KP Securities (Private) Limited

Audited Financial Statements

For the year ended

30th JUNE 2024

NASIR JAVAID MAQSOOD IMRAN
Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

To the members of KP SECURITIES (PRIVATE) LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **KP SECURITIES (PRIVATE) LIMITED** (the Company), which comprise the statement of financial position as at June 30, 2024 and the statement of profit or loss and other 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 a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss and other 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 profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual 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 is 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; and

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

e) The company has duly complied the with the requirements of section 78 of the Securities Act, 2015 and relevant requirements of Securities Brokers (Operating and Licensing) regulations, 2016.

The engagement partner on the audit resulting in this independent auditor's report is Imran Ul Haq.

Place: Islamabad

Date: 28th October, 2024

UDIN: AR2024101637bu2dQaGc

Nasir Javaid Maqsood Imran

Chartered Accountants

KP SECURITIES (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2024

	Note	2024	2023
		---------- Pak Rupees ----------	
Non-Current Assets			
Property and equipment	7	149,091	177,413
Intangible asset	8	2,500,000	2,500,000
Long-term investments	9	38,381,663	37,434,867
Long-term deposits	10	100,000	100,000
		41,130,754	40,212,280
Current Assets			
Loan and advances	11	8,877,005	9,553,145
Deposits	12	310,596	300,601
Short term investment		23,422	
Income tax - net	13	592,839	583,089
Cash and bank balances	14	36,373	33,010
		9,840,235	10,469,844
		50,970,989	50,682,125
Equity and Liabilities			
Share capital and reserves			
Share capital	15	37,419,100	37,419,100
Unappropriated profit		13,318,091	13,002,905
		50,737,191	50,422,005
Current Liabilities			
Trade and other payables	16	233,798	260,120
Provision for taxation	17	-	-
		233,798	260,120
Contingencies and commitments	18	-	-
		50,970,989	50,682,125

The annexed notes from 1 to 30 form an integral part of these financial statements.

KP Securities (Private) Limited TREC 508 PSX

Chief Executive Officer **Director**

KP SECURITIES (PRIVATE) LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024	2023
		---------- Pak Rupees ----------	
Revenue		-	-
Unrealized gain/(loss) on investments		946,796	5,644,362
		946,796	5,644,362
Operating and administrative expenses	19	(2,763,759)	(2,403,151)
Operating profit		(1,816,963)	3,241,212
Bank charges		-	2,250
Other income and losses	20	2,495,508	1,202,635
Profit before taxation		678,545	4,446,097
Tax expense	21	(363,359)	(177,524)
Profit for the year		315,187	4,268,573

The annexed notes from 1 to 30 form an integral part of these financial statements.

Chief Executive Officer

Director

KP SECURITIES (PRIVATE) LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024	2023
		-------- Pak Rupees ---------	
Profit for the year		315,187	4,268,573
Other comprehensive income		-	-
Total comprehensive income/(loss) for the year		315,187	4,268,573

The annexed notes from 1 to 30 form an integral part of these financial statements.

Chief Executive Officer

Director

KP SECURITIES (PRIVATE) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2024

	Share Capital	Advance against issuance of share capital	Unappropriated profit/(loss) - Revenue Reserve	Total
	---------- Pak Rupees ----------			
Balance as at 30 June 2022	37,419,100		8,734,333	46,153,433
Profit/(loss) for the year	-	-	4,268,573	4,268,573
Advance against of issuance of share capital	-		-	-
Other comprehensive income/(loss) for the year	-	-	-	-
Balance as at 30 June 2023	37,419,100		13,002,905	50,422,005
Profit/(loss) for the year	-	-	315,187	315,187
Other comprehensive income/(loss) for the year	-	-	-	-
Balance as at 30 June 2024	37,419,100	-	13,318,092	50,737,192

The annexed notes from 1 to 30 form an integral part of these financial statements.

Chief Executive Officer

KP Securities (Private) Limited TREC 508 PSX

Director

KP SECURITIES (PRIVATE) LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024	2023
		---------- Pak Rupees ----------	
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before taxation		678,545	4,446,097
Adjustments:			
Depreciation and impairment		28,323	34,095
Interest Income		(39,700)	(6,152)
Finance cost		-	(2,250)
Dividend income		(2,422,391)	(1,183,495)
Unrealized Gain		(946,796)	(5,644,362)
Operating cash flow before working capital changes		(2,702,019)	(2,356,068)
Changes in:			
Advances and other receivables		676,140	1,281,669
Deposits and prepayments		(9,995)	(2,698)
Other		-	-
Trade payables		(26,322)	24,200
		639,823	1,303,171
Cash flows (used in) / generated from operations		(2,062,196)	(1,052,897)
Proceeds from net sales of / (acquisition of) short-term investments			
Interest Received		39,700	6,152
Dividend received		2,422,391	1,183,495
Finance cost paid		-	2,250
Taxes paid		(373,109)	(180,352)
Net cash (used in) / generated from operating activities		26,786	(41,351)
CASH FLOWS FROM FINANCING ACTIVITIES			
Short term deposits		(23,423)	-
		(23,423)	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Long-term deposits		-	-
Advance against issue of shares		-	-
Net cash (used in) / generated from financing activities		-	-
Net (decrease)/increase in cash and cash equivalents		3,363	(41,351)
Cash and cash equivalents at the beginning of the year		33,010	74,361
Cash and cash equivalents at the end of the year	14	36,373	33,010

The annexed notes from 1 to 30 form an integral part of these financial statements.

KP Securities (Private) Limited TREC 509 PSX

Chief Executive Officer **Director**

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

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 the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:
International Financial Reporting Standards for Small and Medium Sized Entities(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 Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed

2.1 Change of Accounting Framework

The accounting framework for the preparation of financial has been changed from International Financial reporting standard to International Financial Reporting Standards (IFRS) for Small and Medium Entities(SMEs) issued by IASB. This change has no effect on the measurment of assets and liabilities except the investment at fair value through other comprehensive income (FVTOCI) has been reclassified to fair value through profit or loss (FVTPL), resultantly the fair value reserve through other comprehensive income has also been reclassified to fair value gain through profit or loss as mentioned below:

	2024	2023
Decrease in Unrealized surplus on remeasurement of investments measured at FVOCI	-	8,069,384
Increase in Unappropriated Profit	3,113,503	8,069,384

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, liabilties, 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;
(ii) Estimates of useful lives of intangible assets;
(iii) Provision against doubtful debts;
(iv) Classification, recognition, measurement / valuation of financial instruments; and
(v) Provision for taxation

4 BASIS OF MEASUREMENT

These financial statements have been prepared under the historical cost convention except where disclosed otherwise.

4.1 Property 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.

4.2 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.

4.3 Financial Instruments

Financial assets and financial liabilities are recognized when the company becomes a party to the contractual provisions of the instrument and assets and liabilities are stated initially at cost which is the fair value of consideration given or received. The financial assets are subsequently measured at fair value, amortized cost or cost as the case may be with classifications into i) at fair value through profit or loss (FVTPL) and ii) at amortized cost. Subsequently:

i) Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value, and subsequently carried at amortized cost, and in the case of financial assets, less any impairment.

ii) Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statement of profit or loss and other comprehensive income. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statement of profit or loss and other comprehensive income in the period in which they arise.
Where management has opted to recognize a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognized in Statement of Profit or loss. Currently, there are no financial liabilities designated at FVTPL.

4.3.1 Impairment of financial assets

there is any objective evidence of their impairment. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, and that loss event(s) had an impact on the estimated future cash flows of that asset that can be estimated reliably. The impairment loss is

4.3.2 Derecognition of financial instruments

The Company de-recognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognized financial assets that is created or retained by the Company is recognized as a separate asset or liability. The Company de-recognizes a financial liability (or a part of financial liability) from its statement of financial position when the obligation specified in the contract is discharged or cancelled or expires.

4.4 Taxation

Current

Provision for current taxation is based on taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using rates enacted or substantively enacted at the reporting date, and takes into account tax credits, exemptions and rebates available, if any. The charge for current tax also includes adjustments, where necessary, relating to prior years which arise from assessments framed / finalized during the year. The charge for current tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or in other comprehensive income.

Deferred

Deferred tax is recognized using the balance sheet liability method in respect of temporary differences arising from differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax is calculated using rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax liabilities are recognized for all taxable temporary differences. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax asset is reduced to the extent that it is no longer probable that the related tax benefits will be realized. Deferred tax is not recognized on temporary differences arising from the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences arising on the initial recognition of goodwill.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity.

Deferred tax is charged or credited to the income statement, except in the case of items credited or charged to comprehensive income or equity, in which case it is included in comprehensive income or equity.

The Company takes into account current income tax law and decisions taken by tax authorities. In instances where the Company's views differ from the income tax department at the assessment stage and where the Company considers that its view on items of material nature is in accordance with law, the relevant amounts are disclosed as contingent liabilities.

4.5 Cash and cash equivalents

Cash and cash equivalents are carried at cost and include cash in hand, balances with banks in current and deposit accounts.

4.6 Trade and other payables

Trade and other payables are recognized initially at fair value plus directly attributable cost, if any, and subsequently measured at amortized cost using the effective interest method. They are classified as current if payment is due within twelve months of the reporting date, and as non-current otherwise.

4.7 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. The amount recognized represents the best estimate of the expenditure required to settle the obligation at the balance sheet date. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

4.8 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.

4.9 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.

4.10 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.

4.11 Related party transactions

All transactions involving related parties arising in the normal course of business are conducted at arm's length at normal commercial rates on the same terms and conditions as third party transactions using valuation modes, as admissible, except in extremely rare circumstances where, subject to the approval of the Board of Directors, it is in the interest of the Company to do so.

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

7 PROPERTY AND EQUIPMENT

2024	Cost			Accumulated Depreciation			Written down value as at 30 June 2024	Rate of Depreciation
	As at 1 July 2023	Additions/ (Deletions)	As at 30 June 2024	As at 1 July 2023	For the year	As at 30 June 2024		
	---------- Pak Rupees ----------							
Computer equipment	85,750	-	85,750	77,175	2,573	79,747	6,003	0.3
Furniture and fixtures	513,000	-	513,000	352,655	24,052	376,707	136,293	0.15
Vehicles	36,000	-	36,000	27,507	1,699	29,205	6,795	0.2
	634,750	-	634,750	457,336	28,323	485,659	149,091	

2023	Cost			Accumulated Depreciation			Written down value as at 30 June 2023	Rate of Depreciation
	As at 1 July 2022	Additions/ (Deletions)	As at 30 June 2023	As at 1 July 2022	For the year	As at 30 June 2023		
	---------- Pak Rupees ----------							
Computer equipment	85,750	-	85,750	73,500	3,675	77,175	8,575	0.3
Furniture and fixtures	513,000	-	513,000	324,359	28,296	352,655	160,345	0.15
Vehicles	36,000	-	36,000	25,383	2,123	27,507	8,493	0.2
	634,750	-	634,750	423,242	34,095	457,336	177,414	

	Note	2024	2023
		---------- 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.

	Note	2024	2023
		---------- Pak Rupees ----------	
9 LONG-TERM INVESTMENTS			
Investments available for sale			
ISE Towers Reit Management Limited - opening balance		37,434,867	31,790,505
Adjustment for remeasurement to fair value		946,796	5,644,362
ISE Towers Reit Management Limited (unquoted) - fair value	9.1	38,381,663	37,434,867

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 resultantly company hold 1,820,762 shares at year end. The related deferred tax has not been provided on unrealized gain since the market value taken here is break up value as per accounts of investee and its real market value is not available however some recent transactions these shares privately have been made at below cost.

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 21.08 / per share, compared to PKR 20.56/per share as at June 30, 2023).

These shares of ISE Towers REIT Management Limited are pledged with the PSX to meet BMC requirements. The related deferred tax has not been provided on unrealized gain since the market value taken here is break up value as per accounts of investee and its real market value is not available however some recent transactions these shares privately have been made at below cost.

	Note	2024	2023
		---------- Pak Rupees ----------	
10 LONG TERM DEPOSITS			
Central Depository Company Limited	10.1	100,000	100,000
		100,000	100,000

10.1 This represents security deposit held with Centeral Depository Company.

	Note	2024	2023
		---------- Pak Rupees ----------	
11 LOANS AND ADVANCES			
Staff advances - unsecured, considered good		3,000	11,000
Receivables from Related party :			
-From directors - net	11.1	8,874,005	9,542,145
		8,877,005	9,553,145
11.1 Receivables from Related party :			
Receivable from the director	11.2	11,416,094	11,416,094
Payable to director	11.3	(2,542,089)	(1,873,949)
		8,874,005	9,542,145

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

11.3 This represents payments received from Director for office expenses.

	Note	2024	2023
		---------- Pak Rupees ----------	
12 DEPOSITS			
Security deposit with NCCPL		196,700	196,700
Margin deposit with NCCPL/ECLEAR		113,896	103,901
		310,596	300,601

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

	Note	2024	2023
		---------- Pak Rupees ----------	
13 INCOME TAX REFUNDABLE			
Balance at the beginning of the year		583,089	580,261
Add: Current year additions		373,109	180,352
		956,198	760,613
Less: Adjustment against provision for taxation		(363,359)	(177,524)
Balance at the end of the year		592,839	583,089
14 CASH AND BANK BALANCES			
Cash in hand		150	300
Cash at bank:			
Current accounts	14.1	807	16,239
Savings accounts	14.2	35,415	16,471
		36,223	32,710
		36,373	33,010

14.1 Cash in current accounts includes customers' assets in the amount of PKR Nil (2023:Nil) held in designated bank accounts.

14.2 These carry interest rate of 13.5%. (2023: 12%).

	Note	2024	2023
		---------- Pak Rupees ----------	

15 SHARE CAPITAL

15.1 Authorized capital

1,000,000 (2023: 1,000,000) ordinary shares of PKR 100/ each.	100,000,000	100,000,000

15.2 Issued, subscribed and paid-up share capital

374,191 (2023: 374,191) ordinary shares of PKR 100/- each, issued for cash	37,419,100	37,419,100
	37,419,100	37,419,100

15.3 Shareholders holding 5% or more of total shareholding

	Number of Shares		Percentage	
	2024	2023	2024	2023
Mr. Muhammad Fayyaz Ali	346,012	346,012	92%	92%
Mr. Mubashir Nazir	22,095	22,095	6%	6%

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

	Note	2024	2023
		---------- Pak Rupees ----------	

16 TRADE AND OTHER PAYABLES

Trade creditors	-	-
Accrued expenses	108,798	99,037
Auditor's remuneration payable	125,000	160,000
Other payables	-	1,083
	233,798	260,120

17 PROVISION FOR TAXATION

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

18 CONTINGENCIES AND COMMITMENTS

There are no contingencies or commitments of the Company as at June 30, 2024 (2023: Nil)

	Note	2024	2023
		---------- Pak Rupees ----------	
19 ADMINISTRATIVE EXPENSES			
Staff salaries, allowances and other benefits		850,025	657,000
Rent, rates and taxes		929,707	838,530
Postage and courier expense		4,110	1,550
Printing and stationery		-	3,850
Software license fee		94,500	103,950
NCCPL charges		-	18,296
PSX charges		103,338	84,373
Legal and professional charges		21,700	20,850
Entertainment		27,692	27,697
Auditors' remuneration	19.1	120,000	150,000
Utilities		552,165	424,060
Travelling expenses		7,388	14,460
Fee and subscription		3,860	-
Depreciation	7	28,323	28,323
Misc. expenses		20,951	24,440
		2,763,759	2,397,379
19.1 Auditor's remuneration			
Statutory audit		120,000	150,000
Certifications and other charges		-	-
		120,000	150,000

	Note	2024	2023
		---------- Pak Rupees ----------	
20 OTHER INCOME AND LOSSES			
Unrealized gain / loss on long term investment			
Dividend income		2,422,391	1,183,495
Miscellanious income		33,417	12,988
Profit on bank balances		39,700	6,152
		2,495,508	1,202,635

	Note	2024	2023
		---------- Pak Rupees ----------	
21 TAXATION			
Current tax		363,359	177,524

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

22 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 of the Company as per the terms of their employment are as follows:

	2024		2023	
	Remuneration	Number of persons	Remuneration	No. of Persons
Chief Executive	-	1	-	1
Directors	-	3	-	3

		2024	2023
24	**Information required by regulation 34 of Securities Broker Regulations 2016**		
a)	Customer shares in the central depository system	-	-
	Customer's cash in bank account - PKR	-	-
b)	Securities pledged with financial institutions		
c)	**Pattern of shares:**		
	Muhammad Fayyaz Ali	346,012	346,012
	Mubashir Nazir	22,095	22,095
	Total no of shares	368,107	368,107
d)	**Changes in shareholding:**		
	Shares issued during the year to Muhammad Fayyaz Ali	-	-
	Shares issued during the year to Mubashir Nazir	-	-

e) Trade and other receivables are stated at estimated realizable value after each debt has been considered individually. Where the payment of a debt becomes doubtful a provision is made and charged to the statement of profit or loss.

f)	**Aging analysis of amount due from customers**		
	Due not more than 5 days - PKR	-	-
	Due more than 5 days - PKR	-	-

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	Agreegate % of shareholding in the Company
Mr Muhammad Fayyaz Ali	Director	92%

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

Director	2024 Pak Rupees	2023 Pak Rupees
Transactions		
Expense incurred on behalf of company	(668,140)	-
Repayments against expenses on behalf of company	-	-
Loan received from company	-	-
Balance receivable	11,416,094	11,416,094
Balance payable	(2,542,089)	(1,873,949)

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 (2023: 02). Average number of employees was 02 (2023: 02).

28 CAPITAL ADEQUACY

	2024 Pak Rupees	2023 Pak Rupees
Total Assets	50,970,989	50,682,125
Less: Total Liabilities	233,798	260,120
Less: Revaluation Reserves (created upon revaluation of fixed assets)		-
Capital Adequacy Level	50,737,191	50,422,005

28.1 While determining the value of the total assets of the Company, the notional value as at June 30, 2024 of the TREC held by the Company has been considered.

29 GENERAL

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

30 AUTHORIZATION

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

Chief Executive Officer

KP Securities (Private) Limited TREC 508 PSX

Director