

SPINZER EQUITIES (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER, 2021

	Note	2021 Pak Rupees
ASSETS		
NON-CURRENT ASSETS		
Property and equipment	4	60,888,332
Intangible assets	5	2,500,000
Long term investments	7	50,890,298
Long term deposits	8	2,640,000
		116,918,630
CURRENT ASSETS		
Trade and other receivable - net	9	20,812,503
Prepayments and advances	10	437,666
Short term investments	11	14,336,298
Income tax refundable		1,818,870
Cash and bank balances	12	19,735,794
		57,141,132
		<u>174,059,762</u>
EQUITY & LIABILITIES		
SHARE CAPITAL AND RESERVES		
Issued, subscribed and paid-up capital	13	94,968,380
Revenue reserve		
Unappropriated profit		37,896,388
Capital reserve		
Fair value reserve	14	18,127,949
		<u>150,992,717</u>
NON-CURRENT LIABILITIES		
Deferred tax liability - net		4,493,833
CURRENT LIABILITIES		
Trade and other payables	16	18,573,211
CONTINGENCIES AND COMMITMENTS		
	17	<u>174,059,762</u>

The annexed notes 1 to 26 form an integral part of these financial statements.


Chief Executive Officer




Director

SPINZER EQUITIES (PRIVATE) LIMITED
 STATEMENT OF PROFIT OR LOSS
 FOR THE HALF-YEAR ENDED DECEMBER 31, 2021

	Note	2021 Pak Rupees
Revenue	18	11,947,210
Operating and administrative expenses	19	(8,448,015)
Operating profit		<u>3,499,196</u>
Other income	20	434,693
Profit before taxation		<u>3,933,889</u>
Taxation		-
Profit for the year		<u><u>3,933,889</u></u>

The annexed notes 1 to 26 form an integral part of these financial statements.



 Chief Executive Officer





 Director

SPINZER EQUITIES (PRIVATE) LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED DECEMBER 31, 2021

	2021 Pak Rupees
Profit/(loss) for the year	3,933,889
Other comprehensive income	
Items that will not be reclassified subsequently to P/L	
Fair value gain on equity instruments at FVTOCI	0
Total comprehensive income/(loss) for the year	<u>3,933,889</u>

The annexed notes 1 to 26 form an integral part of these financial statements.



Chief Executive Officer



Director

SPINZER EQUITIES (PRIVATE) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED DECEMBER 31, 2021

	Pak Rupees			
	Issued, subscribed and paid-up capital	Revenue reserve Unappropriated profit/(loss)	Capital reserve Fair value reserve of financial assets at FVOCI	Total
Balance as at July 01, 2020	35,382,880	18,114,496	1,935,283	55,432,659
Total comprehensive income for the year				
Profit for the year	-	15,848,004	-	15,848,004
Other comprehensive income/(loss)	-	-	18,071,062	18,071,062
Deferred tax	-	-	(3,930,456)	(3,930,456)
	-	15,848,004	14,140,606	29,988,610
Balance as at June 30, 2021	35,382,880	33,962,499	16,075,889	85,421,268
Total comprehensive income for the year				
Profit for the year	-	3,933,889	-	3,933,889
Other comprehensive income/(loss)	-	-	2,052,060	2,052,060
Deferred tax	-	-	-	-
Further shares issued	59,585,500	3,933,889	2,052,060	5,985,949
	-	-	-	59,585,500
Balance as at December 31, 2021	94,968,380	37,896,388	18,127,949	150,992,717

The annexed notes 1 to 26 form an integral part of these financial statements.

Chief Executive Officer

Director



SPINZER EQUITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED DECEMBER 31, 2021

1 CORPORATE AND GENERAL INFORMATION

1.1 Legal status and operations

Spinzer Equities (Private) Limited (the "Company") is a private limited company incorporated in Pakistan on January 01, 2004 under the Companies Ordinance, 1984 (Repealed with the enactment of the Companies Act, 2017). The Company is a holder of Trading Rights Entitlement Certificate ("TREC") of Pakistan Stock Exchange Limited.

The Company is principally engaged in the business of investment advisory, purchase and sale of securities, financial consultancy, brokerage, underwriting, portfolio management and securities research.

Business Unit	Geographical location
Head Office	Office #1113, 11th floor, ISE Towers, Jinnah Avenue, Islamabad
Branch Office	1st Floor, Chakdara trade Centre, University Road, Chakdara, Dir (Lower), KPK

1.2 Summary of Significant events and transactions in the current year

The Company's financial position and performance was particularly affected by the following events and transactions during the reporting year:

- There was no significant impact of COVID-19 pandemic on the carrying amounts of assets and income during the year.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") as are notified under the Companies Act, 2017,
- Provisions of or directives issued under the Companies Act, 2017, and relevant provisions of the Securities Brokers (Licensing and Operations) Regulations 2016 (the "Regulations").

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS standards, the provision of and directives issued under the Companies Act, 2017 shall prevail.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention, except for certain items as disclosed in the relevant accounting policies below.

2.3 Functional & Presentation Currency

These financial statements are presented in Pakistan Rupee (Rs. / Rupees) which is the Company's functional currency. Amounts presented in the financial statements have been rounded off to the nearest of Rs. / Rupees, unless otherwise stated.

2.4 Use of Judgment and Estimates

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 following accounting policies and notes, and relate primarily to:

- Useful lives, residual values and amortization method of intangible assets – Note 3.2 & 6;
- Impairment loss of non-financial assets other than inventories – Note 3.4;
- Provision for expected credit losses – Note 3.4;
- Estimation of provisions - Note 3.10;
- Fair value of unquoted equity investments - Note: 8;
- Classification, recognition, measurement / valuation of financial instruments Note: 3.3 and
- provision for taxation - Note 3.6.

SPINZER EQUITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED DECEMBER 31, 2021

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, except as described otherwise.

3.1 Property and equipment

Initial Recognition

Items of property and equipment are stated at cost less accumulated depreciation (if any) and impairment losses (if any). Cost includes expenditure that is direct attributable to the acquisition of the items.

Subsequent measurement

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Where such subsequent costs are incurred to replace parts and are capitalized, the carrying amount of replaced parts is derecognized. All other repair and maintenance expenditures are charged to profit or loss during the year in which they are incurred.

Depreciation

Depreciation on all items of property and equipment is calculated using the reducing balance method, in accordance with the rates specified in note 4 to these financial statements and after taking into account residual value, if material. Residual values and useful lives are reviewed and adjusted, if appropriate, at each balance sheet date. Depreciation is charged on an asset from the date when the asset is available for use until the asset is disposed off.

Disposal

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

Judgments and estimates

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.

Impairment

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Change in estimate

The Company reviews useful lives of property and equipment on a regular basis. Any change in estimates in future years which might affect the carrying amounts of the respective items of property and equipment with a corresponding effect on the depreciation charge and impairment loss. Further, management also on a year basis reviews the carrying amounts of certain classes of property and equipment which are carried at revalued amounts. Any change in estimate in future years which might affect the carrying amount of these classes with a corresponding effect on the surplus on revaluation of property and equipment, related deferred tax liability and related charge of incremental depreciation.

3.2 Intangible Asset - Acquired

TREC Certificate

These are stated at cost less impairment losses (if any). Cost includes expenditure that is directly attributable to the acquisition of the items. Trading Right Entitlement Certificate has indefinite useful life and accordingly not amortized however it is tested for impairment only. Impairment loss is recognized in profit and loss account.

Judgments and estimates

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.

SPINZER EQUITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED DECEMBER 31, 2021

3.3 Financial Instruments

Initial measurement of financial asset

The Company classifies its financial assets into following three categories:

fair value through other comprehensive income (FVTOCI);

fair value through profit or loss (FVTPL); and

measured at amortized cost.

A financial asset is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

Subsequent measurement

Debt Investments

at FVTOCI

These assets are subsequently measured at fair value. Interest/markup income calculated using the effective interest method, and impairment are recognised in the statement of profit or loss account. Other net gains and losses are recognised in other comprehensive income. On de-recognition, gains and losses accumulated in other comprehensive income are reclassified to the statement of profit and loss account.

at Amortized cost

These assets

at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest /markup of dividend income, are recognised in the statement of profit and loss account.

Equity Investments

at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in the statement of profit or loss account unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in other comprehensive Income and are never reclassified to the statement of profit and loss

at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest /markup of dividend income, are recognised in the statement of profit and loss account.

Non-derivative financial assets

All non-derivative financial assets are initially recognised on trade date i.e. date on which the Company becomes party to the respective contractual provisions. Non-derivative financial assets comprise loans and receivables that are financial assets with fixed or determinable payments that are not quoted in active markets. The Company derecognizes the financial assets when the contractual rights to the cash flows from the asset expires or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risk and rewards of ownership of the financial assets are transferred or it neither transfers nor retain substantially all of the risks and rewards of ownership and does not retain control over the transferred asset.

Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the financial statements only when the Company has a legally enforceable right to offset and the Company intends to either settle on a net basis, or to realize the assets and to settle the liabilities simultaneously. Income and expense items of such assets and liabilities are also offset and the net amount is reported in the financial statements only when permitted by the accounting and reporting standards as applicable in Pakistan.

SPINZER EQUITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED DECEMBER 31, 2021

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, and financial liabilities at amortized cost, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Group has not designated any financial liability as at fair value through profit or loss.

Financial liabilities at amortized cost (loans and borrowings)

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognized as well as through the EIR amortisation process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

This category generally applies to interest-bearing loans and borrowings.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When 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 or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

3.4 Impairment

Financial Assets

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

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

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

SPINZER EQUITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED DECEMBER 31, 2021

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

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

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

Non-financial assets

At each reporting date, the company reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Cash Generating Units (CGUs).

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, 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. A reversal of impairment loss for a cash generating unit is allocated to the assets of the unit, except for goodwill, pro rata with the carrying amounts of those assets. The increase in the carrying amounts shall be treated as reversals of impairment losses for individual assets and recognized in profit or loss unless the asset is measured at revalued amount. Any reversal of impairment loss of a revalued asset shall be treated as a revaluation increase.

3.5 Trade receivable

Measurement

Trade receivable are recognized initially at fair value and subsequently measured at cost less provision for doubtful debts.

Impairment

A provision for impairment of trade debts 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 debts. 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.

Judgments and estimates

Management reviews its trade debtors on a continuous basis to identify receivables where collection of the amount is no longer probable. These estimates are based on historical experience and are subject to change in condition at the time of actual recovery.

SPINZER EQUITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED DECEMBER 31, 2021

3.6 Taxation

Income tax expense comprises current and deferred tax.

Current

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date. Management yearly evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable income.

Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable income will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax is calculated at the rates that are expected to apply to the year when the differences reverse, based on tax rates that have been enacted or substantially enacted by the balance sheet date.

Deferred tax is charged or credited in the statement of profit or loss account, except in the case of items credited or charged to comprehensive income or equity, in which case it is included in comprehensive income or equity.

Judgment and estimates

Significant judgment is required in determining the income tax expenses and corresponding provision for tax. There are many transactions and calculations for which the ultimate tax determination is uncertain as these matters are being contested at various legal forums. The Company recognizes liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax assets and liabilities in the period in which such determination is made.

Further, the carrying amount of deferred tax assets is reviewed at each reporting date and is adjusted to reflect the current assessment of future taxable profits. If required, carrying amount of deferred tax asset is reduced to the extent that it is no longer probable that sufficient taxable profits to allow the benefit of part or all of that recognised deferred tax asset to be utilized. Any such reduction shall be reversed to the extent that it becomes probable that sufficient taxable profit will be available.

Off-setting

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

3.7 Cash and cash equivalents

These are measured at cost which is the fair value. For the purposes of cash flow statement, cash and cash equivalents comprise balances with less than three months' maturity from the date of acquisition, including cash in hand, balances with banks on current and savings accounts and short term investment and running finance.

3.8 Share capital

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

3.9 Trade and other payables

Trade and other payables are recognized initially at fair value plus directly attributable cost, if any, and subsequently measured at amortized cost using the effective interest method. They are classified as current if payment is due within twelve months of the reporting date, and as non-current otherwise.

SPINZER EQUITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED DECEMBER 31, 2021

3.10 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount could be reliably estimated. Provisions are not recognized for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Judgement and estimates

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.

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.

3.11 Revenue recognition

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

Brokerage Commission

Brokerage, consultation and advisory fee and commission on securities and commodities is recognized as and when related services are rendered.

Income on bank deposits

Mark-up / interest on bank deposits and return on investments is recognized on accrual basis.

Profit on exposure deposits

Profit on exposure deposits is recognized using the effective interest rate.

Dividend income

Dividend income is recognised in profit or loss as other income when:

- the Company's right to receive payment have been established;
- it is probable that the economic benefits associated with the dividend will flow to the company; and
- the amount of the dividend can be measured reliably.

Others

Gain / loss on sale of investment is recognized in the year in which they arise.

3.12 Borrowings

These are recorded at the proceeds received. Finance costs are accounted for on accrual basis and are disclosed as accrued interest / mark-up to the extent of the amount unpaid at the reporting date.

SPINZER EQUITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED DECEMBER 31, 2021

3.13 Borrowing costs

Borrowing costs are recognized as an expense in the period in which they are incurred except where such costs are directly attributable to the acquisition, construction or production of a qualifying asset in which such costs are capitalized as part of the cost of that asset. Borrowing costs includes exchange differences arising from foreign currency borrowings to the extent these are regarded as an adjustment to borrowing costs and net gain / loss on the settlement of derivatives hedging instruments.

3.14 Fiduciary assets

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

3.15 Earnings per share

The Company presents basic and diluted earnings per share (EPS). Basic EPS is calculated by dividing the profit and 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 using profit and loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for the effects of all dilutive potential ordinary shares.

3.16 Related party transactions

All transactions involving related parties arising in the normal course of business are conducted and recorded at rates that are not less than market.

SPINZER EQUITIES (PRIVATE) LIMITED
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE HALF-YEAR ENDED DECEMBER 31, 2021

4 PROPERTY AND EQUIPMENT

Cost	Owned					Total
	Office room	Office equipment	Computer equipment	Furniture and fixtures	Vehicles	
	----- Pak Rupees -----					
Balance as at July 01, 2021	-	778,938	535,075	288,920	5,209,184	6,812,117
Additions	59,585,500	-	-	-	-	59,585,500
Balance as at December 31, 2021	59,585,500	778,938	535,075	288,920	5,209,184	66,397,617
Depreciation						
Balance as at July 01, 2021	-	205,781	353,758	106,249	3,075,502	3,741,290
For the half year	1,489,638	28,658	27,198	9,134	213,368	1,767,995
Balance as at December 31, 2021	1,489,638	234,439	380,956	115,383	3,288,870	5,509,285
Carrying amount as at December 30, 2021	58,095,863	544,499	154,119	173,537	1,920,314	60,888,332
Rate of Depreciation	5%	10%	30%	10%	20%	

4.1 Depreciation has been allocated to administrative expenses.

SPINZER EQUITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED DECEMBER 31, 2021

5 INTANGIBLE ASSETS	Note	2021 Pak Rupees
Trading Right Entitlement Certificate ("TREC")	5.1	2,500,000
		<u>2,500,000</u>

5.1 These are carried at notional value. Notional values of these Trading Right Entitlement Certificates is Rs. 2.5 million, as published by the PSX.

5.2 The Company has pledged/hypothecated Trading Right Entitlement Certificate (TREC) of Pakistan Stock Exchange Limited (PSX) at a notional value of Rs.2.5 million to meet Base Minimum Capital (BMC) requirement.

6 FINANCIAL ASSETS OTHER THAN CASH AND BANK		2021 Pak Rupees
Equity instruments designated at FVTOCI	7	50,890,298
Financial Assists designated at FVTPL	11	14,336,298
Debt instruments at amortised cost		
- Long term deposits	8	2,640,000
- Trade and Other receivable - net	9	#REF!
- Deposits, prepayments and other receivables	10	437,666
		#REF!
		<u>#REF!</u>
		<u>#REF!</u>
7 LONG TERM INVESTMENT AT FVTOCI		
Opening Balance	7.1	50,890,298
Adjustment for remeasurement to fair value	7.2	(0)
		<u>50,890,298</u>

7.1 This include 60% (1,820,762 shares) which are held in a separate Central Depository Company Limited ("CDC") sub-account marked as blocked.

7.2 This represents investment in the shares of ISE REIT Management Company Limited. The shares are non-listed and there is no evidence of existence of an active market or transactions amongst the participants at an arms length basis. As an alternative approach, the break-up value of shares (calculated as per TR-22 issued by ICAP) of ISE REIT Management Company Limited as per their latest audited financial statements has been taken with adjustment for unobservable inputs related to percentage of assets of REIT stated at fair value and risk factors related to marketability of shares.

8 LONG TERM DEPOSITS		2021 Pak Rupees
Central Depository Company Limited		100,000
National Clearing Company of Pakistan Limited		2,340,000
Pakistan Stock Exchange Limited		200,000
		<u>2,640,000</u>
9 TRADE AND OTHER RECEIVABLE - NET		
Clients		15,129,166
Related parties		2,698,390
		17,827,556
Add: Other Receivable		2,984,947
		<u>20,812,503</u>
10 PREPAYMENTS AND DEPOSITS		
Short-term and advances		

SPINZER EQUITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED DECEMBER 31, 2021

		267
		433,390
	Prepayments	
	other prepayments	4,009
		<u>437,666</u>
11	SHORT TERM INVESTMENT AT FVTPL	
	Listed equity Securities	11.1 14,336,298
		<u>14,336,298</u>
11.1	Fair values of these equity shares are determined by reference to published price quotations in an active market.	
		2021
		Pak Rupees
12	CASH AND BANK BALANCES	
	Cash in hand	49,603
	Cash at bank - Local currency	
	Current accounts	12.1 19,686,191
		<u>19,735,794</u>
12.1	Cash at bank includes customers' assets in the amount of PKR 18,689,236/- held in designated bank accounts.	

SPINZER EQUITIES (PRIVATE) LIMITED
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE HALF-YEAR ENDED DECEMBER 31, 2021

	Note	2021 Pak Rupees														
13 SHARE CAPITAL																
13.1 Authorized capital		<u>100,000,000</u>														
10,000,000 ordinary shares of PKR 10 each, fully paid in cash																
13.2 Issued, subscribed and paid-up share capital																
2021		2021														
<u>9,496,838</u>	Ordinary shares of Rs.10 each, issued for cash	<u>94,968,380</u>														
13.3 Shareholders holding 5% or more of total shareholding																
	<table border="1"> <thead> <tr> <th rowspan="2"></th> <th>Number of Shares</th> <th>Percentage</th> </tr> <tr> <th>2021</th> <th>2021</th> </tr> </thead> <tbody> <tr> <td>Mr. Muhammad Liaquat Ali Khan</td> <td>1,592,235</td> <td>17%</td> </tr> <tr> <td>Mr. Jibran Ali Khan</td> <td>3,793,079</td> <td>40%</td> </tr> <tr> <td>Mr. Muhammad Safwan Ali Khan</td> <td>3,474,634</td> <td>37%</td> </tr> </tbody> </table>		Number of Shares	Percentage	2021	2021	Mr. Muhammad Liaquat Ali Khan	1,592,235	17%	Mr. Jibran Ali Khan	3,793,079	40%	Mr. Muhammad Safwan Ali Khan	3,474,634	37%	
	Number of Shares		Percentage													
	2021	2021														
Mr. Muhammad Liaquat Ali Khan	1,592,235	17%														
Mr. Jibran Ali Khan	3,793,079	40%														
Mr. Muhammad Safwan Ali Khan	3,474,634	37%														
14 CAPITAL RESERVE		<u>18,127,949</u>														
Fair value reserve																
14.1 The fair value reserve comprises the cumulative net change in the fair value of financial assets designated at fair value through OCI.																
		2021 Pak Rupees														
15 FINANCIAL LIABILITIES																
Current																
Financial liabilities at amortised cost																
Trade payable	16	<u>18,573,211</u>														
		<u>18,573,211</u>														
16 TRADE AND OTHER PAYABLES																
Trade creditors		17,917,283														
Accrued and Other payables		655,928														
		<u>18,573,211</u>														
17 CONTINGENCIES AND COMMITMENTS																
There are no contingencies or commitments of the Company as at December 31, 2021																
18 REVENUE	Note	2021 Pak Rupees														
Commission Income Equity Trading		9,451,216														
Less: Federal Excise Duty		-														
		9,451,216														
Dividend income from equity instruments		2,495,994														
		2,495,994														
		<u>11,947,210</u>														
19 OPERATING AND ADMINISTRATIVE EXPENSES																
Staff salaries, allowances and other benefits		2,646,932														
Director's remuneration		978,731														
Communication expense		80,133														

SPINZER EQUITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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Entertainment		132,852
Printing and stationery		12,000
CDC trading charges		166,861
NCCPL trading charges		165,657
PSX trading charges		474,410
Travelling and conveyance		3,400
Legal and professional charges		1,468,000
Fee and Subscription		104,795
Website charges		38,000
EOBI Expense		60,000
Software charges		17,357
Repair and maintenance		18,180
Utilities		299,258
Bank and other charges		8,944
Misc. Expenses		4,510
Depreciation	4	<u>1,767,995</u>
		<u><u>8,448,015</u></u>
20 OTHER INCOME		
Fair value gain on equity instruments at FVTPL		-
Gain (loss) on sale of equity instruments at FVTPL - net		-
Miscellaneous income		434,693
		<u><u>434,693</u></u>

SPINZER EQUITIES (PRIVATE) LIMITED
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE HALF-YEAR ENDED DECEMBER 31, 2021

21 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amounts charged in the financial statements for remuneration to the chief executive, directors and executives of the Company as per the terms of their employment are set out in the table below:

	2021	
	CEO	Director
	----- Rupees -----	
Short term employee benefits		
Managerial Remuneration	645,000	333,731
Commission paid	-	-
	<u>645,000</u>	<u>333,731</u>
No. of persons	<u>1</u>	<u>1</u>

SPINZER EQUITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED DECEMBER 31, 2021

22 FINANCIAL RISK MANAGEMENT

22.1 Risk management framework

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, other price risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance and provide maximum return to shareholders.

Risk management is carried out by the Company's finance department under policies approved by the Board of Directors.

22.2 (a) Market risk

(i) Foreign currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies. The Company do not have any financial instruments in foreign currencies and accordingly is not exposed to such risk.

(ii) Interest rate risk

Interest rate risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has no significant long-term interest-bearing assets. Financial instruments at variable rates expose the Company to cash flow interest rate risk. At the reporting date, there were no variable rate interest -bearing financial instruments.

(iii) Other price risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The maximum exposure to price risk at the reporting date was as follows:

The Company's investment in listed shares is exposed to price risk due to change in fair value.

(b) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and other financial instruments.

Trade Receivable

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses.

The aging analysis of trade receivable as at reporting has been shown in respective note.

SPINZER EQUITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED DECEMBER 31, 2021

Other financial assets at amortised cost

Other financial assets at amortised cost include deposits, short term loans and advances, and other receivables.

(c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Company manages liquidity risk by maintaining sufficient cash and bank balances. The management believes the liquidity risk to be low. Following are the contractual maturities of financial liabilities, including interest payments. The amount disclosed in the table are undiscounted cash flows:

	Carrying amount	Contractual cash flows	Less than one year	More than one year
----- Rupees -----				
Contractual maturities of financial liabilities as at December 31, 2021:				
Financial liabilities :				
Trade and other payables	18,573,211	18,573,211	18,573,211	-
	<u>18,573,211</u>	<u>18,573,211</u>	<u>18,573,211</u>	<u>-</u>

23 FAIR VALUE ESTIMATE

Set out below is a comparison, by class, of the carrying amounts and fair values of the company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

23.1 Fair value of financial instruments

	2021	
	Carrying amount	Fair value
---- Rupees ----		
Financial Assets		
Non-listed equity investments	50,890,298	50,890,298
Advances to employees	267	267
Listed equity investments	14,336,298	14,336,298
Total	<u>65,226,863</u>	<u>65,226,863</u>

The management assessed that the fair values of cash and short-term deposits, trade receivables, trade payables, short term finances and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The following methods and assumptions were used to estimate the fair values:

Non-listed equity investments

The fair values of the non-listed equity investments have been estimated using the break-up value of shares (calculated as per TR-22 issued by ICAP) of ISE REIT Management Company Limited as per their latest audited financial statements has been taken with adjustment for unobservable inputs related to percentage of assets of REIT stated at fair value and risk factors related to marketability of shares.

Listed equity investments

There is an active market for the Company's listed equity investments and quoted debt instruments.

23.2 Measurement hierarchy of financial instruments

The following table shows the fair values of financial assets, including their levels in the fair value hierarchy. It does not include fair value information for financial assets not measured at fair value if the carrying amount is a reasonable approximation of fair value. The company does not have a financial liability measured at fair value.

level 1	level 2	level 3	Total
----- Rupees -----			

SPINZER EQUITIES (PRIVATE) LIMITED
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE HALF YEAR ENDED DECEMBER 31, 2021

As at December 31, 2021

Financial Assets				
Non-listed equity investments	-	-	50,890,298	50,890,298
Listed equity investments	14,336,298	-	-	14,336,298
	<u>14,336,298</u>	<u>-</u>	<u>50,890,298</u>	<u>65,226,596</u>

23.3 Sensitivity Analysis

The table below summarizes Company's equity price risk as of December 31, 2021 and shows the effects of a hypothetical 10% increase and a 10% decrease in market price of non-listed equity securities as at the year end reporting dates. The selected hypothetical change does not reflect what could be considered to be the best or worst case scenarios. Indeed, results could be worse because of the nature of equity markets and the aforementioned concentrations existing in Company's equity investment portfolio.

	Fair Value	Hypothetical Change	Estimated fair value after hypothetical change	Hypothetical change in shareholder equity	Hypothetical change in Profit / (Loss) after tax
June 30, 2021					
Non-listed equity Securities	50,890,298	10% increase	55,979,327	5,089,030	-
		10% decrease	45,801,268	(5,089,030)	-

23.4 Reconciliation of level 3 fair values

The following table shows reconciliation of fair value measurement of non-listed equity investments classified as equity instruments designated at fair value through OCI:

	<u>2021</u>
Real Estate Sector	----- Rupees -----
Balance as at July 01,	50,890,298
Remeasurement recognised in OCI	(0)
Balance as at June 30, 2021	<u>50,890,298</u>

23.5 Transfers between hierarchy levels

There were no transfers amongst the levels during the year.

SPINZER EQUITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED DECEMBER 31, 2021

24 CAPITAL MANAGEMENT

The Company's objective when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefit for other stake holders and to maintain an optimal capital structure to reduce the cost of capital.

The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders or issue new shares.

The management seeks to maintain a balance between higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

The total long term borrowings to equity ratio as at year end are as follows:

Debt		
Equity	150,992,717	85,421,268
	<u>150,992,717</u>	<u>85,421,268</u>
Debt/equity ratio	<u>0%</u>	<u>0%</u>

The Company finances its operations through equity, borrowings and management of working capital with a view to maintaining an appropriate mix between various sources of finance to minimize risk.

**SPINZER EQUITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED DECEMBER 31, 2021**

25 EVENTS AFTER REPORTING DATE

There were no subsequent events that may require adjustment in the financial statements as at reporting date.

26 GENERAL

26.1 The figures have been rounded off to the nearest Rupees.

26.2 Number of persons employed

2021

12

Average number employees during the year

10

26.3 These financial statements have been authorized by the Board of Directors of the Company on 24-Feb-2022.



Chief Executive Officer





Director