

**RIAZ AHMED SECURITIES  
(PRIVATE) LIMITED**

**Financial Statements  
Half Year Ended 31 December, 2018**

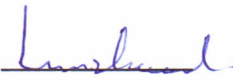
# RIAZ AHMED SECURITIES (PRIVATE) LIMITED

## Balance Sheet

As At December 31, 2018

	Note	Unaudited 31-12-2018 Rupees	Audited 30-06-2018 Rupees
<b>Non-Current Assets</b>			
Fixed assets			
Property and equipment	4	435,729	485,680
Intangible asset	5	4,037,503	4,050,002
Long Term Investment	6	30,346,030	30,346,030
Long Term Advances	7	350,000	350,000
		<b>35,169,262</b>	<b>35,231,712</b>
<b>Current Assets</b>			
Short Term Investments	8	6,171,159	7,558,003
Advances, deposits & pre-payments	9	142,534	5,127,534
Taxation-Net	10	506,075	319,464
Cash and bank balances	11	10,352,469	6,470,929
		<b>17,172,237</b>	<b>19,475,930</b>
		<b>52,341,499</b>	<b>54,707,642</b>
<b>Equity and Liabilities</b>			
Share capital	12	47,493,370	47,493,370
Unappropriated Profit / (Loss)		4,130,080	5,330,566
		<b>51,623,450</b>	<b>52,823,936</b>
<b>Long Term Liabilities</b>			
<b>Current Liabilities</b>			
Account payables	13	595,398	1,584,500
Accrued and Other Liabilities	14	122,651	299,206
		<b>718,049</b>	<b>1,883,706</b>
Contingencies and commitments	15		
		<b>52,341,499</b>	<b>54,707,642</b>

The annexed notes 1 to 19 form an integral part of these financial statements.

  
Chief Executive

  
Director



**RIAZ AHMED SECURITIES (PRIVATE) LIMITED**  
**Profit and Loss Account**  
**For the Half year Ended December 31, 2018**

	<i>Note</i>	<b>Unaudited Half yearly Dec-18</b>	<b>Unaudited Half yearly Dec-17</b>
<b>Revenue</b>			
Income from brokerage	16	783,521	966,180
		<u>783,521</u>	<u>966,180</u>
Operating and Administrative expenses	17	(1,444,846)	(1,335,908)
<b>Profit /(loss) from operation</b>		<u>(661,325)</u>	<u>(369,729)</u>
Financial charges	18	(36)	(313)
Other income / (loss)	19	(539,124)	653,196
<b>Profit / (Loss) before taxation</b>		<u>(1,200,485)</u>	<u>283,154</u>
Taxation	20	-	-
<b>Profit / (Loss) after taxation</b>		<u><u>(1,200,485)</u></u>	<u><u>283,154</u></u>

The annexed notes 1 to 19 form an integral part of these financial statements.

  
**Chief Executive**

  
**Director**



**RIAZ AHMED SECURITIES (PRIVATE) LIMITED**

**Statement of Comprehensive Income**

**For the half year ended 31 December, 2018**

	<i>Note</i>	<b>Half yearly 2018 Rupees</b>	<b>Half yearly 2017 Rupees</b>
Profit / (Loss) after Taxation		(1,200,485)	283,155
Other comprehensive income for the year		-	-
<b>Total Comprehensive income for the year</b>		<u><u>(1,200,485)</u></u>	<u><u>283,155</u></u>

The annexed notes 1 to 19 form an integral part of these financial statements.

  
\_\_\_\_\_  
Chief Executive

  
\_\_\_\_\_  
Director



# RIAZ AHMED SECURITIES (PRIVATE) LIMITED

## Notes to the Financial Statements

For the year ended December 31, 2018

### 1 The Company's operations and registered office

Riaz Ahmed Securities ( Private) Limited ("the Company") was incorporated in May 11, 2006 under the Companies Ordinance 1984 as a Private Limited company at Islamabad and is primarily engaged in the business of stocks, brokerage, portfolio management and in secondary capital market operations. It is also actively taking part in the initial public offerings(IPO's) and providing all relative services to the general public to promote investment . Company office is situated at Stock Exchange Building Islamabad.

### 2 Statement of compliance

These accounts have been prepared in accordance with the approved International Accounting Standards (IAS) as applicable in Pakistan. Approved Accounting Standards comprise of such International Financial Reporting Standards (IFRS) issued by International Accounting Standard Board as are notified under the Companies Act, 2017. In case requirements differ, the provisions of or directives issued under the Companies Act, 2017 shall prevail.

### 3 Significant accounting policies

#### 3.1 Accounting Convention

The financial statements have been prepared under the historical cost convention except for certain financial assets and liabilities which are stated at their fair value or amortized cost as applicable.

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

#### 3.2 Property and equipment

These are stated at historical cost less accumulated depreciation and impairment losses, if any, except freehold land and capital work in progress are stated at Cost.

Depreciation is calculated using the reducing balance method, at the rates specified in note number 4, which are considered appropriate to write off the cost of the assets over their estimated useful lives. The Depreciation for full year in the year of purchase while no depreciation is charged in the year of sale of asset.

The asset's residual values, useful lives and methods are reviewed, and adjusted if appropriate, at each balance sheet date.

#### 3.3 Intangible assets

This is stated at cost less amortization and impairment losses, if any. The carrying amounts are reviewed at each balance sheet date to assess whether these are recorded in excess of their recoverable amounts, and where carrying value is in excess of recoverable amount, these are written down to their estimated recoverable amount.

#### 3.4 Long Term Deposits and Loans

Long term deposits and Loans are stated at Cost.

### **3.5 Account Receivables**

Account Receivables are recognized and carried at original amount which is fair value of the consideration to be received in future. Debts considered irrecoverable are written-off.

### **3.6 Taxation**

The charge for current taxation is based on taxable income at current rate of taxation of the Income Tax Ordinance, 2001 after taking into account applicable tax credits and rebates, if any. On Income subject to Normal Taxation and on presumptive basis on Income subject to Final Taxation.

### **3.7 Trade and settlement date accounting**

All "regular way" purchases and sales of listed securities are recognized on the trade date, i.e. the date that the Company commits to purchase/ sell the asset. Regular way purchase or sale of financial assets are those, the contract for which requires delivery of assets within the time frame established generally by regulation or convention in the market place concerned.

### **3.8 Securities under repurchase/reverse repurchase agreements**

Transactions of repurchase/ reverse repurchase of investment securities are entered into at contracted rate for specified periods of time.

### **3.9 Revenue recognition**

- a) Brokerage, fees, commission and other income are accrued as and when due.
- b) Dividend income on equity investments is recognized, when receive the same.
- c) Gains or losses on sale of investments are recognized in the period in which they arise.
- d) Unrealized capital gains/(losses) arising from marking to market of investments classified as 'financial assets at fair value through profit or loss - held for trading' are included in profit and loss account in the period in which they arise.

### **3.10 Provisions**

A provision is recognized when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

### **3.11 Cash and cash equivalents**

For the purpose of cash flow statement, cash and cash equivalents comprise of cash in hand, balance with banks on current and deposit accounts and short term running finance account.

### **3.12 Contingencies and Commitments**

A contingent liability is disclosed when the Company has a possible obligation as a result of past event, existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company; or the Company has a present legal or constructive obligation that arises from past event, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

4 PROPERTY, PLANT AND EQUIPMENTS

Particulars	Computers and equipments	Office equipment	Furniture and Fixture	Total
<b>Net carrying value basis</b>				
<b>Half Year ended Dec 31, 2018</b>				
Opening book value	256,668	112,657	116,355	485,680
Additions	-	-	-	-
Depreciation charge	(38,500)	(5,633)	(5,818)	(49,951)
Closing net book value	<u>218,168</u>	<u>107,024</u>	<u>110,537</u>	<u>435,729</u>
<b>Gross carrying value basis</b>				
<b>Half Year ended Dec 31, 2018</b>				
Cost	627,718	170,459	154,670	952,847
Accumulated depreciation	(409,550)	(63,435)	(44,133)	(517,118)
Net book value	<u>218,168</u>	<u>107,024</u>	<u>110,537</u>	<u>435,729</u>
<b>Net carrying value basis</b>				
<b>Year ended June 30, 2018</b>				
Opening book value	129,837	78,909	26,313	235,059
Additions	236,832	46,265	102,970	386,067
Depreciation charge	(110,001)	(12,517)	(12,928)	(135,446)
Closing net book value	<u>256,668</u>	<u>112,657</u>	<u>116,355</u>	<u>485,680</u>
<b>Gross carrying value basis</b>				
<b>As at June 30, 2018</b>				
Cost	627,718	170,459	154,670	952,847
Accumulated depreciation	(371,050)	(57,802)	(38,315)	(467,167)
Net book value	<u>256,668</u>	<u>112,657</u>	<u>116,355</u>	<u>485,680</u>
<b>Annual rate of depreciation ( % )</b>	<b>30</b>	<b>10</b>	<b>10</b>	

**RIAZ AHMED SECURITIES (PRIVATE) LIMITED**

		<b>Unaudited</b>	<b>Audited</b>
	<b>Note</b>	<b>31-12-2018</b>	<b>30-06-2018</b>
		<b>Rupees</b>	<b>Rupees</b>
<b>5</b>	<b>Intangible Asset</b>		
	Trading Right Entitlement Certificate	4,000,000	4,000,000
	Software	37,503	50,002
		<u>4,037,503</u>	<u>4,050,002</u>

**5.1** As a result of integration of three Stock Exchanges the company has become the Trading Right Entitlement Certificate (TREC) holder of Pakistan Stock Exchange (PSX) and its value has been enhanced to the extent of value of TREC recognized by PSX.

In the absence of an active market for TREC, the company has taken the cost of TREC at Rs. 4 million, which is the value approved by the Board of Directors of PSX and a mortgage has been created at that value in favour of PSX and has been accepted by SECP. This fact indicates an acceptable level of value for TREC which is also used by the Stock Exchange for risk management and to safeguard the investors' interest.

This certificate has indefinite life until it is transferred to other person.

**5.2 Software**

**5.2.1 Net carrying value**

Opening net book value (NBV)	-	-
Additions (at cost)	75,000	75,000
Amortization charge	(37,497)	(24,998)
Closing net book value	<u>37,503</u>	<u>50,002</u>

**5.2.2 Gross carrying value basis**

Cost	75,000	75,000
Accumulated amortization	(37,497)	(24,998)
Net book value	<u>37,503</u>	<u>50,002</u>

**6 Long Term Investment**

Investment in Shares of ISE Towers REIT Management Limited (Available for Sale)	3,034,603	3,034,603
Price	10.00	10.00
	<u>30,346,030</u>	<u>30,346,030</u>

**6.1** These represent the shares received from ISE Towers REIT Management Limited (Formerly Islamabad Stock Exchange (ISE) in pursuance of corporatization and demutualization of ISE as public company limited by shares in accordance with the requirement of the Stock Exchanges (Corporatization, Demutualization and Integration Act, 2012 (the Act.)). In addition, the company has also received Trading Right Entitlement Certificate (TREC) from ISE which now has become TREC of Pakistan Stock Exchange Limited after Integration of the Stock Exchanges.

**6.2** Accordingly, the company has been allotted 3,034,603 shares of ISE of Rs. 10/- each based on the valuation of their assets and liabilities as approved by the SECP. The company has received 40% equity shares i.e. 1,213,841 shares of ISE. The remaining 60% shares are transferred to CDC sub-account in company's name under ISE's participant IDs with the CDC which will remain blocked until these are divested to strategic investor's), general public and financial institutions. As the fair value of both the asset transfer and assets obtain can not be determined with reasonable accuracy, the investment in shares has been recorded at the face value of Rs. 10/- each in the Company's book.





	Unaudited 31-12-2018 Rupees	Audited 30-06-2018 Rupees
<b>11 Cash and bank balances</b>		
Cash in hand	1,500	-
Cash in Bank		
- In saving/ Profit Accounts	<u>660,640</u>	1,662,306
- In Current Accounts	<u>9,690,329</u>	4,808,623
	<u>10,350,969</u>	6,470,929
	<u>10,352,469</u>	6,470,929
<b>12 Share capital</b>		
<b>Authorized Capital</b>		
5,000,000 Ordinary shares of Rs. 10 each	<u>50,000,000</u>	50,000,000
	<u>50,000,000</u>	50,000,000
<b>Issued, subscribed and paid up capital</b>		
3,749,337 Ordinary shares of Rs. 10 each fully paid-up in cash	<u>47,493,370</u>	47,493,370
	<u>47,493,370</u>	47,493,370
<b>13 Account payables</b>		
Account payables	<u>595,398</u>	1,584,500
	<u>595,398</u>	1,584,500
<b>13.1</b>	<i>13.1</i>	
Payable to clients relate to operating business, furthermore consists of Accounts payable to Directors amounting to Rs. 49047/-		
<b>14 Accrued and Other Liabilities</b>		
FED payable	2,835	17,255
Accrued Liabilities	<u>119,816</u>	281,951
	<u>122,651</u>	299,206
<b>15 Contingencies and Commitments</b>		
<b>15.1</b>		
The Company has pledged/hypothecated TRE Certificate of Pakistan Stock Exchange Limited (PSX) and 2,981,650 ordinary shares of ISETRMCL with PSX in compliance with Base Minimum Capital (BMC) requirement under Regulation 2.1 of the Regulations Governing Risk Management of the PSX.		
<b>16 Income from brokerage</b>	<b>Half Yearly Dec-18</b>	<b>Half Yearly Dec-17</b>
Commission Income	<u>783,521</u>	966,180
	<u>783,521</u>	966,180

		Half Yearly Dec-18	Half Yearly Dec-17
<b>17</b>	<b>Operating and Administrative expenses</b>		
	Director Remuneration	24 240,000	240,000
	Salaries & Benefits	444,690	404,190
	Electricity and Water Charges	51,426	35,073
	Rent, Rates and Taxes	236,856	220,332
	Telephone & Internet Charges	20,365	12,340
	Entertainments	13,540	13,825
	ISE Building Charges	43,676	39,074
	Laga Charges	15,554	30,569
	NCSS Charges	13,043	26,966
	CDC Charges	6,611	7,202
	Printing and Stationary	1,730	19,600
	Repair & Maintenance	47,494	62,779
	Legal & Professional Charges	-	62,000
	Software Updation Charges	67,000	35,000
	Auditors' Remuneration	17.1 50,000	39,000
	Postage and courier	1,960	4,010
	Fee and Subscription	127,986	14,295
	Other Expenses	465	550
	Depreciation and Impairment	4 49,951	54,271
	Amortization	5 12,499	14,832
		<u>1,444,846</u>	<u>1,335,908</u>
<b>17.1</b>	<b>Auditors' Remuneration</b>		
	Audit Fee	-	39,000
	Auditor certification fee	50,000	
	Out of Pocket Expenses	-	-
		<u>50,000</u>	<u>39,000</u>
<b>18</b>	<b>Financial charges</b>		
	Bank charges	36	313
		<u>36</u>	<u>313</u>
<b>19</b>	<b>Other Income / (loss)</b>		
	Bank Profit	262,270	56,005
	Markup by NCCPL	61,959	56,702
	Gain / (Loss) on listed securities	(1,448,443)	130,578
	Dividend Income	585,090	409,910
		<u>(539,124)</u>	<u>653,196</u>