

KOSMOPOLITAN SECURITIES (PVT.) LTD
BALANCE SHEET AS AT DECEMBER 31, 2018

	NOTE No.	31-Dec-18 Rupees	30-Jun-18 Rupees
<u>CAPITAL & LIABILITIES</u>			
<u>AUTHORISED CAPITAL</u>			
1,500,000 Ordinary Shares of Rs. 100 each.		150,000,000	150,000,000
<u>ISSUED, SUBSCRIBED & PAIDUP CAPITAL</u>			
760,000 Ordinary Shares of Rs. 100 each allotted for consideration paid in Cash	4	76,000,000	76,000,000
Un-appropriated Profit		15,572,456	27,346,342
		91,572,456	103,346,342
<u>TRADE AND OTHER PAYABLES</u>			
Accrued expenses		38,559	78,159
Provision for taxation - net of payments		-	-
		38,559	78,159
Contingencies & Commitment	5	-	-
		91,611,015	103,424,501
<u>ASSETS</u>			
<u>NON-CURRENT ASSETS</u>			
Intangible Assets	6	200,000	200,000
Long Term Investments	7	5,438,015	7,914,576
Long Term deposits	8	1,509,000	509,000
		7,147,015	8,623,576
<u>CURRENT ASSETS</u>			
Loan & Advances		-	4,488,268
Short term investments	9	20,385,178	29,668,866
Cash & Bank Balances	10	64,078,822	60,643,790
		84,464,000	94,800,924
		91,611,015	103,424,500

The annexed notes 1 to 14 form an integral part of this financial statement



 Chief Executive



 Director
 01/01/2019

KOSMOPOLITAN SECURITIES (PVT) LTD
PROFIT AND LOSS ACCOUNT
FOR THE HALF YEAR ENDED DECEMBER 31, 2018

	31-Dec-18 Rupees	31-Dec-17 Rupees
<u>Income:</u>		
Dividend Income on PSX shares	-	380,591
	-	380,591
<u>Expenses:</u>		
Fee & Subscription	(228,914)	(214,342)
Re-measurement gain / (loss) in Shares of PSX	(1,854,000)	(3,943,259)
Shared cost of PSX IPO	-	-
Audit Fee	-	-
	<u>(2,082,914)</u>	<u>(4,157,601)</u>
Loss before taxation	(2,082,914)	(3,777,010)
Provision for income tax:		
Current Tax	-	(57,089)
Prior year adjustment	215,278	-
	<u>215,278</u>	<u>(57,089)</u>
Net (Loss) / profit after taxation	(1,867,636)	(3,834,099)
Other Comprehensive income / (loss):		
Reclassification on adjustment on disposal of available for sale investment included in profit and loss account	-	-
Re-measurement (loss) / gain in Shares of PSX	(9,906,250)	(3,069,427)
	<u>(9,906,250)</u>	<u>(3,069,427)</u>
Total Comprehensive income / (loss)	<u><u>(11,773,886)</u></u>	<u><u>(6,903,526)</u></u>
Earning per share - (Loss)	<u><u>(2.46)</u></u>	<u><u>(5.04)</u></u>

The annexed notes 1 to 14 form an integral part of this financial statement


 CHIEF EXECUTIVE


 DIRECTOR
 Chairman

KOSMOPOLITAN SECURITIES (PVT.) LTD
CASH FLOW STATEMENT
FOR THE HALF YEAR ENDED DECEMBER 31, 2018

	31-Dec-18 Rupees	30-Jun-18 Rupees
	-----Rupees-----	
Cash flows From Operating activities		
(Loss) / Profit before taxation for the year	(2,082,914)	(2,502,406)
Adjustment for non-cash items:		
Interest Income	-	-
Re-measurement Gain/(Loss) in Shares of PSX	1,854,000	2,550,000
	<u>1,854,000</u>	<u>2,550,000</u>
	(228,914)	47,594
Changes in working capital		
(Increase) / Decrease in Current assets		
Loan & Advances	4,488,268	11,003,909
	<u>4,488,268</u>	<u>11,003,909</u>
Increase /(Decrease) in Current liabilities		
Accrued expenses	(39,600)	4,412
Net Changes in Working Capital	<u>4,448,668</u>	<u>11,008,321</u>
Increase in long term deposits	(1,000,000)	10,992,000
Income taxes adjusted during the year	215,278	(71,360)
Cash flow from operations	<u>(784,722)</u>	<u>10,920,640</u>
Net Cash generated from operating activities	3,435,032	21,976,555
Cash flows From Investing Activities		
Purchase of investment	-	(8,475,000)
Sale Proceed from investment	-	-
Net Cash (used in)/generated from investing activities	-	<u>(8,475,000)</u>
Net Cash (used in)/generated from Financing Activities	-	-
Net (decrease)/increase in cash and cash equivalents	<u>3,435,032</u>	<u>13,501,555</u>
Cash and cash equivalent at beginning	<u>60,643,790</u>	<u>47,142,235</u>
Cash and cash equivalent at end	<u><u>64,078,822</u></u>	<u><u>60,643,790</u></u>

The annexed notes 1 to 14 form an integral part of this financial statement

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Chief Executive


Director
Chaitanya

**KOSMOPOLITAN SECURITIES (PVT) LTD
STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED DECEMBER 31, 2018**

	Issued, Subscribed and Paid up Capital	Accumulated Loss / Un-appropriated profit	Unrealized (loss)/Gain on remeasurement of available for sale investment	Total	Total
	-----Rupees-----				
Balance as at June 30, 2018	76,000,000	17,687,894	9,658,448	27,346,342	103,346,342
Total Comprehensive Income for the year	-	(1,867,636)	(9,906,259)	(11,773,886)	(11,773,886)
Balance as at December 31, 2018	<u>76,000,000</u>	<u>15,820,258</u>	<u>(247,802)</u>	<u>15,572,456</u>	<u>91,572,456</u>

The annexed notes 1 to 14 form an integral part of this financial statement


Chief Executive


Director
S. N. S. S.

KOSMOPOLITAN SECURITIES (PVT.) LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED DECEMBER 31, 2018

1 The Company and its operation

The company was incorporated under the Companies Ordinance, 1984 on May 24, 2007 as a Private Limited Company. The principal activity of the company is to carry on the business of shares brokage underwriting investment of portfolio management. However no business activity has been carried out during the year. Its registered office is situated at MR-7/52-53, 574/1, Adamjee Dawood Road, Jodia Bazar, Karachi. In the preceding year, SECP has issued the brokerage license to Company. However no business activity has been carried out during the year.

2 SIGNIFICANT TRANSACTIONS AND EVENTS AFFECTING THE COMPANY'S FINANCIAL POSITION AND PERFORMANCE

Due to decrease in market value of Pakistan Stock Exchange Limited shares during the year, the Company's investment has been decreased by Rs.12,055,391.

3 BASIS OF PREPARATION

3.1 Basis of measurement

These financial statements have been prepared under the historical cost convention except otherwise specifically stated.

3.2 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of: International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and Provisions of and directives issued under the Companies Act, 2017. Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS for SMEs, the provisions of and directives issued under the Companies Act, 2017 have been followed."

3.3 Functional and presentation currency

These financial statements are presented in Pak Rupees, which is the functional and presentation currency of the Company and rounded off to the nearest rupee.

3.4 Critical Accounting estimates and judgments:

The preparation of financial statements requires management to make judgments, estimates and assumption that have an effect on the application of policies and reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on the historical experience and various factors that are believe to be reasonable under the circumstances. The result of which the basis of making judgment about the carrying amount of assets and liabilities that are not readily apparent from other sources. The actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgments made by management that have significant effect on the financial statements and estimates with significant probability of material adjustment in future are disclosed hereunder:

- (a) Impairment of financial assets (note 3.4); and
- (b) Classification of Investments.
- (c) Income Taxation.

3.5 Basis of preparation

These financial statements have been prepared under the 'historical cost convention' except as has been specifically stated below in respective notes.

3.6 Functional and presentation currency

These financial statements have been prepared in Pak Rupees, which is the Company's functional currency. All financial information presented in Pak Rupees has been rounded to nearest rupee.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Intangible assets

a) Membership Card Rights & Privileges

Membership cards is stated at cost of acquisition less impairment, if any. The carrying amount is reviewed at each balance sheet date to assess whether it is in excess of recoverable amount and where the carrying value exceed estimated recoverable amount, it is written down to its estimated recoverable amount.

3.2 Investments

These represent Investments in stock exchange stated at cost and classified as available for sale and will follow the re-measurement method upon initiation of active market for these shares.

3.3 Impairment of assets

All Company's assets are reviewed at each financial year end to determine whether there is objective evidence of impairment. If any such indication exists, the assets' recoverable amount is estimated and carrying amounts are adjusted accordingly. Impairment losses are recognised in the profit and loss account .

3.4 Trade and other payables

Liabilities for trade and other amount payables are carried at cost which is the fair value of the consideration to be paid in future for good and services.

3.5 Provisions

A provision is recognized in the financial statements when the company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

3.6 Income Taxation

Liability for current income tax is accounted for in accordance with income tax law. The income tax on profit and loss account represents current provision after adjustment, if any, to the provision for tax made in previous years, including those arising from assessments and amendments in assessments during the year, for such years.

3.7 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. Cash and cash equivalents consist of cash in hand and balances with banks.

3.8 Financial instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument and de-recognized when the Company loses control of the contractual rights that comprise the financial asset and in case of financial liability when the obligation specified in the contract is discharged, cancelled or expired.

3.9 Offsetting of financial assets and liabilities

All financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if the Company has a legal enforceable right to set off the recognized amounts and intends either to settle on net basis or to realize the assets and settle the liabilities simultaneously.

4 ISSUED, SUBSCRIBED AND PAID UP CAPITAL

2018	2017	Ordinary Shares of Rs. 100 each issued for	76,000,000	76,000,000
760,000	760,000	consideration paid in cash		
			<hr/>	
Name of share holders	% of Holding		No of shares	
Mr.Muhammad Altaf Bilwani	55.13%		419,000	419,000
Mr. Saqib Haroon Bilwani	44.74%		340,000	340,000
Mr. Mustufa Bilwani	0.13%		1,000	1,000
	100%		760,000	760,000

5 CONTINGENCIES AND COMMITMENTS

There no contingencies & commitment at the balance sheet date.

31-Dec-18	30-Jun-18
Rupees	Rupees

6 INTANGIBLE ASSETS

Membership Card Rights & Privileges
Pakistan Stock Exchange Limited TREC
Less: Impairment loss

	15,000,000	15,000,000
	(14,800,000)	(14,800,000)
6.1	<u>200,000</u>	<u>200,000</u>

6.1 In the preceding year, Pakistan Stock Exchange Limited has been demutualized and in terms whereof its members have been allowed in exchange of membership, "Trading Right Entitlement Certificate (TREC)" along with shareholding in Pakistan Stock Exchange Ltd. The Company has recorded the value of membership in the KSE at Rs.70 Million as Intangibles vide Pakistan Stock Exchange letter no: KSE/SECP-2013/1 who have indicated notional value whereof at Rs. 15 Million. The Company have however allocated the carrying value/cost to the TREC at Rs.15 Million and taken the balance to the value of Pakistan Stock Exchange Limited shares. Fair value of the TREC has been re-evaluated and impairment loss being difference of projected bid price of TREC and recorded value has been provided for.

7 LONG TERM INVESTMENTS

Available for Sale

400,738 (2017: 1,602,953) Shares of Rs. 10 each of
Pakistan Stock Exchange Limited - Cost
Re-measurement gain

Re-measurement gain / (loss)

	4,007,380	4,007,380
	3,907,196	6,283,572
	7,914,576	10,290,952
	(2,476,561)	(2,376,376)
	<u>5,438,015</u>	<u>7,914,576</u>

	31-Dec-18 Rupees	30-Jun-18 Rupees
8 LONG TERM DEPOSITS		
Deposit with Pakistan Stock Exchange Ltd - Base margin	1,201,000	201,000
Deposit with NCCPL	208,000	208,000
Deposit with CDC Pakistan Ltd	100,000	100,000
	1,509,000	509,000
9 SHORT TERM INVESTMENT		
<u>At Fair value through profit or loss;</u>		
300,000 (2017: Nil) Shares of Rs.10 Each of Pakistan Stock Exchange Limited - Opening	5,925,000	8,475,000
Re-measurement gain / (loss)	(1,854,000)	(2,550,000)
	4,071,000	5,925,000
<u>At Available for Sale:</u>		
1,202,215 (2017: 1,202,215) Shares of Rs.10 Each of Pakistan Stock Exchange Limited - Opening	23,743,866	30,872,881
Re-measurement loss	(7,429,689)	(7,129,015)
	16,314,178	23,743,866
	20,385,178	29,668,866
10 CASH & BANK BALANCES		
- Cash-In-Hand	473,766	490,958
- Cash-At-Bank in Current Account - House account	63,605,056	60,152,832
	64,078,822	60,643,790

11 FINANCIAL INSTRUMENTS BY CATEGORY

Financial Assets and Liabilities of the company, interest and non interest bearing along with their maturities are as follows:

	2018						Total
	Markup / Interest Bearing			Non Markup / Interest Bearing			
	Maturity Upto One Year	Maturity after One Year	Sub Total	Maturity Upto One Year	Maturity after One Year	Sub Total	
FINANCIAL ASSETS							
Investments				29,668,866	7,914,576	37,583,442	37,583,442
Receivables from PSX				4,488,268		4,488,268	4,488,268
Long Term deposits	-	-	-	-	509,000	509,000	509,000
Cash and Bank Balances	-	-	-	60,643,790	-	60,643,790	60,643,790
	-	-	-	94,800,924	8,423,576	103,224,500	103,224,500
FINANCIAL LIABILITIES							
Trade and other payables	-	-	-	78,159	-	78,159	78,159
	-	-	-	78,159	-	78,159	78,159

	2017						Total
	Markup / Interest Bearing			Non Markup / Interest Bearing			
	Maturity Upto One Year	Maturity after One Year	Sub Total	Maturity Upto One Year	Maturity after One Year	Sub Total	
FINANCIAL ASSETS							
Investments	-	-	-	30,872,875	10,290,958	41,163,833	41,163,833
Receivables from PSX				15,492,177	-	15,492,177	15,492,177
Long Term deposits	-	-	-	-	11,501,000	11,501,000	11,501,000
Cash and Bank Balances	-	-	-	47,142,235	-	47,142,235	47,142,235
	-	-	-	93,507,287	21,791,958	115,299,245	115,299,245
FINANCIAL LIABILITIES							
Trade and other payables				73,747	-	73,747	73,747
	-	-	-	73,747	-	73,747	73,747

The effective interest/markup rates for the financial assets and liabilities are mentioned in respective notes to the financial statements. While commission chargeable on off balance sheet items is chargeable as advised by the banks.

11 REMUNERATION TO CHIEF EXECUTIVE AND DIRECTORS

Currently no remuneration is being provided by the Company to its Chief Executive, any Director and Company Secretary and key management personnel.

12 DISCLOSURES UNDER SECURITIES BROKER (LICENSING AND OPERATIONS) REGULATIONS, 2016

12.1 Investments

Value of shares held in CDC	<u>25,823,193</u>	<u>37,583,442</u>
Value of shares under pledge	<u>-</u>	<u>-</u>

12.2 Turnover, Trade debts and Customer assets

The Company has not yet commenced its operation, hence turnover, receivable from customers and customers assets are nil.

13 DATE OF AUTHORIZATION FOR ISSUE

The half yearly financial statements were authorized for issue by the Board of Directors on _____.

14 GENERAL

14.1 Figures have been rounded off to the nearest rupee.


Chief Executive


Director
S. P. S. S. S.