S.D. MIRZA SECURITIES (PRIVATE) LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

JUNE 30, 2024

DIRECTORS' REPORT

Dear Shareholders,

On behalf of the Board of Directors of S.D Mirza Securities (Pvt) Ltd., I am pleased to present the Annual Report of the Company for the financial year ending 30 June, 2024, along with the Audited Financial Statements of the year.

Financial summary:

The Company performed well during the year under review. The Company earned operating revenue of Rs. 22.77million as compared to Rs. 8.59million for the corresponding year. On the expenditure side, the administrative & operating expenses were.Rs. 23.19 million in comparison to Rs.19.46 million in the previous year. The company recorded a net after tax profit of Rs. 17.69 million for the year under review.

Auditors:

The Auditors M/s. ShineWingHameedChaudhri & Co., Chartered Accountants tendered their resignation during the year. The Board of Directors expressed their gratitude to the outgoing Auditor. The Board of Directors are pleased to appoint M/s Rizwan & Company, Chartered Accountants, as the Statuary Auditors of the company for the Year ending 30 June, 2024.

Future Outlook:

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The Pakistan Stock Exchange ended the financial year at a record High KSE100 Index of 78,444

The future looks bright and we remain optimistic about the outlook for the local economy. With the expectation of a decrease in interest rates and hope for no further devaluation of the Rupee, the stock market has a lot of potential to perform well.

The management remains committed to maximizing the shareholder's wealth while keeping in view the interest of all stakeholders. We foresee a stronger and more liquid market ahead. The Company would try its best to remain focused on improving service quality, expanding clientele and controlling cost.

Acknowledgments

Our Company wishes to thank the Regulators, our valued clients, bankers & fellow TRE Certificate holders for their continuous cooperation, support and guidance.



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Independent Auditor's Report

To the members of S.D. Mirza Securities (Private) Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **S.D. Mirza Securities (Private) Limited**, which comprise the statement of financial position as at June 30, 2024, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including 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, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2024 and of the profit, 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 (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the other information. The other information comprises the information included in the Directors Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of the Companies Act, 2017(XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
c) investments made, expenditure incurred and guarantees extended during the period 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).

Other Matter

The financial statements of the Company for the year ended June 30, 2023 were audited by another auditor who expressed an unmodified opinion on those statements on October 25, 2023.

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

Lahore: 18 OCT 2024
UDIN: AR2024101406mNvFqnDd

Rizwan & Company
Chartered Accountants

Statement Of Financial Position
As at June 30, 2024

	Note	2024	(Restated) 2023
		Rupees	
ASSETS			
Non-current assets			
Operating fixed assets	4	**4,001,948**	4,945,675
Intangible asset	5	**8,457,974**	8,457,974
Long term investment	6	**6,477**	10,405
Long term deposits	7	**125,000**	100,000
Deferred tax asset	20	**1,401,313**	-
		13,992,712	13,514,054
Current assets			
Trade receivables	8	**24,722,575**	21,315,741
Loan and advances to employees		**634,428**	527,428
Prepayments and other receivables	9	**1,786,993**	1,127,007
Advance income tax	10	**4,043,181**	2,582,916
Short term investments	11	**19,517,518**	9,325,102
Cash and bank balances	12	**3,602,402**	418,515
		54,307,097	35,296,709
TOTAL ASSETS		**68,299,809**	48,810,763
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital	13	**35,000,000**	35,000,000
Fair value reserve		**1,383**	5,310
Unappropriated profit		**30,514,273**	12,819,774
		65,515,656	47,825,084
Non-current liabilities		-	-
Current liabilities			
Trade and other payables	14	**1,288,581**	771,654
Provision of levies	19	**1,495,572**	214,025
		2,784,153	985,679
TOTAL EQUITY AND LIABILITIES		**68,299,809**	48,810,763
Contingencies and commitments	15		

The annexed notes 1 to 27 form an integral part of these financial statements.

Chief Executive **Director**

Statement of Profit or Loss

For the year ended June 30, 2024

	Note	2024	(Restated) 2023
		Rupees	
Revenue	16	**22,773,407**	8,598,844
Net gain on sale of short term investments		**3,527,160**	308,592
Fair value gain / (loss) on remeasurement of investments		**6,757,083**	(979,636)
		33,057,650	7,927,800
Other income	17	**8,060,587**	3,037,096
Administrative and operating expenses	18	**(23,198,648)**	(19,462,671)
Profit / (loss) from operations		**17,919,589**	(8,497,775)
Finance costs		**(172,277)**	(286,766)
Profit / (loss) before levies and income tax		**17,747,312**	(8,784,541)
Levies	19	**(1,454,126)**	(214,025)
Profit / (loss) before income tax		**16,293,186**	(8,998,566)
Income tax expense	20	**1,401,313**	-
Profit / (loss) after taxation		**17,694,499**	(8,998,566)

The annexed notes 1 to 27 form an integral part of these financial statements.

Chief Executive **Director**

Statement of Comprehensive Income
For the year ended June 30, 2024

	2024	2023
	Rupees	
Profit / (loss) after taxation	**17,694,499**	(8,998,566)
Items that will not be reclassified to statement of profit or loss		
Unrealised loss on remeasurement of investment at fair value through other comprehensive income	**(3,927)**	(13,239)
Loss on sale of investment at fair value through other comprehensive income	-	-
Total comprehensive income / (loss) for the year	**17,690,572**	(9,011,805)

The annexed notes 1 to 27 form an integral part of these financial statements.

Chief Executive **Director**

Statement of Changes in Equity
For the year ended June 30, 2024

	Share capital	Fair value reserve	Revenue reserve	Total
			Un-appropriated profits	
	Rupees			
Balance as at June 30, 2022	35,000,000	18,549	21,818,340	56,836,889
Loss after taxation	-	-	(8,998,566)	(8,998,566)
Other comprehensive loss	-	(13,239)	-	(13,239)
Total comprehensive loss	-	(13,239)	(8,998,566)	(9,011,805)
Balance as at June 30, 2023	**35,000,000**	**5,310**	**12,819,774**	**47,825,084**
Profit after taxation	-	-	**17,694,499**	**17,694,499**
Other comprehensive loss	-	**(3,927)**	-	**(3,927)**
Total comprehensive income	-	**(3,927)**	**17,694,499**	**17,690,572**
Balance as at June 30, 2024	**35,000,000**	**1,383**	**30,514,273**	**65,515,656**

The annexed notes 1 to 27 form an integral part of these financial statements.

Chief Executive **Director**

Statement of Cash Flows
For the year ended June 30, 2024

	Note	2024	2023
		Rupees	
CASH FLOW FROM OPERATING ACTIVITIES			
Profit / (loss) before levies and income tax		**17,747,312**	(8,784,541)
Adjustment for non-cash charges / items:			
Depreciation	**4**	**943,727**	1,175,431
Provision for doubtful debts	**18**	**957,973**	-
Debit balances written off directly	**18**	**212,404**	-
Fair value gain / (loss) on remeasurement of investments		**(6,757,083)**	979,636
Operating cash flows before working capital changes		**13,104,333**	(6,629,474)
Effect on cash flows due to working capital changes:			
(Increase) / decrease in current assets:			
Trade receivables		**(4,577,210)**	(1,656,911)
Prepayments and other receivables		**(1,431,640)**	(53,511)
Loan to employees		**(107,000)**	(16,446)
Security deposits		**(25,000)**	(600,000)
Increase / (decrease) in current liabilities:			
Trade and other payables		**1,288,581**	(23,498,341)
Cash used in working capital changes		**(4,852,269)**	(25,825,209)
Cash used in operating activities		**8,252,063**	(32,454,683)
Income tax / Levies paid		**(1,632,844)**	(601,366)
Net cash used in operating activities		**6,619,219**	(33,056,049)
CASH FLOW FROM INVESTING ACTIVITIES			
Short term investments		**(3,435,333)**	(4,240,290)
Net cash used in investing activities		**(3,435,333)**	(4,240,290)
CASH FLOW FROM FINANCING ACTIVITIES		-	-
Net increase/ (decrease) in cash and cash equivalents		**3,183,887**	(37,296,339)
Cash and cash equivalents at the beginning of the year	**12**	**418,515**	37,714,854
Cash and cash equivalents at the end of the year		**3,602,402**	418,515

The annexed notes 1 to 27 form an integral part of these financial statements.

Chief Executive **Director**

1 LEGAL STATUS AND OPERATIONS

S.D. Mirza Securities (Private) Limited (the Company) was incorporated in Pakistan as a Private Company on May 21, 2001. The Company is a Trading Right Entitlement Certificate holder of the Pakistan Stock Exchange Limited. The Company is principally engaged in shares brokerage & trading business and has obtained license from Securities and Exchange Commission of Pakistan under the category of "Trading Only". The registered office of the Company is situated at Room No.401, LSE Building, Lahore. The Company is also maintaining its sub offices at 2- Salma Town, Peoples' Colony No. 2, Faisalabad and Room No. 3, Floor -2 Jafari Plaza, Talagang Road, Chakwal.

2 BASIS OF PREPARATION

2.1 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 Standard for Small and Medium-sized Entities (IFRS for SMEs) issued by the International Accounting Standards Board (IASB) as notified under the
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS for SMEs, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Basis of measurement

These financial statements are prepared under historical cost convention except for as stated in relevant notes to the financial statement.

2.3 Functional and presentation currency

These financial statements are presented in Pakistan Rupees which is the functional currency of the Company and figures are rounded off to the nearest rupees unless otherwise stated.

2.4 Use of accounting estimates and judgements

The preparation of financial statements in conformity with the Accounting and Financial Reporting Standards for Medium-Sized Entities issued by the Institute of Chartered Accountants of Pakistan requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and 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 the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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:

(ii) Provisions (note 3.11); and
(iii) Provision for taxation (notes 3.13)

The revisions to accounting estimates, if any, are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

3. SUMMARY SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Operating fixed assets

Measurement
Fixed assets are stated at cost less accumulated depreciation and impairment losses, if any.

Normal repairs and replacements are taken to statement of profit or loss. Major improvements and modifications are capitalised and assets replaced, if any, other than those kept as stand-by, are retired.

Depreciation
Depreciation is charged to income by applying reducing balance method at the rates specified in note 4. Depreciation on additions to fixed assets is charged from the month in which an asset is available for use while no depreciation is charged for the month in which the asset is disposed off.

Disposal
Gain or loss arising on disposal or retirement of an item of operating fixed assets is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the statement of profit or loss.

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

3.2 Intangible assets

Trading Right Entitlement Certificate
TREC certificate is considered to have indefinite useful life; hence, stated at the same value that was determined when the membership card of Lahore Stock Exchange Limited was swapped under the Stock Exchanges (Corporatization, Demutualization and Integration) Act, 2012 with the shares of LSE Financial Services Limited and Trading Right Entitlement Certificate (note 6.1). The carrying amount is reviewed at each reporting date to assess whether they are recorded in excess of their recoverable amounts, and when the carrying value exceeds estimated recoverable amount, these are written to their estimated recoverable amount.

3.3 Due from clients and other receivables

Measurement
These are initially recognised at original invoice amount, which is the fair value of consideration to be received in future and subsequently measured at cost less provision for doubtful debts, if any.

These are classified at amortized cost and are initially recognised and measured at fair value of consideration receivable. The Company uses simplified approach for measuring the expected credit losses for all trade and other receivables based on lifetime expected credit losses. The Company has estimated the credit losses using a provision matrix with historical, current and forward looking assumptions. Debts considered irrecoverable are written off.

3.4 Impairment losses

The carrying amounts of the Company's assets are reviewed at each reporting date to identify circumstances indicating occurrence of impairment loss or reversal of provisions for impairment losses. If any indications exist, the recoverable amounts of such assets are estimated and impairment losses or reversals of impairment losses are recognised in the statement of profit or loss. Reversal of impairment loss is restricted to the original cost of the asset.

3.5 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of cash flow statement, cash and cash equivalents consist of cash-in-hand and balances with banks.

3.6 Due to clients and accrued and other liabilities

Liabilities for due to Clients and accrued and other liabilities are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Company.

3.7 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events and 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. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

3.8 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Revenue is measured at the fair value of consideration received or receivable on the following basis:

- brokerage income is accounted for on 'accrual basis'.
- capital gains and losses on sale of investments are recorded on the date of sale.
- dividend income is accounted for when the right of receipt is established.

3.9 Financial instruments

All financial assets and financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instruments. All financial assets are derecognized at the time when the Company loses control of the contractual rights that comprise the financial assets. All financial liabilities are derecognized at the time when they are extinguished that is, when the obligation specified in the contract is discharged, cancelled, or expired. Any gain or loss on derecognition of the financial assets and financial liabilities are taken to profit and loss account.

Financial assets and liabilities are initially measured at fair value plus directly attributable transaction costs and subsequently measured at fair value or amortized cost as the case may be.

3.10 Impairment

Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

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 any such indication exists then the asset's recoverable amount is estimated. An impairment loss is recognized, as an expense in the profit and loss account, for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sale and value in use. Value in use is ascertained through discounting of the estimated future cash flows using a discount rate that reflects current market assessments of the time value of money and the risk specific to the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

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 that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization. if no impairment loss had been recognized.

3.11 Offsetting of financial assets and financial liabilities

A financial asset and a financial liability are offset and the net amount is reported in the statement of financial position if the Company has a legally enforceable right to set-off the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

3.12 Share capital

Ordinary shares are classified as equity and recognized at their face value.

3.13 Income tax expense

Provision for current tax is based on taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for tax on income is calculated at the current rates of taxation as applicable after taking into account tax credit and tax rebates available, if any. Income tax expense is recognized in statement of profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Charge for tax expense also includes adjustments where necessary, relating to prior years which arise from assessments finalized during the current period.

3.14 Deferred tax

Deferred tax is recognized using liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using the enacted or substantively enacted rates of taxation. In this regard, the effects on deferred taxation of the portion

of Accounting Technical Release – 27 of the Institute of Chartered Accountants of Pakistan.

The Company recognizes a deferred tax asset to the extent that it is probable that taxable profits for the foreseeable future will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax relating to items recognized outside profit and loss account is recognized outside profit and loss account. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

3.15 Trade and other payables

Liabilities for trade and other amounts payable are carried at amortized cost which is the fair value of the consideration to be paid in the future for goods and services received.

3.16 Provisions and contingencies

A provision is recognized in financial statements when the Company has a legal or constructive obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations and a reliable estimate can be made of the amount of obligation. Provision is recognized at an amount that is the best estimate of an expenditure required to settle the present obligation at the reporting date. Where outflow of resources embodying economic benefits is not probable, or where reliable estimate of the amount of obligation cannot be made. A contingent liability is disclosed, unless the possibility of outflow is remote.

3.17 Related party transaction and transfer pricing

Transaction and contracts with the related parties are carried out in accordance with comparable uncontrolled price method. Parties are said to be related if they are able to influence the operating and financial decisions of the company and vice versa.

3.18 Adoption of application Guidance on Accounting for Minimum Taxes and Final Taxes under International Accounting Standard 12, Income taxes.

The Company has classified its current income tax to the extent of income tax based on revenue i.e minimum tax under the Section of 113 the Income Tax Ordinance, 2001 to levies as explained in International Financial Reporting Interpretation Committee (IFRIC) 21 "Levies" pursuant to "IAS 12 Application Guidance on Accounting for minimum and final taxes" issued by the Institute of Chartered Accountants of Pakistan clarifying that levies whose calculation use data such as gross amount of revenues, assets and liabilities do not meet the definition of income taxes provided in International Accounting Standard 12, Income taxes i.e.,. not within the scope International Accounting Standard 12, Income taxes rather are within the scope of International Accounting Standard 37, Provision, contingent liabilities and contingent assets.

The Company has adopted to designate the amount calculated on taxable income using notified tax rate as an income tax within the scope of International Accounting Standard 12, Income taxes and recognises it as current income tax expense. Any excess over the amount designated as income tax is recognised as a levy falling under the scope of IFRIC 21 / Provision, contingent liabilities and contingent assets.The respective changes have been explained in note 18 and 19 to these unconsolidated financial statements.

The change has been corrected by restating each of affected financial statements line items for the prior periods and the comparative information has been restated, as follows:

	As previously reported	Adjustments	As restated
	Rupees		
Statement of financial position			
Provision for levies	-	214,025	214,025
Income tax payable	214,025	(214,025)	-
Statement of profit or loss			
Levies	-	(214,025)	(214,025)
Profit before taxation	(8,784,541)	(214,025)	(8,998,566)
Income tax expense	(214,025)	214,025	-
Profit after taxation	(8,998,566)	-	(8,998,566)

There was no impact of statement of Comprehensive Income, Statement of cash flows and Statement of changes in equity.

	2022		
	As previously reported	Adjustments	As restated
	Rupees		
Statement of financial position			
Provision for levies	-	313,040	313,040
Income tax payable	313,040	(313,040)	-
Statement of profit or loss			
Levies	-	(313,040)	(313,040)
Loss before taxation	(11,922,457)	(313,040)	(12,235,497)
Income tax expense	(313,040)	313,040	-
Loss after taxation	12,216,270	-	12,216,270

There was no impact of statement of Comprehensive Income, Statement of cash flows and Statement of changes in equity.

4 OPERATING FIXED ASSETS

	Owned						
	Furniture and fixtures	Office equipment	Air Conditioners	Computers	Electric generator	Vehicles	Tot
	Rupees						
As at July 01, 2022							
Cost	491,345	563,265	415,890	2,014,684	375,923	11,143,404	15,00
Accumulated depreciation	(397,303)	(394,672)	(236,167)	(1,939,779)	(255,486)	(5,659,998)	(8,88
Net book value	94,042	168,593	179,723	74,905	120,437	5,483,406	6,12
Year ended June 30, 2023							
Net book value at July 01, 2022	94,042	168,593	179,723	74,905	120,437	5,483,406	6,12
Additions during the year	-	-	-	-	-	-	
Disposal / Write offs							
Cost	-	-	-	-	-	-	
Accumulated depreciation	-	-	-	-	-	-	
	-	-	-	-	-	-	
Depreciation charge	(9,404)	(16,859)	(17,972)	(22,471)	(12,044)	(1,096,681)	(1,17
Net book value	84,638	151,734	161,751	52,434	108,393	4,386,725	4,94
As at July 01, 2023							
Cost	491,345	563,265	415,890	2,014,684	375,923	11,143,404	15,00
Accumulated depreciation	(406,707)	(411,531)	(254,139)	(1,962,250)	(267,530)	(6,756,679)	(10,05
Net book value	84,638	151,734	161,751	52,434	108,393	4,386,725	4,94
Year ended June 30, 2024							
Net book value at July 01, 2023	**84,638**	**151,734**	**161,751**	**52,434**	**108,393**	**4,386,725**	**4,94**
Additions during the year	-	-	-	-	-	-	
Disposals							
Cost	-	-	-	-	-	-	
Accumulated depreciation	-	-	-	-	-	-	
Net book value	-	-	-	-	-	-	
Depreciation charge	**(8,464)**	**(15,173)**	**(16,175)**	**(15,730)**	**(10,839)**	**(877,345)**	**(94**
Net book value	**76,174**	**136,561**	**145,576**	**36,704**	**97,554**	**3,509,380**	**4,00**
Rate of depreciation	**10%**	**10%**	**10%**	**30%**	**10%**	**20%**	

4.1 Depreciation has been charged to administrative and operating expenses as disclosed in note 18 to these financial statements.

		Note	Rupees	
5	**INTANGIBLE ASSET**			
	Trading Right Entitlement Certificate - PSX	**5.1**	**2,090,074**	2,090,074
	Room at LSE building	**5.2**	**6,367,900**	6,367,900
			8,457,974	8,457,974

5.1 This represent Trading Right Entitlement Certificate (TREC) received from Pakistan Stock Exchange Limited after the merger of all the three exchanges of Pakistan in accordance with the requirements of Stock Exchanges (Corporatization, Demutualization and Integration) Act, 2012 (the "Act"). Amortization is not recognized for these assets, as they are classified as having an indefinite useful life.

5.2 This represents cost of leasehold right to use room acquired from LSE Financial Services Limited for indefinite useful life as per notice of LSE number LSE - 3350 dated July 12, 2013. This is considered to be indefinite as there is no foreseeable limit on the period during which an entity expects to consume future economic benefits.

		Note	**2024**	2023
			Rupees	
6	**LONG TERM INVESTMENT**			
	At fair value through other comprehensive income			
	Investment in listed securities	**6.1**	**6,477**	10,405
6.1	**Investment in listed securities**			
	Carrying value at June 30		**10,405**	5,095
	Unrealized (loss) / gain on remeasurement of investments		**(3,928)**	5,310
	Investment at fair value at June 30	**6.2**	**6,477**	10,405

6.2 **Investment in listed securities**

	2024		
	No. of shares	**Carrying Value**	**Fair Value**
	(Number)	**(Rupees)**	
LSE Capital Limited	**283**	**2,702**	**882**
LSE Ventures Limited	**973**	**7,703**	**5,595**
		10,405	**6,477**

	2023		
	No. of shares	Carrying Value	Fair Value
	(Number)	(Rupees)	
LSE Proptech Limited	341	1,323	2,702
LSE Ventures Limited	973	3,772	7,703
		5,095	10,405

6.3 During the year; pursuance to saction of Scheme of Compromises, Arrangement and Reconstruction for Amalgamation by Lahore High Court, Lahore on April 03, 2024 among LSE Capital Limited, LSE Proptech Limited and Modarab Al-Mali; the Comapny has received 83 shares of Rupees 10 each of LSE Capital Limited against 100 shares held by the Comapny. Accordingly, the Company has received 283 ordinary shares of Rupees 10 each of LSE Capital Limited against 341 shares of LSE Proptech Limited.

6.4 As at June 30, 2024, aggregate 495 shares of LSE Capital Limited and LSE Ventures Limited are pledged with the Pakistan Stock Exchange Limited.

		Note	Rupees	
7	**LONG TERM DEPOSITS**			
	Deposits with:			
	Central Depository Company of Pakistan		**100,000**	100,000
	Deposit against rented premises		**25,000**	-
			125,000	100,000
8	**TRADE RECEIVABLES**			
	Due from EClear Services Limited		**24,722,575**	19,005,683
	Due from customers		**957,973**	2,310,058
	Less: provision against doubtful receivables		**(957,973)**	-
			-	2,310,058
			24,722,575	21,315,741
9	**PREPAYMENTS AND OTHER RECEIVABLES**			
	Prepaid insurance		**149,026**	127,007
	Accrued return on bank deposits		**637,967**	-
	Margin against bank guarantee		**1,000,000**	1,000,000
			1,786,993	1,127,007
10	**ADVANCE INCOME TAX**			
	Opening balance		**2,582,916**	2,294,590
	Paid during the year		**1,632,844**	601,366
			4,215,760	2,895,956
	Adjustment against income tax payable		**(172,579)**	(313,040)
	Closing balance		**4,043,181**	2,582,916
11	**SHORT TERM INVESTMENTS**			
	At fair value through other profit and loss			
	Investment in listed securities	**11.1**	**19,517,518**	9,325,102
11.1	**Investment in listed securities**			
	Carrying value at June 30		**12,760,435**	10,304,738
	Unrealized (loss) / gain on remeasurement of investments		**6,757,083**	(979,636)
	Investment at fair value at June 30		**19,517,518**	9,325,102

	2024		
	No. of shares	**Carrying Value**	**Fair Value**
	(Number)	**(Rupees)**	
MCB Bank Limited	**178**	**20,376**	**40,410**
National Bank Of Pakistan	**50,000**	**1,620,067**	**1,857,500**
Avanceon Limited	**54,500**	**2,699,769**	**2,944,090**
Fauji Fertilizer Company Limited	**50,000**	**4,922,000**	**8,169,000**
Pakistan Telecommunication Company Limited	**20,000**	**120,200**	**240,200**
Al Tahur Limited	**7,453**	**122,676**	**104,417**
Engro Fertilizers Limited	**25,000**	**2,063,250**	**4,155,500**
The Hub Power Company Limited	**10,000**	**695,800**	**1,630,800**
Ibl Healthcare Limited	**11,000**	**467,000**	**340,010**
Mughal Energy Limited	**1,000**	**16,740**	**22,090**
GOP Ijarah Sukuk - 01 Year (24-01-24)	**3**	**12,558**	**13,502**
	229,134	**12,760,435**	**19,517,518**

	No. of shares	Carrying Value	Fair Value
	(Number)	(Rupees)	
MCB Bank Limited	178	22,517	20,376
Fauji Fertilizer Company Limited	50,000	5,439,074	4,922,000
Pakistan Telecommunication Company Limited	20,000	132,827	120,200
Ghandhara Nissan Limited	10,000	402,019	363,800
Al Tahur Limited	7,453	135,564	122,676
Engro Fertilizers Limited	25,000	2,280,002	2,063,250
The Hub power company limited	10,000	768,896	695,800
Sazgar Engineering Works Limited	20,000	1,123,840	1,017,000
	142,631	10,304,738	9,325,102

11.1 Apart from the above mentioned investments, the Company held 400 shares of M/S Zeal Pak Cement Factory Limited which has been delisted from stock exchange and 100 shares of M/S Innovative Investment Bank Limited which is under liquidation as the order passed by the Honourable Lahore High Court, Lahore on May 02, 2013 in response to the winding up petition filed by Securities and Exchange Commission of Pakistan under Section 282 of the Companies Ordinance, 1984.

11.2 Shares having value of Rupees 18.754 million are pledged with National Clearing Company of Pakistan as margin against trading.

		2024	2023
		Rupees	
12	**CASH AND BANK BALANCES**		
	Cash in hand	**477,016**	256,068
	Bank balances in:		
	- Current accounts	**133,075**	121,985
	- Saving accounts	**2,992,311**	40,462
		3,125,386	162,447
		3,602,402	418,515
13	**SHARE CAPITAL**		
13.1	**Authorised share capital**		
	100,000 (2023: 100,000) ordinary shares of Rupees 1,000 each	**100,000,000**	100,000,000
13.2	**Issued, subscribed and paid up share capital**		
	35,000 (2023: 35,000) ordinary shares of Rupees 1,000 each fully paid in cash	**35,000,000**	35,000,000

13.3 No further shares were issued during the year.

		2024	2023
		Rupees	
14	**TRADE AND OTHER PAYABLES**		
	Payable to clients	**224,068**	380,318
	Accrued liabilities	**535,041**	181,493
	Federal excise duty payable	**477,983**	159,843
	Deposit against rented premises	**50,000**	50,000
	Withholding tax payable	**1,489**	-
		1,288,581	771,654

15.1 Contingencies

There was no contingency to report as at reporting date.

15.2 Commitments

Guarantee amounting Rupees 10.00 million has been issued by bank of the Company to National Clearing Company of Pakistan Limited.

	Note	2024	2023
		Rupees	
16 REVENUE			
Brokerage commission from:			
- retail customers		**20,951,033**	7,451,082
- proprietary trades		**-**	29,524
Dividend income		**1,822,374**	1,118,238
		22,773,407	8,598,844
17 OTHER INCOME			
Income from financial assets			
Profit on saving accounts		**7,651,621**	2,702,696
Income from other than financial assets			
Rental income		**348,000**	334,400
Others		**60,966**	-
		8,060,587	3,037,096
18 ADMINISTRATIVE AND OPERATING EXPENSES			
Salaries and benefits		**10,291,766**	9,136,481
Director's remuneration		**3,100,000**	1,950,000
Rent, rates and taxes		**357,000**	525,223
Fees and subscription		**884,973**	190,436
Travelling and conveyance		**1,477,546**	2,430,130
Printing and stationery		**119,381**	127,195
Repair and maintenance		**118,950**	155,917
Utilities		**1,115,579**	881,425
Entertainment		**930,876**	957,650
Postage and communication		**608,723**	629,072
CDC and clearing house charges		**1,373,988**	588,863
Auditors' remuneration		**107,407**	102,292
Legal and professional		**170,429**	106,322
Debit balance written off directy		**212,404**	-
Provision for doubtful debts		**957,973**	-
Insurance		**247,981**	129,823
Donations		**131,500**	102,200
Depreciation	**4**	**943,727**	1,175,431
Others		**48,445**	274,211
		23,198,648	19,462,671

18.1 The directors have no direct or indirect relationship with the Donee.

		2024	(Restated) 2023
		Rupees	
19 LEVIES			
Charge for the year	**19.1**	**1,495,572**	214,025
Prior period		**(41,446)**	-
		1,454,126	214,025

and capital gain tax under section 37A of the Income Tax Ordinance, 2001 representing levy in terms of requirements of interpretation issued by International Financial Reporting Interpretation Committee (IFRIC) 21 / International Accounting Standard 37, Provision, contingent liabilities and contingent assets.

	Note	2024	(Restated) 2023
		Rupees	
20 INCOME TAX EXPENSE			
Current taxation			
- For the year		-	-
- Prior period		-	-
		-	-
Deferred taxation	20.5	**(1,401,313)**	-
		(1,401,313)	-

20.1 Current year's provision for tax is charged on the basis of tax on taxable income by applying income tax rates applicable to companies. Whereas, liability in respect of dividend income and capital gain tax has been classified as levy owing to application of final tax and separate block of income in terms of the requirements of interpretation issued by International Financial Reporting Interpretation Committee (IFRIC) 21 / International Accounting Standard 37, Provision, contingent liabilities and contingent assets.

20.2 The presentation of reconciliation of tax expenses is not meaningful owing to application of alternate corporate tax in current period and minimum tax in corresponding period.

20.3 Income tax assessments of the Company have been finalized up to and including the tax year 2023. Tax returns filed with the revenue authority are deemed to be assessed under the provisions of Section 120 of the Income Tax Ordinance, 2001 unless a return is selected for re-assessment by the revenue authority. The Commissioner of Inland Revenue may, at any time during a period of five years from the date of filing of return, select a deemed assessment order for the purpose of issuing an amended assessment order.

20.4 Reconciliation of current tax charge charged as per tax laws for the year with current tax recognised in statement of of profit of loss is as follows:

	2024	2023
	Rupees	
Current tax liability for the year as per applicable tax laws	**1,495,572**	214,025
Portion of current tax liability as per tax laws, representing income tax under IAS 12	-	-
Portion of current tax computed as per tax laws, representing levy in terms of requirements of International Financial Reporting Interpretation Committee 21 / International Accounting Standard 37, Provision, contingent liabilities and contingent assets	**(1,495,572)**	(214,025)
	-	-

20.5 Deferred taxation

Taxable (deductible) temporary differences		
Accelerated tax depreciation	**(164,583)**	(126,818)
Provisions for doubtful receivables	**(277,812)**	-
Un-used tax credits	**(958,918)**	-
Available tax losses	**(182,114)**	(1,691,518)
	(1,583,428)	(1,818,335)
Deferred tax asset not recognized	**182,114**	1,818,335
Net deferred tax asset	**(1,401,313)**	-

Financial assets and liabilities	Fair value through other comprehensive Income	Fair value through profit or loss	Measured at amortised cost	Total
	(Rupees)			
June 30, 2024				
Financial assets				
Long term deposits	**-**	**-**	**125,000**	**125,000**
Long term investment	**6,477**	**-**	**-**	**6,477**
Trade receivables	**-**	**-**	**24,722,575**	**24,722,575**
Prepayments and other receivables	**-**		**1,637,967**	**1,637,967**
Short term investments	**-**	**19,517,518**	**-**	**19,517,518**
Cash and bank balances	**-**	**-**	**3,602,402**	**3,602,402**
Total Financial assets	**6,477**	**19,517,518**	**30,087,944**	**49,611,939**
Non financial assets				**18,687,870**
Total assets				**68,299,809**
Financial liabilities	**-**	**-**	**809,109**	**809,109**
Non financial liabilities				**1,975,044**
Total liabilities				**2,784,153**
June 30, 2023				
Financial assets				
Long term investment	-	-	100,000	100,000
Long term investment	10,405	-	-	10,405
Trade receivables	-	-	21,315,741	21,315,741
Other receivables	-	-	1,000,000	1,000,000
Short term investments	-	9,325,102	-	9,325,102
Cash and bank balances	-	-	418,515	418,515
	10,405	9,325,102	22,834,256	32,169,763
Non financial assets				16,641,000
Total assets				48,810,763
Financial liabilities	-	-	611,811	611,811
Non financial liabilities				373,868
Total liabilities				985,679

22 TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of directors of the Company, related companies, key management personnel and relative of the key management personnel and directors of the company. The Company in the normal course of business carries out transactions with various related parties. Detail of related parties (with whom the Company has transacted) along with relationship and transactions with related parties, other than those which have been disclosed elsewhere in these financial statements, are as follows:

Name and nature of relationship

a) Director

- Mr. Jahanzeb Mirza (Chief Executive/ Director)
- Mr. Asad Alamgir
- Mr. Aurangzeb Mirza
- Mr. Abdul Khaliq Mirza

There were no transactions executed with the related parties during the year except for payment of remuneration to the Chief Executive and directors of the Company and normal trading activity carried out by the directors.

23 CHIEF EXECUTIVE, EXECUTIVES AND DIRECTORS' REMUNERATION

The aggregate amount charged to profit or loss in respect of chief executive, directors and executives on account of managerial remuneration, allowances and perquisites, post employment benefits and the number of such directors and executives is as follows:

Description	June 30, 2024			June 30, 2023		
	Chief Executive	Director	Executives	Chief Executive	Director	Executives
	(Rupees)			(Rupees)		
Managerial remuneration	1,000,000	1,900,000	1,847,500	500,000	1,450,000	3,042,000
Allowances and perquisites	150,000	-	50,000	-	-	-
	1,150,000	1,900,000	1,897,500	500,000	1,450,000	3,042,000
No. of persons	1	2	1	1	2	3

23.1 The Chief Executive, director and one of the executive have been provided with the Company maintained cars and cellular networks.

	2024	2023
	Number	
24 NUMBER OF EMPLOYEES		
Total number of employees at year end	16	21
Average number of employees during the year	17	21

25 DATE OF AUTHORISATION

25.1 These financial statements have been authorized for issue on 11 OCT 2024 by the Board of Directors of the Company.

26 CORRESPONDING FIGURES

26.1 Corresponding figures have been re-arranged / re-classified wherever necessary to facilitate comparison and for better presentation. The following major reclassifications have been made during the year.

Reclassified from component	Reclassified to component	2023 Rupees
Long term deposits	Prepayments and other receivables	1,000,000

27 GENERAL

27.1 Figures have been rounded off to the nearest of rupees, unless otherwise stated.

Chief Executive

Director