
**VECTOR SECURITIES
(PRIVATE) LIMITED**

**Financial Statement
For The Year Ended June 30, 2019**

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF VECTOR SECURITIES (PRIVATE) LIMITED
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

Opinion

We have audited the annexed financial statements of **Vector Securities (Private) Limited** which comprise the statement of financial position as at June 30, 2019; and the statement of profit or loss, statement of 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 explanations which, to the best of our knowledge and belief, were necessary for the purposes 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, statement of 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, statement of 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.

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 misstatement, 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 the 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 control 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.

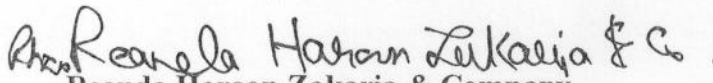
We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of account 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, statement of 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 is deductible at source under the Zakat and Ushr Ordinance, 1980.
- e) the Company was in compliance with the requirement of section 78 of the Securities Act 2015, section 62 of the Futures Market Act 2016 and the relevant requirements of Securities Brokers (Licensing and Operations) Regulations 2016 as at the date on which the balance sheet was prepared.

The engagement partner on the audit resulting in this independent auditor's report is **Muhammad Yameen**.

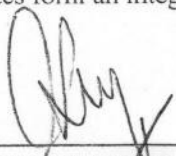

Reanda Haroon Zakaria & Company
Chartered Accountants

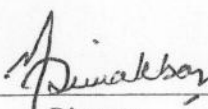
Place: Karachi
Dated: 07 OCT 2019

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

	Note	2019 Rupees	2018 Rupees Restated	2017 Rupees Restated
<u>ASSETS</u>				
Non-Current Assets				
Property and equipment	5	7,943,727	8,955,453	6,381,601
Intangible assets	5	6,372,229	3,532,573	6,215,716
Long term investments	6	-	21,353,582	41,163,843
Long term loans and advances	7	1,921,708	1,571,708	1,638,375
Long term deposits	8	2,000,000	1,500,000	1,500,000
Deferred tax asset	9	-	-	-
		<u>18,237,664</u>	<u>36,913,316</u>	<u>56,899,535</u>
Current Assets				
Trade debts	10	28,248,964	1,100,646	1,957,156
Advances, deposits and other receivables	11	21,035,199	35,035,274	74,104,384
Short term investment	12	24,183,276	15,771,710	4,834,790
Tax refunds due from government	13	3,689,723	1,720,778	1,474,374
Cash and bank balances	14	29,757,698	30,579,209	43,044,891
		<u>106,914,860</u>	<u>84,207,617</u>	<u>125,415,595</u>
Total Assets		<u><u>125,152,524</u></u>	<u><u>121,120,933</u></u>	<u><u>182,315,130</u></u>
<u>EQUITY AND LIABILITIES</u>				
Share Capital and Reserves				
Authorized Capital				
20,000,000 Ordinary shares of Rs.10 each		<u>200,000,000</u>	<u>200,000,000</u>	<u>200,000,000</u>
Issued subscribed and paid up capital				
12,000,000 Ordinary shares of Rs.10 each fully paid in cash		<u>120,000,000</u>	<u>100,000,000</u>	<u>100,000,000</u>
Unappropriated loss		<u>(74,070,137)</u>	<u>(45,853,210)</u>	<u>(14,314,188)</u>
Shareholders' Equity		<u>45,929,863</u>	<u>54,146,790</u>	<u>85,685,812</u>
Non-Current Liabilities				
Long term financing	16	36,416,727	35,584,156	56,000,000
Current Liabilities				
Trade and other payables	17	33,847,807	31,389,988	40,629,318
Short term loan		8,958,127	-	-
Commitment	18	-	-	-
Total Equities and Liabilities		<u><u>125,152,524</u></u>	<u><u>121,120,933</u></u>	<u><u>182,315,130</u></u>

The annexed notes form an integral part of these financial statements

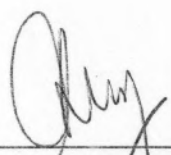

Chief Executive

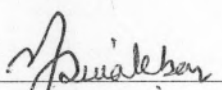

Director

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

	<i>Note</i>	<i>2019 Rupees</i>	<i>2018 Rupees Restated</i>
Commission income	19	10,943,473	6,023,794
Gain on sale of investments- net		144,144	103,343
Loss on remeasurement of investment - net		(12,942,017)	(11,535,622)
		(1,854,400)	(5,408,485)
Operating expenses	20	(34,941,478)	(28,945,465)
Loss from operation		(36,795,878)	(34,353,950)
Other charges	21	-	(2,500,000)
Other income	22	1,374,061	1,626,728
Finance cost	23	(3,652,583)	(2,044,994)
		(2,278,522)	(2,918,266)
Loss before taxation		(39,074,400)	(37,272,216)
Taxation	24	(136,793)	(1,696,848)
Loss after taxation		(39,211,193)	(38,969,064)

The annexed notes form an integral part of these financial statements

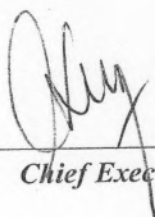

 Chief Executive


 Director

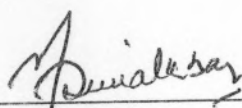
VECTOR SECURITIES (PRIVATE) LIMITED
STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2019

	<i>2019</i> <i>Rupees</i>	<i>2018</i> <i>Rupees</i> <i>Restated</i>
Loss for the year	(39,211,193)	(38,969,064)
Other comprehensive income	-	-
Total comprehensive loss for the year	<u>(39,211,193)</u>	<u>(38,969,064)</u>

The annexed notes form an integral part of these financial statements



Chief Executive



Director

VECTOR SECURITIES (PRIVATE) LIMITED
STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED JUNE 30, 2019

2019
Rupees
2018
Rupees
Restated

A. CASH FLOW FROM OPERATING ACTIVITIES

Loss before taxation	(39,074,400)	(37,272,216)
Adjustment for :		
Depreciation	1,761,479	1,418,556
Amortization	497,281	183,143
Capital gain on shares	(144,144)	(103,343)
Unrealized loss on listed securities at fair value through profit and loss	12,942,017	11,535,622
Impairment of trading right entitlement certificate	-	2,500,000
Dividend income	(106,500)	(507,488)
Loss on disposal of office equipment and electrical appliances	14,779	-
	<u>14,964,912</u>	<u>15,026,490</u>
Operating loss before working capital	(24,109,488)	(22,245,726)
Effect of changes in working capital		
Decrease / (increase) in current assets		
Advances, deposits and other receivables	14,000,075	39,069,110
Trade debts	(27,148,318)	856,510
Increase / (decrease) in current liabilities		
Trade and other payables	2,457,819	(9,239,330)
Cash (used in) / generated from operations	(34,799,912)	8,440,564
Taxes paid - net	(2,105,738)	(1,943,252)
Net cash (used in) / generated from operating activities	(36,905,650)	6,497,312

B. CASH FLOW FROM INVESTING ACTIVITIES

Additions to property and equipment	(775,532)	(3,992,408)
Addition to software/ license	(836,936)	-
Addition to intangible	(2,500,000)	-
Payment for long term loans	(350,000)	66,667
Payment for long term deposits	(500,000)	-
Investments - net	144,143	(2,558,938)
Dividend received	106,500	507,488
Sale proceed from the disposal of office equipment and electrical	11,000	-
Net cash used in investing activities	(4,700,825)	(5,977,191)

2019
Rupees

2018
Rupees

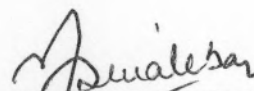
C. CASH FLOW FROM FINANCING ACTIVITIES

Receipt / (repayment) of long term loan	11,826,837	(12,985,802)
Receipt of short term loan	8,958,127	-
Issuance of ordinary shares	20,000,000	-
Net cash generated from / (used in) financing activities	40,784,964	(12,985,802)
Net decrease in cash and cash equivalent	(821,511)	(12,465,682)
Cash and cash equivalents at beginning of the year	30,579,209	43,044,891
Cash and cash equivalents at end of the year	29,757,698	30,579,209

The annexed notes form an integral part of these financial statements



Chief Executive



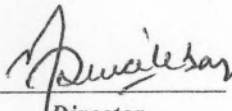
Director

VECTOR SECURITIES (PRIVATE) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2019

		<i>Reserves</i>		
	<i>Share Capital</i>	<i>Unappropriated loss</i>	<i>Gain on remeasurement of Available for Sale investment</i>	<i>Total</i>
	<i>----- Rupees -----</i>			
Balance as at June 30, 2017 as perviously reported	100,000,000	(39,448,497)	25,134,309	85,685,812
Effect of changes in accounting policy - note 3.1	-	25,134,309	(25,134,309)	-
Balance as at June 30, 2017 - restated	100,000,000	(14,314,188)	-	85,685,812
Loss for the year - restated	-	(38,969,064)	-	(38,969,064)
Present value adjustment of long term loan	-	7,430,042	-	7,430,042
Balance as at June 30, 2018 - restated	100,000,000	(45,853,210)	-	54,146,789
Issuance of shares	20,000,000	-	-	20,000,000
Loss for the year	-	(39,211,193)	-	(39,211,193)
Present value of long term loan on initial recognition	-	6,242,387	-	6,242,387
Reversal of present value adjustment of long term loan on dercognition	-	(981,161)	-	(981,161)
Present value adjustment of long term loan due to modification	-	5,733,041	-	5,733,041
Balance as at June 30, 2019	120,000,000	(74,070,137)	-	45,929,863

The annexed notes form an integral part of these financial statements


 Chief Executive


 Director