

Oct 31, 2024

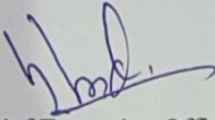
Regional In Charge Lahore
Pakistan Stock Exchange Limited
LSE Plaza, 19-Khayaban-e-Aiwane-e-Iqbal,
Lahore

Dear Sir,

Subject: SUBMISSION OF AUDITED ACCOUNT AS AT JUNE 30, 2024.

Please find enclosed a copy of Audited Final Accounts as of June 30, 2024.

We thank you for your cooperation in this regard.


Chief Executive Officer
128 Securities (Pvt.) Limited



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M-12 Mezzanine Floor, LSE Plaza,
19-Khayaban-e-Aiwan-e-Iqbal, Lahore.
Tel: +92 (42) 3637 2747-50

Defence Branch
1st Floor, 105-G, CCA, Phase-1,
Defence Housing Authority, Lahore.
Tel: +92 (42) 3573 1747

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF 128 SECURITIES (PRIVATE) LIMITED**

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements **128 SECURITIES (PRIVATE) 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 cash flows, the statement of changes in equity 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 purpose 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 profit and other comprehensive profit, its cash flows and the changes in equity for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the 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 annual report, but those 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.

a.a

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 such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risk 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 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. *ana*

- 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 those charged with governance and the board of directors, 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

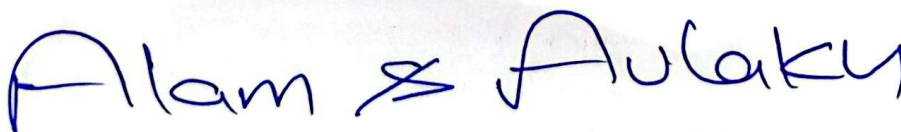
Based on our audit, we further report that in our opinion:

- Proper books of accounts have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- The statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of cash flows and the statement of changes in equity 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 accounts and returns;
- Investment made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- No zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).
- The Company was in compliance with the requirement of section 78 of the Securities Act 2015 and the relevant requirements of Securities Brokers (Licensing and Operations Regulations), 2016 as at the date on which the statement of financial position was prepared.

Other Matter

The financial statements of the **128 SECURITIES (PRIVATE) LIMITED** for the year ended June 30, 2023 were audited by M/S IECNET S.K.S.S.S Chartered Accountants who expressed an unmodified opinion on those statements on 06 October 2023.

The engagement partner on audit resulting in this independent auditor's report is Muhammad Naeem (FCA).



ALAM & AULAKH
CHARTERED ACCOUNTANTS

Alam & Aulakh
Chartered Accountants

Place: Lahore

Date: September 14, 2024

UDIN: AR2024101907af8EH5sr

📍 Sub Office: 15-A, Second Floor, D Block,
Main Boulevard, PIA Housing Society, Lahore.

📧 info@ana-ca.com

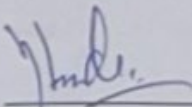
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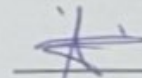
128 SECURITIES (PVT.) LIMITED
Statement of Financial Position
As at June 30, 2024

		2024	2023
ASSETS	Note	Rupees	Rupees
Non-current assets			
Property and equipment	4	1,137,714	877,147
Intangible assets	5	2,500,000	2,500,000
Long term investments	6	-	9,006,813
Long term deposits	7	467,285	467,285
		4,104,999	12,851,245
Current assets			
Trade debts - net	8	-	-
Loans and advances	9	4,015,592	3,897,403
Deposits, prepayments and other receivables	10	2,335,907	1,251,494
Income tax refundable	11	913,029	391,400
Short term investments	12	9,835,247	3,762,908
Cash and bank balances	13	97,895	24,761
		17,197,669	9,327,967
		21,302,668	22,179,212
EQUITY & LIABILITIES			
Share capital and reserves			
Issued, subscribed and paid-up capital	14	69,274,000	69,274,000
Unappropriated profit/ (loss)		(48,783,860)	(41,721,958)
Unrealized surplus / (deficit) on re-measurement of investments measured at FVOCI		-	(5,880,906)
Total equity		20,490,140	21,671,136
Current liabilities			
Trade and other payables	15	115,152	181,467
Provision for taxation	16	697,376	326,610
		812,528	508,077
Contingencies and commitments	17	-	-
		21,302,668	22,179,212

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


Chief Executive Officer

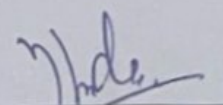



Director

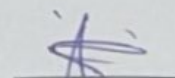
128 SECURITIES (PVT.) LIMITED
Statement of Profit or loss
For the period ended June 30, 2024

	Note	2024 Rupees	2023 Rupees
Operating revenue	18	14,698,602	10,507,273
Gain/(loss) on sale of short term investments	12	(742,653)	603,256
Unrealized gain/(loss) on remeasurement of Investments classified at FVTPL	12	(2,753,495)	(604,423)
		<u>11,202,454</u>	<u>10,506,106</u>
Operating and administrative expenses	19	(16,117,461)	(16,162,365)
Operating profit / (loss)		(4,915,007)	(5,656,259)
Financial charges	20	(943)	(6,596)
Other income and (losses)	21	4,432,330	1,984,915
Profit / (loss) before taxation		(483,620)	(3,677,939)
Taxation	22	(697,376)	(326,610)
Profit/(loss) for the year		(1,180,996)	(4,004,549)
Earnings/(loss) per share - basic	23	(1.70)	(5.78)

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


Chief Executive Officer

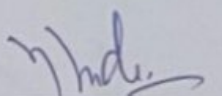



Director


128 SECURITIES (PVT.) LIMITED
Statement of Comprehensive Income
For the year ended June 30, 2024

	Note	2024 Rupees	2023 Rupees
Profit/(loss) for the year		(1,180,996)	(4,004,549)
Other comprehensive income/(loss)			
Items that will not be reclassified subsequently to profit or loss			
Unrealized gain / (loss) during the period in the market value of investments measured at FVOCI		-	(7,400,061)
Total comprehensive income/(loss) for the year		<u>(1,180,996)</u>	<u>(11,404,610)</u>

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


Chief Executive Officer

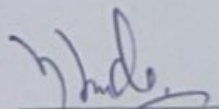



Director

128 SECURITIES (PVT.) LIMITED
Statement of Cash Flows
For the year ended June 30, 2024

	Note	2024 Rupees	2023 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(loss) before taxation		(483,620)	(3,677,939)
Adjustments:			
Depreciation and impairment	4	225,544	271,054
Provision for doubtful debts	19	-	3,234,084
Realized (gain)/loss on sale of short-term investments	12	742,653	(603,256)
Unrealized (gain)/loss on short-term investments	12	2,753,495	(604,423)
Interest income	21	(4,202,122)	(1,833,539)
Dividend Income	18	(871,405)	(1,684,388)
		(1,351,836)	(1,220,468)
Operating profit/(loss) before working capital changes		(1,835,456)	(4,898,408)
(Increase)/decrease in current assets			
Trade debts - net	8	-	(1,396,300)
Loans and advances	9	(118,189)	(150,882)
Deposits, prepayments and other receivables	10	(3,179,978)	2,607,712
Increase/(decrease) in current liabilities			
Trade and other payables	15	(66,315)	(21,240,167)
		(3,364,482)	(20,179,636)
Cash generated from / (used in) operations		(5,199,938)	(25,078,044)
Proceeds from net sales/(acquisition of) short-term investments	12	561,673	208,846
Dividend received	18	871,405	1,684,388
Interest income	21	4,202,122	1,833,539
Taxes paid	22	(848,238)	(535,161)
		4,786,962	3,191,612
Net cash from/(used in) operating activities		(412,976)	(21,886,432)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property and equipment	4	486,110	-
Decrease / (increase) in long-term deposits	7	-	200,000
Net cash generated from / (used in) investing activities		486,110	200,000
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		-	-
Net cash generated from / (used in) financing activities		-	-
Net (decrease)/increase in cash and cash equivalents		73,134	(21,686,432)
Cash and cash equivalents at the beginning of the year		24,761	21,711,193
Cash and cash equivalents at the end of the year	13	97,895	24,761

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


Chief Executive Officer

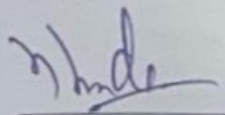



Director

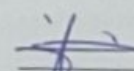
128 SECURITIES (PVT.) LIMITED
Statement of Changes in Equity
For the year ended June 30, 2024

	Issued, subscribed and paid-up capital	Unappropriated profit/ (loss)	Unrealized surplus / (deficit) on re- measurement of investments measured at FVOCI	Total
	Rupees.....			
Balance as at June 30, 2022	69,274,000	(37,717,409)	1,519,155	33,075,746
Total comprehensive income/(loss) for the year				
Profit/(loss) for the year	-	(4,004,549)	-	(4,004,549)
Other comprehensive income/(loss)	-	-	(7,400,061)	(7,400,061)
	-	(4,004,549)	(7,400,061)	(11,404,610)
Balance as at June 30, 2023	69,274,000	(41,721,958)	(5,880,906)	21,671,136
Total comprehensive income/(loss) for the year				
Profit/(loss) for the year	-	(1,180,996)	-	(1,180,996)
Other comprehensive income/(loss)	-	-	-	-
	-	(5,880,906)	5,880,906	-
	-	(7,061,902)	5,880,906	(1,180,996)
Balance as at June 30, 2024	69,274,000	(48,783,860)	-	20,490,140

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


Chief Executive Officer




Director

1. THE COMPANY AND ITS OPERATIONS

128 Securities (Private) Limited (the Company) was incorporated as a private limited company (limited by shares) in Pakistan under the Companies Ordinance, 1984 (now the Companies Act, 2017) on June 01, 2006. The Company is a corporate member of the Pakistan Stock Exchange Limited. The Company is primarily engaged in brokerage of shares, stocks, purchase and sale of securities, financial consultancy, underwriting, portfolio management and securities research. The registered office of the Company is located at Room No. M-12, Mezzanine floor, Lahore Stock Exchange Building, 19-Khayaban-e-Aiwan-e-Iqbal, Lahore. During the year ended June 30, 2023, the company was converted to "Trading Only" category of securities broker as specified in the Securities Brokers (Licensing and Operations) Regulations, 2016.

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 Standards for Small and Medium Size 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
- Provisions of and directives issued under the Securities Brokers (Licensing and Operations) Regulations, 2016

Where provisions of and directives issued under the Companies Act, 2017 and Securities Brokers (Licensing and Operations) Regulations, 2016, differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 and Securities Brokers (Licensing and Operations) Regulations, 2016, have been followed.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention without any adjustment for the fact of inflation or current values except investments and shares that have been measured at fair values.

2.3 Functional and presentation currency

These financial statements are presented in Pakistani rupees which is also the company's functional currency and presentation currency of the company and rounded off to the nearest rupee.

2.4 Key judgements and estimates

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- Note 3.1 and 8
- Useful lives, residual values and amortization method of intangible assets- Note 3.2
- Valuation of investment in ordinary shares of LSE Financial Services Limited- Note 3.11
- Provision for doubtful account receivables- Note 3.3
- Estimation of provisions - Note 3.8
- Estimation of contingent liabilities- Note 3.12
- Current income tax expense, provision for current tax and recognition of deferred tax asset- Note 3.15



3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Operating fixed assets

These are stated at cost less accumulated depreciation and impairment loss if any. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to statement of profit or loss during the year in which they are incurred.

Depreciation

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 month in which an asset is acquired while no depreciation is charged for the month 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.

Disposal

The gain or loss arising on disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognized as income or expense in the statement of profit or loss.

Impairment

The assets that are subject to depreciation 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 recognized in the statement of profit or loss.

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, if no impairment loss had been recognized. The Company recognizes the reversal immediately in the statement of profit or loss.

3.2 Intangible Assets

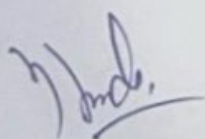
Intangible assets with finite useful life are stated at cost less amortization and impairment, if any. The carrying amount is reviewed at each reporting date to assess whether it is in excess of its recoverable amount, and where carrying value exceeds estimated recoverable amount, it is written down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

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.

3.3 Trade debts

Trade debts are recognised and carried at transaction price less an allowance for impairment. A provision for impairment of trade debts 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.

3.4 Advances, deposits and other receivables

These are included in current assets, except for maturities greater than twelve months after the reporting date, which are classified as non-current assets.

3.5 Cash and cash equivalents

Cash and cash equivalents are carried at cost in statement of financial position. For the purpose of statement of cash flows, cash and cash equivalents are comprised of cash in hand, bank balances and short term borrowings.

3.6 Share capital

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

3.7 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.

3.8 Provisions

Provisions are recognized 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 recognized 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.

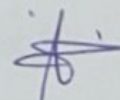
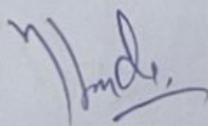
Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value using a pre-tax discount rate. The unwinding of the discount is recognised as finance cost in the statement of profit or loss.

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.

3.9 Impairment of 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 such an indication exists, the asset's recoverable amount is estimated to determine the extent of impairment loss, if any. An impairment loss is recognized as an expense in the profit or loss. The recoverable amount is the higher of an asset's fair value less cost of disposal 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 is 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.



3.10 Earning per share

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 calculated by adjusting basic EPS by the weighted average number of ordinary shares that would be issued on conversion of all dilutive potential ordinary shares into ordinary shares and post-tax effect of changes in profit or loss attributable to ordinary shares of the company that would result from conversion of all dilutive potential ordinary shares into ordinary shares.

3.11 Financial Assets and Liabilities

Financial Assets

Financial assets are classified in the following categories: Held-to-maturity, at fair value through profit or loss, available-for-sale and loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

a) Held to Maturity

The investments with fixed maturity, if any, that the company has to positive intent and ability to hold to maturity. Held to maturity investments are initially measured at fair value plus transaction costs and are subsequently stated at amortized cost using the effective interest rate method less impairment, if any. These are classified as current and non-current assets in accordance with nature of investment.

b) At fair value through profit or loss

Investments classified as held for trading are included in the category of financial assets at fair value through profit or loss. These are listed securities that are acquired principally for the purpose of generating a profit from short term fluctuations in price or dealer's margin.

All investments are initially recognized at cost, being the fair value of the consideration given excluding acquisition charges with the investment. After initial recognition, investments are measured at their fair values. Unrealized gains and losses on investments are recognized in profit or loss of the period.

Fair values of these securities representing listed equity and debt securities are determined by reference to stock exchange quoted market prices at the close of the business on reporting date.

c) Available-for-sale

Investments which are intended to be held for an undefined period of time but may be sold in response to the need for liquidity or changes in interest rates are classified as available-for-sale.

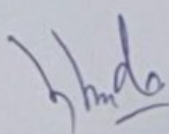
Subsequent to initial recognition at cost, these are premeasured at fair value. The Company uses latest stock exchange quotations to determine the fair value of its quoted investments whereas fair value of investments in unquoted companies is determined by applying the appropriate valuation techniques. Gains or losses on available-for-sale investments are recognized directly in statement of profit or loss until the investments are sold or disposed-off, or until the investments are determined to be impaired, at that time cumulative gain or loss previously recognized in statement of profit or loss, is re-classified from equity to profit or loss as re-classification adjustment.

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.

Off setting financial assets and financial liabilities

Financial assets and financial liabilities are set off and only the net amount is reported in the balance sheet when there is a legally enforceable right to set off the recognized amount and the company intends to either settle on a net basis, or to realize the asset and settle the liability simultaneously.



3.12 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.

3.13 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 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.

3.14 Trade and settlement date accounting

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

3.15 Taxation

Current

Provision for current taxation is based on taxable income at the current rates of taxation after considering rebates and tax credits available, if any. The charge for the current tax also includes adjustments where necessary, relating to prior years which arise from assessment framed / finalized during the year.

Deferred

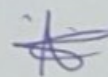
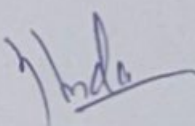
Deferred tax is provided using the statement of financial position liability method, on temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statement. The amount of deferred tax provided is based on the expect manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the financial reporting dates.

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

The carrying amount of all deferred tax assets are reviewed at each financial reporting date and reduced to the extent, if it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized.

Off-setting

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

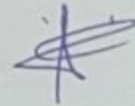
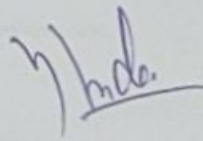


3.16 Method of preparation of statement of cash flows

The statement of cash flows is prepared using indirect method.

3.17 Related party transactions

Transactions and contract with related parties are carried at arm's length and at market rate. Non-arm's length transactions are made after obtaining the approval from board of directors.



4 PROPERTY AND EQUIPMENT

	2024				
	Office Equipment	Furniture & Fixtures	Vehicles	Accounting Software	Total Rupees
As at July 1, 2023					
Cost	2,545,264	1,252,332	1,599,500	2,479,916	7,877,012
Accumulated Depreciation	(2,106,938)	(1,054,689)	(1,436,666)	(2,401,572)	(6,999,865)
Net book value	438,326	197,643	162,834	78,344	877,147
Movement during the period					
Additions	486,110	-	-	-	486,110
Disposals	-	-	-	-	-
Cost	-	-	-	-	-
Depreciation	-	-	-	-	-
Depreciation charge for the period	155,803	29,646	24,425	15,669	225,544
As at June 30, 2024					
Cost	3,031,374	1,252,332	1,599,500	2,479,916	8,363,122
Accumulated Depreciation	(2,262,741)	(1,084,336)	(1,461,091)	(2,417,241)	(7,225,408)
Net book value	768,633	167,996	138,409	62,675	1,137,714
Depreciation rate per annum	30	15	15	20	
	2023				
	Office Equipment	Furniture & Fixtures	Vehicles	Accounting Software	Total Rupees
As at July 1, 2022					
Cost	2,545,264	1,252,332	1,599,500	2,479,916	7,877,012
Accumulated Depreciation	(1,919,084)	(1,019,811)	(1,407,930)	(2,381,986)	(6,728,811)
Net book value	626,180	232,521	191,570	97,930	1,148,201
Movement during the period					
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Cost	-	-	-	-	-
Depreciation	-	-	-	-	-
Depreciation charge for the period	187,854	34,878	28,735	19,586	271,054
As at June 30, 2023					
Cost	2,545,264	1,252,332	1,599,500	2,479,916	7,877,012
Accumulated Depreciation	(2,106,938)	(1,054,689)	(1,436,666)	(2,401,572)	(6,999,865)
Net book value	438,326	197,643	162,834	78,344	877,147
Depreciation rate per annum	30	15	15	20	

4.1 Depreciation for the year has been allocated to operating and administrative expenses (2023: same).

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	Note	2024 Rupees	2023 Rupees
5 INTANGIBLE ASSETS			
Trading Rights Entitlement Certificate ("TREC")	5.1	2,500,000	2,500,000
		2,500,000	2,500,000
Impairment		-	-
		2,500,000	2,500,000

- 5.1 Pursuant to the Stock Exchange (Corporatization, Demutualization and Integration) Act, 2012, stock exchanges operating as guarantee limited companies were converted to public limited companies. Ownership rights in exchanges were segregated from the right to trade on an exchange. As a result of such demutualization and corporatization, the Company received shares of the relevant exchange and a Trading Rights Entitlement Certificate ("TREC") against its membership card.

The TREC has been recorded as an indefinite-life intangible asset pursuant to the provisions and requirements of IAS 38. As the TREC is not a commonly tradable instrument, the value approved by the Board of Directors of the Pakistan Stock Exchange Limited ("PSX") post-mutualization was used as the initial value of the intangible. PSX vide notice. PSX/N-225 dated February 16, 2021 have notified the notional fees of a Trading Right Entitlement Certificate which amounts to Rs. 2.5 million.

6 LONG-TERM INVESTMENT

Investments at fair value through OCI

LSE Financial Services Limited (unquoted) - opening	6.1	9,006,813	16,406,874
Adjustment for remeasurement to fair value			(7,400,061)
Shares transferred to short term investment		(9,006,813)	
		-	9,006,813

- 6.1 During the year ended June 30, 2023, the company has received shares of LSE Venture Limited at the ratio of 998.6205 shares of LSE Venture Limited against every 1000 shares of LSE Financial Services Limited and under the scheme of compromises, arrangements and reconstruction as envisaged under the provisions of the Companies Act, 2017. LSE Financial Services Limited also distributed 350 bonus shares of LSE Proptech Limited against every 1000 shares of LSE Financial Services Limited. Due to change in investments from un-quoted to quoted shares, the company has reclassified these investments from available for sale to fair value through profit or loss and respective accumulated reserve has been transferred to unappropriated loss. Company intent to dispose of the investment in due course of time, it was re-classified as a Short term investment.

7 LONG-TERM DEPOSITS

Central Depository Company of Pakistan Limited	100,000	100,000
Other security deposits	367,285	367,285
	467,285	467,285

8 TRADE DEBTS

Considered good	8.1	-	-
Considered doubtful		6,137,064	6,137,064
		6,137,064	6,137,064
Less: Provision for doubtful debts	8.2	(6,137,064)	(6,137,064)
		-	-

- 8.1 The Company shifted their TREC from "Self Clearing to Trading Only" category and Client holdings and balances are shifted to Eclear as on July 01, 2022.

- 8.2 Movement in provision against trade debts is as under:

Opening balance (as at July 1)	6,137,064	2,902,980
Charged to profit and loss during the year	-	3,234,084
	6,137,064	6,137,064
Amounts written off during the year		
Closing balance (as at June 30)	6,137,064	6,137,064

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	Note	2024 Rupees	2023 Rupees
9 LOANS AND ADVANCES			
Staff advances - unsecured, considered good		428,587	486,455
Receivable from Director - unsecured		3,587,005	3,410,948
		<u>4,015,592</u>	<u>3,897,403</u>
9.1	This advance loan is given to Mr. M. Shahzad Haider Zaidi, a director and holder of 5% of the equity of the Company. The maximum aggregate amount outstanding by reference to month end balances is Rs.3,822,660 (2023: 3,410,948).		
10 DEPOSITS, PREPAYMENTS & OTHER RECEIVABLES			
Deposit with ECLEAR Services Limited		2,319,277	1,239,391
Other receivables		16,630	12,103
		<u>2,335,907</u>	<u>1,251,494</u>
11 INCOME TAX REFUNDABLE			
Opening balance (as at July 1)		391,400	421,150
Add: Current year additions		848,238	535,161
		<u>1,239,639</u>	<u>956,311</u>
Less: Adjustment against previous year provision for taxation		(326,610)	(564,911)
Less: Adjustment against current year provision for taxation		-	-
Closing balance (as at June 30)		<u>913,029</u>	<u>391,400</u>
12 SHORT TERM INVESTMENTS			
Investments at fair value through profit or loss			
Balance as at July 01,		3,762,908	3,764,076
Reclassification of investment into short term investment		9,006,813	-
Addition / deletion-net		561,673	-
Realized Gain/(loss)		(742,653)	603,256
Unrealized Gain/(loss)		(2,753,495)	(604,423)
Balance as at June 30,		<u>9,835,247</u>	<u>3,762,908</u>
13 CASH AND BANK BALANCES			
Cash in hand		-	2,197
Cash at bank			
Current Account		-	943
Saving Account	13.1	97,895	21,620
		<u>97,895</u>	<u>24,761</u>
13.1	Saving account carries markup which ranges from 10% to 19% (2023:10% to 19%) per annum.		
14 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL			
14.1 Authorized capital			
1,000,000 (2023: 1,000,000) ordinary shares of PKR 100 each.		<u>100,000,000</u>	<u>100,000,000</u>
14.2 Issued, subscribed and paid-up share capital			
692,740 (2023: 692,740) ordinary shares of PKR 100/- each, issued for cash		69,274,000	69,274,000
		<u>69,274,000</u>	<u>69,274,000</u>
14.3	The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company. All shares rank equally with regard to the Company's residual assets.		

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128 SECURITIES (PVT.) LIMITED
Notes To The Financial Statements
For the year ended June 30, 2024

	Note	2024 Rupees	2023 Rupees
15 TRADE AND OTHER PAYABLES			
Trade creditors	15.1	96,467	96,467
Accrued and other payables		18,685	-
Auditor's remuneration payable			85,000
		<u>115,152</u>	<u>181,467</u>
16 PROVISION FOR TAXATION			
Opening balance (as at July 1)		326,610	564,911
Add: Current Year Provision		<u>697,376</u>	<u>326,610</u>
		1,023,986	891,521
Less: Adjustment with previous year		(326,610)	(564,911)
Adjustment against current year advance tax			
Closing balance (as at June 30)		<u>697,376</u>	<u>326,610</u>
17 CONTINGENCIES AND COMMITMENTS			
17.1 There is no contingencies and commitments as on June 30, 2024. (2023: Same)			
18 OPERATING REVENUE			
Brokerage income		16,039,548	10,503,436
Less: Sales tax on services		<u>(2,212,351)</u>	<u>(1,680,550)</u>
Net brokerage commission excluding sales tax on services		13,827,197	8,822,886
Dividend income		<u>871,405</u>	<u>1,684,388</u>
		<u>14,698,602</u>	<u>10,507,273</u>
19 OPERATING AND ADMINISTRATIVE EXPENSES			
Directors' remuneration		1,491,000	1,425,000
Staff Salaries & Other Benefits		5,402,000	5,323,007
Electricity, Water & Gas		684,861	551,969
Travelling/ Conveyance/ Vehicle Running/ Maintenance		2,136,854	861,111
Communication		561,714	463,695
Repair & Maintenance		579,375	105,992
Stationery, Printing, Photocopies & Office Supplies		23,495	58,989
Advertisement, Publicity & Promotion		-	-
Brokerage & Commission		426,108	337,859
Regulatory charges		971,955	595,326
Auditors Remuneration	19.1	-	85,000
Rates, Taxes & Cess		917,153	602,857
Lease Expense		739,180	537,817
Legal & Professional Charges		407,983	469,277
Provision for / (reversal of provision for) doubtful debts		-	3,234,084
Bad Debts		2,803	-
Other Expenses		1,547,437	1,238,328
Donation		-	1,000
Depreciation	4	<u>225,544</u>	<u>271,054</u>
		<u>16,117,461</u>	<u>16,162,365</u>
19.1 Auditor's remuneration			
Statutory audit		-	85,000
Certifications and other charges		-	-
		<u>-</u>	<u>85,000</u>

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	Note	2024 Rupees	2023 Rupees
20 FINANCIAL CHARGES			
Bank and other charges		943	6,596
		<u>943</u>	<u>6,596</u>
21 OTHER INCOME / LOSSES			
Income from financial assets			
Mark-up on:			
Bank balances		4,202,122	1,833,539
Income from non-financial assets/liabilities			
Sundry / miscellaneous income		230,208	151,376
		<u>4,432,330</u>	<u>1,984,915</u>
22 TAXATION			
Current tax expense / (income)			
for the year		697,376	326,610
prior years		-	-
		<u>697,376</u>	<u>326,610</u>

No numeric tax rate reconciliation is presented for the current year in these financial statements as the company was either under minimum tax regime or alternate corporate tax under the Income Tax Ordinance, 2001.

23 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing profit after tax for the year by the weighted average number of shares outstanding during the period, as follows:

Profit / (loss) after taxation, attributable to ordinary shareholders	(1,180,996)	(4,004,549)
Weighted average number of ordinary shares in issue during the year	692,740	692,740
Earnings per share	(1.70)	(5.78)

No figure for diluted earnings per share has been presented as the Company has not issued any dilutive instruments carrying a have an impact on earnings per share when exercised.

24. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amounts charged in the financial statements for remuneration, including benefits, to the chief executive, directors and executives of the Company as per the terms of their employment are as follows:

	2024		2023	
	Remuneration	# of persons	Remuneration	# of persons
Chief Executive Officer	825,000	1	975,000	1
Directors	666,000	1	450,000	1

Executive means an employee, other than chief executive officer and directors, whose annual gross salary equals or exceeds Rs. 1,200,000 during a financial year. There was no person employed during the year whose gross salary exceeds Rs. 1,200,000 per annum.

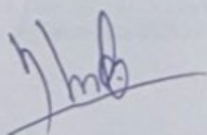
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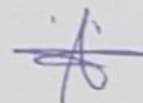


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128 SECURITIES (PVT.) LIMITED
Notes To The Financial Statements
For the year ended June 30, 2024

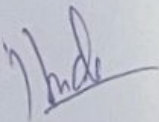
	Note	2024 Rupees	2023 Rupees
25 Financial instruments			
Financial assets			
At amortized cost			
Loans and advances		4,015,592	3,897,403
Cash and bank balances		97,895	24,761
		<u>4,113,487</u>	<u>3,922,164</u>
Fair value through P&L			
Short term investments		9,835,247	3,762,908
		<u>9,835,247</u>	<u>3,762,908</u>
Fair value through OCI			
Long term investments		-	9,006,813
		<u>-</u>	<u>9,006,813</u>
Total financial assets		<u>13,948,734</u>	<u>16,691,886</u>
Financial liabilities			
At amortized cost			
Trade and other payables		-	-
Total financial liabilities		<u>-</u>	<u>-</u>
26 NUMBER OF EMPLOYEES		2024	2023
		Numbers	Numbers
Number of employees as at 30 June		12	12
Average number of employees during the year		12	12
27 RELATED PARTY TRANSACTIONS			
Related parties from the Company's perspective comprise of key management personnel, directors and key shareholders of the Company. There are no transactions with related parties, other than those which have specifically been disclosed else where in these financial statements.			
28 EVENTS AFTER THE REPORTING DATE			
There were no events after the end of the reporting date that might need reporting in these financial statements (2023: same).			
29 DATE OF AUTHORIZATION OF ISSUE			
These financial statements were authorized by the board of directors of the Company for issuance on <u>September 14, 2024</u> .			



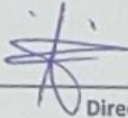


30 GENERAL

- Amounts have been rounded off to the nearest rupee, unless otherwise stated.
- Corresponding figures have been reclassified wherever necessary to reflect more appropriate presentation of events and transactions for the purpose of comparison in accordance with the accounting and reporting standards as applicable in Pakistan. There was no major reclassification happened during the year that require disclosure.



Chief Executive Officer



Director