



Horwath

**FIKREE'S (PRIVATE) LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 2018**

Private & Confidential

Independent Auditors Report

Opinion

We have audited the annexed financial statements of the **Fikree's (Private) Limited** which comprise the statement of financial position as at 30 June 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 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, the profit and loss statement, 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 its 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.

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.

HTC

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:

- 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 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 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Najeeb Moochhala.



Horwath Hussain Chaudhury & Co.
Chartered Accountants


Karachi
Date:

28 SEP 2018



FIKREE'S (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2018

	2018	2017
Note	------(Rupees)-----	
EQUITY AND LIABILITIES		
Share Capital and Reserves		
Authorised Capital 20,000,000 (2017: 20,000,000) ordinary shares of Rs. 10/- each	200,000,000	200,000,000
Issued, subscribed & paid-up capital	4 20,001,000	20,001,000
Accumulated profit	26,264,567	36,083,750
Surplus on revaluation of investments	150,972,059	221,706,058
	197,237,625	277,790,808
Advance against share capital	8,343,410	8,343,410
Non Current Liability		
Deferred taxation	5 23,538,909	15,442,548
Current Liabilities		
Trade and other payables	6 1,317,345	1,270,667
Accrued markup	-	1,208,435
Short term running finance - secured	7 90,532,646	23,400,090
Provision for taxation	828,853	1,506,004
	92,678,844	27,385,196
Contingencies and Commitments		
	8	
Total Equity and Liabilities	321,798,788	328,961,963
ASSETS		
Non-Current Assets		
Property, plant and equipment	9 821,390	881,908
Intangible asset - TRE certificate	10 1,005,000	1,005,000
Long term investment	11 37,583,322	41,183,833
	39,409,712	43,070,741
Current Assets		
Trade debts	57,896	55,124
Advance, deposits, prepayments and other receivable:	12 36,204,428	27,114,135
Short term investments	13 246,124,941	258,019,500
Cash and bank balances	14 1,811	702,463
	282,389,076	285,891,222
Total Equity and Liabilities	321,798,788	328,961,963

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

CHIEF EXECUTIVE



DIRECTOR



FIKREE'S (PRIVATE) LIMITED
STATEMENT OF PROFIT OR LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2018

		2 0 1 8	2 0 1 7
	<i>Note</i>	-----(<i>Rupees</i>)-----	
Brokerage / Commission		1,086,738	2,682,427
(Loss)/gain on sale of investment		<u>(3,457,231)</u>	<u>18,161,209</u>
		(2,370,493)	20,843,636
Other income	15	<u>5,871,995</u>	<u>12,048,030</u>
		3,501,502	32,891,666
Administrative and operating expenses	16	<u>(3,720,759)</u>	<u>(6,296,172)</u>
Other operating expense	17	(300,000)	(275,000)
Finance cost		(8,481,702)	(11,445,571)
Worker's welfare fund		-	(297,498)
		(12,502,462)	(18,314,241)
Profit before taxation		<u>(9,000,960)</u>	<u>14,577,425</u>
Taxation	18	(818,223)	(1,868,417)
(Loss)/profit after taxation		<u><u>(9,819,183)</u></u>	<u><u>12,709,008</u></u>

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

CHIEF EXECUTIVE

Amir Fikree

DIRECTOR

Amir Fikree

**FIKREE'S (PRIVATE) LIMITED
STATEMENT OF TOTAL COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2018**

	2018	2017
	-----(<i>Rupees</i>)-----	
(Loss)/profit after taxation	(9,819,183)	12,709,008
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss		
(Deficit) / Surplus on revaluation of available for sale securities	(80,637,909)	101,767,766
Related deferred tax expense	9,903,909	1,894,995
	(70,734,000)	103,662,761
Items that will not be subsequently reclassified to profit or loss		
Total comprehensive (loss) / income	(80,553,183)	116,371,769

Wx

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

CHIEF EXECUTIVE

Aufij Fikree

DIRECTOR

Aufij Fikree

FIKREE'S (PRIVATE) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2018

	Issued, subscribed & paid-up capital	Accumulated profits	Surplus on revaluation of investments	Total
	-----(<i>Rupees</i>)-----			
Balance as at June 30, 2016	20,001,000	23,374,742	118,043,297	161,419,039
Profit for the year	-	12,709,008	-	12,709,008
Other comprehensive income	-	-	103,662,761	103,662,761
Balance as at June 30, 2017	<u>20,001,000</u>	<u>36,083,750</u>	<u>221,706,058</u>	<u>277,790,808</u>
Loss for the year	-	(9,819,183)	-	(9,819,183)
Other comprehensive loss	-	-	(70,734,000)	(70,734,000)
Balance as at June 30, 2018	<u><u>20,001,000</u></u>	<u><u>26,264,567</u></u>	<u><u>150,972,059</u></u>	<u><u>197,237,625</u></u>

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

WZ

CHIEF EXECUTIVE *[Signature]*

DIRECTOR *[Signature]*

EIKREE'S (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

LEGAL STATUS AND BUSINESS

The Company was incorporated under the repealed Companies Ordinance, 1984 (repealed with the enactment of Companies Act 2017 on May 30, 2017) on April 26, 2013 as a (SMC - Private) limited company. The company is a corporate member of Pakistan Stock Exchange Limited. The address of registered office is 639 Pakistan Stock Exchange Limited, Karachi. The company has changed its status of a single member company into a private company and converted into a private company with effect from 9th June 2017. The principle activities include trading and brokerage for equities, underwriting of public issues, etc.

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:

- International Financial Reporting Standard for Small and Medium Sized Entities (IFRS for SMEs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; 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 for SMEs, 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 as otherwise stated in the respective policies and notes given here under.

2.3 FUNCTIONAL AND PRESENTATION CURRENCY

These financial statements are prepared in pak rupees, which is the functional and presentation currency of the Company. Amounts presented in the financial statements have been rounded off to the nearest of Rs. / Rupees, unless otherwise stated.

Initial application of standards, amendments or an interpretation to

The following amendments to existing standards have been published that are applicable to the company's financial statements covering annual periods, beginning on or after the following dates:

2.3.1 Amendments to published standards effective in current year

The following standards, amendments and interpretations are effective for the year ended June 30, 2016. These standards, interpretations and the amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

Amendments / Interpretation

**Effective date
(accounting periods)**

beginning on or after)

IFRS 11 – Joint Arrangements	January 1, 2015
IFRS 12 – Disclosure of Interests in Other Entities	January 1, 2015
IFRS 13 – Fair Value Measurement	January 1, 2015
IAS 27 (Revised 2011) – Separate Financial Statements	January 1, 2015
IAS 28 (Revised 2011) – Investments in Associates and Joint Ventures	January 1, 2015

2.3.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company.

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, interpretations and the amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

Standards / Amendments / Interpretation

**Effective date
(accounting periods
beginning on or after)**

Amendments to IFRS 2 'Share-based Payment' - Clarification on the classification and measurement of share-based payment transactions.	January 1, 2018
Amendments to IFRS 10 'Consolidated Financial Statements' and IAS 28 'Investments in Associates and Joint Ventures' - Sale or contribution of assets between an investor and its associate or joint venture.	Deferred indefinitely
Amendments to IFRS 10 'Consolidated Financial Statements', IFRS 12 'Disclosure of Interests in Other Entities' and IAS 28 'Investments in Associates and Joint Ventures' - Investment Entities: Applying the consolidation exception.	January 1, 2016
Amendments to IFRS 11 'Joint Arrangements' - Accounting for acquisitions of interests in joint operations.	January 1, 2016
Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure initiative.	January 1, 2016
Amendments to IAS 7 'Statement of Cash Flows' - Amendments as a result of the disclosure initiative.	January 1, 2017
Amendments to IAS 12 'Income Taxes' - Recognition of deferred tax assets for unrealized losses.	January 1, 2017
Amendments to IAS 16 'Property Plant and Equipment' and IAS 38 'Intangible Assets' - Clarification of acceptable methods of depreciation and amortization.	January 1, 2016

Amendments to IAS 16 'Property Plant and Equipment' and IAS 41 'Agriculture' - Measurement of bearer plants.

January 1, 2016

Amendments to IAS 27 'Separate Financial Statements' - Equity method in separate financial statements.

January 1, 2016

Other than the aforesaid standards, interpretations and amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 – First Time Adoption of International Financial Reporting Standards.
- IFRS 9 – Financial Instruments.
- IFRS 14 – Regulatory Deferral Accounts.
- IFRS 15 – Revenue from Contracts with Customers.
- IFRS 16 – Leases.

2.4 Key judgements and estimates

The preparation of financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires the use of certain critical accounting estimates. In addition, it requires management to exercise judgement in the process of applying the Company's accounting policies. The areas involving a high degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are documented in the following accounting policies and notes, and relate primarily to:

- Useful lives, residual values and depreciation method of property, plant and equipment – Note 3.1 & 9
- Useful lives, residual values and amortization method of intangible assets – Note 3.2 & 10
- Current income tax expense, provision for current tax and recognition of deferred tax asset (for carried forward tax losses) - Note 3.5, 5 & 18

2.5 USE OF ESTIMATE AND JUDGMENTS

The preparation of financial statements in conformity with approved accounting standards requires management to make estimates, assumption and use judgments that affect the application of policies and reported amounts of asset and liabilities and income and expenses. Estimates, assumption and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates, if any, are recognized prospectively commencing from the period of revision.

Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the company

There are certain standards, amendments to the approved accounting standards and interpretations that are mandatory for the company's accounting periods beginning on or after July 01, 2016 but are considered not to be relevant or to have any significant effect on the company's operations and are, therefore, not detailed in these financial statements.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 PROPERTY, PLANT AND EQUIPMENT

3.1.1 Owned

These are initially stated at cost. Subsequent to initial recognition these are measured at cost less accumulated depreciation and impairment losses. Depreciation on fixed assets is charged to income by applying reducing balance method at the rates specified in the relevant note.

The depreciation on property and equipment is charged full in the month of acquisition and no depreciation is charged in the month of disposal.

Normal repair and maintenance are charged to income as and when incurred. Major renewals and improvements are capitalized.

The carrying values of tangible fixed assets are reviewed for impairment when event or changes in circumstances indicate the the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimate recoverable amount, the assets are written down to their recoverable amount. Gain or loss on disposal, if any, are included in income currently.

3.2 INTANGIBLE ASSETS

3.2.1 TRECs-Trading Right Entitlement

The accounting treatment for the exchange of membership cards with TRECs and shares of stock exchanges has been determined on the basis of the guidance provided by the Institute of Chartered Accountants of Pakistan (ICAP) on queries raised by certain members of stock exchanges.

3.3 REVENUE RECOGNIZATION

3.3.1 Gain/ (Loss) from dealing in securities

Capital gains and losses on sale of marketable securities are recorded on the date of sale.

Dividend income is recorded when right to receive dividend is established.

Consultancy and advisory fee, Commission from rendering of services to stock exchanges are recognized as and when such services are provided.

Profit on bank deposits is recognized on an accrual basis.

3.4 PROVISIONS

A provision is recognized in the balance sheet when the company has a legal or constructive obligation as a result of past event, it is portable that an outflow of resources embodying economic benefits will be required to settle the obligation and reliable estimate can be made of the amount of obligation.

3.5 TAXATION

3.5.1 Current

Provision for current taxation is based on taxable income for the year at the current rates of taxation after taking into account tax credits and rebates available, if any.

3.5.2 Deferred

Deferred tax is provided in full using the balance sheet liability method, on temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the balance sheet date.

The company recognize a deferred tax asset only to the extent that its is probable that future taxable profit for the foreseeable future will be available against which the assets can be utilized. Deferred tax asset is recognized to the extent that it is no longer probable that the related tax benefit will be realized.

3.6 TRADE AND OTHER PAYABLES

Liabilities for trade and other amounts payable are recognized and 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.

3.7 BORROWING COST

Borrowing cost are recognized as expenses in the period in which these are incurred.

3.8 TRANSACTION WITH RELATED PARTIES

Transaction with related parties are executed on arm's length basis. These prices are determined in accordance with the admissible pricing methods. However, loan from directors are unsecured and interest free.

3.9 IMPAIRMENT

3.9.1 Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

3.9.2 Non-financial assets

The carrying amounts of non-financial assets are assessed at each reporting date to ascertain whether there is any indication of impairment. If any such indications exists then the asset's recoverable amount is estimated. An impairment loss is recognized as an expense in the profit and loss account, for the amount by which the asset's carrying amount exceeds is recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sale and value in use. Value is used in ascertained through discounting of the estimated future cash flows using a discount are that reflects current market assessments of the time value of money and the risk specific to the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

1/11

An impairment loss is reversed if there has been a change in the estimates use to determine the recoverable amount. 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.

3.10 FINANCIAL INSTRUMENT

All financial assets and liabilities are recognized at the time when the company becomes a party to the contractual provisions of the instruments. Any gain or loss on de-recognition of the financial assets and financial liabilities is taken to the profit and loss account currently.

3.11 OFFSETTING OF FINANCIAL ASSETS FINANCIAL LIABILITIES

A financial assets and financial liability is offset 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 assets and settle the liability simultaneously.

3.12 CASH AND CASH EQUIVALENTS

Cash in hand and at banks are carried at cost. Cash and cash equivalents are defined as cash in hand, cash at bank and short-term highly liquid investments that are readily convertible to known amount of cash and subject to insignificant risk of changes in value.

3.13 INVESTMENTS

3.13.1 Held for trading

Investments which are acquired principally for the purpose of selling in the near term or the investments that are part of a portfolio of financial instruments exhibiting short term profit taking are classified at fair value through profit or loss-held for trading. These are stated at fair values with any resulting gains or losses recognized in the profit and loss account. the fair value of such investments, representing listed equity securities are determined on the basis of prevailing market prices at the Karachi Stock Exchange and on market based redemption/repurchase prices, whichever is applicable, in case of other securities.

3.13.2 Available for sale

Available for sale investments are those non-derivative investments that are designated as available for sale or are not classified in any other category. These are primarily those investments that are intended to be held for an undefined period of time or may be sold in response to the need for liquidity.

At subsequent balance sheet dates, these investments are remeasured at fair values and the resulting gains or losses are recognized directly in equity until the investments is disposed off or impaired at which time these are transferred to profit and loss account.

Where active market of the quoted investment exists, fair value quoted investments is determined using quotations of Karachi Stock Exchange. The investments for which quoted market price is not available, are measured at cost, unless fair value can be reliably measured. Such fair value estimates are subjective in nature and involve some uncertainties and matters of judgment (e.g. valuation, interest rate etc.) and therefore, cannot be determined with precision.

3.13.3 Held to maturity

Investments with fixed or determinable payments and fixed maturity where management has both the positive intent and ability to hold to maturity are classified as held to maturity and are stated at amortized cost. Provision for impairment in value, if any, is taken to income currently.

Premiums and discounts on investments are amortized using the effective interest rate method and taken to income from investments.

LAX

FIKREE'S (PRIVATE) LIMITED FORMERLY FIKREE'S (SMC-PRIVATE) LIMITED

2018 2017
-----*(Rupees)*-----

4 Issued, subscribed & paid up capital

Issued, subscribed and paid up

2,000,100 (2016: 2,000,100) ordinary shares of Rs. 10/- each

20,001,000

20,001,000

5 Deferred taxation

Taxable temporary differences

Property, plant and equipment

75,175

85,805

Investment in shares

23,463,734

15,356,743

23,538,909

15,442,548

6 Trade and other payables

Trade payables

1,017,345

698,169

Accrued expenses

300,000

275,000

WWF payable

-

297,498

1,317,345

1,270,667

7 Short term running finance - secured

The company has obtained Running Finance Facilities under mark-up arrangement of Rs. 100 million (2017: 100 million) from Habib Metropolitan Bank Limited having mark-up of 3 months KIBOR+ 3% (2017: 3 months KIBOR+3%) that is secured against pledge of shares and personal guarantee of director.

8 Contingencies and Commitments

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

WML

Property and equipment

Operating fixed assets

9.1 821,390 881,908

Operating fixed assets

Description	Owned				Total
	Furniture and fixture	Office equipments	Computer Equipment	Motor Vehicles	
Balance as at 01 July, 2016	237,040	132,655	108,496	835,730	1,313,921
Charge for the year	-	244,103	-	-	244,103
Balance as at 30 June, 2017	237,040	376,758	108,496	835,730	1,558,024
Balance as at 01 July, 2017	237,040	376,758	108,496	835,730	1,558,024
Charge for the year	-	88,800	-	-	88,800
Balance as at 30 June, 2018	237,040	465,558	108,496	835,730	1,646,824
Depreciation					
Balance as at 01 July, 2016	85,924	30,468	73,143	324,711	514,246
Charge for the year	22,667	51,944	10,606	76,653	161,870
Balance as at 30 June 2017	108,592	82,412	83,749	401,364	676,116
Balance as at 01 July, 2017	108,592	82,412	83,749	401,364	676,116
Charge for the year	19,267	57,472	7,424	65,155	149,318
Balance as at 30 June 2018	127,859	139,884	91,173	466,519	825,434
Carrying Amount - 2017	128,448	294,347	24,747	434,366	881,908
Carrying Amount - 2018	109,181	325,675	17,323	369,211	821,390
Rate of Depreciation	15%	15%	30%	15%	

Handwritten mark

FIKREE'S (PRIVATE) LIMITED FORMERLY FIKREE'S (SMC-PRIVATE) LIMITED

Note 2018 2017
----- (Rupees) -----

10 Intangible assets

Trading Right Entitlement Certificate (TREC) - Pakistan Stock Exchange Limited	10.1	5,000	5,000
Membership card - Pakistan Mercantile Exchange		1,000,000	1,000,000
		1,005,000	1,005,000

10.1 These represent Trading Right Entitlement Certificate (TREC) received from Pakistan Stock Exchange Limited (PSX) in accordance with the requirements of the Stock Exchanges (Corporatization, Demutualization and Integration) Act, 2012 (The Act). The company has also received shares of PSX after completion of the demutualization process. The TREC has been recorded at Rs.5,000. For details refer to note 11.1

11 Long term investment

Available for sale

Shares in PSX - cost		20,000	20,000
Surplus on revaluation on shares in PSX		37,563,322	41,163,833
		37,583,322	41,183,833

11.1 Pursuant to the promulgation of the stock exchanges (Corporatization, Demutualization and Integration) Act, 2012 (the Act) the ownership in a stock exchange has been segregated from the right to trade on the exchange due to which the membership cards of the Karachi Stock Exchange (KSE) have now been replaced with (a) Shares in the exchange and (b) Trading Rights Entitlement Certificate (TREC).

Based on the technical guide dated May 29, 2013 issued by the Institute of Chartered Accountants of Pakistan (ICAP), the company had allocated its carrying value of the membership card in the ratio of 80% to shares and 20% to TREC. Consequently, the long term investments have been recognized at Rs. 20,000 and TREC at Rs. 5,000.

On June 23, 2017 SECP approved PSX's application for listing and thereafter, the shares were successfully listed on June 29, 2017. Accordingly, shares of PSX are valued at the closing market rate of Rs. 25.68 per share as of period end.

Note 2018 2017
----- (Rupees) -----

12 Advance, deposits, prepayments and other receivables

NCCPL and PSX deposits		25,504,704	19,228,016
Deposit for room at PMEX		2,500,000	2,500,000
Income tax deducted at source		8,103,656	5,345,648
Other receivable		96,068	40,471
		36,204,428	27,114,135

13 Short term investments - Available for sale

Investment in listed companies		127,263,370	67,408,942
Unrealized gain on remeasurement		118,861,571	195,898,969
		246,124,941	258,019,500

Ww

FIKREE'S (PRIVATE) LIMITED FORMERLY FIKREE'S (SMC-PRIVATE) LIMITED

2018 2017
Note -----(Rupees)-----

14 Cash and Bank Balances

Cash in hand	1,811	2,463
Cash at bank	-	700,000
	1,811	702,463

15 Other income

Dividend income	5,453,238	11,627,823
Other income	418,756	420,207
	5,871,995	12,048,030

16 Administrative and operating expenses

Salaries, allowance and other benefits	1,079,100	2,176,677
Rent, rates and taxes	65,648	84,000
Repairs and maintenance	34,480	174,640
Legal and professional	991,021	973,870
Printing and stationary	22,656	63,197
Travelling and conveyance	142,380	275,010
Utilities	227,916	512,954
Fees and subscription	21,729	240,448
Entertainment	104,805	157,318
Postage and courier	5,765	9,088
Depreciation	149,318	161,870
CDC charges	279,663	428,657
Clearing house	105,163	168,448
Miscellaneous	393,499	753,576
Bank charges	97,617	116,419
	3,720,759	6,296,172

16.1 There were no remuneration of director during the year. (2017 : Rs Nil)

17 Other Operating Expenses

Auditors' remuneration	300,000	275,000
	300,000	275,000

18 Taxation

Current	828,853	1,506,004
Prior	-	278,550
Deferred	(10,631)	83,863
	818,223	1,868,417

Relationship between tax expense and accounting profit

Profit before taxation	(9,000,960)	14,577,425
Applicable tax rate	29%	30%
Tax at the above rate	(2,610,279)	4,373,227
Tax effect of capital gain under separate block of income	2,610,279	(2,783,360)
Effect of change in prior years' tax	818,223	278,550
Tax expense for the year	818,223	1,868,417

MM

19 Financial risk management objectives and policies

The company's activities expose it to certain financial risk. Such financial risk emanate from various factors that include, but not limited to, market risk, credit risk and liquidity risk. The company's overall risk management focuses on the unpredictability of financial market and seeks to minimize potential adverse effects on the company's financial performance. Risk measures and managed by company are explained below:

19.1 Market risk

Market risk is the risk that the fair value of future cash flows of financial instrument will fluctuate due to changes in market variables such as interest rate and foreign exchange rates.

(i) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of the changes in interest rates. The Company's exposure to the risk of changes in interest rates relates primarily to the company's short term finance with varying interest rates. Management of the company estimates that increase of 100 base point in the interest rate, with all other factors remaining constant, would increase / decrease the company's after tax profit by Rs. 453,000 (2017: Rs. 234,000). However, in practice, the actual result may differ from the sensitivity analysis.

(ii) Foreign exchange risk

Foreign currency risk is the risk that the value of financial assets or a financial liability will fluctuate due to a change in foreign exchange rates. It arises mainly where receivables and payables exist due to transaction in foreign currency. The company has no transactions in foreign currency during the current year.

Fair Value hierarchy

Financial statements carried at available for sale

Level 1	Quoted market prices
Level 2	Valuation techniques (market observable)
Level 3	Valuation techniques (non - market observable)

The Company hold the following financial instruments measured at fair value

As at June 30, 2018

Financial Assets - Available for sale investments

	Total	Level 1	Level 2	Level 3
	----- (Rupees) -----			
Pakistan Stock Exchange Limited	37,583,322	37,583,322	-	-
Investment in listed companies	246,124,941	246,124,941	-	-
	<u>283,708,263</u>	<u>283,708,263</u>	-	-

As at June 30, 2017

Financial Assets - Available for sale investments

Pakistan Stock Exchange Limited	41,183,833	41,183,833	-	-
Investment in listed companies	258,019,500	258,019,500	-	-
	<u>299,203,333</u>	<u>299,203,333</u>	-	-

HM

19.2 Liquidity risks

Liquidity risk is a risk that an enterprise will encounter difficulties in raising funds to meet commitments associated with financial instruments, The management believe that it is not expose to any significant level of liquidity risk. The management forecast the liquidity of the company on basis of expected cash flow considering the level of liquid assets necessary to meet such risk. This involves monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

2018	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
	----- <i>(Rupees)</i> -----				
Trade and other payables	1,317,345	-	-	-	1,317,345
Short term runnig finance - secured	90,532,646	-	-	-	90,532,646
	<u>91,849,991</u>	-	-	-	<u>91,849,991</u>

2017	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
	----- <i>(Rupees)</i> -----				
Trade and other payables	1,270,667	-	-	-	1,270,667
Short term runnig finance - secured	23,400,090	-	-	-	23,400,090
Total	<u>24,670,757</u>	-	-	-	<u>24,670,757</u>

Fair Value of financial instruments

Fair value is an amount for which an assets could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction, consequently, difference may arises between the carrying value and fair value estimates.

As at June 30, 2017 the net fair value of all financial assets and financial liabilities are estimated to approximate their carrying value.

19.3 Credit risks

Credit risks represents the risk that one party to financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Carrying amounts of financial assets represent the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

Financial Assets

	2018	2017
Long term investments	37,583,322	41,183,833
Trade debts	57,896	55,124
Advance, deposits, prepayments and other receivables	36,204,428	27,114,135
Short term investments	246,124,941	258,019,500
Cash and bank balances	1,811	702,463
	<u>319,972,398</u>	<u>327,075,055</u>

MM

20 Number of employees

As at year end

4

4

21 Authorization

These financial statements were authorized for issue on 28 SEP 2018 by the
Director of the company.

22 General

Figures have been rounded off to the nearest rupee.

MM
CHIEF EXECUTIVE

[Signature]

DIRECTOR

[Signature]