

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **B & B Securities (Private) Limited** as at June 30, 2017 and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended 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 our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Repealed Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conduct our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

- a) in our opinion, proper books of accounts have been kept by the Company as required by the Repealed Companies Ordinance, 1984;
- b) in our opinion:
 - (i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Repealed Companies Ordinance, 1984 and are in agreement with the books of accounts and are further in accordance with accounting policies consistently applied;
 - (ii) the expenditure incurred during the year was for the purpose of the Company's business; and

- (iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company.
- c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Repealed Companies Ordinance, 1984, 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, 2017 and of the profit, its comprehensive income, its cash flows and changes in equity for the year then ended; and
- d) in our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

Emphasis of matter

We also draw attention towards note 9 of the annexed financial statements relating to deferred tax asset. Management believes that the asset will be utilized in coming years based on projections of future profitability and uncertainty is attached with those projections.

Our opinion is not qualified in respect of this matter.

Reanda Haroon Zakaria Dba
Reanda Haroon Zakaria & Company
Chartered Accountants

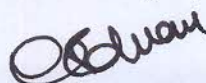
Place: Karachi
Dated: 03 OCT 2017

Engagement Partner:
Farhan Ahmed Memon

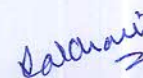
B & B SECURITIES (PRIVATE) LIMITED
BALANCE SHEET
AS AT JUNE 30, 2017

	Note	2017 Rupees	2016 Rupees
<u>ASSETS</u>			
Non-Current Assets			
Property and equipment	5	553,079	506,077
Intangible assets	6	2,500,000	5,000,000
Long term investment	7	41,163,833	39,993,682
Long term deposits		400,000	400,000
Long term advances	8	319,879	1,448,903
Deferred tax asset	9	23,688,019	1,652,643
		68,624,810	49,001,305
Current Assets			
Short term investments	10	39,740,652	14,994,467
Trade debts	11	57,975,073	99,235,238
Trade deposits, prepayments and other receivable	12	26,333,583	643,910
Tax refund due from government	13	975,773	1,983,240
Cash and bank balances	14	14,271,145	3,628,342
		139,296,226	120,485,197
Total Assets		207,921,036	169,486,502
<u>EQUITY AND LIABILITIES</u>			
Capital and Reserves			
Authorized Share Capital			
17,000,000 (2016 : 17,000,000) Ordinary shares of Rs.10 each		170,000,000	170,000,000
Issued, subscribed and paid-up capital			
17,000,000 (2016 : 17,000,000) Ordinary shares of Rs.10 each		170,000,000	170,000,000
Capital reserve		33,751,496	21,462,832
Accumulated loss		(56,760,221)	(78,715,672)
		146,991,275	112,747,160
Long Term Liabilities			
Long term loan	15	3,316,387	2,744,747
Current Liabilities			
Short term borrowings	16	37,270,655	45,956,769
Trade and other payables	17	15,378,976	7,379,744
Accrued markup		475,474	658,082
Deferred income		4,488,269	-
		57,613,374	53,994,595
Contingencies and Commitments			
Total Equities and Liabilities	18	207,921,036	169,486,502

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



Chief Executive

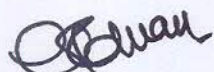


Director


B & B SECURITIES (PRIVATE) LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2017

	<i>Note</i>	<i>2017 Rupees</i>	<i>2016 Rupees</i>
Revenue			
Brokerage income	19	11,632,032	7,138,039
Dividend income		1,228,159	2,444,570
Capital gain / (loss) on sale of securities		59,276,209	(4,033,178)
Unrealized loss on re-measurement of investment		(6,179,073)	(447,758)
Other income		63,650	43,341
Reversal of provision		10,463,548	-
Interest income		4,676	1,573
		76,489,201	5,146,587
Expenses			
Administrative and operating expenses	20	9,514,846	5,170,641
Impairment in value of TREC		2,500,000	1,969,150
Bad debts		56,720,055	-
Financial charges	21	4,800,462	5,198,761
		73,535,363	12,338,552
Profit / (loss) before tax		2,953,838	(7,191,965)
Taxation			
Current		1,259,592	377,385
Prior		1,942,413	-
Deferred		(22,035,376)	-
		(18,833,371)	377,385
Profit / (loss) after tax		21,787,209	(7,569,350)

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



Chief Executive

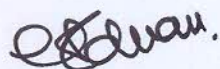


Director

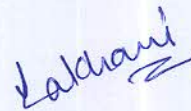
B & B SECURITIES (PRIVATE) LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2017

	<i>2017</i> <i>Rupees</i>	<i>2016</i> <i>Rupees</i>
Profit / (loss) after tax	21,787,209	(7,569,350)
Other comprehensive income		
Deficit on revaluation of intangible asset	-	(8,030,850)
Re-classification of gain to profit and loss from equity	(12,877,698)	-
Surplus / (reversal) of surplus on revaluation of investment	25,166,362	(440,812)
Total comprehensive income / (loss) for the year	<u><u>34,075,873</u></u>	<u><u>(16,041,012)</u></u>

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



Chief Executive



Director

