

MONEY LINE SECURITIES (PVT.) LTD.

Unaudited Financial Statements

For The Period Ended 31 December 2023

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MONEY LINE SECURITIES (PVT.) LTD.**Statement of Financial Position***As at 31 December 2023*

ASSETS	<i>Note</i>	Dec-23 Rupees	Jun-23 Rupees
Non-current assets			
Property and equipment	5	4,778,719	4,877,279
Intangible assets	6	5,000,000	5,000,000
Long term deposits	7	1,350,000	2,850,000
		11,128,719	12,727,279
Current assets			
Loans and advances	9	28,230,000	28,230,000
Trade deposits and short-term prepayments	10	10,382,424	1,654,896
Income tax refundable	11	668,816	266,051
Short term investment	12	16,366,314	16,660,301
Cash and bank balances	13	1,108,038	1,791,756
		56,755,591	48,603,003
		67,884,310	61,330,282
EQUITY & LIABILITIES			
Share capital and reserves			
Issued, subscribed and paid-up capital	14	100,000,000	100,000,000
Unappropriated profit /(loss)		(40,215,240)	(46,959,253)
Unrealized surplus/(deficit) on re-measurement of investments measured at FVOCI		2,550,295	2,550,295
Total equity		62,335,055	55,591,042
Current liabilities			
Trade and other payables	15	1,777,946	2,255,190
Provision for taxation	16	274,839	274,839
Short-term borrowings	17	3,496,470	3,209,211
		5,549,255	5,739,240
Contingencies and commitments	18	-	-
		67,884,310	61,330,282

The annexed notes from 1 to 24 form an integral part of these financial statements.



Chief Executive Officer



MONEY LINE SECURITIES (PVT.) LTD.**Statement of Profit or Loss***For the Period Ended 31 December 2023*

	<i>Note</i>	Dec-23 Rupees	Jun-23 Rupees
Operating revenue	19	6,232,237	5,241,473
Gain/(loss) on sale of short term investments		-	(93,073)
Unrealized gain/(loss) on remeasurement of investments classified at FVTPL		1,738,773	(1,414,119)
		7,971,010	3,734,281
Operating and administrative expenses	21	(2,702,357)	(15,438,551)
Operating profit / (loss)		5,268,653	(11,704,270)
Financial charges	22	(224,944)	(448,794)
Other income and (losses)	20	1,700,303	519,566
Profit / (loss) before taxation		6,744,013	(11,633,498)
Taxation	23	-	(274,839)
Profit/(loss) for the year		6,744,013	(11,908,337)
Earnings/(loss) per share - basic	24	67.44	(119.08)

The annexed notes from 1 to 24 form an integral part of these financial statements.



Chief Executive Officer



MONEY LINE SECURITIES (PVT.) LTD.

Statement of Comprehensive Income

For the Period Ended 31 December 2023

	<i>Note</i>	Dec-23 Rupees	Jun-23 Rupees
Profit/(loss) for the year		6,744,013	(11,908,337)
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Unrealized gain / (loss) during the period in the market value of investments measured at FVOCI		-	(10,165,264)
Total comprehensive income/(loss) for the year		<u><u>6,744,013</u></u>	<u><u>(22,073,601)</u></u>

The annexed notes from 1 to 24 form an integral part of these financial statements.



Chief Executive Officer



MONEY LINE SECURITIES (PVT.) LTD.

Statement of Cash Flows

For the Period Ended 31 December 2023

	Note	Dec-23 Rupees	Jun-23 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit / (loss) before taxation		6,744,013	(11,633,498)
Adjustments:			
Depreciation and impairment	5	143,060	313,132
Provision for doubtful debts		(3,035,774)	(1,517,140)
Realized loss / (gain) on sale of short-term investments		-	2,853,103
Unrealized loss / (gain) on short-term investments		(1,738,773)	1,414,119
Interest income	20	(1,700,303)	(252,643)
Finance charges	22	221,667	434,582
Dividend income	19	(1,051,782)	(1,475,101)
		(7,161,906)	1,770,051
Operating profit before working capital changes		(417,893)	(9,863,447)
(Increase)/decrease in current assets			
Trade & other receivables		3,035,774	4,876,110
Loans and advances		-	1,034,558
Trade deposit & short-term prepayments		(8,727,528)	717,623
Increase/(decrease) in current liabilities			
Trade and other payables		(477,244)	(11,483,730)
		(6,168,998)	(4,855,439)
Cash generated from / (used in) operations		(6,586,891)	(14,718,886)
Finance charges			
Finance charges		(221,667)	(434,582)
Interest received		1,700,303	252,643
Dividends received		1,051,782	1,475,101
Taxes paid		(402,765)	(259,162)
		2,127,654	1,034,001
Net cash from operating activities		(4,459,237)	(13,684,885)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from net sales of / (acquisition of) short-term investments		2,032,760	5,361,807
Decrease/(Increase)in long term deposits		1,500,000	-
Acquisition of property and equipment		(44,500)	-
Net cash generated from / (used in) investing activities		3,488,260	5,361,807
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from / (repayment of) running finance facility		287,259	(224,782)
Net cash generated from / (used in) financing activities		287,259	(224,782)
Net (decrease)/increase in cash and cash equivalents		(683,718)	(8,547,860)
Cash and cash equivalents at the beginning of the year		1,791,756	10,339,616
Cash and cash equivalents at the end of the year	13	1,108,038	1,791,756

The annexed notes from 1 to 24 form an integral part of these financial statements.



 Chief Executive Officer



MONEY LINE SECURITIES (PVT.) LTD.

Statement of Changes in Equity

For the Period Ended 31 December 2023

	Issued, subscribed and paid-up capital	Unappropriated profit/ (loss)	Unrealized surplus / (deficit) on re- measurement of investments measured at FVOCI	Total
Balance as at June 30, 2022	100,000,000	(32,290,886)	9,955,529	77,664,643
Total comprehensive income for the year				
Increase in share capital	-	-	-	-
Profit/(loss) for the year	-	(11,908,337)	-	(11,908,337)
Other comprehensive income/(loss)	-	(2,760,030)	(7,405,234)	(10,165,264)
	-	(14,668,367)	(7,405,234)	(22,073,601)
Balance as at June 30, 2023	<u>100,000,000</u>	<u>(46,959,253)</u>	<u>2,550,295</u>	<u>55,591,042</u>
Total comprehensive income for the year				
Profit/(loss) for the year	-	6,744,013	-	6,744,013
Other comprehensive income/(loss)	-	-	-	-
	-	6,744,013	-	6,744,013
Balance as at June 30, 2024	<u>100,000,000</u>	<u>(40,215,240)</u>	<u>2,550,295</u>	<u>62,335,055</u>

The annexed notes from 1 to 24 form an integral part of these financial statements.


 Chief Executive Officer



MONEY LINE SECURITIES (PVT.) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the period ended December 31, 2023

1. LEGAL STATUS AND NATURE OF BUSINESS

MONEY LINE SECURITIES (PVT.) LIMITED (the "Company") was incorporated in Pakistan on **April 08, 2004** as a private limited company, limited by shares, under the Companies Ordinance 1984 (Now Companies Act, 2017). The Company is a holder of Trading Rights Entitlement Certificate ("TREC") of Pakistan Stock Exchange Limited as well as universal member of Pakistan Mercantile Exchange Limited.

The Company is principally engaged in brokerage of shares, stocks, purchase and sale of securities, financial consultancy, brokerage, underwriting, portfolio management and securities research.

2. The geographical location of Company's offices are as follows:

Registered Office: Room No. 303, 3rd Floor, Stock Exchange Building, Lahore, Pakistan.

Corporate Office: Room No. 303 & 304, 3rd Floor, Stock Exchange Building, Lahore, Pakistan.

3. BASIS OF PREPARATION

3.1 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 as applicable in Pakistan comprise of:

- 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, 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.

3.2 Accounting convention

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

- Short Term 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.

3.3 Functional and presentation currency

Items included in these financial statements are measured using the currency of the primary economic environment in which the Company operates. These financial statements are presented in Pak Rupees which is the Company's functional and presentation currency.

3.4 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 (Note 5);
- (ii) Estimates of useful lives of intangible assets (Note 6);
- (iii) Allowance for credit losses (Note 4.5.4);
- (iv) Fair values of unquoted equity investments (Note 7);
- (v) Classification, recognition, measurement / valuation of financial instruments (Note 4.5); and
- (vi) Provision for taxation (Note 17);

3.5 New accounting pronouncements

3.5.1 New and amended standards and interpretations mandatory for the first time for the financial year beginning July 01, 2022:

(a) IAS 37 - Onerous contracts	Effective date January 01, 2022
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Under IAS 37 'Provisions, Contingent Liabilities and Contingent Assets', a contract is 'onerous' when the unavoidable costs of meeting the contractual obligations – i.e. the lower of the costs of fulfilling the contract and the costs of terminating it – outweigh the economic benefits. The amendments clarify that the 'costs of fulfilling a contract' comprise both the incremental costs – e.g. direct labour and materials; and an allocation of other direct costs – e.g. an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract.

(b) IAS 16 - Proceeds before an asset's intended use **Effective date**
January 01, 2022

IAS 16 'Property, Plant and Equipment' prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognize such sales proceeds and related cost in profit or loss. The amendments apply retrospectively, but only to items of PPE made available for use on or after the beginning of the earliest period presented in the financial statements in which the company first applies the amendments.

The other new standards, amendments to approved accounting standards and interpretations that are mandatory for the financial year beginning on July 01, 2022 are considered not to be relevant or to have any significant effect on the Company's financial reporting and operations.

3.5.2. New / revised accounting standards, amendments to published accounting standards and interpretations that are not yet

The following new standards and amendments to approved accounting standards are not effective for the financial year beginning on July 01, 2022 and have not been early adopted by the Company:

(a) IAS 1 - Disclosure of accounting policies **Effective date**
January 01, 2023

Amendments to IAS 1, 'Presentation of Financial Statements' includes requiring companies to disclose their material accounting policies rather than their significant accounting policies, clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed and also clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.

(b) IAS 8 - Definition of accounting estimates **Effective date**
January 01, 2023

The International Accounting Standards Board (the Board) has issued these amendments to end diversity in treatment of accounting estimates and clarified how companies should distinguish changes in accounting policies from changes in accounting estimates, with a primary focus on the definition of and clarifications on accounting estimates. Developing an accounting estimate includes both selecting a measurement technique (estimation or valuation technique) – e.g. an estimation technique used to measure a loss allowance for expected credit losses when applying IFRS 9 Financial Instruments; and – choosing the inputs to be used when applying the chosen measurement technique – e.g. the expected cash outflows for determining a provision for warranty obligations when applying IAS 37 Provisions, Contingent Liabilities and Contingent Assets. The effects of changes in such inputs or measurement techniques are changes in accounting estimates.

(c) IAS 12 - Deferred tax **Effective date**
January 01, 2023

The amendments narrow the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, companies will need to recognize a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision.

(d) IAS 1 - Classification of liabilities as current or non-current **Effective date
January 01, 2024**

Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period. As part of this amendments, the requirement for a right to be unconditional has been removed and instead, the amendments requires that a right to defer settlement must have substance and exist at the end of the reporting period. This right may be subject to a company complying with conditions (covenants) specified in a loan arrangement. At October 31, 2022, after reconsidering certain aspects of the amendments, the IASB reconfirmed that only covenants with which a company must comply on or before the reporting date affect the classification of a liability as current or non-current. Covenants with which the company must comply after the reporting date (i.e. future covenants) do not affect a liability's classification at that date. However, when non-current liabilities are subject to future covenants, companies will now need to disclose information to help users understand the risk that those liabilities could become repayable within 12 months after the reporting date.

(e) IFRS 16 - Sale and leaseback transaction **Effective date
January 01, 2024**

Amendments impact how a seller-lessee accounts for variable lease payments that arise in a sale-and-leaseback transaction. On initial recognition, the seller-lessee includes variable lease payments when it measures a lease liability arising from a sale-and-lease back transaction. After initial recognition, the seller-lessee applies the general requirements for subsequent accounting of the lease liability such that it recognizes no gain or loss relating to the right of use it retains. The amendments introduce a new accounting model for variable payments and will require seller-lessees to reassess and potentially restate sale-and-leaseback transactions entered.

There are number of other standards, amendments and interpretations to the approved accounting standards that are not yet effective and are also not relevant to the Company and therefore, have not been presented here.

Other than the aforesaid amendments, the IASB has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 - First Time Adoption of Financial Reporting Standards
- IFRS 17 - Insurance Contracts

The above amendments are not likely to affect the financial statements of the Company.

4 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.

4.1 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 carrying amount as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the statement of profit or loss account during the year in which they are incurred. 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 5 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.

The assets' residual values, depreciation methods and useful lives are reviewed, and adjusted if appropriate, at each financial year end. The Company's estimate of residual value of property and equipment as at December 31, 2023 did not require any adjustment.

4.2 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.

4.2.1 Membership cards 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.

4.3 Investment property

Investment properties are held for capital appreciation and are measured initially at its cost, including transaction costs.

Subsequent to initial recognition, investment properties are measured at fair value at each reporting date. The changes in fair value are recognized in the statement of profit or loss.

4.4 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.

4.5 Financial instruments

4.5.1. The Company classifies its financial assets in the following three categories:

- (a) Financial assets measured at amortized cost;
- (b) Financial assets measured at fair value through other comprehensive income (FVOCI); and
- (c) Financial assets measured at fair value through profit or loss (FVTPL).

(a) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it is held within business model whose objective is to hold assets to collect contractual cash flows, and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

Such financial assets are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue thereof.

(b) Financial assets at FVOCI

A financial asset is classified as at fair value through other comprehensive income when either:

- (i) It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding; or
- (ii) It is an investment in equity instrument which is designated as at fair value through other comprehensive income in accordance with the irrevocable election available to the Company at

initial recognition. Such financial assets are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue thereof.

(c) Financial assets at FVTPL

A financial asset shall be measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income, as aforesaid.

Such financial assets are initially measured at fair value.

4.5.2 Initial recognition

The Company recognizes an investment when and only when it becomes a party to the contractual provisions of the instrument evidencing investment.

Regular way purchase of investments are recognized using settlement date accounting i.e. on the date on which settlement of the purchase transaction takes place. However, the Company follows trade date accounting for its own (the house) investments. Trade date is the date on which the Company commits to purchase or sell its asset.

Transactions of purchase under resale (reverse-repo) of marketable securities including the securities purchased under margin trading system are entered into at contracted rates for specified periods of time. Amounts paid under these agreements in respect of reverse repurchase transactions are recognized as a receivable. The difference between purchase and resale price is treated as income from reverse repurchase transactions in marketable transactions / margin trading system and accrued on a time proportion basis over the life of the reverse repo agreement.

4.5.3 Subsequent measurement

(a) Financial assets measured at amortized cost

These assets are subsequently measured at amortized cost (determined using the effective interest method) less accumulated impairment losses.

"Interest / markup income, foreign exchange gains and losses and impairment losses arising from such financial assets are recognized in the profit and loss account.

(b) Financial assets at FVOCI

These are subsequently measured at fair value less accumulated impairment losses.

A gain or loss on a financial asset measured at fair value through other comprehensive income is recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognized or reclassified. When the financial asset is derecognized the cumulative gain or loss previously recognized in other

comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment (except for investments in equity instruments which are designated as at fair value through other comprehensive income in whose case the cumulative gain or loss previously recognized in other comprehensive income is not so reclassified). Interest is calculated using the effective interest method and is recognized in profit or loss.

(c) Financial assets at FVTPL

These assets are subsequently measured at fair value.

Net gains or losses arising from remeasurement of such financial assets as well as any interest income accruing thereon are recognized in profit and loss account.

4.5.4 Impairment

Financial assets

The Company applies a three-stage approach to measure allowance for credit losses, using an expected credit loss approach as required under IFRS 9, for financial assets measured at amortized cost. The Company's expected credit loss impairment model reflects the present value of all cash shortfalls related to default events, either over the following twelve months, or over the expected life of a financial instrument, depending on credit deterioration from inception. The allowance / provision for credit losses reflects an unbiased, probability-weighted outcome which considers multiple scenarios based on reasonable and supportable forecasts.

Where there has not been a significant decrease in credit risk since initial recognition of a financial instrument, an amount equal to 12 months expected credit loss is recorded. The expected credit loss is computed using a probability of default occurring over the next 12 months. For those instruments with a remaining maturity of less than 12 months, a probability of default corresponding to the remaining term to maturity is used.

When a financial instrument experiences a significant increase in credit risk subsequent to origination but is not considered to be in default, or when a financial instrument is considered to be in default, expected credit loss is computed based on lifetime expected credit losses.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition, and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue effort or cost. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessments, including forward-looking information.

Forward-looking information includes reasonable and supportable forecasts of future events and economic conditions. These include macro-economic information, which may be reflected through qualitative adjustments or overlays. The estimation and application of forward-looking information may require significant judgment.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. The gross carrying amount of a financial asset is written off when the Company has no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. The Company makes this assessment on an individual asset basis, after consideration of multiple historical and forward-looking factors. Financial assets that are written off may still be subject to enforcement activities in order to comply with the Company's processes and procedures for recovery of amounts due.

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 - defined as the higher of the asset's fair value less costs of disposal and the asset's value-in-use (present value of estimated future cash flows using a pre-tax discount rate that reflects current market assessments of the time value of money and asset-specific risk) - is estimated to determine the extent of the impairment loss.

For the purpose of assessing impairment, assets are grouped into cash-generating units: the lowest levels for which there are separately identifiable cash flows.

4.6 Offsetting of financial assets and financial liabilities

Financial assets and liabilities are off-set and the net amount is reported in the statement of financial position if the Company has a legal 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.

4.7 Trade debts and other receivables

Trade debts and other receivables are stated initially at amortised cost using the effective interest rate method.

Provision is made on the basis of lifetime ECLs that result from all possible default events over the expected life of the trade debts and other receivables. Bad debts are written off when considered irrecoverable.

4.8 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.

4.9 Borrowings

Borrowings are recognized initially at fair value, net of attributable transaction costs incurred. Borrowings are subsequently carried at amortized cost; any difference between the proceeds (net

of transaction costs) and the redemption value is recognized in the statement of profit or loss account over the period of the borrowings using the effective interest method.

4.10 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.

4.11 Staff retirement benefits

The Company did not have any retirement benefits plan.

4.12 Taxation

Income tax expense comprises current and deferred tax.

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 accounted for using the balance sheet liability method in respect of all temporary differences at the reporting date between the tax base and carrying amount of assets and liabilities for financial reporting purposes

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences and carried forward unused tax losses, to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and carried forward unused tax losses can be utilized. Carrying amount of all deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the tax rates that have been enacted or substantially enacted by the reporting date.

Deferred tax is charged or credited in the statement of profit or loss account, 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.

4.13 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past event and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

4.14 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.
- Income / profit on exposure deposits is recognized using the effective interest rate.

4.15 Dividend income

Dividends received from investments measured at fair value through profit or loss and at fair value through other comprehensive income. Dividends are recognized in the statement of profit or loss when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably. This applies even if they are paid out of pre-acquisition profits, unless the dividend clearly represents a recovery of a part of the cost of an investment. In this case, dividend is recognized in other comprehensive income if it relates to an investment measured at fair value through other comprehensive income.

4.16 Mark up / interest income

Mark-up / interest income is recognized on a time proportion basis on the principal amount outstanding and at the rate applicable.

4.17 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.

4.18 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.

4.19 Fiduciary assets

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

4.20 Foreign currency transactions and translation

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.

4.21 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.

4.22 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.

4.23 Settlement Date Accounting

All "Regular Way" Purchases and Sales of financial assets are recognized on settlement date on which the company commits to purchase and sale of financial assets through E-clear. The Company clients and propriety settlement performed by E-clear, because company shifted its category to Trade only and no client balance and share lying with the company. All client balances and share custody shifted to E-clear. Now, all sale and Purchase recognized by E-clear.

MONEY LINE SECURITIES (PVT.) LTD.
Notes to the Financials Statements
For the Period Ended 31 December 2023

5 PROPERTY AND EQUIPMENT

	Dec-23						Total Rupees
	Building	Office Equipment	Computer Equipment	Furniture & Fixtures	Vehicles	Softman	
As at July 1, 2023							
Cost	7,517,894	457,442	1,458,646	529,830	929,000	49,000	10,941,812
Accumulated Depreciation	(3,236,588)	(318,173)	(1,385,099)	(222,149)	(902,524)	-	(6,064,533)
Net book value	4,281,306	139,269	73,547	307,681	26,476	49,000	4,877,279
Movement during the period							
Additions	-	-	44,500	-	-	-	44,500
Disposals							
Cost	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-
Depreciation charge for the period	107,033	6,963	11,032	15,384	2,648	-	143,060
As at June 30, 2024							
Cost	7,517,894	457,442	1,503,146	529,830	929,000	49,000	10,986,312
Accumulated Depreciation	(3,343,621)	(325,136)	(1,396,131)	(237,533)	(905,172)	-	(6,207,593)
Net book value	4,174,273	132,306	107,015	292,297	23,828	49,000	4,778,719
Depreciation rate per annum	5%	10%	30%	10%	20%		

	Jun-23						Total Rupees
	Building	Office Equipment	Computer Equipment	Furniture & Fixtures	Vehicles	Softman	
As at July 1, 2022							
Cost	7,517,894	457,442	1,458,646	529,830	929,000	49,000	10,941,812
Accumulated Depreciation	(3,011,256)	(302,699)	(1,353,579)	(187,962)	(895,905)	-	(5,751,401)
Net book value	4,506,638	154,743	105,067	341,868	33,095	49,000	5,190,411
Movement during the period							
Additions	-	-	-	-	-	-	-
Disposals							
Cost	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-
Depreciation charge for the period	225,332	15,474	31,520	34,187	6,619	-	313,132
As at June 30, 2023							
Cost	7,517,894	457,442	1,458,646	529,830	929,000	49,000	10,941,812
Accumulated Depreciation	(3,236,588)	(318,173)	(1,385,099)	(222,149)	(902,524)	-	(6,064,533)
Net book value	4,281,306	139,269	73,547	307,681	26,476	49,000	4,877,279
Depreciation rate per annum	5%	10%	30%	10%	20%		

MONEY LINE SECURITIES (PVT.) LTD.**Notes to the Financials Statements**

For the Period Ended 31 December 2023

	Note	Dec-2023 (Unaudited) Rupees	Jun-2023 (Audited) Rupees
6 INTANGIBLE ASSETS			
Trading Rights Entitlement Certificate ("TREC") Pakistan Mercantile Exchange Limited	6.1	2,500,000 2,500,000	2,500,000 2,500,000
Impairment		<u>5,000,000</u>	<u>5,000,000</u>
<p>6.1 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.</p> <p>The TREC has been recorded as an indefinite-life intangible asset pursuant to the provisions and requirements of IAS 38. As the TREC is not a commonly tradable instrument, the value approved by the Board of Directors of the Pakistan Stock Exchange Limited ("PSX") post-mutualization was used as the initial value of the intangible. PSX vide notice. PSX/N-225 dated February 16, 2021 have notified the notional fees of a Trading Right Entitlement Certificate which amounts to Rs. 2.5 million.</p>			
7 LONG-TERM DEPOSITS			
Central Depository Company Limited		100,000	100,000
National Clearing Company of Pakistan Limited-Future		-	1,200,000
National Clearing Company of Pakistan Limited- Regular		-	300,000
PMEX membership deposit		1,250,000	1,250,000
		<u>1,350,000</u>	<u>2,850,000</u>
8 TRADE DEBTS			
Considered good	8.1	-	-
Considered doubtful		21,705,960	24,741,734
		<u>21,705,960</u>	<u>24,741,734</u>
Less: Provision for doubtful debts	8.2	(21,705,960)	(24,741,734)
		<u>-</u>	<u>-</u>
<p>8.1 The unsecured trade debts is amounting to Rs: 21,705,960. Allowances for expected credit loss is calculated on the basis of ageing analysis more than 360 days and Unsecured balances which ever is higher.</p> <p>8.2 Movement in provision against trade debts is as under:</p>			
Opening balance (as at start of period)		24,741,734	23,224,594
Add/Less: Allowance for expected credit loss		(3,035,774)	1,517,140
		<u>21,705,960</u>	<u>24,741,734</u>
Less: Amounts written off during the year		-	-
Closing balance (as at period end)		<u>21,705,960</u>	<u>24,741,734</u>
9 LOANS AND ADVANCES			
Advance against land		28,230,000	28,230,000
		<u>28,230,000</u>	<u>28,230,000</u>
10 TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS			
Receivable form Eclear		10,382,424	1,654,896
		<u>10,382,424</u>	<u>1,654,896</u>

	Note	Dec-2023 (Unaudited) Rupees	Jun-2023 (Audited) Rupees	
11 INCOME TAX REFUNDABLE				
Opening balance (as at start of period)		266,051	613,156	
Add: Current year additions		402,765	259,162	
		668,816	872,318	
Less: Adjustment against provision for taxation		-	(606,267)	
Balance at the end of the period		668,816	266,051	
12 SHORT TERM INVESTMENTS				
Investments at fair value through profit or loss		16,366,314	16,660,301	
13 CASH AND BANK BALANCES				
Cash in hand		19,799	11,779	
Cash at bank				
Client Accounts	13.1	8,321	285,279	
House Accounts		1,079,918	1,494,699	
		1,108,038	1,791,756	
13.1 Cash in current accounts includes customers' assets in the amount of PKR 8,321 (2023: 285,279) held in designated bank accounts.				
14 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL				
14.1 Authorized capital				
100,000 (2023: 100,000) ordinary shares of PKR 1,000 each.		100,000,000	100,000,000	
14.2 Issued, subscribed and paid-up share capital				
100,000 (2023: 100,000) ordinary shares of PKR 1,000/- each, issued for cash		100,000,000	100,000,000	
		100,000,000	100,000,000	
14.3 Pattern of Shareholding				
	Number of Shares		Percentage	
	Dec-23	Jun-23	Dec-23	Jun-23
Aftab Mohi Ud Din	9,265	9,265	9%	9%
Dr.Zeeshan Miraj	32,548	32,548	33%	33%
Dr.Khalid Perviaz Saqib	23,735	16,500	24%	17%
Dr.Manzoor qadir	33,000	33,000	33%	33%
Uzma Saleem	1,452	1,452	1%	1%
Saad Bin Aftab	-	7,235	0%	7%
	100,000	100,000	100%	100%
15 TRADE AND OTHER PAYABLES				
Trade creditors		257,857	1,954,018	
Auditors Remuneration Payable		180,775	190,775	
E-Clear Payable		-	-	
Accrued and other payables		1,339,313	110,397	
		1,777,946	2,255,190	
16 PROVISION FOR TAXATION				
Opening balance(as at start of period)		274,839	606,267	
Add/(less): Current period Provision		-	274,839	
		274,839	881,106	
Less: Adjustment against current period advance tax		-	(606,267)	
Balance at the end of the period		274,839	274,839	

	Note	Dec-2023 (Unaudited) Rupees	Jun-2023 (Audited) Rupees
17 SHORT-TERM BORROWINGS			
From:			
Running Finance From MCB	17.1	3,496,470	3,209,211
		<u>3,496,470</u>	<u>3,209,211</u>
<p>17.1 The balance represents the amount drawn down against a total facility of PKR 9 million obtained from MCB Bank Limited. It carries mark-up of 4% per annum + 3-month KIBOR average ask rate.</p>			
18 CONTINGENCIES AND COMMITMENTS			
18.1 There are no contingencies or commitments of the Company as at Dec 31, 2023(2023: Nil).			
19 OPERATING REVENUE			
Brokerage income		8,062,322	5,953,775
Less: Sales tax on services		(1,289,972)	(952,604)
Net Brokerage Commission excluding sales tax on services		<u>6,772,351</u>	<u>5,001,171</u>
Less: Commission Paid		(1,591,896)	(1,234,799)
Net Brokerage Commission		5,180,455	3,766,372
Dividend income		1,051,782	1,475,101
		<u>6,232,237</u>	<u>5,241,473</u>
20 OTHER INCOME / (LOSSES)			
Income from financial assets			
Mark-up on:			
Bank balances		81,476	40,177
RMS exposure		1,618,827	212,467
		<u>1,700,303</u>	<u>252,643</u>
Income from non-financial assets/liabilities			
Miscellaneous income and recoveries		-	266,923
		<u>1,700,303</u>	<u>519,566</u>
21 OPERATING & ADMINISTRATIVE EXPENSES			
Directors' Remuneration		-	2,300,000
Staff salaries, allowances and other benefits		3,528,200	7,840,250
Electricity/ Water/ Gas		496,025	706,991
Communication		111,098	194,035
Other Expenses		384,428	507,738
Provision for / (reversal of provision for) doubtful debts	8.2	(3,035,774)	1,517,140
Auditors' Remuneration	21.1	-	150,000
Stationery/ Printing/ Photocopies/ Office Supplies		31,490	103,795
Regulatory Charges		815,532	1,332,280
Repair and maintenance		4,570	5,900
Rates, Taxes & Cess		163,728	100,344
Legal and Professional Charges		60,000	366,946
Depreciation	5	143,060	313,132
		<u>2,702,357</u>	<u>15,438,551</u>
21.1 Auditor's remuneration			
Statutory audit		-	150,000
Certifications and other charges		-	-
		<u>-</u>	<u>150,000</u>
22 FINANCIAL CHARGES			
Mark-up on interest-bearing loans		221,667	434,582
Bank and other charges		3,277	14,212
		<u>224,944</u>	<u>448,794</u>

Note	Dec-2023 (Unaudited) Rupees	Jun-2023 (Audited) Rupees
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23 INCOME TAX EXPENSES

Current tax expense / (income)		
for the period	-	274,839
prior period	-	-
	<u>-</u>	<u>274,839</u>

The tax provision made in the financial statements is considered sufficient.

24 EARNINGS PER SHARE

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

Profit / (loss) after taxation, attributable to ordinary shareholders	6,744,013	(11,908,337)
Weighted average number of ordinary shares in issue during the year	100,000	100,000
Earnings per share	67.44	(119.08)

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



Chief Executive Officer

