

**FORTUNE SECURITIES LIMITED**

**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**

**JUNE 30, 2016**

**FORTUNE SECURITIES LIMITED**

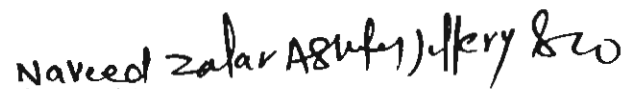
### AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **Fortune Securities Limited** ("the Company") as at June 30, 2016; 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 and cash flow statement, 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;
- (c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet and the profit and loss account, 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 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, 2016; and of the profit, its cash flows and changes in equity for the year ended; and
- (d) in our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980.

  
Chartered Accountants  
Engagement Partner – Ahsan Elahi Vohra

Karachi

Dated: 30 SEP 2016

**FORTUNE SECURITIES LIMITED**  
**BALANCE SHEET**  
**AS AT JUNE 30, 2016**

	Note	2016 ----- (Rupees) -----	2015 -----
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Authorized share capital			
20,000,000 (2015: 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		59,193,912	56,426,903
		<b>184,176,362</b>	<b>181,409,353</b>
Surplus on revaluation of fixed assets - net of tax	6	31,608,360	14,360,590
<b>Non-current liabilities</b>			
Long term loans	7	-	50,000,000
Deferred tax liability	13	110,782	-
Liabilities against assets subject to finance lease	8	137,273	880,248
<b>Current liabilities</b>			
Current maturity of long term loans	7	-	20,000,000
Current maturity of liabilities against assets subject to finance lease	8	742,974	621,414
Trade creditors, accrued and other liabilities	9	137,238,795	265,040,699
Accrued mark-up		-	472,000
		<b>137,981,769</b>	<b>286,134,113</b>
		<u><b>354,014,546</b></u>	<u><b>532,784,304</b></u>
Contingencies and commitments	10		
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipments	11	70,006,670	33,549,194
Intangible assets	12	18,953,888	41,252,875
Deferred taxation	13	-	9,269,130
Long term investments	14	39,993,682	38,250,993
Long term deposits	15	1,426,627	1,318,434
		<b>130,380,867</b>	<b>123,640,625</b>
<b>Current assets</b>			
Trade debts - considered good	16	43,650,706	128,642,138
Short term investment	17	-	6,964,884
Advances - considered good	18	21,886,733	1,613,987
Deposits, prepayments and other receivables	19	19,868,166	61,233,888
Taxation - net		8,412,509	8,090,249
Cash and bank balances	20	129,815,565	202,598,532
		<b>223,633,679</b>	<b>409,143,678</b>
		<u><b>354,014,546</b></u>	<u><b>532,784,304</b></u>

The annexed notes from 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, 2016**

	Note	2016 ----- (Rupees) -----	2015
Operating revenue	21	100,024,449	138,259,225
Capital gain on investment at fair value through profit or loss		7,129,045	4,286,741
Administrative and operating expenses	22	(93,874,023)	(90,432,743)
<b>Operating profit</b>		<b>13,279,471</b>	<b>52,113,223</b>
Other income	23	16,275,618	21,848,483
Other charges	24	(11,672,199)	(1,637,586)
		<b>17,882,890</b>	<b>72,324,120</b>
Finance cost	25	(3,301,303)	(7,138,776)
<b>Profit before taxation</b>		<b>14,581,587</b>	<b>65,185,344</b>
Taxation	26	(5,577,070)	(17,398,356)
<b>Profit after taxation for the year</b>		<b>9,004,517</b>	<b>47,786,988</b>
<b>Earning per share - basic and diluted</b>	<b>27</b>	<b>0.72</b>	<b>3.82</b>

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

N202



Chief Executive



Director

**FORTUNE SECURITIES LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	2016	2015
	----- (Rupees) -----	
<b>Profit after taxation for the year</b>	9,004,517	47,786,988
<b>Items that will not be subsequently reclassified to profit and loss account</b>	-	-
<b>Items that will be subsequently reclassified to profit and loss account</b>		
Gain on remeasurement of investment held as 'Available for sale'	1,792,669	-
<b>Total comprehensive income for the year</b>	<u><u>10,797,187</u></u>	<u><u>47,786,988</u></u>

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

N201



Chief Executive



Director

**FORTUNE SECURITIES LIMITED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	Note	2016 ———— (Rupees) ————	2015
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before taxation		14,581,587	65,185,344
<b>Adjustments for :</b>			
- Depreciation		8,279,122	7,587,348
- Gain on short term investments		(7,129,045)	(4,552,349)
- Provision for doubtful debts		-	4,120,760
- Loss on disposal of asset		7,282,212	59,978
- Impairment on TREC		4,298,987	
- Finance cost		3,301,303	7,138,776
		<b>16,032,579</b>	<b>14,354,513</b>
<b>Cash generated from operating activities before working capital changes</b>		<b>30,614,166</b>	<b>79,539,857</b>
<b>Decrease / (increase) in current assets:</b>			
Trade debts - considered good		84,991,432	(44,257,379)
Advances - considered good		(20,272,746)	121,626
Deposits, prepayments and other receivables		41,365,722	41,378,573
<b>Increase / (decrease) in current liabilities:</b>			
Trade creditors, accrued and other liabilities		(127,801,904)	13,105,081
		<b>(21,717,496)</b>	<b>10,347,901</b>
Finance cost paid		(3,773,303)	(7,031,450)
Taxes paid		(9,895,017)	(19,446,202)
<b>Net cash (used in) / generated from operating activities</b>		<b>(4,771,650)</b>	<b>63,410,107</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisition of property and equipment		(6,579,502)	(1,666,290)
Short term investments made		(1,487,117,422)	(858,597,293)
Proceeds from disposal of property and equipments		463,500	30,600
Proceeds from disposal of intangible asset		6,000,000	-
Proceeds from sale of short term investments		1,504,331,690	878,245,791
Payment of long term deposits		(108,193)	(63,731)
<b>Net cash generated from investing activities</b>		<b>16,990,073</b>	<b>17,949,077</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
(Repayment of) / proceeds from long term loan		(70,000,000)	(10,000,000)
Payment of finance lease liabilities		621,415	(1,086,438)
Dividend paid		(15,622,806)	(31,245,614)
<b>Net cash (decrease) / increase from financing activities</b>		<b>(85,001,391)</b>	<b>(42,332,052)</b>
<b>Net increase in cash and cash equivalents</b>		<b>(72,782,968)</b>	<b>39,027,132</b>
Cash and cash equivalents at the beginning of the year		202,598,532	163,571,400
<b>Cash and cash equivalents at the end of the year</b>	<b>28</b>	<b>129,815,564</b>	<b>202,598,532</b>

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

N282



Chief Executive



Director

**FORTUNE SECURITIES LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	Issued, subscribed and paid-up capital	Unrealized gain on available for sale investment	Unappropriated profit	Total
	(Rupees)			
<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>
Final dividend for the year ended June 30, 2015	-	-	(15,622,806)	(15,622,806)
Total comprehensive income for the year June 30, 2016	-	-	9,004,517	9,004,517
Transferred from surplus on revaluation of fixed assets - net of tax	-	-	7,592,628	7,592,628
Gain on remeasurement of investment held as 'Available for sale'	-	1,792,669	-	1,792,669
<b>Balance as at June 30, 2016</b>	<b>124,982,450</b>	<b>1,792,669</b>	<b>57,401,243</b>	<b>184,176,362</b>

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



Chief Executive



Director