Parker Randall International

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CHARTERED ACCOUNTANTS

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# INDEPENDENT AUDITORS' REPORT

## To the members of Abbasi and Company (Private) Limited

## Report on the Audit of the Financial Statements

### Opinion

We have audited the annexed financial statements of **Abbasi and Company (Private) Limited**, which comprise the statement of financial position as at 30 June 2018, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, 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 the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2018 and of the profit and comprehensive income, the changes in equity and its cash flows for the year then ended.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017(XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

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## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

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a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

e) The Company was in compliance with the requirement of section 78 of Securities Act 2015, and the relevant requirements of Securities Brokers (Licensing and Operations) Regulations, 2016 as at the date on which the balance sheet was prepared.

The engagement partner on the audit resulting in this independent auditor's report is Faisal Iqbal Khawaja.

Parker Randall AJS

PARKER RANDALL * A.J.S * Chartered Accountants

Parker Randall A.J.S
Chartered Accountants
Lahore.

Dated: 05th October, 2018.

# ABBASI AND COMPANY (PRIVATE) LIMITED
## STATEMENT OF FINANCIAL POSITION
### AS AT 30 JUNE 2018

| | Note | 2018 | 2017 |
|---|---|---|---|
| | | Rupees | |
| ASSETS | | | |
| NON CURRENT ASSETS | | | |
| Property and equipment | 4. | 223,341,138 | 229,126,783 |
| Intangible assets | 5. | 2,824,103 | 2,549,256 |
| Long term deposits | 6. | 33,100,612 | 42,419,309 |
| Long term investment | 7. | 1,360,000 | 1,360,000 |
| | | 260,625,853 | 275,455,348 |
| CURRENT ASSETS | | | |
| Trade debts - unsecured and considered good | 8. | 2,481,594 | 2,134,935 |
| Short Term Investments | 9. | 69,602,081 | 47,112,335 |
| Margin Deposit with PMEX | | 26,374,611 | 26,122,425 |
| Advances, prepayments and other receivables | 10. | 6,216,497 | 16,464,679 |
| Cash and bank balances | 11. | 239,109,908 | 309,447,153 |
| | | 343,784,691 | 401,281,527 |
| TOTAL ASSETS | | 604,410,544 | 676,736,875 |
| EQUITY AND LIABILITIES | | | |
| CAPITAL & RESERVES | | | |
| Authorized Capital: | | | |
| 20,000,000 (2017: 20,000,000) ordinary shares of Rs. 10 each | | 200,000,000 | 200,000,000 |
| Issued, subscribed and paid up capital | 12. | 70,110,000 | 42,750,000 |
| Reserves | 13. | 369,013,234 | 376,120,291 |
| | | 439,123,234 | 418,870,291 |
| NON CURRENT LIABILITIES | | | |
| Deferred liabilities | 14. | 4,360,704 | 7,138,713 |
| | | 4,360,704 | 7,138,713 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 15. | 160,926,606 | 235,731,827 |
| Provision for taxation | | - | 14,996,044 |
| | | 160,926,606 | 250,727,871 |
| CONTINGENCIES AND COMMITMENTS | 16. | - | - |
| TOTAL EQUITY AND LIABILITIES | | 604,410,544 | 676,736,875 |

The annexed notes from 1 to 36 form an integral part of these financial statements.

Muhammad Ismail
CHIEF EXECUTIVE

Abbasi & Company (Pvt) Ltd. Stock Share Dealer 6-Shadman Lahore.

DIRECTOR

# ABBASI AND COMPANY (PRIVATE) LIMITED
## STATEMENT OF PROFIT OR LOSS
### FOR THE YEAR ENDED 30 JUNE 2018

| | Note | 2018 | 2017 |
|---|---|---|---|
| | | Rupees | |
| Brokerage revenue | 17. | **52,236,784** | 104,219,001 |
| Capital (loss)/gain on sale of investments - net | | **(2,205,568)** | 7,592,985 |
| Dividend income | 18. | **2,549,053** | 3,444,638 |
| | | **52,580,270** | 115,256,624 |
| Finance cost | 19. | **(13,442)** | (11,186) |
| Administrative and operating expenses | 20. | **(64,236,812)** | (70,967,373) |
| Other income | 21. | **4,765,505** | 9,365,705 |
| (LOSS) / PROFIT BEFORE TAXATION | | **(6,904,479)** | 53,643,770 |
| TAXATION | 22. | **175,161** | (18,538,785) |
| (LOSS) / PROFIT AFTER TAXATION | | **(6,729,318)** | 35,104,985 |
| BASIC AND DILUTED (LOSS)/EARNING PER SHARE | 23. | **(1.01)** | 8.21 |

The annexed notes from 1 to 36 form an integral part of these financial statements.

Muhammad Ismail
CHIEF EXECUTIVE

Abbasi & Company (Pvt) Ltd. Stock Share Dealer 6-Shadman Lahore

DIRECTOR

# ABBASI AND COMPANY (PRIVATE) LIMITED
## STATEMENT OF COMPREHENSIVE INCOME
### FOR THE YEAR ENDED 30 JUNE 2018

| | Note | 2018 | 2017 |
|---|---|---|---|
| | | Rupees | |
| (LOSS) / PROFIT AFTER TAXATION | | (6,729,318) | 35,104,985 |
| OTHER COMPREHENSIVE INCOME | | | |
| *Items that may be re-classified subsequently to profit or loss account* | | | |
| *Available for sale financial assets:* | | | |
| Net fair value gain/(loss) on re-measurement of investments arising during the year | | (1,085,047) | (6,427,924) |
| Net unrealized fair value (gain)/ loss realized on disposal of investments now included in profit and loss account (reclassification adjustment) | | 707,308 | 488,674 |
| | | (377,739) | (5,939,250) |
| *Items that will not be-classified subsequently to profit or loss account* | | - | - |
| TOTAL COMPREHENSIVE (LOSS) / INCOME | | (7,107,057) | 29,165,735 |

The annexed notes from 1 to 36 form an integral part of these financial statements.

Muhammad Ismail

CHIEF EXECUTIVE

Abbasi & Company (Pvt) Ltd. Stock Share Dealer 6-Shadman Lahore

DIRECTOR

# STATEMENT OF CHANGES IN EQUITY
## FOR THE YEAR ENDED 30 JUNE 2018

| | SHARE CAPITAL | CAPITAL RESERVE | REVENUE RESERVES | | | TOTAL |
|---|---|---|---|---|---|---|
| | Issued, subscribed & paid up capital | Share Premium Reserve | General Reserve | Surplus / (Deficit) on remeasurement of investments available for sale | Un-appropriated Profit | |
| | ---------- (IN RUPEES) ---------- | | | | | |
| Balance as at 01 July 2016 | 42,750,000 | 98,350,000 | 200,000,000 | 2,522,456 | 78,144,601 | 421,767,057 |
| Total comprehensive income | - | - | - | - | | |
| Profit after taxation | | | | | 35,104,985 | 35,104,985 |
| Other comprehensive income | | | | | | |
| - Fair value gain on re-measurement of investments held as "available for sale" to fair value | - | - | - | (6,427,924) | - | (6,427,924) |
| - Unrealized net fair value (gain) realized on disposal of investments held as "available for sale" | - | - | - | 488,674 | - | 488,674 |
| | - | - | - | (5,939,250) | 35,104,985 | 29,165,735 |
| Transaction With Owners | | | | | | |
| - Interim Dividend @ Rs 7.5 per share | | | | | (32,062,501) | (32,062,501) |
| | | | | | (32,062,501) | (32,062,501) |
| Balance as at 30 June 2017 | 42,750,000 | 98,350,000 | 200,000,000 | (3,416,794) | 81,187,085 | 418,870,291 |
| Total comprehensive income | | | | | | |
| Profit after taxation | - | - | - | - | (6,729,318) | (6,729,318) |
| Other comprehensive income | | | | | | |
| - Fair value (loss) on re-measurement of investments held as "available for sale" to fair value | - | - | - | (1,085,047) | - | (1,085,047) |
| - Unrealized net fair value loss realized on disposal of investments held as "available for sale" | | | | 707,308 | | 707,308 |
| | | | | (377,739) | (6,729,318) | (7,107,057) |
| Ordinary Shares issued | 27,360,000 | - | - | - | - | 27,360,000 |
| | 27,360,000 | - | - | - | - | 27,360,000 |
| Balance as at 30 June 2018 | 70,110,000 | 98,350,000 | 200,000,000 | (3,794,533) | 74,457,767 | 439,123,234 |

The annexed notes from 1 to 36 form an integral part of these financial statements.

Muhammad Ismail
CHIEF EXECUTIVE

Abbasi & Company (Pvt) Ltd. Stock Share Dealer 6-Shadman Lahore

DIRECTOR

# ABBASI AND COMPANY (PRIVATE) LIMITED
## STATEMENT OF CASH FLOWS
## FOR THE YEAR ENDED 30 JUNE 2018

| | Note | 2018 | 2017 |
|---|---|---|---|
| | | Rupees | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Profit before taxation | | (6,904,479) | 53,643,770 |
| Adjustments for: | | | |
| Depreciation | | 10,801,559 | 11,311,445 |
| Amortization | | 305,153 | 293,430 |
| Capital gain | | 2,205,568 | (7,592,985) |
| (Gain)/Loss on sale of property and equipment | | (466,894) | (639,505) |
| Cash flow from operating activities before working capital changes | | 5,940,907 | 57,016,155 |
| Adjustments for working capital changes: | | | |
| (Increase)/ decrease In current assets | | | |
| Trade debts | | (346,659) | (642,132) |
| Advances, prepayments & other receivables | | (2,038,970) | (825,780) |
| (Decrease)/ increase In current liabilities | | | |
| Trade payables, accrued and other payables | | (75,976,990) | 11,294,338 |
| Cash (used in) / generated from operating activities | | (78,362,619) | 9,826,426 |
| Margin received from / (paid) to PMEX | | 919,583 | (814,959) |
| Income tax paid | | (5,311,740) | (22,072,446) |
| Net cash (used in) / generated from operating activities | | (76,813,869) | 43,955,176 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Sale proceeds from disposal of property and equipment | | 2,621,000 | 3,966,500 |
| Additions in property and equipment | | (7,170,020) | (12,282,024) |
| Short term investments | | (25,073,053) | (7,341,950) |
| Long term deposits | | 9,318,697 | (22,232,223) |
| Computer Software | | (580,000) | (468,000) |
| Net Cash (out flow) from Investing Activities | | (20,883,376) | (38,357,697) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Dividend Paid | | - | (32,062,501) |
| Issuance of Ordinary Shares | | 27,360,000 | - |
| Net cash inflow/(outflow) from financing activities | | 27,360,000 | (32,062,501) |
| NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS | | (70,337,245) | (26,465,022) |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR | | 309,447,153 | 335,912,175 |
| CASH AND CASH EQUIVALENTS AT END OF THE YEAR | 11. | 239,109,908 | 309,447,153 |

The annexed notes from 1 to 36 form an integral part of these financial statements.

Muhammad Ismail
CHIEF EXECUTIVE

Abbasi & Company (Pvt) Ltd. Stock Share Dealer 6-Shadman Lahore.

DIRECTOR

# ABBASI AND COMPANY (PRIVATE) LIMITED
## NOTES TO THE FINANCIAL STATEMENTS
## FOR THE YEAR ENDED 30 JUNE 2018

Note

1. STATUS AND NATURE OF BUSINESS

The company was incorporated as a private limited company in Pakistan on February 13, 1999. The company is a TREC holder of Pakistan Stock Exchange Limited and had also acquired membership of the Pakistan Mercantile Exchange Limited (Formerly National Commodity Exchange Limited). It is principally engaged in the business of brokerage, underwriting, buying and selling of stocks, shares, modaraba certificates, etc. The registered office of the company is situated at 6-Shadman, Lahore. The branch office of the company is situated at 42-Shahrah-e-Quaid-e-Azam, Lahore.

1.1. SUMMARY OF SIGNIFICANT TRANSACTIONS AND EVENTS OCCURRED DURING THE YEAR

a) The Revenue of the company decreased from Rs. 104,219,001 to Rs. 52,236,784 due to uncertainities of the Stock Exchange market.

b) Due to applicability of the Companies Act, 2017 certain disclosures of the financial statements of the Company have been presented in accordance with the fifth schedule notified by the Securities and Exchange Commission of Pakistan vide S.R.O 1169 date 07 November 2017.

c) The company made a major investment in the shares of Fauji Foods Limited and Ghani Gases Limited amounting to Rs. 28,487,100 and Rs. 4,054,180 respectively.

2. BASIS OF PREPARATION

2.1 *Statement of Compliance*

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of such International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017 (the Act), and provisions of and directives issued under the Companies Act, 2017. Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 *Basis of Measurement*

These financial statements have been prepared under the historical cost convention except otherwise stated in relevant notes.

2.3 *Functional and presentation currency*

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (the functional currency), which is the Pakistan Rupee (Rs).

2.4 *New standards and amendments/interpretations to exiting standards that are effective in the current year*

There are amendments to published standards that are mandatory for accounting periods beginning on or after July 01, 2017 but are considered not to be relevant or do not have any significant impact on the Company's financial statements and are therefore not detailed in these financial statements.

2.5 *Standards, interpretations and amendments to approved accounting standards that are not yet effective :*

The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after the dates specified below:

-Classification and Measurement of Share-based Payment Transactions - amendments to IFRS 2 clarify the accounting for certain types of arrangements and are effective for annual periods beginning on or after 1 January 2018. The amendments cover three accounting areas (a) measurement of cash-settled share-based payments; (b) classification of share-based payments settled net of tax withholdings; and (c) accounting for a modification of a share-based payment from cash-settled to equity-settled. The new requirements could affect the classification and/or measurement of these arrangements and potentially the timing and amount of expense recognized for new and outstanding awards. The amendments are not likely to have an impact on Company's financial statements.

-Transfers of Investment Property (Amendments to IAS 40 'Investment Property' -effective for annual periods beginning on or after 1 January 2018) clarifies that an entity shall transfer a property to, or from, investment property when, and only when there is a change in use. A change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. In isolation, a change in management's intentions for the use of a property does not provide evidence of a change in use. The amendments
are not likely to have an impact on Company's financial statements. The amendments are not likely to have an impact on Company's financial statements.

-Annual Improvements to IFRSs 2014-2016 Cycle [Amendments to IAS 28 'Investments in Associates and Joint Ventures'] (effective for annual periods beginning on or after 1 January 2018) clarifies that a venture capital organization and other similar entities may elect to measure investments in associates and joint ventures at fair value through profit or loss, for each associate or joint venture separately at the time of initial recognition of investment. Furthermore, similar election is available to non-investment entity that has an interest in an associate or joint venture that is an investment entity, when applying the equity method, to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture. The amendments are not likely to have an impact on Company's financial statements. The amendments are not likely to have an impact on Company's financial statements.

-IFRIC 22 'Foreign Currency Transactions and Advance Consideration' (effective for annual periods beginning on or after 1 January 2018) clarifies which date should be used for translation when a foreign currency transaction involves payment or receipt in advance of the item it relates to. The related item is translated using the exchange rate on the date the advance foreign currency is received or paid and the prepayment or deferred income is recognized. The date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) would remain the date on which receipt of payment from advance consideration was recognized. If there are multiple payments or receipts in advance, the entity shall determine a date of the transaction for each payment or receipt of advance consideration. The application of interpretation is not likely to have an impact on the Company's financial statements.

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-IFRIC 23 'Uncertainty over Income Tax Treatments' (effective for annual periods beginning on or after 1 January 2019) clarifies the accounting for income tax when there is uncertainty over income tax treatments under IAS 12. The interpretation requires the uncertainty over tax treatment be reflected in the measurement of current and deferred tax. The application of interpretation is not likely to have an impact on Company's financial statements.

- IFRS 15 'Revenue from Contracts with Customers' (effective for annual periods beginning on or after 1 July 2018). IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaces existing revenue recognition guidance, including IAS 18 'Revenue', IAS 11 'Construction Contracts' and IFRIC 13 'Customer Loyalty Programmes'. The Company is currently in the process of analyzing the potential impact of changes required in revenue recognition policies on adoption of the standard.

- IFRS 9 'Financial Instruments' and amendment - Prepayment Features with Negative Compensation (effective for annual periods beginning on or after 1 July 2018 and 1 January 2019 respectively). IFRS 9 replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. The Company is currently in the process of analyzing the potential impact of changes required in classification and measurement of financial instruments and the impact of expected loss model on adoption of the standard.

- IFRS 16 'Leases' (effective for annual period beginning on or after 1 January 2019). IFRS 16 replaces existing leasing guidance, including IAS 17 'Leases', IFRIC 4 'Determining whether an Arrangement contains a Lease', SIC 15 'Operating Leases- Incentives' and SIC-27 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease'. IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard i.e. lessors continue to classify leases as finance or operating leases. The Company is currently in the process of analyzing the potential impact of its lease arrangements that will result in recognition of right to use assets and liabilities on adoption of the standard. The amendments are not likely to have an impact on Company's financial statements.

- Amendment to IAS 28 'Investments in Associates and Joint Ventures' - Long Term Interests in Associates and Joint Ventures (effective for annual period beginning on or after 1 January 2019). The amendment will affect companies that finance such entities with preference shares or with loans for which repayment is not expected in the foreseeable future (referred to as long-term interests or 'LTI'). The amendment and accompanying example state that LTI are in the scope of both IFRS 9 and IAS 28 and explain the annual sequence in which both standards are to be applied. The amendments are not likely to have an impact on Company's financial statements. The amendments are not likely to have an impact on Company's financial statements.

- Amendments to IAS 19 'Employee Benefits'- Plan Amendment, Curtailment or Settlement (effective for annual periods beginning on or after 1 January 2019). The amendments clarify that on amendment, curtailment or settlement of a defined benefit plan, a company now uses updated actuarial assumptions to determine its current service cost and net interest for the period; and the effect of the asset ceiling is disregarded when calculating the gain or loss on any settlement of the plan and is dealt with separately in other comprehensive income. The application of amendments is not likely to have an impact on Company's financial statements.

Annual improvements to IFRS Standards 2015-2017 Cycle - the improvements address amendments to following approved accounting standards:

-IFRS 3 "Business Combinations" and IFRS 11 "Joint Arrangement" - the amendment aims to clarify the accounting treatment when a company increases its interest in a joint operation that meets the definition of a business. A company remeasures its previously held interest in a joint operation when it obtains control of the business. A company does not remeasure its previously held interest in a joint operation when it obtains joint control of the business.

-IAS 12 Income Taxes - the amendment clarifies that all income tax consequences of dividends (including payments on financial instruments classified as equity) are recognized consistently with the transaction that generates the distributable profits.

-IAS 23 Borrowing Costs - the amendment clarifies that a company treats as part of general borrowings any borrowing originally made to develop an asset when the asset is ready for its intended use or sale.

The above amendments are effective from annual period beginning on or after 1 January 2019 and are not likely to have an impact on Company's financial statements.

2.6 *Use of Estimate & Judgment*

The preparation of financial statements in conformity with International Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. It also requires management to exercise its judgment in the process of applying the company's accounting policies. 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 the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. Significant areas requiring the use of management estimates in the financial statements relates to provision for doubtful balances, provision for income taxes, useful life and residual values of property plant and equipment etc. However, assumptions and judgment made by management in the application of accounting policies that have significant effect on the financial statements are not expected to result in material adjustment to the carrying amounts of assets and liabilities in next year.

Abbasi & Company (Pvt) Ltd. Stock Share Dealer 6-Shadman Lahore

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods. Judgments made by management in application of the approved accounting standards that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in respective policy notes.

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principle accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### 3.1 Tangible fixed assets - Property and Equipment and Depreciation

Property & equipment is stated at cost less accumulated depreciation and impairment loss, if any, except for freehold land which is stated at cost. Cost of these assets consists of historical cost and directly attributable cost of bringing the assets to working condition. Depreciation on addition and deletion is charged on the basis of number of days the asset remains in use of the company. Assets' residual values, useful life and depreciation rates are reviewed and adjusted, if appropriate, at each balance sheet date. Any impairment loss, or its reversal, is also charged to income. When an impairment loss is recognized, the depreciation charge is adjusted in future periods to allocate the assets carrying amount less the residual value over its estimated useful life. Normal repair and maintenance is charged to income as and when incurred. Major renewals and improvements are capitalized.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized in profit and loss account.

### 3.2 Intangible assets

These include computer software, membership cards and trading rights entitlement certificate.

a) Finite useful life

These are measured on initial recognition at cost. Following initial recognition these are carried at cost less accumulated amortization and accumulated impairment losses, if any. The carrying amounts are reviewed at each balance sheet date to assess whether they are recorded in excess of their recoverable amounts and where carrying values exceed estimated recoverable amount, these are written down to their estimated recoverable amount. Intangible assets are amortized using the straight line method over their useful life.

b) Infinite useful life

These are measured on initial recognition at cost. Following initial recognition these are carried at cost less accumulated impairment, if any. Cost on initial recognition in an acquisition transaction is determined as the amount of cash or cash equivalents paid or the fair value of other consideration given to acquire an asset at the time of asset acquisition. When there is an exchange of assets and the fair value of neither the asset received nor the asset given up can be reliably measured, the cost of the asset received should be measured at the carrying amount of the asset given up. The carrying amounts are reviewed at each balance sheet date to assess whether they are recorded in excess of their recoverable amounts and where carrying values exceed estimated recoverable amount, these are written down to their estimated recoverable amount.

### 3.3 Investments

Investments intended to be held for less than twelve months from the balance sheet date or to be sold to raise operating capital, are included in current assets, all other investments are classified as non-current. The cost of investments acquired in exchange transaction is measured at the carrying value of the asset with which it has been exchanged.

a) Available for sale

These are initially recognized at cost and at subsequent reporting dates measured at fair values. Gains or losses from changes in fair values are taken to other comprehensive income until disposal at which time these are recycled to profit and loss account.

b) Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are initially measured at fair value plus directly attributable transaction costs. After initial measurement loans and receivables are subsequently measured at amortized cost using effective interest rate method less impairment, if any. These are classified as current and non-current assets in accordance with criteria set out by the IFRS.

c) Available for sale - unqouted at cost

These are initially recognized at cost. Due to non availability of an active market, these are subsequently stated at cost as well.

### 3.4 Trade Receivables

These are stated net of provision. Full provisions are made against the debts considered doubtful. This includes receivable from members of stock exchange and customers.

### 3.5 Other receivables

Other receivables are recognized at nominal amount which is the fair value of the consideration to be received less an allowance for any uncollectible amount.

### 3.6 Revenue recognition

Brokerage fee are recognized as and when services are provided. Capital gains or losses on sale of investment are taken to income in the year in which they arise. Dividend income is recognized when the right to receive the dividend is established. Return on securities other than shares is recognized as and when it is due on accrual basis.

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3.7 Borrowing Costs

Mark-up, interest and other charges on borrowings which are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset. All other borrowing costs i.e. mark-up, interest and other charges are charged to the profit and loss account in the period in which they are incurred.

3.8 Foreign Currency Translation.

Transactions in foreign currency are accounted for at the exchange rates prevailing on the date of transactions. All monetary assets and liabilities denominated in foreign currencies at the year end are translated at exchange rates prevailing at the balance sheet date. Non monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transactions. Exchange differences are included in profit and loss account for the year.

3.9 Trade & other payables

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the company.

3.10 Taxation

Provision of current tax is based on taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year if enacted. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

Deferred tax is accounted for using the liability method in respect of all taxable temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit. Deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

3.11 Employees Retirement Benefits

a) Defined contribution plan:

The company operates a funded provident fund scheme covering permanent employees and monthly equal contribution is made to the trust @10% of basic pay both by the employer and the employees.

b) Provisions

Provisions are recognized when the company has the legal or constructive obligation as a result of past events; and it is probable that an outflow of resources will be required to settle the obligation and are reliable estimate of the amount can be made.

3.12 Impairment

a) Financial Assets

A financial asset is considered to be impaired if objective evidence indicate that one or more events had a negative effect on the estimated future cash flow of that asset. An impairment loss in respect of a financial asset measured at amortized cost is calculated as a difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its current fair value. Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

b) Non- Financial Assets

The carrying amount of the Company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such indications exist, the asset's recoverable amount is estimated in order to determine the extent of the impairment loss, if any. Impairment loss is recognized as expense in the profit and loss account. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

3.13 Dividend & Appropriation to reserves

Dividend distribution to the Company's shareholders and appropriation to reserves is recognized in the financial statements in the period in which these are approved.

3.14 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 comprise cash in hand, cash with banks and short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of change in value.

3.15 Earning per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

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3.16 Share Capital

Ordinary shares are classified as equity and recognized at their fair value. Incremental costs directly attributable to the issue of new shares or options are shown in equity as deduction, net of tax, from the proceeds.

3.17 Financial Instruments

All financial assets and liabilities are recognized at the time when the company becomes a party to the contractual provisions of the instrument. 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, amortized cost or cost as the case may be. A financial asset is de-recognized when the company loses control of its contractual rights that comprise the financial asset. A financial liability is de-recognized when it is extinguished. Any gain or loss on de-recognition of the financial assets or liabilities is taken to profit and loss account currently. The Company recognizes the regular way purchase or sale of financial assets using settlement date accounting.

3.18 Off Setting of Financial Assets and Financial Liabilities

A financial asset and a financial liability is off set and the net amount is reported in the balance sheet if the company has a legally enforceable right to set off the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

4. PROPERTY AND EQUIPMENT

| | Freehold land | Building on freehold land | Furniture & fixtures | Office equipment | Computers | Vehicles | Total |
|---|---|---|---|---|---|---|---|
| As at 01 July 2016 | | | | | | | |
| Cost | 164,257,807 | 52,112,577 | 2,406,731 | 13,591,228 | 14,404,264 | 46,584,136 | 293,356,743 |
| Accumulated Depreciation | - | 29,246,139 | 1,577,303 | 7,871,591 | 10,804,306 | 12,374,204 | 61,873,544 |
| Net Book Value | 164,257,807 | 22,866,438 | 829,428 | 5,719,637 | 3,599,958 | 34,209,932 | 231,483,199 |
| Year ended 30 June 2017 | | | | | | | |
| Opening Net Book Value | 164,257,807 | 22,866,438 | 829,428 | 5,719,636 | 3,599,958 | 34,209,932 | 231,483,199 |
| Additions | - | - | 339,470 | 3,030,880 | 1,022,839 | 7,888,835 | 12,282,024 |
| Disposals | | | | | | | |
| Cost | - | - | - | - | - | (6,932,549) | (6,932,549) |
| Accumulated Depreciation | - | - | - | - | - | 3,605,554 | 3,605,554 |
| | - | - | - | - | - | (3,326,995) | (3,326,995) |
| Depreciation | - | (2,286,644) | (105,097) | (675,005) | (1,112,961) | (7,131,738) | (11,311,445) |
| Closing Net Book Value | 164,257,807 | 20,579,794 | 1,063,801 | 8,075,511 | 3,509,836 | 31,640,034 | 229,126,783 |
| As at 30 June 2017 | | | | | | | |
| Cost | 164,257,807 | 52,112,577 | 2,746,201 | 16,622,108 | 15,427,103 | 47,540,422 | 298,706,218 |
| Accumulated Depreciation | - | 31,532,783 | 1,682,400 | 8,546,597 | 11,917,267 | 15,900,388 | 69,579,435 |
| Net Book Value | 164,257,807 | 20,579,794 | 1,063,801 | 8,075,511 | 3,509,836 | 31,640,034 | 229,126,783 |
| Year ended 30 June 2017 | | | | | | | |
| Opening Net Book Value | 164,257,807 | 20,579,794 | 1,063,801 | 8,075,511 | 3,509,836 | 31,640,034 | 229,126,783 |
| Additions | - | - | | 401,820 | 852,691 | 5,915,509 | 7,170,020 |
| Disposals | | | | | | | |
| Cost | - | - | - | - | - | (4,363,700) | (4,363,700) |
| Accumulated Depreciation | - | - | - | - | - | 2,209,594 | 2,209,594 |
| | - | - | - | - | - | (2,154,106) | (2,154,106) |
| Depreciation | - | (2,057,979) | (106,380) | (826,403) | (1,139,308) | (6,671,489) | (10,801,559) |
| Closing Net Book Value | 164,257,807 | 18,521,815 | 957,421 | 7,650,928 | 3,223,219 | 28,729,948 | 223,341,138 |
| As at 30 June 2018 | | | | | | | |
| Cost | 164,257,807 | 52,112,577 | 2,746,201 | 17,023,928 | 16,279,794 | 49,092,231 | 301,512,538 |
| Accumulated Depreciation | - | 33,590,762 | 1,788,780 | 9,373,000 | 13,056,575 | 20,362,283 | 78,171,400 |
| Net Book Value | 164,257,807 | 18,521,815 | 957,421 | 7,650,928 | 3,223,219 | 28,729,948 | 223,341,138 |
| Rate of Depreciation (%) | - | 10% | 10% | 10% | 30% | 20% | |

Statement of Disposal:

| Sr# | Description | Buyer | Mode of disposal | Cost | Accumulated depreciation | Net book value | Sales proceeds | Gain / (Loss) |
|---|---|---|---|---|---|---|---|---|
| 1. | Motor Car | 3rd Party | Negotiation | 2,390,360 | 926,939 | 1,463,421 | 1,750,000 | 286,579 |
| 2. | Motor Car | 3rd Party | Negotiation | 1,917,840 | 1,232,592 | 685,248 | 860,000 | 174,752 |
| 3. | Motor Bike | 3rd Party | Negotiation | 55,500 | 50,063 | 5,437 | 11,000 | 5,563 |
| | | | | 4,363,700 | 2,209,594 | 2,154,106 | 2,621,000 | 466,894 |

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| | Note | 2018 | 2017 |
|---|---|---|---|
| | | Rupees | |

## 5 INTANGIBLE ASSETS

| | Note | 2018 | 2017 |
|---|---|---|---|
| Computer Software | 5.1 | 1,434,103 | 1,159,256 |
| Membership card | 5.2 | 750,000 | 750,000 |
| Trading rights entitlement certificate | 5.3 | 640,000 | 640,000 |
| | | 2,824,103 | 2,549,256 |

### 5.1 COMPUTER SOFTWARE - FINITE USEFUL LIFE

| | 2018 | 2017 |
|---|---|---|
| As at July 1, | | |
| Cost | 6,502,279 | 6,034,279 |
| Accumulated amortization | 5,343,023 | 5,049,593 |
| Net Book Value | 1,159,256 | 984,686 |
| Year ended June 30, | | |
| Opening Net Book Value | 1,159,256 | 984,686 |
| Additions | 580,000 | 468,000 |
| Amortization | (305,153) | (293,430) |
| Closing Net Book Value | 1,434,103 | 1,159,256 |
| As at June 30, | | |
| Cost | 7,082,279 | 6,502,279 |
| Accumulated amortization | 5,648,176 | 5,343,023 |
| Net Book Value | 1,434,103 | 1,159,256 |
| | 20% | 20% |

### 5.2 MEMBERSHIP CARD - INFINITE USEFUL LIFE

| | 2018 | 2017 |
|---|---|---|
| Pakistan Mercantile Exchange Limited | 750,000 | 750,000 |
| | 750,000 | 750,000 |

### 5.3 TRADING RIGHTS ENTITLEMENT CERTIFICATE - INFINITE USEFUL LIFE

| | Note | 2018 | 2017 |
|---|---|---|---|
| Pakistan Stock Exchange Limited - at cost | 5.3.1 | 640,000 | 640,000 |
| | | 640,000 | 640,000 |

5.3.1 This represents trading rights in Pakistan Stock Exchange (Previously Lahore Stock Exchange limited) which had replaced membership cards of stock exchanges pursuant to the promulgation of Stock Exchanges (Corporatization, Demutualization and Integration) Act, 2012 (the 2012 Act). Subsequently from 11th January 2016 Lahore, Islamabad and Karachi Stock Exchanges have been integrated to form Pakistan Stock Exchange with the approval of SECP. Before demutualization in 2012 the stock exchanges were functioning as Guarantee Limited Companies, wherein ownership and trading rights were conferred to members through membership cards. Pursuant to demutualization, the ownership in a stock exchange has been segregated from the right to trade on the exchange. Therefore the membership cards were replaced by shares in the exchange representing ownership in the exchange and trading rights entitlement certificates (TREC) representing rights to trade in the exchange. As a result 843,975 shares of Rs.10/- each were been allotted to the Company out of which 60% of the shares were blocked in a separate account held with CDC and would be sold to strategic investors and general public in future at a price which remains to be finalized, proceeds of which would come to the members, while the remaining 40% were available to members with no condition on their future sale. The Institute of Chartered Accountants of Pakistan in its 'selected opinion' concluded that the demutualization, in substance, had not resulted in exchange of dissimilar assets, and therefore no gain or loss should be recognized and the segregation of ownership rights and the trading rights should be accounted for by allocating the cost/carrying value of the membership card between the two distinct assets on a reasonable basis. The TREC can only be sold or transferred once, however once sold it would not be sellable / transferable again. The transaction is in nature an exchange of an intangible asset (membership card) with a financial asset (shares) together with an intangible asset (TREC).

Institute of Chartered Accountants of Pakistan further in its 'selected opinion' stressed that any subsequent measurement of the shares and / or TREC would only be possible where reliable fair values can be measured. This would most likely happen when the blocked shares are sold to the strategic investor or to the general public through an IPO and an active market develops for the TREC.

Taking to account the above factors and in the absence of an active market for TREC and shares, the value of the TREC and shares was initially measured at the value of the membership card with which they were exchanged and subsequently carried at cost. For this purpose, the value of the membership card was allocated between TREC and Shares on proportionate basis at the initial ratio of 32:68 which was determined on the basis of the estimated values of LSE shares (Rs. 8.439 million) and TREC (Rs. 4.0 million). Resultantly the shares have been recognized at Rs. 1.360 million and TREC at Rs. 0.640 million. Institute of Chartered Accountants of Pakistan further in its 'selected opinion' stated that the apportioned carrying value would be required to be tested for impairment as per IAS 36, if any. When the management and the auditor conclude that there is no impairment, they may continue to use the apportioned carrying value.

The notional value of the TRE Certificate was Rs. 2.5 Million for the purposes of Base Minimum Capital. The base minimum capital being maintained by the company is regularly monitored by the SECP.
The Break up Value being used for determining the Base Minimum Capital for LSE shares is Rs. 18.08 based on LSE accounts of 31 December 2017.

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| | Note | 2018 | 2017 |
|---|---|---|---|
| | | Rupees | |

## 6. LONG TERM DEPOSITS

| | | 2018 | 2017 |
|---|---|---|---|
| Deposit with Central Depository Company of Pakistan Limited. | | 100,000 | 100,000 |
| Mobile deposit | | 101,500 | 91,500 |
| Electricity & Sui gas deposit | | 110,200 | 110,200 |
| Deposit with NCCPL. | | 400,000 | 400,000 |
| Building deposit with PMEX | | 2,500,000 | 2,500,000 |
| Clearing deposit with PMEX. | | 5,958,912 | 15,787,609 |
| Deposit for Sialkot and Faisalabad trading Floors & booth | | 100,000 | 100,000 |
| Security Deposit LSE Financial Services Limited | | 30,000 | 30,000 |
| Security Deposit (NCCPL) DFC | | 1,000,000 | 500,000 |
| Deposit with PSO | | 300,000 | 300,000 |
| Exposure deposit with PSX | | 22,500,000 | 22,500,000 |
| | | 33,100,612 | 42,419,309 |

## 7. LONG TERM INVESTMENT

| | Note | 2018 | 2017 |
|---|---|---|---|
| *Available for sale - unquoted at cost:* | | | |
| 843,975 Ordinary shares of LSE Financial Services Limited ( Previously Lahore Stock Exchange Limited) | 7.1 | 1,360,000 | 1,360,000 |

7.1 This includes 506,385 shares that are blocked in a separate account held with CDC and would be sold to strategic investors and general public in future.

7.2 The break up share value of LSE Financial Services Limited as at December 31, 2017 was Rs. 18.087- per share.

## 8. TRADE DEBTS - UNSECURED AND CONSIDERED GOOD

| | 2018 | 2017 |
|---|---|---|
| | 2,481,594 | 2,134,935 |
| | 2,481,594 | 2,134,935 |

8.1 Aging Analysis

| | 2018 | 2017 |
|---|---|---|
| Upto fourteen days | 585,009 | 356,816 |
| More than fourteen days | 1,896,585 | 1,778,119 |
| | 2,481,594 | 2,134,935 |

## 9. SHORT TERM INVESTMENTS

| | Note | 2018 | 2017 |
|---|---|---|---|
| *Available for sale:* | | | |
| Shares of listed companies - at fair value | 9.1 | 69,602,081 | 47,112,335 |
| | | 69,602,081 | 47,112,335 |

9.1 In Shares of quoted Company

| Name of Securities | Number of Shares | | | |
|---|---|---|---|---|
| | 2018 | 2017 | 2018 | 2017 |
| | | | Rupees | |
| ENGRO FOODS | 150,000 | 150,000 | 13,359,000 | 18,223,500 |
| SAIF POWER LTD | 86,000 | 38,500 | 2,278,140 | 1,161,930 |
| HI TECH LUBRICANTS | - | 11,000 | - | 1,199,110 |
| OIL & GAS DEVELOPMENT | - | 3,300 | - | 464,277 |
| PAKISTAN PETROLEUM | - | 3,000 | - | 444,420 |
| GHANI GLASS | 24,000 | - | 1,480,320 | - |
| BIAFO INDUSTRIES | 10,000 | - | 3,199,800 | - |
| AGP LIMITED | 13,000 | - | 1,154,270 | - |
| WAH NOBLE CHEMICAL | 5,500 | - | 1,182,500 | - |
| BESTWAY PAKCEM | - | 10,000 | - | 2,191,200 |
| FAUJI FOODS COMPANY LIMITED | - | 20,500 | - | 1,694,120 |
| PACKAGES LTD | 2,500 | 2,500 | 1,224,300 | 1,738,950 |
| ENGROPOLYMER & CHEMICAL | - | 132,500 | - | 4,836,250 |
| GENERAL TYRES & RUBBER | 27,500 | 14,200 | 4,570,500 | 4,309,700 |
| KOT ADDU POWER CO. | 50,500 | 100,000 | 2,722,455 | 7,202,000 |
| P.N.S.C | - | 1,500 | - | 188,850 |
| TARIQ GLASS INDUSTRIES | 25,100 | 20,300 | 2,689,716 | 2,248,428 |
| TRIPACK FILMS LIMITED | - | 5,400 | - | 1,209,600 |
| BIAFO INDUSTRIES | 10,000 | - | 3,199,800 | - |
| FAUJI FOODS LIMITED | 882,500 | - | 28,487,100 | - |
| GHANI GASES LIMITED | 251,500 | - | 4,054,180 | - |
| | | | 69,602,081 | 47,112,335 |

| | Note | 2018 | 2017 |
|---|---|---|---|
| | | Rupees | |

## 10. ADVANCES, PREPAYMENTS OTHER RECEIVABLES

| | Note | 2018 | 2017 |
|---|---|---|---|
| Advances to employees | | 3,121,500 | 1,052,000 |
| Advance Income tax | | 2,531,555 | 14,818,707 |
| Other advances | | 32,336 | 11,616 |
| Prepayments | | 531,106 | 582,356 |
| | | 6,216,497 | 16,464,679 |

## 11. CASH AND BANK BALANCES

| | Note | 2018 | 2017 |
|---|---|---|---|
| Cash in hand | | 460,481 | 2,399,405 |
| Cash at bank | | | |
| In Current accounts | 11.2 | 136,920,063 | 207,515,184 |
| In Saving accounts | 11.1 & 11.2 | 101,729,364 | 99,532,565 |
| | | 238,649,427 | 307,047,748 |
| | | 239,109,908 | 309,447,153 |

11.1 This carries profit rate of 4.00% (2017: 6.15%) per annum.

11.2 Cash at bank

| | Note | 2018 | 2017 |
|---|---|---|---|
| -House Account | | 81,755,809 | 64,217,055 |
| -Client Account | | 128,397,046 | 204,908,239 |
| -PMEX Account | | 28,496,572 | 37,922,454 |
| | | 238,649,427 | 307,047,748 |

## 12. ISSUED, SUBSCRIBED AND PAID UP CAPITAL

| | Note | 2018 | 2017 |
|---|---|---|---|
| 6,611,000 (2017: 3,875,000) Ordinary share of Rs. 10/- each fully paid in cash. | | 66,110,000 | 38,750,000 |
| 400,000 Ordinary share of Rs. 10/- each issued for consideration other than cash. | | 4,000,000 | 4,000,000 |
| | 32 | 70,110,000 | 42,750,000 |

## 13. RESERVES

| | Note | 2018 | 2017 |
|---|---|---|---|
| Capital reserve | | | |
| Share premium reserves | | 98,350,000 | 98,350,000 |
| Revenue reserve | | | |
| General Reserve | | 200,000,000 | 200,000,000 |
| Unrealized gain on re-measurement of available for sale investments | 13.1 | (3,794,533) | (3,416,794) |
| Un-appropriated profit | | 74,457,767 | 81,187,085 |
| | | 270,663,234 | 277,770,291 |
| | | 369,013,234 | 376,120,291 |

13.1 Un-realized (loss) / gain on available for sale investments

| | Note | 2018 | 2017 |
|---|---|---|---|
| Opening balance | | (3,416,794) | 2,522,456 |
| Loss due to change in fair value | | (1,085,047) | (6,427,924) |
| (Gain)/loss reclassified to profit and loss account on sale of Investments | | 707,308 | 488,674 |
| | | (3,794,533) | (3,416,794) |

Rupees

## 14. DEFERRED LIABILITIES

| | Note | 2018 | 2017 |
|---|---|---|---|
| Deferred taxation | 14.1 | 4,360,704 | 7,138,713 |

14.1 Deferred tax liability comprises of the following taxable/(deductible) temporary differences:

| | Note | 2018 | 2017 |
|---|---|---|---|
| Accelerated tax depreciation | | 6,160,678 | 7,138,713 |
| Business Loss | | (1,799,974) | - |
| | | 4,360,704 | 7,138,713 |

## 15. TRADE AND OTHER PAYABLES

| | Note | 2018 | 2017 |
|---|---|---|---|
| Creditors | | 128,397,046 | 204,908,239 |
| Accrued expenses | | 595,320 | 450,904 |
| Margin with PMEX payable to clients | | 26,427,272 | 25,255,503 |
| Other liabilities | | 5,506,968 | 5,117,181 |
| | | 160,926,606 | 235,731,827 |

## 16. CONTINGENCIES AND COMITTMENTS

There are no contingencies and commitments as at 30 June 2018 (2017: Nil)

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| | Note | 2018 | 2017 |
|---|---|---|---|
| | | Rupees | |

## 17. BROKERAGE REVENUE

| | | | |
|---|---|---|---|
| Brokerage Income | | 46,564,839 | 82,294,291 |
| PMEX Income | | 5,671,945 | 21,924,710 |
| | | 52,236,784 | 104,219,001 |

## 18. DIVIDEND INCOME

| | | | |
|---|---|---|---|
| | | 2,549,053 | 3,444,638 |
| | | 2,549,053 | 3,444,638 |

## 19. FINANCE COST

| | | | |
|---|---|---|---|
| Bank charges | | 13,442 | 11,186 |
| | | 13,442 | 11,186 |

## 20. ADMINISTRATIVE AND OPERATING EXPENSES

| | Note | 2018 | 2017 |
|---|---|---|---|
| Directors' remuneration | | 6,130,400 | 6,444,900 |
| Salaries and other benefits | | 23,158,723 | 25,087,015 |
| Provident Fund | | 875,108 | 808,188 |
| Utility expenses | | 3,669,619 | 3,802,695 |
| Travelling and conveyance | | 20,930 | 14,870 |
| Agent commission | | 2,328,583 | 4,858,968 |
| Investor protection fund | | - | 34,607 |
| Clearing house fee | | - | 143,858 |
| Fax & Internet expenses | | 2,263,903 | 1,905,859 |
| Postage and telegram & SMS charges | | 631,767 | 404,840 |
| Parcels | | 355,321 | 208,512 |
| Insurance | | 1,150,981 | 618,379 |
| Auditors' Remuneration | | 250,000 | 250,000 |
| Legal and professional charges | | 673,000 | 548,000 |
| Vehicle running and maintenance | | 2,807,952 | 3,042,349 |
| Newspapers and periodicals | | 55,348 | 100,706 |
| Printing and stationery | | 636,834 | 672,793 |
| Repair and maintenance | | 2,312,180 | 3,186,963 |
| Fee and subscription | | 2,215,196 | 1,986,836 |
| Rent, Rates & Taxes | | 1,081,823 | 971,463 |
| Donation | 20.1 | 853,740 | 2,107,669 |
| Entertainment | | 906,590 | 1,092,418 |
| Computer expenses | | 534,460 | 949,271 |
| Other expenses | | 217,643 | 121,338 |
| Amortization | 5.1 | 305,153 | 293,430 |
| Depreciation | 4. | 10,801,559 | 11,311,445 |
| | | 64,236,812 | 70,967,373 |

20.1 This amount represents the donation made to Patient Welfare Association Jinnah Hospital Lahore. None of the directors and their spouses have any interest in donee's fund to which donations are made.

## 21. OTHER INCOME

| | | | |
|---|---|---|---|
| *Income from financial assets* | | | |
| Interest / profit | | | |
| - on deposits with banks | | 2,430,395 | 6,497,185 |
| *Income from non financial assets* | | | |
| Miscellaneous income | | 9,632 | 15,070 |
| Gain on sale of property, plant and equipment | | 466,894 | 639,505 |
| Client facilitation & services | | 972,597 | 1,402,982 |
| Return on PSX Exposure deposit & PMEX deposit | | 885,987 | 810,964 |
| | | 4,765,505 | 9,365,705 |

Abbasi & Company (Pvt) Ltd. Stock Share Dealer 6-Shadman Lahore.

| | Note | 2018 | 2017 |
|---|---|---|---|
| | | Rupees | |

22. TAXATION

| | 2018 | 2017 |
|---|---|---|
| Current | | |
| - For the year | 2,827,939 | 14,996,044 |
| - Prior years | (225,091) | 138,791 |
| Deferred | | |
| - For the year | (2,778,009) | 3,403,950 |
| | (175,161) | 18,538,785 |

23. BASIC AND DILUTED (LOSS)/EARNING PER SHARE

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

| | 2018 | 2017 |
|---|---|---|
| (Loss)/Profit after taxation | (6,729,318) | 35,104,985 |
| Weighted average number of Ordinary shares | 6,673,685 | 4,275,000 |
| (Loss)/Earnings per share ( Rupees ) | (1.01) | 8.21 |

24. REMUNERATION OF CHIEF EXECUTIVE & DIRECTORS

The aggregate amount charged in the accounts during the year for remuneration including benefits to Executives is as follows:

| | 30-Jun-18 | | | 30-Jun-17 | | |
|---|---|---|---|---|---|---|
| | Chief Executive | Directors | Executives | Chief Executive | Directors | Executives |
| Remuneration | 2,369,800 | 3,760,600 | 10,185,632 | 2,599,800 | 3,845,100 | 12,319,416 |
| Provident Fund | 134,664 | 203,468 | 361,724 | 129,600 | 193,602 | 327,000 |
| | 2,504,464 | 3,964,068 | 10,547,356 | 2,729,400 | 4,038,702 | 12,646,416 |
| Number of Persons | 1 | 2 | 9 | 1 | 2 | 9 |

No meeting fee has been paid to any director of the company during the year (2017: Rs. Nil). Five Executives are provided with company maintained car for business and personal use.

25. RELATED PARTY DISCLOSURES

Related parties comprise entities with common directorship or under influence, directors and key management personnel. Details of transactions with related parties during the year have specifically been disclosed elsewhere in these financial statements, where applicable.

26. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

26.1 *Risk management framework*

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. The Board meets frequently throughout the year for developing and monitoring the Company's risk management policies. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

A Committee oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Committee is assisted in its oversight role by internal Audit department. Internal Audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the Committee.

Abbasi & Company (Pvt) Ltd. Stock Share Dealer 6-Shadman Lahore.

26.2 *Financial assets and liabilities by category and their respective maturities*

| | 30 June 2018 | | 30 June 2017 | |
|---|---|---|---|---|
| | Maturity up to one year | Maturity after one year | Maturity up to one year | Maturity after one year |
| | ---------------------- Rs. ---------------------- | | | |
| ***Financial Asset*** | | | | |
| Loans and Receivable at Amortised Cost | | | | |
| Long term deposits | - | 33,100,612 | - | 42,419,309 |
| Long term investment | - | 1,360,000 | - | 1,360,000 |
| Trade debts - unsecured and considered good | 2,481,594 | - | 2,134,935 | - |
| Advances, prepayments and other receivables | 3,153,836 | - | 1,063,616 | - |
| Margin Deposit with PMEX | 26,374,611 | - | 26,122,425 | - |
| Cash and bank balances | 239,109,908 | - | 309,447,153 | - |
| Available for Sale at Fair Value | | | | |
| Short Term investments | 69,602,081 | - | 47,112,335 | - |
| Total | 340,722,030 | 34,460,612 | 385,880,464 | 43,779,309 |

| | 30 June 2018 | | 30 June 2017 | |
|---|---|---|---|---|
| | Maturity up to one year | Maturity after one year | Maturity up to one year | Maturity after one year |
| | ---------------------- Rs. ---------------------- | | | |
| ***Other Financial Liabilities at Amortised cost*** | | | | |
| Trade Payables | 128,397,046 | - | 204,908,239 | - |
| Accruals | 595,320 | - | 450,904 | - |
| Margin with PMEX payable to clients | 26,427,272 | - | 25,255,503 | - |
| Other payables | 5,506,968 | - | 5,117,181 | - |
| Total | 160,926,606 | - | 235,731,827 | - |

26.3 *Fair Values estimate*

In case of equity instruments, the Company measures fair value using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1 : Quoted market price (unadjusted) in an active market.

Level 2 : Valuation techniques based on observable inputs.

Level 3 : Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data.

i) Fair value at initial recognition

The Company takes in to account factors specific to the transaction and to the asset or liability, when determining whether or not the fair value at initial recognition equals the transaction price. Except for long term deposits, Long term investment, and Employee Vehicle Scheme the fair value of financial assets and financial liabilities recognised in these financial statements equals the transaction price at initial recognition. Due to immaterial effect the fair value of the long-term deposits, long term investment and employee vehicle scheme has not been determined and their carrying value has been assumed to be equal to their fair value.

ii) Valuation techniques and inputs used

For instruments carried at amortized cost, since majority of the interest bearing instruments are variable rate based instruments, there is no difference in carrying amount and the fair value. Further, for fixed rate instruments, since there is no significant difference in market rate and the rate of instrument and therefore most of the fixed rate instruments are of short term in nature, fair value significantly approximates to carrying value.

iii) Fair value of the Company's financial assets and liabilities that are measured at fair value on recurring basis after initial recognition

The company uses widely recognized valuation techniques, for determining the fair value of assets and liabilities, that use only observable market data and require little management judgement and estimation. The short term investments held for trading has been categorised as level 1.

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iv) Fair value of the Company's financial assets and liabilities that are not measured at fair value after initial recognition

The carrying amount of financial assets and financial liabilities recognized in these financial statements approximate their respective fair values. Fair values of financial assets and liabilities carried at amortized cost:

| | Level | June 30, 2018 Carrying Value | June 30, 2018 Fair Value | June 30, 2017 Carrying Value | June 30, 2017 Fair Value |
|---|---|---|---|---|---|
| | | | ------- Rupees ------- | | |
| Financial assets carried at Fair Value: | | | | | |
| Short Term Investments | Level 1 | 69,602,081 | 69,602,081 | 47,112,335 | 47,112,335 |

vi) Determination of fair values:

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and / or disclosure purposes based on the following methods;

a) Non-derivative financial assets

The fair value of non-derivative financial assets is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. This fair value is determined for disclosure purposes.

b) Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

26.4 *Financial Risk Factors*

The Company has exposures to the following risks from its use of financial instruments:

- Credit Risk
- Liquidity Risk
- Market Risk

26.5 *Credit risk*

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss, without taking to account of any collateral. Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would causes their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry. The Company's portfolio of financial instruments is broadly diversified and transactions are entered into with diverse credit-worthy counterparties thereby mitigating any significant concentrations of credit risk.

Credit risk of the Company arises from deposits with banks and financial institutions, trade debts, deposits, long term investments and short term investments and other receivables. The carrying amount of financial assets represents the maximum credit exposure. To reduce the exposure to credit risk, the Company has developed its own risk management policies and guidelines whereby clients are provided trading limits according to their net worth and proper margins are collected and maintained from the clients. the management continuously monitors the credit exposure towards the clients and makes provision against those balances considered doubtful of recovery. The Company's management as part of risk management policies and guidelines, reviews clients' financial position, considers past experience and other factors, and obtains necessary collaterals to reduce credit risks. Further, credit risk on liquid funds is limited because the counter parties are banks with reasonably high credit ratings.

The Company's policy is to enter into financial contracts in accordance with the internal risk management policies, investment and operational guidelines approved by the Board of Directors. In addition, credit risk is also minimized due to the fact that the Company invests only in high quality financial assets, majority of which have been rated by a reputable rating agency. The Company does not expect to incur material credit losses on its financial assets.

| | Note | 2018 | 2017 |
|---|---|---|---|
| | | Rupees | |
| The carrying amount of financial assets represent the maximum credit exposure, as specified below: | | | |
| Loans & Receivables | | | |
| Long term deposits | | 33,100,612 | 42,419,309 |
| Long term investment | | 1,360,000 | 1,360,000 |
| Trade debts - unsecured and considered good | | 2,481,594 | 2,134,935 |
| Advances, prepayments and other receivables | | 3,153,836 | 1,063,616 |
| Margin Deposit with PMEX | | 26,374,611 | 26,122,425 |
| Bank balances | | 238,649,427 | 307,047,748 |
| Available for Sale | | | |
| Short Term Investments | | 69,602,081 | 47,112,335 |
| | | 374,722,161 | 427,260,368 |

i) Credit quality and impairment:

Credit quality of financial assets is assessed by reference to external credit ratings, where available, or to historical information about counterparty default rates. Counterparties, with the exception of long-term deposits, long term investment, trade debts and other receivables have external credit ratings determined by various credit rating agencies.

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a) Counterparties without external credit ratings:

The counterparties for which external credit ratings are not available have been assessed by reference to internal credit ratings determined based on their historical information for any default in meeting obligations. These mainly include long-term deposits, long term investment, trade debts and other receivables which are considered good.

b) Counterparties with external credit ratings:

These include banking companies and financial institutions which are counterparties to cash deposits, term deposits & margin deposits thereon etc.

Following are the credit ratings of the counterparties with external credit ratings:

| Bank Name | Agency | ST Rating | LT Rating | | |
|---|---|---|---|---|---|
| MCB Bank Ltd | PACRA | AAA | A1+ | 1,492,948 | 6,887,628 |
| Allied Bank Ltd | PACRA | AA+ | A1+ | 171,346 | 201,381 |
| Habib Bank Ltd | JCR-VIS | AAA | A1+ | 17,856 | 17,856 |
| Bank Al Habib Ltd | PACRA | AA+ | A1+ | 236,967,277 | 299,914,402 |
| Bank Alfalah Ltd | PACRA | AA | A1+ | - | 26,482 |
| | | | | 238,649,427 | 307,047,749 |

26.6 LIQUIDITY RISK

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of adequate funds through committed credit facilities and the ability to close out market positions due to dynamic nature of the business. The Company finances its operations through equity, borrowings and working capital with a view to maintaining an appropriate mix between various sources of finance to minimize risk. The management aims to maintain flexibility in funding by keeping regular committed credit lines. The following are the contractual maturities of the financial liabilities. It is not expected that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

| | | |
|---|---|---|
| *Maturity up to One Year:* | | |
| Trade Payables | 128,397,046 | 204,908,239 |
| Accruals | 595,320 | 450,904 |
| Margin with PMEX payable to clients | 26,427,272 | 25,255,503 |
| Other payables | 5,506,968 | 5,117,181 |
| | 160,926,606 | 235,731,827 |

26.7 MARKET RISK

Market risk means that fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices such as, foreign exchange rates, interest rates and equity prices. The objective is to manage and control market risk exposures within acceptable parameters, while optimizing the return. Market risk comprises of three types of risk: foreign exchange or currency risk, interest rate risk and price risk. The market risk associated with the company's business activities are discussed as under:

Foreign Exchange Risk Management

Currency Risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The company is not significantly exposed to currency risk as the company does not maintain bank accounts in foreign currencies.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Significant interest rate risk exposures are primarily managed by a mix of borrowings at fixed and variable interest rates and entering into interest rate swap contracts. The company's interest rate risk arises from short term cash finance facility. The company analyzes its interest rate exposure on a regular basis by monitoring existing facilities against prevailing market interest rates and taking into accounts various other financing options available.

Price Risk

Price risk represents the risk that fair value of financial instrument will fluctuate because of changes in the market prices, whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factor affecting all or similar financial instruments traded in the market. The company is exposed to equity price risk since it has investments in quoted equity securities amounting to Rs. 69.602 Million (2017: Rs. 47.112 Million) at the balance sheet date. The company manages price risk by monitoring exposure in quoted equity securities and implementing the strict discipline in internal risk management and investment policies.

Sensitivity analysis

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate will not effect fair value of any financial instrument.

27 CAPITAL RISK MANAGEMENT

The company's objective when managing capital is to safe guard its ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stake holders; and to maintain strong capital base to support the development of its business.

The company manages its capital structure in the context of economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure the company may adjust amount of dividend paid to shareholders or issue new shares. The company is not subject to externally imposed capital requirements.

28 NUMBER OF EMPLOYEES

| | | |
|---|---|---|
| Number of employees at year end | 50 | 50 |
| Average number of employees during the year | 50 | 51 |

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## 29. PROVIDENT FUND TRUST

The Company has maintained an employees provident fund trust and investments out of the provident fund have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the rules formulated for this purpose. The information of the fund is based on un-audited financial statements of the fund for the year ended 30 June 2018:

| | Note | | |
|---|---|---|---|
| Size of Fund | | 13,043,914 | 11,859,848 |
| Cost of investments made | 29.1 | - | - |
| Percentage of investments made | | 0.00% | 0.00% |
| Fair value of investments | | - | - |

29.1 These represent investments in shares of listed equity securities and funds.

29.2 Balance in Scheduled Banks

| | | |
|---|---|---|
| Saving Account | 13,043,914 | 11,859,848 |

## 30. DETAIL OF SECURITIES AS PER BACK OFFICE RECORD AND CDC RECORD

| As per Back Office Record | Own Account | Client Account | As per CDC Record | Own Account | Client Account |
|---|---|---|---|---|---|
| | No. of Shares | | | No. Of Shares | |
| Securities Held | 1,538,100 | 210,705,340 | Securities Available | 1,337,600 | 112,618,452 |
| | | | Securities Pledged with PSX. | 200,500 | 230,000 |
| | | | Securities Pledged with Banks | - | 55,536,521 |
| | | | Securities Freeze with CDC | - | 41,907,733 |
| | | | Reconciling Entries: | | |
| | | | 1-Physical Securities | - | - |
| | | | 2-Transfer Sec For CDC | - | 7,369 |
| | | | 3-Pending Out Securities | - | 405,265 |
| Total | 1,538,100 | 210,705,340 | Total | 1,538,100 | 210,705,340 |

## 31. DETAIL OF SECURITIES PLEDGED

| | No. of Shares | Amount |
|---|---|---|
| -House Account | 200,500 | 16,081,455 |
| -Client Account | 55,766,521 | 1,149,182,898 |
| | 55,967,021 | 1,165,264,353 |

## 32. PATTERN OF SHARE HOLDING

| CATEGORIES OF SHAREHOLDERS | | | |
|---|---|---|---|
| DIRECTORS AND THEIR SPOUSE(S) AND MINOR CHILDREN | SHAREHOLDERS | SHARES HELD | PERCENTAGE |
| NAME:- | 5 | | |
| 1 - Syed Muhammad Ismail Abbasi | | 4,886,790 | 69.70% |
| 2 - Syed Awais Ali Abbasi | | 3,505 | 0.05% |
| 3 - Syed Farooq Ali Abbasi | | 641,638 | 9.15% |
| 4 - Mrs. Yasmeen Ismail | | 904,419 | 12.90% |
| 5 - Syed Muhammad Umar Abbasi | | 574,648 | 8.20% |
| Associated Companies, Undertakings and related | NIL | NIL | NIL |
| Executives | NIL | NIL | NIL |
| Public Sector Companies and Corporations | NIL | NIL | NIL |
| Banks, Development Finance Institutions, Non-Banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pension Funds. | NIL | NIL | NIL |
| Others | NIL | NIL | NIL |
| TOTAL | 5 | 7,011,000 | 100.00% |

SHAREHOLDERS HOLDING 5% OR MORE.

| NAME | SHARES HELD | PERCENTAGE |
|---|---|---|
| Syed Muhammad Ismail Abbasi | 4,886,790 | 69.70% |
| Syed Farooq Ali Abbasi | 641,638 | 9.15% |
| Mrs. Yasmeen Ismail | 904,419 | 12.90% |
| Syed Muhammad Umar Abbasi | 574,648 | 8.20% |

## 33. CHANGE IN THE PATTERN OF SHARE HOLDING

| NAME:- | SHARES PREVIOUSLY HELD | NEW ALLOTMENT | TOTAL SHARES HELD | %AGE CHANGE |
|---|---|---|---|---|
| 1 - Syed Muhammad Ismail Abbasi | 2,979,750 | 1,907,040 | 4,886,790 | 64% |
| 2 - Syed Awais Ali Abbasi | 2,137 | 1,368 | 3,505 | 64% |
| 3 - Syed Farooq Ali Abbasi | 641,638 | - | 641,638 | - |
| 4 - Mrs. Yasmeen Ismail | 551,475 | 352,944 | 904,419 | 64% |
| 5 - Syed Muhammad Umar Abbasi | 100,000 | 474,648 | 574,648 | 475% |
| | 4,275,000 | 2,736,000 | 7,011,000 | |

Abbasi & Company (Pvt) Ltd. Stock Share Dealer 6-Shadman Lahore

34. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on 05 October 2018 by the Board of Directors of the Company.

35. CORRESPONDING FIGURES

Comparative figures have been re-arranged / reclassified, wherever necessary, to facilitate comparison. Rearrangements have been made in these financial statements for better presentation of the financial statements.

36. GENERAL

- Figures have been rounded off to the nearest rupee.

Muhammad Ismail
CHIEF EXECUTIVE

Abbasi & Company (Pvt) Ltd. Stock Share Dealer 6-Shadman Lahore.

DIRECTOR

# DIRECTORS'REPORT

The Directors of the Company take pleasure in presenting directors' report together with the company's audited annual financial statements for the year ended JUNE 30, 2018.

## FINANCIAL RESULTS

The operating results for the year ended review are as under:

| | 2018 |
|---|---|
| (Loss)/Profit Before Taxation | (6,904,479) |
| Taxation | 175,161 |
| **(Loss)/Profit After Taxation** | **(6,729,318)** |
| Balance Brought Forward From Previous Year | 81,187,085 |
| Less: Interim Dividend 75% (Rs.7.50 Per Share) | NIL |
| Un-appropriated (Loss)/Profit Carried Forward | 74,457,767 |
| Earning Per Share | (1.01) |

## COMPANY PERFORMANCE

The Year under review shows a regressive year for the Company. The financial result during the year show huge decrease in terms of brokerage revenue as compared to last year.

## RIGHT SHARES ISSUE

The Board of Directors recommended right shares issue have already subscribe from the shareholder @64% at par for the year ended JUNE 30, 2018.

## FUTURE PROSPECTS

The company expect better prospects in the coming years and the Directors by the Grace of Allah hope that during the coming years brokerage income and capital gain of the company will increase. The Directors are making continuous efforts to expand its current customer base.

## AUDITORS

The present statutory auditor of company **M/S PARKER RANDALL INTERNATIONAL Chartered** Accountants retire and being eligible have offered them self for appointment.

Abbasi & Company (Pvt) Ltd. Stock Share Dealer 6-Shadman Lahore.

## ACKNOWLEDGEMENT

The Board of Directors appreciates the hard work of the entire team of employees of the Company and applauds the cordial relationship that exists between the employees and the management.

**We bow, beg and pray to Almighty Allah, Rahman-e-Rahim, in the name of our beloved Prophet, Muhammad, peace be upon him, for continued showering of His Blessing, Guidance, and Prosperity on us, our company and our beloved country Pakistan. (AMEEN)**

**For and on behalf of the Board of Directors**

Muhammad Ismail

**Syed Muhammad Ismail Abbasi**
**Chief Executive**

Abbasi & Company (Pvt) Ltd. * 6-Shadman Lahore *
Stock Share Dealer

Lahore.
October 05th., 2018