

**AAA SECURITIES (PRIVATE) LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2022(UN-AUDITED)**

		Half Year 31-Dec-22	Half Year 31-Dec-21
	Note	Rupees	
ASSETS			
NON - CURRENT ASSETS			
Property and equipment	4	359,475	357,442
Investment property	5	1,536,233	1,617,087
Intangible assets	6	2,515,853	2,515,853
Long term deposits	7	500,000	500,000
Long term investment	8	50,890,292	47,097,039
		55,801,854	52,087,421
CURRENT ASSETS			
Account receivables	9	2,044,444	2,429,065
Short term investments	10	1,266,702	1,508,094
Withholding tax	11	562,382	385,196
Cash and bank balances	12	22,218,074	20,618,113
		26,091,602	24,940,468
TOTAL ASSETS		81,893,456	77,027,889
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
3,500,000 ordinary shares of Rupees 10 each		35,000,000	35,000,000
Issued, subscribed and paid up share capital			
3,500,000 ordinary shares of Rupees 10 each	13	35,000,000	35,000,000
Capital reserve - Fair value reserve		-	-
Revenue reserve - Unappropriated profit( loss)		44,942,968	39,990,999
		79,942,968	74,990,999
CURRENT LIABILITIES			
Other payables	14	1,175,492	1,195,401
Payable to account holders	15	774,996	841,489
Provision for taxation		-	-
		1,950,488	2,036,890
Contingencies and commitments		-	-
TOTAL EQUITY AND LIABILITIES		81,893,456	77,027,889

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



**CHIEF EXECUTIVE**




**DIRECTOR**

**AAA SECURITIES (PRIVATE) LIMITED**  
**STATEMENT OF PROFIT OR LOSS**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2022 (UN-AUDITED)**

	Note	31-Dec-22	31-Dec-21
		Rupees	
Revenue	16	29,473	103,451
Direct Cost	17	(211,920)	(201,505)
Gross Profit		(182,447)	(98,054)
Administrative expenses	18	(588,797)	477,793
Operating profit/(loss)		(771,244)	(575,847)
Other income	19	2,056,763	2,764,957
<b>Profit/(loss) before tax</b>		<b>1,285,519</b>	<b>2,189,110</b>
Taxation		-	-
<b>Net Profit/(Loss)</b>		<b>1,285,519</b>	<b>2,189,110</b>

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

  
**CHIEF EXECUTIVE**



  
**DIRECTOR**

**AAA SECURITIES (PRIVATE) LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**AS AT DECEMBER 31, 2022 (UN-AUDITED)**

	31-Dec-22	31-Dec-21
	Rupees	
Net Profit for the period	1,285,519	2,189,109
<b>Other comprehensive income:</b>		
<b>Items that may be reclassified to profit or loss</b>		
Loss on remeasurement of TREC	-	-
transferred to TREC value reserve	-	-
transferred to unappropriated profit/(loss)	-	-
Other comprehensive income(loss)	-	-
<b>Items that may not be reclassified to profit or loss</b>		
gain on remeasurement of ISE REIT shares	-	-
Total comprehensive income for the period	1,285,519	2,189,109



**CHIEF EXECUTIVE**




**DIRECTOR**

**AAA SECURITIES (PRIVATE) LIMITED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2022 (UN AUDITED)**

**31-Dec-22      31-Dec-21**  
**Rupees**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Profit/(loss) for the period before taxation

1,285,519	2,189,109
(784,172)	591,908
57,804	66,667

**Adjustments for non-cash charges and other items:**

Unrealised (gain) or loss on remeasurement of short term investment

Depreciation

Cash flows before working capital changes

559,151      2,847,684

**Working capital changes:**

(Increase)/decrease in current assets

Accounts Receivable

Security deposits and short term prepayments

384,621	(1,154,228)
66,493	(1,543,440)
(19,909)	(476,885)
431,205	(3,174,553)

Increase/(decrease) in current liabilities

Payable to account holders

Trade and other payables

Cash generated from operations

990,356      (326,869)

Taxes Paid

(534,088)      (111,395)

**Net cash from/(used in) operating activities**

456,268      (438,264)

**CASH FLOWS FROM INVESTING ACTIVITIES**

Dividend, Rental and Return on deposit received

**Net cash from /(used in) investing activities**

-      -

**Net cash from /(used in) financing activities**

-

**Net increase/(decrease) in cash and cash equivalents**

456,268      (438,264)

Cash and cash equivalents at the beginning of the year

21,761,806      21,056,377

**Cash and cash equivalents at the end of the year**

**22,218,074      20,618,113**



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**DIRECTOR**



**AAA SECURITIES (PRIVATE) LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**AS AT DECEMBER 31, 2022 (UN-AUDITED)**

	Rupees		
	Share capital	Capital Reserve	Revenue Reserve
	Issued subscribed & paid up	Fair Value Reserve	Un-appropriated profit/(loss)
			Total
Balance as at July 01,2022	35,000,000	-	36,866,433
Net Profit for the year	-	-	6,791,016
Balance as at June 30,2022	<u>35,000,000</u>	-	<u>43,657,449</u>
Net profit for the period	-	-	1,285,519
Other comprehensive income for the period	-	-	-
Balance as at December 31,2022	<u>35,000,000</u>	-	<u>44,942,968</u>



**CHIEF EXECUTIVE**




**DIRECTOR**

**AAA SECURITIES (PRIVATE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2022 (UN-AUDITED)**

**1 STATUS AND NATURE OF BUSINESS**

AAA Securities (Private) Limited is a private company limited by shares and incorporated in Pakistan under the Companies Act 2017 on June 23, 2004.

The company is engaged in stock brokerage business and registered as broker by SECP under Registration Number BRI - 60 dated September 27, 2004 and situated at 29-A, ISC Plaza 1st Floor, Jinnah Boulevard West, Sector A, DHA II, Islamabad.

**2 BASIS OF PREPARATION**

**2.1 Accounting Convention**

These accounts have been prepared under the historical cost convention without incorporating any adjustments of the effect of inflation or current values except for some investments and TREC the valuation basis of which are disclosed in relevant notes.

**2.2 Statement of Compliance**

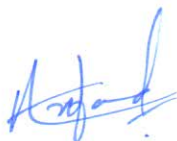
These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under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

**2.3 Critical accounting estimates and judgments**

The preparation of financial statements in conformity with accounting and financial reporting standards requires the management to make judgments, estimates and assumptions that effect the reporting amounts of assets and liability and income and expenses. These estimates and assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which the estimate is revised.

Significant accounting estimates and areas where judgments were made by the management in the application of accounting policies are as follows:

- i) Useful lives, pattern of economic benefits and impairments
- ii) Taxation
- iii) Fair Value of investments Taxation



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**DIRECTOR**

### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 3.1 Property and equipment

##### a) Cost

Operating fixed assets are stated at cost less accumulated depreciation.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to income during the year / period in which they are incurred.

##### b) Depreciation

Depreciation is charged to income on reducing balance method so as to write off the cost of an asset over its estimated useful life at the rates given in Note 4. Depreciation on additions is charged from the month the assets are available for use while no depreciation is charged in the month in which the assets are disposed off. The residual values and useful lives of assets are reviewed by the management at each financial year end and adjusted if impact on depreciation is significant.

##### c) Derecognition

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

#### 3.2 Intangible assets

An intangible asset is recognized as an asset if it is probable that the economic benefits attributable to the assets will flow to the company and cost of the asset can be measured reliably. Trading Right Entitlement Certificate (TREC) which is granted by Pakistan Stock Exchange (PSX) in lieu of membership cards are valued initially at prescribed value by PSX.

#### 3.3 Investment properties

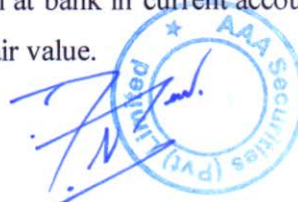
Land and buildings held for capital appreciation or to earn rental income are classified as investment properties. Investment properties are stated at cost less accumulated depreciation and any recognized impairment loss.

#### 3.4 Impairment of non financial assets

The carrying values of the company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amount is estimated and impairment losses are recognized in the statement of profit or loss.

#### 3.5 Cash and Cash Equivalents

Cash and cash equivalents include cash in hand and cash at bank in current accounts. It is carried in the balance sheet at book value which approximates its fair value.





### 3.6 Taxation

The charge for current taxation is based on taxable income at the current rates after taking into accounts the tax credits and tax rebates available.

### 3.7 Settlement Date Accounting

All "regular way" purchases and sales of financial assets are recognized on settlement date, i.e. the date on which the asset is delivered to or by the Company. Regular way purchases or sales of financial assets are those contracts which requires delivery of assets within the time frame generally established by regulation or convention in the market.

### 3.8 Revenue Recognition

- Revenue is recognized as and when services are rendered:
- Capital gains or losses on sale of investments are recognized in statement of profit or loss for the period in which they arise.
- Money market brokerage, consultancy and advisory fees are recognized as and when such services are provided.
- Dividend income is recognized when right to receive is established.
- Unrealized capital gains / (losses) arising from mark to market of investments classified as at financial assets at fair value through profit or loss are included in the statement of profit or loss account for the period in which they arise.

### 3.9 Functional and presentation currency

These financial statements are presented in Pakistan Rupees which is also the company's functional currency.



**CHIEF EXECUTIVE**



**DIRECTOR**



**4 Property and Equipment**

Particulars	Furniture & Fixture	Computer Equipment	Total
<b>Year ended June 30, 2022</b>			
Opening net book amount	366,052	13,795	379,847
Additions	-	-	-
Transfer to investment property	-	-	-
Disposals	-	-	-
Depreciation charge	36,605	4,139	40,744
Closing net book amount	<b>329,447</b>	<b>9,656</b>	<b>339,103</b>
<b>As at December 31, 2022</b>			
Opening net book amount	366,052	13,795	379,847
Additions	-	-	-
Depreciation charge	18,303	2,069	20,372
Closing net book amount	<b>347,749</b>	<b>11,726</b>	<b>359,475</b>
Rate of depreciation per annum (%)	10	30	



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**DIRECTOR**

		Rupees	
		31-Dec-22	31-Dec-21
5	<b>INVESTMENT PROPERTY- At Cost</b>	2,500,000	2,500,000
	Accumulated Depreciation	924,376	841,449
	Written Down Value	1,575,624	1,658,551
	Depreciation for the period	39,391	41,464
	Written down Value	1,536,233	1,617,087
	Rate of Depreciation	5%	5%

Particulars of investment property

Description	Address	Area
Commercial building	Office#709, 7th Floor, ISE Towers	1348 sq. feet
Subleased		

		Rupees	
		31-Dec-22	31-Dec-21
6	<b>INTANGIBLE ASSETS</b>		
	Accounting software	6.1	15,853
	Trading Right Entitlement Certificate	6.2	2,500,000
			2,515,853
6.1	<b>Accounting Software</b>		
	Cost	75,000	75,000
	Additions during the year	-	-
	Amortization for the period	(1,958)	(2,798)
	Accumulated amortization - opening	(61,944)	(56,349)
	Net book value	11,098	15,853
	Amortization rate	30%	30%

- 6.2 These represent Trading Right Entitlement Certificate (TREC) received from Pakistan Stock Exchange Limited (PSX) in accordance with the requirements of the Stock Exchanges Corporatisation, Demutualization and Integration Act, 2012 (The Act). The company has also received shares of ISE Towers REIT Management Company Limited after completion of the demutualization process. The notional value of TREC have been recorded at Rs. 2.5 million. For details, refer to SECP letter No. SMD/SE/2(57)/2002 dated November 9, 2017.

		Rupees	
		31-Dec-22	31-Dec-21
7	<b>LONG TERM DEPOSITS</b>		
	CDC	100,000	100,000
	PSX Clearing House	200,000	200,000
	NCCPL	200,000	200,000
		500,000	500,000
8	<b>LONG TERM INVESTMENT AT FAIR VALUE THROUGH OCI</b>		
	Shares in ISE Towers REIT Management Company Ltd.	8.1	50,890,292
			47,097,039

- 8.1 Pursuant to promulgation of the Stock Exchange (Corporatization, Demutualization and Integration Act), 2012 "Act" the ownership in a Stock Exchange has been segregated from the right to trade on the Exchange. Accordingly the Company has received equity shares of ISE-REIT and Trading Right entitlement Certificate (TREC) in lieu of membership card of PSX. The company entitlement in respect of ISE-REIT shares is determined on the basis of valuation of assets and liabilities of ISE as approved by SECP and the Company has been allotted 3,034,603 shares of the face value of Rs. 10/- each. These include 60 % shares if ISE-REIT, held in separate CDC blocked account to restrict the sale of these shares by the members whereas stock exchange will dispose of these shares under the provisions of this Act, however the proceeds of these shares and right to dividend/bonus are vested with the company whereas voting rights attached to these shares are suspended.
- 8.2 In absence of an active market for TREC, the company has taken the cost of TREC at Rs. 2.5 million, which is the value approved by the Board of Directors of PSX and intimated to SECP for the base minimum capital. This fact indicates an acceptable level of value for TREC which is also used by the stock exchange for risk management and to safeguard investors' interest.



9	ACCOUNT RECEIVABLES	Note	Rupees	
			31-Dec-22	31-Dec-21
	Receivable from clients		2,044,444	2,429,065
	Exposure margin deposits - ISE		-	-
			<u>2,044,444</u>	<u>2,429,065</u>
10	SHORT TERM INVESTMENTS			
	Investment at fair value through profit or loss:			
	Cost		2,100,002	2,100,002
	Unrealized gain/(loss)		(833,300)	(591,908)
	Investment in listed companies	10.1	<u>1,266,702</u>	<u>1,508,094</u>
10.1	This represent investment in:			

31-Dec-22	
Name of security	No. of shares
AHCL	2,220
BOP	28,375
BWCL	575
EFERT	278
FATIMA	137
JOVC	9,900
NBP	11,526
NML	750
POL	1,200
PPL	1,925
PTC	400
SMBL	222



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DIRECTOR



		Rupees	
		31-Dec-22	31-Dec-21
<b>11 WITH HOLDING TAX</b>			
Opening Balance		-	-
During the period		562,382	-
		<u>562,382</u>	<u>-</u>
<b>12 CASH AND BANK BALANCE</b>			
Cash in hand		32,400	19,316
Cash at bank		22,185,674	20,598,797
		<u>22,218,074</u>	<u>20,618,113</u>
<b>13 SHARE CAPITAL</b>			
Issued, paid up and subscribed capital			
Opening shares		3,500,000	3,500,000
Issued shares for cash during the year		-	-
Closing shares		<u>3,500,000</u>	<u>3,500,000</u>
<b>14 OTHER PAYABLES</b>			
Audit fee		200,000	220,000
Payable to Director		450,000	450,000
Bills payable		25,000	24,491
FED payable		492	910
Security deposit		500,000	500,000
		<u>1,175,492</u>	<u>1,195,401</u>
<b>15 PAYABLE TO ACCOUNT HOLDER</b>			
Payable to regular account holders		774,996	841,489
		<u>774,996</u>	<u>841,489</u>
<b>16 REVENUE</b>			
Brokerage commission		29,473	103,451
		<u>29,473</u>	<u>103,451</u>
<b>17 DIRECT COST</b>			
NCSS/CDC charges		63,726	48,569
Depreciation and amortization		57,804	66,667
PSX/SECP fee		50,000	50,000
Telephone		40,390	36,270
		<u>211,920</u>	<u>201,506</u>

*Ag*



*[Signature]*

		Rupees	
		31-Dec-22	31-Dec-21
<b>18 ADMINISTRATIVE EXPENSES</b>			
Electricity	63,815	50,311	
VPN Charges	35,136	34,153	
DHA Utility Charges	18,000	18,000	
Others (Back Office, PSX IT)	128,420	86,346	
Bank charges	-	500	
Fee and taxes	18,426	12,483	
Rent Office	300,000	276,000	
	<b>563,797</b>	<b>477,793</b>	

<b>19 OTHER INCOME</b>			
<b>Income from financial assets:</b>			
Unrealized gain/(loss) on re-measurement of short	(833,300)	(591,908)	
Dividend income - Income from financial assets	2,050,789	1,877,125	
Return on bank deposits	839,274	429,740	
<b>Income from non-financial assets:</b>			
Rental Income	-	1,050,000	
	<b>2,056,763</b>	<b>2,764,957</b>	



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**DIRECTOR**