

FORTUNE SECURITIES LIMITED
REVIEWED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED
DECEMBER 31, 2017

FORTUNE SECURITIES LIMITED

**AUDITORS' REPORT TO THE MEMBERS
ON REVIEW OF INTERIM FINANCIAL INFORMATION**

Introduction:

We have reviewed the accompanying condensed interim balance sheet of **Fortune Securities Limited** ("the Company") as at December 31, 2017; and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in equity and notes to the accounts for the half year then ended (here-in-after referred to as the "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

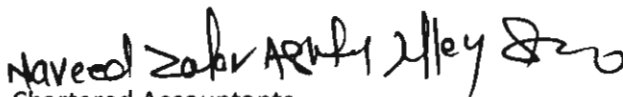
The figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarters ended December 31, 2017 and 2016 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2017.

Scope of Review:

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.


Chartered Accountants

Engagement Partner: **Ahsan Elahi Vohra - FCA**

Karachi

Dated: **26 FEB 2018**

FORTUNE SECURITIES LIMITED
CONDENSED INTERIM BALANCE SHEET
AS AT DECEMBER 31, 2017

		(Un-audited) December 31, 2017	(Audited) June 30, 2017
	Note	(Rupees)	
<u>EQUITY AND LIABILITIES</u>			
<u>Share capital and reserves</u>			
Authorized share capital 20,000,000 (June 30, 2017: 20,000,000) ordinary shares of Rs. 10/- each		<u>200,000,000</u>	<u>200,000,000</u>
Issued, 12,498,245 (June 30, 2017: 12,498,245) ordinary shares of Rs. 10/- each		<u>124,982,450</u>	124,982,450
Unappropriated profit		<u>100,112,952</u>	120,573,729
		225,095,402	245,556,179
Surplus on revaluation of fixed assets-net of tax		27,002,104	28,537,524
<u>Non-current liabilities</u>			
Loan from related parties	6	<u>13,055,909</u>	13,808,578
Liabilities against assets subject to finance lease		<u>5,161,813</u>	5,465,899
		18,217,722	19,274,477
<u>Current liabilities</u>			
Short term running finance		<u>6,854,984</u>	29,391,245
Current maturity against assets subject to finance lease		<u>4,405,946</u>	3,602,809
Trade and other payables		<u>261,004,826</u>	401,887,168
		272,265,756	434,881,222
		<u>542,580,984</u>	<u>728,249,402</u>
Contingencies and commitments	7	-	-
<u>ASSETS</u>			
<u>Non-current assets</u>			
Property and equipments	8	<u>74,852,004</u>	76,560,236
Intangible assets	9	<u>18,953,888</u>	18,953,888
Deferred taxation - net		<u>12,452,289</u>	12,083,315
Long term investments	10	<u>22,441,350</u>	25,727,412
Long term deposits		<u>3,131,868</u>	23,641,095
		131,831,399	156,965,946
<u>Current assets</u>			
Trade debts - considered good	11	<u>10,142,848</u>	20,193,711
Short term investment		<u>113,208,718</u>	101,658,840
Advances - considered good		<u>3,356,068</u>	4,413,420
Deposits, prepayments and other receivables		<u>107,959,273</u>	49,104,035
Taxation - net		<u>23,566,439</u>	23,704,158
Cash and bank balances		<u>152,516,239</u>	372,209,292
		410,749,585	571,283,456
		<u>542,580,984</u>	<u>728,249,402</u>

The annexed notes from 1 to 17 form an integral part of the condensed interim financial information.


Chief Executive


Director

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FORTUNE SECURITIES LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2017

		(Un-audited) December 31, 2017	(Un-audited) December 31, 2016
	Note	----- (Rupees) -----	
Operating revenue		49,454,193	77,311,191
Capital (loss) / gain on investmet at fair value through profit or loss		(3,575,237)	13,721,248
Administrative and operating expenses	12	(58,803,648)	(50,676,454)
Operating (loss) / profit		(12,924,692)	40,355,985
Other income		6,581,857	7,475,670
Other charges		(3,783,970)	(3,588,619)
		<u>(10,126,805)</u>	<u>44,243,036</u>
Finance cost	13	(1,568,349)	(880,013)
Gain on initial recognition on interest free loan from related party		934,347	962,644
(Loss) / profit before taxation		(10,760,807)	44,325,667
Taxation:			
- Current		(8,512,956)	(11,765,312)
- Deferred		368,974	345,174
		(8,143,982)	(11,420,138)
(Loss) / profit for the period		(18,904,789)	32,905,529
Earning per share - basic and diluted	14	<u>(1.51)</u>	<u>2.63</u>

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Chief Executive

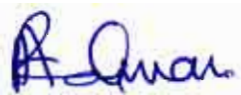

Director

FORTUNE SECURITIES LIMITED
CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2017

	December 31, 2017	December 31, 2016
	(Rupees)	
(Loss) / profit for the period	(18,904,789)	32,905,529
Items that will be subsequently reclassified to profit and loss account		
Loss on remeasurement of investment held as 'Available for sale'	(3,286,062)	-
Gain on initial recognition on interest free loan from related party	194,656	200,551
Total comprehensive (loss) / income	(21,996,195)	33,106,080

The annexed notes from 1 to 17 form an integral part of the condensed interim financial information.

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Chief Executive



Director

FORTUNE SECURITIES LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2017

	December 31, 2017	December 31, 2016
Note	(Rupees)	
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
(Loss) / profit before taxation	(10,760,807)	44,325,667
Adjustments for :		
- Depreciation	6,404,078	4,992,441
- Loss / (gain) on short term investments	7,351,201	(15,946,863)
- Loss on disposal of assets	6	3,563,619
- Gain on initial recognition on loan from related party	(934,347)	(962,644)
- Finance cost on unwinding of discount on related parties	376,334	-
- Finance cost	1,192,015	880,013
	<u>14,389,287</u>	<u>(7,473,434)</u>
Cash generated from operating activities before working capital changes	3,628,480	36,852,233
<i>Working capital changes:</i>		
(Increase) / decrease in current assets		
Trade debts - considered good	10,050,863	(3,534,500)
Advances - considered good	1,057,352	15,782,357
Deposits, prepayments and other receivables	(58,855,238)	(28,116,580)
	<u>(47,747,023)</u>	<u>(15,868,723)</u>
(Decrease) / increase in current liabilities		
Trade and other payables	(140,882,342)	136,416,886
	<u>(188,629,365)</u>	<u>120,548,163</u>
Financial cost paid	(1,192,015)	(661,914)
Taxes paid	(8,375,237)	(14,327,786)
Net cash (used in) / generated from operating activities	(194,568,137)	142,410,696
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Acquisition of property and equipment	(320,900)	(17,681,201)
Proceeds from disposal of assets	17,048	(3,413,244)
Proceed / (Payment) of long term deposits	20,509,227	(30)
Short term investments made - net	(18,901,079)	(30,973,948)
Net cash generated from / (used in) investing activities	1,304,296	(52,068,423)
<u>CASH-FLOWS FROM FINANCING ACTIVITIES</u>		
Proceeds from loan from related party	-	14,500,000
Payment of finance lease liabilities	(3,892,951)	10,195,683
Payment of short term running finance	-	-
Net cash (used in) / generated from financing activities	(3,892,951)	24,695,683
Net (decrease) / increase in cash and cash equivalents	(197,156,792)	115,037,956
Cash and cash equivalents at the beginning of the period	342,818,047	129,815,565
Cash and cash equivalents at the end of the period	16	244,853,521

The annexed notes from 1 to 17 form an integral part of the condensed interim financial information.



Chief Executive



Director

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FORTUNE SECURITIES LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2017

	Issued, subscribed & paid-up capital	Unrealized gain on available for sale investment	Unappropriated profit	Total
	----- (Rupees) -----			
Balance as at July 1, 2016	124,982,450	-	59,193,912	184,176,362
Transferred from surplus on revaluation of fixed assets - net of deferred tax	-	-	733,495	733,495
Total comprehensive income for the period	-	-	33,106,080	33,106,080
Balance as at December 31, 2016	<u>124,982,450</u>	<u>-</u>	<u>93,033,487</u>	<u>218,015,937</u>
Balance as at July 1, 2017	124,982,450	25,883,433	94,690,296	245,556,179
Net loss for the period December 31, 2017	-	-	(18,904,789)	(18,904,789)
Transferred from surplus on revaluation of fixed assets - net of deferred tax	-	-	1,535,418	1,535,418
Gain on Initial Recognition on interest free loan	-	-	194,656	194,656
Gain on remeasurement of investment held as 'Available for sale'	-	(3,286,062)	-	(3,286,062)
Balance as at December 31, 2017	<u>124,982,450</u>	<u>22,597,371</u>	<u>77,515,581</u>	<u>225,095,402</u>

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Chief Executive


Director