

**HAMZA FARHAD SECURITIES (PVT) LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT Sep 30, 2019**

	Note	Sep 2019 1st Quarter	June 30, 2019
------(Rupees)-----			
<b>Non-Current Assets</b>			
Property and equipment	7	848,309	881,691
Intangible asset	8	2,500,000	2,500,000
Long term investment	9	42,757,556	42,757,556
Long term deposits	10	1,500,000	1,500,000
		47,605,865	47,639,247
<b>Current Assets</b>			
Trade debts - net	11	5,004,812	4,285,281
Deposits, prepayments and other receivables	12	1,389,915	1,480,197
Income tax	13	6,998,605	6,998,605
Short term investments	14	2,028,581	1,900,820
Cash and bank balances	15	2,324,824	4,775,342
		17,746,738	19,440,245
		<u>65,352,604</u>	<u>67,079,492</u>
<b>Equity and Liabilities</b>			
Share capital	16	23,510,000	23,510,000
Reserves		3,437,361	3,437,361
of investment measured at FVOCI		12,411,526	12,411,526
Unappropriated profit		(10,146,546)	(9,774,997)
<b>Total equity</b>		29,212,341	29,583,891
<b>Advance against issue of shares</b>		-	-
<b>Non Current Liabilities</b>			
Long term loan - unsecured	17	31,908,374	31,908,374
<b>Current Liabilities</b>			
Trade and other payables	18	4,097,417	5,452,756
Provision for taxation - net	19	134,471	134,471
		4,231,888	5,587,227
<b>Contingencies and commitments</b>	20		
		<u>65,352,604</u>	<u>67,079,493</u>

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

  
 Chief Executive



**HAMZA FARHAD SECURITIES (PVT) LIMITED**  
**INCOME STATEMENT**  
**FOR THE PERIOD ENDED Sep 30, 2019**

	Note	Sep 2019 1st Quarter	June 30, 2019
------(Rupees)-----			
Revenue	21	204,514	5,796,413
Remuerment Classified at FVTPL		-	(422,158)
Unrealized gain on short-term investments		13,149	(1,092,986)
		217,663	4,281,269
Operating and administrative expenses	22	(529,332)	(12,642,524)
<b>Operating Profit/(loss)</b>		<b>(311,669)</b>	<b>(8,361,255)</b>
Finance charges	23	86	(3,805)
Other income / (loss)	24	74,504	283,347
<b>Profit/(Loss) before taxation</b>		<b>(237,079)</b>	<b>(8,081,713)</b>
<b>Taxation</b>			
- Current tax expense	25	134,471	134,471
- Deferred tax expense			
		134,471	134,471
<b>Profit/(Loss) for the year, after taxation</b>		<b>(371,550)</b>	<b>(8,216,184)</b>

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Chief Executive



HAMZA FARHAD SECURITIES (PVT) LIMITED  
 STATEMENT OF CHANGES IN EQUITY  
 FOR THE YEAR ENDED JUNE 30, 2018

	Share capital	Capital Reserve	Fair value reserve	Unappropriated profit	Total
	------(Rupees)-----				
Balance as on 1 July 2017	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
<b>Balance as at 30 June 2018</b>	<b>23,510,000</b>	<b>2,413,876</b>	<b>12,411,526</b>	<b>(1,558,813)</b>	<b>36,776,590</b>
Unwind of discount on long-term loan	-	-	-	(8,216,184)	(8,216,184)
Profit for the year	-	-	-	-	-
Other comprehensive income for the year	-	-	1,023,485	-	1,023,485
<b>Balance as at 30 Jun 2019</b>	<b>23,510,000</b>	<b>2,413,876</b>	<b>13,435,011</b>	<b>(9,774,997)</b>	<b>29,583,891</b>
Unwind of discount on long-term loan	-	-	-	(371,550)	(371,550)
Profit for the year	-	-	-	-	-
Other comprehensive income for the year	-	-	-	-	-
<b>Balance as at 30 Sep 2019</b>	<b>23,510,000</b>	<b>2,413,876</b>	<b>13,435,011</b>	<b>(10,146,546)</b>	<b>29,212,341</b>

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

7 PROPERTY AND EQUIPMENT

	Cost		Accumulated Depreciation			Net book value as at 30 Sep 2018	Rate of Depreciation %age		
	As at 1 July 2019	Additions/ (Deletions)	As at 30 Sep 2019	As at 30 July 2019	Adjustments			For the period	As at 30 Sep 2019
Computers	104,500	-	104,500	96,006	-	637	96,643	7,857	30
Office Equipment	71,569	-	71,569	37,488	-	1,278	38,766	32,803	15
Furniture and Fixtures	521,848	-	521,848	322,841	-	7,463	330,304	191,544	15
Vehicles	1,308,000	-	1,308,000	667,890	-	24,004	691,894	616,106	15
	<b>2,005,917</b>	<b>-</b>	<b>2,005,917</b>	<b>1,124,226</b>	<b>-</b>	<b>33,382</b>	<b>1,157,608</b>	<b>848,309</b>	



	Note	Sep 30, 2019	Jun 30, 2019
<b>10 LONG TERM DEPOSITS</b>			
Central Depository Company Limited		100,000	100,000
National Clearing Company of Pakistan Limited		1,200,000	1,200,000
Pakistan Stock Exchange Limited		200,000	200,000
		<u>1,500,000</u>	<u>1,500,000</u>
<b>11 TRADE DEBTS</b>			
Considered good	11.1	5,004,812	4,285,281
Considered doubtful		326,761	43,658,320
		<u>5,331,573</u>	<u>47,943,601</u>
Less: Provision for doubtful debts	11.2	(326,761)	(43,658,320)
		<u>5,004,812</u>	<u>4,285,281</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)		326,761	43,658,320
Charged to profit and loss during the year		-	-
		<u>326,761</u>	<u>43,658,320</u>
Amounts written off during the year		-	-
Closing balance (as at June 30)		<u>326,761</u>	<u>43,658,320</u>
<b>12 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES</b>			
Margin deposits		1,295,648	780,947
NCSS futures receivable		94,267	699,250
		<u>1,389,915</u>	<u>1,480,197</u>
<b>13 INCOME TAX REFUNDABLE</b>			
Balance at the beginning of the year		6,998,605	6,322,201
Add: current year additions		-	676,404
		<u>6,998,605</u>	<u>6,998,605</u>
Less: adjustment against provision for taxation		-	-
<b>Balance at the end of the year</b>		<u>6,998,605</u>	<u>6,998,605</u>
<b>14 SHORT TERM INVESTMENTS</b>			
<b>Investments at fair value through profit or loss</b>			
Investment in listed securities		2,028,581	1,900,820
		<u>2,028,581</u>	<u>1,900,820</u>

		Sep 30, 2019	Jun 30, 2019
	<i>Note</i>		
		Sep 30, 2019	Jun 30, 2019
<b>15 CASH AND BANK BALANCES</b>			
	<i>Note</i>		
Cash in hand		(5,275)	
<b>Cash at bank:</b>			
Current accounts	15.1	2,330,099	4,773,819
Proprietary accounts			1,523
		<u>2,324,824</u>	<u>4,775,342</u>

**16 SHARE CAPITAL**

<b>16.1 Authorized capital</b>			
500,000 (2017:500,000) Ordinary Shares of PKR 100/- each		<u>50,000,000</u>	<u>50,000,000</u>
<b>16.2 Issued, subscribed and paid-up share capital</b>			
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>

**16.3 Shareholders holding 5% or more of total shareholding**

	Number of Shares		Percentage	
	Sep-19	2018	Sep-19	2018
Mr. Khalid Irfan Mehmood Butt	197,250	197,250	83.90%	83.90%
Ms. Seemal Ruby	37,850	37,850	16.10%	16.10%

**17 LONG TERM FINANCING**

Loan from director - undiscounted value	17.1	31,908,374	32,931,859
Effect of discounting at market interest rate		-	(1,023,485)
		<u>31,908,374</u>	<u>31,908,374</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**

	<i>Note</i>		
Trade creditors	18.1	3,619,625	3,629,010
Accrued expenses		67,007	717,965
Auditor's remuneration payable		150,000	150,000
Other payables		260,784	955,781
		<u>4,097,417</u>	<u>5,452,756</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		134,471	134,471
		<u>134,471</u>	<u>134,471</u>
Less: adjustment against advance tax		-	-
Balance at the end of the year		<u>134,471</u>	<u>134,471</u>

Sep 30, 2019

Jun 30, 2019

Note

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	204,514	5,224,623
Dividend income		571,790
	<u>204,514</u>	<u>5,796,413</u>

		Sep 30, 2019	Jun 30, 2019
	<i>Note</i>	Sep 30, 2019	Jun 30, 2019
<b>22 ADMINISTRATIVE EXPENSES</b>			
Staff salaries, allowances and other benefits			2,554,922
Director's remuneration			1,653,000
Communication expense			53,515
Postage and courier charges			1,480
Repair and maintenance			-
Traveling and conveyance			-
Entertainment			4,180
Printing and stationery			-
CDC trading charges			98,979
Provision for doubtful debts			6,673,945
Impairment loss on TREC	8.2		-
NCCPL trading charges			326,879
PSX LAGA charges			589,703
Fees and subscription			123,642
Legal & professional charges			40,000
Office rent			200,000
Donations			100,000
Auditor's remuneration	22.1.		66,581
Utilities			-
Others			-
Depreciation	7	33,382	155,698
		<u>529,332</u>	<u>12,642,524</u>
<b>22.1. Auditor's remuneration</b>			
Statutory audit			100,000
Certifications and other charges			-
			<u>100,000</u>
<b>23 FINANCIAL CHARGES</b>			
Bank and other charges		86	3,805
		<u>86</u>	<u>3,805</u>



Note

Sep 30, 2019 Jun 30, 2019

Sep 30, 2019 Jun 30, 2019

24 OTHER INCOME

Realized losses on sales of short-term investments		-
Net Profit on Dfc Exposure	74,504	283,347
Sundry / miscellaneous income		-
	<u>74,504</u>	<u>283,347</u>

25 TAXATION

Provision made during the year for:

- current	10	134,471	134,471
- prior year			-
		<u>134,471</u>	<u>134,471</u>

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 outstanding during the period, as follows:

Profit / (loss) after taxation, attributable to ordinary shareholders	(371,550)	(8,216,184)
Weighted average number of ordinary shares in issue during the year	235,100	235,100
Earnings per share	(1.58)	(34.95)

No figure for diluted earnings per share has been presented as the Company has not issued any dilutive

instruments carrying options which would have an impact on earnings per share when exercised.