ABM SECURITIES (PVT) LTD

FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

Independent Auditor's Report to the Members of ABM Securities (Pvt.) Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **ABM Securities (Pvt.) Limited (the company)**, which comprise the statement of financial position as at June 30, 2024, and the statement of profit or loss, the statement of 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 material accounting policy information 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, the statement of financial position, the statement of profit or loss, the statement of 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, 2024 and of the loss, total 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.

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 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.

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) the statement of financial position, the statement of profit or loss, the statement of 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;

d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980); and

e) the company was in compliance with the relevant requirements of Securities Brokers (Licensing and Operations) Regulations, 2016 as at the date on which the statement of financial position was prepared.

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

CHARTERED ACCOUNTANTS

Lahore 07 OCT 2024

UDIN: AR202410082ceNJFaXz5

ABM SECURITIES (PVT.) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2024

	Note	2024 Rupees	2023 Rupees
ASSETS			
NON CURRENT ASSETS			
Property and equipment	3	251,541	255,881
Intangible assets	4	1,562,433	1,562,433
		1,813,974	1,818,314
CURRENT ASSETS			
Trade debts	5	-	-
Loans and advances	6	97,000	5,000
Investment at fair value through profit or loss	7	14,879,395	14,081,037
Trade deposits, short term prepayments and current account balance with statutory authorities	8	1,951,402	1,538,464
Tax deducted at source/advance income tax	9	-	22,386
Cash and bank balances	10	71,820	138,230
		16,999,617	15,785,117
		18,813,591	17,603,431
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital			
Share capital	11	18,300,000	15,000,000
Revenue reserve			
Accumulated loss		(1,274,129)	(1,142,935)
		17,025,871	13,857,065
Share deposit money	12	-	3,300,000
	N.T	17,025,871	17,157,065
NON CURRENT LIABILITIES			
Deferred taxation	13	-	-
CURRENT LIABILITIES			
Deposits, accrued liabilities and advances	14	468,222	126,561
Trade and other payables	15	303,166	319,805
Loan from Director	16	994,000	-
Provision for taxation	17	22,332	-
		1,787,720	446,366
CONTINGENCIES AND COMMITMENTS	18	-	-
		18,813,591	17,603,431

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

Neelam Zarlos Mirza
CHIEF EXECUTIVE

DIRECTOR

ABM SECURITIES (PVT.) LIMITED
STATEMENT OF PROFIT OR LOSS
AS AT JUNE 30, 2024

	Note	2024 Rupees	2023 Rupees (Restated)
Brokerage and commission	19	3,881,630	1,194,614
Capital gain on marketable securities		432,648	86,504
		4,314,278	1,281,118
Direct cost	20	(340,251)	(71,924)
		3,974,027	1,209,194
Operating expenses	21	(5,514,595)	(4,977,464)
Other operating expenses	22	(1,879)	(57,995)
Other income	23	1,646,668	6,790,968
		(3,869,806)	1,755,509
Finance cost	24	(10,268)	(64,973)
PROFIT BEFORE LEVIES AND INCOME TAX		93,953	2,899,730
Levies	25	(225,147)	(155,194)
(LOSS)/PROFIT BEFORE INCOME TAX		(131,194)	2,744,536
Income tax	26	-	22,882
(LOSS)/PROFIT AFTER INCOME TAX		(131,194)	2,767,418
EARNINGS PER SHARE - BASIC AND DILUTED	27	(0.08)	1.84

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

Neelam Baqlas Mirza
CHIEF EXECUTIVE

DIRECTOR

ABM SECURITIES (PVT.) LIMITED
STATEMENT OF COMPREHENSIVE INCOME
AS AT JUNE 30, 2024

	2024 Rupees	2023 Rupees
(Loss)/profit for the year	(131,194)	2,767,418
Items that will not be reclassified subsequently to profit or loss	-	-
Items that may be reclassified subsequently to profit or loss		
Reversal of accumulated gain on reclassification	-	(13,293,829)
Less: Deferred tax thereon	-	3,855,210
	-	(9,438,619)
Other comprehensive loss for the year	-	(9,438,619)
Total comprehensive loss for the year	(131,194)	(6,671,201)

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

Neelam Zafar Mirza
CHIEF EXECUTIVE

DIRECTOR

ABM SECURITIES (PVT) LIMITED
STATEMENT OF CHANGES IN EQUITY
AS AT JUNE 30, 2024

	Paid up share capital	Accumulated loss	Fair value adjustment reserve	Sub Total	Share deposit money	Total
	---------- (R	u p	e e	s) ----------		
Balance as at June 30, 2022	15,000,000	(3,910,353)	9,438,619	20,528,266	-	20,528,266
Share deposit money received during the year	-	-	-	-	3,300,000	3,300,000
Profit for the year	-	2,767,418	-	2,767,418	-	2,767,418
Other comprehensive loss	-	-	(9,438,619)	(9,438,619)	-	(9,438,619)
Total comprehensive loss for the year	-	2,767,418	(9,438,619)	(6,671,201)	-	(6,671,201)
Balance as at June 30, 2023	15,000,000	(1,142,935)	-	13,857,065	3,300,000	17,157,065
Share deposit money adjusted during the year	3,300,000	-	-	3,300,000	(3,300,000)	-
Loss for the year	-	(131,194)	-	(131,194)	-	(131,194)
Other comprehensive loss	-	-	-	-	-	-
Total comprehensive loss for the year	-	(131,194)	-	(131,194)	-	(131,194)
Balance as at June 30, 2024	18,300,000	(1,274,129)	-	17,025,871	-	17,025,871

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

Neelam Bailey Mirza
CHIEF EXECUTIVE

DIRECTOR

ABM SECURITIES (PVT.) LIMITED
STATEMENT OF CASH FLOWS
AS AT JUNE 30, 2024

	Note	2024 Rupees	2023 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before levies and taxation		93,953	2,899,730
Adjustments of items not involving movements of cash:			
Depreciation	3	41,940	45,406
Dividend income	23	(1,185,732)	(841,506)
Mark-up on running finance	24	-	58,825
Capital gain on marketable securities		432,648	(86,504)
Unrealized gain on short term investment	7	(337,437)	(5,274,554)
		(1,048,580)	(6,098,333)
Operating cash Flows Before Working capital changes		(954,628)	(3,198,603)
(Increase) / Decrease in Working Capital			
(Increase) / decrease in current assets			
Trade deposits and short term prepayments	8	(412,938)	(581,953)
Loan and adavnces	6	(92,000)	-
Increase / (decrease) in current liabilities			
Deposits, accrued liabilities and advances	14	341,661	4,046
Trade and other payables	15	(16,639)	309
		(179,916)	(577,598)
Cash Used In Operations		(1,134,544)	(3,776,201)
Taxes paid	9	(180,429)	(223,314)
Finance cost paid	24	-	(58,969)
		(180,429)	(282,283)
Net Cash Used In Operations		(1,314,973)	(4,058,484)
CASH FLOWS FROM INVESTING ACTIVITIES			
Short term investments - net		-	183,001
Short term investments purchased	7	(5,736,189)	-
Receipts against short term investments disposed	7	4,842,619	-
Fixed capital expenditure		(37,600)	(14,000)
Dividend received		1,185,732	841,506
Net Cash Flows From Investing Activities		254,562	1,010,507
CASH FLOWS FROM FINANCING ACTIVITIES			
Share deposit money received	12	-	3,300,000
Loan received from director	16	994,000	-
		994,000	3,300,000
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(66,410)	252,023
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		138,230	(113,793)
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	A	71,820	138,230
A Cash and Cash Equivalents			
Cash and bank balances	10	71,820	138,230
		71,820	138,230

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

Neelam Bailey Mirza

ABM SECURITIES (PVT) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

1 COMPANY AND ITS OPERATION

1.1 The company was incorporated as Private Limited Company on February 10, 2004 under the repealed Companies Ordinance, 1984 (now The Companies Act, 2107). The company is engaged in the business of share brokerage and investment in securities. The registered office of the Company is situated at 5th Floor, Room # 506, 19- Khayaban-e-Aiwan-e-Iqbal, Lahore Stock Exchange Building, Lahore. The company is holder of Trading Right Entitlement Certificate (TREC) of Pakistan Stock Exchange.

1 BASIS OF PREPARATION

1.1 STATEMENT OF COMPLIANCE

- 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.

1.2 BASIS OF MEASUREMENT

These financial statements have been prepared under the historical cost convention except as disclosed in the accounting policy notes.

1.3 FUNCTIONAL AND PRESENTATION CURRENCY

The financial statements are presented in Pakistani Rupee, which is the company's functional and presentation currency.

1.4 JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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

Judgments and estimates made by management that may have a significant risk of material adjustments to the financial statements in subsequent years are as follows:

- Useful lives, residual values and depreciation method of property and equipment
- Useful lives, residual values and amortization method of intangible assets
- Useful lives, residual values and amortization method of intangible assets
- Provision for doubtful account receivables
- Estimation of provisions
- Estimation of contingent liabilities
- Current income tax expense, provision for current tax and recognition of deferred tax asset

2 MATERIAL ACCOUNTING POLICY INFORMATION

2.1 PROPERTY AND EQUIPMENT

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses (if any).

Depreciation is charged on reducing balance method at the rates mentioned in the relevant notes to the financial statements. Depreciation on additions is charged for the day in which an asset is ready to use while no depreciation is charged for the day in which an asset is disposed off. Normal repair and maintenance is charged to revenue as and when incurred, while major renewals and replacements are capitalized. The useful lives, residual values and depreciation method are reviewed on a regular basis. The effect of any changes in estimate is accounted for on a prospective basis.

Gain or loss on disposal of property and equipment, if any is taken to profit or loss.

2.2 INTANGIBLE ASSETS

Intangible assets with finite useful life are stated at cost less amortization and impairment, if any. The carrying amount is reviewed at each reporting date to assess whether it is in excess of its recoverable amount, and where carrying value exceeds estimated recoverable amount, it is written down to estimated recoverable amount. The useful lives, residual values and amortization method are reviewed on a regular basis. The effect of any changes in estimate accounted for on a prospective basis.

2.2.1 Membership card and offices

This is stated at cost less impairment, if any. The carrying amount is reviewed at each reporting date to assess whether it is in excess of its recoverable amount, and where the carrying value exceeds estimated recoverable amount, it is written down to its estimated recoverable amount.

2.2.2 Computer Software

Expenditure incurred to acquire identifiable computer software and having probable economic benefits exceeding the cost beyond one year, is recognized as an intangible asset. Such expenditure includes the purchase cost of software (license fee) and related overhead cost.

Costs associated with maintaining computer software programs are recognized as an expense when incurred.

Costs which enhance or extend the performance of computer software beyond its original specification and useful life is recognized as capital improvement and added to the original cost of the software.

Computer software and license costs are stated at cost less accumulated amortization and any identified impairment loss and amortized through straight line method.

Amortization is charged for the day when asset is available for use until the day asset is disposed off.

2.3 METHOD OF PREPARATION OF CASH FLOW STATEMENT

The cash flow statement is prepared using indirect method.

2.4 FINANCIAL ASSETS

Financial assets are initially measured at cost and subsequently classified at fair value through profit or loss or at amortized cost. Management determines the classification of its financial assets at initial recognition.

2.5 FINANCIAL LIABILITIES

Financial liabilities are initially measured at cost, which is the fair value, of the consideration given and subsequently carried at amortized cost using effective interest rate method.

2.6 OFF-SETTING OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

A financial asset and a financial liability is offset and the net amount is reported in the financial statements if the Company has a legally enforceable right to set-off the transaction and also intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.7 TRADE DEBTS AND OTHER RECEIVABLES

Trade and other receivables are recognised and carried at transaction price less an allowance for impairment.
A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is recognised in the statement of profit or loss. Bad debts are written-off in the statement of profit or loss on identification.

The allowance for doubtful debts of the Company is based on the ageing analysis and management's continuous evaluation of the recoverability of the outstanding receivables. In assessing the ultimate realisation of these receivables, management considers, among other factors, the creditworthiness and the past collection history of each customer.

2.8 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise of cash balances and call deposits. For the purpose of statement of cash flows; cash and cash equivalents comprise cash in hand, bank balances and running finances.

2.9 BORROWINGS

Loans are measured at amortised cost using the effective interest method. Interest expense is recognised on the basis of the effective interest method and is included in finance costs.

In case the loan is interest–free or carries interest below the prevalent market rate, it is initially recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. The difference between the discounted present value and actual receipt is recognised as finance income. Subsequently, the interest-free loan is measured at amortized cost, using the effective Interest rate method, this involves unwinding of discount, such that at the repayment date, the carrying value of obligation equals the amount to be repaid. The unwinding of discount is included in finance costs in the statement of profit or loss.

2.10 TAXATION

Current

The charge for current taxation is based on the taxable income for the year, determined in accordance with the prevailing law for taxation on income, using prevailing tax rates after taking into account tax credits and rebates available, if any. Current tax assets and tax liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability.

Deferred

Deferred tax is recognised using liability method, providing for temporary difference between the carrying amounts 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 recognises a 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 assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Levies

Tax charged under Income Tax Ordinance, 2001 which is not based on taxable income or any amount paid / payable in excess of the calculation based on taxable income or any minimum tax which is not adjustable against future income tax liability is classified as levy in the statement of profit or loss and other comprehensive income.

2.11 TRADE AND OTHER PAYABLES

Trade and other payables are recognised initially at cost, which is the fair value of the consideration to be paid, in the future for goods and services received and subsequently measured at amortized cost.

2.12 PROVISIONS

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value using a pre-tax discount rate. The unwinding of the discount is recognised as finance cost in the statement of profit or loss.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

As the actual outflows can differ from estimates made for provisions due to changes in laws, regulations, public expectations, technology, prices and conditions, and can take place many years in the future, the carrying amounts of provisions are reviewed at each reporting date and adjusted to take account of such changes. Any adjustments to the amount of previously recognised provision is recognised in the statement of profit or loss unless the provision was originally recognised as part of cost of an asset.

2.13 CONTINGENT LIABILITIES

A contingent liability is disclosed when the Company has a possible obligation as a result of past events, whose existence will be confirmed only by the occurrence or non-occurrence, of one or more uncertain future events not wholly within the control of the Company; or the Company has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

2.14 FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION

Transactions denominated in foreign currencies are translated to Pakistan Rupees at the exchanges rate ruling at the date of transaction.

Monetary assets and liabilities in foreign currencies at reporting date are translated into Pakistan Rupees at exchange rates ruling on that date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

2.15 IMPAIRMENT OF NON-FINANCIAL ASSETS

The assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. If there is an indication of possible impairment, the recoverable amount of the asset is estimated and compared with its carrying amount.

An impairment loss is recognized if the carrying amount of an asset exceeds its estimated recoverable amount. The impairment loss is recognised in the statement of profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

An impairment loss is reversed only to the extent that the asset carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. The Company recognises the reversal immediately in the statement of profit or loss, unless the asset is carried at a revalued amount in accordance with the revaluation model. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

2.16 REVENUE RECOGNITION

Revenue is recognized 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 measured at the fair value of the consideration received or receivable, net of any direct expenses and sales tax. Revenue is recognized on the following basis:

- Brokerage, consultancy and advisory fee, commission etc. are recognized as and when such services are provided, and thereby the performance obligations are satisfied.
- Profit on saving accounts, profit on exposure deposits and markup on marginal financing is recognized at effective yield on time proportion basis.
- Gains/(losses) arising on sale of investments are included in the profit and loss account in the period in which they arise.
- Dividend income is recorded when the right to receive the dividend is established.
- Unrealised gains / (losses) arising on revaluation of securities classified as 'fair value through other comprehensive income' are included in other comprehensive income in the period in which they arise.
- Unrealised gains / (losses) arising on revaluation of securities classified as 'fair value through profit or loss' are included in profit or loss in the period in which they arise.
- Other revenues are recorded, as and when due, on accrual basis.

2.17 BASIC AND DILUTED EARNINGS PER SHARE

The Company presents basic and diluted earnings per share (EPS) for its shareholders. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, if any.

2.18 RELATED PARTY TRANSACTIONS

Transactions and contracts with the related parties are carried out at an arm's length price determined in accordance with comparable uncontrolled price method except reason disclosed in relevant note to the financial statements, if any. Transactions with related parties have been disclosed in the relevant notes to the financial statements.

2.19 TRADE DATE ACCOUNTING

All "regular way" purchases and sales of financial assets are recognized on the trade date, i.e. the date on which the Company commits to purchase or sell an asset. Regular way purchases or sales of financial assets are those, the contract for which requires delivery of assets within the time frame generally established by regulation or convention in the market.

2.20 CHANGE IN ACCOUNTING POLICY

During the year the Institute of Chartered Accountant of Pakistan (ICAP) have withdrawn the Technical Release 27 and issued guidance - "Application Guidance on Accounting for Minimum Taxes and Final Taxes". The said guidance requires certain amounts of tax paid under minimum tax (which is not adjustable against future income tax liability) and final tax regime to be shown separately as a levy instead of showing it in current tax.

Accordingly, the impact has been incorporated in these financial statements retrospectively in accordance with the requirement ofapplicable reporting framework. There has been no effect on the statement of financial position, the statement of changes in equity, the statement of cash flows and earning per share as a result of this change except the following effect on statement of profit or loss:

	2024			2023		
	Had there been no change in accounting policy	**Impact of change in accounting policy**	**After incorporating effects of change in accounting policy**	**Had there been no change in accounting policy**	**Impact of change in accounting policy**	**After incorporatin g effects of change in accounting policy**
Effect on statement of profit or loss						
Profit/ (loss) before income tax	93,953	(225,147)	(131,194)	2,899,730	(155,194)	2,744,536
Levies	-	225,147	225,147	-	155,194	155,194
Income tax expense	225,147	(225,147)	-	132,312	(155,194)	(22,882)

3 PROPERTY AND EQUIPMENT

Particulars	Cost			Depreciation				WDV
	As at June 30, 2023	Additions	As at June 30, 2024	Rate %	As at June 30, 2023	Charge for the year	As at June 30, 2024	As at June 30, 2024
	---------- R u p e e s ----------				---------- R u p e e s ----------			
OWNED								
Furniture and fittings	639,062	-	639,062	10	592,666	4,640	597,306	41,756
Computers	749,763	37,600	787,363	30	693,703	21,957	715,660	71,703
Electric equipments	290,862	-	290,862	10	137,437	15,343	152,780	138,082
	1,679,687	37,600	1,717,287		1,423,806	41,940	1,465,746	251,541

3.1 PROPERTY AND EQUIPMENT

Particulars	Cost			Depreciation				WDV
	As at June 30, 2022	Additions	As at June 30, 2023	Rate %	As at June 30, 2022	Charge for the year	As at June 30, 2023	As at June 30, 2023
	---------- R u p e e s ----------				---------- R u p e e s ----------			
OWNED								
Furniture and fittings	639,062	-	639,062	10	587,511	5,155	592,666	46,396
Computers	735,763	14,000	749,763	30	670,499	23,204	693,703	56,060
Electric equipments	290,862	-	290,862	10	120,390	17,047	137,437	153,425
	1,665,687	14,000	1,679,687		1,378,400	45,406	1,423,806	255,881

3.2 Allocation of Depreciation:

	Note	Rupees
Operating expenses	21	41,940

		Note	2024 Rupees	2023 Rupees
4	**INTANGIBLE ASSETS**			
	Rights of room		500,000	500,000
	Trading right entitlement certificate (TREC)	4.1	1,062,433	1,062,433
			1,562,433	1,562,433

4.1 It represents Trading Right Entitlement Certificate (TREC) received from the Pakistan Stock Exchange Limited without any additional payment, in lieu of TREC issued by the Lahore Stock Exchange Limited, surrendered on, January 10, 2016 on the consequence of Scheme(s) of Integration approved by the Securities and Exchange Commission of Pakistan vide Order No. 01/2016 dated January 11, 2016 under regulation 6 (8) of the Stock Exchange (Corporatization, Demutualization and Integration) Regulations, 2012. This is stated at cost less accumulated impairment.

		Note	2024 Rupees	2023 Rupees
5	**TRADE DEBTS**			
	Receivable from clients on account of:			
	Purchase of shares on behalf of clients		678,255	720,755
	Less: Provision for doubtful debts	5.1	(678,255)	(720,755)
			-	-
5.1	**Movement is as follows**			
	Opening balance		720,755	845,314
	provision made during the year		-	
	(Reversal) of provision during the year	27	(42,500)	(50,000)
	Less: Balances written off		-	(74,559)
			678,255	720,755
6	**LOANS AND ADVANCES**			
	Advances to: (unsecured but considered good)			
	Employee		97,000	5,000
7	**INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS**			
	Investment - listed securities			
	Cost	7.1	9,749,485	10,630,853
	Gain on remeasurement of investment at fair value	7.2	5,129,910	3,450,184
			14,879,395	14,081,037
7.1	**Movement in cost of investment**			
	Opening balance		10,630,853	8,127,025
	Addition during the year		5,736,189	-
	Deletion during the year		(6,617,556)	-
	Transferred from long term investment		-	2,503,828
			9,749,486	10,630,853
7.2	**Movement in fair value reserve:**			
	Opening balance		3,450,185	(1,859,310)
	Unrealized gain transferred on disposal		337,437	34,940
	Surplus/(deficit) on re-measurement of investment		1,342,288	(1,155,217)
	Transferred from long term investment		-	6,429,772
			5,129,910	3,450,185

7.3 This includes shares having value of Rs. 8,932,796 (2023: Rs. 4,766,912) pledged with National Clearing Company of Pakistan Limited.

		Note	2024 Rupees	2023 Rupees
8	TRADE DEPOSITS, SHORT TERM PREPAYMENTS AND CURRENT ACCOUNT BALANCE WITH STATUTORY AUTHORITIES			
	Deposits with:			
	Eclear Services Limited	8.1	1,951,402	1,538,464
			1,951,402	1,538,464

8.1 This carries profit ranging from 10% to 15%.

		2024	2023
9	TAX DEDUCTED AT SOURCE/ADVANCE INCOME TAX		
	Opening balance	22,386	-
	Deducted during the year		
	Income taxes	4,724	51,353
	Levies	175,705	126,227
		180,429	177,580
	Adjustment made during the year		
	Income taxes	-	-
	Levies	(202,906)	(148,971)
		(202,906)	(148,971)
	Adjustment against prior year taxation	91	(6,223)
		-	22,386

		Note	2024	2023
10	CASH AND BANK BALANCES			
	These were held as under:			
	Cash in hand		31,735	31,735
	Cash at bank:			
	In current accounts			
	Pertaining to brokerage house		40,085	106,495
			71,820	138,230
11	SHARE CAPITAL			
	Authorized			
	2,000,000 (2023: 1,500,000) ordinary shares of Rs.10 each		20,000,000	15,000,000
	Issued, subscribed and paid up			
	1,830,000 (2023: 1,500,000) ordinary shares of Rs.10 each fully paid in cash	11.1	18,300,000	15,000,000
11.1	**Shares Issued Against Cash:**			
	Opening balance		15,000,000	15,000,000
	Shares issued during the year 330,000 shares of Rs. 10 each		3,300,000	-
			18,300,000	15,000,000

11.2 **Pattern of Shareholding:**

Categories of shareholders	2024		2023	
	Number of shares held	% of shares held	Number of shares held	% of shares held
Individuals				
Mr. Asif Baig Mirza - CEO	731,250	39.96%	731,250	48.75%
Mrs. Neelam Barlas Mirza - Director	705,000	39%	375,000	25.00%
Mr. Waqar Asif Baig Mirza- Director	393,750	21.5%	393,750	26.25%
	1,830,000	100%	1,500,000	100%

11.3 There is variation in the voting rights of shareholders.

		Note	2024 Rupees	2023 Rupees
12	SHARE DEPOSIT MONEY			
	Share deposit money received		-	3,300,000
			-	3,300,000

12.1 This represented amount received from Mrs. Neelam Barlas Mirza-Director having 39% shareholding of the company. Subsequent to the reporting date, the company has issued shares against the amount received against deposit for shares by increasing its authorized capital accordingly.

		Note	2024 Rupees	2023 Rupees
13	DEFERRED TAXATION			
	Deferred credits/(debits) arising due to:			
	Accelerated tax depreciation		19,826	19,815
	Provision for doubtful debts		(196,694)	(209,019)
	Minimum taxes paid		(132,667)	(83,134)
	Taxable losses		(1,683,880)	(980,891)
	Unrealized gain/(loss) on short term investment		769,487	517,528
	Capital losses on short term investment		(148,830)	(11,613)
	Deferred tax asset not recognised		1,372,758	747,314
			-	-
	Balance as at July 01,		-	3,878,092
	Add: Charge for the year in profit or loss		-	(22,882)
	Add: (Reversal)/charge for the year in other comprehensive income		-	(3,855,210)
			-	-

13.1 At the year end, net deductible temporary differences, taxable losses and tax credits resulted in a net deferred tax asset. However, deferred tax asset amounting Rs. 1.37 million has not been recognized in these financial statements being prudent. The management is of the view that recognition of deferred tax asset shall be reassessed as at June 30, 2025.

13.2 **Minimum taxes would expire as follows:**

Accounting year to which minimum tax relates	Rupees	Accounting year in which minimum tax will expire
2022	60,390	2027
2023	22,744	2026
2024	49,533	2027

13.3 **Capital losses (quoted) would expire as follows:**

Accounting year to which capital loss relates	Rupees	Accounting year in which capital loss will expire
2023	63,163	2026
2024	929,038	2027

13.4 **Business losses would expire as follows:**

Accounting year to which business loss relates	Rupees	Accounting year in which business loss will expire
2022	1,630,138	2028
2023	3,895,832	2029
2024	171,942	2030

13.5 **Depreciation losses with no limit to expire are as follows:**

Accounting year to which depreciation loss relates	Rupees
2022	38,841
2023	39,910
2023	29,819

		Note	2024 Rupees	2023 Rupees
14	DEPOSITS, ACCRUED LIABILITIES AND ADVANCES			
	Accrued expenses		468,222	126,561
			468,222	126,561

15	TRADE AND OTHER PAYABLES			
	Creditors for sale of shares on behalf of clients		127,462	145,980
	Punjab workers welfare fund payable		175,704	173,825
			303,166	319,805

		Note	2024 Rupees	2023 Rupees
16	LOAN FROM DIRECTOR			
	(unsecured and interest free)			
	Loan from director	16.1	994,000	-
			994,000	-

16.1	Particulars	Basis of association	Aggregate % of shareholding	2024 Rupees	2023 Rupees
	Mrs. Neelam Barlaas Mirza	Director	39%	994,000	-

17.1.1 This represent interest free and unsecured loans obtained from Director of the company to meet the working capital requirements of the company and has been utilized for the said purpose. This is payable on demand of the respective lender in cash.

		Note	2024 Rupees	2023 Rupees
17	PROVISION FOR TAXATION			
	Opening balance		-	-
	Provision for the year in respect of income taxes and levies		225,238	148,971
	Adjustment made during the year		(202,906)	(148,971)
			22,332	-

18 CONTINGENCIES AND COMMITMENTS

18.1 Contingencies

19.1.1 The Securities and Exchange Commission of Pakistan (SECP) has issued an order dated September 09, 2020 and imposed a penalty amounting Rs.260,000 on the basis of observations pertaining to deviation from provisions of AML Regulations. The Company has filed appeal against the said order with Appellate Bench Registry of SECP dated October 22, 2020. The appeal is pending for hearing before Appellate Bench. The Company is hopeful for the waiver of penalty.

19.1.2 The company has received notice from Federal Board of Revenue dated June 20, 2022 in which penalty has been imposed of Rs.710,000 for the tax year 2021 due to non compliance of Common Reporting Standard of the Income Tax Rules, 2002. The company has filed a writ petition before the Lahore High Court, Lahore against the aforesaid notice which is pending for decision. The above stated writ petition was disposed -off on October 28, 2022 and the case was remanded back to Deputy Commissioner Inland Revenue and is still pending there.The tax advisor of the company is of the opinion that the company has a good arguable case and there is likelihood that the same will be decided in the favour of the company.

19.1.3 The Trustees of LSE MCF Trust and LSE TCF Trust have given guarantee amounting Rs. 5 million to Pakistan Stock Exchange (PSX) on behalf of the company for meeting the Base Minimum Capital requirements.

18.2 Commitments

Commitments as at reporting date were Rs. Nil (2023: Rs. Nil).

		Note	2024 Rupees	2023 Rupees
19	BROKERAGE AND COMMISSION			
	Commission income	19.1	4,502,691	1,385,752
	Less: Sales tax		(621,061)	(191,138)
			3,881,630	1,194,614

			2024	2023
			Rupees	Rupees
20	DIRECT COST			
	Charges paid to/against:			
	National Clearing Company of Pakistan Ltd.		-	3,900
	Central Depositry Company of Pakistan Ltd.		-	47,222
	Investor protection fund		-	243
	Regulatory fee		-	20,559
	Pakistan Stock Exchange Ltd.		96,838	-
	Eclear Services Limited charges		243,413	-
			340,251	71,924

		Note	2024	2023
			Rupees	Rupees
21	OPERATING EXPENSES			
	Directors' remuneration		1,348,300	926,929
	Staff salaries and benefits		1,963,500	2,206,006
	Rent, rates and taxes		38,219	30,000
	Communication expenses		190,346	194,360
	Utility charges		313,865	249,023
	Postage and courier charges		7,875	4,990
	Printing and stationery		92,286	88,934
	Repair and maintenance		138,464	252,049
	Vehicle running and maintenance		165,956	235,950
	Computer software maintenance		443,895	99,351
	Legal and professional charges	21.1	200,499	161,150
	Fee and subscription		251,550	133,730
	Insurance		1,545	-
	Newspapers and periodicals		2,880	2,550
	Entertainment		81,487	151,879
	Advertisement and business promotion expenses		29,060	30,690
	Depreciation	3	41,940	45,406
	Others		202,928	164,467
			5,514,595	4,977,464

21.1 This includes statutory audit fee and other certification charges as detailed below:

Auditor's remuneration		
Amin, Mudassar & Co.		
Chartered Accountants		
Audit Services		
Statutory audit	75,000	66,150
Non-Audit Services		
Certification fee for regulatory purposes	27,900	
	102,900	66,150

22	OTHER OPERATING EXPENSES			
	Punjab workers welfare fund		1,879	57,995
			1,879	57,995

23	OTHER INCOME			
	Income from financial assets	Note		
	Dividend income		1,185,732	841,506
	Unrealized gain on short term investments		337,437	5,274,554
	Reversal for provision for doubtful debts		42,500	50,000
	Income from non financial assets			
	Other income		81,000	624,908
			1,646,668	6,790,968

	2024 Rupees	2023 Rupees
24 FINANCE COST		
Mark-up on loan from banking company	-	58,825
Bank charges	10,268	6,148
	10,268	64,973

	2024 Rupees	2024 Rupees (Restated)
25 LEVIES		
Minimium tax	49,533	22,744
Final tax	175,705	126,227
	225,238	148,971
Prior year adjustment	(91)	6,223
	225,147	155,194

This represents portion of minimum taxes/ final taxes paid under the provision of Income Tax Ordinance, 2001, representing levies in the financial statements.

	2024 Rupees	2023 Rupees (Restated)
26 TAXATION		
Income tax:		
-Current	-	-
-Deferred	-	(22,882)
	-	(22,882)

Reconciliation between current tax charged under applicable income tax law and its categorization as 'Income Tax' and 'Levies' is as follows:

	Note	Rupees	Rupees (Restated)
Classified as:			
Income tax		-	-
Levies		225,238	148,971
		225,238	148,971

26.1 No numeric tax rate reconciliation is presented for the current/ prior year in these financial statements as the company was either liable to pay tax under minimum tax regime or final tax regime under the Income Tax Ordinance, 2001.

27 EARNINGS PER SHARE - BASIC AND DILUTED	2024	2023
(Loss)/profit for the year-Rupees	(131,194)	2,767,418
Weighted average number of ordinary shares outstanding during the year	1,574,137	1,500,000
Earnings per share-Rupees	(0.08)	1.84

28 NUMBER OF EMPLOYEES

	2024	2023
	(Number)	
Total number of employees at the end of year	5	5
Average number of employees during the year	5	5

29 REMUNERATION OF CHIEF EXECUTIVE, DIRECTOR AND EXECUTIVES

The aggregate amount charged in the financial statements for the year for remuneration to the chief executive and director of the company is as follows:

	2024		
	Chief Executive	Directors	Total
	-Rupees-		
Basic salary	-	1,337,000	1,337,000
Medical allownce	-	132,800	132,800
	-	1,469,800	1,469,800
Number of persons	1	2	3

	2023		
	Chief Executive	Director	Total
	---Rupees---		
Basic salary	225,876	580,506	806,382
Medical allownce	120,547	-	120,547
	346,423	580,506	926,929
Number of persons	1	2	3

29.1 No employee meets the criteria of executive as per the requirements of the Companies Act, 2017.

30 FINANCIAL INSTRUMENTS BY CATEGORY

Financial assets and financial liabilities

	2024 Rupees	2023 Rupees
Financial assets		
Investment at fair value through profit or loss		
Short term investement	14,879,395	14,081,037
Amortized cost		
Trade debts	-	-
Loans and advances	97,000	5,000
Trade deposits and short term prepayments	1,951,402	1,538,464
Cash and bank balances	71,820	138,230
	2,120,222	1,681,694
Financial liabilities		
At amortized cost		
Deposits, accrued liabilities and advances	468,222	126,561
Trade and other payables	127,462	145,980
Loan from director	994,000	-
	1,589,684	272,541

31 CORRESPONDING FIGURES

The corresponding figures have been rearranged and reclassified, wherever considered necessary, for the purposes of comparison and better presentation. However, there is no major reclassification to report except the following:

Reclassification from Statement of Financial Position	Reclassification from Statement of Financial Position	2023 Rupees
Trade deposits, short term prepayments and current account balances with statutory authorities	Tax deducted at source/advance income tax	22,386
Tax deducted at source/advance income tax		

32 GENERAL

Figures have been rounded off to the nearest of rupee.

33 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorized for issue on 07 OCT 2024 by the Board of Directors of the Company.

Neelam Jarlas Mirza

CHIEF EXECUTIVE