

S.D. MIRZA SECURITIES (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION (Un Audited)
AS AT DECEMBER 31,2019

Assets	NOTES	2019 Rupees
Non current assets		
Operating fixed assets	6	3,864,206
Intangible assets	7	8,357,974
Long term investment	8	19,158,233
Security deposits	9	500,000
		<u>31,880,413</u>
Current assets		
Due from clients		22,407,833
Prepayments and other receivables	10	1,424,908
Short term investments	11	4,473,503
Tax deducted at source		2,499,249
Cash and bank balances	12	28,060,483
		<u>58,865,976</u>
Total Assets		<u><u>90,746,389</u></u>
Equity and Liabilities		
Share Capital and Reserves		
Authorised capital		
100,000 (: 1000 ordinary shares of Rs.1,000 each		<u>100,000,000</u>
Issued, subscribed and paid-up capital 35,000 ordinary shares of Rs.1,000 each		35,000,000
General Reserve		31,080,009
Unappropriated Loss		(188,067)
		<u>65,891,942</u>
Liabilities		
Current liabilities		
Due to clients		22,522,063
Accrued and other liabilities	13	2,198,989
Taxation	14	133,395
Total Liabilities		<u>24,854,447</u>
Contingencies and commitments		
Total Equity and Liabilities		<u><u>90,746,389</u></u>

Chief Executive



Director

**S.D. MIRZA SECURITIES (PRIVATE) LIMITED
STATEMENT OF PROFIT AND LOSS
AS ON 31 DECEMBER, 2019**

	NOTES	2019 Rupees
Operating revenue	15	7,934,256
Other income		2,318,655
		<u>10,252,911</u>
Administrative and operating expenses	16	10,440,978
Other expenses		-
		-
(Loss) / profit before taxation		<u>(188,067.27)</u>
Taxation		
Current		-
Prior year		-
		-
(Loss) / profit after taxation		<u><u>(188,067)</u></u>

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




Chief Executive

Director

**S.D. MIRZA SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE QUARTER ENDED DECEMBER 31, 2019**

LEGAL STATUS AND OPERATIONS

1.

S.D. Mirza Securities (Private) Limited (the Company) was incorporated in Pakistan as a Private Company on May 21, 2001. The Company is a Trading Right Entitlement Certificate holder of the Pakistan Stock Exchange Limited (formerly Lahore Stock Exchange Limited). The Company is principally engaged in shares brokerage & trading, consultancy and registrar services. The registered office of the Company is situated at Room No.401, LSE Building, Lahore. The

BASIS OF PREPARATION

2.

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; and
- Provisions of and directives issued under the Companies Act,

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, 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 for investments, which are carried at fair value.

2.3

Functional and presentation currency

These financial statements are presented in Pakistan Rupees which is the functional currency of the Company and figures are rounded off to

2.4

2.4.1

Standards, interpretations and amendments to published approved accounting standards that are effective and relevant

Standards, amendments and interpretations to IFRSs that are effective for accounting periods beginning on July 01, 2018 and are considered to be relevant and have significant effect on the Company's operations

(a)

IFRS 15, 'Revenue from contracts with customers' which is effective for the annual period beginning on July 01, 2018. IFRS 15 introduces a single five-step model for revenue recognition and establishes a comprehensive framework for recognition of revenue from contracts with customers based on a core principle that an entity should recognize revenue representing the transfer of promised goods or services to customers at an amount that reflects the consideration to

(b)

IFRS 9, 'Financial Instruments'; this standard has been notified by the SECP to be effective for annual periods ending on or after September 30, 2019. This standard replaces the guidance in International Accounting Standard (IAS) 39, 'Financial Instruments: Recognition and Measurement'. It includes requirements on the classification and measurement of financial assets and liabilities; it also includes an

(c)

IFRIC 22, "Foreign currency transactions and advance consideration" applicable to accounting periods beginning on or after July 01, 2018. This interpretation clarifies the determination of the date of transaction for the exchange rate to be used on initial recognition of a related assets, expenses or income where an entity pays or receive consideration in advance for foreign currency denominated contracts. For a single payment or receipt, the date of the transaction should be the date on which an entity recognizes the non-monetary assets or liability arising from the advance consideration. If there are multiple payments or receipts for one item a date of transaction should be

3.

ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires the use of certain critical accounting estimates. In addition, it requires management to exercise judgement in the process of applying the Company's accounting policies. The areas involving a high degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are documented in the

- (i) Useful lives, residual values and depreciation method of operating fixed assets (notes 4.1);
- (ii) Provisions (note 4.11); and
- (iii) Provision for taxation (notes 4.10)

The revisions to accounting estimates, if any, are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision

4.0

Intangible assets**Trading Right Entitlement Certificate**

TREC certificate is considered to have indefinite useful life; hence, stated at the same value that was determined when the membership card of Lahore Stock Exchange Limited was swapped under the Stock Exchanges (Corporatization, Demutualization and Integration) Act, 2012 with the shares of LSE Financial Services Limited and Trading Right Entitlement Certificate (note 7.1). The carrying amount is reviewed at each reporting date to assess whether they are recorded in excess of their recoverable amounts, and when the carrying value

6.

OPERATING FIXED ASSETS - tangible

	Owned						Total
	Furniture and fixtures	Office equipment	Air Conditioners	Computers	Electric generator	Vehicles	
	Rupees						
As at June 30, 2017							
Cost	474,845	522,265	301,390	1,889,455	375,923	7,245,410	10,809,288
Accumulated depreciation	339,066	300,704	121,411	1,791,212	171,960	2,424,981	5,149,334
Book value	135,779	221,561	179,979	98,243	203,963	4,820,429	5,659,954
Year ended June 30, 2018:							
Additions	-	-	114,500	52,700	-	-	167,200
Depreciation for the year	13,578	22,155	20,553	39,596	20,396	964,086	1,080,364
Book value	122,201	199,406	273,926	111,347	183,567	3,856,343	4,746,790
Year ended June 30, 2019:							
Depreciation for the year	12,220	19,941	27,393	33,404	18,357	771,269	882,584
Book value	109,981	179,465	246,533	77,943	165,210	3,085,074	3,864,206
As at June 30, 2018							
Cost	474,845	522,265	415,890	1,942,155	375,923	7,245,410	10,976,488
Accumulated depreciation	352,644	322,859	141,964	1,830,808	192,356	3,389,067	6,229,698
Book value	122,201	199,406	273,926	111,347	183,567	3,856,343	4,746,790
As at December 31, 2019							
Cost	474,845	522,265	415,890	1,942,155	375,923	7,245,410	10,976,488
Accumulated depreciation	364,864	342,800	169,357	1,864,212	210,713	4,160,336	7,112,282
Book value	109,981	179,465	246,533	77,943	165,210	3,085,074	3,864,206
Depreciation rate (%)	10	10	10	30	10	20	

7.

INTANGIBLE ASSETS

Trading Right Entitlement Certificate - PSX
Room at LSE building

Note	2019 Rupees
	2,090,074
	6,267,900
	<u>8,357,974</u>

8.	LONG TERM INVESTMENT - at fair value through other comprehensive income	2019 Rupees
	LSE Financial Services Ltd. 843,975 ordinary shares of Rs.10 each	4,409,926
	Adjustment on remeasurement to fair value	<u>14,748,307</u>
		<u><u>19,158,233</u></u>
8.1	Shares have been valued on the basis of latest available net asset value per share of Rs. 22.70. This value was determined by the LSE Financial Services Ltd. and circulated vide notice no.6790 dated	
9.	SECURITY DEPOSITS	2019 Rupees
	Deposits with:	
	LSE Financial Services Ltd.	-
	National Clearing Company of Pakistan	400,000
	Central Depository Company of Pakistan	100,000
		<u>500,000</u>
10.	PREPAYMENTS AND OTHER RECEIVABLES	2019 Rupees
	Prepayments	1,421,288
	Others	3,620
		<u><u>1,424,908</u></u>

11.	SHORT TERM INVESTMENTS - at fair value through profit & loss	<u>2019</u> <u>Rupees -</u> 4,423,975 . <u>4,423,975</u>
12.	CASH AND BANK BALANCES Cash in hand Cash at banks on: Current accounts - client accounts - house accounts	2019 Rupees 618,457 <div style="border: 1px solid black; padding: 2px; display: inline-block;"> 23,741,160 3,700,866 </div> <u>28,060,483</u>
13.	ACCRUED AND OTHER LIABILITIES Accrued expenses Federal excise duty payable	2019 Rupees 929,508 <u>1,269,481</u> <u>2,198,989</u>

14.	TAXATION - net	2019
		Rupees
	Opening balance	133,395
	Add: provision made during the year for:	
	- current	133,395
	- prior year	-
		133,395
15.	OPERATING REVENUE	2019
		Rupees
	Brokerage income from:	
	- retail customers	7,934,256
	Other Income	2,318,655
		<u>10,252,911</u>

16.

ADMINISTRATIVE AND OPERATING EXPENSES

2019
Rupees

Note

ADMINISTRATIVE AND OPERATING EXPENSES

10,440,978

(188,067)