

**KP SECURITIES (PRIVATE)
LIMITED
Audited Financial Statement
For the Year Ended
30 June 2025**



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, 2025 and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended and notes to the financial statements including 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, 2025 and of the profit, 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

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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) The Company was in compliance with the relevant requirements of Securities Brokers (Licensing and Operations Regulations), 2016 as at the date on which the statement of financial position was prepared.
- d) Investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- e) No zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

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

Place: Islamabad

Date: 31ST October 2025

UDIN: AR20251016 38X8aLDBNc


Nasir Javaid Maqsood Imran
Chartered Accountants

KP SECURITIES (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2025

		2025	2024
	Note	----- Pak Rupees -----	-----
Non-Current Assets			
Property and equipment	4	164,875	149,091
Intangible asset	5	2,500,000	2,500,000
Long-term investments	6	41,076,391	38,381,663
Long-term deposits	7	-	100,000
		43,741,265	41,130,754
Current Assets			
Loan and advances	8	5,854,078	8,877,005
Deposits	9	1,099,583	310,596
Short term investment		-	23,422
Income tax - net	10	644,512	592,839
Cash and bank balances	11	20,876	36,373
		7,619,048	9,840,235
		<u>51,360,314</u>	<u>50,970,989</u>
Equity and Liabilities			
Share capital and reserves			
Share capital	12	37,419,100	37,419,100
Unappropriated profit		13,638,041	13,318,091
		51,057,141	50,737,191
Current Liabilities			
Trade and other payables	13	303,173	233,798
Provision for taxation	14	-	-
		303,173	233,798
Contingencies and commitments	15	-	-
		<u>51,360,314</u>	<u>50,970,989</u>

The annexed notes from 1 to 28 form an integral part of these financial statements.


Chief Executive Officer




Director

KP SECURITIES (PRIVATE) LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2025

		2025	2024
	Note	----- Pak Rupees -----	
Revenue	16	92,868	-
Unrealized gain/(loss) on investments		2,694,728	946,796
Realized capital gain		148,949	-
		<u>2,936,545</u>	<u>946,796</u>
Operating and administrative expenses	17	<u>(3,647,520)</u>	<u>(2,763,759)</u>
Operating profit		(710,975)	(1,816,963)
Bank charges		-	-
Other income and losses	18	<u>1,209,742</u>	<u>2,495,508</u>
Profit before taxation		498,767	678,545
Tax expense	19	<u>(178,816)</u>	<u>(363,359)</u>
Profit for the year		<u><u>319,950</u></u>	<u><u>315,187</u></u>

The annexed notes from 1 to 28 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, 2025

	2025	2024
Note	----- Pak Rupees -----	
Profit for the year	319,950	315,187
Other comprehensive income	-	-
Total comprehensive income/(loss) for the year	<u>319,950</u>	<u>315,187</u>

The annexed notes from 1 to 28 form an integral part of these financial statements.


Chief Executive Officer




Director

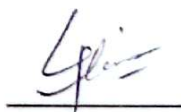
**KP SECURITIES (PRIVATE) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2025**

	Share Capital	Advance against issuance of share capital	Unappropriated profit/(loss) - Revenue Reserve	Total
	----- Pak Rupees -----			
Balance as at 30 June 2023	37,419,100		13,002,905	50,422,005
Profit/(loss) for the year	-	-	315,187	315,187
Advance against of issuance of share capital	-	-	-	-
Other comprehensive income/(loss) for the year	-	-	-	-
Balance as at 30 June 2024	37,419,100		13,318,092	50,737,192
Profit/(loss) for the year	-	-	319,950	319,950
Other comprehensive income/(loss) for the year	-	-	-	-
Balance as at 30 June 2025	37,419,100	-	13,638,042	51,057,142

The annexed notes from 1 to 28 form an integral part of these financial statements.


Chief Executive Officer




Director

KP SECURITIES (PRIVATE) LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025 ----- Pak Rupees -----	2024 -----
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before taxation		498,767	678,545
Adjustments:			
Depreciation and impairment		52,716	28,323
Interest Income		(15,747)	(39,700)
Finance cost		-	-
Dividend income		(1,183,495)	(2,422,391)
Unrealized Gain		(2,694,728)	(946,796)
Operating cash flow before working capital changes		(3,342,487)	(2,702,019)
Changes in:			
Advances and other receivables		3,022,927	676,140
Deposits and prepayments		(788,987)	(9,995)
Other		-	-
Trade payables		69,375	(26,322)
		2,303,315	639,823
Cash flows (used in) / generated from operations		(1,039,172)	(2,062,196)
Proceeds from net sales of / (acquisition of) short-term investments			
Interest Received		15,747	39,700
Dividend received		1,183,495	2,422,391
Finance cost paid		-	-
Taxes paid		(298,990)	(373,109)
Net cash (used in) / generated from operating activities		(138,920)	26,786
CASH FLOWS FROM FINANCING ACTIVITIES			
Short term deposits		23,422	(23,423)
		23,422	(23,423)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long-term deposits		100,000	-
Advance against issue of shares		-	-
Net cash (used in) / generated from financing activities		100,000	-
Net (decrease)/increase in cash and cash equivalents		(15,498)	3,363
Cash and cash equivalents at the beginning of the year		36,373	33,010
Cash and cash equivalents at the end of the year	11	20,876	36,373

The annexed notes from 1 to 28 form an integral part of these financial statements.

Chief Executive Officer



Director

KP SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

1 CORPORATE AND GENERAL INFORMATION

1.1 Legal status and operations

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 room # 1113-A, 11th floor, Islamabad Stock Exchange Towers, Jinnah Avenue, Bluea Area Islamabad. 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 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with approved accounting 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 ("IFRS for SMEs") issued by the International Accounting Standards Board ("IASB") as are notified under the Companies Act, 2017,
- Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS standards, the provision of and directives issued under the Companies Act, 2017 shall prevail.

2.2 Basis of measurement

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

- 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.

2.3 Functional & Presentation Currency

These financial statements are presented in Pakistan Rupees(Rs.) which is the Company's functional currency.

Amounts presented in the financial statements have been rounded off to the nearest of Rupees, unless otherwise stated.

2.4 Use of Judgment and Estimates

The preparation of financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires the use of certain critical accounting estimates. In addition, it requires management to exercise judgment in the process of applying the Company's accounting policies. The areas involving a high degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are documented in the following accounting policies and notes, and relate primarily to:

- Useful lives, residual values and depreciation method of property and equipment;
- Useful lives, residual values and amortization method of intangible assets;
- Impairment loss of non-financial assets other than inventories;
- Provision for doubtful receivables;
- Estimation of provisions; and
- provision for taxation.

3 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.



KP SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

3.1 Property and equipment

Initial Recognition

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

Subsequent measurement

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 and maintenance expenditures are charged to profit or loss during the year in which they are incurred.

Revaluation

Any revaluation increase arising on the revaluation of buildings is recognised in other comprehensive income and presented as a separate component of equity as "Revaluation surplus on buildings", except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. Any decrease in carrying amount arising on the revaluation of right of use asset is charged to profit or loss to the extent that it exceeds the balance, if any, held in the Revaluation surplus on right of use asset relating to a previous revaluation of that asset. The whole surplus on revaluation on right of use asset will be transferred to profit or loss when the asset is retired or disposed off.

Depreciation

Depreciation on all items of property and equipment is calculated using the reducing balance method except for right of use assets in accordance with the rates specified in note 4 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 the date when the asset is available for use until the asset is disposed of.

Disposal

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 or loss account in the year in which the asset is derecognized.

Judgments and estimates

The useful lives, residual values and depreciation method are reviewed on a regular basis. The effect of any changes in estimate is accounted for on a prospective basis.

Impairment

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Change in estimate

The Company reviews useful lives of property and equipment on a regular basis. Any change in estimates in future years which might affect the carrying amounts of the respective items of property and equipment with a corresponding effect on the depreciation charge and impairment loss. Further, management also on a year basis reviews the carrying amounts of certain classes of property and equipment which are carried at revalued amounts. Any change in estimate in future years which might affect the carrying amount of these classes with a corresponding effect on the surplus on revaluation of property and equipment, related deferred tax liability and related charge of incremental depreciation.

KP SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

3.2 Intangible Asset - Acquired

TREC Certificate

These are stated at cost less impairment losses (if any). Cost includes expenditure that is directly attributable to the acquisition of the items. Trading Right Entitlement Certificates and Membership Card have indefinite useful life and accordingly are not amortized however, these are tested for impairment only. Impairment loss is recognized in profit and loss account.

Judgments and estimates

The useful lives, residual values and amortization method are reviewed on a regular basis. The effect of any changes in estimate accounted for on a prospective basis.

3.3 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.

Impairment of financial assets

The financial assets other than those that are carried at fair value are assessed at each reporting date to determine whether 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 recognized immediately in the statement of profit or loss and the carrying amount of the related financial asset is reduced accordingly. An impairment loss is reversed only if the reversal can be related objectively to an event occurring after the impairment loss was recognized.

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.

KP SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

3.4 Trade and other Receivable

Measurement

Trade receivable are recognized initially at fair value and subsequently measured at cost less allowance for doubtful debts.

Impairment

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

Judgments and estimates

Management reviews its trade debtors on a continuous basis to identify receivables where collection of the amount is no longer probable. These estimates are based on historical experience and are subject to change in condition at the time of actual recovery.

3.5 Taxation

Income tax expense comprises current and deferred tax.

Current

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date. Management yearly evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable income.

Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable income will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax is calculated at the rates that are expected to apply to the year when the differences reverse, based on tax rates that have been enacted or substantially enacted by the balance sheet date.

Deferred tax is charged or credited in the statement of profit or loss account, 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.

Judgment and estimates

Significant judgment is required in determining the income tax expenses and corresponding provision for tax. There are many transactions and calculations for which the ultimate tax determination is uncertain as these matters are being contested at various legal forums. The Company recognizes liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax assets and liabilities in the period in which such determination is made.

Further, the carrying amount of deferred tax assets is reviewed at each reporting date and is adjusted to reflect the current assessment of future taxable profits. If required, carrying amount of deferred tax asset is reduced to the extent that it is no longer probable that sufficient taxable profits to allow the benefit of part or all of that recognised deferred tax asset to be utilized. Any such reduction shall be reversed to the extent that it becomes probable that sufficient taxable profit will be available.

KP SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

Off-setting

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

3.6 Cash and cash equivalents

These are measured at cost which is the fair value. For the purposes of cash flow statement, cash and cash equivalents comprise cash in hand, balances with banks on current and savings accounts.

3.7 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the period in which the dividends are approved by the company's shareholders.

3.8 Share capital

Ordinary shares are classified as equity and recognized at their face value. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

3.9 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.

3.10 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 will be required to settle the obligation; and the amount could be reliably estimated. Provisions are not recognized for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Judgment and estimates

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

Contingent liabilities

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

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KP SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

3.11 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 Commission

Brokerage, consultation and advisory fee and commission on securities and commodities is recognized as and when related services are rendered.

Income on bank deposits

Mark-up/interest on bank deposits and return on investments is recognized on accrual basis.

Profit on exposure deposits

Profit on exposure deposits is recognized using the effective interest rate.

Dividend income

Dividend income is recognised in profit or loss as other income when:

- the Company's right to receive payment have been established;
- it is probable that the economic benefits associated with the dividend will flow to the company; and
- the amount of the dividend can be measured reliably.

Others

Gain / loss on sale of investment is recognized in the year in which they arise.

3.12 Settlement date accounting

All "regular way" purchases and sales of financial assets are recognized on settlement date, i.e. the date on which the company actually acquire or dispose off the financial asset. Regular way purchases or sales of financial assets are those contracts which requires delivery of assets within the time frame generally established by regulation or convention in the market.

3.13 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 except as provided by board of directors.

KP SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

4 PROPERTY AND EQUIPMENT

2025	As at 1 July 2024	Cost		Accumulated Depreciation			Written down value as at 30 June 2025	Rate of Depreciation
		Additions/ (Deletions)	As at 30 June 2025	As at 1 July 2024	For the year	As at 30 June 2025		
				Pak Rupees				
Computer equipment	85,750	68,500	154,250	79,747	30,913	110,661	43,589	0.3
Furniture and fixtures	513,000	-	513,000	376,707	20,444	397,151	115,849	0.15
Vehicles	36,000	-	36,000	29,205	1,359	30,564	5,436	0.2
	634,750	68,500	703,250	485,659	52,716	538,375	164,875	

2024	As at 1 July 2023	Cost	As at 30 June 2024	Accumulated Depreciation		As at 30 June 2024	Written down value as at 30 June 2024	Rate of Depreciation
		Additions/ (Deletions)		As at 1 July 2023	For the year			
				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	

KP SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025 ----- Pak Rupees -----	2024
5 INTANGIBLE ASSET			
Trading Right Entitlement Certificate ("TREC")	5.1	2,500,000	2,500,000
		<u>2,500,000</u>	<u>2,500,000</u>

5.1

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	2025 ----- Pak Rupees -----	2024
6 LONG-TERM INVESTMENTS			
Investments available for sale			
ISE Towers Reit Management Limited - opening balance		38,381,663	37,434,867
Unrealized gain on remeasurement to fair value		<u>2,694,728</u>	<u>946,796</u>
ISE Towers Reit Management Limited (unquoted) - fair value	6.1	<u>41,076,391</u>	<u>38,381,663</u>

6.1

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 22.56 / per share, compared to PKR 21.08/per share as at June 30, 2024).

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.

KP SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025 ----- Pak Rupees -----	2024 ----- Pak Rupees -----
7 LONG TERM DEPOSITS			
Central Depository Company Limited	10.1	-	100,000
		-	100,000

7.1 This represents security deposit held with Central Depository Company.

	Note	2025 ----- Pak Rupees -----	2024 ----- Pak Rupees -----
8 LOANS AND ADVANCES			
Staff advances - unsecured, considered good		23,000	3,000
Receivables from Related party :			
-From directors - net	8.1	5,831,078	8,874,005
		5,854,078	8,877,005

8.1 Receivables from Related party :

Receivable from the director		5,831,005	11,416,094
Payable to director	9.1.1	73	(2,542,089)
		5,831,078	8,874,005

9.1.1 This represents payments received from Director for office expenses.

	Note	2025 ----- Pak Rupees -----	2024 ----- Pak Rupees -----
9 DEPOSITS			
Security deposit with NCCPL		-	196,700
Exposure Deposit		1,046,700	-
Margin deposit with NCCPL/ECLEAR		52,883	113,896
		1,099,583	310,596

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

	Note	2025 ----- Pak Rupees -----	2024 ----- Pak Rupees -----
10 INCOME TAX REFUNDABLE			
Balance at the beginning of the year		592,839	583,089
Add: Current year additions		230,489	373,109
		823,328	956,198
Less: Adjustment against provision for taxation		(178,816)	(363,359)
Balance at the end of the year		644,512	592,839

11 CASH AND BANK BALANCES

Cash in hand		-	150
Cash at bank:			
Current accounts	11.1	20,009	807
Savings accounts	11.2	867	35,415
		20,876	36,223
		20,876	36,373

11.1 Cash in current accounts includes customers' assets in the amount of PKR Nil (2024:Nil) held in designated bank accounts.

11.2 Saving account carries mark up at the rates ranging from 10% to 22.5% (2024: 15% - 22.5%) per annum.

KP SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025 ----- Pak Rupees -----	2024 ----- Pak Rupees -----
12 SHARE CAPITAL			
12.1 Authorized capital			
1,000,000 (2024: 1,000,000) ordinary shares of PKR 100/ each.		100,000,000	100,000,000
12.2 Issued, subscribed and paid-up share capital			
374,191 (2024: 374,191) ordinary shares of PKR 100/- each, issued for cash		37,419,100	37,419,100
		<u>37,419,100</u>	<u>37,419,100</u>

12.3 Shareholders holding 5% or more of total shareholding

	Number of Shares		Percentage	
	2025	2024	2025	2024
Mr. Muhammad Fayyaz Ali	346,012	346,012	92%	92%
Mr. Mubashir Nazir	22,095	22,095	6%	6%

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

	Note	2025 ----- Pak Rupees -----	2024 ----- Pak Rupees -----
13 TRADE AND OTHER PAYABLES			
Trade creditors		-	-
Accrued expenses		145,360	108,798
Auditor's remuneration payable		150,000	125,000
FED payable		1,535	-
Other payables		6,278	-
		<u>303,173</u>	<u>233,798</u>

14 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 benifts.

15 CONTINGENCIES AND COMMITMENTS

There are no contingencies or commitments of the Company as at June 30, 2025 (2024: Nil)

		2025 ----- Pak Rupees -----	2024 ----- Pak Rupees -----
16 Revenue	16.1	92,868	-
16.1 This revenue includes brokerage commission net of FED.amounted to Rs. 16,639/-)			



KP SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

17 ADMINISTRATIVE EXPENSES

Staff salaries, allowances and other benefits		1,109,000	850,025
Rent, rates and taxes		1,030,729	929,707
Postage and courier expense		1,860	4,110
Printing and stationery		5,110	-
Software license fee		70,875	94,500
NCCPL charges		-	-
PSX charges		166,182	103,338
Legal and professional charges		202,000	21,700
Entertainment		72,420	27,692
Auditors' remuneration	17.1	150,000	120,000
Utilities		646,692	552,165
Travelling expenses		11,520	7,388
Fee and subscription		7,770	3,860
Depreciation	7	52,716	28,323
Misc. expenses		120,646	20,951
		<u>3,647,520</u>	<u>2,763,759</u>

17.1 Auditor's remuneration	
Statutory audit	
Certifications and other charges	

150,000	120,000
-	-
<u>150,000</u>	<u>120,000</u>

2025 2024
----- Pak Rupees -----

18 OTHER INCOME AND LOSSES

Unrealized gain / loss on long term investment			
Dividend income		1,183,495	2,422,391
Miscellaneous income		10,500	33,417
Profit on bank balances		15,747	39,700
		<u>1,209,742</u>	<u>2,495,508</u>

2025 2024
----- Pak Rupees -----

19 TAXATION

Current tax	<u>178,816</u>	<u>363,359</u>
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No deferred tax asset is being charged due to uncertainty over the future operating results of the entity.

20 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:

	2025		2024	
	Remuneration	Number of persons	Remuneration	No. of Persons
Chief Executive	-	1	-	1
Directors	-	3	-	3

KP SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

21 FINANCIAL INSTRUMENTS BY CATEGORY

	2025		
	At fair value through profit and loss	At amortized cost	Total
	-----Pak Rupees-----		
ASSETS			
Non-current assets			
Long-term deposits	-	-	-
Long term investment	41,076,391	-	41,076,391
Current assets			
Loans and advances	-	5,854,078	5,854,078
Deposits	-	1,099,583	1,099,583
Short term investment	-	-	-
Bank balances	-	20,876	20,876
LIABILITIES			
Current liabilities			
Trade and other payables	-	303,173	303,173

	2024		
	At fair value through profit and loss	At amortized cost	Total
	-----Pak Rupees-----		
ASSETS			
Non-current assets			
Long-term deposits	-	100,000	100,000
Long term investment	- 38,381,663	-	38,381,663
Current assets			
Short-term investments	-	310,596	310,596
Loans and advances	-	-	-
Deposits	23,422	-	23,422
Bank balances	-	-	-
LIABILITIES			
Current liabilities			
Trade and other payables	-	233,798	233,798
	-	233,798	233,798

KP SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

22 Information required by regulation 34 of Securities Broker Regulations 2016	2,025	2,024
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	-	-

23 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	Chief Executive Officer	92%

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

Chief Executive Officer	2025 Pak Rupees	2024 Pak Rupees
Transactions		
Repayments against expenses on behalf of company	-	-
Loan received from company	-	-
Balance receivable	5,831,078	8,874,005



KP SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

24 EVENTS AFTER REPORTING PERIOD

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

25 NUMBER OF EMPLOYEES

Total number of employees at the end of year was 02 (2024: 02). Average number of employees was 02 (2022: 02).

26 CAPITAL ADEQUACY

	2025 Pak Rupees	2024 Pak Rupees
Total Assets	51,360,314	50,970,989
Less: Total Liabilities	303,173	233,798
Less: Revaluation Reserves (created upon revaluation of fixed assets)		-
Capital Adequacy Level	<u>51,057,141</u>	<u>50,737,191</u>

26.1 While determining the value of the total assets of the Company, the notional value as at June 30, 2025 of the TREC held by the Company has been considered.

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 Officer



Director