

**Eleven Stars Securities (Pvt) Limited**  
**Financial Statements**  
**For the year ended June 30, 2019**



# ELEVEN STARS SECURITIES (PRIVATE) LIMITED

TREC HOLDER : PAKISTAN STOCK EXCHANGE LTD.

## DIRECTORS' REPORT

The Directors take pleasure in presenting their report together with the audited financial statement of the Company for the year June 30, 2019. The working results of the company for the said financial year are given as under:

### Financial Results:

	Rupees
Operating revenue	(154,341,854)
Operating expenses	(11,850,762)
Operating loss	(166,192,616)
Other charges	-
Other income	387,434
Loss before tax	(165,805,182)
Tax	(5,042,808)
Loss after tax	(170,847,991)

### Review of Business

During the year under review the stock market performance was negative and thus investments of the company deteriorate in value resulting net loss.

### Dividend:

The Directors do not recommended any dividend during the year due to cash flow requirement during next financial year.

### Future Prospects:

The Directors expect future profitability to be increased due to expected strengthening of market in next year after economic revival post IMF programme.

### Loss per Share

Loss per share for the year ended 30th June 2019 was Rs. (15.75)

### Auditors:

The auditors of the company Nasir Javaid Maqsood Imran Chartered Accountants have retired and offer their services for the ensuing year.

Karachi:

Dated: 05 OCT 2019

  
Director

  
Chief Executive



## 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, 2019** 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 (the financial statements), 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, 2019** and of the profit or loss and other comprehensive income or 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.

#### Offices also at:

**KARACHI:** OFFICE # 807, 8TH FLOOR, Q.M. HOUSE, PLOT NO. 11/2, ELLANDER ROAD, OPP. SHAHEEN COMPLEX,  
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## **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.



Dated: 05 OCT 2019  
Lahore

*Nasir Javaid Maqsood Imran*  
NASIR JAVAID MAQSOOD IMRAN  
Chartered Accountants

**ELEVEN STARS SECURITIES (PRIVATE) LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT JUNE 30, 2019**

	Note	Rupees 2019	Rupees 2018
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property and equipment	4	56,922	41,631
Intangible assets	5	2,500,000	2,500,000
Long term investment <i>at fair value through other comprehensive income</i>	6	14,055,522	21,353,582
Long term deposits	7	1,500,000	1,500,000
		18,112,444	25,395,213
<b>CURRENT ASSETS</b>			
Short term investment	8	299,709,629	483,447,509
Trade receivables	9	48,295	955,945
Advances, deposits, pre-payments & other receivables	10	28,281,481	69,335,527
Cash & bank balances	11	383,185	12,020,012
		328,422,590	565,758,994
<b>TOTAL ASSETS</b>		<b>346,535,034</b>	<b>591,154,206</b>
<b>EQUITY AND LIABILITIES</b>			
<b>CAPITAL AND RESERVES</b>			
<b>Authorized Capital</b>			
20,000,000 (2018: 20,000,000) ordinary shares of Rs. 10/- each		200,000,000	200,000,000
Issued, subscribed and paid-up capital	12	70,000,000	136,000,000
Reserves		276,188,427	454,334,477
		346,188,427	590,334,477
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Accrued expenses & other liabilities	13	346,607	819,729
<b>CONTINGENCIES AND COMMITMENTS</b>			
	14	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>346,535,034</b>	<b>591,154,206</b>

*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, 2019**

Note	Rupees 2019	Rupees 2018
<b>REVENUE</b>		
Operating revenue	15      33,137,496	36,435,565
Capital gain / (loss) on sale of securities	829,601	(22,491,141)
Unrealised loss on remeasurement of investment at fair value - through profit or loss	(188,308,951)	(276,196,324)
	<u>(154,341,854)</u>	<u>(262,251,899)</u>
Administrative expenses	16      (11,850,762)	(4,339,559)
<b>Operating loss</b>	<u>(166,192,616)</u>	<u>(266,591,459)</u>
Other income	17      387,434	560,678
<b>Loss before taxation</b>	<u>(165,805,182)</u>	<u>(266,030,781)</u>
Taxation	18      (5,042,808)	(6,123,113)
<b>Loss after taxation</b>	<u>(170,847,991)</u>	<u>(272,153,894)</u>
<b>Loss per share - basic</b>	19.1 <u>(15.75)</u>	<u>(20.01)</u>

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

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Chief Executive

*S. S. Srinivasan*

Director