

**FORTUNE SECURITIES LIMITED**

FINANCIAL STATEMENTS

*FOR THE YEAR ENDED*

*June 30, 2015*

**FORTUNE SECURITIES LIMITED**

## AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **Fortune Securities Limited** ("the Company") as at June 30, 2015; 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 purpose 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 Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted 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:

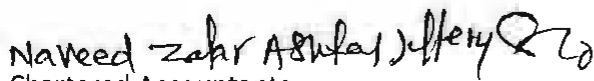
- (a) in our opinion, proper books of accounts have been kept by the Company as required by the Companies Ordinance, 1984;
- (b) in our opinion:
  - i. the balance sheet and profit and loss account, together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and 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;

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- (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, statement of cash flows 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 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, 2015 and of the profit, 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.

The financial statements of the Company for the year ended June 30, 2014; were audited by another firm of Chartered Accountants who vide their auditors' report dated September 08, 2014; issued an unmodified opinion on those financial statements.

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Chartered Accountants  
Engagement Partner – Ahsan Elahi Vohra

Karachi

Dated: 21 AUG 2015

**FORTUNE SECURITIES LIMITED**  
**BALANCE SHEET**  
**AS AT JUNE 30, 2015**

	Note	2015 ----- (Rupees) -----	2014
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Authorized share capital 20,000,000 (2014: 20,000,000) Ordinary Shares of Rs. 10/- each		<u>200,000,000</u>	<u>200,000,000</u>
Issued, subscribed and paid-up capital	5	124,982,450	124,982,450
Unappropriated profit		56,426,903	38,418,539
		<u>181,409,353</u>	<u>163,400,989</u>
Surplus on revaluation of fixed assets - net of tax	6	14,360,590	15,827,580
<b>Non-current liabilities</b>			
Long term loans	7	50,000,000	60,000,000
Liabilities against assets subject to finance lease		880,248	-
<b>Current liabilities</b>			
Current maturity of long term loans	7	20,000,000	20,000,000
Current maturity against assets subject to finance lease	8	621,414	-
Trade creditors, accrued and other liabilities	9	265,040,699	251,935,618
Accrued mark-up		472,000	364,674
		<u>286,134,113</u>	<u>272,300,292</u>
		<u>532,784,304</u>	<u>511,528,861</u>
Contingencies and commitments	10		
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipments	11	33,549,194	36,972,730
Intangible assets	12	41,252,875	41,252,875
Deferred taxation	13	9,269,130	8,507,684
Long term investments	14	38,250,993	38,250,993
Long term deposits	15	1,318,434	1,254,703
		<u>123,640,626</u>	<u>126,238,985</u>
<b>Current assets</b>			
Trade debts - considered good	16	128,642,138	88,505,519
Short term investment	17	6,964,884	22,061,034
Advances - considered good	18	1,613,987	1,735,613
Deposits, prepayments and other receivables	19	61,233,888	102,612,461
Taxation - net		8,090,249	6,803,849
Cash and bank balances	20	202,598,532	163,571,400
		<u>409,143,678</u>	<u>385,289,876</u>
		<u>532,784,304</u>	<u>511,528,861</u>

The annexed notes 1 to 36 form an integral part of these financial statements.



Chief Executive



Director


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**FORTUNE SECURITIES LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	Note	2015 ----- (Rupees) -----	2014
Operating revenue	21	138,259,225	103,504,994
Capital gain on investment at fair value through profit or loss		4,286,741	2,561,318
Administrative and operating expenses	22	(90,432,743)	(80,345,111)
<b>Operating profit</b>		<u>52,113,223</u>	<u>25,721,202</u>
Other income	23	21,848,483	14,284,691
Other charges	24	(1,637,586)	(810,199)
		<u>72,324,120</u>	<u>39,195,694</u>
Finance cost	25	(7,138,776)	(3,028,460)
<b>Profit before taxation</b>		<u>65,185,344</u>	<u>36,167,234</u>
Taxation	26	(17,398,356)	(10,098,378)
<b>Profit after taxation for the year</b>		<u><u>47,786,988</u></u>	<u><u>26,068,856</u></u>
<b>Earning per share - basic and diluted</b>	27	<u>3.82</u>	<u>2.09</u>

The annexed notes 1 to 36 form an integral part of these financial statements.

  
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 Chief Executive

  
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 Director

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FORTUNE SECURITIES LIMITED  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED JUNE 30, 2015

	2015	2014
	----- (Rupees) -----	
Profit after taxation for the year	47,786,988	26,068,856
Other comprehensive income	-	-
Total comprehensive income for the year	<u>47,786,988</u>	<u>26,068,856</u>

The annexed notes 1 to 36 form an integral part of these financial statements.

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Chief Executive

  
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Director

**FORTUNE SECURITIES LIMITED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	Note	2015	2014
		----- (Rupees) -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before taxation		65,185,344	36,167,234
<b>Adjustments for :</b>			
- Depreciation		7,587,348	7,029,662
- Gain on short term investments		(4,552,349)	(3,480,535)
- Provision for doubtful debts		4,120,760	-
- Loss on disposal of asset		59,978	88,810
- Finance cost		7,138,776	2,622,725
		<u>14,354,513</u>	<u>6,260,662</u>
<b>Cash generated from operating activities before working capital changes</b>		<b>79,539,857</b>	<b>42,427,896</b>
<b>Decrease / (increase) in current assets:</b>			
Trade debts - considered good		(44,257,379)	58,941,690
Advances - considered good		121,626	(420,761)
Deposits, prepayments and other receivables		41,378,573	(59,179,201)
<b>Increase / (decrease) in current liabilities:</b>			
Trade creditors, accrued and other liabilities		13,105,081	(4,879,295)
		<u>10,347,901</u>	<u>(5,537,567)</u>
Finance cost paid		(7,031,450)	(2,581,066)
Taxes paid		(19,446,202)	(12,000,273)
<b>Net cash generated from operating activities</b>		<b>63,410,106</b>	<b>22,308,991</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisition of property and equipments		(1,666,290)	(1,401,418)
Short term investments made		(858,597,293)	(258,949,191)
Proceeds from disposal of property and equipments		30,600	31,800
Proceeds from sale of short term investments		878,245,791	240,577,644
Payment of long term deposits		(63,731)	(32,141)
		<u>17,949,077</u>	<u>(19,773,306)</u>
<b>Net cash generated from / (used in) investing activities</b>		<b>17,949,077</b>	<b>(19,773,306)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
(Repayment of) / proceeds from long term loan		(10,000,000)	23,300,000
Payment of finance lease liabilities		(1,086,438)	-
Dividend paid		(31,245,614)	-
		<u>(42,332,052)</u>	<u>23,300,000</u>
<b>Net cash (used in) / generated from financing activities</b>		<b>(42,332,052)</b>	<b>23,300,000</b>
<b>Net Increase in cash and cash equivalents</b>		<b>39,027,132</b>	<b>25,835,684</b>
Cash and cash equivalents at the beginning of the year		<u>163,571,400</u>	<u>137,923,216</u>
Cash and cash equivalents at the end of the year	28	<u>202,598,532</u>	<u>163,758,900</u>

The annexed notes 1 to 36 form an integral part of these financial statements.

  
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 Chief Executive

  
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 Director




FORTUNE SECURITIES LIMITED  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED JUNE 30, 2015

	Issued, subscribed and paid-up capital	Unappropriated profit	Total
----- (Rupees) -----			
Balance as at July 1, 2013	124,982,450	10,457,266	135,439,716
Total comprehensive income for the year ended		26,068,856	26,068,856
Transferred from surplus on revaluation of fixed assets - net of tax	-	1,892,417	1,892,417
<b>Balance as at June 30, 2014</b>	<b>124,982,450</b>	<b>38,418,539</b>	<b>163,400,989</b>
Transactions with owners of the Company			
Final dividend for the year ended June 30, 2014 @ Rs. 0.5 per share		(6,249,124)	(6,249,124)
Interim dividend for the year ended June 30, 2015 @ Rs. 2 per share		(24,996,490)	(24,996,490)
Total comprehensive income for the year June 30, 2015	-	47,786,988	47,786,988
Transferred from surplus on revaluation of fixed assets - net of tax	-	1,466,990	1,466,990
<b>Balance as at June 30, 2015</b>	<b>124,982,450</b>	<b>56,426,903</b>	<b>181,409,353</b>

The annexed notes 1 to 36 form an integral part of these financial statements.

  
Chief Executive

  
Director