

KP SECURITIES (PRIVATE) LIMITED

Financial Statements
Half Yearly Period Ended 31 December, 2022

KP SECURITIES (PRIVATE) LIMITED
UN-AUDITED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2022

		Dec 31, 2022	June 30, 2022
	Note	Un-Audited	Audited
		----- Pak Rupees -----	
Non-Current Assets			
Property and equipment	7	177,414	211,508
Intangible asset	8	2,500,000	2,500,000
Long-term investments	9	31,790,505	31,790,505
Long-term deposits	10	100,000	100,000
		34,567,918	34,602,013
Current Assets			
Trade debts - net	11	976	0
Loan and advances	12	10,657,289	10,834,814
Deposits	13	196,700	196,700
Income tax - net	14	757,785	580,261
Short-term investments		101,085	101,203
Cash and bank balances	15	31,034	74,361
		11,744,869	11,787,339
		46,312,787	46,389,352
Equity and Liabilities			
Equity			
Share capital	16	37,419,100	37,419,100
Fair value reserves		11,182,887	11,182,887
Advance against issuance of share capital		0	0
Unappropriated profit		(2,382,312)	(2,448,555)
		46,219,675	46,153,432
Current Liabilities			
Trade and other payables	17	93,112	235,920
Provision for taxation	18	0	0
		93,112	235,920
Contingencies and commitments	19	0	0
		46,312,787	46,389,352

The annexed notes from 1 to 31 form an integral part of these financial statements.

Chief Executive Officer

Director

KP SECURITIES (PRIVATE) LIMITED
**UN-AUDITED STATEMENT OF PROFIT OR LOSS
FOR THE PERIOD ENDED DECEMBER 31, 2022**

		Dec 31, 2022	June 30, 2022
		Un-Audited	Audited
	Note	----- Pak Rupees -----	
Revenue		0	0
Unrealized gain/(loss) on investments		0	0
		0	0
Operating and administrative expenses	20	(1,119,384)	(2,342,278)
Operating profit		(1,119,384)	(2,342,278)
Bank charges		(2,438)	(2,438)
Other income and losses	21	1,188,065	1,347,464
Loss before taxation		66,243	(997,252)
Tax expense	22	0	0
Loss/Profit for the Period		66,243	(997,252)

The annexed notes from 1 to 31 form an integral part of these financial statements.

Chief Executive Officer

Director

KP SECURITIES (PRIVATE) LIMITED
UN-AUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED DECEMBER 31, 2022

	Dec 31, 2022	June 30, 2022
	Un-Audited	Audited
Note	----- Pak Rupees -----	
Loss/Profit for the Period	66,243	(997,252)
Other comprehensive income		
Net change in fair value of available-for-sale financial assets	0	3,113,503
Total comprehensive income/(loss) for the period	66,243	2,116,251

The annexed notes from 1 to 31 form an integral part of these financial statements.

Chief Executive Officer

Director

KP SECURITIES (PRIVATE) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED DECEMBER 31, 2022

	Share Capital	Advance against issuance of share capital	Fair value reserve	Unappropriated profit/(loss)	Total
	----- Pak Rupees -----				
Balance as at 30 June 2021	37,419,100	6,000,000	8,069,384	(1,451,303)	50,037,181
					0
Loss for the year	0	0	0	(997,252)	(997,252)
Advance against of issuance of share capital	0	(6,000,000)	0	0	(6,000,000)
Other comprehensive income/(loss) for the year	0	0	3,113,503	0	3,113,503
Balance as at 30 June 2022	37,419,100	0	11,182,887	(2,448,555)	46,153,432
Loss for the year	0	0	0	66,243	66,243
Advance against of issuance of share capital	0	0	0	0	0
Prior year adjustment	0	0	0	0	0
Other comprehensive income/(loss) for the year	0	0	0	0	0
Balance as at 31 Dec 2022	37,419,100	0	11,182,887	(2,382,312)	46,219,675

The annexed notes from 1 to 31 form an integral part of these financial statements.

Chief Executive Officer

Director

KP SECURITIES (PRIVATE) LIMITED
UN-AUDITED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED DECEMBER 31, 2022

	Dec 31, 2022 Un-Audited	June 30, 2022 Audited
	----- Pak Rupees -----	
Note		
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	66,243.35	(997,251.97)
Adjustments:		
Depreciation and impairment	41,193.97	41,193.97
Interest Income	(4,570.00)	(252,915.00)
Finance cost	2,438.00	2,438.00
Dividend income	(1,183,495.00)	(1,092,487.00)
Operating cash flow before working capital changes	(1,078,189.68)	(2,299,022.00)
Changes in:		
Accounts receivable	(976.00)	0
Advances and other receivables	177,525.00	(3,426,999.57)
Deposits and prepayments	0	5,300.00
Short-term investments	118.00	(101,203.00)
Trade payables	(142,808.00)	61,063.00
	33,859.00	(3,461,839.57)
Cash flows (used in) / generated from operations	(1,044,330.68)	(5,760,861.57)
Proceeds from net sales of / (acquisition of) short-term investments		
Interest Received	4,570.00	252,915.00
Dividend received	1,183,495.00	1,092,487.00
Finance cost paid	(2,438.00)	(2,438.00)
Taxes paid	(184,622.00)	(168,871.00)
Net cash (used in) / generated from operating activities	(43,325.68)	(4,586,768.57)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long-term deposits	0	400,000.00
Advance against issuance of share capital	0	(6,000,000.00)
Net cash (used in) / generated from financing activities	0	(5,600,000.00)
Net (decrease)/increase in cash and cash equivalents	(43,325.68)	(10,186,768.57)
Cash and cash equivalents at the beginning of the year	74,360.79	10,261,130.36
Cash and cash equivalents at the end of the year	15 31,034.11	74,360.79

The annexed notes from 1 to 31 form an integral part of these financial statements.

Chief Executive Officer

Director

KP SECURITIES (PRIVATE) LIMITED
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE PERIOD ENDED DECEMBER 31, 2022

7 PROPERTY AND EQUIPMENT

2022	As at 1 July 2022	Cost Additions/ (Deletions)	Accumulated Depreciation				Written down value as at 31 December 2022	Rate of Depreciation
			As at 31 Dec 2022	As at 1 July 2022	For the year	As at 31 Dec 2022		
----- Pak Rupees -----								
Computer equipment	85,750.00	0	85,750.00	73,499.76	3,675.07	77,174.83	8,575.17	0.30
Furniture and fixtures	513,000.00	0	513,000.00	324,358.61	28,296.21	352,654.82	160,345.18	0.15
Vehicles	36,000.00	0	36,000.00	25,383.17	2,123.37	27,506.53	8,493.47	0.20
	634,750.00	0	634,750.00	423,241.53	34,094.65	457,336.18	177,413.82	

2022	As at 1 July 2021	Cost Additions/ (Deletions)	Accumulated Depreciation				Written down value as at 30 June 2022	Rate of Depreciation
			As at 30 June 2022	As at 1 July 2021	For the year	As at 30 June 2022		
----- Pak Rupees -----								
Computer equipment	85,750.00	0	85,750.00	68,249.65	5,250.11	73,499.76	12,250.25	0.30
Furniture and fixtures	513,000.00	0	513,000.00	291,068.95	33,289.66	324,358.61	188,641.39	0.15
Vehicles	36,000.00	0	36,000.00	22,728.96	2,654.21	25,383.17	10,616.83	0.20
	634,750.00	0	634,750.00	382,047.56	41,193.97	423,241.53	211,508.47	

KP SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED DECEMBER 31, 2022

		Dec 31, 2022 Un-Audited	June 30, 2022 Audited
	Note	----- Pak Rupees -----	
8 INTANGIBLE ASSET			
Trading Right Entitlement Certificate ("TREC")	8.1	2,500,000	2,500,000
		2,500,000	2,500,000

- 8.1 Pursuant to the Stock Exchange (Corporatization, Demutualization and Integration) Act, 2012, stock exchanges operating as guarantee limited companies were converted to public limited companies. Ownership rights in exchanges were segregated from the right to trade on an exchange. As a result of such demutualization and corporatization, the Company received shares of the relevant exchange and a Trading Rights Entitlement Certificate ("TREC") against its membership card.

The TREC has been recorded as an indefinite-life intangible asset pursuant to the provisions and requirements of IAS 38. As the TREC is not a commonly tradable instrument, the value approved by the Board of Directors of the Pakistan Stock Exchange Limited ("PSX") post-mutualization was used as the initial value of the intangible. The TREC, which has been pledged with the PSX to meet Base Minimum Capital ("BMC") requirements, is assessed for impairment in accordance with relevant approved accounting standards.

		Dec 31, 2022 Un-Audited	June 30, 2022 Audited
	Note	----- Pak Rupees -----	
9 LONG-TERM INVESTMENTS			
Investments available for sale			
ISE Towers Reit Management Limited - opening balance		31,790,504.52	28,677,001.50
Adjustment for remeasurement to fair value		0	3,113,503.02
ISE Towers Reit Management Limited (unquoted) - fair value	9.1	31,790,504.52	31,790,504.52

- 9.1 As a result of the demutualization and corporatization of stock exchanges as detailed in note 8.1, the Company received 3,034,603 shares of ISE Towers REIT Management Limited. Of these, 60% (1,820,762 shares) were held in a separate Central Depository Company Limited ("CDC") sub-account, blocked until they are sold to strategic investors, financial institutions and/or the general public. The remaining shares (40% of total, or 1,123,842 shares) were allotted to the Company which have been sold during the financial year 2019 and resultant company hold 1,820,762 shares at year end.

These shares are neither listed on any exchange nor are they actively traded. As a result, fair value has been estimated by reference to the latest break-up or net asset value per share of these shares notified by ISE Towers REIT Management Limited (PKR 17.46 / per share, compared to PKR 15.75/per share as at June 30, 2021).

These shares of ISE Towers REIT Management Limited are pledged with the PSX to meet BMC requirements.

KP SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED DECEMBER 31, 2022

		Dec 31, 2022 Un-Audited	June 30, 2022 Audited
	Note	----- Pak Rupees -----	
10 LONG TERM DEPOSITS			
Central Depository Company Limited	10.1	100,000	100,000
National Clearing Company of Pakistan Limited	10.2	0	0
Pakistan Stock Exchange Limited	10.3	0	0
		100,000	100,000

10.1 This represents security deposit held with Central Depository Company.

10.2 This represents security deposit held with National Clearing Company of Pakistan Limited.

10.3 This represents deposit held with Pakistan Stock Exchange Limited.

		Dec 31, 2022 Un-Audited	June 30, 2022 Audited
	Note	----- Pak Rupees -----	
11 TRADE DEBTS			
Considered good	11.1	976	0
		0	0
		0	0
Less: Provision for doubtful debts	11.2	0	0
Bad debts		0	0
		0	0

11.1 The Company has no client-owned securities as collateral against trade debts. The Company recognized a provision for doubtful debts after consideration of a number of factors, including (but not limited to) an analysis of historical bad debt experience, aging of the receivables portfolio, expected future write-offs, the nature and quantum of collateral held, and an assessment of specifically identifiable customer accounts considered at risk or uncollectible.

Trade debts do not include any amounts receivable from related parties.

		Dec 31, 2022 Un-Audited	June 30, 2022 Audited
	Note	----- Pak Rupees -----	
12 LOANS AND ADVANCES			
Staff advances - unsecured, considered good		14,000	11,000
Receivables from Related party :			
-From directors - net	12.1	10,643,289	10,823,814
		10,657,289	10,834,814
12.1 Receivables from Related party :			
Receivable from the director	12.2	11,416,094	11,416,094
Payable to director	12.3	(772,805)	(592,280)
		10,643,289	10,823,814

12.2 This amount includes the agreed price for sale of 1,213,841 shares of "ISE Tower RIET Management Company Limited" @ Rs 12/- share collectively held in the CDC account to Mr Muhammad Fayyaz Ali in financial year 2019.

12.3 This represents payments received from Director for office expenses.

		Dec 31, 2022 Un-Audited	June 30, 2022 Audited
	Note	----- Pak Rupees -----	
13 DEPOSITS			
Security deposit with NCCPL		196,700	196,700
		196,700	196,700

13.1 This represents amount deposited against exposure with National Clearing Company of Pakistan Limited.

KP SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED DECEMBER 31, 2022

	Dec 31, 2022 Un-Audited	June 30, 2022 Audited
Note	----- Pak Rupees -----	
14 INCOME TAX REFUNDABLE		
Balance at the beginning of the year	580,261.17	416,392.17
Add: Current year additions	177,524.00	163,869.00
	757,785.17	580,261.17
Less: Adjustment against provision for taxation	0	0
Balance at the end of the year	757,785.17	580,261.17

15 CASH AND BANK BALANCES

Cash in hand	(1,115.00)	1,681.00
Cash at bank:		
Current accounts	16,238.52	16,239.00
Savings accounts	15,910.11	56,441.23
	32,148.63	72,680.23
	31,033.63	74,361.23

	Dec 31, 2022 Un-Audited	June 30, 2022 Audited
Note	----- Pak Rupees -----	

16 SHARE CAPITAL

16.1 Authorized capital		
1,000,000 (2022: 1,000,000) ordinary shares of PKR 100/ each.	100,000,000	100,000,000

16.2 Issued, subscribed and paid-up share capital

374,191 (2022: 374,191) ordinary shares of PKR 100/- each, issued for cash	37,419,100	37,419,100
	37,419,100	37,419,100

16.3 Shareholders holding 5% or more of total shareholding

	Number of Shares		Percentage	
	2022	2021	2022	2021
Mr. Muhammad Fayyaz Ali	346,012	346,012	0.92	0.92
Mr. Mubashir Nazir	22,095	22,095	0.06	0.06

16.4 All shares carry equal voting, dividend and bonus rights.

	Dec 31, 2022 Un-Audited	June 30, 2022 Audited
Note	----- Pak Rupees -----	

17 TRADE AND OTHER PAYABLES

Trade creditors	825	20
Accrued expenses	92,287	91,234
Auditor's remuneration payable	0	135,000
Other payables	0	9,666
	93,112	235,920

KP SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED DECEMBER 31, 2022

18 PROVISION FOR TAXATION

Provision for taxation have been recorded on the basis of the minimum tax because of accumulated losses. No deferred tax asset has been recored over the accumulated losses because of the uncertainty regarding the future income to realize the tax benefits.

19 CONTINGENCIES AND COMMITMENTS

There are no contingencies or commitments of the Company as at June 30, 2022 (2021: Nil)

	Dec 31, 2022	June 30, 2022
	Note	Pak Rupees
20 ADMINISTRATIVE EXPENSES		
Staff salaries, allowances and other benefits		594,000
Rent, rates and taxes		792,550
Postage and courier expense		5,653
Printing and stationery		3,830
Software license fee		106,081
CDC/NCCPL charges		10,336
PSX charges		109,422
Legal and professional charges		34,268
Entertainment		7,997
Auditors' remuneration	20.1	250,000
Utilities		364,232
Travelling expenses		2,684
Fee and subscription		10,000
Depreciation	7	41,194
Misc. expenses		10,031
		2,342,278
20.1 Auditor's remuneration		
Statutory audit		250,000
Certifications and other charges		0
		250,000

This includes expense of last year audit fee amounting to Rs 100,000/- as well as expense for current year amou

21 OTHER INCOME AND LOSSES

Dividend income	1,183,495	1,092,487
Miscellaneous income	0	2,062
Profit on bank balances	4,570	252,915
	1,188,065	1,347,464

KP SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED DECEMBER 31, 2022

	Dec 31, 2022 Un-Audited	June 30, 2022 Audited
Note	----- Pak Rupees -----	-----
22 TAXATION		
Current tax	0	0

No deferred tax asset is being charged due to uncertainty over the future operating results of the entity.

23 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing profit after tax for the year by the weighted average number of

Profit / (loss) after taxation, attributable to ordinary shareholders	66,243.35	(997,251.97)
Weighted average number of ordinary shares in issue during the year	374,191.00	374,191.00
Earnings per share	0.18	(2.67)

No figure for diluted earnings per share has been presented as the Company has not issued any dilutive instrum

24 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amounts charged in the financial statements for remuneration, including benefits, to the chief ex

	2022		2021	
	Remuneration	Number of persons	Remuneration	No. of Persons
Chief Executive	0	1	0	1
Directors	0	3	0	2

**KP SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED DECEMBER 31, 2022**

25 RELATED PARTY TRANSACTIONS

The related parties of the Company comprise of shareholders/ directors, key management personnel, entities with common shareholding, entities over which the directors are able to exercise influence and entities under common directorship. Transactions with related parties and the balances outstanding at year end are disclosed in the respective notes to the financial statements.

Name of the related party	Basis of relation	Aggregate % of shareholding in the Company
Mr Muhammad Fayyaz Ali	Director	0.92

25.1 Material transactions with related parties and the balances outstanding at the year-end are given below.

Director	2022 Pak Rupees
Transactions	
Expense incurred on behalf of company	1,242,000.00
Repayments against expenses on behalf of company	3,810,000.00
Loan received from company	850,000.00
Balances	
Balance receivable	11,416,094.00
Balance payable	772,805.00

26 EVENTS AFTER REPORTING PERIOD

No events occurred after the reporting period that would require adjustment or disclosure in the financial statements.

27 NUMBER OF EMPLOYEES

Total number of employees at the end of year was 02 (2021: 02). Average number of employees was 02 (2021: 02).

28 RE-CLASSIFICATION AND RE-ARRANGEMENTS

Corresponding figures have been reclassified and re-arranged wherever necessary to reflect more appropriate presentation of events and transactions for the purpose of comparison, and in order to ensure compliance with disclosure requirements in the 5th Schedule to the Companies Act, 2017.

29 CAPITAL ADEQUACY	2022 Pak Rupees
Total Assets	35.1 46,312,787.14
Less: Total Liabilities	93,112.00
Less: Revaluation Reserves (created upon revaluation of fixed assets)	0
Capital Adequacy Level	46,219,675.14

29.1 While determining the value of the total assets of the Company, the notional value as at June 30, 2022 of the TREC held by the Company has been considered.

30 GENERAL

Amounts have been rounded off to the nearest rupee, unless otherwise stated.

31 AUTHORIZATION

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

Chief Executive Officer

Director