

DIRECTORS' REPORT

The Directors take pleasure in presenting their report together with the audited financial statement of the Company for the year June 30, 2019. The working results of the company for the said financial year are given as under:

Financial Results:

	Rupees
Operating revenue	(22,287,627)
Operating expenses	(13,101,586)
Operating loss	(35,389,212)
Other charges	-
Other income	480,587
Loss before tax	(34,908,626)
Taxation	(599,682)
Loss after tax	(35,508,307)

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 economic revival post IMF programme.

Loss per Share

Loss per share for the year ended 30th June 2019 was Rs. (4.66)

Auditors:

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

Karachi:
Dated:

07 OCT 2019



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, 2019** 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, 2019** 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.

(Signature)

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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.




Dated: **07 OCT 2019**
Karachi

NASIR JAVAID MAQSOOD IMRAN
Chartered Accountants

BEST SECURITIES (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2019

ASSETS	Note	Rupees 2019	Rupees 2018
NON-CURRENT ASSETS			
Property & equipment	4	6,294,322 ✓	4,888,341
Intangible assets	5	3,383,104 ✓	2,690,149
Long term investment <i>at fair value through other comprehensive income</i>	6	113,997 ✓	173,188
Long term advances & deposits	7	7,650,000 ✓	24,840,000
		17,441,423	32,591,678
CURRENT ASSETS			
Trade receivables	8 ✓	22,441,416	18,857,303
Receivables against margin financing	9 ✓	6,496,726 ✓	2,479,163
Advances, deposits, pre-payments & other receivables	10 ✓	9,881,224	13,740,079
Short term investment	11	31,376,406 ✓	58,012,528
Cash & bank balance	12	12,006,010 ✓	4,348,583
		82,201,782	97,437,655
TOTAL ASSETS		99,643,205	130,029,332
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Authorized Capital			
10,000,000 (2018: 10,000,000) ordinary shares of Rs. 10/- each		100,000,000	100,000,000
Issued, subscribed and paid-up capital	13	76,150,000	76,150,000
Reserves		15,879,023	51,446,521
		92,029,023	127,596,521
LIABILITIES			
CURRENT LIABILITIES			
Trade payables		152,623	624,596
Accrued expenses & other liabilities	14	7,461,559	1,808,215
		7,614,182	2,432,811
CONTINGENCIES AND COMMITMENTS	15	-	-
TOTAL EQUITY AND LIABILITIES		99,643,205	130,029,332

The annexed notes from 1 to 30 form an integral part of these financial statements.

Samir
Chief Executive

[Signature]
Director



BEST SECURITIES (PRIVATE) LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2019

	Note	Rupees 2019	Rupees 2018
REVENUE			
Operating revenue	16	8,560,249	6,210,524
Capital loss on sale of securities		(9,109,057)	(6,811,305)
Unrealised loss on remeasurement of investment at fair value - through profit or loss		(21,738,819)	(4,604,765)
		(22,287,627)	(5,205,546)
Administrative expenses	17	(13,101,586)	(8,191,769)
Finance cost	18	-	(87,203)
		(13,101,586)	(8,278,972)
Operating loss		(35,389,212)	(13,484,517)
Other income	19	480,587	858,293
Loss before taxation		(34,908,626)	(12,626,224)
Taxation	20	(599,682)	(2,590,627)
Loss after taxation		(35,508,307)	(15,216,851)
Loss per share - basic and diluted	21	(4.66)	(2.00)

The annexed notes from 1 to 30 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, 2019

Note	Rupees 2019	Rupees 2018
Loss after taxation	(35,508,307)	(15,216,851)
<u>Other comprehensive income</u>		
Unrealised loss on remeasurement of investment - At fair value - through other comprehensive income	(59,191)	(118,342)
Total comprehensive loss for the year	(35,567,498)	(15,335,193)

The annexed notes from 1 to 30 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, 2019

Note	Rupees 2019	Rupees 2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(34,908,626)	(12,626,224)
Add / (less) : Items not involved in movement of fund:		
Depreciation	797,319	677,504
Amortization of software	57,045	81,492
Capital loss / (gain) on sale of securities	9,109,057	6,811,305
Loss / (gain) on remeasurement of investments	21,738,819	4,604,765
Finance cost	-	87,203
	31,702,239	12,262,269
Cash generated from / (used in) operating activities before working capital changes	(3,206,387)	(363,955)
Net change in working capital	(a) 1,951,073	37,400,753
	(1,255,313)	37,036,798
Finance costs paid	-	(87,203)
Taxes paid	(1,112,206)	(2,592,514)
Net cash (used in) / generated from operating activities	(2,367,519)	34,357,081
CASH FLOWS FROM INVESTING ACTIVITIES		
(Increase) / decrease in long term advances & deposits	17,190,000	(500,000)
Payments for acquisition of property and equipment	(2,203,300)	(96,655)
Purchase of membership card PMEX	(750,000)	-
Investment in listed securities	(4,211,754)	(30,994,156)
Net cash generated from / (used in) investing activities	10,024,946	(31,590,811)
Net increase / (decrease) in cash and cash equivalents	7,657,427	2,766,270
Cash and cash equivalent at beginning of the year	4,348,583	1,582,313
Cash and cash equivalent at end of the year	12,006,010	4,348,583
(a) Statement of change in working capital		
(Increase) / decrease in current assets		
Trade receivables	(3,584,114)	19,506,880
Receivables against margin financing	(4,017,564)	-
Advances, deposits, pre-payments & other receivables	4,371,380	33,947,079
	(3,230,298)	53,453,958
Increase / (decrease) in current liabilities		
Trade payables	(471,973)	(2,239,394)
Accrued expenses & other liabilities	5,653,344	(13,813,811)
	5,181,371	(16,053,205)
Net change in working capital	1,951,073	37,400,753

The annexed notes from 1 to 30 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, 2019

	<i>Reserves</i>				<i>Total</i>
	<i>Issued, subscribed & paid up capital</i>	<i>Unappropriated profit / (loss)</i>	<i>Unrealised gain on remeasurement of investment at fair value-through other comprehensive income</i>	<i>Sub Total</i>	
	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>
Balance as at June 30, 2017	76,150,000	66,577,874	203,840	66,781,714	142,931,714
Loss for the year	-	(15,216,851)	-	(15,216,851)	(15,216,851)
Transfer to statement of profit or loss on account of disposal of investment - At fair value - through comprehensive income	-	-	(66,342)	(66,342)	(66,342)
Loss on remeasurement of investment - At fair value - through other comprehensive income	-	-	(52,000)	(52,000)	(52,000)
Balance as at June 30, 2018	76,150,000	51,361,023	85,498	51,446,521	127,596,521
Loss for the year	-	(35,508,307)	-	(35,508,307)	(35,508,307)
Loss on remeasurement of investment at fair value - through other comprehensive income	-	-	(59,191)	(59,191)	(59,191)
Balance as at June 30, 2019	76,150,000	15,852,716	26,307	15,879,023	92,029,023

The annexed notes from 1 to 30 form an integral part of these financial statements.

Faruq
 Chief Executive

[Signature]
 Director

