

**LUCKY ONE (PRIVATE) LIMITED  
STATEMENT OF FINANCIAL POSITION  
AS AT JUNE 30, 2018**

	Note	2018 Rupees	2017 Rupees
<b>ASSETS</b>			
<b>Current assets</b>			
Supervision fees receivable	4	19,646,120	18,956,707
Due from an associated company	5	7,503,730	4,083,179
Advance tax - net	6	25,708,426	25,377,960
Cash and bank balances	7	13,842,238	4,101,555
		66,700,514	52,519,401
<b>Total assets</b>		<b>66,700,514</b>	<b>52,519,401</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Share capital	8	3,000	3,000
Unappropriated loss		2,560,975	(1,494,450)
		2,563,975	(1,491,450)
<b>Non current liability</b>			
Deferred liability - staff gratuity	9	-	6,426,500
<b>Current liabilities</b>			
Project account	10	63,192,539	39,553,000
Accrued liabilities	11	944,000	8,031,351
		64,136,539	47,584,351
<b>Total equity and liabilities</b>		<b>66,700,514</b>	<b>52,519,401</b>
<b>COMMITMENT AND CONTINGENCIES</b>			
	12		

The annexed notes from 1 to 21 form an integral part of these financial statements.

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**CHIEF EXECUTIVE**

**DIRECTOR**

**LUCKY ONE (PRIVATE) LIMITED  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED JUNE 30, 2018**

	Note	2018 Rupees	2017 Rupees
Supervision fees	13	689,413	4,649,542
Operating expenses	14	(2,246,642)	(19,655,932)
Gross loss		(1,557,229)	(15,006,390)
Other income	15	7,069,983	11,762,427
Operating loss		5,512,754	(3,243,963)
Bank charges		(33,795)	(256,454)
Loss before taxation		5,478,959	(3,500,417)
Taxation	16	(1,423,534)	(703,406)
Loss after taxation		4,055,425	(4,203,823)
Other comprehensive income for the year		-	-
Total comprehensive income for the year		4,055,425	(4,203,823)

The annexed notes from 1 to 21 form an integral part of these financial statements.

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**CHIEF EXECUTIVE**

**DIRECTOR**

**LUCKY ONE (PRIVATE) LIMITED  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2018**

	<b>2018 Rupees</b>	<b>2017 Rupees</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before taxation	5,478,959	(3,500,417)
Adjustments for		
Provision for staff gratuity	-	208,828
	<u>5,478,959</u>	<u>(3,291,589)</u>
<b>Increase in current assets</b>		
Supervision fees receivable	<b>(689,413)</b>	<b>(4,649,542)</b>
Due from an associated company	<b>(3,420,551)</b>	<b>2,088,196</b>
	<u>(4,109,964)</u>	<u>(2,561,346)</u>
<b>Increase / (decrease) in current liabilities</b>		
Project account	<b>17,213,039</b>	<b>(44,727,788)</b>
Accrued liabilities	<b>(7,087,351)</b>	<b>7,331,351</b>
	<u>10,125,688</u>	<u>(37,396,437)</u>
Cash generated from / (used in) operations	<u>11,494,683</u>	<u>(43,249,372)</u>
Taxes paid	<b>(1,754,000)</b>	<b>(2,334,253)</b>
Net cash generated from / (used in) operating activities	<u>9,740,683</u>	<u>(45,583,625)</u>
Net increase in cash and cash equivalents	<u>9,740,683</u>	<u>(45,583,625)</u>
Cash and cash equivalents at beginning of the year	4,101,555	49,685,180
Cash and cash equivalents at end of the year	<u>13,842,238</u>	<u>4,101,555</u>

The annexed notes from 1 to 21 form an integral part of these financial statements.

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**CHIEF EXECUTIVE**

**DIRECTOR**

**LUCKY ONE (PRIVATE) LIMITED  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED JUNE 30, 2018**

	Share capital	Unappropriated profit	Total
	Rupees		
Balance at July 01, 2016	3,000	2,709,373	2,712,373
<b>Total comprehensive income for the year</b>			
- Loss after taxation	-	(4,203,823)	(4,203,823)
- Other comprehensive income	-	-	-
	-	(4,203,823)	(4,203,823)
Balance at June 30, 2017	3,000	(1,494,450)	(1,491,450)
<b>Total comprehensive income for the year</b>			
- Loss after taxation	-	4,055,425	4,055,425
- Other comprehensive income	-	-	-
	-	4,055,425	4,055,425
Balance at June 30, 2018	3,000	2,560,975	2,563,975

The annexed notes from 1 to 21 form an integral part of these financial statements.

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**CHIEF EXECUTIVE**

**DIRECTOR**

**LUCKY ONE (PRIVATE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

**1. STATUS AND NATURE OF BUSINESS**

1.1 Lucky One (Private) Limited (the Company) was incorporated in Pakistan on February 24, 2010 as a private company limited by shares under the repealed Companies Ordinance, 1984 (now Companies act, 2017). The principal activity of the company is to carry on business of building, constructing, managing and promoting real estate including managing all types of commercial, industrial and residential estates. The registered office of the company is situated at LA 2/B, Block 21, F.B. Industrial Area, Karachi, in the province of Sindh.

1.2 The Company has entered into a tripartite agreement with associated companies, namely Lucky Landmark (Private) Limited (LLPL) and Lucky Textile Mills Limited (LTML), for undertaking supervision of construction of mega mall and luxurious residential towers namely, Lucky One Project (the Project). The Project is being constructed on plots of land owned in the ratio of 2:1 respectively by LLPL and LTML. The Project consists of eight residential towers, each having 28 floors and a mall at podium level. The construction of the Project started on May 01, 2012.

Under the terms of agreement, the Company is responsible for the development, construction, management and supervision of the Project including all necessary dealings with legal and governmental authorities. The Company is authorized to make payments including procurement of assets, materials, hiring of sub-contractors and including all other costs that are necessary for the completion of the Project. LLPL and LTML will pay project supervision fees to be billed at the rate of 0.25% of fund allocated for the Project. Being an agent, all the movement of funds received and utilized for the Project are accounted for in a 'Project Account' as disclosed in note 10.

1.3 The Company is a part of Y.B. Group (The Group) registered under Section 59AA of the Income Tax Ordinance, 2001 as Group. Y.B. Holdings (Private) Limited is the parent company of the Group.

**2. BASIS OF PREPARATION**

**2.1 Statement of compliance**

These financial statements have been prepared in accordance with accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- Revised Accounting and Financial Reporting Standards for Small-Sized Entities (Revised AFRS) issued by the Institute of the Chartered Accountants of Pakistan 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.

**2.2 Basis of measurement**

These financial statements have been prepared under the historical cost convention except for certain investments carried at fair value.

**2.3 Functional and presentation currency**

Items include in the financial statements are measured using the currency of the primary economic environment in which the Company operates. The financial statements are presented in Pakistani Rupees, which is the Company's functional and presentation currency.

**2.4 Use of estimates and judgments**

The preparation of the financial statements in conformity with approved accounting standards requires the management to make the judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses.

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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 judgments about the 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 recognised in the period in which the estimate is 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. The areas where various assumptions and estimates are significant to the financial statements or where judgments were exercised in application of accounting policies are as follows:

	<b>Notes</b>
a) Useful lives, residual values and impairment of operating fixed assets of the project	3.4.3
b) Provision for taxation	3.5

### **3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies adopted in the preparation of these financial statements are the same as those applied in the preparation of the financial statements of the Company for the year ended June 30, 2017 and are enumerated as follows:

#### **3.1 Investments**

##### **3.1.1 Regular way purchase or sale of investments**

All purchases and sales of investments are recognised using trade date accounting. Trade date is the date that the Company commits to purchase or sell the investment.

All investments are initially recognised at fair value, being the cost of consideration given including transaction cost associated with the investment, except in case of investment classified as at fair value through profit or loss, where the transaction costs are charged off to the statement of comprehensive income

Management determines the appropriate classification of investment made by the Company at the time of purchase.

##### **Impairment**

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

Where impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised recoverable amount but limited to the extent of the carrying amount that would have been determined had no impairment loss been recognised. Reversal of impairment loss is recognised as income.

##### **Derecognition**

All investments are de-recognised when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

#### **3.2 Receivables**

Receivables are recognized initially at fair value and subsequently measured at amortised cost less provision for impairment, if any. A provision for impairment is established when there is an objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. Receivables considered irrecoverable are written off.

#### **3.3 Cash and cash equivalents**

Cash and cash equivalents for cash flow purposes include cash in hand and accounts held with banks.

#### **3.4 Project account**

Project account represents funds received from parties to the tripartite agreement and other parties ( including customers, suppliers and others) which is being utilized on the project currently under development. The summary of significant accounting policies adopted and applied consistently under the account are as follows:

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#### **3.4.1 Trade, accrued and other payables**

Liabilities for trade, accrued and other amounts payable are measured at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether billed to the Company or not.

#### **3.4.2 Staff retirement benefits**

The main features of the schemes operated by the Company for its employees are as follows:

The Company operates an unfunded gratuity scheme for its employees who have completed the minimum qualifying period of service as defined under the scheme. The Company's obligation under the scheme is determined on one month gross salary of employee extrapolated for number of years served by each employee.

#### **3.4.3 Assets held for project**

"Assets held for project are stated at cost less accumulated depreciation and accumulated impairment losses (if any)

Depreciation is charged, from the month when the asset is available for use and ceased from the month of disposal by applying the straight line method. The residual values, useful lives and depreciation methods are reviewed and changes, if any, are treated as change in accounting estimates, at each balance sheet date.

Maintenance and normal repairs are charged to statement of comprehensive income as and when incurred. Major renewals and improvements are capitalized and the assets, so replaced, if any, are retired.

Gains and losses on disposal of assets are taken to project account as and when incurred.

An item of operating fixed asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the project account in the year in which the asset is derecognised.

The assets' residual values, useful lives are reviewed, and adjusted if appropriate, at each financial year end. The Company's estimate of residual value of operating fixed assets as at June 30, 2016 did not require any adjustment as its impact is considered insignificant.

##### **3.4.3.1 Software**

Intangible assets are stated at cost less accumulated amortization and impairment losses, if any. Intangible assets are amortized using the straight line method over their estimated useful lives.

#### **3.4.4 Accumulated project cost**

Accumulated project cost comprises of consumption of construction materials, consumables and other project related cost. These costs are valued at invoice price and related expenses incurred upto the reporting date.

#### **3.4.5 Stores, spares and loose tools**

Stores, spares and loose tools are valued at weighted average cost. Value of items are reviewed at each reporting date to record provision for any slow moving items.

Items in transit are valued at cost comprising invoice values plus other charges incurred thereon till the reporting date.

#### **3.4.6 Advances, deposits and prepayments**

Advances and deposits are stated at original invoice amount plus related expenses incurred upto the reporting date, if any.

#### **3.5 Taxation**

Income tax expense for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in statement of other comprehensive income or directly in equity. In this case the tax is also recognised in statement of other comprehensive income or directly in statement of changes in equity, respectively.

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### Current tax

Provision for current taxation is based on taxability of certain income streams of the Company under presumptive / final tax regime at the applicable tax rates and remaining income streams chargeable at current rate of taxation under the normal tax regime after taking into account tax credits and tax rebates available, if any. The charge for income tax includes adjustments to charge for prior year.

### Deferred tax

Deferred tax is recognized using balance sheet liability method, providing for temporary difference between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using the tax rates enacted or substantively enacted at the reporting date.

The Company recognizes deferred tax asset to the extent that it is probable that taxable profits for the foreseeable future will be available against which the assets can be utilised. Deferred tax asset is reduced to the extent that it is no longer probable that the related tax benefit will be realised.

### 3.6 Provisions

A provision is recognised in the balance sheet when the Company has a legal or constructive obligation as a result of past event and 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. Provisions are reviewed at each reporting date and adjusted to reflect

### 3.7 Foreign exchange transactions and translation

Foreign currency transactions are translated into Pak Rupees using the exchange rates prevailing at the dates of the transactions. All monetary assets and liabilities in foreign currencies are translated into Pakistani Rupees at the rates of exchange prevailing at the reporting date. Foreign exchange gains and losses on translation are recognised in the statement of comprehensive income. All non-monetary items are translated into Pakistani rupees at exchange rates prevailing on the date of transaction or on the date when fair values are determined.

### 3.8 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Revenue is recognised on the following basis:

- Supervision fees is accrued on the basis of amount utilized under project as at year end reduced by the accumulated supervision fee recorded till prior year.
- Markup / interest income is recognised on a time proportion basis that takes into account the effective yield.

### 3.9 Financial Instruments

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

### 4.0 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the financial statements only when there is legally enforceable right to set-off the recognized amounts and the Company intends either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously.

4.	SUPERVISION FEES RECEIVABLE	Note	2018 Rupees	2017 Rupees
	Lucky Textile Mills Limited		6,392,202	6,392,202
	Lucky Land mark (Private) Limited		13,253,918	12,564,505
		4.1	<u>19,646,120</u>	<u>18,956,707</u>

4.1 This represents receivable on account of supervision fees charged by the Company from its associate companies for the construction of the project. Supervision fees is charged at the rate of 0.25% on fund utilized under project as disclosed in note 10.2 to the financial statements.



5. **DUE FROM AN ASSOCIATED COMPANY**

The balance receivable on account of expenses incurred for and on behalf of Lucky Entertainment (Private) Limited (an associate company).

6. **ADVANCE TAX - NET**

These represents advance tax deducted at source under section 151, 236, 148, 231A, 234 of Income Tax Ordinance 2001 is adjustable against tax liability.

	Note	2018 Rupees	2017 Rupees
Advance tax		27,352,114	25,749,923
Less: Provision for taxation	16	<u>(1,643,688)</u>	<u>(371,963)</u>
		<u>25,708,426</u>	<u>25,377,960</u>

7. **CASH AND BANK BALANCES**

	Note	2018 Rupees	2017 Rupees
Cash at bank:			
Deposit account		483,021	10,000
Current account	7.1	<u>12,839,779</u>	<u>1,544,735</u>
		<u>13,322,800</u>	<u>1,554,735</u>
Cash in hand		<u>519,438</u>	<u>2,546,820</u>
		<u>13,842,238</u>	<u>4,101,555</u>

7.1 These carry return on deposit account ranging from 5% to 7% (2017: 5% to 7%).

8. **SHARE CAPITAL**

**Authorized capital**

2018	2017		2018 Rupees	2017 Rupees
Number of shares				
<u>5,000,000</u>	<u>5,000,000</u>	Ordinary shares of Rs. 100/- each	<u>500,000,000</u>	<u>500,000,000</u>

**Issued, subscribed and paid up capital**

2018	2017		2018 Rupees	2017 Rupees
Number of shares				
<u>30</u>	<u>30</u>	Ordinary shares of Rs. 100/- each fully paid issued for cash	<u>3,000</u>	<u>3,000</u>

8.1 Y.B Holdings (Private) Limited (the Holding Company) holds 27 (2017: 27) ordinary shares of the Company.

8.2 The Company has one class of ordinary shares which does not carry right to fixed income. The holders are entitled to receive dividends as declared from time to time and are entitled to one vote per share at the meetings of the Company. All shares ranked equally with regards to Company's residual assets.

	2018 Rupees	2017 Rupees
9. <b>DEFERRED LIABILITY - STAFF GRATUITY</b>		
Balance at July 01,	6,426,500	1,069,172
Expense recognised	-	208,828
Transfer to project account	<u>(6,426,500)</u>	<u>5,148,500</u>
Balance at June 30,	<u>-</u>	<u>6,426,500</u>

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	Note	2018 Rupees	2017 Rupees
<b>10. PROJECT ACCOUNT</b>			
<b>Fund received</b>			
- From agreement partners			
Lucky Landmark (Private) Limited		3,105,869,173	2,851,355,577
Lucky Textile Mills Limited		<u>3,274,760,535</u>	<u>3,274,760,535</u>
		6,380,629,708	6,126,116,112
- From other sources			
Y.B Pakistan Limited		257,296,059	242,226,540
Y.B Holdings (Private) Limited		<u>20,000,000</u>	<u>20,000,000</u>
		277,296,059	262,226,540
Advance from customers	10.1	1,263,714,586	1,233,893,244
Funds available		<u>7,921,640,353</u>	<u>7,622,235,896</u>
<b>Fund utilized for the project</b>	10.2	<u>(7,858,447,814)</u>	<u>(7,582,682,896)</u>
		<u>63,192,539</u>	<u>39,553,000</u>

**10.1 Advance from customers**

Sale of retail area	10.1.1	-	382,500,000
Allotment of apartments	10.1.2	<u>1,263,714,586</u>	<u>851,393,244</u>
		<u>1,263,714,586</u>	<u>1,233,893,244</u>

**10.1.1 Movement of the balance is as follows:**

Balance at July 01,		382,500,000	657,069,000
Add: Advance received during the year		42,500,000	68,642,000
Less: Adjusted against sales		<u>(425,000,000)</u>	<u>(343,211,000)</u>
Balance at June 30,		-	<u>382,500,000</u>

The balance as at June 30, 2018 represents advance against sale of one of the banking enclave inside the mall. During the year one of the banking enclave was sold to a banking company. As already mentioned in note 1.2, the company is supervising the construction of the project on behalf of LTML and LLPL, hence the enclave was routed through the Company to the banking Company. An amount equal to the sale proceeds, as received by the company on behalf of the LLPL was adjusted from its

	Note	2018 Rupees	2017 Rupees
<b>10.1.2 Movement of the balance is as follows:</b>			
Balance at July 01,		851,393,244	340,693,007
Add: receipts during the year		<u>412,321,342</u>	<u>510,700,237</u>
Balance at June 30,		<u>1,263,714,586</u>	<u>851,393,244</u>
<b>10.2 Fund utilized for the project</b>			
Assets held for the project	10.2.1	82,263,547	165,426,476
Accumulated project cost	10.2.2	7,655,507,857	7,318,637,212
Stores, spares and loose tools	10.2.3	222,975,364	184,967,778
Advances, deposits and prepayments	10.2.4	<u>34,222,471</u>	<u>41,979,420</u>
		7,994,969,239	7,711,010,886
Trade, accrued and other payables	10.2.5	<u>(136,521,425)</u>	<u>(128,327,990)</u>
		<u>7,858,447,814</u>	<u>7,582,682,896</u>

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	Note	2018 Rupees	2017 Rupees
<b>10.2.2 Accumulated project cost</b>			
Construction material	10.2.2.1	3,693,173,205	3,948,088,890
Overheads	10.2.2.2	800,913,389	680,974,417
Contractor cost	10.2.2.3	1,781,099,887	1,540,806,114
Salaries, wages and benefits	10.2.2.4	963,023,850	937,349,847
Residential Tower		417,297,526	211,417,944
		<u>7,655,507,857</u>	<u>7,318,637,212</u>
<b>10.2.2.1 Construction material</b>			
Steel		1,218,738,341	1,408,864,080
Cement		508,538,101	466,848,805
Sand and concrete		427,126,225	415,556,541
Elevators and jet fans		-	188,311,539
Pipes		231,045,052	228,750,184
Consumables		322,830,450	315,512,533
Electric items		302,016,730	297,268,817
Tiles and marble		157,774,377	155,579,161
Wood		82,172,718	82,098,518
Others		442,931,211	389,298,712
		<u>3,693,173,205</u>	<u>3,948,088,890</u>
<b>10.2.2.2 Overheads</b>			
Depreciation		172,678,973	142,671,610
Entertainment and mess expenses		142,153,113	118,406,537
Insurance		59,767,119	53,171,673
Rent, rates and taxes		82,227,645	79,628,709
Travelling and conveyance		44,658,358	41,157,674
Electricity and water		69,201,034	69,201,034
Markup on loan from other sources		54,196,059	39,126,540
Advertisement		12,253,890	12,253,890
Communication		12,299,369	11,611,061
Repairs and maintenance		9,538,771	8,390,481
Amortisation		9,110,934	8,265,712
Vehicles running and maintenance		5,601,616	5,198,456
Legal and professional		6,240,392	5,506,949
Commission		4,640,230	3,712,184
Sales centre cost		5,990,134	5,209,462
Others		110,355,752	77,462,445
		<u>800,913,389</u>	<u>680,974,417</u>
<b>10.2.2.3 Contractor cost</b>			
Consultant cost		654,361,757	613,911,564
Specialized contracts		446,891,255	334,370,349
HVAC and fire fighting		108,481,522	84,992,532
Excavation and disposal		70,656,231	66,218,215
Piling		60,851,331	60,851,331
Formwork installation and removal		56,451,068	56,451,068
Shoring		43,617,962	41,703,660
Steel services and contracts		71,074,212	59,110,485
Granite		52,105,817	49,563,872
Skylight		33,428,292	33,428,292
Electrical		46,727,958	39,586,099
Networking and communication		64,049,997	39,116,801
Glass		17,283,059	14,901,110
Others		55,119,428	46,600,736
		<u>1,781,099,887</u>	<u>1,540,806,114</u>

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	Note	2018 Rupees	2017 Rupees
<b>10.2.2.4 Salaries, wages and benefits</b>			
Salaries of project staff		462,426,442	452,962,832
Wages of labour		334,611,127	333,909,027
Wages of contractual labour		68,446,088	63,774,005
Bonus		24,733,675	22,596,216
Gratuity		44,672,770	41,801,184
Leave encashment		9,754,815	8,461,950
Others		18,378,933	13,844,633
		<u>963,023,850</u>	<u>937,349,847</u>

**10.2.3 Stores, spares and loose tools**

These represents stores, spares and loose tools for the development, construction and maintenance of the Project.

Stores		147,040,002	98,286,161
Stores in transit		53,052,682	66,578,012
		<u>200,092,684</u>	<u>164,864,173</u>
Spares		21,583,414	18,385,409
Loose tools		1,299,266	1,718,196
		<u>222,975,364</u>	<u>184,967,778</u>

**10.2.4 Advances, deposits and prepayments**

Advance to:			
Suppliers		21,615,860	14,383,808
Contractors		10,820,064	19,955,012
		<u>32,435,924</u>	<u>34,338,820</u>
Loan to project workers		685,351	6,539,404
Deposits		314,000	314,000
Prepayments		787,196	787,196
		<u>34,222,471</u>	<u>41,979,420</u>

**10.2.5 Trade, accrued and other payables**

Payable to suppliers		94,616,925	53,434,727
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**Accrued expenses and other payables**

Retention money	10.2.5.1	32,288,947	28,143,462
Salaries and wages		1,590,949	9,606,771
Staff gratuity	10.2.5.2	1,704,100	25,173,550
Tax deducted at source		6,294,846	10,888,905
Other		25,658	1,080,575
		<u>41,904,500</u>	<u>74,893,263</u>
		<u>136,521,425</u>	<u>128,327,990</u>

**10.2.5.1** This represents retention money withheld, out of payments to the sub-contractor for construction of the Project at the rate of 3% of contract amount, which will be settled against final bills.

**10.2.5.2** Movement in staff gratuity is as follows:

	2018 Rupees	2017 Rupees
Balance as at July 01,	25,173,550	29,509,907
Charge for the year	2,871,586	9,153,943
Benefits paid during the year	(4,063,176)	(8,341,800)
Transfer to Lucky Landmark (Private) Limited	(22,287,860)	-
Transfer to staff retirement gratuity	-	(5,148,500)
Balance as at June 30,	<u>1,704,100</u>	<u>25,173,550</u>

		2018 Rupees	2017 Rupees
<b>11. ACCRUED LIABILITIES</b>			
Salaries and wages		-	7,331,351
Audit and consultancy fees		<u>944,000</u>	<u>700,000</u>
		<u>944,000</u>	<u>8,031,351</u>
<b>12. COMMITMENT AND CONTINGENCIES</b>			
There was no contingency and commitment as at reporting date.			
<b>13. SUPERVISION FEES</b>			
Lucky Textile Mills Limited		-	1,567,826
Lucky Landmark (Private) Limited		<u>689,413</u>	<u>3,081,716</u>
		<u>689,413</u>	<u>4,649,542</u>
<b>13.1</b>	This represents management fees charged by the Company from its associate companies. Management fees is charged at the rate of 0.25% on fund utilized under project as disclosed in note 1.2 to the financial statements.		
	<b>Note</b>	<b>2018 Rupees</b>	<b>2017 Rupees</b>
<b>14. OPERATING EXPENSES</b>			
Salaries and benefits		-	12,969,330
Entertainment		326,538	1,672,926
Traveling and conveyance		57,581	883,456
Communication		-	847,125
Auditor's remuneration	14.1	944,000	700,000
Legal and professional		25,000	27,150
Printing and stationary		132,023	360,304
Others		<u>761,500</u>	<u>2,195,641</u>
		<u>2,246,642</u>	<u>19,655,932</u>
<b>14.1 Auditor's remuneration</b>			
Annual audit fees		800,000	600,000
Sindh sales tax		64,000	48,000
Out of pocket		<u>80,000</u>	<u>52,000</u>
		<u>944,000</u>	<u>700,000</u>
<b>15. OTHER INCOME</b>			
Profit on deposit account		906,067	1,231,105
Income from scrap sales		<u>6,163,916</u>	<u>10,531,322</u>
		<u>7,069,983</u>	<u>11,762,427</u>
<b>16. TAXATION</b>			
Current			
- for the year		1,643,688	371,963
- prior years		<u>(220,154)</u>	-
		1,423,534	371,963
Deferred		-	331,443
		<u>1,423,534</u>	<u>703,406</u>

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16.1 The tax assessments of the Company have been finalized till tax year 2017.

## 17. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise group companies, associated undertakings and key management personnel of the Company. The group / associated undertakings / companies are considered as such due to common directorship. The Company continues to have a policy whereby all transactions with related parties / undertakings are entered on commercial / agreed basis. Transactions between the Company and the related parties are carried out as per agreed terms.

### 17.1 Associated Company due to common directorship

During the year the company transacted with following companies which are associated company due to common directorship:

- Lucky Textile Mills Limited
- Lucky Landmark (Private) Limited
- Lucky Cement Limited
- Yunus Energy Limited
- Y.B Pakistan Limited

17.2 Transactions with related parties not mentioned else where in the financial statements, are as follows:

Name of Related Party	Nature of Transaction	2018 Rupees	2017 Rupees
<b>Associated companies</b>			
<b>- Common directorship</b>			
- Lucky Textile Mills Limited	Fund received	-	77,400,157
- Lucky Landmark (Private) Limited	Fund received	543,500,000	1,307,207,515
	Amount repaid	-	421,881,595
	Electricity sold	-	9,639,676
- Lucky Cement Limited	Cement purchased	60,736,248	66,370,370
- Lucky Energy (Private) Limited	Electricity purchased	-	38,738,036
- Y.B. Pakistan Limited	Loan received	-	7,000,000
	Accrued markup	15,069,519	14,290,857

Transactions with related parties on Company's own account, not mentioned else where in the financial statements, are as follows:

Name of Related Party	Nature of Transaction	2018 Rupees	2017 Rupees
- Lucky Textile Mills Limited	Supervision fees	-	1,567,826
- Lucky Landmark (Private) Limited	Supervision fees	689,413	3,081,716

## 18. SIGNIFICANT CONTRACT AND TRANSACTIONS:

18.1 During the year, the company had transferred operating fixed assets to Lucky Landmark (Private) Limited amounting to Rs 35 million (Note 10.2.1.1.1)

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19. NUMBER OF EMPLOYEES

	2018			2017		
	Project staff	Mail and admin staff	Total	Project staff	Mail and admin staff	Total
Number Of Employees						
-At June 30	7	-	7	63	193	256
-Average during the year	35	97	132	56	173	229

20. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on \_\_\_\_\_ by the Board of Directors of the Company.

21.

GENERAL

The figures have been rounded off to nearest rupees.

*R/A*

CHIEF EXECUTIVE

DIRECTOR