

HAMZA FARHAD SECURITIES (PVT) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT MAR 31, 2019

	Note	Mar-19	Dec 31, 2018
------(Rupees)-----			
Non-Current Assets			
Property and equipment	7	910,006	945,863
Intangible asset	8	2,500,000	2,500,000
Long term investment	9	42,757,556	42,757,556
Long term deposits	10	1,600,000	1,600,000
		47,767,562	47,803,419
Current Assets			
Trade debts - net	11	11,516,709	10,195,378
Deposits, prepayments and other receivables	12	5,817,026	6,584,212
Income tax	13	6,400,383	6,400,383
Short term investments	14	2,563,061	3,011,489
Cash and bank balances	15	570,754	639,782
		26,867,933	26,831,243
		<u>74,635,495</u>	<u>74,634,663</u>
Equity and Liabilities			
Share capital	16	23,510,000	23,510,000
Reserves		14,825,403	14,825,403
Unappropriated profit		(981,460)	(1,039,513)
Total equity		37,353,943	37,295,888
Advance against issue of shares		-	-
Non Current Liabilities			
Long term loan - unsecured	17	32,931,859	32,931,859
Current Liabilities			
Trade and other payables	18	4,349,692	4,406,915
Provision for taxation - net	19	-	-
		4,349,692	4,406,915
Contingencies and commitments	20	-	-
		<u>74,635,495</u>	<u>74,634,663</u>

The annexed notes 1 to 38 form an integral part of these financial statements.


 Chief Executive



Seemal Raza
 Director


HAMZA FARHAD SECURITIES (PVT) LIMITED
INCOME STATEMENT
AS AT MAR 31, 2019

	Note	Mar 31, 2019	Dec 31, 2018
------(Rupees)-----			
Revenue	21	1,081,963	3,185,518
Unrealized gain on short-term investments		(448,427)	-
		<u>633,536</u>	<u>3,185,518</u>
Operating and administrative expenses	22	(1,000,594)	(3,329,725)
Operating Profit/(loss)		<u>(367,058)</u>	<u>(144,207)</u>
Finance charges	23	(5,577)	(5,287)
Other income / (loss)	24	85,801	668,792
Profit/(Loss) before taxation		<u>(286,834)</u>	<u>519,298</u>
Taxation			
- Current tax expense	25	-	-
- Deferred tax expense		-	-
Profit/(Loss) for the year, after taxation		<u><u>(286,834)</u></u>	<u><u>519,298</u></u>

The annexed notes 1 to 38 form an integral part of these financial statements.


 Chief Executive




 Director

HAMZA FARHAD SECURITIES (PVT) LIMITED
 STATEMENT OF CHANGES IN EQUITY
 AS AT MAR 31, 2019

	Share capital	Capital Reserve	Fair value reserve	Unappropriated profit	Total
	------(Rupees)-----				
Balance as on 1 July 2016	16,200,000	4,571,062	-	11,569,399	32,340,461
Shares issued during year	7,310,000	-	-	-	7,310,000
Unwind of discount on long-term loan	-	(2,157,186)	-	-	(2,157,186)
Profit for the year	-	-	-	(13,128,212)	(13,128,212)
Other comprehensive income for the year	-	-	12,411,526	-	12,411,526
Balance as at 30 June 2017	23,510,000	2,413,876	12,411,526	(1,558,813)	36,776,590
Unwind of discount on long-term loan	-	-	-	-	-
Profit for the year	-	-	-	519,298	519,298
Other comprehensive income for the year	-	-	-	-	-
Balance as at 31 Dec 2018	23,510,000	2,413,876	12,411,526	(1,039,515)	37,295,888
Unwind of discount on long-term loan	-	-	-	-	-
Profit for the year	-	-	-	(286,834)	(286,834)
Other comprehensive income for the year	-	-	-	-	-
Balance as at 31 Mar 2019	23,510,000	2,413,876	12,411,526	(1,326,349)	37,009,054

7 PROPERTY AND EQUIPMENT

	Cost			Accumulated Depreciation				Net book value as at 31 Mar 2019	Rate of Depreciation %age
	As at 31 Dec 2018	Additions/ (Deletions)	As at 31 Mar 2019	As at 1 Jan 2019	Adjustments	For the period	As at 31 Mar 2019		
	Rupees								
Computers	104,500	-	104,500	94,186	-	774	94,960	9,540	30
Office Equipment	57,719	-	57,719	35,326	-	840	36,166	21,553	15
Furniture and Fixtures	521,848	-	521,848	305,282	-	8,121	313,403	208,445	15
Vehicles	1,308,000	-	1,308,000	611,410	-	26,122	637,532	670,468	15
	1,992,067	-	1,992,067	1,046,204	-	35,857	1,082,061	910,006	

8 INTANGIBLE ASSETS

		Mar 31, 2019	Dec 31, 2018
		----Rupees----	
Trading Right Entitlement Certificate ("TREC")	8.1	2,500,000	2,500,000
Impairment loss	8.2	-	-
		<u>2,500,000</u>	<u>2,500,000</u>

8.1 Pursuant to the Stock Exchange (Corporatization, Demutualization and Integration) Act, 2012, stock exchanges operating as guarantee limited companies were converted to public limited companies. Ownership rights in exchanges were segregated from the right to trade on an exchange. As a result of such demutualization and corporatization, the Company received shares of the relevant exchange and a Trading Rights Entitlement Certificate ("TREC") against its membership card.

The TREC has been recorded as an indefinite-life intangible asset pursuant to the provisions and requirements of IAS 38. As the TREC is not a commonly tradable instrument, the value approved by the Board of Directors of the Pakistan Stock Exchange Limited ("PSX") post-mutualization was used as the initial value of the intangible. The TREC, which has been pledged with the PSX to meet Base Minimum Capital ("BMC") requirements, is assessed for impairment in accordance with relevant approved accounting standards.

8.2 Vide its notice dated November 10, 2017, the PSX revised the notional value of the TREC from PKR 4 million to PKR 2.5 million. As a result, the Company has recognized an impairment loss of PKR 1.5 million during fiscal 2018.

		Mar 31, 2019	Dec 31, 2018
		----Rup.	
	<i>Note</i>		
9 LONG-TERM INVESTMENTS			
Investments available for sale			
ISE Towers REIT Management Limited - opening	9.1	42,757,556	42,757,556
Adjustment for remeasurement to fair value		-	-
ISE Towers REIT Management Limited - fair value		<u>42,757,556</u>	<u>42,757,556</u>

	Mar 31, 2019	Dec 31, 2018
	----Rupees----	
10 LONG TERM DEPOSITS		
Central Depository Company Limited	100,000	100,000
National Clearing Company of Pakistan Limited	1,300,000	1,300,000
Pakistan Stock Exchange Limited	200,000	200,000
	<u>1,600,000</u>	<u>1,600,000</u>
11 TRADE DEBTS		
Considered good	11.1 48,501,084	47,179,753
Considered doubtful	-	-
	<u>48,501,084</u>	<u>47,179,753</u>
Less: Provision for doubtful debts	11.2 (36,984,375)	(36,984,375)
	<u>11,516,709</u>	<u>10,195,378</u>
<p>11.1 The Company holds client-owned securities with a total fair value of PKR 16,449,912 (2017: PKR 108,203,060) as collateral against trade debts. The Company recognized a provision for doubtful debts after consideration of a number of factors, including (but not limited to) an analysis of historical bad debt experience, aging of the receivables portfolio, expected future write-offs, the nature and quantum of collateral held, and an assessment of specifically identifiable customer accounts considered at risk or uncollectible.</p> <p>Trade receivables include PKR 900,741 due from related parties.</p>		
<p>11.2 Movement in provision against trade debts is as under:</p>		
Opening balance (as at July 1)	36,984,375	36,984,375
Charged to profit and loss during the year	-	-
	<u>36,984,375</u>	<u>36,984,375</u>
Amounts written off during the year	-	-
Closing balance (as at June 30)	<u>36,984,375</u>	<u>36,984,375</u>
12 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES		
Margin deposits	3,160,684	2,792,614
NCSS futures receivable	2,656,342	3,791,598
	<u>5,817,026</u>	<u>6,584,212</u>
13 INCOME TAX REFUNDABLE		
Balance at the beginning of the year	6,400,383	6,322,201
Add: current year additions	-	78,182
	<u>6,400,383</u>	<u>6,400,383</u>
Less: adjustment against provision for taxation	-	-
Balance at the end of the year	<u>6,400,383</u>	<u>6,400,383</u>
14 SHORT TERM INVESTMENTS		
Investments at fair value through profit or loss		
Investment in listed securities	2,563,061	3,011,489
	<u>2,563,061</u>	<u>3,011,489</u>

		Mar 31, 2019	Dec 31, 2018
	Note	---Rupees---	
15 CASH AND BANK BALANCES			
		Mar 31, 2019	Dec 31, 2018
		---Rupees---	
	Note		
Cash in hand		(5,275)	(5,275)
Cash at bank:			
Current accounts	565,000	576,029	645,057
Savings accounts	5,754	-	-
	570,754	<u>570,754</u>	<u>639,782</u>
15.1 Cash in current accounts includes customers' assets in the amount of PKR 4,684,047 (2017: 7,282,002) held accounts.			
16 SHARE CAPITAL			
16.1 Authorized capital			
500,000 (2017:500,000) Ordinary Shares of PKR 100/- each		<u>50,000,000</u>	<u>50,000,000</u>
16.2 Issued, subscribed and paid-up share capital			
235,100 (2017: 162,000) ordinary shares of PKR 100/- each, issued for cash		23,510,000	23,510,000
		<u>23,510,000</u>	<u>23,510,000</u>
17 LONG TERM FINANCING			
Loan from director - undiscounted value	17.1	32,931,859	32,931,859
Effect of discounting at market interest rate		-	-
		<u>32,931,859</u>	<u>32,931,859</u>
17.1 This represents interest-free, subordinated loans received from directors, repayable by 31 December 2019. The loans, secured to meet short-term working capital needs, have been discounted at market interest of 11% per annum and difference has been recognized in equity under capital reserve.			
18 TRADE AND OTHER PAYABLES	Note		
Trade creditors	18.1	3,680,418	3,964,545
Accrued expenses		67,007	-
Auditor's remuneration payable		150,000	-
Other payables		452,267	442,370
		<u>4,349,692</u>	<u>4,406,915</u>
18.1 Trade payables include PKR 1,835,765 due to related parties.			
19 PROVISION FOR TAXATION			
Balance at the beginning of the year		-	-
Add: current year provision		-	-
		<u>-</u>	<u>-</u>
Less: adjustment against advance tax		-	-
Balance at the end of the year		<u>-</u>	<u>-</u>
20 CONTINGENCIES AND COMMITMENTS			
20.1 There are no contingencies or commitments of the Company as at June 30, 2018 (2017: None)			
21 OPERATING REVENUE			
Brokerage income		<u>1,081,963</u>	<u>3,185,518</u>
		<u>1,081,963</u>	<u>3,185,518</u>

Note

Mar 31, 2019	Dec 31, 2018
---Rupees---	
Mar 31, 2019	Dec 31, 2018
---Rupees---	

22 ADMINISTRATIVE EXPENSES

Total Exp	<u>1,000,594</u>	<u>3,329,725</u>
22.1. Auditor's remuneration		
Statutory audit	-	-
Certifications and other charges	-	-
	<u>-</u>	<u>-</u>

23 FINANCIAL CHARGES

Bank and other charges	<u>5,577</u>	<u>5,287</u>
	<u>5,577</u>	<u>5,287</u>

24 OTHER INCOME

	Mar 31, 2019	Dec 31, 2018
	---Rupees---	
Dividend income		518,915
Realized losses on sales of short-term investments	-	-
Net Profit on Dfc Exposure	85,801	149,877
Sundry / miscellaneous income	-	-
	<u>85,801</u>	<u>668,792</u>

25 TAXATION

Provision made during the year for:

- current		
- prior year		
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

10

26. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing profit after tax for the year by the weighted average number of shares on period, as follows:

Profit / (loss) after taxation, attributable to ordinary shareholders	(286,834)	519,298
Weighted average number of ordinary shares in issue during the year	117,550	117,550
Earnings per share	(2.44)	4.42

No figure for diluted earnings per share has been presented as the Company has not issued any dilutive instruments that would have an impact on earnings per share when exercised.