

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, 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 material accounting policy information 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, 2024 and of the loss, 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, but does not include the financial statements and our auditor's report thereon.

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

Board of directors 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.

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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 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.

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


CHARTERED ACCOUNTANTS
Lahore: 07 NOV 2024

UDIN: AR202410082eW97TqI3p

AMIN, MUDASSAR & CO.
Chartered Accountants

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Lahore Pakistan
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November 06, 2024
106/2024

The Board of Directors,
Saima Qaiser Securities (Pvt.) Limited,
23rd, 1st Floor, Taj Arcade,
73-Jail Road,
Lahore.

Dear Sirs,

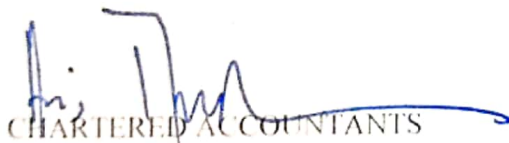
FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

We enclose two copies of the financial statements together with our initialed report to the members for the purpose of identification. We shall be pleased to sign our report in the present or amended form after:

- (a) The financial statements have been approved by the Board and signed by the Chief Financial Officer, Chief Executive and another designated director.
- (b) We have received management representation letter on the lines of the draft furnished to the Chief Financial Officer; and
- (c) Minutes of meeting of board of directors wherein these financial statements have been approved and director's report.

We wish to place on record our appreciation for the courtesy and cooperation extended to us by the company's personnel during the course of our audit.

Yours faithfully,


CHARTERED ACCOUNTANTS

SAIMA KAISER SECURITIES (PVT) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2024

	Note	2024 Rupees	2023 Rupees
ASSETS			
NON CURRENT ASSETS			
Property and equipment	4	316,835	377,661
Intangible assets	5	5,469,614	5,469,614
Long term investments	6	5,611,482	9,006,818
Long term deposits	7	100,000	100,000
		<u>11,497,931</u>	<u>14,954,093</u>
CURRENT ASSETS			
Trade deposits, short term prepayments and current account balance with statutory authorities	8	432,144	407,690
Tax deducted at source/advance income tax	9	76,498	76,498
Cash and bank balances	10	6,222,319	6,840,081
		<u>6,730,961</u>	<u>7,324,269</u>
		<u>18,228,892</u>	<u>22,278,362</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital	11	15,600,000	15,600,000
Revenue reserve (Accumulated loss)/unappropriated profit		(2,189,986)	1,219,122
		<u>13,410,014</u>	<u>16,819,122</u>
Long term loan from related party	12	4,000,000	4,000,000
		<u>17,410,014</u>	<u>20,819,122</u>
NON CURRENT LIABILITIES			
Deferred taxation	13	561,148	1,125,852
CURRENT LIABILITIES			
Deposits, accrued liabilities and advances	14	257,730	333,388
Provision for taxation and levies	15	-	-
		<u>257,730</u>	<u>333,388</u>
CONTINGENCIES AND COMMITMENTS			
	16	-	-
		<u>18,228,892</u>	<u>22,278,362</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 FINANCIAL POSITION
AS AT JUNE 30, 2024

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		18,228,892	22,278,362

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

Saima Kaiser
CHIEF EXECUTIVE

[Signature]
DIRECTOR

SAIMA KAISER SECURITIES (PVT) LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024 Rupees	2023 Rupees (Restated)
Dividend income		421,405	421,988
Unrealized gain on long term investments		-	9,006,818
		<u>421,405</u>	<u>9,428,806</u>
Direct cost	17	<u>(230,647)</u>	<u>(154,692)</u>
		190,758	9,274,114
Operating expenses	18	(705,872)	(803,196)
Other operating expense	19	<u>(3,395,336)</u>	<u>-</u>
OPERATING (LOSS)/PROFIT		<u>(3,910,450)</u>	<u>8,470,918</u>
Finance cost	20	<u>(151)</u>	<u>(201)</u>
(LOSS)/PROFIT BEFORE LEVIES AND INCOME TAX		<u>(3,910,601)</u>	<u>8,470,717</u>
Levies		(63,211)	(63,298)
(LOSS)/PROFIT BEFORE INCOME TAX		<u>(3,973,812)</u>	<u>8,407,419</u>
Income tax	22	<u>564,704</u>	<u>(1,125,852)</u>
(LOSS)/PROFIT FOR THE YEAR		<u><u>(3,409,108)</u></u>	<u><u>7,281,567</u></u>
EARNINGS PER SHARE- BASIC AND DILUTED	23	<u><u>(21.85)</u></u>	<u><u>46.68</u></u>

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

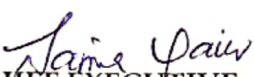
Saima Kaiser
CHIEF EXECUTIVE

[Signature]
DIRECTOR

SAIMA QAISER SECURITIES (PVT) LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2024

	2024 Rupees	2023 Rupees
(Loss)/profit for the year	(3,409,108)	7,281,567
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		
Reclassification of long term investment	-	(15,832,971)
Other comprehensive loss for the year	-	(15,832,971)
Total comprehensive loss for the year	<u>(3,409,108)</u>	<u>(8,551,404)</u>

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


CHIEF EXECUTIVE


DIRECTOR

SAIMA QAISER SECURITIES (PVT) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2024

Paid up capital	Accumulated loss	Fair value adjustment reserve	Sub Total	Long term loan from related party	Total
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----- (R u p e e s) -----

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 income 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
Loss after taxation	-	(3,409,108)	-	(3,409,108)	-	(3,409,108)
Other comprehensive loss	-	-	-	-	-	-
Total comprehensive loss for the year	-	(3,409,108)	-	(3,409,108)	-	(3,409,108)
Balance as at June 30, 2024	15,600,000	(2,189,986)	-	13,410,014	4,000,000	17,410,014

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

Saima Qaisar
CHIEF EXECUTIVE

[Signature]
DIRECTOR

SAIMA QAISER SECURITIES (PVT) LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024 Rupees	2023 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss)/profit before taxation		(3,910,601)	8,470,717
Adjustments of items not involving movements of cash:			
Depreciation	4	60,826	73,666
Dividend income		(421,405)	(421,988)
Unrealized loss/(gain) on long term investment		3,395,336	(9,006,818)
		<u>3,034,757</u>	<u>(9,355,140)</u>
Operating cash flows before working capital changes		(875,844)	(884,423)
(Increase) / Decrease in working capital			
(Increase) / decrease in current assets			
Trade deposits and short term prepayments		(24,454)	(37,201)
Increase / (decrease) in current liabilities			
Deposits, accrued liabilities and advances		(75,658)	228,388
		<u>(100,112)</u>	<u>191,187</u>
Cash used in operations		(975,956)	(693,236)
Dividend received		421,405	421,988
Taxes and levies paid		(63,211)	(63,299)
		<u>358,194</u>	<u>358,689</u>
Net cash used in operating activities		(617,762)	(334,547)
CASH FLOWS FROM INVESTING ACTIVITIES			
		-	-
CASH FLOWS FROM FINANCING ACTIVITIES			
		-	-
NET DECREASE IN CASH AND CASH EQUIVALENTS		(617,762)	(334,547)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		6,840,081	7,174,628
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	A	<u>6,222,319</u>	<u>6,840,081</u>
A - Cash and Cash Equivalents			
Cash and bank balances	10	<u>6,222,319</u>	<u>6,840,081</u>
		<u>6,222,319</u>	<u>6,840,081</u>

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

Saima Qaiser
CHIEF EXECUTIVE

[Signature]
DIRECTOR

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.

The company is holder of Trading Right Entitlement Certificate-TREC (Trade Only) 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
- Impairment loss of non-financial assets other than inventories
- 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 MATERIAL ACCOUNTING POLICY INFORMATION

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 number of days basis 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 the statement of 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 amortization is charged based upon straight line method. Amortization on additions is charged for the numbers of days in which an asset is acquired while no amortization is charged for the month in which an asset is disposed off

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

3.3 METHOD OF PREPARATION OF CASH FLOW STATEMENT

The cash flow statement is prepared using indirect method.

3.4 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.

3.5 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.

3.6 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.

3.7 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.

3.8 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

The charge for current taxation is based on the taxable income for the year, determined in accordance with the prevailing law for taxation on income, using prevailing tax rates after taking into account tax credits and rebates available, if any. Current tax assets and tax liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability.

Deferred

Deferred tax is recognised using liability method, providing for temporary difference 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 realisation or settlement of the carrying amount of assets and liabilities, using the tax rates enacted or substantively enacted at the reporting date.

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

Levies

Tax charged under Income Tax Ordinance, 2001 which is not based on taxable income or any amount paid / payable in excess of the calculation based on taxable income or any minimum tax which is not adjustable against future income tax liability is classified as levy in the statement of profit or loss and other comprehensive income.

3.11 TRADE AND OTHER PAYABLE

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 exchange 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 statement of 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 statement of profit or loss account 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 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.

3.20 CHANGE IN ACCOUNTING POLICY

During the year the Institute of Chartered Accountant of Pakistan (ICAP) have withdrawn the Technical Release 27 and issued guidance - "Application Guidance on Accounting for Minimum Taxes and Final Taxes". The said guidance requires certain amounts of tax paid under minimum tax (which is not adjustable against future income tax liability) and final tax regime to be shown separately as a levy instead of showing it in current tax.

Accordingly, the impact has been incorporated in these financial statements retrospectively in accordance with the requirement of applicable reporting framework. There has been no effect on the statement of financial position, the statement of changes in equity, the statement of cash flows and earning per share as a result of this change except the following effect on statement of profit or loss:

	2024			2023		
	Had there been no change in accounting policy	Impact of change in accounting policy	After incorporating effects of change in accounting policy	Had there been no change in accounting policy	Impact of change in accounting policy	After incorporating effects of change in accounting policy
Effect on statement of profit or loss						
(Loss)/profit before income tax	(3,910,601)	(63,211)	(3,973,812)	8,470,717	(63,298)	8,407,419
Levies	-	(63,211)	(63,211)	-	(63,298)	(63,298)
Income tax expense	501,493	63,211	564,704	(1,189,150)	63,298	(1,125,852)

4 PROPERTY AND EQUIPMENT

Particulars	Cost		Rate %	Depreciation		W.D.V As at June 30, 2024
	As at June 30, 2023	Additions/ (deletions)		As at June 30, 2023	Charge for the year	
OWNED						
Furniture and fittings	600,000	-	15	461,030	20,846	118,124
Office equipment	550,000	-	15	425,312	18,703	105,985
Computers	690,000	-	30	662,156	8,353	19,491
Electric equipment	386,550	-	15	300,391	12,924	73,235
	2,226,550	-		1,848,889	60,826	316,835

Particulars	Cost		Rate %	Depreciation		W.D.V As at June 30, 2023
	As at June 30, 2022	Additions/ (deletions)		As at June 30, 2022	Charge for the year	
OWNED						
Furniture and fittings	600,000	-	15	436,506	24,524	461,030
Office equipment	550,000	-	15	403,308	22,004	425,312
Computers	690,000	-	30	650,223	11,933	662,156
Electric equipment	386,550	-	15	285,186	15,205	300,391
	2,226,550	-		1,775,223	73,666	1,848,889
						377,661

4.1 Depreciation has been allocated as under:

Note	2024 Rupees	2023 Rupees
18 Operating expenses	60,826	73,666
	60,826	73,666

	Note	2024 Rupees	2023 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
		<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.

6 LONG TERM INVESTMENTS

Quoted

Investment at fair value through profit or loss

	Note	2024 Rupees	2023 Rupees
Investment in LSE Capital Limited and LSE venture Limited	6.1	5,611,482	9,006,818
		<u>5,611,482</u>	<u>9,006,818</u>

6.1 Movement in fair value reserve:

Opening balance	9,006,818	15,832,971
Accumulated reserve transferred to profit or loss	-	(15,832,971)
(Loss)/ gain on re-measurement of investment	(3,395,336)	9,006,818
	<u>5,611,482</u>	<u>9,006,818</u>

6.2 During the year, the company has received shares of LSE Capital Limited (LSECL) against shares of LSE Proptech Limited (LSEPL) under the scheme of arrangement as sanctioned by the Lahore High Court vide its order dated April 3, 2024 and as per swap ratio disclosed in the aforesaid scheme, the shareholders of LSEPL have been allotted 0.83 share of LSECL against each 1 share of LSEPL. The breakup of respective holding is as below:

	No. of shares	Value Rupees	Pledged Rupees	Pledged with
LSE Capital Limited	245,294	765,317	765,317	Pakistan Stock Exchange for BMC
LSE Venture Limited	842,811	4,846,164	4,846,158	
	<u>1,088,105</u>	<u>5,611,482</u>	<u>5,611,475</u>	

	Note	2024 Rupees	2023 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:			
EClear Services Limited		219,229	225,004
Sales tax receivable		212,915	182,686
		<u>432,144</u>	<u>407,690</u>
9 TAX DEDUCTED AT SOURCE/ADVANCE INCOME TAX			
Opening balance		76,498	76,498
Deducted during the year			
Levies		63,211	63,298
		63,211	63,298
Adjustment made during the year			
Income taxes		-	-
Levies		(63,211)	(63,298)
		(63,211)	(63,298)
		<u>76,498</u>	<u>76,498</u>
10 CASH AND BANK BALANCES			
These were held as under:			
In hand		969,143	973,217
Cash at bank			
In current accounts;			
Pertaining to brokerage house		5,183,840	5,797,447
Pertaining to clients		69,336	69,417
		<u>5,253,176</u>	<u>5,866,864</u>
		<u>6,222,319</u>	<u>6,840,081</u>
11 SHARE CAPITAL			
Authorized			
300,000 (2023: 300,000) ordinary shares of Rs.100 each		<u>30,000,000</u>	<u>30,000,000</u>
Issued, subscribed and paid up			
156,000 (2023: 156,000) ordinary shares of Rs. 100 each fully paid in cash		<u>15,600,000</u>	<u>15,600,000</u>

11.1 Pattern of Shareholding:

Categories of shareholders	% age of shares held		Number of shares held	
	2024	2023	2024	2023
Individuals				
Chief Executive				
Mrs. Saima Qaiser	98.72%	98.72%	154,000	154,000
Directors				
Mr. Afzal Hussain	0.64%	0.64%	1,000	1,000
Mr. Muhammad Ehsan Ullah	0.64%	0.64%	1,000	1,000
	<u>100%</u>	<u>100%</u>	<u>156,000</u>	<u>156,000</u>

11.2 There is no variation in the voting rights of the shareholders.

	Note	2024 Rupees	2023 Rupees
12 LONG TERM LOAN FROM RELATED PARTY			
Loan from Mrs. Saima Qaiser-CEO	12.1	<u>4,000,000</u>	<u>4,000,000</u>

12.1 This represents interest free and un-secured loan obtained from the Chief Executive of the company. This loan is subordinated to all other debts of the company and is payable at discretion of the company.

	2024 Rupees	2023 Rupees
13 DEFERRED TAXATION		
Deferred credits/(debits) arising due to:		
Accelerated tax depreciation	(5)	(6)
Brought forward losses	(316,378)	(316,378)
Unrealized gain on long term investment	561,148	1,125,852
Deferred tax asset not recognised	<u>316,383</u>	<u>316,384</u>
	<u>561,148</u>	<u>1,125,852</u>
Balance as at July 01,	1,125,852	-
Add: (Reversal)/charge for the year in profit or loss	<u>(564,704)</u>	<u>1,125,852</u>
	<u>561,148</u>	<u>1,125,852</u>

13.1 At year end, net deductible temporary differences and taxable losses which resulted in a net deferred tax asset of Rs. 316,383 (2023: Rs. 316,384). However, deferred tax asset has not been recognized in these financial statements being prudent. The management is of the view that recognition of deferred tax asset shall be reassessed as at June 30, 2025.

13.2 Business losses would expire as follows:

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

13.3 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	2024 Rupees	2023 Rupees
14 DEPOSITS, ACCRUED LIABILITIES AND ADVANCES			
Accrued expenses		<u>257,730</u>	<u>333,388</u>
15 PROVISION FOR TAXATION AND LEVIES			
Opening balance		-	-
Provision for the year in respect of income taxes and levies	22.1	63,211	63,298
Adjustment made during the year	9	<u>(63,211)</u>	<u>(63,298)</u>
		<u>-</u>	<u>-</u>

16 CONTINGENCIES AND COMMITMENTS

16.1 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	2024 Rupees	2023 Rupees
17 DIRECT COST			
E Clear Services charges		-	7,159
Central Depository Company charges		-	42,032
Pakistan Stock Exchange expenses		<u>230,647</u>	<u>105,501</u>
		<u>230,647</u>	<u>154,692</u>

		2024	2023
	Note	Rupees	Rupees
18 OPERATING EXPENSES			
Staff salaries and benefits		202,000	263,000
Rent, rates and taxes		-	5,000
Communication expenses		142,155	152,909
Repair and maintenance		113,146	178,621
Auditor's remuneration	18.1	73,500	70,000
Fee and subscription		114,075	60,000
Depreciation	4	60,826	73,666
Miscellaneous		170	-
		<u>705,872</u>	<u>803,196</u>

18.1 Auditor's remuneration

The audit fee included in the financial statements is as follows:

Amin, Mudassar & Co. Chartered Accountants		2024	2023
	Note	Rupees	Rupees
Statutory audit		73,500	70,000
		<u>73,500</u>	<u>70,000</u>

19 OTHER OPERATING EXPENSES

Loss on remeasurement of investments		3,395,336	-
		<u>3,395,336</u>	<u>-</u>

20 FINANCE COST

Bank charges		151	201
		<u>151</u>	<u>201</u>
	Note	2024	2023
		Rupees	Rupees (Restated)

21 LEVIES

Alternative corporate tax		-	-
Final tax		63,211	63,298
		<u>63,211</u>	<u>63,298</u>

21.1 This represents portion of minimum taxes/alternative/final taxes paid under the provision of Income Tax Ordinance, 2001, representing levies in the financial statements.

		2024	2023
	Note	Rupees	Rupees (Restated)
22 TAXATION			
Income tax:			
-Current		-	-
-Deferred		(564,704)	1,125,852
		<u>(564,704)</u>	<u>1,125,852</u>

- 22.1 Tax breakup current tax charged under applicable income tax law and its categorization as 'Income Tax' and 'Levies' is as follows:

	Note	2024 Rupees	2023 Rupees (Restated)
Classified as:			
Income tax		-	-
Levies		63,211	63,298
		<u>63,211</u>	<u>63,298</u>

- 22.2 Income tax assessment of the Company have been finalized up to tax year 2023 on the basis of returns filed as the company did not receive any correspondence from income tax department (FBR) in this respect.

- 22.3 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.

23 EARNINGS PER SHARE- BASIC AND DILUTED

	2024	2023
(Loss)/profit for the year-Rupees	<u>(3,409,108)</u>	<u>7,281,567</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>(21.85)</u>	<u>46.68</u>

24 NUMBER OF EMPLOYEES

	2024 (N u m b e r)	2023 (N u m b e r)
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	2024 Rupees	2023 Rupees
25	FINANCIAL INSTRUMENTS BY CATEGORY		
	Financial assets and financial liabilities		
	Financial assets		
	At fair value through profit or loss		
	Long term investment	<u>5,611,482</u>	<u>9,006,818</u>
	At amortised cost		
	Long term deposits	100,000	100,000
	Trade deposits and other receivables	219,229	225,004
	Cash and bank balances	<u>6,222,319</u>	<u>6,840,081</u>
		<u>6,541,548</u>	<u>7,165,085</u>
		2024	2023
	Note	Rupees	Rupees
	Financial liabilities		
	At amortized cost		
	Deposits, accrued liabilities and advances	<u>257,730</u>	<u>333,388</u>
		<u>257,730</u>	<u>333,388</u>

26 CORRESPONDING FIGURES

The corresponding figures have been rearranged and reclassified, wherever considered necessary, for the purposes of comparison and better presentation. However, there is no major reclassification to report except as disclosed in note 3.20 to the financial statements.

27 GENERAL

Figures have been rounded off to the nearest of rupee.

28 DATE OF AUTHORISATION FOR ISSUE

07 NOV 2024

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

Aring Prian
CHIEF EXECUTIVE

[Signature]
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, 2024.

RUPEES

Total Assets	18,228,892
Less: Total Liabilities	818,878
Less: Revaluation Reserves (created upon revaluation of fixed assets)	-
Capital Adequacy Level	<u>17,410,014</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, 2024 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, 2024.


CHARTERED ACCOUNTANTS
07 NOV 2024


Dated: