

Best Securities (Private) Limited
Financial Statements
Index

<u>Contents</u>	<u>Page No.</u>
Directors' Report	1
Auditor's Report	2 - 5
Statement of Financial Position	6
Statement of Profit or Loss	7
Statement of Comprehensive Income	8
Statement of Cash Flows	9
Statement of Changes in equity	10
Notes to the Accounts	11-36

BSL Best Securities (Pvt.) Limited.

DIRECTORS' REPORT

The Directors take pleasure in presenting their report together with the audited financial statement of the Company for the year June 30, 2018. The working results of the company for the said financial year are given as under:

Financial Results:

	Rupees
Operating revenue	(5,205,546)
Operating expenses	(8,278,972)
Operating loss	(13,484,517)
Other charges	-
Other income	858,293
Loss before tax	(12,626,224)
Tax	(2,590,627)
Loss after tax	(15,216,851)

Review of Business

During the year under review the stock market performance was negative and brokerage income declined due to low turnover.

Dividend:

The Directors do not recommended any dividend during the year due to cash flow requirement during next financial year.

Future Prospects:

The Directors expect future profitability to be increased due to expected strengthening of market in next year after new political setup.

Loss per Share

Loss per share for the year ended 30th June 2018 was Rs. (2.00)

Auditors:

The auditors of the company Nasir Javaid Maqsood Imran Chartered Accountants have retired and offer their services for the ensuing year.

Karachi:

Dated: 05 OCT 2018

Director

Chief Executive

INDEPENDENT AUDITOR'S REPORT

To the members of Best Securities (Private) Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **Best Securities (Private) Limited (the Company)**, which comprise the statement of financial position as at **June 30, 2018** and the statement of profit or loss and other 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 explanation which, to the best of our knowledge and belief, were necessary for the purpose 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 and other 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 **June 30, 2018** and of the loss and other comprehensive loss, 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 (the Code) 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.

4

Offices also at:

LAHORE: OFFICE NO. 1102, AL-HAFEEZ HEIGHTS, 65-D/1, GHALIB ROAD, GULBERG - III, LAHORE.
Tel: +92(0)42-35754821-22 Email: nasirgulzar@njmi.net

ISLAMABAD: OFFICE NO. 12 & 13, 3RD FLOOR, FAZAL ARCADE, F-11, MARKAZ, ISLAMABAD, PAKISTAN.
Tel: +9251-2228138, Fax: +9251-2228139, Email: njmiconsultants@gmail.com

A member firm of



Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the directors' report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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.

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 misstatements, 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 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 controls 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:

- a) proper books of accounts 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 and other 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.

The engagement partner on the audit resulting in this independent auditor's report is Mohammad Javaid Qasim.



The image shows a handwritten signature in blue ink that reads "Nasir Javaid Maqsood Imran". The signature is written over a circular purple stamp. The stamp contains the text "NASIR JAVAID MAQSOOD IMRAN" around the top edge, "KARACHI" in the center, and "CHARTERED ACCOUNTANTS" around the bottom edge.

Dated: **05 OCT 2018**
Karachi

NASIR JAVAID MAQSOOD IMRAN
Chartered Accountants

BEST SECURITIES (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2018

ASSETS

NON-CURRENT ASSETS

Property & equipment
 Intangible assets
 Long term investment
 Long term advances & deposits

CURRENT ASSETS

Trade receivables
 Receivables against margin financing
 Advances, deposits, pre-payments & other receivables
 Short term investments
 Cash & bank balances

TOTAL ASSETS

Note	Rupees 2018	Rupees 2017
4	4,888,341	5,469,190
5	2,690,149	2,771,641
6	173,188	333,840
7	24,840,000	24,340,000
	32,591,678	32,914,671
8	18,857,303	38,364,183
	2,479,163	-
9	13,740,079	47,685,272
10	58,012,528	40,871,293
11	4,348,583	3,314,521
	97,437,655	130,235,268
	<u>130,029,332</u>	<u>163,149,939</u>

EQUITY AND LIABILITIES

CAPITAL AND RESERVES

Authorized Capital

10,000,000 (2017: 10,000,000) ordinary shares of Rs. 10/- each

100,000,000 100,000,000

Issued, subscribed and paid-up capital

12 76,150,000 76,150,000

Unappropriated profit

51,361,023 66,577,874

Unrealised gain on revaluation of available for sale investments

85,498 203,840

127,596,521 142,931,714

LIABILITIES

CURRENT LIABILITIES

Short term running finance - secured

13 - 1,732,208

Trade payables

624,596 2,863,990

Accrued expenses & other liabilities

14 1,808,215 15,622,027

2,432,811 20,218,225

CONTINGENCIES AND COMMITMENTS

15 - -

TOTAL EQUITY AND LIABILITIES

130,029,332 163,149,939

The annexed notes from 1 to 31 form an integral part of these financial statements.

Chief Executive



Director




BEST SECURITIES (PRIVATE) LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2018

	Note	Rupees 2018	Rupees 2017
REVENUE			
Operating revenue	16	6,210,524	13,510,906
Capital (loss) / gain on sale of securities		(6,811,305)	43,273,584
(Loss) / gain on remeasurement of investments		(4,604,765)	24,950,858
		(5,205,546)	81,735,348
Administrative expenses	17	(8,191,769)	(11,919,974)
Finance cost	18	(87,203)	(606,138)
		(8,278,972)	(12,526,112)
Operating (loss) / profit		(13,484,517)	69,209,237
Impairment loss		-	(926,170)
Other income	19	858,293	763,752
(Loss) / profit before taxation		(12,626,224)	69,046,818
Taxation	20	(2,590,627)	(578,791)
(Loss) / profit after taxation		(15,216,851)	68,468,027
(Loss) / earnings per share - basic and diluted	21	(2.00)	8.99

The annexed notes from 1 to 31 form an integral part of these financial statements.


Chief Executive


Director



**BEST SECURITIES (PRIVATE) LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2018**

Note	Rupees 2018	Rupees 2017
(Loss) / profit after taxation	(15,216,851)	68,468,027
<u>Other comprehensive income</u>		
Unrealised loss on revaluation of available for sale investments	(118,342)	-
Total comprehensive (loss) / income for the year	(15,335,194)	68,468,027

The annexed notes from 1 to 31 form an integral part of these financial statements.


Chief Executive


Director

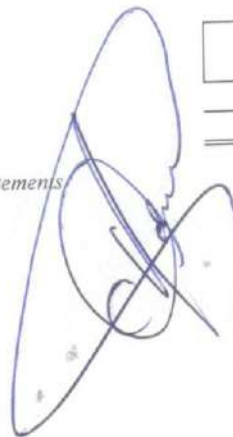


BEST SECURITIES (PRIVATE) LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2018

Note	Rupees 2018	Rupees 2017
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) / profit before taxation	(12,626,224)	69,046,818
Add / (less) : Items not involved in movement of fund:		
Depreciation	677,504	771,505
Amortization of software	81,492	116,418
Capital loss / (gain) on sale of securities	6,811,305	(43,273,585)
Impairment loss on Trading Right Entitlement Certificate	-	926,170
Loss / (gain) on remeasurement of investments	4,604,765	(24,950,858)
Finance cost	87,203	606,138
	<u>12,262,269</u>	<u>(65,804,212)</u>
Cash (used in) / generated from operating activities before working capital changes	<u>(363,955)</u>	<u>3,242,607</u>
Net change in working capital	(a)	(24,021,790)
Finance costs paid	(87,203)	(603,079)
Taxes paid	(2,592,514)	(2,803,033)
	<u>34,357,082</u>	<u>(24,185,295)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
(Increase) / decrease in long term advances & deposits	(500,000)	403,146
Proceeds from disposal of property and equipment	-	17,000
Proceeds from sale of shares of Pakistan Stock Exchange Limited	-	45,393,514
Payments for acquisition of property and equipment	(96,655)	(178,900)
Investment in listed securities	(30,994,156)	459,199
	<u>(31,590,811)</u>	<u>46,093,959</u>
Net cash (used in) / generated from investing activities	<u>2,766,271</u>	<u>21,908,664</u>
Net increase / (decrease) in cash and cash equivalents	<u>1,582,313</u>	<u>(20,326,351)</u>
Cash and cash equivalent at beginning of the year	<u>4,348,583</u>	<u>1,582,313</u>
Cash and cash equivalent at end of the year	22	22
(a) Statement of change in working capital		
(Increase) / decrease in current assets		
Trade receivables	19,506,880	(5,888,642)
Advances, deposits, pre-payments & other receivables	33,947,079	(30,155,260)
	<u>53,453,959</u>	<u>(36,043,902)</u>
Increase / (decrease) in current liabilities		
Trade payables	(2,239,394)	(480,688)
Accrued expenses & other liabilities	(13,813,811)	12,502,800
	<u>(16,053,206)</u>	<u>12,022,112</u>
Net change in working capital	<u>37,400,753</u>	<u>(24,021,790)</u>

The annexed notes from 1 to 31 form an integral part of these financial statements.


Chief Executive



Director



BEST SECURITIES (PRIVATE) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2018

	Issued, subscribed and paid-up capital	Unappropriated profit	Unrealised gain on revaluation of available for sale investments	Total
	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>
Balance as at June 30, 2016	76,150,000	(1,890,153)	-	74,259,847
Profit after taxation	-	68,468,027	-	68,468,027
Unrealised gain on revaluation of available for sale investments			203,840	203,840
Balance as at June 30, 2017	76,150,000	66,577,874	203,840	142,931,714
Loss after taxation	-	(15,216,851)	-	(15,216,851)
Unrealised gain on transfer to short term investment	-	-	(66,342)	(66,342)
Reversal of unrealised gain on available for sale investments	-	-	(52,000)	(52,000)
Balance as at June 30, 2018	76,150,000	51,361,023	85,498	127,596,521

The annexed notes from 1 to 31 form an integral part of these financial statements.


Chief Executive


Director

