BRIDGE SECURITIES (PVT) LTD

FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

AMIN, MUDASSAR & CO.
Chartered Accountants

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Independent Auditor's Report to the Members of Bridge Securities (Pvt.) Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **Bridge Securities (Pvt.) Limited (the company)**, which comprise the statement of financial position as at June 30, 2024, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2024 and of the loss, total comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the Directors' Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

House No. 8/3, Aziz Avenue, Canal Road,
Gulberg-V, Lahore, Pakistan.
Other Offices: Karachi, Islamabad & Faisalabad

Ph # : +92-42-35717261-62 Fax # : +92-42-35717263
E-mail: amclhr1@brain.net.pk

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business;

d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980); and

e) the company was in compliance with the relevant requirements of Securities Brokers (Licensing and Operations) Regulations, 2016 as at the date on which the statement of financial position was prepared.

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

CHARTERED ACCOUNTANTS

Lahore: 18 SEP 2024

UDIN: AR202410082SoQAjxg34

DIRECTORS' REPORT TO THE SHAREHOLDERS 2024

The Board of Directors is delighted to present Annual report and the Financial Statements of the company for the year ended June 30, 2024.

OPERATING RESULTS

During the year under review, the Revenue Rs. 4,667,204 as compared to last year which was Rs. 2,691,889. The position of appropriation is follows:

	2024 RUPEES	2023 RUPEES
Loss before taxation	(1,341,981)	(15,680,963)
Provision for taxation/levies		
For the year		
• Levies	63,211	122,844
• Tax	539,025	-
Prior year	-	(35,101)
Deferred	7620	(20,736)
Loss for the Year	(1,951,837)	(15,747,970)
Accumulated loss	(32,241,454)	(30,289,617)
Income tax paid	(524,510)	(522,964)
Earnings per share	(3.52)	(28.36)

The remuneration paid to the Chief Executive/Director(s) and variation therein has been disclosed in Note no. 28 to the Financial Statements.

ACKNOWLDEGEMENT

The Board places on record its appreciation of the support of our valued customers. I would like to highlight the hard work put in by the employees of the company.

We are confident they will continue to show more dedication in the days ahead.

BRIDGE SECURITIES (PRIVATE) LIMITED TREC HOLDER PSX CODE 308

Lahore

Chief Executive/Director

Dated: September 18, 2024

Room No. 214, Second Floor, EXCHANGE PLAZA.
19-Khyaban-e-Aiwan-e-Iqbal, Lahore-54000
Tel: (042) 36280884, 36280885, 36280886
URL:www.bspl.com.pk, Email: bridgesecurities110@hotmail.com

BRIDGE SECURITIES (PVT.) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2024

	Note	2024 Rupees	2023 Rupees
ASSETS			
NON CURRENT ASSETS			
Property and equipment	4	147,050	181,722
Intangible assets	5	4,760,000	4,760,000
Long term investments	6	5,611,475	9,006,809
Long term deposits	7	100,000	100,000
		10,618,525	14,048,531
CURRENT ASSETS			
Loans and advances	8	391,000	811,000
Trade deposits, short term prepayments and current account balance with statutory authorities	9	10,995,675	8,825,793
Tax deducted at source/advance income tax	10	285,771	363,497
Markup accrued		301,870	157,691
Cash and bank balances	11	1,110,606	1,210,402
		13,084,922	11,368,383
		23,703,447	25,416,914
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital			
Issued, subscribed and paid up capital	12	55,525,000	55,525,000
Revenue reserve			
Accumulated loss		(32,241,454)	(30,289,617)
		23,283,546	25,235,383
NON CURRENT LIABILITIES			
Deferred taxation	13	7,620	-
CURRENT LIABILITIES			
Deposits, accrued liabilities and advances	14	371,001	181,028
Trade and other payables	15	41,280	503
Provision for taxation	16	-	-
		412,281	181,531
CONTINGENCIES AND COMMITMENTS	17	-	-
		23,703,447	25,416,914

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

CHIEF EXECUTIVE

BRIDGE SECURITIES (PRIVATE) LIMITED
TREC HOLDER PSX CODE 308

DIRECTOR

BRIDGE SECURITIES (PVT.) LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024 Rupees	2023 Rupees (Restated)
Brokerage and commission	18	4,667,204	2,691,889
Direct cost	19	(559,043)	(214,550)
		4,108,161	2,477,339
Operating expenses	20	(5,472,538)	(5,153,679)
Other operating expenses	21	(3,436,614)	(15,493,191)
Other income	22	3,464,951	2,493,813
		(5,444,201)	(18,153,057)
LOSS FROM OPERATIONS		(1,336,040)	(15,675,718)
Finance cost	23	(5,941)	(5,245)
LOSS BEFORE LEVIES AND INCOME TAX		(1,341,981)	(15,680,963)
Levies	24	(63,211)	(122,844)
LOSS BEFORE TAXATION		(1,405,192)	(15,803,807)
Taxation	25	(546,645)	55,837
LOSS FOR THE YEAR		(1,951,837)	(15,747,970)
EARNINGS PER SHARE-BASIC AND DILUTED	26	(3.52)	(28.36)

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

BRIDGE SECURITIES (PRIVATE) LIMITED
TREC HOLDER
PSX
CODE 308

CHIEF EXECUTIVE

DIRECTOR

BRIDGE SECURITIES (PVT.) LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2024

	2024 Rupees	2023 Rupees
Loss for the year	(1,951,837)	(15,747,970)
Items that will not be reclassified subsequently to statement of profit or loss	-	-
Items that may be reclassified subsequently to statement of profit or loss		
Effect of reclassification of long term investments	-	8,667,029
Other comprehensive income for the year	-	8,667,029
Total comprehensive loss for the year	(1,951,837)	(7,080,941)

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

CHIEF EXECUTIVE

BRIDGE SECURITIES (PRIVATE) LIMITED
TREC HOLDER
PSX
CODE 308

DIRECTOR

BRIDGE SECURITIES (PVT.) LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024 Rupees	2023 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before levies and taxation		(1,341,981)	(15,680,963)
Adjustments of Items Not Involving Movements of Cash:			
Depreciation	4	34,672	40,354
Balances written back		(503)	-
Dividend income		(421,405)	(421,987)
Interest income		(3,043,043)	(1,668,228)
Unrealized loss		3,395,334	15,493,191
		(34,945)	13,443,330
Operating Cash Flows Before Working Capital Changes		(1,376,926)	(2,237,633)
(Increase) / Decrease In Working Capital			
(Increase) / decrease in current assets			
Trade debts		-	-
Loans and advances		420,000	104,000
Trade deposits and short term prepayments		(2,169,882)	425,170
Increase / (decrease) in current liabilities			
Accrued liabilities		189,973	(24,348)
Trade and other payables		41,280	(84,849)
		(1,518,629)	419,973
Cash used in operations		(2,895,555)	(1,817,660)
Taxes/ levies paid		(524,510)	(522,964)
Dividend received		421,405	421,987
Interest received		2,898,864	1,569,062
Net Cash Used in Operations		(99,796)	(349,575)
CASH FLOWS FROM INVESTING ACTIVITIES			
Receipts against long term advances		-	3,628,500
Net Cash Generated From Investing Activities		-	3,628,500
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term loan repaid		-	(3,450,000)
Net Cash Used In Financing Activities		-	(3,450,000)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		(99,796)	(171,075)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		1,210,402	1,381,477
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	A	1,110,606	1,210,402
A Cash and Cash Equivalents			
Cash and bank balances	11	1,110,606	1,210,402

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

BRIDGE SECURITIES (PRIVATE) LIMITED
TREC HOLDER
PSX
CODE 308

CHIEF EXECUTIVE

DIRECTOR

BRIDGE SECURITIES (PVT.) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2024

	Paid up share capital	Accumulated loss	Fair value adjustment reserve	Sub Total	Long term loan	Total
	--------- (Rupees) ---------					
Balance as at June 30, 2022	55,525,000	(14,541,647)	(8,667,029)	32,316,324	3,450,000	35,766,324
Long term loan repaid during the year	-	-	-	-	(3,450,000)	(3,450,000)
Loss after taxation	-	(15,747,970)	-	(15,747,970)	-	(15,747,970)
Other comprehensive income	-	-	8,667,029	8,667,029	-	8,667,029
Total comprehensive loss for the year	-	(15,747,970)	8,667,029	(7,080,941)	-	(7,080,941)
Balance as at June 30, 2023	55,525,000	(30,289,617)	-	25,235,383	-	25,235,383
Loss after taxation	-	(1,951,837)	-	(1,951,837)	-	(1,951,837)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive loss for the year	-	(1,951,837)	-	(1,951,837)	-	(1,951,837)
Balance as at June 30, 2024	55,525,000	(32,241,454)	-	23,283,546	-	23,283,546

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

CHIEF EXECUTIVE

BRIDGE SECURITIES (PRIVATE) LIMITED
TREC HOLDER PSX CODE 308

DIRECTOR

BRIDGE SECURITIES (PVT.) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

1 COMPANY AND ITS OPERATION

1.1 Bridge Securities (Pvt) Limited (The Company) is limited by shares incorporated in Pakistan on 7th April, 2006 under the repealed Companies Ordinance, 1984. The registered office of the company is situated at Room # 214, 2nd Floor, Pakistan Stock Exchange Building, Lahore. The principal activity of the company is to carry on the business of shares, brokerage, underwriting, investment and portfolio management.

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

2 BASIS OF PREPARATION

2.1 STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standard for Small and Medium Sized Entities (IFRS for SMEs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and

- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS for SMEs, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 BASIS OF MEASUREMENT

These financial statements have been prepared under the historical cost convention except as disclosed in the accounting policy notes.

2.3 FUNCTIONAL AND PRESENTATION CURRENCY

The financial statements are presented in Pakistani Rupee, which is the company's functional and presentation currency.

2.4 JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

Judgments and estimates made by management that may have a significant risk of material adjustments to the financial statements in subsequent years are as follows:

- Useful lives, residual values and depreciation method of property and equipment
- Useful lives, residual values and amortization method of intangible assets
- Provision for doubtful account receivables
- Impairment loss of non-financial assets other than inventories
- Estimation of provisions
- Estimation of contingent liabilities
- Current income tax expense, provision for current tax and recognition of deferred tax asset

3 MATERIAL ACCOUNTING POLICY INFORMATION

3.1 PROPERTY AND EQUIPMENT

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

Depreciation is charged on reducing balance method at the rates mentioned in the relevant notes to the financial statements. Depreciation on additions is charged for the day in which an asset is ready to use while no depreciation is charged for the day in which an asset is disposed off. Normal repair and maintenance is charged to revenue as and when incurred, while major renewals and replacements are capitalized.The useful lives, residual values and depreciation method are reviewed on a regular basis. The effect of any changes in estimate is accounted for on a prospective basis.

Gain or loss on disposal of property and equipment, if any is taken to profit or loss.

3.2 INTANGIBLE ASSETS

Intangible assets with finite useful life are stated at cost less amortization and impairment, if any. The carrying amount is reviewed at each reporting date to assess whether it is in excess of its recoverable amount, and where carrying value exceeds estimated recoverable amount, it is written down to estimated recoverable amount. The useful lives, residual values and amortization method are reviewed on a regular basis. The effect of any changes in estimate accounted for on a prospective basis.

3.2. Membership card and offices

This is stated at cost less impairment, if any. The carrying amount is reviewed at each reporting date to assess whether it is in excess of its recoverable amount, and where the carrying value exceeds estimated recoverable amount, it is written down to its estimated recoverable amount.

3.2. Computer Software

Expenditure incurred to acquire identifiable computer software and having probable economic benefits exceeding the cost beyond one year, is recognized as an intangible asset. Such expenditure includes the purchase cost of software (license fee) and related overhead cost.

Costs associated with maintaining computer software programs are recognized as an expense when incurred.

Costs which enhance or extend the performance of computer software beyond its original specification and useful life is recognized as capital improvement and added to the original cost of the software.

Computer software and license costs are stated at cost less accumulated amortization and any identified impairment loss and amortized through straight line method.

Amortization is charged when asset is available for use until asset is disposed off.

3.3 METHOD OF PREPARATION OF CASH FLOW STATEMENT

The cash flow statement is prepared using indirect method.

3.4 FINANCIAL ASSETS

Financial assets are initially measured at cost and subsequently classified at fair value through profit or loss or at amortized cost. Management determines the classification of its financial assets at initial recognition.

3.5 FINANCIAL LIABILITIES

Financial liabilities are initially measured at cost, which is the fair value, of the consideration given and subsequently carried at amortized cost using effective interest rate method.

3.6 OFF-SETTING OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

A financial asset and a financial liability is offset and the net amount is reported in the financial statements if the Company has a legally enforceable right to set-off the transaction and also intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

3.7 TRADE DEBTS AND OTHER RECEIVABLES

Trade and other receivables are recognised and carried at transaction price less an allowance for impairment.
A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is recognised in the statement of profit or loss. Bad debts are written-off in the statement of profit or loss on identification.

The allowance for doubtful debts of the Company is based on the ageing analysis and management's continuous evaluation of the recoverability of the outstanding receivables. In assessing the ultimate realisation of these receivables, management considers, among other factors, the credit worthiness and the past collection history of each customer.

3.8 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise of cash balances and call deposits. For the purpose of statement of cash flows; cash and cash equivalents comprise cash in hand, bank balances and running finances.

3.9 BORROWINGS

Loans are measured at amortised cost using the effective interest method. Interest expense is recognised on the basis of the effective interest method and is included in finance costs.

In case the loan is interest-free or carries interest below the prevalent market rate, it is initially recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. The difference between the discounted present value and actual receipt is recognised as finance income. Subsequently, the interest-free loan is measured at amortized cost, using the effective Interest rate method, this involves unwinding of discount, such that at the repayment date, the carrying value of obligation equals the amount to be repaid. The unwinding of discount is included in finance costs in the statement of profit or loss.

3.10 TAXATION

Current

The charge for current taxation is based on the taxable income for the year, determined in accordance with the prevailing law for taxation on income, using prevailing tax rates after taking into account tax credits and rebates available, if any. Current tax assets and tax liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability.

Deferred

Deferred tax is recognised using liability method, providing for temporary difference between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using the tax rates enacted or substantively enacted at the reporting date.

The Company recognises a deferred tax asset to the extent that it is probable that taxable profits for the foreseeable future will be available against which the assets can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Levies

Tax charged under Income Tax Ordinance, 2001 which is not based on taxable income or any amount paid / payable in excess of the calculation based on taxable income or any minimum tax which is not adjustable against future income tax liability is classified as levy in the statement of profit or loss and other comprehensive income.

3.11 TRADE AND OTHER PAYABLES

Trade and other payables are recognised initially at cost, which is the fair value of the consideration to be paid, in the future for goods and services received and subsequently measured at amortized cost.

3.12 PROVISIONS

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value using a pre-tax discount rate. The unwinding of the discount is recognised as finance cost in the statement of profit or loss.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

As the actual outflows can differ from estimates made for provisions due to changes in laws, regulations, public expectations, technology, prices and conditions, and can take place many years in the future, the carrying amounts of provisions are reviewed at each reporting date and adjusted to take account of such changes. Any adjustments to the amount of previously recognised provision is recognised in the statement of profit or loss unless the provision was originally recognised as part of cost of an asset.

3.13 CONTINGENT LIABILITIES

A contingent liability is disclosed when the Company has a possible obligation as a result of past events, whose existence will be confirmed only by the occurrence or non-occurrence, of one or more uncertain future events not wholly within the control of the Company; or the Company has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

3.14 FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION

Transactions denominated in foreign currencies are translated to Pakistan Rupees at the exchanges rate ruling at the date of transaction.

Monetary assets and liabilities in foreign currencies at reporting date are translated into Pakistan Rupees at exchange rates ruling on that date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

3.15 IMPAIRMENT OF NON-FINANCIAL ASSETS

The assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. If there is an indication of possible impairment, the recoverable amount of the asset is estimated and compared with its carrying amount.

An impairment loss is recognized if the carrying amount of an asset exceeds its estimated recoverable amount. The impairment loss is recognised in the statement of profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

An impairment loss is reversed only to the extent that the asset carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. The Company recognises the reversal immediately in the statement of profit or loss, unless the asset is carried at a revalued amount in accordance with the revaluation model. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

3.16 REVENUE RECOGNITION

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

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

3.17 BASIC AND DILUTED EARNINGS PER SHARE

The Company presents basic and diluted earnings per share (EPS) for its shareholders. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, if any.

3.18 RELATED PARTY TRANSACTIONS

Transactions and contracts with the related parties are carried out at an arm's length price determined in accordance with comparable uncontrolled price method except reason disclosed in relevant note to the financial statements, if any. Transactions with related parties have been disclosed in the relevant notes to the financial statements.

3.19 TRADE DATE ACCOUNTING

All "regular way" purchases and sales of financial assets are recognized on the trade date, i.e. the date on which the Company commits to purchase or sell an asset. Regular way purchases or sales of financial assets are those, the contract for which requires delivery of assets within the time frame generally established by regulation or convention in the market.

3.20 RESTATEMENT

During the year the Institute of Chartered Accountant of Pakistan (ICAP) have withdrawn the Technical Release 27 and issued guidance - "Application Guidance on Accounting for Minimum Taxes and Final Taxes". The said guidance requires certain amounts of tax paid under minimum tax (which is not adjustable against future income tax liability) and final tax regime to be shown separately as a levy instead of showing it in current tax.

Accordingly, the impact has been incorporated in these financial statements retrospectively in accordance with the requirement ofapplicable reporting framework. There has been no effect on the statement of financial position, the statement of changes in equity, the statement of cash flows and earning per share as a result of this change except the following effect on statement of profit or loss:

	2024			2023		
	Had there been no change in accounting policy	**Impact of change in accounting policy**	**After incorpating the effects of change in accounting policy**	**Had there been no change in accounting policy**	**Impact of change in accounting policy**	**After incorporating effects of change in accounting policy**
Effect on statement of profit or loss						
Loss before taxation	(1,341,981)	(63,211)	(1,405,192)	(15,680,963)	(122,844)	(15,803,807)
Levies	-	(63,211)	(63,211)	-	(122,844)	(122,844)
Income tax expense	(609,856)	63,211	(546,645)	(67,007)	122,844	55,837

4 PROPERTY AND EQUIPMENT

Particulars	Cost			Accumulated Depreciation				W.D.V.
	As at June 30, 2023	Additions	As at June 30, 2024	Rate %	As at June 30, 2023	Charge for the year	As at June 30, 2024	As at June 30, 2024
	------------- R u p e e s -----------				------------- R u p e e s -----------			
OWNED								
Furniture and fittings	19,500	-	19,500	10	14,545	496	15,041	4,459
Office equipments	198,394	-	198,394	10	123,804	7,459	131,263	67,131
Vehicle	42,200	-	42,200	10	22,522	1,968	24,490	17,710
Mobile phones	36,400	-	36,400	30	17,409	5,697	23,106	13,294
Computers	466,675	-	466,675	30	403,167	19,052	422,219	44,456
	763,169	**-**	**763,169**		**581,447**	**34,672**	**616,119**	**147,050**

Particulars	Cost			Accumulated Depreciation				W.D.V.
	As at June 30, 2022	Additions	As at June 30, 2023	Rate %	As at June 30, 2022	Charge for the year	As at June 30, 2023	As at June 30, 2023
	------------- R u p e e s -----------				------------- R u p e e s -----------			
OWNED								
Furniture and fittings	19,500	-	19,500	10	13,994	551	14,545	4,955
Office equipments	198,394	-	198,394	10	115,516	8,288	123,804	74,590
Vehicle	42,200	-	42,200	10	20,335	2,187	22,522	19,678
Mobile phones	36,400	-	36,400	10	15,299	2,110	17,409	18,991
Computers	466,675	-	466,675	20	375,949	27,218	403,167	63,508
	763,169	**-**	**763,169**		**541,093**	**40,354**	**581,447**	**181,722**

	Note	2024 Rupees	2023 Rupees
4.1 Allocation of Depreciation:			
Operating expenses	20	34,672	40,354

		Note	2024 Rupees	2023 Rupees
5	**INTANGIBLE ASSETS**			
	Rights of room		2,260,000	2,260,000
	Trading right entitlement certificate (TREC)	5.1	2,500,000	2,500,000
			4,760,000	4,760,000

5.1 It represents Trading Right Entitlement Certificate (TREC) received from the Pakistan Stock Exchange Limited without any additional payment, in lieu of TREC issued by the Lahore Stock Exchange Limited, surrendered on, January 10, 2016 on the consequence of Scheme(s) of Integration approved by the Securities and Exchange Commission of Pakistan vide Order No. 01/2016 dated January 11, 2016 under regulation 6 (8) of the Stock Exchange (Corporatization, Demutualization and Integration) Regulations, 2012. This is carried at cost less accumulated impairment.

		Note	2024 Rupees	2023 Rupees
6	**LONG TERM INVESTMENT**			
	Quoted - Shares of LSE Ventures Limited and LSE Capital Limited			
	Investment at fair value through profit or loss			
	Cost as at July 01,		24,500,000	24,500,000
	Fair value adjustment	6.1	(18,888,525)	(15,493,191)
			5,611,475	9,006,809

		2024	2023
6.1	**Movement in fair value**		
	Opening balance	(15,493,191)	-
	Unrealized loss for the year	(3,395,334)	(15,493,191)
		(18,888,525)	(15,493,191)

6.1 During the year, the company has received shares of LSE Capital Limited (LSECL) against shares of LSE Proptech Limited (LSEPL) under the scheme of arrangement as sanctioned by th eLahore High Court vide its order dated April 3, 2024 and as per swap ratio disclosed in the aforesaid scheme, the shareholders of LSEPL have been allotted 0.83 share of LSECL against each 1 share of LSEPL. The breakup of respective holding is as below:

	Total No. of shares	Total Rupees	Pledge Rupees
LSE Capital Limited	245,294	765,317	-
LSE Venture Limited	842,810	4,846,158	-
	1,088,104	5,611,475	-

		Note	2024 Rupees	2023 Rupees
7	**LONG TERM DEPOSITS**			
	Deposits with:			
	Central Depository Company of Pakistan Ltd.		100,000	100,000
			100,000	100,000

		Note	2024 Rupees	2023 Rupees
8	**LOANS AND ADVANCES**			
	Un-secured but considered good			
	Advances to:			
	Director	8.1	-	450,000
	Employees		391,000	361,000
			391,000	811,000

		2024 Rupees	2023 Rupees
8.1	**Advances to Director - Mr. Fayaz Haider**		
	Balance as at July 01,	450,000	500,000
	Disbursed during the year	-	-
	Recovered during the year	(450,000)	(50,000)
		-	450,000

8.2 This represented short term advance obtained by the director of the company. As per terms of repayment of the advance, it has been settled on demand of the company.

		Note	2024 Rupees	2023 Rupees
9	**TRADE DEPOSITS, SHORT TERM PREPAYMENTS AND CURRENT ACCOUNT BALANCE WITH STATUTORY AUTHORITIES**			
	Deposits with:			
	Eclear Services Limited	9.1	10,995,675	8,818,293
	Prepaid expenses		-	7,500
			10,995,675	8,825,793

9.1 This carries profit ranging from 10% to 15%.

		2024 Rupees	2023 Rupees
10	**TAX DEDUCTED AT SOURCE/ADVANCE INCOME TAX**		
	Opening balance	363,497	95,244
	Deducted during the year		
	Income taxes	461,299	268,253
	Levies	63,211	122,844
		524,510	391,097
	Adjustment made during the year		
	Income taxes	(539,025)	-
	Levies	(63,211)	(122,844)
		(602,236)	(122,844)
		285,771	363,497

		2024 Rupees	2023 Rupees
11	**CASH AND BANK BALANCES**		
	These were held as under:		
	Cash in hand	-	-
	Cash at bank:		
	Current accounts		
	Pertaining to brokerage house	1,099,641	1,188,686
	Pertaining to clients	10,965	21,716
		1,110,606	1,210,402
		1,110,606	1,210,402

		Note	2024 Rupees	2023 Rupees
12	SHARE CAPITAL			
	Authorized			
	3,000,000 (2023: 3,000,000) ordinary shares of Rs.100 each		300,000,000	300,000,000
	Issued, subscribed and paid up			
	555,250 (2023: 555,250) ordinary shares of Rs.100 each fully paid in cash		55,525,000	55,525,000

12.1 Pattern of Shareholding:

Categories of shareholders	% age of Shares Held		Number of Shares Held	
	2024	2023	2024	2023
Individual				
Mr. Amjad Yaqoob - CEO	32.78%	32.78%	182,000	182,000
Mr. Fayaz Haider - Director	67.22%	67.22%	373,250	373,250
	100%	100%	555,250	555,250

12.2 There is no variation in the voting rights of shareholders.

		Note	2024 Rupees	2023 Rupees
13	DEFERRED TAXATION			
	Deferred credits/(debits) arising due to:			
	Accelerated tax depreciation		18,263	21,443
	Unrealized loss on long term investments		(1,888,853)	(1,936,649)
	Taxable losses		-	(36,566)
	Provision for provincial workers' welfare fund		(10,643)	-
	Minimum taxes paid		-	(59,546)
	Deferred tax asset not recognised		1,888,853	2,011,318
			7,620	-
	Balance as at July 01,		-	20,736
	Add: Charge/(reversal) during the year in profit or loss		7,620	(20,736)
			7,620	-

13.1 At the year end, deferred tax asset has not recognized in these financial statements being prudent in respect of unrealized loss on long term investments amounting Rs.1.89 million. Management is of the view that recognition of deferred tax asset shall be reassessed as at June 30, 2025.

		Note	2024 Rupees	2023 Rupees
14	DEPOSITS, ACCRUED LIABILITIES AND ADVANCES			
	Accrued expenses		371,001	181,028
15	TRADE AND OTHER PAYABLES			
	Creditors for sale of shares on behalf of clients		-	503
	Provincial workers' welfare fund payable		41,280	-
			41,280	503

		Note	2024 Rupees	2023 Rupees
16	**PROVISION FOR TAXATION**			
	Opening balance		-	-
	Provision for the year in respect of income taxes and levies	25.1	602,236	122,844
			602,236	122,844
	Adjusted during the year		(602,236)	(122,844)
			-	-

17 CONTINGENCIES AND COMMITMENTS

18.1 The Trustees of LSE MCF Trust and LSE TCF Trust have given guarantee amounting Rs. 8.00 million to Pakistan Stock Exchange (PSX) on behalf of the company for meeting the Base Minimum Capital requirements.

18.2 Commitments in respect of capital expenditures as at the date of reporting were Rs. nil (2023: Rs.Nil).

		Note	2024 Rupees	2023 Rupees
18	**BROKERAGE AND COMMISSION**			
	Retail customers		5,413,956	3,122,593
	Less: Sales tax		(746,753)	(430,704)
			4,667,204	2,691,889
19	**DIRECT COST**			
	Charges paid to/against:			
	Pakistan Stock Exchange Limited		341,974	58,777
	National Clearing Company of Pakistan Limited		-	1,083
	Eclear Services Limited		217,069	137,097
	Central Depository Company of Pakistan Limited		-	17,593
			559,043	214,550
20	**OPERATING EXPENSES**			
	Director's remuneration		1,200,000	1,800,000
	Staff salaries and benefits		1,875,000	1,634,000
	Rent, rates and taxes		39,179	38,835
	Communication expenses		124,474	111,910
	Electricity charges		232,499	159,509
	Postage and courier charges		360	3,371
	Printing and stationery		11,820	14,585
	Repair and maintenance		247,910	180,010
	Legal and professional charges	20.1	172,208	141,166
	Fee and subscription		153,750	141,760
	Insurance		1,475	1,477
	Travelling and conveyance		960,874	633,080
	Entertainment		184,331	162,972
	Donation		200,000	54,000
	Depreciation	4	34,672	40,354
	Miscellaneous expenses		33,986	36,650
			5,472,538	5,153,679

20.1 **Auditor's remuneration**

The audit fee and remuneration for other services included in the financial statements is as follows:

		Note	2024 Rupees	2023 Rupees
	Amin, Mudassar & Co. Chartered Accountants			
	Audit Services			
	Statutory audit		96,000	80,000
	Non-Audit Services			
	Certification fee for regulatory purposes		12,500	12,500
			108,500	92,500
21	**OTHER OPERATING EXPENSES**			
	Punjab workers welfare fund		41,280	-
	Unrealized loss on long term investments		3,395,334	15,493,191
			3,436,614	15,493,191

		Note	2024 Rupees	2023 Rupees
22	OTHER INCOME			
	Income from financial assets			
	Dividend income		421,405	421,987
	Interest income		3,043,043	1,668,228
	Income from assets other than financial assets			
	Other income		-	403,598
	Balances written back		503	-
			3,464,951	2,493,813
23	FINANCE COST			
	Bank charges		5,941	5,245

		2024 Rupees	2023 Rupees (Restated)
24	LEVIES		
	Minimium tax	-	59,546
	Final tax	63,211	63,298
		63,211	122,844

26.1 This represents portion of taxes (classified as levies in these financial statements) paid under the provision of Income Tax Ordinance, 2001.

		Note	2024 Rupees	2023 Rupees (Restated)
25	TAXATION			
	Income tax:			
	-Current		539,025	-
	-Prior year		-	(35,101)
	-Deferred	13	7,620	(20,736)
			546,645	(55,837)

25.1 Reconciliation between current tax charged under applicable income tax law and its categorization as 'Income Tax' and 'levies' is as follows:

	Note	2024 Rupees	2023 Rupees (Restated)
Classified as:			
Income tax	25	539,025	-
Levies	24	63,211	122,844
		602,236	122,844
Deferred tax	25	7,620	(20,736)
		609,856	102,108

25.2 Reconciliation between tax expense (inculding levies) and accounting profit/(loss)

	Note	2024 Rupees	2023 Rupees
loss before taxation and levies		(1,341,981)	-
Tax at applicable rate		(389,174)	-
Tax effect of income under final tax regime		953,795	-
Tax on income under final tax regime		63,211	-
Tax effect of non-deductible expenses		75,879	-
Tax effect of deductible expenses		(5,363)	-
Adjustment of taxable losses		(36,566)	-
Adjustment of tax credits		(59,546)	-
Deferred taxation		7,620	-
Total Of Levies and Income Tax	25.1	609,856	-

25.3 No numeric tax rate reconciliation is presented for the previous year in these financial statements as the company was either liable to pay tax under final tax regime or minimum tax regime of the Income Tax Ordinance, 2001.

	2024 Rupees	2023 Rupees
26 EARNINGS PER SHARE- BASIC AND DILUTED		
Loss for the year-Rupees	(1,951,837)	(15,747,970)
Weighted average number of ordinary shares outstanding during the year-Numbers	555,250	555,250
Earnings per share-Rupees	(3.52)	(28.36)

27 NUMBER OF EMPLOYEES

	2,024	2,023
	(Number)	
Total number of employees at the end of year	3	3
Average number of employees during the year	3	3

28 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amount charged in the financial statements for the year for remuneration, including certain benefits to the Chief Executives, Directors and Executives of the company is as follows:

	2024		
	Chief Executive	Director	Executive
	------------ Rupees ----------		
Managerial remuneration	-	1,200,000	-
Number of persons	1	1	-

	2023		
	Chief Executive	Director	Executive
	------------ Rupees ----------		
Managerial remuneration	-	1,200,000	-
Number of persons	-	1	-

29 FINANCIAL INSTRUMENTS BY CATEGORY

	2024 Rupees	2023 Rupees
Financial assets and financial liabilities		
Financial assets		
Fair value through profit or loss		
Long term investments	5,611,475	9,006,809
Amortized cost		
Long term deposits	100,000	100,000
Loans and advances	-	450,000
Trade deposits and other receivables	10,995,675	8,818,293
Markup accrued	301,870	157,691
Cash and bank balances	1,110,606	1,210,402
	12,508,151	10,736,386
Financial liabilities		
At amortized cost		
Deposits, accrued liabilities and advances	371,001	181,028
Trade and other payables	-	503
	371,001	181,531

30 CORRESPONDING FIGURES

The corresponding figures have been rearranged and reclassified, wherever considered necessary, for the purposes of comparison and better presentation. However, there is no major reclassification to report except as disclosed in note 3.20 to the financial statements.

31 GENERAL

Figures have been rounded off to the nearest of rupee.

32 DATE OF AUTHORISATION FOR ISSUE

18 SEP 2024

These financial statements were authorized for issue on ____________ by the Board of Directors of the Company.

BRIDGE SECURITIES (PRIVATE) LIMITED
TREC HOLDER
PSX
CODE 308

CHIEF EXECUTIVE

DIRECTOR