

Spectrum Securities (Private) Limited
Financial Statements
For the year ended June 30, 2017

Spectrum Securities (Private) Limited

Financial Statements

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DIRECTORS' REPORT

The Directors take pleasure in presenting their report together with the annual financial statements of the Company for the year June 30, 2017 together with auditors report.

PERFORMANCE REVIEW

During the year under review Divestment Committee of the Exchange had issued an invitation for Expression of Interest for acquiring equity stake in PSX. Thereafter, bids were submitted by interested parties and as a result of bidding process, share price of Rs. 28/share has been offered by the successful investor. Sale proceeds of 40% shares sold, after retaining 10% of sale price for one year to settle any outstanding liabilities of PSX in terms of Share Purchase Agreement (SPA), have been credited to respective TRE Certificate holders. Furthermore, in June, PSX offered Initial Public Offering (IPO) in which the Company disposed-off additional 801,477 shares (i.e. 20% stake) at a price of Rs. 28 per share. On June 23, 2017 SECP approved PSX's application for listing and thereafter, the shares were successfully listed on June 29, 2017.

Due to above transaction company has earned handsome capital gain and thus earning per share and liquidity have been improved to satisfactory level. The working results of the company for the financial year are given as under:

OPERATIONAL RESULTS

	Rupees
Operating revenue	90,469,251
Operating expenses	(28,688,441)
Operating profit	61,780,810
Other charges	(4,532,600)
Other income	5,234,248
Profit before tax	62,482,458
Tax	(4,556,331)
Profit after tax	57,926,127

DIVIDEND

The Directors do not recommended any dividend during the year due to anticipated working capital requirements during next financial year.

EARNINGS/(LOSS) PER SHARE

Earnings per share for the year ended 30th June 2017 was Rs. **64.36**

FUTURE PROSPECTS

Due to improvement in economic indicators political stability and better law and order situation, the future of capital market is also bright. The directors are hopeful that the future profitability of the company will be increased.

AUDITORS

The auditors of the company Nasir Javaid Maqsood Imran – Chartered Accountants have retired, being eligible to offer their services for the ensuing year.

Karachi:

Dated: **06 OCT 2017**

On behalf of the board



Chief Executive



AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **Spectrum Securities (Private) Limited** as at **June 30, 2017** 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 purposes 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 account 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;

Other Offices

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Tel: +92(0)42-35754821-22 Email: nasirgulzar@njmi.net

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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, 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, 2017** 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.




Dated: **06 OCT 2017**
Karachi

NASIR JAVAID MAQSOOD IMRAN
Chartered Accountants

Audit Engagement Partner: M. Javaid Qasim

Spectrum Securities (Private) Limited
Balance Sheet
As at June 30, 2017

	Note	Rupees 2017	Rupees 2016
ASSETS			
NON-CURRENT ASSETS			
Property & equipment	4	7,967,410	8,073,376
Intangible assets	5	5,403,968	10,037,560
Long term investment	6	48,440,233	25,467,400
Long term deposits	7	16,310,000	1,010,000
		78,121,611	44,588,336
CURRENT ASSETS			
Trade receivables	8	9,333,359	6,011,258
Short term investment	9	18,443,925	17,876,295
Advances, deposits, pre-payments & other receivables	10	76,678,482	15,966,733
Cash & bank balances	11	38,901,341	12,829,117
		143,357,107	52,683,403
TOTAL ASSETS		221,478,718	97,271,739
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Authorized Capital		100,000,000	100,000,000
1,000,000 (2016: 1,000,000) Ordinary shares of Rs. 100/- each			
Issued, subscribed and paid-up capital	12	90,000,000	90,000,000
Unappropriated profit / (loss)		50,434,349	(7,491,778)
Unrealised gain on revaluation of available for sale investments		33,887,433	-
		174,321,782	82,508,222
LIABILITIES			
CURRENT LIABILITIES			
Trade payables		26,400,693	10,674,784
Accrued expenses & other liabilities	13	20,756,243	4,088,733
		47,156,936	14,763,517
CONTINGENCIES AND COMMITMENTS	14	-	-
TOTAL EQUITY AND LIABILITIES		221,478,718	97,271,739

The annexed notes from 1 to 29 form an integral part of these financial statements.


Chief Executive


Director



Spectrum Securities (Private) Limited
Profit & Loss Account
For the year ended June 30, 2017

	Note	Rupees 2017	Rupees 2016
REVENUE			
Operating revenue	15	36,392,652	17,107,532
Capital gain / (loss) on sale of investments		58,613,291	(140,577)
(Loss) / gain on remeasurement of investments		(4,536,692)	356,966
		90,469,251	17,323,921
Administrative expenses	16	(28,640,175)	(22,242,140)
Finance cost	17	(48,266)	(82,001)
		(28,688,441)	(22,324,141)
Operating profit / (loss)		61,780,810	(5,000,220)
Impairment loss on Trading Right Entitlement Certificate		(4,532,600)	-
Other income	18	5,234,248	2,351,889
Profit / (loss) before taxation		62,482,458	(2,648,331)
Taxation	19	(4,556,331)	(437,088)
Profit / (loss) after taxation		57,926,127	(3,085,419)
Earnings / (loss) per share - basic	20	64.36	(3.43)

The annexed notes from 1 to 29 form an integral part of these financial statements.


Chief Executive


Director



Spectrum Securities (Private) Limited
Statement of Comprehensive Income
For the year ended June 30, 2017

Note	Rupees 2017	Rupees 2016
Profit / (loss) after taxation	57,926,127	(3,085,419)
<u>Other comprehensive income</u>		
Unrealised gain on revaluation of available for sale investments	33,887,433	-
Total comprehensive income / (loss) for the year	<u>91,813,560</u>	<u>(3,085,419)</u>

The annexed notes from 1 to 29 form an integral part of these financial statements.


Chief Executive


Director



