

BACKERS & PARTNERS (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT DEC 31, 2025

	Note	Dec 2025 Rupees	Jun 2025 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	5	10,682,118	11,035,128
Intangible assets	6	3,097,629	3,097,629
Long term investment	7	13,608,007	11,164,079
Long term deposits	8	16,960,000	15,360,000
Deferred taxation	19	11,783,486	11,783,486
		<u>56,131,240</u>	<u>52,440,322</u>
CURRENT ASSETS			
Trade debts	9	61,152,568	51,135,747
Receivable against margin financing	10	138,920,838	121,521,261
Loan and advances	11	740,457	797,253
Accrued interest	12	-	-
Investment at fair value through profit or loss	13	563,553	90,171
Income tax refundable/tax deducted at source	14	2,485,453	-
Trade deposits, short term prepayments and current account balances with statutory authorities	15	93,192,128	150,492,128
Cash and bank balances	16	75,100,914	158,779,943
		<u>372,155,911</u>	<u>482,816,502</u>
		<u>428,287,151</u>	<u>535,256,824</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital	17	51,000,000	51,000,000
Revenue reserve			
Un-appropriated profit/(accumulated loss)		71,004,091	37,569,789
		<u>122,004,091</u>	<u>88,569,789</u>
Long term loans from related parties	18	226,000,000	226,000,000
		<u>348,004,091</u>	<u>314,569,789</u>
NON-CURRENT LIABILITIES			
Deferred liabilities	19	-	-
Gratuity payable	20	1,660,000	1,660,000
		<u>1,660,000</u>	<u>1,660,000</u>
CURRENT LIABILITIES			
Deposits, accrued liabilities and advances	21	5,079,697	8,242,106
Trade and other payables	22	71,424,833	199,801,395
Provident fund payable	23	2,118,530	1,083,607
Provision for taxation	24	-	9,899,927
		<u>78,623,060</u>	<u>219,027,035</u>
CONTINGENCIES AND COMMITMENTS			
	25	-	-
		<u>428,287,151</u>	<u>535,256,824</u>

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

CHIEF EXECUTIVE



Alfred Maceem.
DIRECTOR

BACKERS & PARTNERS (PRIVATE) LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DEC 31, 2025

	Dec 2025 Rupees	Jun 2025 Rupees
Profit/(loss) for the year	33,434,302	62,195,761
Items that may be reclassified subsequently to statement of profit or loss		
Items that will not be reclassified subsequently to statement of profit or loss		
Acturial losses on defined benefit liability		(241,779)
Less: Deferred tax thereon		70,116
Other comprehensive loss for the year	-	(171,663)
Total comprehensive income/(loss) for the year	33,434,302	62,024,098

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

CHIEF EXECUTIVE



Alvin Alexander

DIRECTOR

BACKERS & PARTNERS (PRIVATE) LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DEC 31, 2025

	Dec 2025 Rupees	Jun 2025 Rupees
Profit/(loss) for the year	33,434,302	62,195,761
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Items that will not be reclassified subsequently to statement of profit or loss		
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Total comprehensive income/(loss) for the year	33,434,302	62,024,098

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

CHIEF EXECUTIVE



Alvin Alvin

DIRECTOR

BACKERS & PARTNERS (PRIVATE) LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DEC 31, 2025

	Note	Dec 2025 Rupees	Jun 2025 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(loss) before taxation and levies		33,434,302	68,363,914
Adjustments for non cash items:			
Depreciation	5	1,031,010	2,078,470
Gain on remeasurement of investment at fair value		(473,381)	(15,755)
Interest income		(19,779,533)	(47,449,623)
Dividend income		(844,085)	(1,397,323)
Unrealized (gain)/loss on long term investments		(2,443,928)	(5,552,603)
Provision for gratuity		-	914,174
Provision for doubtful debts		5,731,020	1,361,209
Short term lease expenses		-	1,547,340
Balances written off		-	154,958
		<u>(16,778,897)</u>	<u>(48,359,152)</u>
Operating Cash Flows Before Working Capital Changes		16,655,405	20,004,762
(Increase)/ Decrease in Working Capital			
(Increase)/ decrease in current assets			
Trade debts		(15,747,841)	17,837,733
Receivable against margin financing		(17,399,577)	(101,212,042)
Receivable against marginal trading		-	-
Loans and advances		56,796	493,191
Trade deposits and short term prepayments		57,300,000	(82,126,722)
Increase / (decrease) in current liabilities			
Deposits, accrued liabilities and advances		(3,162,409)	898,257
Provident fund payable		1,034,923	561,421
Trade and other payables		(128,376,562)	127,876,291
		<u>(106,294,670)</u>	<u>(35,671,871)</u>
Cash (Used In)/Generated From Operations		(89,639,265)	(15,667,109)
Taxes paid		(2,485,454)	(5,365,333)
Refunds received during the year		-	-
Interest received		19,779,533	47,449,623
Dividend received		844,085	1,397,323
Gratuity paid		-	-
Short term lease payments		-	(1,547,340)
		<u>18,138,164</u>	<u>41,934,273</u>
Net Cash Generated From Operations		(71,501,101)	26,267,164
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(678,000)	(5,117,805)
Long term deposits made during the year		(1,600,000)	(5,410,000)
Net Cash Used In Investing Activities		(2,278,000)	(10,527,805)
CASH FLOWS FROM FINANCING ACTIVITIES			
Loan received during the year		-	50,000,000
Net Cash Generated From Financing Activities		-	50,000,000
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(73,779,101)	65,739,359
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		158,779,943	93,040,584
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	A	85,000,842	158,779,943
A - Cash and Cash Equivalents			
Cash and bank balances	16	75,100,914	158,779,943
		<u>75,100,914</u>	<u>158,779,943</u>

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

CHIEF EXECUTIVE



Abul Kalam

DIRECTOR

BACKERS & PARTNERS (PRIVATE) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DEC 31, 2025

	Issued subscribed and paid up Capital	Un- appropriated profit	Sub Total	Long term loans	Total
	----- (R u p e e s) -----				
Balance as at June 30, 2024	51,000,000	(24,454,309)	26,545,691	176,000,000	202,545,691
Long term loan received during the year	-	-	-	50,000,000	50,000,000
Loss after taxation	-	62,195,761	62,195,761	-	62,195,761
Other comprehensive loss	-	(171,663)	(171,663)	-	(171,663)
Total comprehensive loss for the year	-	62,024,098	62,024,098	-	62,024,098
Balance as at June 30, 2025	51,000,000	37,569,789	88,569,789	226,000,000	314,569,789
Profit after taxation	-	33,434,302	33,434,302	-	33,434,302
Other comprehensive loss	-	-	-	-	-
Total comprehensive income for the year	-	33,434,302	33,434,302	-	33,434,302
Balance as at June 30, 2025	51,000,000	71,004,091	122,004,091	226,000,000	348,004,091

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

CHIEF EXECUTIVE



Alfred Mawema

DIRECTOR

BACKERS & PARTNERS (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

1 COMPANY AND ITS OPERATION

- 1.1** Backers & Partners (Pvt.) Limited (the Company), was incorporated in Pakistan on August 11, 2014 under the Companies Ordinance, 1984 (now the Companies Act, 2017) as a private company limited by shares. The registered office of the Company is situated at 97 A/D -1, Basement PEC Building, Liberty Market, Gulberg III, Lahore. The Company is a Trading Right Entitlement Certificate holder of the Pakistan Stock Exchange Limited and engaged in providing brokerage services.

The company is Trading Right Entitlement Certificate (TREC) Holder of Pakistan Stock Exchange and has also holds membership of Pakistan Merchantile Exchange Limited. The Principle activity of the Company is financial consultancy, brokerage, underwriting, portfolio management/acquisition of securities and securities research.

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 Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFASs) issued by the Institute of Chartered Accountants of Pakistan 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 IFRSs or IFASs, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 ACCOUNTING CONVENTION

These financial statements have been prepared under the historical cost convention except as stated hereafter in the relevant accounting policies. Further accrual basis of accounting is followed in the preparation of these financial statements except for cash flow information.

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, depreciation methods and residual values of property and equipment
- Useful lives, amortisation methods and residual values of intangible assets
- Provision for doubtful account receivables/ECLs
- Contingencies
- Provision for current and deferred taxation

3 CHANGE IN ACCOUNTING STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING AND REPORTING STANDARDS:

3.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30,

The following standards, amendments and interpretations are effective for the year. These standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

	<u>Effective from accounting period beginning on or after:</u>
Amendments to IFRS 16 'Leases' - Clarification on how seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current along with Non-current liabilities with Covenants	January 01, 2024
Amendments to IAS 7 'Statement of Cash Flows' and 'IFRS 7 'Financial Instruments: Disclosures' - Supplier Finance Arrangements	January 01, 2024

3.2 New accounting standards, amendments and interpretations that are either not yet effective or relevant to the company

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

	<u>Effective date (annual periods beginning on or after)</u>
Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Clarification on how entity accounts when there is long term lack of Exchangeability	January 01, 2025
IFRS 17 - Insurance Contracts (including the June 2020 and December 2021 Amendments to IFRS 17)	January 1, 2026
Amendments IFRS 9 'Financial Instruments' and IFRS 7 'Financial instruments disclosures' - Classification and measurement of financial instruments	January 1, 2026
Annual Improvements to IFRS Accounting Standards (related to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7	January 01, 2026
Amendments IFRS 9 'Financial Instruments' and IFRS 7 'Financial Instruments: Disclosures' - Contracts Referencing Nature-dependent Electricity	January 01, 2026
- IFRS 1 - First Time Adoption of International Financial Reporting Standards	
- IFRS 18 - Presentation and Disclosures in Financial Statements	
- IFRS 19 - Subsidiaries without Public Accountability: Disclosures	



4 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies are consistently applied in the preparation of these financial statements are the same as those applied in earlier periods presented in these financial statements except as stated in note 3 to the financial statements:

4.1 PROPERTY AND EQUIPMENT

Items of property and equipment other than land and capital work in progress are measured at cost less accumulated depreciation and accumulated impairments (if any). Land and capital work in progress is stated at cost less accumulated impairment.

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.

Gains and losses on disposal of assets, if any, are included in profit or loss.

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. Further, the key assumptions used to determine the fair value of property and equipment are provided in relevant note to the financial statements.

4.2 INTANGIBLE ASSETS

Intangible assets with infinite useful life are stated at cost less impairment, if any. Intangible assets with finite useful life are stated at cost less accumulated amortization and accumulated impairment losses, 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.

4.2.1 Membership card and offices

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

4.2.2 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 is charged using straight line method.

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

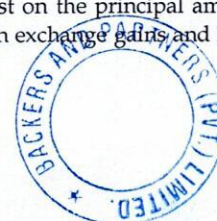
4.3 Financial instruments

4.3.1 Financial assets

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

a) Financial assets at amortised cost

Financial assets at amortised cost are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets, impairment losses, foreign exchange gains and losses, and gain or loss arising on derecognition are recognised directly in profit or loss.



b) Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are those financial assets which are either designated in this category or not classified in any of the other categories. A gain or loss on debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss in the period in which it arises.

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

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

Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Assets or liabilities that are not contractual in nature and that are created as a result of statutory requirements imposed by the Government are not the financial instruments of the Company.

The Company assesses on a forward looking basis the expected credit losses associated with its financial assets carried at amortised cost and fair value through other comprehensive income. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Company applies the simplified approach, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company recognises in profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date.

For other financial assets, the company applies the IFRS 9 'General Approach' to measuring expected credit losses whereby the company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. However, if at the reporting date, the credit risk on a financial instrument has not increased significantly since initial recognition, the company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

4.3.2 Financial liabilities

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

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

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

4.3.3 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.

4.4 DERIVATIVE FINANCIAL INSTRUMENTS

Derivatives are initially recognized at fair value. Any directly attributable transaction costs are recognised in the statement of profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in statement of profit or loss.

4.5 TRADE DEBTS AND OTHER RECEIVABLES

Trade debts and other receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing component in which case such are recognised at fair value. The Company holds the trade debts with the objective of collecting the contractual cash flows and therefore measures the trade debts subsequently at amortised cost using the effective interest method. Impairment of trade debts and other receivables is described in relevant note to the financial statements.

4.6 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise of cash balances and call deposits. For the purpose of statement of cashflows and cash equivalents comprise cash in hand, bank balances and running finances from financial institutions.

4.7 SHARE CAPITAL

Ordinary shares are classified as equity and recognized at their face value. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, if any.

4.8 BORROWINGS

Borrowings are recorded initially at fair value, net of transaction cost incurred.

Borrowing costs are recognised 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 capitalised as part of the cost of that qualifying asset.

Covenants that the Company is required to comply with, on or before the end of the reporting period, are considered in classifying loan arrangements with covenants as current or non-current. Covenants that the Company is required to comply with after the reporting period do not affect the classification at the reporting date.

4.9 TAXATION

Current

Provision for current taxation is based on taxable income at the applicable rates of taxation after taking into account tax credits, brought forward losses, accelerated depreciation allowances and any minimum limits imposed by the taxation laws.

Deferred

Deferred tax is recognized using the liability method on all temporary differences between the carrying amounts of assets and liabilities for the financial reporting purposes and the amounts used for taxation purposes.

Deferred tax asset is recognized for all the deductible temporary differences only to the extent that it is probable that future taxable profits will be available against which the asset may be utilized. Deferred tax asset is reduced to the extent that it is no longer probable that the related tax benefit will be realized. Deferred tax liabilities are recognized for all the taxable temporary differences.

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 profit or loss, 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.

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.

4.10 STAFF RETIREMENT BENEFITS

The company operates an un-funded gratuity scheme covering all of its eligible workers and permanent employees who have completed the minimum qualifying period under the relevant laws. The calculation of defined benefit obligation is performed by qualified actuary by using the projected unit credit method and charge for the year other than on account of experience adjustment is included in statement of profit or loss.

Measurement of the net defined benefit liability, which comprise actuarial gains and losses are recognized immediately in other comprehensive income. The Company determines the net interest expense on the net defined liability for the period by applying the discount rate used to measure the defined benefit obligation. Net interest expense and other expenses related to defined benefit plans are recognized in statement of profit or loss.

The company also operated un-funded Provident Fund for certain permanent employees and certain management personnel. Equal monthly contributions were made to the fund both by the Company and employees at the rate of 10% of the basic salary.

4.11 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.

4.12 PROVISIONS

Provisions are recognized when the company has a legal or constructive obligation as a result of past events and it is probable that an out flow of economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. However, provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Contingent assets are not recognized and are also not disclosed unless an inflow of economic benefits is probable and contingent liabilities are not recognized and are disclosed unless the probability of an outflow of resources embodying economic benefits is remote.

4.13 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.

4.14 IMPAIRMENT OF NON-FINANCIAL ASSETS

The carrying amounts of non-financial assets other than inventories, are assessed at each reporting date to ascertain whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised as an expense in the profit or loss for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use.



Value in use is ascertained through discounting of the estimated future cash flows using a discount rate that reflects current market assessment of the time value of money and the risk specific to the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Prior impairments of non-financial assets (other than goodwill) are reviewed for possible reversal at each reporting date.

4.15 RIGHT-OF-USE ASSETS AND RELATED LIABILITY

Right of use assets are initially measured at cost being the present value of lease payments, initial direct costs, any lease payments made at or before the commencement of the lease as reduced by any incentives received. These are subsequently measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciation is charged on reducing balance method for all assets as mentioned in the relevant note to the financial statements. Where the ownership of the asset transfers to the Company at the end of the lease term or if the cost of the asset reflects that the Company will exercise the purchase option, depreciation is charged over the useful life of respective asset.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Company's incremental borrowing rate.

Lease payments include fixed payments, variable lease payments that are based on an index or a rate amounts expected to be payable by the lessee under residual value guarantees, the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option, less any lease incentives receivable. The extension and termination options are incorporated in determination of lease term only when the Company is reasonably certain to exercise these options.

The lease liability is subsequently measured at amortized cost using the effective interest rate method. It is remeasured when there is a change in future lease payments arising from a change in fixed lease payments or an index or rate, change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. The corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in the statement of profit or loss if the carrying amount of right-of-use asset has been reduced to zero. The company also consider the optional recognition exemptions available for both short-term leases (leases with a lease term of 12 months or less) and leases of low-value assets.

4.16 DIVIDEND DISTRIBUTIONS AND APPORTIONMENTS

Dividend distributions to the Company's shareholders and appropriations to reserves are recognised in the period in which these are approved.

4.17 IJARAH CONTRACTS

Ijarah in which a significant portion of the risks and rewards of ownership are retained by the Muj'ir (lessor) are classified as operating Ijarah. Payments made during the year are charged to the statement of profit or loss on a straight-line basis over the period of the Ijarah in accordance with Islamic Financial Accounting Standard-2.

4.15 REVENUE RECOGNITION

The company recognises revenue when it satisfies the performance obligations. The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

Type of service

Nature and timing of satisfaction of performance

Revenue recognition



	obligations including significant payment terms	policies
Brokerage income	Performance obligation is satisfied when the services are rendered.	Revenue is recognised at a point in time when the provision of service is completed.
Advisory and consultancy income	Performance obligation is satisfied over the period of contract. Customer is invoiced at the time of satisfaction of each performance obligation under the contract.	Revenue is recognised over the period when the customer utilizes advisory and consultancy services.
Dividend income	Performance obligation is satisfied when the right to receive the dividend is established.	Revenue is recognised at a point in time when the right to receive dividend is established.
Income on continuous funding system transactions and bank deposits	Performance obligation is satisfied on a time proportionate basis that takes into account the effective yield.	Revenue is recognised at a point in time as it accrues.
Mark-up income from investment in marginal trading system	Performance obligation is satisfied when it accrues using the effective interest method.	Revenue is recognised over the period when the customer utilizes exposure provided under marginal trading system.
Return on term finance certificates	Performance obligation is satisfied when it accrues using the effective interest method.	Revenue is recognised at a point in time as it accrues.

4.16 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.

4.17 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 permitted by the regulatory authorities or 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.

4.18 TRADE DATE ACCOUNTING

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



Alfred M. M. M.