

**RIAZ AHMED SECURITIES  
(PRIVATE) LIMITED**

**Financial Statements  
For the Period Ended 31 December, 2022**

**RIAZ AHMED SECURITIES (PRIVATE) LIMITED**

**Statement of Financial Position**

**As At December 31, 2022**

	<i>Note</i>	Unaudited 31-Dec-22 Rupees	Audited 30-Jun-22 Rupees
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property and equipment	5	242,939	264,253
Right of Use asset	6	1,412,076	1,691,109
Intangible asset	7	2,500,000	2,500,000
Long Term Investment	8	52,984,168	52,984,168
Long Term Deposits	9	350,000	350,000
		<b>57,489,183</b>	<b>57,789,530</b>
<b>Current Assets</b>			
Short Term Investments	10	13,970,698	13,515,302
Advances, deposits & pre-payments	11	60,000	62,000
Tax Refund due from Government	12	867,577	400,903
Cash and bank balances	13	7,086,608	7,844,204
		<b>22,043,757</b>	<b>21,822,409</b>
		<b>79,532,940</b>	<b>79,611,939</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Share Capital &amp; Reserves</b>			
Authorized Capital		<b>50,000,000</b>	50,000,000
Issued, subscribed and paid up capital	14	47,493,370	47,493,370
Unrealized surplus / (deficit) on remeasurement of investments measured at FVOCI		22,638,138	22,638,138
Unappropriated Profit / (Loss)		7,291,384	5,253,447
		<b>77,422,893</b>	<b>75,384,955</b>
<b>Liabilities</b>			
<b>Non Current Liabilities</b>			
Deferred Tax Liabilities	15	-	-
Lease Liability of Right to use Asset	15	761,877	1,060,171
<b>Current Liabilities</b>			
Account payables	16	723,397	2,358,155
Current portion of lease liability	15	600,103	607,041
Provision for Taxation	17	-	-
Accrued and Other Liabilities	18	24,670	201,617
		<b>1,348,170</b>	<b>3,166,813</b>
<b>Contingencies and Commitments</b>	19	<b>79,532,940</b>	<b>79,611,939</b>

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

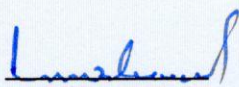
  
Chief Executive

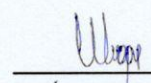
  
Director

**RIAZ AHMED SECURITIES (PRIVATE) LIMITED**  
**Statement of Profit or Loss**  
**For the Year Ended December 31, 2022**

	<i>Note</i>	<b>Unaudited Half Yearly 31-Dec-22 Rupees</b>	<b>Audited For the year 30-Jun-22 Rupees</b>
Operating Revenue	20	3,831,798	5,464,207
Capital gain / (loss) on sale of investment - net		3,116,356	(395,937)
(Loss) / gain on re-measurement of investment carried at fair value through profit or loss-net		<u>(3,188,750)</u>	<u>(2,572,741)</u>
		<b>3,759,404</b>	<b>2,495,529</b>
Operating and Administrative Expenses	21	<u>(2,059,499)</u>	<u>(4,265,206)</u>
<b>Profit / (loss) from operation</b>		<b>1,699,905</b>	<b>(1,769,677)</b>
Financial charges	22	(33,200)	(134,055)
Other income	23	<u>371,232</u>	<u>463,675</u>
<b>Profit / (Loss) before taxation</b>		<b>2,037,937</b>	<b>(1,440,057)</b>
Taxation	24	-	(494,615)
<b>Profit / (Loss) after taxation</b>		<u><b>2,037,937</b></u>	<u><b>(1,934,672)</b></u>

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

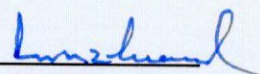
  
**Chief Executive**

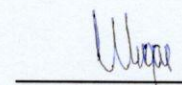
  
**Director**

**RIAZ AHMED SECURITIES (PRIVATE) LIMITED**  
**Statement of Other Comprehensive Income**  
**For the Year Ended December 31, 2022**

	<b>Unaudited Half Yearly 31-Dec-22 Rupees</b>	<b>Audited For the year 30-Jun-22 Rupees</b>
Profit / (Loss) after Taxation	2,037,937	(1,934,672)
Items that may be reclassified to the Profit or loss:		
Loss on remeasurement of TREC	-	-
Items that may not be reclassified to the Profit or loss:		
Gain on ISE REIT Management shares	-	2,093,876
Other comprehensive income for the year	-	2,093,876
<b>Total Comprehensive income for the year</b>	<b><u>2,037,937</u></b>	<b><u>159,203</u></b>

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

  
**Chief Executive**

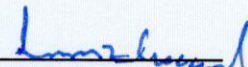
  
**Director**


**RIAZ AHMED SECURITIES (PRIVATE) LIMITED**  
**Statement of Cash flows**

**For the Year Ended December 31, 2022**

	<b>Unaudited Half Yearly 31-Dec-22 Rupees</b>	<b>Audited For the year 30-Jun-22 Rupees</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit / (Loss) before taxation	2,037,937	(1,440,057)
Adjustments for non cash items:		
Depreciation	300,347	659,141
Unrealised (Gain) / loss on investment	(3,188,750)	(2,572,741)
Financial charges	33,200	134,055
	<u>(2,855,203)</u>	<u>(1,779,545)</u>
<b>Operating profit before working capital changes</b>	<b>(817,266)</b>	<b>(3,219,602)</b>
<b>Changes in operating assets and liabilities</b>		
(Increase) / decrease in:		
Accounts Receivable	(58,874)	-
Advances, Deposits and prepayments	2,000	(2,000)
Short Term Investments	(282,520)	(309,139)
Increase / (decrease) in:		
Accounts Payable	(1,634,758)	208,539
Accrued and Other Liabilities	(176,947)	(49,224)
	<u>(2,151,100)</u>	<u>(151,824)</u>
<b>Cash utilized in operations</b>	<b>(2,968,366)</b>	<b>(3,371,426)</b>
Financial charges paid	(33,200)	(134,055)
Unrealised (Gain) / loss on investment	3,188,750	2,572,741
Lease paid	(478,107)	(506,013)
Taxes paid	(466,674)	(1,194,551)
	<u>2,210,770</u>	<u>738,122</u>
<b>Net cash generated from / (used in) operating activities</b>	<b>(757,597)</b>	<b>(2,633,304)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Assets	-	(36,650)
<b>Net cash used in investing activities</b>	<b>-</b>	<b>(36,650)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
<b>Net cash generated from financing activities</b>	<b>-</b>	<b>-</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(757,597)</b>	<b>(2,669,954)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>7,844,204</b>	<b>10,514,158</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>7,086,608</b>	<b>7,844,204</b>

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

  
**Chief Executive**

  
**Director**

**RIAZ AHMED SECURITIES (PRIVATE) LIMITED**  
**Statement of Changes in Equity**  
**For the Year Ended December 31, 2022**

	Capital Reserve		Unrealized surplus / (deficit) on re- measurement of investments measured at FVOCI	Revenue Reserve		Total
	Share capital	Share premium		Unappropriated profit/ (Loss)		
Balance as at 01 July 2021	47,493,370	-	20,544,262	7,188,120	75,225,752	
Net profit / (loss) for the year ended June 30, 2022	-	-	2,093,876	(1,934,673)	159,203	
Balance as at 30 June, 2022	<u>47,493,370</u>	<u>-</u>	<u>22,638,138</u>	<u>5,253,447</u>	<u>75,384,955</u>	
Balance as at 01 July 2022	47,493,370	-	22,638,138	5,253,447	75,384,955	
Net profit / (loss) for the half year ended Dec 31, 2022	-	-	-	2,037,937	2,037,937	
Balance as at 31 Dec, 2022	<u>47,493,370</u>	<u>-</u>	<u>22,638,138</u>	<u>7,291,384</u>	<u>77,422,892</u>	

----- Rupees -----

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

  
 Chief Executive

  
 Director

# RIAZ AHMED SECURITIES (PRIVATE) LIMITED

## Notes to the Financial Statements

### For the Year Ended December 31, 2022

#### 1 The Company's operations and registered office

Riaz Ahmed Securities (Private) Limited ("the Company") was incorporated in May 11, 2006 under the Companies Ordinance 1984 as a Private Limited company at Islamabad and is primarily engaged in the business of stocks, brokerage, portfolio management and in secondary capital market operations. It is also actively taking part in the initial public offerings (IPO's) and providing all relative services to the general public to promote investment. Company office is situated at G- 9(A) Mezzanine of ISE Towers, 55-B, Jinnah Avenue, Sector F-7/G-7, Islamabad.

#### 2 Accounting convention and Basis of preparation

##### 2.1 Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards ("IFRS" or "IFRSs") issued by the International Accounting Standards Board ("IASB") as are notified under the Companies Act, 2017, provisions of or directives issued under the Companies Act, 2017, and relevant provisions of the Securities Brokers (Licensing and Operations) Regulations 2016 (the "Regulations"). In case requirements differ, the provisions or directives of the Companies Act, 2017 and/or the Regulations shall prevail.

##### 2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention, except:

- Investments in quoted equity securities (whether classified as assets at fair value through profit or loss, or at fair value through other comprehensive income), which are carried at fair value;
- Investments in unquoted equities, measured at fair value through other comprehensive income;
- Investments in associates, which are recorded in accordance with the equity method of accounting for such investments; and
- Derivative financial instruments, which are marked-to-market as appropriate under relevant accounting and reporting standards.

##### 2.3 Standards, interpretations and amendments to published approved accounting standards

###### 2.3.1 Standards, amendments to approved accounting standards and interpretations that are not yet effective and have not been early adopted by the company:

IAS 1	Presentation of financial statements	January 1, 2023
IAS 8	Accounting policies, changes in accounting estimates and errors (Amendments)	January 1, 2023
IAS 12	Income Taxes (Amendments)	January 1, 2023
IAS 16	Property, Plant and Equipment (Amendments)	January 1, 2022
IAS 37	Provisions, Contingent Liabilities and Contingent Assets (Amendments)	January 1, 2022
IAS 41	Agriculture (Amendments)	January 1, 2022
IFRS 3	Business Combinations (Amendments)	January 1, 2022
IFRS 9	Financial Instruments (Amendments)	January 1, 2022
IFRS 16	Leases (Amendments)	January 1, 2022

# **RIAZ AHMED SECURITIES (PRIVATE) LIMITED**

## **Notes to the Financial Statements**

### **For the Year Ended December 31, 2022**

The management anticipates that adoption of above standards, amendments and interpretations in future periods, will have no material impact on the financial statements other than in presentation / disclosures.

Further, the following new standards and interpretations have been issued by the International Accounting Standards Board (IASB), which are yet to be notified by the Securities and Exchange Commission of Pakistan (SECP), for the purpose of their applicability in Pakistan:

IFRS 1 First-time Adoption of International Financial Reporting Standards

IFRS 17 Insurance contracts

#### **2.4 Accounting estimate and Judgement**

The preparation of financial statements in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are continually evaluated and are based on historical experience as well as expectations of future events and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the Company's financial statements, are as follows:

- (i) Estimates of useful lives and residual values of items of property, plant and equipment;
- (ii) Estimates of useful lives of intangible assets;
- (iii) Allowance for credit losses;
- (iv) Fair values of unquoted equity investments;
- (v) Classification, recognition, measurement / valuation of financial instruments; and
- (vi) Provision for taxation

### **3 Significant accounting policies**

#### **3.1 Accounting Convention**

The financial statements have been prepared under the historical cost convention except for certain financial assets and liabilities which are stated at their fair value or amortized cost as applicable.

The preparation of financial statements in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognized prospectively commencing from the period of revision.

#### **3.2 Property and equipment**

These are stated at historical cost less accumulated depreciation and impairment losses, if any, except freehold land and capital work in progress are stated at Cost.

Depreciation is calculated using the reducing balance method on owned assets and on straight line basis on right of use assets, at the rates specified in note number 4, which are considered appropriate to write off the cost of the assets over their estimated useful lives. The Depreciation for full year in the year of purchase while no depreciation is charged in the year of sale of asset on owned assets and on the period of usage basis on right of use assets.



# **RIAZ AHMED SECURITIES (PRIVATE) LIMITED**

## **Notes to the Financial Statements**

**For the Year Ended December 31, 2022**

The asset's residual values, useful lives and methods are reviewed, and adjusted if appropriate, at each balance sheet date.

### **3.3 Intangible assets**

This is stated at cost less amortization and impairment losses, if any. The carrying amounts are reviewed at each balance sheet date to assess whether these are recorded in excess of their recoverable amounts, and where carrying value is in excess of recoverable amount, these are written down to their estimated recoverable amount.

### **3.4 Long Term Deposits and Loans**

Long term deposits and Loans are stated at Cost.

### **3.5 Account Receivables**

Account Receivables are recognized and carried at original amount which is fair value of the consideration to be received in future. Debts considered irrecoverable are written-off.

### **3.6 Taxation**

The charge for current taxation is based on taxable income at current rate of taxation of the Income Tax Ordinance, 2001 after taking into account applicable tax credits and rebates, if any.

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

### **3.7 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.

### **3.8 Securities under repurchase/reverse repurchase agreements**

Transactions of repurchase/ reverse repurchase of investment securities are entered into at contracted rate for specified periods of time.

### **3.9 Revenue recognition**

- a) Brokerage, fees, commission and other income are accrued as and when due.
- b) Dividend income on equity investments is recognized, when receive the same.
- c) Gains or losses on sale of investments are recognized in the period in which they arise.
- d) Unrealized capital gains/(losses) arising from marking to market of investments classified as 'financial assets at fair value through profit or loss - held for trading are included in profit and loss account in the period in which they arise.

### **3.10 Provisions**

A provision is recognized when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

### **3.11 Cash and cash equivalents**

For the purpose of cash flow statement, cash and cash equivalents comprise of cash in hand, balance with banks on current and deposit accounts and short term running finance account.

## **RIAZ AHMED SECURITIES (PRIVATE) LIMITED**

### **Notes to the Financial Statements**

**For the Year Ended December 31, 2022**

#### **3.12 Financial Instruments**

##### **Initial Recognition**

All Financial assets and liabilities are initially measured at cost which is the fair value of the consideration given or received. These are subsequently measured at fair value, amortised cost or cost as

##### **Classification of financial assets:**

The company classifies its financial instruments in the following categories

- At fair value Through Profit and Loss (FVTPL)
- At fair value Through Other Comprehensive Income (FVTOCI)
- At Amortized Cost

The Company determines the classification of financial assets at initial recognition. The classification of instruments (other than equity instruments) is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics.

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- The financial asset is held with a business model whose objective is to hold financial assets in order to collect contractual cash flow; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at FVTOCI:

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
  - The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payment of principal and interest on the principal outstanding.
- By default, all other financial assets are subsequently measured at FVTPL.

##### **Classification of financial liabilities:**

The company classifies its financial instruments in the following categories

- At fair value Through Profit and Loss (FVTPL)
- At Amortized Cost

The financial liabilities are measured at amortised cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has opted to measure them at FVTPL.

##### **Subsequent Measurement**

###### **i) Financial assets at FVTOCI**

Elected investments in equity instruments at FVTOCI are initially recognized at fair value plus transactions costs. Subsequently, they are measured at fair value, with gains and losses arising from changes in fair value recognised in other comprehensive income/ (loss).

###### **ii) Financial assets and liabilities at amortized cost**

Financial assets and liabilities at amortized cost are initially recognised at fair value, and subsequently carried at amortised cost, and in the case of financial assets, less any impairment.

###### **iii) Financial assets and liabilities at FVTPL**

Financial assets and liabilities carried at FVTPL are initially recognised at fair value and transaction costs are expensed in the statements of profit and loss and other comprehensive income. Realised and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statement of profit or loss and other comprehensive income in the period in which they arise.

##### **Impairment of financial assets**

## **RIAZ AHMED SECURITIES (PRIVATE) LIMITED**

### **Notes to the Financial Statements**

#### **For the Year Ended December 31, 2022**

The Company recognizes loss allowance for Expected Credit Loss (ECL) on financial assets at amortised cost and FVTOCI at an amount equal to lifetime ECLs except for the financial assets in which there is no significant increased in credit risk since initial recognition or financial assets which are determined to have low credit risk at the reporting date, in which case 12 month after the reporting date:

- Short term deposits and receivables
- loan to director
- Receivable again sale of property
- Bank balances

Loss allowance for receivables from clients are always measured at an amount equal to life time ECLs.

Life time ECLs are the ECLs that results from all possible default events over the expected life of a financial instrument. 12 month ECLs are portion of ECL that result from default events that are possible within 12 months after the reporting date.

ECLs are a probability weighted estimate of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between cash flows due to the entity in accordance with the contract and cash flows that the Company expects to receive).

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectation of recovering a financial asset in its entirety or a portion thereof.

#### **Derecognition**

##### **i) Financial assets**

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire or when it transfers the financial assets and substantially all the associated risks and reward of ownership to another entity. On derecognition of a financial assets measured at amortised cost, the difference between the asset's carrying value and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss. In contrast on derecognition of an investment in equity instrument which the Company has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to statement of changes in equity.

##### **ii) Financial liabilities**

The Company derecognises financial liabilities when its obligation under the financial liabilities are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any noncash assets transferred or liabilities assumed, is recognised in the statement of profit or loss and other comprehensive income.

### **3.13 Contingencies and Commitments**

A contingent liability is disclosed when the Company has a possible obligation as a result of past event, existence of which 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 event, 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.

## **4 Changes in accounting policy**

### **IFRS 9- Financial Instruments**

## **RIAZ AHMED SECURITIES (PRIVATE) LIMITED**

### **Notes to the Financial Statements**

#### **For the Year Ended December 31, 2022**

IFRS 9 replaces the provision of IAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedging accounting. The adoption of IFRS 9 from July 1, 2019 resulted in changes in accounting policies are set out in note 3.12 above. In accordance with the transitional provision in IFRS 9, the corresponding figures have not been restated.

#### **IFRS 16: Leases**

This standard introduces a single, on-balance sheet lease accounting model for lessees, whereby the lessee recognizes a single, right-of-use asset (representing its right to use an asset) and a lease liability representing the lessee's obligation to make lease payments. Guidance being replaced and superseded by IFRS 16 includes (but is not limited to) IAS 17 (Leases), IFRIC 4 (Determining Whether An Arrangement Contains a Lease) and SIC 15 (Incentives in Operating Leases). The standard is effective for annual periods beginning on or after January 1, 2019. The adoption of IFRS 9 from renewal of lease on May 15, 2020 for next three years resulted in changes in accounting policies as required by IFRS 16.

**RIAZ AHMED SECURITIES (PRIVATE) LIMITED**

**Notes to the Financial Statements**

**For the Year Ended December 31, 2022**

**5 Property and Equipment**

2022										
Particulars	Cost				Accumulated Depreciation				Net Book Value as at Dec 31	Rate
	As at July 01	Additions/ Adjustment	Disposal/ Adjustment	As at Dec 31	As at July 01	Disposal	For the year	As at Dec 31		
----- Rupees -----										
Computers and equipments	667,283	-	-	667,283	586,270	-	12,152	598,422	68,861	#
Office equipment	170,459	-	-	170,459	96,545	-	3,696	100,241	70,218	#
Furniture and Fixture	191,320	-	-	191,320	81,994	-	5,466	87,460	103,860	#
<b>2022</b>	<b>1,029,062</b>	<b>-</b>	<b>-</b>	<b>1,029,062</b>	<b>764,809</b>	<b>-</b>	<b>21,314</b>	<b>786,123</b>	<b>242,939</b>	

**6 Right of Use Asset**

2022										
Particulars	Cost				Accumulated Depreciation				Net Book Value as at June 30	Rate %
	As at July 01	Additions/ Adjustment	Disposal/ Adjustment	As at June 30	As at July 01	Disposal during the year	For the year	As at June 30		
----- Rupees -----										
Office Room	1,790,586	-	-	1,790,586	99,477	-	279,033	378,510	1,412,076	#
<b>2022</b>	<b>1,790,586</b>	<b>-</b>	<b>-</b>	<b>1,790,586</b>	<b>99,477</b>	<b>-</b>	<b>279,033</b>	<b>378,510</b>	<b>1,412,076</b>	

**RIAZ AHMED SECURITIES (PRIVATE) LIMITED**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2022**

		<b>Unaudited</b>	<b>Audited</b>
		<b>31-Dec-22</b>	<b>30-Jun-22</b>
		<b>2022</b>	<b>2021</b>
	<i>Note</i>	<b>Rupees</b>	<b>Rupees</b>
<b>7 Intangible Asset</b>			
Trading Right Entitlement Certificate	7.1	<b>2,500,000</b>	2,500,000
Impairment		-	-
		<u><b>2,500,000</b></u>	<u>2,500,000</u>

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

The TREC has been recorded as an indefinite-life intangible asset pursuant to the provisions and requirements of IAS 38. As the TREC is not a commonly tradable instrument, the value approved by the Board of Directors of the Pakistan Stock Exchange Limited ("PSX") post-mutualization was used as the initial value of the intangible. The TREC, which has been pledged with the PSX to meet Base Minimum Capital ("BMC") requirements, is assessed for impairment in accordance with relevant approved accounting standards.

Vide its notice dated November 10, 2017, the PSX revised the notional value of the TREC to PKR 2.5 million. Since then there is no change in the notional value of the TRE Certificate till 30 June 2022.

**8 Long Term Investment**

ISE Towers REIT Management Company Limited (unquoted at fair value)		<b>52,984,168</b>	50,890,292
Adjustment for remeasurement to fair value	8.1	<b>0</b>	2,093,876
		<u><b>52,984,168</b></u>	<u>52,984,168</u>

**8.1** These represent the shares received from ISE Towers REIT Management Company Limited (Formerly Islamabad Stock Exchange (ISE) in pursuance of corporatization and demutualization of ISE as public company limited by shares in accordance with the requirement of the Stock Exchanges (Corporatization, Demutualization and Integration Act, 2012 (the Act).

**8.2** Accordingly, the company has been allotted 3,034,603 shares of ISE of Rs. 10/- each based on the valuation of their assets and liabilities as approved by the SECP. 1,160,888 shares are pledged with PSX's participant IDs to maintain the Base Minimum Capital "BMC".

The Company has recorded a surplus of Rs. 14.346 million on conversion of membership card and ISE REIT shares and TREC in the equity through profit and loss account during the year 2012-13.

In the absence of an active market for these shares, the company has taken/ valued them at Rs. 17.46/- share as per audited financials of 2022 of ISE REIT Management Company Limited, which is the value approved by the Board of Directors of PSX and intimated to SECP for the base minimum capital. The fact indicates an acceptable level for ISE REIT shares which is also used by the stock exchange for risk management and to safeguard investor's interest.

**9 Long Term Deposits**

CDC Deposits		<b>50,000</b>	50,000
NCSS Deposits		<b>200,000</b>	200,000
PSX Deposits		<b>100,000</b>	100,000
		<u><b>350,000</b></u>	<u>350,000</u>

**RIAZ AHMED SECURITIES (PRIVATE) LIMITED**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2022**

		Unaudited Unaudited 31-Dec-22 Rupees	Audited Audited 30-Jun-22 Rupees
<b>10 Short Term Investments</b>	<i>Note</i>		
Cost of investment in listed securities		17,159,448	16,088,043
Unrealized Gain / (loss) on investment		<u>(3,188,750)</u>	<u>(2,572,741)</u>
		<u>13,970,698</u>	<u>13,515,302</u>
<b>11 Advances, deposits &amp; pre-payments</b>			
NCCPL exposure deposit		<u>60,000</u>	62,000
		<u>60,000</u>	<u>62,000</u>
<b>12 Tax Refund due from Government</b>			
Opening balance		400,903	-
Withheld during the year		466,674	936,386
Adjusted during the year		-	(535,483)
Closing balance		<u>867,577</u>	<u>400,903.00</u>
	<i>r</i>		
<b>13 Cash and bank balances</b>			
Cash in hand		1,500	1,500
Cash in Bank			
- In saving/ Profit Accounts	13.1	<u>700,545</u>	2,416,791
- In Current Accounts		<u>6,384,563</u>	5,425,914
		<u>7,085,108</u>	7,842,704
		<u>7,086,608</u>	7,844,204
<b>14 Issued, subscribed and paid up capital</b>			
4,749,337 Ordinary shares of Rs. 10 each fully paid-up in cash		<u>47,493,370</u>	47,493,370
		<u>47,493,370</u>	<u>47,493,370</u>
<b>15 Lease Liability</b>			
Opening balance		1,840,087	1,667,212
Addition during the year		-	1,285,932
Less: Paid / adjustment during the Year		<u>(478,107)</u>	<u>(506,016)</u>
		1,361,980	2,447,128
Less: Current maturity		<u>(600,103)</u>	<u>(607,041)</u>
Non Current portion of Lease liability		<u>761,877</u>	<u>1,840,087</u>
<b>16.1</b>	The Company has taken on lease office from ISE Towers REIT Management Company Limited on May 15, 2022 for three year with 7.5% annual increase and quarterly due payments, annual interest rate taken at 10% p.a. for calculation of present value of future due payments.		
<b>16 Account payables</b>			
Account payables		723,397	593,100
Payable to NCCPL		-	1,765,055
		<u>723,397</u>	<u>2,358,155</u>

**RIAZ AHMED SECURITIES (PRIVATE) LIMITED**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2022**

		Unaudited	Audited
		Unaudited	Audited
		31-Dec-22	30-Jun-22
		Rupees	Rupees
<b>18</b>	<b>Accrued and Other Liabilities</b>		
	Other Payable	4,670	155,691
	Accrued Liabilities	19,999	45,926
		<u>24,670</u>	<u>201,617</u>
<b>19</b>	<b>Contingencies and Commitments</b>		
<b>19.1</b>	The Company has pledged / hypothecated TRE Certificate of Pakistan Stock Exchange Limited (PSX) and 1,160,888 ordinary shares of ISETRMCL with PSX in compliance with Base Minimum Capital (BMC) requirement.		
		Unaudited	Audited
		Half Yearly	Yearly
		Dec-22	Jun-22
		Rupees	Rupees
<b>20</b>	<b>Operating Revenue</b>		
	Commission Income	1,103,716	2,066,533
	Dividend Income	2,728,082	3,397,674
		<u>3,831,798</u>	<u>5,464,207</u>
<b>21</b>	<b>Operating and Administrative Expenses</b>		
	Directors' Remuneration	480,000	960,000
	Salaries & Benefits	630,000	1,273,750
	Electricity and Water Charges	96,582	136,226
	Telephone & Internet Charges	30,999	56,255
	Entertainments	19,355	34,785
	ISE Building Charges	28,880	58,943
	Laga Charges	29,902	53,063
	PSX Charges	126,426	252,852
	NCSS Charges	39,540	99,964
	CDC Charges	9,399	11,799
	Printing and Stationary	10,460	18,782
	Repair & Maintenance	22,604	87,673
	Legal & Professional Charges	112,000	292,625
	Software Updation Charges	52,920	106,081
	Auditors' Remuneration	4,750	95,000
	Postage and courier	370	215
	Fee and Subscription	64,965	67,852
	Other Expenses	-	200
	Penalty Charges	-	-
	Depreciation	300,347	659,141
		<u>2,059,499</u>	<u>4,265,206</u>
<b>22</b>	<b>Financial charges</b>		
	Markup on Leased Asset	11,086	93,511
	Bank charges	22,114	40,544
		<u>33,200</u>	<u>134,055</u>
<b>23</b>	<b>Other Income</b>		
	Bank Profit	371,232	463,675
		<u>371,232</u>	<u>463,675</u>



**RIAZ AHMED SECURITIES (PRIVATE) LIMITED**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2022**

**2022**  
**Rupees**

**24 Capital Adequacy**

Total Assets	79,532,940
Less: Total Liabilities	(2,110,047)
Less: Revaluation Reserves (created upon revaluation of fixed assets)	-
Capital Adequacy Level	<u><u>77,422,894</u></u>

**25 Number of Employees**

Total number of employees at the end of the year was 3 (2021 :03).

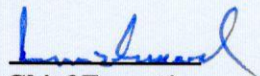
**26 Date of Authorization**

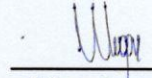
These financial statements have been authorized for issue by the Board of Directors of Company on 06 Feb 2023.

**27 General**

Figures have been rounded off to the nearest Rupee.

The corresponding figures have been rearranged and reclassified, wherever considered necessary.

  
**Chief Executive**

  
**Director**