



RSM Avais Hyder Liaquat Nauman
Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF FLORET COMMODITIES (PRIVATE) LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Floret Commodities (Private) Limited (the Company), which comprise the balance sheet as at June 30, 2019, profit or loss account and statement of changes in equity together with the notes forming part thereof, including a summary of significant accounting policies and other explanatory information, 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 the audit.

In our opinion and to the best of our information and according to the explanations given to us, balance sheet, profit or loss account and the statement of changes in equity 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 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 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.

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.

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Other Offices at:
Lahore : 92 (42) 3587 2731-3
Karachi : 92 (21) 3565 5975/6
Faisalabad : 92 (41) 854 1165, 854 1965
Peshawar : 92 (91) 527 8310/5277205
Quetta : 92 (81) 282 9809
Kabul : 93 (799) 058155

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 misstatement, 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 the 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 control 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.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

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

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) balance sheet, profit or loss account and the statement of changes in equity 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 (XVIII of 1980).

Other Matter

The accounts of the Floret Commodities (Private) Limited as at June 30, 2018 were audited by another firm of chartered accountants whose report dated October 04, 2018 expressed an unmodified opinion thereon.

The engagement partner on the audit resulting in this independent auditor's report is Nauman Mahmood, FCA.


RSM AVAIS HYDER LIAQUAT NAUMAN
CHARTERED ACCOUNTANTS



Place: Islamabad

Date:



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RSM AVAIS HYDER LIAQUAT NAUMAN
CHARTERED ACCOUNTANTS



Place: Islamabad

Date:

FLORET COMMODITIES (Private) Limited
BALANCE SHEET
As at June 30, 2019

	Notes	2019 (R U P E E S)	2018
ASSET			
Current assets			
Other receivable		19,785,096	19,785,096
Cash and bank balances	4	364,371	64,404
TOTAL ASSETS		<u>20,149,467</u>	<u>19,849,500</u>
EQUITY AND LIABILITIES			
Share capital and liabilities			
Authorized capital	5	20,000,000	20,000,000
Issued subscribed and paid up capital	5	20,000,000	20,000,000
Deposit for shares		300,000	-
Accumulated Loss		<u>(210,500)</u>	<u>(180,500)</u>
		20,089,500	19,819,500
Current liabilities			
Accrued and other payables		59,967	30,000
Contingencies and commitments		-	-
TOTAL EQUITY AND LIABILITIES		<u>20,149,467</u>	<u>19,849,500</u>

The annexed notes form an integral part of these financial statements.


Chief Executive


Director

FLORET COMMODITIES (Private) Limited
PROFIT OR LOSS ACCOUNT
For the year ended June 30, 2019

	Notes	2019	2018
		(R U P E E S)	
Revenue		-	-
General and administrative expenses	6	<u>30,000</u>	<u>30,000</u>
Loss from Operating activities		(30,000)	(30,000)
Financial charges		-	-
Loss before tax		(30,000)	(30,000)
Taxation		-	-
Loss after tax		<u>(30,000)</u>	<u>(30,000)</u>

The annexed notes form an integral part of these financial statements.



Chief Executive



Director

FLORET COMMODITIES (Private) Limited
STATEMENT OF CHANGES IN EQUITY
For the year ended June 30, 2019

Note	Share capital	Revenue reserve	Total equity
	Issued, subscribed and paid up capital	Unappropriated profit	
	Ordinary shares		
Balance at June 30, 2017	20,000,000	(150,500)	19,849,500
Loss for the year	-	(30,000)	(30,000)
Balance at June 30, 2018	20,000,000	(180,500)	19,819,500
Loss for the year	-	(30,000)	19,819,500
Balance at June 30, 2019	<u>20,000,000</u>	<u>(210,500)</u>	<u>39,639,000</u>

The annexed notes form an integral part of these financial statements.


Chief Executive


Director

FLORET COMMODITIES (Private) Limited
NOTES TO THE FINANCIAL STATEMENTS
For the year ended June 30, 2019

1 STATUS AND NATURE OF BUSINESS

M/s FLORET COMMODITIES (PRIVATE) LIMITED was incorporated as a private limited company at Islamabad under the Companies Ordinance, 1984 (Repealed with the Company's Act 2017) and is primarily engaged in the business of stock, brokerage, investment advisory-consultancy, portfolio management and in secondary capital market operations. It is also actively taking part in the Initial Public Offerings (IPO's) and providing all relative services to the general public to promote investment. Company head office is situated at stock exchange building Islamabad.

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 Standards (IFRS Standards) 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 Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of preparation

These financial statements have been prepared under the historical cost convention except as other wise stated in the respective policies and notes given hereunder.

Significant Accounting Estimates and Judgments

The preparation of financial statements in conformity with the Accounting and Financial Reporting Standards for Small-Sized Entities issued by the Institute of Chartered Accountants of Pakistan requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised.

Significant areas requiring the use of management estimates in these financial statements relate to the useful life of depreciable assets, provision for doubtful receivables. However, assumptions and judgments made by management in the application of accounting policies that have significant effect on the financial statements are not expected to result in material adjustment to the carrying amounts of assets and liabilities in the next year.

3.2 Revenue

Revenue is recognized when it is probable that the economic benefits associated with the transaction will flow to the company and the amounts of revenue and the associated cost incurred or to be incurred can be measured reliably.

3.3 Taxation

Income tax expense represents current tax expense. Provision for current taxation is based on taxable income at the current rates of taxation after taking into account tax credits and tax rebates, if any.

Deferred tax is accounted for using the liability method in respect of all taxable temporary differences arising from differences between the carrying amount of the assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse, based on tax rates that have been enacted.

3.4 Trade and other receivables:

Trade and other receivables are stated at estimated realizable value after each debt has been considered individually. Where the payments of a debt becomes doubtful a provision is made and charged to the income statement.

3.5 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an out flow 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 Offsetting:

Financial assets and liabilities are offset and the net amount is reported in the balance sheet if the company has legally enforceable right to setoff the recognized amounts and the company intends to settle on net basis, or realize the assets and settle the liabilities simultaneously.

3.8 Cash & cash equivalents:

For the purpose of the cash flow statement, cash and cash equivalents comprise cash in hand, demand deposits and other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value, in finances under markup arrangements.

2019 2018
(R U P E E S)

4 Cash and bank balances

Cash at banks:

Cash in hand	300,000	-
Current accounts	64,371	64,404
	364,371	64,404

5 Share capital

Authorized capital

2,000,000 ordinary shares of Rs. 10 each.	20,000,000	20,000,000
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Issued, subscribed & paid-up capital

Shares issued for cash consideration

2,000,000 ordinary shares of Rs. 10 each.	20,000,000	20,000,000
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6 General and administrative expenses

Legal & Professional Charges	30,000	30,000
	30,000	30,000

7 Financial instruments

	Amortized cost	Total
Other receivable	19,785,096	19,785,096
Cash and bank balances	364,371	364,371
	20,149,467.00	20,149,467.00

8 General

8.1 Figures have been rounded to the nearest rupees, unless otherwise stated.

8.2 These financial statements have been authorized for issue by the board of directors of the company on _____


Chief Executive


Director