,856</u>
EQUITY AND LIABILITIES				
Share capital and reserves				
Authorized share capital				
150,000,000 (2015: 12,500,000 at Rs. 10 each) ordinary shares of Rs. 2 each		<u>300,000,000</u>	<u>125,000,000</u>	<u>125,000,000</u>
Issued, subscribed and paid up capital	15	<u>150,000,000</u>	<u>125,000,000</u>	<u>125,000,000</u>
Reserves		<u>286,229,184</u>	<u>190,679,287</u>	<u>103,080,495</u>
Total equity		<u>436,229,184</u>	<u>315,679,287</u>	<u>228,080,495</u>
Surplus on revaluation of assets	16	<u>4,552,767</u>	<u>16,341,700</u>	<u>16,341,700</u>
Deferred tax		<u>-</u>	<u>-</u>	<u>292,656</u>
LIABILITIES				
Current liabilities				
Trade and other payables	17	<u>85,699,199</u>	<u>85,352,915</u>	<u>95,365,575</u>
Short term borrowings - secured	18	<u>-</u>	<u>19,337,357</u>	<u>75,400,000</u>
Mark-up accrued		<u>889,066</u>	<u>1,520,182</u>	<u>362,007</u>
Provision for taxation		<u>1,120,697</u>	<u>13,004,432</u>	<u>5,881,423</u>
Total liabilities		<u>87,708,962</u>	<u>119,214,886</u>	<u>177,009,005</u>
Total equities and liabilities		<u>528,490,913</u>	<u>451,235,873</u>	<u>421,723,856</u>

CONTINGENCIES AND COMMITMENTS

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The annexed notes 1 to 35 form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER

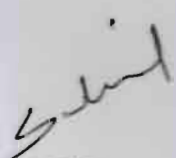

DIRECTOR

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TOPLINE SECURITIES LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2016

	Note	2016 Rupees	2015 Rupees
Operating revenue	20	336,730,386	269,284,706
Capital gain on sale of investments - net	21	8,431,536	1,564,142
		<u>345,161,922</u>	<u>270,848,848</u>
Operating and administrative expenses	22	(190,490,712)	(150,578,703)
Operating profit		<u>154,671,210</u>	<u>120,270,145</u>
Finance cost	23	(2,945,422)	(7,917,696)
		<u>151,725,788</u>	<u>112,352,449</u>
Other income	24	14,168,364	12,535,010
Profit before taxation		<u>165,894,152</u>	<u>124,887,459</u>
Taxation	25	(47,133,188)	(37,288,667)
Profit for the year		<u><u>118,760,964</u></u>	<u><u>87,598,792</u></u>
Earnings per share - basic and diluted	26	<u><u>1.58</u></u>	<u><u>1.17</u></u>

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CHIEF EXECUTIVE OFFICER


DIRECTOR

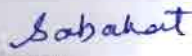
TOPLINE SECURITIES LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2016

	2016 Rupees	2015 Rupees
Profit for the year	118,760,964	87,598,792
Unrealized gain on remeasurement of investment classified as 'available-for-sale'	1,788,933	-
Total comprehensive income for the year	<u>120,549,897</u>	<u>87,598,792</u>

The annexed notes 1 to 35 form an integral part of these financial statements.

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CHIEF EXECUTIVE OFFICER


DIRECTOR

TOPLINE SECURITIES LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2016

	Issued, Subscribed and paid up capital	Reserves			Total
		Fair value reserve on available for sale investment	Unappropriated Profit	Total Reserves	
----- Rupees -----					
Balance as at July 1, 2014 - previously reported	125,000,000	-	59,422,195	59,422,195	184,422,195
Effect of restatement -ref no 4	-	43,658,300	-	43,658,300	43,658,300
Balance as at July 1, 2014 (Restated)	125,000,000	43,658,300	59,422,195	103,080,495	228,080,495
Profit for the year	-	-	87,598,792	87,598,792	87,598,792
Balance as at June 30, 2015 (Restated)	125,000,000	43,658,300	147,020,987	190,679,287	315,679,287
Profit for the year	-	-	118,760,964	118,760,964	118,760,964
Other comprehensive income	-	1,788,933	-	1,788,933	1,788,933
Bonus issue @ 20%	25,000,000	-	(25,000,000)	(25,000,000)	-
Balance as at June 30, 2016	150,000,000	45,447,233	240,781,951	286,229,184	436,229,184

The annexed notes 1 to 35 form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR

TOPLINE SECURITIES LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2016

	Note	2016 Rupees	2015 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		165,894,152	124,887,459
Adjustments for:			
Depreciation	5	1,159,844	1,226,818
Amortization of software		-	53,782
Impairment of property, plant and equipment		-	1,148,486
Gain on disposal of fixed assets		(1,340,986)	(418,052)
Finance cost	23	2,945,422	7,917,696
		2,764,280	9,928,730
Operating profit before working capital changes		168,658,432	134,816,189
Working capital changes			
(Increase) / decrease in current assets			
Trade debtors - considered good		27,910,798	51,577,672
Loans and advances		98,411	(260,350)
Trade deposits and short term prepayments		87,674,521	(65,347,055)
Other receivables		(2,566,171)	554,334
		113,117,559	(13,475,399)
Increase / (decrease) in current liabilities			
Trade and other payables		346,284	(10,012,660)
		282,122,275	111,328,130
Long term deposits		(894,719)	(104,809)
Financial charges paid		(3,576,538)	(6,759,521)
Income tax paid		(58,591,484)	(31,070,645)
Net cash generated from operating activities		219,059,534	73,393,155
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property and equipment	4	(1,847,182)	(911,302)
Long term advance		(1,200,000)	866,664
Increase of intangible assets		(2,500,000)	-
Proceeds from sale of property and equipment		2,753,870	749,913
Proceeds from sale / (purchase) of investments - net		(49,011,209)	(4,645,418)
Net cash used in investing activities		(51,804,521)	(3,940,143)
Net increase in cash and cash equivalents		167,255,013	69,453,012
Cash and cash equivalents at the beginning of the year		35,459,633	(33,993,379)
Cash and cash equivalents at the end of the year	27	202,714,646	35,459,633

The annexed notes 1 to 35 form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR