

**Eleven Stars Securities (Pvt) Limited
Financial Statements
For the year ended June 30, 2018**



INDEPENDENT AUDITOR'S REPORT

To the members of Eleven Stars Securities (Private) Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **Eleven Stars Securities (Private) Limited (the Company)**, which comprise the statement of financial position as at **June 30, 2018** and the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanation which, to the best of our knowledge and belief, were necessary for the purpose of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), 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, 2018** and of the loss and other comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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A member firm of



Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the directors' report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.


Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017(XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. 


As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of accounts have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017); 

- b) the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980.

The engagement partner on the audit resulting in this independent auditor's report is Nasir Gulzar.



Nasir Javaid Maqsood Imran
NASIR JAVAID MAQSOOD IMRAN
Chartered Accountants

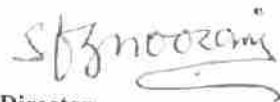
Dated: 01 OCT 2018
Lahore.

ELEVEN STARS SECURITIES (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2018

	Note	Rupees 2018	Rupees 2017
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	4	41,631	50,772
Intangible assets	5	2,500,000	2,500,000
Long term investment	6	21,353,582	328,373,833
Long term deposits	7	1,500,000	1,005,109
		25,395,212	331,929,714
CURRENT ASSETS			
Short term investment	8	483,447,509	501,056,000
Trade receivables	9	955,945	628,620
Advances, deposits, pre-payments & other receivables	10	69,335,527	56,218,758
Cash & bank balances	11	12,020,012	24,464,979
		565,758,993	582,368,357
TOTAL ASSETS		591,154,206	914,298,071
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Authorized Capital			
20,000,000 (2017: 20,000,000) ordinary shares of Rs. 10/- each		200,000,000	200,000,000
Issued, subscribed and paid-up capital	12	136,000,000	136,000,000
Unappropriated profit		443,792,835	715,946,728
Unrealised gain on revaluation of available for sale investments		10,541,642	61,744,303
		590,334,477	913,691,031
LIABILITIES			
CURRENT LIABILITIES			
Accrued expenses & other liabilities	13	819,729	607,040
CONTINGENCIES AND COMMITMENTS			
	14	-	-
TOTAL EQUITY AND LIABILITIES		591,154,206	914,298,071

The annexed notes from 1 to 27 form an integral part of these financial statements


Chief Executive


Director



ELEVEN STARS SECURITIES (PRIVATE) LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2018

Note	Rupees 2018	Rupees 2017
REVENUE		
Operating revenue	15 36,435,565	20,302,672
Capital (loss) / gain on sale of investments	(22,491,141)	166,424,018
Loss on remeasurement of investments	(276,196,324)	(35,948,800)
	<u>(262,251,900)</u>	<u>150,777,889</u>
Administrative expenses	16 (4,339,559)	(1,415,663)
Operating (loss) / profit	<u>(266,591,459)</u>	<u>149,362,226</u>
Other charges	17 -	(2,500,000)
Other income	18 560,678	7,530,102
(Loss) / profit before taxation	<u>(266,030,781)</u>	<u>154,392,328</u>
Taxation	19 (6,123,113)	(3,782,868)
(Loss) / profit after taxation	<u>(272,153,894)</u>	<u>150,609,460</u>
(Loss) / earnings per share - basic & diluted	20 <u>(20.01)</u>	<u>11.07</u>

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Chief Executive

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Director

