PROGRESSIVE INVESTMENT MANAGEMENT (PRIVATE) LIMITED

Financial Statements

For the Year Ended 31 December 2021

PROGRESSIVE INVESTMENT MANAGEMENT (PVT.) LIMITED

Statement of Financial Position
As at 31 December 2021

	Note	Unaudited Half yearly 2021 Rupees	Unaudited Half yearly 2020 Rupees
ASSETS			
Non-current assets			
Property and equipment	4	114,651	155,446
Intangible assets	5	2,500,000	2,515,000
Long term investments	6	50,890,292	43,850,013
Long term deposits	7	1,500,000	1,500,000
		55,004,943	48,020,459
Current assets			
Trade debts - net	8	4,055,268	6,879,518
Deposits, prepayments and other receivables	9	9,732,687	8,117,974
Income tax refundable	10	695,787	983,842
Short term investments	11	6,710,425	5,668,315
Cash and bank balances	12	7,568,626	20,029,530
		28,762,794	41,679,179
		83,767,737	**89,699,638**
EQUITY & LIABILITIES			
Share capital and reserves			
Issued, subscribed and paid-up capital	13	46,092,320	46,092,320
Accumulated Gain / (loss)		(2,901,100)	244,948
Share Deposit Money		4,000,000	4,000,000
Unrealized surplus / (deficit) on re-measurement of investments measured at FVOCI		20,544,262	13,503,983
Total equity		**67,735,482**	63,841,251
Current liabilities			
Trade and other payables	14	16,032,255	25,710,899
Provision for taxation		-	147,487
		16,032,255	25,858,386
Contingencies and commitments	15	-	-
		83,767,737	**89,699,638**

The annexed notes from 1 to 19 form an integral part of these financial statements.

Chief Executive Officer

Director

PROGRESSIVE INVESTMENT MANAGEMENT (PVT.) LTD. TREC HOLDER OF PAKISTAN STOCK EXCHANGE LTD. TREC 420

PROGRESSIVE INVESTMENT MANAGEMENT (PVT.) LIMITED
Income Statement
For the Half Yearly ended December 31, 2021

	Note	Unaudited Half yearly 2021 Rupees	Unaudited Half yearly 2020 Rupees
Operating revenue	16	7,035,607	6,457,830
Gain/(loss) on sale of short term investments		214,534	727,220
Unrealized gain/(loss) on remeasurement of investments classified at FVTPL		(61,465)	(74,245)
		7,188,676	7,110,805
Operating and administrative expenses	17	(11,885,468)	(2,575,988)
Operating Profit/(Loss)		**(4,696,792)**	4,534,817
Financial charges	18	(1,461)	(3,000)
Other income and losses	19	140,859	9,264
Profit/(Loss) before taxation		(4,557,394)	4,541,081
Taxation	20	-	-
Profit / (Loss) for the year		**(4,557,394)**	**4,541,081**

The annexed notes from 1 to 19 form an integral part of these financial statements.

Chief Executive Officer

Surriya Sharif
Director

PROGRESSIVE INVESTMENT MANAGEMENT (PVT.) LTD. TREC HOLDER OF PAKISTAN STOCK EXCHANGE LTD TREC 420

PROGRESSIVE INVESTMENT MANAGEMENT (PVT.) LIMITED

Statement of Comprehensive Income

For the Half Yearly ended December 31, 2021

	Note	2021 Rupees	2020 Rupees
Profit / (Loss) for the year		(4,557,394)	4,541,081
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Investments at fair value through other comprehensive income			
Fair value Gain/(Loss) arised during the period		-	-
Total comprehensive Profit / (loss) for the year		**(4,557,394)**	**4,541,081**

The annexed notes from 1 to 19 form an integral part of these financial statements.

Chief Executive Officer

TREC 420

PROGRESSIVE INVESTMENT MANAGEMENT (PVT.) LTD.

Sarriya Sharif

Director

PROGRESSIVE INVESTMENT MANAGEMENT (PVT.) LIMITED

Statement of Changes in Equity

For the Half Yearly ended December 31, 2021

	Issued, subscribed and paid-up capital	Revenue reserve	Capital reserve	Share deposit money	Total
		Accumulated Profit / (loss)	Unrealized surplus / (deficit) on re-measurement of investments measured at FVOCI		
		....................Rupees....................			
Balance as at July 1, 2019	46,092,320	(3,027,087)	12,411,526	-	55,476,759
Total comprehensive income for the year					
Loss for the year	-	(1,269,046)	-	-	(1,269,046)
Other comprehensive income/(loss)	-	-	1,092,457	-	1,092,457
	-	(1,269,046)	1,092,457	-	(176,589)
Balance as at June 30, 2020	46,092,320	(4,296,133)	13,503,983	-	55,300,170
Total comprehensive income for the year					
Profit / (Loss) for the year	-	5,952,429	-	-	5,952,429
Other comprehensive income/(loss)	-	-	7,040,279	-	7,040,279
	-	5,952,429	7,040,279	-	12,992,708
Amount received for issue of shares	-	-	-	4,000,000	4,000,000
	-	-	-	4,000,000	4,000,000
Balance as at June, 2021	46,092,320	1,656,296	20,544,262	4,000,000	72,292,878
Total comprehensive income for the year					
Loss for the year	-	(4,557,394)	-	-	(4,557,394)
Other comprehensive income/(loss)	-	-	-	-	-
	-	(4,557,394)	-	-	(4,557,394)
Balance as at June, 2021	46,092,320	(2,901,098)	20,544,262	4,000,000	67,735,484

The annexed notes from 1 to 19 form an integral part of these financial statements.

Chief Executive Officer

PROGRESSIVE INVESTMENT MANAGEMENT (PVT) LTD. MEMBER OF PAKISTAN STOCK EXCHANGE LTD. TREC 420

Surriya Sharif
Director

PROGRESSIVE INVESTMENT MANAGEMENT (PVT.) LIMITE]

Statement of Cash Flows

For the Half Yearly ended December 31, 2021

	Note	Unaudited Half yearly 2021 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (Loss) before taxation		**(4,557,394)**
Adjustments:		
Depreciation and impairment		12,929
Amortization		-
Dividend income		(2,517,962)
Provision for / (reversal of provision for) doubtful debts		8,695,562
Realized loss / (gain) on sale of investments		(214,534)
Unrealized loss / (gain) on short-term investments		61,465
		6,037,460
Operating profit before working capital changes		**1,480,066**
(Increase)/decrease in current assets		
Trade debts - net		(11,503,737)
Deposits, prepayments and other receivables		1,521,007
Other receivables		-
Increase/(decrease) in current liabilities		
Trade and other payables		(3,669,508)
		(13,652,238)
Cash generated from / (used in) operations		**(12,172,172)**
Proceeds from net sales of / (acquisition of) short-term investments		979,554
Dividend received		2,517,962
Taxes paid		(896,080)
		2,601,436
Net cash from operating activities		**(9,570,736)**
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of computer equipment		-
Decrease / (increase) in long-term deposits		-
Net cash generated from / (used in) investing activities		**-**
CASH FLOWS FROM FINANCING ACTIVITIES		
Share deposit money received		-
Net cash generated from / (used in) financing activities		**-**
Net (decrease)/increase in cash and cash equivalents		**(9,570,738)**
Cash and cash equivalents at the beginning of the year		**17,139,364**
Cash and cash equivalents at the end of the year		**7,568,626**

The annexed notes from 1 to 19 form an integral part of these financial statements.

Chief Executive Officer

PROGRESSIVE INVESTMENT MANAGEMENT (PVT.) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the Half Yearly ended December 31, 2021

1 LEGAL STATUS AND NATURE OF BUSINESS

Progressive Investment Mangement (Private) Limited (the "Company") was incorporated in Pakistan on June, 1994 as a private limited company, limited by shares, under the Companies Ordinance, 1984 (now the Companies Act, 2017). The Company's registered office is situated at Islamabad Stock Exchange towers. The Company is a holder of Trading Rights Entitlement Certificate ("TREC") of Pakistan Stock Exchange Limited. The Company is principally engaged in the business of investment advisory, purchase and sale of securities, financial consultancy, brokerage, underwriting, portfolio management and securities research.

2 ACCOUNTING CONVENTION AND BASIS FOR 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 (Amendments)	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
IFRS 3	Business Combinations (Amendments)	January 1, 2022
IFRS 7	Financial Instruments : Disclosures (Amendments)	January 1, 2021
IFRS 9	Financial Instruments (Amendments)	January 1, 2021
IFRS 16	Leases (Amendments)	January 1, 2021

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
IFRS 17	Insurance

The following interpretation issued by the IASB has been waived off by SECP:

IFRIC 12 Service concession arrangements

As per Securities and Exchange Commission of Pakistan (SECP) SRO 985 (1)/ 2019, dated September 2, 2019, for companies holding financial assets due from Government of Pakistan, the requirements contained in IFRS 9 with respect to expected credit losses method shall not be applicable till June 30, 2021, provided that such companies shall follow relevant requirements of IAS 39 – Financial Instruments: Recognition and Measurement, in respect of above referred financial assets during the exemption period. The Company has assessed that the above SRO does not have any significant impact on its financial statements.

2.4 Accounting estimates and judgments

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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented;

3.1 Financial assets and liabilities

Financial assets

The Company classifies its financial assets at amortised cost, fair value through other comprehensiveincome or fair value through profit or loss on the basis of the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Amortised Cost

Assets that are held for collection of contractual cash flows where those cash flow represents solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets, impairment losses, foreign exchange gains and losses, and gain or loss arising on derecognition are recognised directly in profit or loss.

Fair value through other comprehensive income

Financial assets at fair value through other comprehensive income are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets 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.

Fair value through profit or loss

Assets that do not meet the criteria for amortised cost or fair value through other comprehensive income or assets that are designated at fair value through profit or loss using fair value option, are measured at fair value through profit or loss. A gain or loss on debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss in the period in which it arises.

Equity instrument financial assets are measured at fair value and subsequent to initial recognition changes in fair value of these financial assets are normally recognised in profit or loss. Dividends from such investments continue to be recognised in profit or loss when the Company's right to receive payment is established. Where an election is made to present fair value gains and losses on equity instruments in other comprehensive income there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment.

Financial assets and liabilities are initially measured at cost, which is the fair value of the consideration given and received respectively. These financial assets and liabilities are subsequently remeasured to fair value, amortized cost or cost as the case may be. Any gain or loss on the recognition and de-recognition of the financial assets and liabilities is included in the profit or loss for the period in which it arises.

Derecognition

Financial assets are derecognized when the Company loses control of the contractual rights that comprise the financial asset. Assets or liabilities that are not contractual in nature and that are created as a result of statutory requirements imposed by the Government are not the financial instruments of the Company.

Financial Liabilities

Financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities at amortised cost are initially measured at fair value less transaction costs. Financial liabilities at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed on profit or loss.

Financial liabilities, other than those at fair value through profit or loss, are subsequently measured at amortised cost using the effective yield method.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Where an existing financial liability is replaced by another from the same lender or substantially different terms, or the terms of an existing liability are substantially modified, such an exchange and modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognised in profit or loss.

3.2 Impairment

Financial Assets

The Company assesses on a forward looking basis the expected credit losses associated with its financial assets. The Company applies the simplified approach to recognise lifetime expected credit losses for trade debts, due from customers and contract assets. The Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Company considers a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

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.

3.3 Property and equipment

Items of property and equipment are stated at cost less accumulated depreciation (if any) and impairment losses (if any). Cost includes expenditure that is directly attributable to the acquisition of the items.

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. Where such subsequent costs are incurred to replace parts and are capitalized, the carrying amount of replaced parts is derecognized. All other repair and maintenance expenditures are charged to profit or loss during the year in which they are incurred.

Depreciation on all items of property and equipment is calculated using the reducing balance method, in accordance with the rates specified in note 4 to these financial statements and after taking into account residual value, if material. Residual values and useful lives are reviewed and adjusted, if appropriate, at each balance sheet date. Depreciation is charged on an asset from when the asset is available for use until the asset is disposed of.

An item of property and equipment is derecognized upon disposal or when no future benefits are expected from its use or disposal. Any gain or loss arising on asset derecognition (calculated as the difference between net disposal proceeds and the carrying amount of the asset) is included in the profit and loss account in the year in which the asset is derecognized.

3.4 Intangible assets

Intangible assets with indefinite useful lives, including Trading Right Entitlement Certificate ("TREC"), are stated at cost less accumulated impairment losses, if any. An intangible asset is considered as having an indefinite useful life when, based on an analysis of all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the Company. An intangible asset with an indefinite useful life is not amortized. However, it is tested for impairment at each balance sheet date or whenever there is an indication that the asset may be impaired. Gains or losses on disposal of intangible assets, if any, are recognized in the profit and loss account during the year in which the assets are disposed of.

3.5 Investment property

Property that is held for long-term rental yields or for capital appreciation or for both (but not for sale in the ordinary course of business), used in the supply of services or for administrative purposes is classified as investment property. Investment property is initially measured at its cost, including related transaction costs and borrowing costs, if any.

Subsequent expenditure is capitalized to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognized.

For the purpose of subsequent measurement, the Company determines with sufficient regularity the fair value of the items of investment property based on available active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. Valuations wherever needed are performed as of the reporting date by professional valuers who hold recognized and relevant professional qualifications and have recent experience in the location and category of the investment property being valued. These valuations form the basis for the carrying amounts in the financial statements.

The fair value of investment property does not reflect future capital expenditure that will improve or enhance the property and does not reflect the related future benefits from this future expenditure other than those a rational market participant would take into account when determining the value of the property. Changes in fair values are recognized in the profit and loss account.

3.6 Offsetting of financial assets and liabilities

Financial assets and liabilities are offset (and the net amount is reported in the financial statements) when the Company has a legally enforceable right to offset the recognized amounts and the Company intends to either settle on a net basis or to realize the assets and settle the liabilities simultaneously. When financial assets and financial liabilities are offset in the statement of financial position, the related income and expense items are also offset in the statement of income, unless specifically prohibited by an applicable accounting standard.

3.7 Investment in associates

Associates are all entities over which the Company has significant influence but not control. Investments in associates where the Company has significant influence are accounted for using the equity method of accounting. Under the equity method of accounting, investments in associates are initially recognized at cost and the carrying amount of investment is increased or decreased to recognize the Company's share of the associate's post-acquisition profits or losses in income, and its share of the post-acquisition movement in reserves is recognized in other comprehensive income.

3.8 Taxation

Current

Provision for current taxation is based on taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using rates enacted or substantively enacted at the reporting date, and takes into account tax credits, exemptions and rebates available, if any. The charge for current tax also includes adjustments, where necessary, relating to prior years which arise from assessments framed / finalized during the year.

Deferred

Deferred tax is recognized using the balance sheet liability method in respect of temporary differences arising from differences between the carrying amounts of assets and liabilities used for financial reporting purposes and amounts used for taxation purposes. Deferred tax is calculated using rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted by the balance sheet date. In this regard the effects on deferred taxation on the portion of income expected to be subject to final tax regime is adjusted in accordance with the requirements of Accounting Technical Release-27 of the Institute of Chartered Accountants of Pakistan.

Deferred tax liabilities are recognized for all taxable temporary differences. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits 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 benefits will be realized.

Deferred tax is charged or credited to the income statement, except in the case of items credited or charged to comprehensive income or equity, in which case it is included in comprehensive income or equity. There is a minor difference between carrying values and tax base so deferred tax is not booked in current year.

3.9 Cash and cash equivalents

Cash and cash equivalents are carried at cost and include cash in hand, balances with banks in current and deposit accounts, stamps in hand, other short-term highly liquid investments with original maturities of less than three months and short-term running finances.

3.10 Trade and other payables

Trade and other payables are recognized initially at fair value plus directly attributable cost, if any, and subsequently measured at amortized cost using the effective interest method. They are classified as current if payment is due within twelve months of the reporting date, and as non-current otherwise.

3.11 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. The amount recognized represents the best estimate of the expenditure required to settle the obligation at the balance sheet date. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

3.12 Borrowings

These are recorded at the proceeds received. Finance costs are accounted for on accrual basis and are disclosed as accrued interest / mark-up to the extent of the amount unpaid at the reporting date.

3.13 Borrowing costs

Borrowing costs are recognized as an expense in the period in which these are incurred except to the extent of borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. Such borrowing costs, if any, are capitalized as part of the cost of the relevant asset.

3.14 Fiduciary assets

Assets held in trust or in a fiduciary capacity by the Company are not treated as assets of the Company.

3.15 Revenue recognition

Revenue is recognized to the extent that it is probable that 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. Revenue is recognized on the following basis:

- Brokerage and commission income is recognized when brokerage services are rendered.
- Dividend income is recognized when the right to receive the dividend is established.
- Return on deposits is recognized using the effective interest method.
- Income on fixed term investments is recognized using the effective interest method.
- Gains / (losses) arising on sale of investments are included in the profit and loss account in the period in which they arise.
- Unrealized capital gains / (losses) arising from marking to market financial assets are included in profit and loss (for assets measured at FVTPL) or OCI (for assets measured at FVOCI) during the period in which they arise.

3.16 Foreign currency transactions

Monetary assets and liabilities in foreign currencies are translated into functional currency at the rates of exchange prevailing at the balance sheet date. Transactions in foreign currencies are translated into functional currency at the rates of exchange prevailing on the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in income.

3.17 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates. The financial statements are presented in Pakistani Rupee, which is the Company's functional and presentation currency.

3.18 Derivative financial instruments

Derivative financial instruments are recognized at their fair value on the date on which a derivative contract is entered into. Subsequently, any changes in fair values arising on marking to market of these instruments are taken to the profit and loss account.

3.19 Related party transactions

All transactions involving related parties arising in the normal course of business are conducted and recorded at rates that are not less than market.

PROGRESSIVE INVESTMENT MANAGEMENT (PVT.) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the Half Yearly ended December 31, 2021

	Note	Unaudited Half yearly 2021 Rupees	Unaudited Half yearly 2020 Rupees
5 INTANGIBLE ASSETS			
Trading Rights Entitlement Certificate ("TREC")	5.1	2,500,000	2,500,000
Back office software		-	15,000
		2,500,000	2,515,000
Impairment		-	-
		2,500,000	2,515,000

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. 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. As a result, the Company recognized an impairment loss on the TREC in the amount of PKR 1.5 million in fiscal year 2018. Since then there is no change in the notional value of the TRE Certificate till 30 June 2021.

	Note	Unaudited Half yearly Dec-21 Rupees	Unaudited Half yearly Dec-20 Rupees
6 LONG-TERM INVESTMENTS			
Investments at fair value through OCI			
ISE REIT Management Company Limited (unquoted) - at fair value	6.1	50,890,292	43,850,013
Adjustment for remeasurement to fair value		-	-
		50,890,292	43,850,013
Per share rate		16.77	14.45

6.1 As a result of the demutualization and corporatization of stock exchanges as detailed in note 6.1, the Company received 3,034,603 shares at Rs.10 each share, of ISE Towers REIT Management Limited. Of these, 60% (1,820,762 shares) were held in a separate Central Depository Company Limited ("CDC") sub-account, blocked until they are sold to strategic investors, financial institutions and/or the general public. The remaining shares (40% of total, or 1,213,841 shares) were allotted to the Company.

These shares are neither listed on any exchange nor are they actively traded. As a result, fair value has been estimated by reference to the latest break-up value of Rs. 16.77 according to audited financial statements of ISE REIT Management Company Limited for the year ended June 30, 2021 (2020: Rs. 14.45) or net asset value per share of these shares notified by ISE Towers REIT Management Limited.

	Note	Unaudited Half yearly Dec-21 Rupees	Unaudited Half yearly Dec-20 Rupees
7 LONG-TERM DEPOSITS			
Central Depository Company Limited		-	100,000
National Clearing Company of Pakistan Limited		1,500,000	1,400,000
		1,500,000	1,500,000
8 TRADE DEBTS			
Considered good		4,055,268	6,879,518
		4,055,268	6,879,518
9 TRADE DEPOSITS, PREPAYMENTS & OTHER RECEIVABLES			
Margin deposits-Ready Market		1,105,000	1,555,000
Other deposits-ISE REIT Management Co. Ltd		120,960	120,960
Advance to Employees		564,500	265,000
Margin Deposit- NCSS futures and other receivables		7,942,227	6,177,014
		9,732,687	8,117,974
10 INCOME TAX REFUNDABLE			
Opening balance (as at July 1)		883,844	747,135
Add: Current year additions		378,134	236,707
		1,261,978	983,842
Less: Adjustment against provision for taxation		566,191	
Balance at the end of the year		695,787	983,842
11 Investments at fair value through profit or loss			
Investments in listed securities			
Cost		6,557,356	5,668,315
Fair value adjustment		153,069	-
		6,710,425	5,668,315
12 CASH AND BANK BALANCES			
Cash in hand		720,736	706,138
Cash at bank			
Current accounts		6,847,891	19,323,391
		7,568,626	20,029,530
13 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL			
13.1 Authorized capital			
5,000,000 (2020: 5,000,000) ordinary shares of PKR 10 each.		50,000,000	50,000,000
13.2 Issued, subscribed and paid-up share capital			
4,609,232 (2020: 4,609,232) ordinary shares of PKR 10/- each, issued for cash		46,092,320	46,092,320
		46,092,320	46,092,320
14 TRADE AND OTHER PAYABLES			
Trade creditors		15,552,597	24,985,002
Accrued expenses and other payables		70,797	242,913
Deposit for future market		-	476,286
Auditor's remuneration payable		15,000	-
Nccpl daily retained profit payable		277,824	-
Other payable		116,037	6,698
		16,032,255	25,710,899

15 CONTINGENCIES AND COMMITMENTS

15.1 There are no contingencies or commitments of the Company as at June 30, 2021 (2020: Nil).

	Note	Unaudited Half yearly 2021 Rupees	Unaudited Half yearly 2020 Rupees
16 OPERATING REVENUE			
Brokerage income		4,517,645	4,882,811
Dividend income		2,517,962	1,575,019
		7,035,607	6,457,830
17 OPERATING & ADMINISTRATIVE EXPENSES			
Staff salaries, allowances and other benefits		1,208,000	758,000
Directors' remuneration		290,000	210,000
Communication expense		145,816	140,488
Postage and courier charges		13,341	11,566
Entertainment		110,250	101,396
Printing and stationery		62,930	67,940
Utilities Expenses		191,821	-
Rent		484,615	112,309
CDC trading charges		65,172	70,656
NCCPL trading charges		134,535	303,594
Provision for / (reversal) of provision for doubtful debts		8,695,562	-
PSX trading charges		208,462	640,222
Fee and subscription		27,380	60,000
Legal and professional charges		183,055	27,130
Auditor's remuneration	17.1	-	20,000
Accounting Software Maintenance Charges		51,600	52,990
Misc. expenses		-	(303)
Depreciation	4	12,929	-
Amortization		-	-
		11,885,468	2,575,988
17.1. Auditor's remuneration			
Statutory audit		-	-
Certifications and other charges		-	20,000
		-	20,000
18 FINANCIAL CHARGES			
Bank and other charges		1,461	3,000
		1,461	3,000
19 OTHER INCOME / LOSSES			
Profit on NCCPL Deposits		109,516	-
Sundry / miscellaneous income		31,343	9,264
		140,859	9,264

Chief Executive

TREC 420

Director

4 PROPERTY AND EQUIPMENT

Particulars	2021									
	Cost				Accumulated Depreciation				Net Book Value as at 31 Dec 2021	Rate of Depreciation
	As at 1 July 2021	Additions	Disposals	As at 31 Dec 2021	As at 1 July 2021	Disposals	For the half year	As at 31 Dec 2021		%age
	------------------				Rupees			------------------		
Office Equipment	164,170	-	-	164,170	142,584	-	1,079	143,663	20,507	10
Computer Equipment	420,406	4,999	-	425,405	374,857	-	7,582	382,439	42,966	30
Furniture and fixtures	354,500	-	-	354,500	318,994	-	1,775	320,769	33,731	10
Office renovation	758,520	-	-	758,521	738,582	-	2,492	741,074	17,447	25
	1,697,596	4,999	-	1,702,596	1,575,017	-	12,929	1,587,945	114,651	

Particulars	2020									
	Cost				Accumulated Depreciation				Net Book Value as at 30 June 2020	Rate of Depreciation
	As at 1 July 2019	Additions	Disposals	As at 30 June 2020	As at 1 July 2019	Disposals	For the year	As at 30 June 2020		%age
	------------------				Rupees			------------------		
Office Equipment	164,170	-	-	164,170	137,521	-	2,665	140,186	23,984	10
Computer Equipment	420,406	-	-	420,406	326,939	-	28,040	354,979	65,427	30
Furniture and fixtures	354,500	-	-	354,500	310,665	-	4,384	315,049	39,451	10
Office renovation	758,520	-	-	758,520	723,074	-	8,862	731,936	26,584	25
	1,697,596	-	-	1,697,596	1,498,199	-	43,951	1,542,150	155,446	