

Independent Auditor's Report to the members of SAIMA QAISER SECURITIES (PVT) LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **SAIMA QAISER SECURITIES (PVT) LIMITED** (the company), which comprise the statement of financial position as at June 30, 2023, 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, 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 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, 2023 and of the profit, total comprehensive loss, 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 Directors' Report.

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

Board of directors 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 year were for the purpose of the Company's business;
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980); and
- e) the company has duly complied with the requirements of Section 78 of the Securities Act, 2015, and relevant requirements of Securities Brokers (Licensing and Operations) Regulations, 2016 where applicable as at the date on which the financial statements were prepared.

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


CHARTERED ACCOUNTANTS
Lahore: **06 NOV 2023**

UDIN: AR202310082QaroyT6I2

SAIMA QAISER SECURITIES (PVT) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2023

	Note	2023 Rupees	2022 Rupees
ASSETS			
NON CURRENT ASSETS			
Property and equipment	4	377,661	451,327
Intangible assets	5	5,469,614	5,469,614
Long term investments	6	9,006,818	15,832,971
Long term deposits	7	100,000	100,000
		<u>14,954,093</u>	<u>21,853,912</u>
CURRENT ASSETS			
Trade deposits, short term prepayments and current account balance with statutory authorities	8	484,188	446,986
Cash and bank balances	9	6,840,081	7,174,628
		<u>7,324,269</u>	<u>7,621,614</u>
		<u><u>22,278,362</u></u>	<u><u>29,475,526</u></u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital	10	15,600,000	15,600,000
Revenue reserve			
Unappropriated profit/(accumulated loss)		1,219,122	(6,062,445)
Capital reserve			
Fair value adjustment reserve	13	-	15,832,971
		<u>16,819,122</u>	<u>25,370,526</u>
Long term loan from related party	14	4,000,000	4,000,000
		<u>20,819,122</u>	<u>29,370,526</u>
NON CURRENT LIABILITIES			
Deferred taxation	15	1,125,852	-
CURRENT LIABILITIES			
Deposits, accrued liabilities and advances	16	333,388	105,000
Provision for taxation		-	-
		<u>333,388</u>	<u>105,000</u>
CONTINGENCIES AND COMMITMENTS			
	17	-	-
		<u><u>22,278,362</u></u>	<u><u>29,475,526</u></u>

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

Saima Qaiser
CHIEF EXECUTIVE

[Signature]
DIRECTOR

SAIMA KAISER SECURITIES (PVT) LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 Rupees	2022 Rupees
Dividend income		421,988	632,981
Profit on saving account		-	6,824
Unrealized gain on long term investment		9,006,818	-
		<u>9,428,806</u>	<u>639,805</u>
Direct cost	18	<u>(154,692)</u>	<u>(73,213)</u>
		9,274,114	566,592
Operating expenses	19	<u>(803,196)</u>	<u>(1,073,420)</u>
PROFIT/(LOSS) FROM OPERATIONS		8,470,918	(506,828)
Finance cost	20	<u>(201)</u>	<u>(202)</u>
PROFIT/(LOSS) BEFORE TAXATION		8,470,717	(507,030)
Taxation	21	<u>(1,189,150)</u>	<u>(95,032)</u>
PROFIT/(LOSS) FOR THE YEAR		<u><u>7,281,567</u></u>	<u><u>(602,062)</u></u>
EARNINGS PER SHARE- BASIC AND DILUTED	22	<u><u>46.68</u></u>	<u><u>(3.86)</u></u>

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

Saima Kaiser

CHIEF EXECUTIVE

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DIRECTOR

SAIMA KAISER SECURITIES (PVT) LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2023

	2023 Rupees	2022 Rupees
Profit/(loss) for the year	7,281,567	(602,062)
Items that will not be reclassified subsequently to statement of profit or loss account	-	-
Items that may be reclassified subsequently to statement of profit or loss account		
Loss on revaluation of long term investment	-	(2,278,733)
Reclassification of long term investment	(15,832,971)	-
Other comprehensive loss for the year	(15,832,971)	(2,278,733)
Total comprehensive loss for the year	<u>(8,551,404)</u>	<u>(2,880,795)</u>

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

Saima Kaiser
CHIEF EXECUTIVE

[Signature]
DIRECTOR

SAIMA KAISER SECURITIES (PVT) LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 Rupees	2022 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(loss) before taxation		8,470,717	(507,030)
Adjustments of items not involving movements of cash:			
Depreciation	4	73,666	89,675
Unrealized gain on long term investment		(9,006,818)	-
		(8,933,152)	89,675
Operating cash flows before working capital changes		(462,435)	(417,355)
(Increase) / Decrease in working capital			
(Increase) / decrease in current assets		(37,201)	(144,684)
Trade deposits and short term prepayments			
Increase / (decrease) in current liabilities		228,388	(28,250)
Deposits, accrued liabilities and advances		-	(66,727)
Trade and other payables		191,187	(239,661)
Cash used in operations		(271,248)	(657,016)
Taxes paid		(63,299)	(95,971)
		(63,299)	(95,971)
Net cash used in operating activities		(334,547)	(752,987)
CASH FLOWS FROM INVESTING ACTIVITIES			
Long term deposit refunded		-	400,000
Net cash flows from financing activities		-	400,000
CASH FLOWS FROM FINANCING ACTIVITIES			
		-	-
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(334,547)	(352,987)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		7,174,628	7,527,615
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	A	6,840,081	7,174,628
A Cash and Cash Equivalents			
Cash and bank balances	9	6,840,081	7,174,628
		6,840,081	7,174,628

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

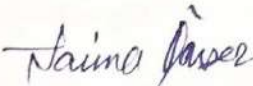
Saima Kaiser
CHIEF EXECUTIVE

[Signature]
DIRECTOR

SAIMA KAISER SECURITIES (PVT) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2023

	Paid up capital	Accumulated loss	Fair value adjustment reserve	Sub Total	Long term loan from related party	Total
----- (R u p e e s) -----						
Balance as at June 30, 2021	15,600,000	(5,460,383)	18,111,704	28,251,321	4,000,000	32,251,321
Loss after taxation	-	(602,062)	-	(602,062)	-	(602,062)
Other comprehensive loss	-	-	(2,278,733)	(2,278,733)	-	(2,278,733)
Total comprehensive loss for the year	-	(602,062)	(2,278,733)	(2,880,795)	-	(2,880,795)
Balance as at June 30, 2022	15,600,000	(6,062,445)	15,832,971	25,370,526	4,000,000	29,370,526
Profit after taxation	-	7,281,567	-	7,281,567	-	7,281,567
Other comprehensive loss	-	-	(15,832,971)	(15,832,971)	-	(15,832,971)
Total comprehensive loss for the year	-	7,281,567	(15,832,971)	(8,551,404)	-	(8,551,404)
Balance as at June 30, 2023	15,600,000	1,219,122	-	16,819,122	4,000,000	20,819,122

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


CHIEF EXECUTIVE


DIRECTOR

SAIMA KAISER SECURITIES (PVT) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

1 COMPANY AND ITS OPERATION

- 1.1 The company was incorporated as Private Limited Company on 29 March 2013 under repealed Companies Ordinance, 1984 (now the Companies Act, 2017). It is principally engaged in business of brokerage, underwriting, buying and selling of stocks, shares, modaraba certificates, etc. The registered office of the company is situated at 23rd, 1st Floor, Taj Arcade, 73-Jail Road, Lahore. The company is holder of Trading Right Entitlement Certificate (TREC) of Pakistan Stock Exchange.

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 Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

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

2.2 BASIS OF MEASUREMENT

These financial statements have been prepared under the historical cost convention except as disclosed in the accounting policy notes.

2.3 FUNCTIONAL AND PRESENTATION CURRENCY

The financial statements are presented in Pakistani Rupee, which is the company's functional and presentation currency.

2.4 JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

Judgments and estimates made by management that may have a significant risk of material adjustments to the financial statements in subsequent years are as follows:

- Useful lives, residual values and depreciation method of property and equipment
- Useful lives, residual values and amortization method of intangible assets
- Provision for doubtful account receivables
- Estimation of provisions
- Estimation of contingent liabilities
- Current income tax expense, provision for current tax and recognition of deferred tax asset



3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 PROPERTY AND EQUIPMENT

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses (if any).

Depreciation is charged on reducing balance method at the rates mentioned in the relevant notes to the financial statements. Depreciation on additions is charged for the day in which an asset is ready to use while no depreciation is charged for the day in which an asset is disposed off. Normal repair and maintenance is charged to revenue as and when incurred, while major renewals and replacements are capitalized. 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.

Gain or loss on disposal of property and equipment, if any is taken to profit or loss .

3.2 INTANGIBLE ASSETS

Intangible assets with finite useful life are stated at cost less amortization and impairment, if any. The carrying amount is reviewed at each reporting date to assess whether it is in excess of its recoverable amount, and where carrying value exceeds estimated recoverable amount, it is written down to estimated recoverable amount. 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.

3.2.1 Membership card and offices

This is stated at cost less impairment, if any. The carrying amount is reviewed at each reporting date to assess whether it is in excess of its recoverable amount, and where the carrying value exceeds estimated recoverable amount, it is written down to its estimated recoverable amount.

3.2.2 Computer Software

Expenditure incurred to acquire identifiable computer software and having probable economic benefits exceeding the cost beyond one year, is recognized as an intangible asset. Such expenditure includes the purchase cost of software (license fee) and related overhead cost.

Costs associated with maintaining computer software programs are recognized as an expense when incurred.

Costs which enhance or extend the performance of computer software beyond its original specification and useful life is recognized as capital improvement and added to the original cost of the software.

Computer software and license costs are stated at cost less accumulated amortization and any identified impairment loss and amortized through reducing balance method.

Amortization is charged when asset is available for use until asset is disposed off.

3.3 FINANCIAL ASSETS

Financial assets are initially measured at cost and subsequently classified at fair value through profit or loss or at amortized cost. Management determines the classification of its financial assets at initial recognition.

3.4 FINANCIAL LIABILITIES

Financial liabilities are initially measured at cost, which is the fair value, of the consideration given and subsequently carried at amortized cost using effective interest rate method.

3.5 OFF-SETTING OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

A financial asset and a financial liability is offset and the net amount is reported in the financial statements if the Company has a legally enforceable right to set-off the transaction and also intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.



3.6 TRADE DEBTS AND OTHER RECEIVABLES

Trade and other receivables are recognised and carried at transaction price less an allowance for impairment.

A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. 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.

The allowance for doubtful debts of the Company is based on the ageing analysis and management's continuous evaluation of the recoverability of the outstanding receivables. In assessing the ultimate realisation of these receivables, management considers, among other factors, the creditworthiness and the past collection history of each customer.

3.7 CHANGE IN CLASSIFICATION OF FINANCIAL ASSETS

The company has changed nomenclature of financial assets from "Loans and receivables" to "Amortised cost" for better representation. As a result, the company has considered affects due to application of these accounting policies and concluded that there is no material impact resulting from such adoption.

3.8 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise of cash balances and call deposits. For the purpose of statement of cash flows; cash and cash equivalents comprise cash in hand, bank balances and running finances.

3.9 BORROWINGS

Loans are measured at amortised cost using the effective interest method. Interest expense is recognised on the basis of the effective interest method and is included in finance costs.

In case the loan is interest-free or carries interest below the prevalent market rate, it is initially recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. The difference between the discounted present value and actual receipt is recognised as finance income. Subsequently, the interest-free loan is measured at amortized cost, using the effective Interest rate method, this involves unwinding of discount, such that at the repayment date, the carrying value of obligation equals the amount to be repaid. The unwinding of discount is included in finance costs in the statement of profit or loss.

3.10 TAXATION

Current

Provision for current taxation is based on taxable income at the applicable rates of taxation after taking into account tax credits, brought forward losses, accelerated depreciation allowances and any minimum limits imposed by the taxation laws.

Deferred

Deferred tax is recognized using the balance sheet liability method on all temporary differences between the carrying amounts of assets and liabilities for the financial reporting purposes and the amounts used for taxation purposes.

Deferred tax asset is recognized for all the deductible temporary differences only to the extent that it is probable that future taxable profits will be available against which the asset may be utilized. Deferred tax asset is reduced to the extent that it is no longer probable that the related tax benefit will be realized. Deferred tax liabilities are recognized for all the taxable temporary differences.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the tax rates that have been enacted or substantially enacted by the reporting date.

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



3.11 TRADE AND OTHER PAYABLES

Trade and other payables are recognised initially at cost, which is the fair value of the consideration to be paid, in the future for goods and services received and subsequently measured at amortized cost.

3.12 PROVISIONS

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value using a pre-tax discount rate. The unwinding of the discount is recognised as finance cost in the statement of profit or loss.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

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.

3.13 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.

3.14 FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION

Transactions denominated in foreign currencies are translated to Pakistan Rupees at the exchanges rate ruling at the date of transaction.

Monetary assets and liabilities in foreign currencies at reporting date are translated into Pakistan Rupees at exchange rates ruling on that date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

3.15 IMPAIRMENT OF NON-FINANCIAL ASSETS

The assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. If there is an indication of possible impairment, the recoverable amount of the asset is estimated and compared with its carrying amount.

An impairment loss is recognized if the carrying amount of an asset exceeds its estimated recoverable amount. The impairment loss is recognised in the statement of profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.



An impairment loss is reversed only to the extent that the asset carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. The Company recognises the reversal immediately in the statement of profit or loss, unless the asset is carried at a revalued amount in accordance with the revaluation model. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

3.16 REVENUE RECOGNITION

Revenue is recognized 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 the consideration received or receivable, net of any direct expenses and sales tax. Revenue is recognized on the following basis:

- Brokerage, consultancy and advisory fee, commission etc. are recognized as and when such services are provided, and thereby the performance obligations are satisfied.
- Profit on saving accounts, profit on exposure deposits and markup on marginal financing is recognized at effective yield on time proportion basis.
- Gains/(losses) arising on sale of investments are included in the profit or loss in the period in which they arise.
- Dividend income is recorded when the right to receive the dividend is established.
- Unrealised gains / (losses) arising on revaluation of securities classified as 'fair value through other comprehensive income' are included in other comprehensive income in the period in which they arise.
- Unrealised gains / (losses) arising on revaluation of securities classified as 'fair value through profit or loss' are included in profit or loss in the period in which they arise.
- Other revenues are recorded, as and when due, on accrual basis.

3.17 BASIC AND DILUTED EARNINGS PER SHARE

The Company presents basic and diluted earnings per share (EPS) for its shareholders. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, if any.

3.18 RELATED PARTY TRANSACTIONS

Transactions and contracts with the related parties are carried out at an arm's length price determined in accordance with comparable uncontrolled price method except permitted by the regulatory authorities or reason disclosed in relevant note to the financial statements, if any. Transactions with related parties have been disclosed in the relevant notes to the financial statements.

3.19 TRADE DATE ACCOUNTING

All "regular way" purchases and sales of financial assets are recognized on the trade date, i.e. the date on which the Company commits to purchase or sell an asset. Regular way purchases or sales of financial assets are those, the contract for which requires delivery of assets within the time frame generally established by regulation or convention in the market.



4 PROPERTY AND EQUIPMENT

Particulars	Cost			Depreciation			W.D.V
	As at June 30, 2022	Additions/ (deletions)	As at June 30, 2023	Rate %	As at June 30, 2022	Charge for the year	As at June 30, 2023

OWNED

-----Rupees-----

-----Rupees-----

Furniture and fittings	600,000	-	600,000	15	436,506	24,524	461,030	138,970
Office equipment	550,000	-	550,000	15	403,308	22,004	425,312	124,688
Computers	690,000	-	690,000	30	650,223	11,933	662,156	27,844
Electric equipment	386,550	-	386,550	15	285,186	15,205	300,391	86,159
	2,226,550	-	2,226,550		1,775,223	73,666	1,848,889	377,661

Particulars	Cost			Depreciation			W.D.V
	As at June 30, 2021	Additions/ (deletions)	As at June 30, 2022	Rate %	As at June 30, 2021	Charge for the year	As at June 30, 2022

OWNED

-----Rupees-----

-----Rupees-----

Furniture and fittings	600,000	-	600,000	15	407,654	28,852	436,506	163,494
Office equipment	550,000	-	550,000	15	377,421	25,887	403,308	146,692
Computers	690,000	-	690,000	30	633,175	17,048	650,223	39,777
Electric equipment	386,550	-	386,550	15	267,298	17,888	285,186	101,364
	2,226,550	-	2,226,550		1,685,548	89,675	1,775,223	451,327

	Note	2023 Rupees	2022 Rupees
5 INTANGIBLE ASSETS			
Trading right entitlement certificate	5.1	2,500,000	2,500,000
Right of room	5.2	2,969,614	2,969,614
Software	5.3	-	-
		<u>5,469,614</u>	<u>5,469,614</u>

5.1 It represents Trading Right Entitlement Certificate (TREC) received from the Pakistan Stock Exchange Limited without any additional payment, in lieu of TREC issued by the Lahore Stock Exchange Limited, surrendered on January 10, 2016 on the consequence of Scheme(s) of Integration approved by the Securities and Exchange Commission of Pakistan vide Order No. 01/2016 dated January 11, 2016 under regulation 6 (8) of the Stock Exchange (Corporatization, Demutualization and Integration) Regulations, 2012. This is carried at cost less accumulated impairment.

5.2 This includes rights of room against room # 213 in LSE building. The company is in the process of finalization of lease deed against the said room with LSE Financial Services Limited. However, the control and related rights had been transferred to the company.

5.3 This represents fully ammortized software.

6 LONG TERM INVESTMENTS

Quoted - Shares of LSE Ventures Limited and LSE Proptech Limited

(Previously un-quoted shares of LSE Financial Services Limited)

Investment at fair value through profit or loss

(Previously Available for sale)

	Note	2023 Rupees	2022 Rupees
Cost		-	-
Fair value adjustment	6.1	<u>9,006,818</u>	<u>15,832,971</u>
	6.2	<u>9,006,818</u>	<u>15,832,971</u>

6.1 Movement in fair value reserve:

Opening balance	15,832,971	18,111,704
Accumulated reserve transferred to profit or loss	(15,832,971)	-
Gain/(loss) on re-measurement of investment	<u>9,006,818</u>	<u>(2,278,733)</u>
	<u>9,006,818</u>	<u>15,832,971</u>

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- 6.2 During the year, the company has received following shares of LSE Proptech Limited and LSE Venture Limited against shares of LSE Financial Services Limited under the scheme of compromises, arrangements and reconstruction as envisaged under the provisions of the Companies Act, 2017. Due to change in investments from un-quoted to quoted shares, the company has reclassified these investments from fair value through OCI to fair value through profit or loss and respective accumulated reserve has been charged to profit or loss.

	No. of shares	Value Rupees	Pledged Rupees	Pledged with
LSE Proptech Limited	295,536	1,421,528	1,421,528	Pakistan Stock Exchange for BMC
LSE Venture Limited	842,810	7,585,290	7,585,290	
	<u>1,138,346</u>	<u>9,006,818</u>	<u>9,006,818</u>	

2023
Rupees

2022
Rupees

7 LONG TERM DEPOSITS

Deposits with:

Central Depository Company of Pakistan Limited

100,000	100,000
<u>100,000</u>	<u>100,000</u>

8 TRADE DEPOSITS, SHORT TERM PREPAYMENTS AND CURRENT ACCOUNT BALANCE WITH STATUTORY AUTHORITIES

Deposits with:

E Clear Services Limited

Sales tax receivable

Tax deducted at source

225,004	232,163
182,686	138,325
76,498	76,498
<u>484,188</u>	<u>446,986</u>

9 CASH AND BANK BALANCES

These were held as under:

In hand

973,217 416,607

Cash at bank

In current accounts;

Pertaining to brokerage house

Pertaining to clients

5,797,447	6,688,523
69,417	69,498
<u>5,866,864</u>	<u>6,758,021</u>
<u>6,840,081</u>	<u>7,174,628</u>

2023	2022
Rupees	Rupees

15 DEFERRED TAXATION

Deferred credits/(debits) arising due to:

Accelerated tax depreciation	(6)	(61)
Brought forward losses	(316,378)	(620,154)
Unrealized gain on long term investment	1,125,852	-
Deferred tax asset not recognised	316,384	620,215
	<u>1,125,852</u>	<u>-</u>

Balance as at July 01,
Add: Charge for the year in profit or loss

-	-
<u>1,125,852</u>	<u>-</u>
<u>1,125,852</u>	<u>-</u>

At year end, net deductible temporary differences and taxable losses which resulted in a net deferred tax asset of Rs. 316,384 (2022: Rs. 620,215). However, deferred tax asset has not been recognized in these financial statements being prudent. Management is of the view that recognition of deferred tax asset shall be reassessed as at June 30, 2024.

15.1 Business losses would expire as follows:

Accounting year to which business loss relates	Amount of business losses Rupees	Accounting year in which business loss will expire
2019	630,811	2025
2020	33	2026
2021	1,637	2027

15.2 Depreciation losses with no limit to expire are as follows:

Accounting year to which depreciation loss relates	Amount of depreciation losses Rupees
2017	279,875
2019	178,601

Note	2023 Rupees	2022 Rupees
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16 DEPOSITS, ACCRUED LIABILITIES AND ADVANCES

Accrued expenses	<u>333,388</u>	<u>105,000</u>
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17 CONTINGENCIES AND COMMITMENTS

- 17.1 The Trustees of LSE MCF Trust and LSE TCF Trust have given guarantee amounting Rs. 5.00 million to Pakistan Stock Exchange (PSX) on behalf of the company for meeting the Base Minimum Capital requirements.

	Note	2023 Rupees	2022 Rupees
18 DIRECT COST			
National Clearing Company trade fee		-	8,468
E Clear Services charges		7,159	-
Central Depository Company charges		42,032	3,983
Pakistan Stock Exchange expenses		<u>105,501</u>	<u>60,762</u>
		<u>154,692</u>	<u>73,213</u>
19 OPERATING EXPENSES			
Staff salaries and benefits		263,000	495,000
Rent, rates and taxes		5,000	15,610
Communication expenses		152,909	97,314
Repair and maintenance		178,621	243,651
Auditor's remuneration	19.1	70,000	70,000
Fee and subscription		60,000	62,170
Depreciation	4	<u>73,666</u>	<u>89,675</u>
		<u>803,196</u>	<u>1,073,420</u>
19.1 Auditors' remuneration			
The audit fee included in the financial statements is as follows:			
Amin, Mudassar & Co. Chartered Accountants	Note	2023 Rupees	2022 Rupees
Statutory audit		<u>70,000</u>	<u>70,000</u>
		<u>70,000</u>	<u>70,000</u>
20 FINANCE COST			
Bank charges		<u>201</u>	<u>202</u>
21 TAXATION			
Income tax:			
-Current		63,298	95,032
-Deferred		<u>1,125,852</u>	<u>-</u>
		<u>1,189,150</u>	<u>95,032</u>

- 21.1 Income tax assessment of the Company have been finalized up to tax year 2022 on the basis of returns filed as the company did not receive any correspondence from income tax department (FBR) in this respect.



21.2 No numeric tax rate reconciliation was presented in the financial statements for the current and previous year as the company was either liable to pay tax under final tax regime or minimum tax u/s 113 of Income Tax Ordinance 2001.

22 EARNINGS PER SHARE- BASIC AND DILUTED

	2023	2022
Profit/(loss) for the year-Rupees	<u>7,281,567</u>	<u>(602,062)</u>
Weighted Average Number of ordinary shares outstanding during the year-Numbers	<u>156,000</u>	<u>156,000</u>
Earnings per share-Rupees	<u>46.68</u>	<u>(3.86)</u>

23 NUMBER OF EMPLOYEES

	2023 (N u m b e r)	2022
Total number of employees at the end of year	<u>2</u>	<u>2</u>
Average number of employees during the year	<u>2</u>	<u>2</u>
Number of executives	<u>-</u>	<u>-</u>

Note 2023 2022
Rupees Rupees

24 FINANCIAL INSTRUMENTS BY CATEGORY

Financial assets and financial liabilities

Financial assets

Available for sale

Long term investment	<u>-</u>	<u>15,832,971</u>
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At fair value through profit or loss

Long term investment	<u>9,006,818</u>	<u>-</u>
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At amortised cost

Long term deposits	100,000	100,000
Trade deposits and other receivables	225,004	232,163
Cash and bank balances	<u>6,840,081</u>	<u>7,174,628</u>
	<u>7,165,085</u>	<u>7,506,791</u>

Financial liabilities

At amortized cost

Deposits, accrued liabilities and advances	<u>333,388</u>	<u>105,000</u>
	<u>333,388</u>	<u>105,000</u>

V

25 CORRESPONDING FIGURES

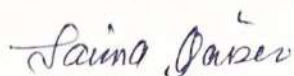
Corresponding figures have been rearranged wherever required for the purpose of comparison. However, there is no major rearrangement to disclose.

26 GENERAL

Figures have been rounded off to the nearest of rupee.

27 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorized for issue on 06 NOV 2023 by the Board of Directors of the Company. 



CHIEF EXECUTIVE



DIRECTOR

CERTIFICATE OF CAPITAL ADEQUACY LEVEL

We, being the statutory auditor of M/s. Saima Qaiser Securities (Private) Limited, certify that the following information is correct and authenticated by us after due diligence from our side as at June 30, 2023.

	Note	<u>RUPEES</u>
Total Assets	1	22,278,362
Less: Total Liabilities		1,459,240
Less: Revaluation Reserves (created upon revaluation of fixed assets)		-
Capital Adequacy Level		<u>20,819,122</u>

Note:

1. While determining the value of the total assets of the TREC Holder, Notional value of the TRE certificate held by such Participant as at year ended June 30, 2023 as determined by Pakistan Stock Exchange has been considered.
2. Certificate of Capital Adequacy Level is an integral part of the financial statements for the year ended June 30, 2023.


CHARTERED ACCOUNTANTS

Dated: **06 NOV 2023**