

KP SECURITIES (PVT) LIMITED

**Financial Statement
For Period Ended 31 December, 2021**

	2021	2020
Assets		
Current Assets		
Cash and bank balances	1,500,000	2,500,000
Accounts receivable	500,000	300,000
Inventory	100,000	200,000
Prepaid expenses	50,000	100,000
Other current assets	100,000	200,000
Non-current Assets		
Property, plant and equipment	1,000,000	1,000,000
Intangible assets	500,000	500,000
Other non-current assets	100,000	100,000
Liabilities		
Current Liabilities		
Accounts payable	500,000	500,000
Short-term debt	1,000,000	1,000,000
Other current liabilities	100,000	100,000
Non-current Liabilities		
Long-term debt	500,000	500,000
Other non-current liabilities	100,000	100,000
Equity		
Share capital	1,000,000	1,000,000
Reserves	1,000,000	1,000,000
Other equity	100,000	100,000

KP SECURITIES (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2021

	Note	December 31, 2021 Un-Audited ------(Rupees)-----	June 30, 2021 Audited
Non-Current Assets			
Property and equipment	7	211,508	252,702
Intangible assets	8	2,500,000	2,500,000
Long-term investments	9	28,677,002	28,677,002
Long-term deposits	10	500,000	500,000
		31,888,510	31,929,704
Current Assets			
Trade debts - net	11	0	0
Loan and advances	12	8,206,814	7,407,814
Deposits, prepayments & other receivables	13	202,000	202,000
Income tax - net	14	560,703	416,392
Cash and bank balances	15	3,328,808	10,261,130
		12,298,325	18,287,336
		44,186,835	50,217,040
Equity and Liabilities			
Equity			
Share capital	16	37,419,100	37,419,100
Reserves		8,069,384	8,069,384
Advance against issuance of share capital		-	6,000,000
Unappropriated profit		(1,494,619)	(1,451,303)
		43,993,865	50,037,181
Current Liabilities			
Trade and other payables	17	187,967	174,857
Provision for taxation	18	5,002	5,002
		192,969	179,859
Contingencies and commitments	19	0	0
		44,186,835	50,217,040

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


Chief Executive

KP SECURITIES (PRIVATE) LIMITED
INCOME STATEMENT
FOR THE PERIOD ENDED DECEMBER 31, 2021

	Note	Decemeber 31, 2021 Un-Audited ------(Rupees)-----	June 30, 2021 Audited
Revenue	20	0	0
Unrealized gain / (loss) on investments		0	0
		0	0
Operating and administrative expenses	21	(1,340,132)	(2,410,343)
Operating profit		(1,340,132)	(2,410,343)
Financial charges	22	(1,800)	(4,719)
Other income and losses	23	1,298,616	723,577
Profit before taxation		(43,316)	(1,691,486)
Tax expense:	24	0	(20,000)
Profit for the year		(43,316)	(1,711,486)

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

Chief Executive



KP SECURITIES (PRIVATE) LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED DECEMBER 31, 2021

	Note	Decemeber 31, 2021 Un-Audited	June 30, 2021 Audited
------(Rupees)-----			
Profit/Loss for the year, after taxation		(43,316)	(1,711,486)
Other comprehensive income			
Net change in fair value of available-for-sale financial assets		0	0
Other comprehensive income/(loss) for the year		0	0
Total comprehensive income/(loss) for the year		(43,316)	(1,711,486)

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

Chief Executive

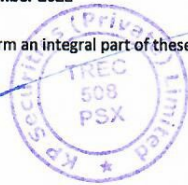


KP SECURITIES (PRIVATE) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED DECEMBER 31, 2021

	Share capital	Fair value reserve	Unappropriated profit (Rupees)	Capital Reserve	Total
Balance as at 01 July 2020	37,419,100	8,069,384	200,183	0	45,688,667
Profit for the year	0		(1,651,486)	0	(1,711,486)
Other comprehensive income/(loss) for the period	0	0	0	6,000,000	6,000,000
Balance as at 30 June 2021	37,419,100 #	8,069,384 -	(1,451,303) -	6,000,000	49,977,182
Profit for the period	0	0	(43,316)	0	(43,316)
Other comprehensive income/(loss) for the period	0	0	0	(6,000,000)	(6,000,000)
Balance as at 31 December 2021	37,419,100	8,069,384	(1,494,619)	-	43,933,866

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

CHIEF EXECUTIVE



KP SECURITIES (PRIVATE) LIMITED
STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED DECEMBER 31, 2021

	Note	Decemeber 31, 2021 Un-Audited	June 30, 2021 Audited
-----Rupees-----			
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before taxation		(43,316)	(1,691,486)
Adjustments:			
Depreciation and impairment		41,194	49,982
Interest Income		(206,159)	(122,726)
Dividend income		(1,092,457)	(600,851)
Operating cash flow before working capital changes		(1,300,738)	(2,365,080)
Changes in:			
Accounts receivable		0	0
Advances and other receivables		(799,000)	6,264,000
Deposits and prepayments		0	0
Trade payables		13,110	(188,062)
		(785,890)	6,075,938
Cash flows generated from operations		(2,086,628)	3,710,858
Proceeds from net sales of / (acquisition of) short-term investments		0	0
Interest Received		206,159	122,726
Dividend received		1,092,457	600,851
Taxes paid		163,869	(174,181)
Net cash generated from / (used in) operating activities		(624,143)	4,260,254
CASH FLOWS FROM FINANCING ACTIVITIES			
Advance against issuance of share capital		(6,000,000)	6,000,000
Net cash generated from / (used in) financing activities		(6,000,000)	6,000,000
Net (decrease)/increase in cash and cash equivalents		(6,624,142)	10,240,254
Cash and cash equivalents at the beginning of the year		10,261,130	20,876
Cash and cash equivalents at the end of the year	15	3,636,988	10,261,130

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



Chief Executive

1 LEGAL STATUS AND NATURE OF BUSINESS

KP Securities (Private) Limited (the "Company") was incorporated in Pakistan on June 20, 2007 as a private limited company under the Companies Ordinance, 1984. The Company's registered office is situated at Islamabad Stock Exchange Tower. The Company is principally engaged in the business of investment advisory, purchase and sale of securities, financial consultancy, brokerage, underwriting, portfolio management and securities research.

2 STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards ("IFRS" or "IFRSs") issued by the International Accounting Standards Board ("IASB") as are notified under the Companies Act, 2017, provisions of or directives issued under the Companies Act, 2017, and Securities Brokers (Licensing and Operations) Regulations 2016 (the "Regulations"). In case requirements differ, the provisions or directives of the Companies Act, 2017 and/or the Regulations shall prevail.

3 USE OF ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that period, or in the period of revision and future periods in other cases. Judgments made by management in the application of approved accounting standards that may have a significant effect on the financial statements and estimates with significant risk of material adjustment in the next year are discussed in respective policy notes. The areas where various assumptions and estimates are significant to the Company's financial statements or where judgement was exercised in application of accounting policies are as follows:

(i) Estimates of useful lives and residual values of items of property, plant and equipment (Note 7); (ii) Estimates of useful lives of intangible assets (Note 8);

4 BASIS OF MEASUREMENT

These financial statements have been prepared under the historical cost convention, except:

- Investments in quoted equity securities (whether classified as assets at fair value through profit or loss, or as available-for-sale), which are carried at fair value;
- Investments in associates, which are recorded in accordance with the equity method of accounting for such investments;
- Derivative financial instruments, which are marked-to-market as appropriate under relevant accounting and reporting standards; and
- Staff retirement gratuity and pension, which are carried at the present value of the defined benefit obligation net of fair value of plan assets.

5 AMENDMENTS TO EXISTING STANDARDS & FORTHCOMING REQUIREMENTS

The following IFRSs (as well as amendments thereto and Interpretations thereof) as notified under the Companies Act, 2017 are / will be effective for accounting periods beginning on or after the dates specified below:

- IFRS 2: Share-Based Payment

Amendments to IFRS 2, which clarify the accounting (including the measurement and classification) of certain cash-settled and equity-settled share-based payments, are effective for annual periods beginning on or after January 1, 2018. The amendments are not expected to have an impact on the Company's financial statements.

- IAS 40: Investment Property

Amendments to IAS 40 pertain to rules around the change in classification of an asset from or to an investment property. The amendments, effective for annual periods beginning on or after January 1, 2018, are not expected to impact the Company's financial statements.

expected to impact the Company's financial statements.

- IAS 28: Investments in Associates and Joint Ventures

A first amendment to this standard relates to provisions under which certain businesses may elect to measure investments in associates / joint ventures at fair value through profit or loss, albeit under a narrow set of precedent conditions. The provisions, which are effective for annual periods beginning on or after January 1, 2018, are unavailable to the Company and are therefore not expected to have an impact on the Company's financial statements.

A second amendment affects companies which finance associates or joint ventures with preference shares or with loans for which repayment is not expected in the foreseeable future. The amendments, which are to be applied in conjunction with IFRS 9 where appropriate, are effective for annual periods beginning on or after January 1, 2019. The Company is currently in the process of assessing the potential impact (including presentation) that the adoption of this amendment may have on its financial statements.

- IFRS 15: Revenue from Contracts with Customers

Effective for annual periods beginning on or after July 1, 2018, IFRS 15 specifies how and when to recognize revenue, and also requires reporting entities to provide users of financial statements with more informative, relevant disclosures. The standard replaces IAS 18 (Revenue), IAS 11 (Construction Contracts), IFRIC 13 (Customer Loyalty Programmes) as well as various other standards and interpretations. The Company is currently in the process of preparing a gap analysis and identifying the nature and quantum, if any, of the impact of the adoption of this standard on the Company's financial statements.

- IFRS 9: Financial Instruments

IFRS 9 replaces IAS 39 (Financial Instruments: Recognition & Measurement). The new standard introduces new guidance on the classification and measurement of financial instruments as well as a new expected credit loss model for calculating impairment on financial assets. IFRS 9 is effective for annual periods beginning on or after July 1, 2018. The Company is currently in the process of preparing a gap analysis and identifying the nature and quantum of the impact of the adoption of this standard on the Company's financial statements.

An amendment to IFRS 9 pertaining to the classification and measurement of debt instruments where borrowers are permitted to prepay the instrument at an amount less than the unpaid principal and interest owed ("negative compensation") is effective for annual periods beginning on or after January 1, 2019. The amendment is not expected to impact the Company's financial statements.

- IFRS 16: Leases

This standard introduces a single, on-balance sheet lease accounting model for lessees, whereby the lessee recognizes a single, right-of-use asset (representing its right to use an asset) and a lease liability representing the lessee's obligation to make lease payments. Guidance being replaced and superseded by IFRS 16 includes (but is not limited to) IAS 17 (Leases), IFRIC 4 (Determining Whether An Arrangement Contains a Lease) and SIC 15 (Incentives in Operating Leases). The standard is effective for annual periods beginning on or after January 1, 2019. The Company is currently in the process of identifying the nature and quantum of the impact of the adoption of this standard on the Company's financial statements.

- IAS 19: Employee Benefits

Amendments to IAS 19 clarify the approach to be employed (including the use of actuarial assumptions to determine current service cost and net interest, and the relationship between the asset ceiling and the gain/loss or plan settlement) upon amendment, curtailment or settlement of a defined benefit plan. The amendments, effective for annual periods beginning on or after January 1, 2019, are not expected to significantly impact the Company's financial statements.

- IFRS 3: Business Combinations / IFRS 11: Joint Arrangements

Amendments to these standards relate to the re-measurement of a previously-held interest in a joint operation when a reporting entity obtains control of the joint operation (when that joint operation meets the definition of a business). The amendments, effective for annual periods beginning on or after January 1, 2019, are not expected to impact the Company's financial statements.

- IAS 12: Income Taxes

An amendment to this standard clarifies that the income tax consequences of dividends are recognized consistently and concurrently with the transaction that generates distributable profits. The amendment is effective for annual periods beginning on or after January 1, 2019 and is not expected to impact the Company's financial statements.

- IAS 23: Borrowing Costs

An amendment to this standard clarifies that a reporting entity treats as general borrowings any borrowing originally made to develop an asset when the asset is ready for its intended use (or sale). The amendment is effective for annual periods beginning on or after January 1, 2019 and is not expected to impact the Company's financial statements.

In addition to the above, IFRIC 22 and 23 - which relate to foreign currency transactions / translations and

in addition to the above, IFRS 22 and 23 - which relate to foreign currency transactions / transactions and uncertainty around income tax treatments - are effective for annual periods beginning on or after January 1, 2018 and January 1, 2019, respectively. Neither is expected to materially impact the Company's financial statements upon adoption.

Certain new standards, amendments and/or interpretations issued by the IASB are yet to be notified by the SECP for the purpose of applicability in Pakistan.

6 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

6.1 Property, plant and equipment

Items of property and equipment are stated at cost less accumulated depreciation (if any) and impairment losses (if any). Cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Where such subsequent costs are incurred to replace parts and are capitalized, the carrying amount of replaced parts is derecognized. All other repair, maintenance and day-to-day servicing expenditures are charged to the profit and loss account during the year in which they are incurred.

Depreciation on all items of property and equipment is calculated using the reducing balance method in accordance with the rates specified in note 7 to these financial statements and after taking into account residual value, if material. Residual values and useful lives are reviewed and adjusted, if appropriate, at each balance sheet date. Depreciation is charged on an asset from when the asset is available for use until the asset is disposed of.

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

The Company reviews the useful life and residual value of property, plant and equipment on a regular basis. Any change in estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment with a corresponding effect on depreciation charge and impairment.

6.2 Intangible assets

Intangible assets with indefinite useful lives, including Trading Right Entitlement Certificate ("TREC"), are stated at cost less accumulated impairment losses, if any. An intangible asset is considered as having an indefinite useful life when, based on an analysis of all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the Company. An intangible asset with an indefinite useful life is not amortized. However, it is tested for impairment at each balance sheet date or whenever there is an indication that the asset may be impaired. Gains or losses on disposal of intangible assets, if any, are recognized in the profit and loss account during the year in which the assets are disposed of.

6.3 Investment property

Property that is held for long-term rental yields or for capital appreciation or for both (but not for sale in the ordinary course of business), used in the supply of services or for administrative purposes is classified as investment property. Investment property is initially measured at its cost, including related transaction costs and borrowing costs, if any.

Subsequent expenditure is capitalized to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognized.

For the purpose of subsequent measurement, the Company determines with sufficient regularity the fair value of the items of investment property based on available active market prices, adjusted, if necessary, for

any difference in the nature, location or condition of the specific asset. Valuations wherever needed are performed as of the reporting date by professional valuers who hold recognized and relevant professional qualifications and have recent experience in the location and category of the investment property being valued. These valuations form the basis for the carrying amounts in the financial statements.

The fair value of investment property does not reflect future capital expenditure that will improve or enhance the property and does not reflect the related future benefits from this future expenditure other than those a rational market participant would take into account when determining the value of the property. Changes in fair values are recognized in the profit and loss account.

6.4 Financial assets

The Company classifies its financial assets in the following categories: (a) at fair through profit and loss, (b) loans and receivables, (c) available-for-sale and (d) held to maturity. Classification in a category depends on the purpose for which an asset was acquired, and this determination is made at the time of initial recognition. The classification is re-evaluated on a periodic basis, consistent with relevant accounting and reporting standards.

a) **Financial assets at fair value through profit or loss**

An asset is classified at fair value through profit or loss if acquired principally for the purpose of selling in the short term, whether as a cash flow management strategy or in order to generate profit from short-term price fluctuations (or both). Such assets are initially recognized at fair value, with any associated transaction costs recorded in the profit and loss account. Subsequent to initial recognition, such assets are marked to market using closing market rates. Net gains or losses arising on changes in fair values of these assets are taken to the profit and loss account in the period in which they arise.

b) **Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than twelve months after the balance sheet date, in which case such assets are classified as non-current assets.

c) **Available-for-sale financial assets**

Available-for-sale financial assets are those non-derivative financial assets that are designated as available for sale or are not classified in any of the other categories. These investments are initially recognized at fair value, which includes associated transaction costs. Subsequent to initial recognition, these assets are marked to market using closing market rates. Net gains and losses arising on changes in fair values of these assets are taken to equity. They are included in non-current assets unless management intends to dispose of the assets within twelve months from the reporting date.

When securities classified as available-for-sale are sold or impaired, accumulated fair value adjustments recognized in equity are reclassified to the profit and loss account as gains / losses from available-for-sale investment securities. Dividends on available-for-sale equity instruments are recognized in profit and loss when the Company's right to receive payment is established.

d) **Held-to-maturity assets**

Held-to-maturity financial assets are those with fixed or determinable payments and fixed maturity, where management has the intention and ability to hold till maturity. These are carried at amortized cost.

All financial assets are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. All purchases and sales of investments that require delivery within the time frame established by regulation or market convention ("regular way" purchases and sales) are recognized on the trade date, which is the date on which the Company commits to purchase / sell the asset. All other purchases and sales are recognized as derivative forward transactions until settlement occurs.

Financial assets are derecognized when the contractual rights to the cash flows from the asset expire, or when the Company transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in such transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability.

The Company assesses at each balance sheet date whether there is objective evidence, as a result of one or more events that may have an impact on the estimated future cash flows from an asset, that an asset or a group of assets is impaired. A significant or prolonged decline in the fair value of an investment in an equity security below its cost is also considered objective evidence of impairment. Provision for impairment, if any, in the value of an asset is taken to the profit and loss account. In case of impairment of equity securities classified as available for sale, the cumulative loss that has been recognized in other comprehensive income is reclassified to profit and loss. For assets classified as held-to-maturity, impairment losses are recognized in profit and loss.

6.5 Financial liabilities

The Company initially recognized non-derivative financial liabilities on the date that they are originated or the date on which the Company becomes a party to the contractual provisions of the instrument. The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or when they expire.

Financial liabilities are initially recognized at fair value plus directly attributable costs, if any, and are subsequently carried at amortized cost using the effective interest rate method.

6.6 Offsetting of financial assets and liabilities

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

6.7 Investment in associates

Associates are all entities over which the Company has significant influence but not control. Investments in associates where the Company has significant influence are accounted for using the equity method of accounting. Under the equity method of accounting, investments in associates are initially recognized at cost and the carrying amount of investment is increased or decreased to recognize the Company's share of the associate's post-acquisition profits or losses in income, and its share of the post-acquisition movement in reserves is recognized in other comprehensive income.

6.8 Impairment

Financial assets

Financial assets are assessed at each reporting date to determine whether there is any objective evidence that they are impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimate future cash flows of that asset that can be estimated reliably. Objective evidence that financial assets are impaired may include default or delinquency by a debtor, or indications that a debtor or issuer will enter bankruptcy.

Individually significant financial assets are tested for impairment on an individual basis. All individually significant assets found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Assets that are not individually significant are assessed for impairment collectively in groups that share similar credit risk characteristics.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. Impairment loss in respect of a financial asset measured at fair value is determined by reference to that fair value. All impairment losses are recognized in profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. An impairment loss is reversed only to the extent that the financial asset's carrying amount after the reversal does not exceed the carrying amount that would have been determined, net of amortization, if no impairment loss had been recognized.

Non-financial assets

The carrying amounts of non-financial assets are assessed at each reporting date to ascertain whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount - defined as the higher of the asset's fair value less costs of disposal and the asset's value-in-use (present value of estimated future cash flows using a pre-tax discount rate that reflects current market assessments of the time value of money and asset-specific risk) - is estimated to determine the extent of the impairment loss.

For the purpose of assessing impairment, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (such groups of assets are henceforth referred to as "cash-generating units" or "CGUs").

Impairment losses recognized in prior periods are assessed at each reporting date to determine whether there are any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent of the carrying amount of the asset (or CGU) that would have been determined (net of depreciation / amortization) had no impairment loss been recognized.

6.5 Financial liabilities

The Company initially recognized non-derivative financial liabilities on the date that they are originated or the date on which the Company becomes a party to the contractual provisions of the instrument. The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or when they expire.

Financial liabilities are initially recognized at fair value plus directly attributable costs, if any, and are subsequently carried at amortized cost using the effective interest rate method.

6.6 Offsetting of financial assets and liabilities

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

6.7 Investment in associates

Associates are all entities over which the Company has significant influence but not control. Investments in associates where the Company has significant influence are accounted for using the equity method of accounting. Under the equity method of accounting, investments in associates are initially recognized at cost and the carrying amount of investment is increased or decreased to recognize the Company's share of the associate's post-acquisition profits or losses in income, and its share of the post-acquisition movement in reserves is recognized in other comprehensive income.

6.8 Impairment

Financial assets

Financial assets are assessed at each reporting date to determine whether there is any objective evidence that they are impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimate future cash flows of that asset that can be estimated reliably. Objective evidence that financial assets are impaired may include default or delinquency by a debtor, or indications that a debtor or issuer will enter bankruptcy.

Individually significant financial assets are tested for impairment on an individual basis. All individually significant assets found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Assets that are not individually significant are assessed for impairment collectively in groups that share similar credit risk characteristics.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. Impairment loss in respect of a financial asset measured at fair value is determined by reference to that fair value. All impairment losses are recognized in profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. An impairment loss is reversed only to the extent that the financial asset's carrying amount after the reversal does not exceed the carrying amount that would have been determined, net of amortization, if no impairment loss had been recognized.

Non-financial assets

The carrying amounts of non-financial assets are assessed at each reporting date to ascertain whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount - defined as the higher of the asset's fair value less costs of disposal and the asset's value-in-use (present value of estimated future cash flows using a pre-tax discount rate that reflects current market assessments of the time value of money and asset-specific risk) - is estimated to determine the extent of the impairment loss.

For the purpose of assessing impairment, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (such groups of assets are henceforth referred to as "cash-generating units" or "CGUs").

Impairment losses recognized in prior periods are assessed at each reporting date to determine whether there are any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent of the carrying amount of the asset (or CGU) that would have been determined (net of depreciation / amortization) had no impairment loss been recognized.

6.14 Borrowings

These are recorded at the proceeds received. Finance costs are accounted for on accrual basis and are disclosed as accrued interest / mark-up to the extent of the amount unpaid at the reporting date.

6.15 Borrowing costs

Borrowing costs are recognized as an expense in the period in which these are incurred except to the extent of borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. Such borrowing costs, if any, are capitalized as part of the cost of the relevant asset.

6.16 Revenue recognition

Revenue is recognized to the extent that it is probable that 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. Revenue is recognized on the following basis:

- Brokerage and commission income is recognized when brokerage services are rendered
- Dividend income is recognized when the right to receive the dividend is established.
- Underwriting commission (if any) is recognized when the agreement is executed. Take-up commission is recognized at the time the commitment is fulfilled.
- Return on deposits is recognized using the effective interest method.
- Income on fixed term investments is recognized using the effective interest method.
- Gains / (losses) arising on sale of investments are included in the profit and loss account in the period in which they arise.
- Unrealized capital gains / (losses) arising from marking to market financial assets classified as financial assets at fair value through profit or loss are included in profit and loss during the period in which they arise.
- Income / profit on exposure deposits is recognized using the effective interest rate.

6.17 Foreign currency transactions and translation

Monetary assets and liabilities in foreign currencies are translated into functional currency at the rates of exchange prevailing at the balance sheet date. Transactions in foreign currencies are translated into functional currency at the rates of exchange prevailing on the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in income.

6.18 Functional and presentation currency

Items included 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 Rupee, which is the Company's functional and presentation currency.

6.19 Related party transactions

All transactions involving related parties arising in the normal course of business are conducted and recorded at rates that are not less than market.

7 PROPERTY AND EQUIPMENT

	Cost		Accumulated Depreciation			Net book value as		Rate of Depreciation %age
	As at 1 July 2021	Additions/ (Deletions)	As at 31 December 2021	As at 1 July 2021	For the year	As at 31 December 2021	at 31 December 2021	
				Rupees				
Computer equipment	85,750	0	85,750	68,250	5,250	73,500	12,250	30
Furniture and fixtures	513,000	0	513,000	291,069	33,290	324,359	188,641	15
Vehicles	36,000	0	36,000	22,729	2,654	25,383	10,617	20
	634,750	0	634,750	382,048	41,194	423,242	211,508	

	Cost		Accumulated Depreciation			Net book value as		Rate of Depreciation %age
	As at 1 July 2020	Additions/ (Deletions)	As at 30 June 2021	As at 1 July 2020	For the year	As at 30 June 2021	at 30 June 2021	
				Rupees				
Computer equipment	85,750	0	85,750	60,750	7,500	68,250	17,500	30
Furniture and fixtures	513,000	0	513,000	251,905	39,164	291,069	221,931	15
Vehicles	36,000	0	36,000	19,411	3,318	22,729	13,271	20
	634,750	0	634,750	332,065	49,982	382,048	252,702	

8 INTANGIBLE ASSETS

		Decmeber 31, 2021	June 30, 2021
		-----Rupees-----	
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.

Note**9 LONG-TERM INVESTMENTS**

Investments available for sale

ISE Towers Reit Management Limited - opening balance		28,677,002	28,130,770
Adjustment for remeasurement to fair value		-	546,232
Share sold during the year			
ISE Towers Reit Management Limited (unquoted) - fair value	9.1	28,677,002	28,677,002

	Note	December 31, 2021 Un-Audited	June 30, 2021 Audited																				
10 LONG TERM DEPOSITS																							
Central Depository Company Limited		100,000	100,000																				
National Clearing Company of Pakistan Limited		400,000	200,000																				
Pakistan Stock Exchange Limited		-	200,000																				
		500,000	500,000																				
11 TRADE DEBTS																							
Considered good	11.1	0	0																				
		0	0																				
Less: Provision for doubtful debts	11.2																						
Bad debts		0	0																				
<p>11.1 The Company has no client-owned securities as collateral against trade debts. The Company recognized a provision after consideration of a number of factors, including (but not limited to) an analysis of historical bad debt experience receivables portfolio, expected future write-offs, the nature and quantum of collateral held, and an assessment of identifiable customer accounts considered at risk or uncollectible.</p> <p>Trade debts do not include any amounts receivable from related parties.</p> <p>11.2 Movement in provision against trade debts is as under:</p> <table border="1"> <thead> <tr> <th></th> <th></th> <th></th> <th></th> </tr> </thead> <tbody> <tr> <td>Opening balance (as at July 1)</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Charged to profit and loss during the year</td> <td></td> <td>0</td> <td>0</td> </tr> <tr> <td>Amounts written off during the year</td> <td></td> <td>0</td> <td>0</td> </tr> <tr> <td>Closing balance (as at June 30)</td> <td></td> <td>0</td> <td>0</td> </tr> </tbody> </table>								Opening balance (as at July 1)				Charged to profit and loss during the year		0	0	Amounts written off during the year		0	0	Closing balance (as at June 30)		0	0
Opening balance (as at July 1)																							
Charged to profit and loss during the year		0	0																				
Amounts written off during the year		0	0																				
Closing balance (as at June 30)		0	0																				
12 LOANS AND ADVANCES																							
Staff advances - unsecured, considered good		11,000	2,000																				
Other advances		-	0																				
Receivables from Related party :																							
-From directors - net		8,195,814	7,405,814																				
		8,206,814	7,407,814																				
12.1 Receivables from Related party :																							
Receivable from the director		10,566,094	10,566,094																				
Payable to director		(2,370,280)	(3,160,280)																				
		8,195,814	7,405,814																				
13 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES																							
Security deposit with NCCPL		202,000	202,000																				
		202,000	202,000																				
14 INCOME TAX REFUNDABLE																							
Balance at the beginning of the year		416,603	222,211																				
Add: Current year additions		163,869	194,392																				
		580,472	416,603																				
Less: Adjustment against provision for taxation		(19,769)	0																				
Balance at the end of the year		560,703	416,603																				
15 CASH AND BANK BALANCES																							
Cash in hand		-	0																				
Cash at bank:																							
Current accounts	15.1	16,239	16,239																				
Savings accounts		3,312,569	10,244,891																				
		3,328,808	10,261,130																				
16 SHARE CAPITAL																							
16.1 Authorized capital																							
1,000,000 (2021: 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 (June 30, 2021: 304,191) ordinary shares of PKR		37,419,100	37,419,100																				
		37,419,100	37,419,100																				

	Note	December 31, 2021 Un-Audited	June 30, 2021 Audited
--	------	---------------------------------	--------------------------

16.3 Shareholders holding 5% or more of total shareholding

	Number of Shares		Percentage	
	September 30, 2021	June 30, 2021	September 30, 2021	June 30, 2021
Mr. Muhammad Fayyaz Ali	346,012.00	346,012.00	0.92	0.92
Mr. Mubashir Nazir	22,095.00	22,095.00	0.06	0.06

17 TRADE AND OTHER PAYABLES

Trade creditors	21,502	25,177
Accrued expenses	81,465	84,859
Auditor's remuneration payable	85,000	90,000
Other payables	-	14,820
	187,967	214,856

18 PROVISION FOR TAXATION

	5,002	5,002
--	-------	-------

Provision for taxation have been recorded on the basis of the minimum tax because of accumulated losses. No deferred tax asse

19 CONTINGENCIES AND COMMITMENTS

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

20 OPERATING REVENUE

Brokerage income	0	0
	0	0

21 ADMINISTRATIVE EXPENSES

Staff salaries, allowances and other benefits		282,000	674,000
Rent, rates and taxes		393,250	726,000
Postage and courier expense		500	6,770
Printing and stationery		1,170	4,980
Software license fee		52,920	88,970
Assets written off/ bad debts			0
NCCPL charges			3,671
PSX charges		10,000	10,000
Legal and professional charges		2,750	406,620
Entertainment		14,065	28,798
Auditors' remuneration	21.1	155,000	75,000
Utilities		162,558	296,153
Travelling expenses		5,070	3,360
Fee and subscription		1,000	32,247
Depreciation	7	41,194	49,982
Misc. expenses		218,655	3,792
		1,340,132	2,401,555

	Note	December 31, 2021 Un-Audited	June 30, 2021 Audited
21.1 Auditor's remuneration			
Statutory audit		155,000	60,000
Certifications and other charges		-	15,000
		155,000	75,000
22 FINANCIAL CHARGES			
Bank and other charges		1,800	4,719
		1,800	4,719
23 OTHER INCOME AND LOSSES			
Dividend Income		1,092,457	600,851
Profit on bank balances		206,159	122,726
		1,298,616	723,577
24 TAXATION			
Current tax		0	20,000

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

25 EARNINGS PER SHARE

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

Profit / (loss) after taxation, attributable to ordinary shareholders	(43,316)	(1,702,697)
Weighted average number of ordinary shares in issue during the year	374,191	374,191
Earnings per share	(0.12)	(4.55)

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

26 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amounts charged in the financial statements for remuneration, including benefits, to the chief executive and directors

	2021		2021	
	Remuneration	Number of persons	Remuneration	Number of persons
Chief Executive	0	1	0	1
Directors	0	2	0	2

27 GENERAL

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

28 AUTHORIZATION

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

Chief Executive

