

SALMAN MAJEED SECURITIES (PVT.) LIMITED

For the Year Ended 30 June 2024

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

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements **SALMAN MAJEED 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 loss and other comprehensive loss, 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.

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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.

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- 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:

- (a) Proper books of accounts 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 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;
- (c) Investment made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- (d) No zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).
- (e) The Company was in compliance with the requirement of section 78 of the Securities Act 2015.

Other Matter

The financial statements of the **SALMAN MAJEED SECURITIES (PRIVATE) LIMITED** for the year ended June 30, 2023 were audited by M/s AMIN MUDASSAR & CO, Chartered Accountants who expressed an unmodified opinion on those statements on October 12, 2023.

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

Alam & Aulakh

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ALAM & AULAKH
CHARTERED ACCOUNTANTS

Place: Lahore

Date: September 26, 2024

UDIN: AR2024101907fQF4yCND

SALMAN MAJEED SECURITIES (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2024

		2024	2023
	Note	Rupees	Rupees
ASSETS			
Non-current assets			
Property Plant and Equipment	4	11,046,104	12,741,441
Intangible Assets	5	12,394,008	12,394,008
Long-term investments	6	-	9,006,804
Long-term deposits	7	-	100,000
		23,440,112	34,242,253
Current assets			
Trade debtors	8	-	123,975
Loans and advances	9	60,000	-
Trade deposits, short term prepayments and current account balance with statutory authorities	10	5,272,197	1,919,062
Short term Investments	11	11,150,078	-
Cash and bank balances	12	3,786,608	13,822,329
		20,268,883	15,865,365
Total assets		<u>43,708,995</u>	<u>50,107,618</u>
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital	13	69,749,900	69,749,900
Accumulated losses		(26,587,611)	(20,682,495)
Total Equity		43,162,289	49,067,405
Non-current liabilities			
Deferred taxation	14	-	-
Current liabilities			
Trade and other payables	15	546,706	1,040,213
Provision for taxation		-	-
		546,706	1,040,213
Total equity and liabilities		<u>43,708,995</u>	<u>50,107,618</u>
Contingencies and commitments	16	-	-

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

Chief Executive



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Director




SALMAN MAJEED SECURITIES (PRIVATE) LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2024

		2024	2023
	Note	Rupees	Rupees
Brokerage and commission	17	3,394,039	1,052,647
Direct costs	18	(700,349)	(412,317)
Gross profit		2,693,690	640,330
Operating expenses	19	(9,221,228)	(7,883,908)
Other operating expenses	20	(2,843,989)	(353,715)
Other income	21	3,655,942	6,504,237
LOSS FROM OPERATIONS		(5,715,585)	(1,093,056)
Finance cost	22	(10,999)	(16,949)
LOSS BEFORE TAXATION		(5,726,584)	(1,110,005)
Taxation	23	(178,531)	(109,994)
LOSS FOR THE YEAR		(5,905,116)	(1,219,999)

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

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 Chief Executive



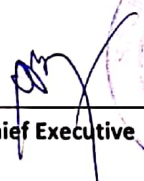

 Director

SALMAN MAJEED SECURITIES (PRIVATE) LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2024

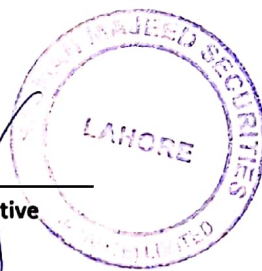
	2024	2023
	<u>Rupees</u>	<u>Rupees</u>
Loss for the year	(5,905,116)	(1,219,999)
Other comprehensive loss		
Items that will not be subsequently reclassified to profit or loss		
Effect of reclassification of long term investments	-	(7,967,105)
Other comprehensive loss for the year	-	(7,967,105)
Total comprehensive loss for the year	<u><u>(5,905,116)</u></u>	<u><u>(9,187,104)</u></u>


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

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Chief Executive





Director

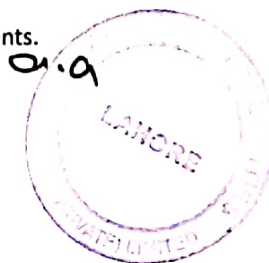
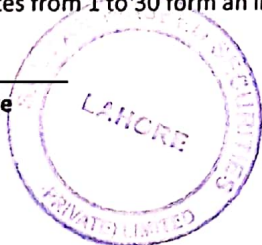


SALMAN MAJEED SECURITIES (PRIVATE) LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024 Rupees	2023 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before taxation		(5,726,584)	(1,110,005)
Adjustments of items not involving movements of cash:			
Depreciation		2,632,736	3,173,511
Reversal of provision of doubtful debts		(98,266)	(2,832,181)
Provision for doubtful debts		164,000	353,715
Realized fair value Loss		1,312,111	-
Unrealized fair value Loss/(gain)		1,367,878	(567,054)
		5,378,459	127,991
Operating cash flows before working capital changes		(348,125)	(982,014)
(Increase) / decrease in working capital			
(Increase) / decrease in current assets:			
Trade debts		58,241	3,302,456
Loans and advances		(60,000)	-
Short term investment		(4,823,264)	-
Trade deposits and prepayments		(3,104,643)	743,803
		(7,929,666)	4,046,259
(Decrease) / Increase in current liabilities:			
Trade and other payables		(493,507)	(645,137)
		(493,507)	(645,137)
Cash (used)/generated from operations		(8,771,298)	2,419,108
Taxes paid		(427,023)	(377,156)
Net cash flows (used)/generated from operating activities	A	(9,198,321)	2,041,952
CASH FLOWS FROM INVESTING ACTIVITIES			
Addition in property, plant and equipment		(937,400)	-
Proceeds from refund of long term deposits		100,000	1,400,000
Net cash flows generated from investing activities	B	(837,400)	1,400,000
CASH FLOWS FROM FINANCING ACTIVITIES			
Net cash generated from financing activities	C	-	-
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	D=A+B+C	(10,035,721)	3,441,952
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		13,822,329	10,380,377
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	12	3,786,608	13,822,329

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

Chief Executive




Director

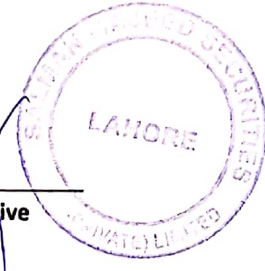
SALMAN MAJEED SECURITIES (PRIVATE) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2024

	Share capital	Reserves		Total equity
	Issued, subscribed and paid-up capital	Unrealized surplus / (deficit) on re-measurement of investments measured at FVTOCI	Unappropriated loss	
	-----Rupees-----			
Balance as at July 01, 2022	69,749,900	7,967,105	(19,462,496)	58,254,509
Loss for the year	-	-	(1,219,999)	(1,219,999)
Other comprehensive loss	-	(7,967,105)	-	(7,967,105)
Sub total	-	(7,967,105)	(1,219,999)	(9,187,104)
Balance as at June 30, 2023	69,749,900	-	(20,682,495)	49,067,405
Balance as at July 01, 2023	69,749,900	-	(20,682,495)	49,067,405
Loss for the year	-	-	(5,905,116)	(5,905,116)
Sub total	-	-	(5,905,116)	(5,905,116)
Balance as at June 30, 2024	69,749,900	-	(26,587,611)	43,162,289

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

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 Chief Executive




 Director



SALMAN MAJEED SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

1 COMPANY AND ITS OPERATION

- 1.1** The company was incorporated as Private Limited Company on June 22, 2007 in Pakistan under the Companies Act, 2017. The company is engaged in the business of share brokerage and Investment in securities. The registered office of the company is situated at Room No. 108, 1st Floor, Lahore Stock Exchange Building, 19-Khyayaban-e-Aiwan-e-Iqbal, Lahore.

The company is holder of Trading Right Entitlement Certificate (TREC) of Pakistan Stock Exchange.

2.0 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.

These financial statements have been prepared on accrual basis accounting concept.

2.3 FUNCTIONAL AND PRESENTATION CURRENCY

The financial statements are presented in Pakistani Rupee, which is the company's functional and presentation currency. Amounts presented in the financial statements have been rounded off to the nearest of Rs. / Rupees, unless otherwise stated.

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- **Note 3.1**
- 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 3.3**
- Provision for doubtful account receivables- **Note 3.7**
- Estimation of provisions - **Note 3.13**
- Estimation of contingent liabilities- **Note 3.14**
- Current income tax expense, provision for current tax and recognition of deferred tax asset- **Note 3.11**

SALMAN MAJEED SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 PROPERTY AND EQUIPMENT

Initial Recognition

All items of property and equipment are initially recorded at cost.

Subsequent measurement

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

Depreciation, Judgments and estimates

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.

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.

3.3 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.

SALMAN MAJEED SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

3.3.1 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.

3.3.2 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.

3.3.3 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 un-quoted 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.

3.4 LOANS AND ADVANCES

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than twelve months after the reporting date, which are classified as non-current assets. Loans and receivables comprise trade debts, loans, advances, deposits, other receivable and cash and bank balances in the statement of financial position.

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 LONG TERM DEPOSITS

These are initially stated at cost which represents the fair value of consideration paid. These are subsequently measured at fair value less impairment, if any.

SALMAN MAJEED SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

3.8 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.

3.9 LOANS AND ADVANCES

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

4.0 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. The cash and cash equivalents are readily convertible to known amount of cash and are therefore subject to insignificant risk of changes in value.

3.10 SHARE CAPITAL

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

3.11 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

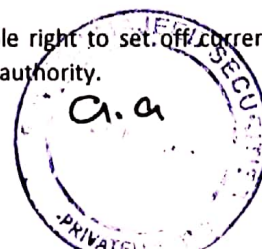
Deferred tax is provided using the statement of financial position liability method, on temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statement. The amount of deferred tax provided is based on the expect manner of realization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



A handwritten signature in blue ink, consisting of a stylized 'S' followed by a vertical line and a horizontal stroke.

SALMAN MAJEED SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

3.12 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.

3.13 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.

3.14 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.

3.15 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.

SALMAN MAJEED SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

3.16 REVENUE RECOGNITION

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable, net of any direct expenses and sales tax. Revenue is recognized on the following basis:

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

3.18 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.

01.09

SALMAN MAJEED SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024 Rupees	2023 Rupees
5 INTANGIBLE ASSETS			
Rights of room-108		7,394,008	7,394,008
Pakistan Mercantile Exchange Membership Card	5.1	2,500,000	2,500,000
Trading Rights Entitlement Certificate ("TREC")	5.2	2,500,000	2,500,000
		<u>12,394,008</u>	<u>12,394,008</u>
5.1 These are carried at notional value. Notional values of these PMEX Certificates is Rs. 2.5 million as published by the PMEX.			
5.2 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, if any.			
6 LONG-TERM INVESTMENTS			
Quoted - Shares of LSE Ventures Limited and LSE Proptech Limited (Previously un-quoted shares of LSE Financial Services Limited)			
LSE Financial Services Limited			
Cost as at July 01,		9,006,804	8,439,750
Fair value adjustment	6.1	-	567,054
Investments reclassified as short term Investments		(9,006,804)	
		<u>-</u>	<u>9,006,804</u>
6.1 Movement of fair value adjustment:			
Opening Balance		-	7,967,105
classification from long term investment to short term investment		-	(7,967,105)
Charge for the year		-	567,054
Balance as at June 30,2024		<u>-</u>	<u>567,054</u>
6.2 During the year ended June 30,2023, the company has received following shares of LSE Proptech Limited and LSE Venture Limited against shares of LSE Financial Services Limited under the scheme of compromises, arrangements and reconstruction as envisaged under the provisions of the Companies Act, 2017. Due to change in investments from un-quoted to quoted shares, the company has reclassified these investments from available for sale to fair value through profit or loss and respective accumulated reserve has been charged to profit or loss.			

	2023			
	No. of shares	Rupees	Pledge Rupees	Pledged with
LSE Proptech Limited	295,535	1,421,523	1,421,523	PSX
LSE Venture Limited	842,809	7,585,281	7,585,281	
	<u>1,138,344</u>	<u>9,006,804</u>	<u>9,006,804</u>	

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SALMAN MAJEED SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

4 PROPERTY AND EQUIPMENT

Particulars	Cost			Rate %	Depreciation			W.D.V As at June 30, 2024	
	As at June 30, 2023	Additions	As at June 30, 2024		As at June 30, 2023	Charge on Opening balances	Charge on Additions		As at June 30, 2024
	----- R u p e e s -----				----- R u p e e s -----				
OWNED									
Furniture and fittings	135,351	132,500	267,851	10%	104,126	3,123	7,729	114,978	152,873
Office equipment	192,527	-	192,527	10%	136,795	5,573	-	142,368	50,159
Computers and related accessories	173,524	202,900	376,424	30%	172,251	382	35,120	207,753	168,671
Vehicles	16,648,960	602,000	17,250,960	20%	3,995,750	2,530,642	50,167	6,576,559	10,674,401
	17,150,362	937,400	18,087,762		4,408,922	2,539,720	93,016	7,041,658	11,046,104

4.1 PROPERTY AND EQUIPMENT

Particulars	Cost			Rate %	Depreciation			W.D.V As at June 30, 2023	
	As at June 30, 2022	Additions	As at June 30, 2023		As at June 30, 2022	Charge on Opening balances	Charge on Additions		As at June 30, 2023
	----- R u p e e s -----				----- R u p e e s -----				
OWNED									
Furniture and fittings	135,351	-	135,351	10%	100,656	3,470	-	104,126	31,225
Office equipment	192,527	-	192,527	10%	130,602	6,193	-	136,795	55,732
Computers	173,524	-	173,524	30%	171,705	546	-	172,251	1,273
Vehicles	16,648,960	-	16,648,960	20%	832,448	3,163,302	-	3,995,750	12,653,210
	17,150,362	-	17,150,362		1,235,410	3,173,511	-	4,408,922	12,741,440

4.2 Allocation of Depreciation:	Note	Percentage	2024 Rupees	2023 Rupees
Operating expenses	19	100%	2,632,736	3,173,511

9.9

SALMAN MAJEED SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024 Rupees	2023 Rupees
7 LONG-TERM DEPOSITS			
Central Depository Company of		-	100,000
		-	100,000
7.1	During the year ended June 30,2024 all long term deposits have been matured.		
8 TRADE DEBTS			
Purchase of shares on behalf of clients	8.1	2,314,590	2,330,856
Less: Provision for doubtful debts	8.2	(2,314,590)	(2,248,856)
		-	82,000
National Clearing Company of Pakistan Ltd.		-	41,975
		-	123,975
8.1 Ageing of Trade Receivable			
Amount not past due		-	123,975
		-	123,975
8.2 Movement of provision for doubtful debts			
Opening balances		2,248,856	5,696,692
Reversal for the year		(98,266)	(2,832,181)
		2,150,590	2,864,511
Amount written off during the year		-	(615,655)
Amounts provided for during the		164,000	-
		2,314,590	2,248,856
9 LOANS AND ADVANCES			
Advance to: (Unsecured but considered good)			
-Employees		60,000	-
		60,000	-
9.1	Loans and advances includes loan recoverable from Mr Qaiser amounting Rs 60,000.		
10 SHORT TERM DEPOSITS,PREPAYMENTS AND ADVANCES			
Short-term deposits			
National Clearing Company of Pakistan Ltd.		20,640	-
Eclear Services Limited		4,671,709	1,589,535
Tax deducted at source	10.1	576,414	327,922
Other receivables		3,434	1,605
		5,272,197	1,919,062
10.1 Movement of tax deducted at source			
Opening Balance		327,922	316,348
Add: Paid during the year		427,023	377,157
Less: Provision for taxation for the year.		(178,531)	(109,994)
Less: Prior year provision		-	(255,589)
		576,414	327,922

SALMAN MAJEED SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024 Rupees	2023 Rupees
11 SHORT TERM INVESTMENTS			
Investment in listed securities			
Quoted - Shares of LSE Ventures Limited and LSE Capital Limited	11.1	5,768,546	-
Investment in listed securities	11.2	5,381,532	-
		<u>11,150,078</u>	<u>-</u>
11.1 Quoted - Shares of LSE Ventures Limited			
Investments reclassified as short term Investments		9,006,804	-
Net purchase and sale		(544,505)	-
Realised loss on shares of LSEVL and LSECL		(1,689,587)	-
Un realised gain/(loss) on Remeasurement of LSEVL and LSECL shares		(1,004,166)	-
		<u>5,768,546</u>	<u>-</u>
11.2 Investment in listed securities			
Opening Balance		-	-
Investments in listed securities		5,367,769	-
Realized Gain		377,475	-
Unrealized LOSS		(363,712)	-
		<u>5,381,532</u>	<u>-</u>

11.3 This includes shares having carrying value of Rs. 1,051,169 (2023: Rs 9,006,804) pledged with National Clearing Company of Pakistan Limited and Pakistan Stock Exchange.

11.4 During the year ended June 30,2024 shares of LSE Proptech Limited have been converted into shares of LSE Capital Limited at the rate of 833 shares for every 1,000 shares .

11.5 Investment at fair value through profit

2024	2023	Symbol	Name of Investee	2024	2023
No of shares				Market Value in rupees	
200,000	-	BOP	THE BANK OF PUNJAB.	974,000	-
1	-	FFCL	FAUJI FERTILIZER COMPANY LTD	163	-
8,700	-	FFL	FAUJI FOOD LIMITED	77,169	-
1,689	295,535	LSECL	LSE CAPITAL LIMITED	5,270	1,421,523
1,002,309	842,809	LSEVL	LSE VENTURES LIMITED	5,763,277	7,585,281
20,000	-	DGKC	D.GKHAN CEMENT COMPANY LTD	1,805,400	-
10,000	-	OGDCL	OIL & GAS DEV.CO	1,353,700	-
10,000	-	PPL	PAKISTAN PETROLEUM LIMITED	1,171,100	-
1,252,699	1,138,344			11,150,079	9,006,804

12 CASH AND BANK BALANCES

Cash in hand

440,090

423,614

Cash at bank - Local currency

Pertaining to brokerage house

1,140,294

1,620,531

Pertaining to clients

2,206,224

11,778,184

3,786,608

13,822,329

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SALMAN MAJEED SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024 Rupees	2023 Rupees
13 ISSUED , SUBSCRIBED AND PAID-UP CAPITAL			
13.1 Authorised share capital			
10,000,000 (2023: 10,000,000 ordinary share of PKR 10 each		<u>100,000,000</u>	<u>100,000,000</u>
13.2 ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL			
5,324,990 (2023: 5,324,990) ordinary shares of Rs.10 each fully paid in cash		53,249,900	53,249,900
1,650,000 (2023: 1,650,000) ordinary shares of Rs.10 each fully paid for consideration other than cash		16,500,000	16,500,000
		<u>69,749,900</u>	<u>69,749,900</u>
13.3 Share issued for consideraion other than cash			
Share issued against vehicles		<u>16,500,000</u>	<u>16,500,000</u>
13.4 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 company's residual assets. There is no variation in voting rights of the shareholders.			
13.5 Reconciliation of number of shares outstanding			
Ordinary shares			
Number of shares outstanding at the beginning of the year		6,974,990	6,974,990
Shares Issued for cash		-	-
Issued for consideration other than cash		-	-
Number of shares outstanding at year end		<u>6,974,990</u>	<u>6,974,990</u>
14 DEFERRED TAXATION			
Deferred credits/(debits) arising due to:			
Accelerated tax depreciation		(268,017)	(394,230)
Provision for doubtful debts		(47,560)	(7,301)
Unrealized gain on long term investment		-	70,883
Unrealized gain on short term investment		(205,182)	(173,550)
Un-used tax losses		(3,255,822)	(643,599)
Minimum taxes paid		(239,558)	(251,843)
Deferred tax asset not recognised		4,016,139	1,399,640
		<u>-</u>	<u>-</u>
14.1 Deferred tax asset amounting to Rs. 4,016,139 (2023: 1,399,640) has not been recognized because it is not probable that future taxable profits will be available against which the Company can utilize the deferred tax asset.			
15 TRADE AND OTHER PAYABLES			
Creditors for sale of shares on behalf of clients		26,027	359,744
Accrued expenses		520,679	680,469
		<u>546,706</u>	<u>1,040,213</u>

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SALMAN MAJEED SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024	2023
		Rupees	Rupees
15.1 Creditors for sale of shares on behalf of clients include the following amount due to related parties:			
		2024	2023
		Rupees	Rupees
		2024	2023
		Rupees	Rupees
Salman Majeed	Chief Executive	-	129,715
Saira Majeed	Director	-	61,000
16 CONTINGENCIES AND COMMITMENTS			
16.1 Contingencies			
Contingencies as at reporting date were Rs. nil (2023: Rs. nil).			
16.2 Commitments			
Commitments as at reporting date were Rs. nil (2023: Rs. nil).			
17 BROKERAGE AND COMMISSION			
Retail customers		3,937,085	1,221,071
Less: Federal Excise Duty		(543,046)	(168,424)
		<u>3,394,039</u>	<u>1,052,647</u>
18 DIRECT COSTS			
Charges paid to:			
Pakistan Stock Exchange Limited		408,087	275,224
Eclear Service Charges		166,424	-
Central Depository Company of Pakistan Ltd.		1,616	66,748
National Clearing Company of Pakistan Ltd.		124,222	70,345
		<u>700,349</u>	<u>412,317</u>
19 Operating expenses			
Directors' remuneration		1,140,000	1,057,900
Staff salaries and benefits		1,450,600	1,766,172
Rent, rates and taxes		29,791	70,000
Utilities		458,451	638,868
Communication		149,969	-
Printing and stationery		19,260	23,900
Postage and Courier		10,980	-
Repair and maintenance		606,374	9,900
Legal and professional charges	19.1	298,860	566,400
Fee and subscription		152,435	212,970
Insurance		413,939	112,500
Entertainment		240,545	156,985
Depreciation		2,632,736	3,173,511
Vehicle running and Maintenance		30,750	-
Travelling and conveyance		1,350,402	22,765
Others		72,873	72,037
Donation and Charity		163,263	-
		<u>9,221,228</u>	<u>7,883,908</u>



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SALMAN MAJEED SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024 Rupees	2023 Rupees
19.1 AUDITORS' REMUNERATION			
Statutory Audit		60,000	225,000
		<u>60,000</u>	<u>225,000</u>
20 OTHER OPERATING EXPENSES			
Provision for doubtful debts		164,000	353,715
Realized loss on remeasurement of short term investment		1,312,111	-
Un-Realized loss on remeasurement of short term investment		1,367,878	-
		<u>2,843,989</u>	<u>353,715</u>
21 OTHER INCOME			
Income from financial assets			
Dividend income		666,419	421,991
Gain on remeasurement of long term investment		-	567,054
Reversal of provision for doubtful debts		98,266	2,832,181
Bank Profit		2,201,718	2,041,004
Income from assets other than financial assets			
Other income		689,540	642,007
		<u>3,655,942</u>	<u>6,504,237</u>
22 FINANCE COST			
Eclear Markup Charges		1,181	-
Bank Charges		9,818	16,949
		<u>10,999</u>	<u>16,949</u>
23 TAXATION			
Income tax:			
- Current year		178,531	109,994
		<u>178,531</u>	<u>109,994</u>
24 FINANCIAL INSTRUMENTS			
Financial Assets			
At fair value through profit or loss			
Investment in listed securities -long term		-	9,006,804
Investment in listed securities -short term		11,150,078	-
Long term deposits		-	100,000
Trade and other receivable - net		-	123,975
Loans and advances		60,000	-
Trade deposits		5,272,197	1,591,140
Cash and bank balance		3,786,608	13,822,329
		<u>20,268,883</u>	<u>24,644,247</u>
Financial Liabilities			
At amortised cost			
Trade and other payables		546,706	1,040,213
		<u>546,706</u>	<u>1,040,213</u>

SALMAN MAJEED SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024	2023
		Rupees	Rupees

25 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

Remuneration is received by the chief executive and directors during the period. Executive means an employee, other than the chief executive and directors, whose salary exceeds twelve hundred thousand rupees in a financial year. The aggregate amount charged in the financial statements for remuneration, including benefits, to the executives of the company as per the terms of the employment are as follows:

	2024		2023	
	CEO	Director	CEO	Director
	Rupees		Rupees	
Managerial remuneration	720,000	420,000	721,900	336,000
Insurance	413,939	-	50,000	-
No. of persons	1	1	1	1

	2024	2023
	Number	Number
26 NUMBER OF EMPLOYEES		
Total employees of the Company at the year end	4	6
Average employees of the Company during the year	4	6

27 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 the following:

Reclassification from statement of Financial Position	Reclassification to statement of Financial Position	Head	2024	2023
Deposits, accrued liabilities and advances	Trade and other payables	Accrued Expenses	520,679	680,469

28 EVENTS AFTER THE END OF THE REPORTING DATE

There were no events after the end of the reporting date that might need reporting in these financial statements (2023: same).

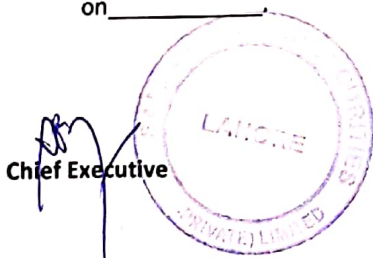
29 GENERAL

Amounts presented in the financial statements have been rounded off to the nearest of Rs. /Rupees, unless otherwise stated.

30 AUTHORISATION FOR ISSUE

These financial statements were approved by the Company's board of directors and authorised for issue on _____.

Chief Executive



Director

