

Spinzer Equities (Private) Limited

Audited Financial Statements

FY Ended 30 June, 2024



INDEPENDENT AUDITOR'S REPORT

To the members of SPINZER EQUITIES (PRIVATE) LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements **SPINZER EQUITIES (PRIVATE) LIMITED** (the Company), which comprise the statement of financial position as at June 30, 2024 and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended and notes to the financial statements including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

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

Basis for Opinion

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

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

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

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

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

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Karachi Office:

Office No. 807, 8th Floor, Q.M. House, Plot No. 11/2, Ellander Road,
Opposite to Shaheen Complex, Off. I.I Chundrigar Road.
Tel: 021-32212382, 32212383, 32211516, Fax: 021-32211515, Email: khi@njmi.net



Responsibilities of Management and Board of Directors for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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



the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

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

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) The Company was in compliance with the requirements of section 78 of the Securities Act, 2015 and/or Section 62 of the Futures Market Act, 2016 and the relevant requirements of Securities Brokers (Licensing and Operations Regulations), 2016 as at the date on which the statement of financial position was prepared.
- e) The Company was in compliance with the relevant requirements of Futures Brokers (Licensing and Operations Regulations), 2018 as at the date on which the statement of financial position was prepared.
- f) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Imran Ul Haq.

Place: Islamabad
Date: 07 October 2024



Nasir Javaid Maqsood Imran
Chartered Accountants

UDIN: AR202410163Hc5DaVC6U

SPINZER EQUITIES (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE, 2024

		2024	Restated 2023	Restated 2022
ASSETS				
NON-CURRENT ASSETS				
Property and equipment	4	3,055,040	3,755,672	4,377,111
Office building	5	28,071,391	31,249,285	34,427,178
Investment property	6	14,035,695	15,624,642	17,213,589
Intangible asset	7	3,500,000	2,500,000	2,500,000
Long term investments	9	63,969,438	62,391,445	52,984,174
Long term deposits	10	2,540,000	2,540,000	2,640,000
		115,171,564	118,061,044	114,142,052
Deferred tax asset - net	17	-	-	-
CURRENT ASSETS				
Trade and other receivable - net	11	30,924,341	31,398,529	21,135,889
Advances, deposits and prepayments	12	229,000	401,000	4,009
Short term investments	13	23,722,369	15,042,918	14,999,059
Cash and bank balances	14	27,064,964	3,576,834	13,184,388
		81,940,674	50,419,281	49,323,345
		197,112,238	168,480,325	163,465,397
EQUITY & LIABILITIES				
SHARE CAPITAL AND RESERVES				
Authorized share capital		100,000,000	100,000,000	100,000,000
Issued, subscribed and paid-up capital	15	94,968,380	94,968,380	94,968,380
Capital reserve				
Fair value reserve of financial assets at FVOCI	2.4	33,623,408	32,045,415	22,638,144
Revenue reserve				
Unappropriated profit		33,046,162	26,035,743	23,471,784
		161,637,950	153,049,538	141,078,308
NON-CURRENT LIABILITIES				
Deferred tax liability - net	17	-	479,556	5,975,141
CURRENT LIABILITIES				
Trade and other payables	18	35,474,290	14,951,230	16,390,306
Provision for Taxation		-	-	21,641
		35,474,290	14,951,230	16,411,947
CONTINGENCIES AND COMMITMENTS				
	20	197,112,238	168,480,325	163,465,397

The annexed notes 1 to 38 form an integral part of these financial statements.


Chief Executive Officer




Director

SPINZER EQUITIES (PRIVATE) LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2024

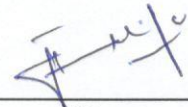
		2024	2023
	Note	----- (Pak Rupee) -----	
Revenue	21	27,524,342	16,605,332
Operating and administrative expenses	22	(24,050,821)	(18,022,988)
Operating profit / (loss)		<u>3,473,521</u>	<u>(1,417,656)</u>
Other income	23	4,103,390	(842,230)
Profit before taxation and levy		<u>7,576,911</u>	<u>(2,259,886)</u>
Levies	19	(1,024,274)	(908,439)
Profit before taxation		<u>6,552,637</u>	<u>(3,168,325)</u>
Taxation	24	457,781	5,495,585
Profit for the year		<u><u>7,010,418</u></u>	<u><u>2,327,259</u></u>

The annexed notes 1 to 38 form an integral part of these financial statements.



Chief Executive Officer






Director

SPINZER EQUITIES (PRIVATE) LIMITED
 STATEMENT OF COMPREHENSIVE INCOME
 FOR THE YEAR ENDED JUNE 30, 2024

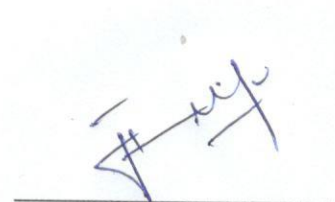
	2024	2023 Restated
	----- (Pak Rupee) -----	
Profit for the year	7,010,418	2,327,259
Other comprehensive income	-	-
Fair value gain on unlisted equity instruments at FVTPL - unrealized	1,577,994	9,407,270
Total comprehensive income for the year	8,588,412	11,734,530

The annexed notes 1 to 38 form an integral part of these financial statements.



 Chief Executive Officer





 Director

**SPINZER EQUITIES (PRIVATE) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2024**

	Share Capital		Revenue reserve		Capital reserve		Total
	Issued, subscribed and paid-up capital	----- (Pak Rupee) -----	Unappropriated profit	Fair value reserve of financial assets at FVOCI			
Balance as at July 01, 2022 - restated	94,968,380		46,109,928	-			141,078,308
Restatement due to adoption of IFRS	-		(22,638,144)	22,638,144			-
Balance as at June 30, 2022 - restated	94,968,380		23,471,784	22,638,144			141,078,308
Total comprehensive income for the year							
Profit for the year	-		2,563,960	-			2,563,960
Other comprehensive income/(loss)	-		-	9,407,270			9,407,270
			2,563,960	9,407,270			11,971,230
Balance as at June 30, 2023-Restated	94,968,380		26,035,743	32,045,415			153,049,538
Total comprehensive income for the year							
Profit for the year	-		7,010,418	-			7,010,418
Other comprehensive income/(loss)	-		-	1,577,994			1,577,994
			7,010,418	1,577,994			8,588,412
Balance as at June 30, 2024	94,968,380		33,046,162	33,623,408			161,637,950

Note

2.4

The annexed notes 1 to 38 form an integral part of these financial statements.

[Signature]

Chief Executive Officer



[Signature]

Director

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SPINZER EQUITIES (PRIVATE) LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024 ------(Pak Rupee)-----	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		7,576,911	7,384,084
Adjustments:			
Depreciation	4	711,632	726,078
Unrealized (gain)/loss on investments		(6,793,779)	(7,186,348)
Depreciation on ROU asset	5	3,177,893	3,177,893
Depreciation on investment property	6	1,588,947	1,588,947
Provision for doubtful receivables		4,724,123	236,700
Dividend income		-	-
		3,408,815	(1,456,730)
		10,985,726	5,927,354
Profit before working capital changes			
Trade and other receivable		(4,249,934)	(10,262,640)
Advances, deposits and prepayments		172,000	(396,991)
Trade and other payables		20,523,060	(1,667,708)
Cash generated from/(used in) operations		16,445,126	(12,327,339)
Short-term investments		(1,824,448)	(2,349,178)
Dividend received		-	-
Taxes paid		(1,107,274)	(691,001)
		(2,931,722)	(3,040,179)
Net cash (used in) / generated from operating activities		24,499,130	(9,440,164)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property and equipment		(11,000)	(267,390)
Acquisition of intangible asset		(1,000,000)	-
Long term deposits		-	100,000
Net cash used in investing activities		(1,011,000)	(167,390)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net (decrease)/increase in cash and cash equivalents		23,488,130	(9,607,554)
Cash and cash equivalents at the beginning of the year		3,576,834	13,184,388
Cash and cash equivalents at the end of the year	14	27,064,964	3,576,834

The annexed notes 1 to 38 form an integral part of these financial statements.



Chief Executive Officer





Director

SPINZER EQUITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

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 02, 2014 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 and Pakistan Mercantile 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.

The geographical location and address of Company and its branch office is as follows:

Business Units Geographical Location

Registered office Office #1113, 11th floor, ISE Towers, Jinnah Avenue, Islamabad

Branch Office 1st Floor, Chakdara trade Centre, University Road, Chakdara, Dir (Lower), KPK

Liaison Office 1 Office # 1, Plot # 2F, Sangam Market, I-8/3, Islamabad

Liaison Office 2 Office # 5B, 3rd Floor, Ittihad Plaza, University Road, Peshawar.

2 ACCOUNTING CONVENTION AND BASIS FOR PREPARATION

2.1 Statement of compliance

These unconsolidated 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 (IFRSs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (the Act); and
- Provisions of and directives issued under the Act

Where provisions of and directives issued under the Act differ from the IFRSs, the provisions of and directives issued under the Act have been followed.

2.2 Basis of measurement

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

- Investments in quoted equity securities (whether classified as assets at fair value through profit or loss, or at fair value through other comprehensive income), which are carried at fair ;
- Investments in unquoted equities, measured at fair value through other comprehensive income; and
- Derivative financial instruments, which are marked-to-market as appropriate under relevant accounting and reporting standards.

2.2.2 The assumptions and estimates which are significant to the preparation of these unconsolidated financial statements are disclosed in note 3.

2.3 Standards, interpretations and amendments to accounting and reporting standards

a) Amendments to accounting and reporting standards that became effective during the year

There were certain amendments that became applicable for the Company during the year but are not considered to be relevant or did not have any significant effect on the Company's operations and have, therefore, not been disclosed in these financial statements except as mentioned below:

The Company has disclosed material accounting policies in these financial statements in line with the amendments to 'IAS-1 - Presentation of Financial Statements'.

There are certain new standards and amendments to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 1, 2024. However, these amendments will not have any significant effect on the financial reporting of the Company and, therefore, have not been disclosed in these financial statements.

2.4 Change of Accounting Framework

The accounting framework for the preparation of financial has been changed from Small and Medium Entities(SMEs) to International Financial reporting standards (IFRS) issued by IASB. This change has no effect on the measurement of assets and liabilities except the investment at fair value has been reclassified to fair value through other comprehensive income (FVTOCI), resultantly the fair value reserve through other comprehensive income has also been reclassified from fair value gain through profit or loss as mentioned below:

SPINZER EQUITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

	2023 Rupees	2022 Rupees
Increase in Unrealized surplus on remeasurement of investments measured at FVOCI	32,045,415	22,638,144
Decrease in Unappropriated Profit	32,045,415	22,638,144
Decrease in Profit and Loss and Increase in Other Comprehensive Income	9,407,270	-

2.5 Functional and presentation currency

These financial statements are presented in Pakistan Rupees which is also the company's functional currency.

3 MATERIAL ACCOUNTING POLICY INFORMATION

Material accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented.

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 year 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 and PMEX 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 Certificates and Membership Card have indefinite useful life and accordingly are not amortized however, these are tested for impairment only. Impairment loss is recognized in profit and loss account.

SPINZER EQUITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

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.

3.3 Investment property

Recognition and Measurement

Investment property, which is property held to earn rentals and/or for capital appreciation, including property under construction for such purposes, is measured initially at its cost, including transaction costs.

Subsequent to initial recognition, investment property whose fair value can be measured reliably without undue cost or effort on an ongoing basis after initial recognition are measured at fair value, at each reporting date. The changes in fair value recognised in the statement of profit or loss. Any other investment property (whose fair value cannot be measured reliably without undue cost or effort) is measured at cost less accumulated depreciation and any impairment loss.

Judgments and estimates

The useful lives, residual values and depreciation method are reviewed on a regular basis. The effect of any changes in estimate accounted for on a prospective basis.

Further, determining adjustments for any differences in nature, location and condition of the investment property involves significant judgment.

3.4 Financial assets and liabilities

3.4.1 Financial assets

The Company classifies its financial assets in the following categories:

a) Amortized cost

Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised cost. Interest income from these financial assets, impairment losses, foreign exchange gains and losses, and gain or loss arising on derecognition are recognised directly in statement of profit or loss.

b) 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) Fair value through profit or loss

Assets that do not meet the criteria for amortised cost or fair value through other comprehensive income or assets that are designated at fair value through profit or loss using fair value option, are measured at fair value through profit or loss. A gain or loss on debt instrument that is subsequently measured at fair value through profit or loss is recognized in profit or loss in the year 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, amortised 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.

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investment 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. Dividends from such investments continue to be recognised in profit or loss as other income when the Company's right to receive payments is established.

All purchases and sales of financial assets are recognised on the trade date which is the date on which the Company commits to purchase or sell the financial asset.


Changes in the fair value of financial assets at fair value through profit or loss are recognised in statement of profit or loss.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

3.4.2 Financial liabilities

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



SPINZER EQUITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

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 statement of profit or loss.

3.4.3 Impairment

a) Financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its financial assets. The Company applies general approach in calculating expected credit losses. It is based on difference between the contractual cashflows due in accordance with the contract and all the cashflows that the Company expects to receive discounted at the approximation of the original effective interest rate. The expected cashflows will include cash flows from sale of collateral held or other credit enhancements that are integral to the contractual terms.

b) Non-Financial assets

The carrying amounts of non-financial assets are assessed at each reporting date to ascertain whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated to determine the extent of impairment loss, if any. An impairment loss is recognised as an expense in the statement of profit or loss.

The recoverable amount is the higher of an asset's fair value less cost of disposal 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 assessments of the time value of money and the risks 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 (i.e. cash generating units).

An impairment loss is reversed if there is 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.

**3.5 Trade Receivable
Measurement**

Trade receivable are recognised initially at fair value and subsequently measured at cost less provision for Expected Credit Loss.

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.

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.

Levy

The amount of minimum taxes over and above tax chargeable on profits and final tax chargeable under the provisions of Income Tax Ordinance, 2001 are recognized as levy.

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 substantively enacted by the balance sheet date.

SPINZER EQUITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

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 Trade Date Accounting

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

3.8 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 including cash in hand, balances with banks on current and savings accounts.

3.10 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the period in which the dividends are approved by the company's shareholders.

3.11 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.

3.12 Trade and other payables

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

3.13 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.



SPINZER EQUITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

Contingent liabilities

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

3.14 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 time apportionment basis when right to receive is established using 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.

Rental income

Rental income from investment property that is leased to a third party under an operating lease is recognised in the statement of profit or loss on a straight-line basis over the lease term and is included in 'other income'.

3.15 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.

3.16 Fiduciary assets

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

3.17 Related party transactions

All transactions involving related parties arising in the normal course of business are conducted at arm's length at normal commercial rates on the same terms and conditions as third party transactions using valuation modes, as admissible, except in extremely rare circumstances where, subject to the approval of the Board of Directors, it is in the interest of the Company to do so.



SPINZER EQUITIES (PRIVATE) LIMITED
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2024

4 PROPERTY AND EQUIPMENT

	Owned				Total
	Office equipment	Computer equipment	Furniture and fixtures	Vehicles	
	----- (Pak Rupee) -----				
Cost					
Balance as at July 01, 2021	778,938	535,075	288,920	5,209,184	6,812,117
Additions	-	-	-	2,032,362	2,032,362
Balance as at June 30, 2022	778,938	535,075	288,920	7,241,546	8,844,479
Depreciation					
Balance as at July 01, 2021	205,781	353,758	106,249	3,075,502	3,741,290
For the year	57,316	54,395	18,267	596,100	726,078
Balance as at June 30, 2022	263,097	408,153	124,516	3,671,602	4,467,368
Carrying amount as at June 30, 2022	515,841	126,922	164,404	3,569,944	4,377,111
Balance as at June 30, 2022	778,938	535,075	288,920	7,241,546	8,844,479
Additions	-	210,000	57,390	-	267,390
Balance as at June 30, 2023	778,938	745,075	346,310	7,241,546	9,111,869
Depreciation					
Balance as at June 30, 2022	263,097	408,153	124,516	3,671,602	4,467,368
For the year	51,584	101,076	22,179	713,989	888,829
Balance as at June 30, 2023	314,681	509,230	146,695	4,385,591	5,356,197
Carrying amount as at June 30, 2023	464,257	235,845	199,615	2,855,955	3,755,672
Balance as at June 30, 2023	778,938	745,075	346,310	7,241,546	9,111,869
Additions	-	11,000	-	-	11,000
Balance as at June 30, 2023	778,938	756,075	346,310	7,241,546	9,122,869
Depreciation					
Balance as at June 30, 2023	314,681	509,230	146,695	4,385,591	5,356,197
For the year	46,426	74,054	19,961	571,191	711,632
Balance as at June 30, 2024	361,107	583,283	166,657	4,956,782	6,067,829
Carrying amount as at June 30, 2024	417,831	172,792	179,653	2,284,764	3,055,040
Rate of Depreciation	10%	30%	10%	20%	

4.1 Depreciation has been allocated to administrative expenses.

SPINZER EQUITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

		2024	2023
		----- (Pak Rupee) -----	
5 OFFICE BUILDING			
	Note		
Opening balance		31,249,285	34,427,178
Additions during the year		-	-
Depreciation	5.2	(3,177,893)	(3,177,893)
		<u>28,071,391</u>	<u>31,249,285</u>
5.1	Building acquired at fair value against issue of ordinary shares of Rs 10 each. Its approximate area is 1339 Square feet.		
5.2	The rate of depreciation applicable is 8% per annum on straight line basis.		
6 INVESTMENT PROPERTY			
	Note		
Opening balance		15,624,642	17,213,589
Additions during the year		-	-
Depreciation	6.2	(1,588,947)	(1,588,947)
		<u>14,035,695</u>	<u>15,624,642</u>
6.1	Investment property is rented out and is stated at historical cost.		
6.2	The rate of depreciation applicable is 8% per annum on straight line basis.		
7 INTANGIBLE ASSET			
Trading Right Entitlement Certificate ("TREC") - PSX	7.1	2,500,000	2,500,000
Trading Right Entitlement Certificate ("TREC") - PMEX	7.3	1,000,000	-
		<u>3,500,000</u>	<u>2,500,000</u>
7.1	These are carried at notional value. Notional values of these Trading Right Entitlement Certificate is Rs. 2.5 million (2023: Rs.2.5 million), as published by the PSX.		
7.2	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.		
7.3	This is the purchase cost of Trading Right Entitlement Certificate of PMEX.		
8 FINANCIAL ASSETS OTHER THAN CASH AND BANK			
Financial Assests Unlisted Equity shares	9	63,969,438	62,391,445
Financial Assests Listed Equity Shares	13	23,722,369	15,042,918
Financial assets at amortised cost			
- Long term deposits	10	2,540,000	2,540,000
- Trade and Other receivable - net	11	30,924,341	31,398,529
- Deposits, prepayments and other receivables	12	229,000	401,000
		<u>33,693,341</u>	<u>34,339,529</u>
		<u>121,385,149</u>	<u>111,773,892</u>
9 LONG TERM INVESTMENT AT FVTPL - unlisted equity securities			
Opening Balance	9.1	62,391,445	52,984,174
Adjustment for remeasurement to fair value		1,577,994	9,407,270
		<u>63,969,438</u>	<u>62,391,445</u>
9.1	This include 60% (1,820,762 shares) which are held in a separate Central Depository Company Limited ("CDC") sub-account marked as blocked.		
9.2	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. The related deferred tax has not been provided on unrealized gain since the market value taken here is break up value as per accounts of investee and its real market value is not available however some recent transactions these shares privately have been made at below cost.		

These shares are neither listed on any exchange nor are they actively traded. As a result, fair value has been estimated by reference to the latest break-up value of Rs. 21.08 according to audited financial statements of ISE REIT Management Company Limited for the year ended June 30, 2024 (2023: 20.56) or net asset value per share of these shares notified by ISE Towers REIT Management Limited.

SPINZER EQUITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024 ------(Pak Rupee)-----	2023
10 LONG TERM DEPOSITS			
Central Depository Company Limited	10.1	100,000	100,000
National Clearing Company of Pakistan Limited	10.2	2,240,000	2,240,000
Pakistan Stock Exchange Limited	10.3	200,000	200,000
		<u>2,540,000</u>	<u>2,540,000</u>
10.1 This represents security deposit held with Central Depository Company.			
10.2 This represents security deposit held with National Clearing Company of Pakistan Limited. Rs. 1 Million for trading of futures, Rs. 405,000 for regular trading and Rs. 1,035,000 for margin trading.			
10.3 This represents deposit held with Pakistan Stock Exchange Limited.			
11 TRADE AND OTHER RECEIVABLE - NET			
Clients		26,942,773	21,055,460
Related parties	11.1	2,684,978	2,684,345
		<u>29,627,752</u>	<u>23,739,805</u>
Add: Other receivable	11.2	8,850,295	10,488,308
		<u>38,478,047</u>	<u>34,228,112</u>
Less: Provision for expected credit loss			
Customer	11.3	(7,553,706)	(2,829,583)
		<u>30,924,341</u>	<u>31,398,529</u>
11.1 The aging of receivable from related party as at the reporting date is as follows:			
Not past due		-	-
Past due 0 - 30 days		6,145	-
Past due 31 - 90 days		16,427	-
Past due 91 - 1 year		264,216	2,358,605
Past due more than 1 year		2,398,190	325,740
		<u>2,684,978</u>	<u>2,684,345</u>
11.2 This is the amount receivable against trading of securities in all markets which is due for settlement from NCCPL.			
11.3 Provision for expected credit loss			
Balance as at July 1		2,829,583	2,592,883
Charged for the year		4,724,123	236,700
		<u>7,553,706</u>	<u>2,829,583</u>
12 ADVANCES, DEPOSITS AND PREPAYMENTS			
Short-term and advances			
- Advances to employees		229,000	269,000
- Other advances		-	132,000
		<u>229,000</u>	<u>401,000</u>
13 SHORT TERM INVESTMENT AT FVTPL			
Listed equity securities	13.1	23,722,369	15,042,918
		<u>23,722,369</u>	<u>15,042,918</u>
13.1 Fair values of these equity shares are determined by reference to published price quotations in an active market.			
14 CASH AND BANK BALANCES	Note	2024 ------(Pak Rupee)-----	2023
Cash in hand		3,978	25,040
Cash at bank - Local currency			
Current accounts		27,060,986	3,551,794
		<u>27,064,964</u>	<u>3,576,834</u>

SPINZER EQUITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

15 SHARE CAPITAL

15.1 Authorized capital

10,000,000 (2023: 10,000,000) ordinary shares of PKR 10 each

100,000,000 100,000,000

15.2 Issued, subscribed and paid-up share capital

2024		2023		2024	2023
(Number)				----- (Pak Rupee) -----	
<u>6,479,468</u>	<u>6,479,468</u>	Ordinary shares of Rs.10 each, issued for consideration other than cash (against fair value of the lease hold building and vehicle)		<u>64,794,684</u>	<u>64,794,684</u>
<u>3,017,370</u>	<u>3,017,370</u>	Ordinary shares of Rs.10 each, issued for cash		<u>30,173,696</u>	<u>30,173,696</u>
<u>9,496,838</u>	<u>9,496,838</u>	Total balance		<u>94,968,380</u>	<u>94,968,380</u>

15.3 Shareholders holding 5% or more of total shareholding

	Number of Shares		Percentage	
	2024	2023	2024	2023
Mr. Liaquat Ali Khan	1,592,235	1,592,235	17%	17%
Mr. Jibran Ali Khan	3,793,079	3,793,079	40%	40%
Mr. Safwan Ali Khan	3,474,634	3,474,634	37%	37%

15.4 All shares carry equal rights to vote, dividends and right & bonus issue.

16 FINANCIAL LIABILITIES

Current

Financial liabilities at amortised cost

Trade payable	18	35,474,290	14,722,598
Provision for Taxation		-	228,632
		<u>35,474,290</u>	<u>14,951,230</u>

17 DEFERRED TAX LIABILITY

The deferred tax assets and the deferred tax liabilities relate to income tax in the same jurisdiction, and the law allows net settlement. Therefore, they have been offset in the statement of financial position as follows:

Deferred tax liability	658,263	1,300,135
Deferred tax asset	(2,190,575)	(820,579)
Unrecognized deferred tax asset	1,532,311	
	<u>-</u>	<u>479,556</u>

17.1 Elements of deferred tax

Property and equipment	658,263	1,300,135
Investment in unlisted securities	-	-
Provision for doubtful debts	(2,190,575)	(820,579)
	<u>(1,532,311)</u>	<u>479,556</u>

All the change in deferred tax is recognized in statement of profit or loss.

SPINZER EQUITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024 ----- (Pak Rupee) -----	2023
18 TRADE AND OTHER PAYABLES			
Trade creditors	18.1	29,212,063	11,633,870
Income tax employees		150,021	108,710
Other taxes payable		236,544	97,672
Accrued and Other payables		5,770,805	2,882,346
Levies payable	19	104,858	228,632
		<u>35,474,290</u>	<u>14,951,230</u>
18.1 Trade payables include balances amounting to Rs. nil (2023: Rs. 1,823) due to related parties.			
19 PROVISION FOR TAXATION AND LEVIES			
Balance at the beginning of the year		(228,632)	(21,641)
Income tax paid during the year		1,169,823	701,448
		941,191	679,807
Provision for taxation for the period		(21,775)	-
Levies		(1,024,274)	(908,439)
Balance at end of the year		<u>(104,858)</u>	<u>(228,632)</u>
20 CONTINGENCIES AND COMMITMENTS			
There are no contingencies or commitments of the Company as at June 30, 2024 (2023: Nil).			
21 REVENUE			
Commission Income Equity Trading		21,167,612	12,915,392
Dividend income		6,356,730	3,689,940
		<u>27,524,342</u>	<u>16,605,332</u>
22 OPERATING AND ADMINISTRATIVE EXPENSES			
Staff salaries, allowances and other benefits		7,092,734	5,253,036
Director's remuneration		3,664,783	2,848,590
Communication expense		266,204	212,757
Entertainment		240,132	273,320
Printing and stationery		47,250	114,030
CDC trading charges		183,475	64,324
NCCPL trading charges		913,085	263,230
PSX trading charges		1,245,555	504,580
Travelling and conveyance		423,950	346,080
Legal and professional charges		695,975	315,000
Taxes, rates and cess		28,620	12,420
Fee and Subscription		559,610	138,987
EOBI Expense		215,550	150,000
Software charges		188,070	105,840
Repair and maintenance		248,850	170,854
Auditor Remuneration	22.1	250,000	529,000
Utilities		473,202	352,204
Bank and other charges		4,844	6,040
Service charges		487,999	390,560
Misc. Expenses		1,342,461	79,767
Depreciation	4	711,632	888,829
Depreciation on building	5	3,177,893	3,177,893
Depreciation on investment property	6	1,588,947	1,588,947
		<u>24,050,821</u>	<u>18,022,988</u>

SPINZER EQUITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

22.1 Auditor's remuneration

Audit Services

Annual Audit fee

250,000 100,000

Non-audit services

Certifications for regulatory purposes

- 429,000

250,000 529,000

23 OTHER INCOME

Income from Financial Assets

Fair value gain/(loss) on equity instruments at FVTPL - unrealized

6,793,779 (2,220,922)

Fair value gain/(loss) on equity instruments at FVTPL - realized

379,530 69,646

7,173,309 (2,151,276)

Income from Non-Financial Assets

Miscellaneous income

724,496 707,216

Allowance for expected credit losses

(4,724,123) (236,700)

Rental income

929,707 838,530

(3,069,919) 1,309,046

Total other income

4,103,390 (842,230)

24 INCOME TAX EXPENSE

Current tax

- -

Prior tax

21,775 -

Deferred tax

(479,556) (5,495,585)

(457,781) (5,495,585)

24.1 Tax rate reconciliation is not provided because of nil taxation due to tax loss.

24.2 Income tax assessments have been finalized upto tax year 2023 under the deeming provisions of Income Tax Ordinance, 2001.

25 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:

	2024		2023	
	CEO	Director	CEO	Director
Short term employee benefits	----- Pak Rupee -----		----- Pak Rupee -----	
Managerial Remuneration	2,400,000	1,264,783	1,499,944	798,940
Commission paid	-	-	-	-
	2,400,000	1,264,783	1,499,944	798,940
No. of persons	1	2	1	1
No. of Executive employees	0	0	0	0

SPINZER EQUITIES (PRIVATE) LIMITED
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2024

26 FINANCIAL INSTRUMENTS BY CATEGORY

2024			
Amortized cost	FVTOCI	FVTPL	Total
RUPEES			

ASSETS

Non-current assets

Long term deposits	2,540,000	-	-	2,540,000
Long term investments	-	63,969,438	-	63,969,438

Current assets

Short term investments			23,722,369	23,722,369
Trade and other receivable - net	30,924,341	-	-	30,924,341
Advances, deposits and prepayments	229,000	-	-	229,000
Cash and bank balances	27,064,964	-	-	27,064,964

LIABILITIES

Current liabilities

Trade and other payables	35,474,290	-	-	35,474,290
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2023			
Amortized cost	FVTOCI	FVTPL	Total
RUPEES			

ASSETS

Non-current assets

Long term deposits	2,540,000	-	-	2,540,000
Long term investments	-	62,391,445	-	62,391,445

Current assets

Short term investments			15,042,918	15,042,918
Trade and other receivable - net	31,398,529	-	-	31,398,529
Advances, deposits and prepayments	401,000	-	-	401,000
Cash and bank balances	3,576,834	-	-	3,576,834

LIABILITIES

Current liabilities

Trade and other payables	14,951,230	-	-	14,951,230
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SPINZER EQUITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

27 CAPITAL ADEQUACY LEVEL AND CAPITAL RISK MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure.

The Capital adequacy level as required by CDC is calculated as follows;

	2024	2023
	----- (Pak Rupee) -----	
Total assets	197,112,238	168,480,325
Less: Total liabilities	(35,474,290)	(15,430,787)
Less: Revaluation Reserves (created upon revaluation of fixed assets)	-	-
Capital adequacy level	<u>161,637,948</u>	<u>153,049,538</u>

While determining the value of the total assets of the TREC Holder, Notional value of the TRE certificate as at year ended as determined by Pakistan Stock Exchange has been considered.

28 BASE MINIMUM CAPITAL

In compliance with the Regulation 19.2 of the Rule Book of Pakistan Stock Exchange Limited, every Trading Right Entitlement Certificate (TREC) holder registered as a broker is required to maintain a Base Minimum Capital (BMC) in the amount and form as prescribed in the Rule on the basis of Assets Under Custody (AUC). The company has pledged TRE certificate and of shares of ISE REIT to meet this requirement.

	Note	2024	2023
		----- (Pak Rupee) -----	
Trading Right Entitlement Certificates	7	2,500,000	2,500,000
ISE Real Estate Investment Trust shares		63,969,438	62,391,445
		<u>66,469,438</u>	<u>64,891,445</u>

SPINZER EQUITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

29 Liquid Capital Balance

Sr. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
		----- (Pak Rupee) -----		
I. Assets				
1.1	Property & Equipment	45,162,126	45,162,126	-
1.2	Intangible Assets	3,500,000	3,500,000	-
1.3	Investment in Govt. Securities:			
	Difference between book value and sale value on the date on the basis of PKRV published by NIFT - <i>Sale value on the date on the basis of PKRV published by NIFT</i>	-	-	-
1.4	Investment in Debt. Securities:			
	If listed than:			
	i. 5% of the balance sheet value in the case of tenure up to 1 year.	-	-	-
	ii. 7.5% of the balance sheet value, in the case of tenure from 1-3 years.	-	-	-
	iii. 10% of the balance sheet value, in the case of tenure of more than 3 years.	-	-	-
	If unlisted than:			
	i. 10% of the balance sheet value in the case of tenure up to 1 year.	-	-	-
	ii. 12.5% of the balance sheet value, in the case of tenure from 1-3 years.	-	-	-
	iii. 15% of the balance sheet value, in the case of tenure of more than 3 years.	-	-	-
1.5	Investment in Equity Securities:			
	i. If listed 15% or VaR of each securities on the cutoff date as computed by the Securities Exchange for respective securities whichever is higher.	23,722,369	2,321,885	21,400,484
	ii. <i>If unlisted, 100% of carrying value.</i>	63,969,438	63,969,438	-
1.6	Investment in subsidiaries:			
	- <i>100% of net value</i>	-	-	-
1.7	Investment in associated companies/undertaking:			
	i. If listed 15% or VaR of each securities as computed by the Securitas Exchange for respective securities whichever is higher.	-	-	-
	ii. If unlisted, 100% of net value.	-	-	-
1.8	Statutory or regulatory deposits/basic deposits with the exchanges, clearing house or central depository or any other entity - <i>100% of net value</i>	1,505,000	1,505,000	-
1.9	Margin deposits with exchange and clearing house - Nil Haircut	1,035,000	-	1,035,000
1.10	Deposit with authorized intermediary against borrowed securities under SLB - nil	-	-	-
1.11	Other deposits and prepayments - <i>100% haircut of carrying value</i>	-	-	-
1.12	Accrued interest, profit or mark-up on amounts placed with financial institutions or debt securities etc.: - nil - <i>100% in respect of markup accrued on loans to directors, subsidiaries and other related parties</i>	-	-	-
1.13	Dividends receivables: - <i>Nil</i>	-	-	-
1.14	Amounts receivable against Repo financing:			
	- Amount paid as purchaser under the REPO agreement.	-	-	-
	- Securities purchased under repo arrangement shall not be included in the investments.	-	-	-
1.15	Advances and Receivables other than trade receivables:			
	i. No Haircut may be applied on the short term loan to employees provided these loans are secured and due for repayment within 12 months	229,000	229,000	-
	ii. No Haircut may be applied to the advance tax to the extent it is netted with provision of taxation	-	-	-
	iii. In all other cases. - <i>100% of net value</i>	-	-	-
1.16	Receivables from clearing house or securities exchange(s):			
	100% value of claims other than those on account of entitlements against trading of securities in all markets including MtM gains.	6,014,193	-	6,014,193

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1.17	Receivables from customers			
	i. In case receivables are against margin financing, the aggregate if	-	-	-
	a. value of securities held in the blocked account after applying VAR based Haircut,			
	b. cash deposited as collateral by the Financee and			
	c. market value of any securities deposited as collateral after applying VAR based haircut.			
	- Lower of net balance sheet value or value determined through adjustments.			
	ii. In case receivables are against margin trading, 5% of the net balance sheet value. (Net amount after deducting haircut)	-	-	-
	iii. In case receivables are against securities borrowings under SLB, the amount paid to NCCPL as collateral upon entering into contract	-	-	-
	- Net amount after deducting haircut			
	iv. In case of other trade receivables not more than 5 days overdue, 0% of the net balance sheet value.	818,791	-	818,791
	- Balance sheet value			
	v. In case of other trade receivables are overdue, or 5 days or more, the aggregate of	26,420,336	8,146,452	8,146,452
	a. the market value of securities purchased for customers and held in sub-accounts after applying VAR based haircuts,			
	b. cash deposited as collateral by the respective customer and			
	c. the market value of securities held as collateral after applying VAR based haircuts.			
	- Lower of net balance sheet value or value determined through adjustments.			
	vi. 100% haircut in the case of amount receivable from related parties.	2,684,978	2,684,978	-
1.18	Cash and Bank balances:			
	i. Bank Balance-proprietary accounts	90,309	-	90,309
	ii. Bank balance-customer accounts	26,962,893	-	26,962,893
	iii. Cash in hand	3,978	-	3,978
1.19	Subscription money against investment in IPO/offer for sale (asset):			
	No haircut may be applied in respect of amount paid as subscription money provided that shares have not been allotted or are not included in the investments of securities broker.	-	-	-
	- Net amount after deducting haircuts			
1.20	Total Assets	202,118,412	127,518,880	64,472,100
2. Liabilities				
2.1	Trade Payables:			
	i. Payable to exchanges and clearing house	-	-	-
	ii. Payable against leveraged market products	-	-	-
	iii. Payable to customers	29,212,063	-	29,212,063
2.2	Current Liabilities:			
	i. Statutory and regulatory dues	-	-	-
	ii. Accruals and other payables	6,262,227	-	6,262,227
	iii. Short-term borrowings	-	-	-
	iv. Current portion of subordinated loans	-	-	-
	v. Current portion of long term liabilities	-	-	-
	vi. Deferred Liabilities	-	-	-
	viii. Provision for taxation	-	-	-
	ix. Other liabilities as per accounting principles and included in the financial statements	-	-	-
2.3	Non-Current Liabilities:			
	i. Long-Term financing	-	-	-
	ii. Staff retirement benefits	-	-	-
	iii. other liabilities as per accounting principles and included in the financial statements	-	-	-
	- 100% haircut may be allowed against long term portion of financing obtained from a financial institution including amount due against finance leases.	-	-	-
	- Nil in all other cases.			
2.4	Subordinated Loans:			

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	100% of Subordinated loans which fulfill the conditions specified by SECP are allowed to be deducted. In this regard, following conditions are specified: a. Loan agreement must be executed on stamp paper and must clearly reflect the amount to be repaid after 12 months of reporting period b. No haircut will be allowed against short term portion which is repayable within next 12 months. c. In case of early repayment of loan, adjustment shall be made to the Liquid Capital and revised Liquid Capital statement must be submitted to exchange.	-	-	-
2.5	Advance against shares for Increase in Capital of Securities broker: 100% haircut may be allowed in respect of advance against shares if: a. The existing authorized share capital allows the proposed enhanced share capital b. Board of Directors of the company has approved the increase in capital relevant Regulatory approvals have been obtained d. There is no unreasonable delay in issue of shares against advance and all regulatory requirements relating to the increase in paid up capital have been completed. e. Auditor is satisfied that such advance is against the increase of capital.	-	-	-
2.6	Total Liabilities	35,474,290	-	35,474,290
3. Ranking Liabilities Relating to:				
3.1	Concentration in Margin Financing: The amount calculated client-to-client basis by which any amount receivable from any of the finances exceed 10% of the aggregate of amounts receivable from total finances.	-	-	-
3.2	Concentration in securities lending and borrowing: The amount by which the aggregate of: (i) Amount deposited by the borrower with NCCPL (ii) Cash margins paid and (iii) The market value of securities pledged as margins exceed the 110% of the market value of shares borrowed - Amount as determined through adjustment	-	-	-
3.3	Net underwriting Commitments: (a) - in the case of right issue: if the market value of securities is less than or equal to the subscription price; the aggregate of: (i) the 50% of Haircut multiplied by the underwriting commitments and (ii) the value by which the underwriting commitments exceeds the market price of the securities. - In the case of rights issue: where the market price of securities is greater than the subscription price, 5% of the Haircut multiplied by the net underwriting commitment. (b) in any other case : 12.5% of the net underwriting commitments - Amount as determined through adjustment	-	-	-
3.4	Negative equity of subsidiary The amount by which the total assets of the subsidiary (excluding any amount due from the subsidiary) exceed the total liabilities of the subsidiary - Amount as determined through adjustment	-	-	-
3.5	Foreign exchange agreements and foreign currency positions: 5% of the net position in foreign currency. Net position in foreign currency means the difference of total assets denominated in foreign currency less total liabilities denominated in foreign currency - Amount as determined through adjustment	-	-	-
3.6	Amount Payable under REPO: - Carrying Value	-	-	-
3.7	Repo adjustment: In the case of financier/purchaser, the total amount receivable under Repo less the 110% of the market value of underlying securities.	-	-	-

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	In the case of finance/seller , the market value of underlying securities after applying haircut less the total amount received less value of any securities deposited as collateral by the purchaser after applying haircut less any cash deposited by the purchaser. - Amount as determined through adjustment	-	-	-
3.8	Concentrated proprietary positions:			
	- If the market value of any security is between 25% and 51% of the total proprietary positions then 5% of the value of such security	-	482,196	24,110
	- If the market of a security exceeds 51% of the proprietary position, then 10% of the value of such security	-	-	-
	- Amount as determined through adjustment			
3.9	Opening Positions in futures and options:			
	i. In case of customer positions, the total margin requirements in respect of open positions less the amount of cash deposited by the customer and the value of securities held as collateral/ pledged with securities exchange after applying VAR haircuts	-	-	-
	ii. In case of proprietary positions, the total margin requirements in respect of open positions to the extent not already met	-	-	-
3.10	Short sell positions:			
	i. In case of customer positions, the market value of shares sold short in ready market on behalf of customers after increasing the same with the VaR based haircuts less the cash deposited by the customer as collateral and the value of securities held as collateral after applying VAR based Haircuts	-	-	-
	ii. In case of proprietary positions, the market value of shares sold short in ready market and not yet settled increased by the amount of VAR based haircut less the value of securities pledged as collateral after applying haircuts.	-	-	-
3.11	Total Ranking Liabilities	-	482,196	24,110
Total Liquid Capital As At June 30, 2023 (1.20-2.5-3.11)		166,644,122	127,036,684	28,973,700

Calculations Summary of Liquid Capital

(i) Adjusted value of Assets (serial number 1.20)	64,472,100
(ii) Less: Adjusted value of liabilities (serial number 2.6)	35,474,290
(iii) Less: Total ranking liabilities (serial number 3.11)	24,110
	<u>28,973,700</u>

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30 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The related parties include directors, major shareholders, key management personnel, senior executives and entities over which the directors are able to exercise influence. Transaction with related parties are on arm's length basis (except for where stated else wise). Details of transactions with related parties during the year, other than those which have been disclosed elsewhere in these financial statements, are as follows:

Name of related party	Nature of relationship	Transaction during the year	2024	2023
Muhammad Liaquat Ali Khan	Director / CEO		-	-
Mrs. Maqsooda Liaquat	Shareholder		-	-
Jibran Ali Khan	Director		-	-
Muhammad Safwan Ali Khan	Director		-	-
Sheena Liaquat	Shareholder	Opening Balance	394,190	-
		Salary received	300,000	300,000
			694,190	394,190

	2024			
	Chief Executive	Directors	Others	Total
Purchase of marketable securities for and on behalf	1,121,506,686	7,411,480	-	1,128,918,166
Sale of marketable securities for and on behalf	1,118,886,805	7,456,591	-	1,126,343,396
Brokerage Income	122,831	2,045	-	124,876
	2,240,516,322	14,870,116	-	2,255,386,438

	2023			
	Chief Executive	Directors	Others	Total
Purchase of marketable securities for and on behalf	901,661,274	241,970	58,960	901,962,204
Sale of marketable securities for and on behalf	887,197,216	518,750	-	887,715,966
Brokerage Income	64,369	80	440	64,889
	1,788,922,859	1,790,563,259	59,400.00	1,789,743,059

31 INFORMATION REQUIRED BY REGULATION 34 OF SECURITIES BROKER REGULATIONS 2016

	2024	2023
Customer shares in the central depository system	28,220,775	28,174,497
Customer's cash in bank account - PKR	26,970,677	3,458,033
Securities pledged with financial institutions	-	-
Pattern of shares:		
Muhammad Liaquat Ali Khan	1,592,235	1,592,235
Jibran Ali Khan	3,793,079	3,793,079
Muhammad Safwan Ali Khan	3,474,634	3,474,634
Mrs. Maqsooda Liaquat	318,445	318,445
Sheena Liaquat	318,445	318,445
Changes in shareholding:	N/A	N/A

Trade and other receivables are stated at estimated realizable value after each debt has been considered individually.

Where the payment of a debt becomes doubtful a provision is made and charged to the statement of profit or loss.

Aging analysis of amount due from customers

Due not more than 5 days - PKR	818,791	9,773
Due more than 5 days - PKR	26,420,336	21,045,687

32 FINANCIAL RISK MANAGEMENT

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

The Board has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor adherence to limits. Risk management policies and systems are Risks measured and managed by the Company are explained below:

32.1 Market risk

Market risk is the risk that the value of financial instruments may fluctuate as a result of changes in market interest rates or the market prices of instruments due to change in credit rating of the issuers or the instruments, changes in market sentiments, speculative activities, supply and demand of instruments and liquidity in the market. The Company manages the market risk by monitoring exposure on financial instruments and by following internal risk management policies.

Market risk comprises of three types of risks: interest rate risk, currency risk and other price risk.

32.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows from a financial instrument will fluctuate due to changes in market interest rates.

- Fair value risk - Presently, fair value risk to the Company arises from 'balances with banks' and TDRs which are based on fixed interest rates. As at December 31, 2023, the impact of increase / decrease in fixed interest rates by 100 basis points would not have a material impact on the profit after tax of the Company

- Future cash flow risk - Presently, there is no future cash flow risk to the Company since no item is based on floating interest rates (i.e. KIBOR based). As at December 31, 2023, had there been increase / decrease of 50 basis points in KIBOR with all other variables held constant, profit after taxation for the year then ended would have no effect.

32.3 Currency risk

Currency risk arises mainly where receivables and payables exist due to transactions entered into in foreign currencies. The Company does not have any significant foreign currency exposures.

32.4 Price risk

Price risk is the risk that the fair value of or future cash flows from a financial instrument will fluctuate due to 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. As at June 30, 2024, the Company is exposed to Investment in listed equity securities.

Sensitivity Analysis

The table below summarises Company's price risk as of June 30, 2024 and 2023 and shows the effects of a hypothetical 10% increase and a 10% decrease in market prices 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 markets and the aforementioned concentrations existing in Company's investment portfolio.

		Fair Value	Hypothetical price change	Estimated fair value	Hypothetical increase / (decrease) in equity	Hypothetical increase / (decrease) in P/L	Hypothetical increase / (decrease) in OCI
June 30, 2024	Rupees	23,722,369	10% increase	26,094,606	2,372,237	2,372,237	-
			10% decrease	21,350,132	(2,372,237)	(2,372,237)	-
June 30, 2023	Rupees	15,042,918	10% increase	16,547,210	1,504,292	1,504,292	-
			10% decrease	13,538,626	(1,504,292)	(1,504,292)	-

32.5 Credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	2024 Rupees	2023 Rupees
Long term investments	63,969,438	62,391,445
Long term deposits	2,540,000	2,540,000
Trade and other receivable - net	30,924,341	31,398,529
Advances, deposits and prepayments	229,000	401,000
Short term investments	23,722,369	15,042,918
Bank balances	27,060,986	3,551,794
	148,446,134	115,325,686

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (If available) or to historical information about counterparty default rate:

	Rating			2024	2023
	Short Term	Long Term	Agency	Rupees	
Bank Alfalah Limited	A1+	AA+	PACRA	27,060,986	3,551,794
ISE Reit Management Co. Ltd.	A1	A		63,969,438	62,391,445
				91,030,424	65,943,239

Due to the Company's long standing business relationships with these counterparties and after giving due consideration to their strong financial standing, management does not expect non-performance by these counter parties on their obligations to the Company. Accordingly the credit risk is minimal. The provision for expected credit loss has been provided on customer receivables on the basis of risk profile as per note 11.

32.6 Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulties in meeting obligations associated with financial liabilities. The Company's approach to manage liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its financial liabilities when due. Accordingly, the Company maintains sufficient cash and also ensures availability of funding through credit facilities.

The analysis below summarises the Company's financial liabilities (based on contractual undiscounted cash flows) into relevant maturity group on the remaining period as at the reporting date:

	Contractual Cash flows	Less than One Year	Between one to Five Years
2024			
Financial Liabilities			
Trade and other payables	35,474,290	35,474,290	-
2023			
Financial Liabilities			
Trade and other payables	14,951,230	14,951,230	-

33 RE-ARRANGEMENTS

The following rearrangements were made owing to change in accounting policy of recognizing minimum and final taxes as levy instead of current tax under the guidance for taxes issued by ICAP as per IAS 8 resulting in disclosing minimum taxes as levies without any restatement effect in prior years due to immaterial impact.

	This year disclosed as	Last year shown in
Taxation: Current and prior (2023:4,587,146)	Levies	Current Tax

34 Fair Value of Financial Instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences may arise between the carrying value and the fair value estimates. The Company classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

Fair value hierarchy

The table below analyses financial instruments carried at fair value by valuation method. The different levels have been defined as follows: - quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1); - inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2); and - inputs for the asset or liability that are not based on observable market data (level 3). The level in the fair value hierarchy within which the fair value measurement of a financial instrument is categorised in its entirety shall be determined on the basis of the lowest level input that is significant to the fair value measurement of that financial instrument.

As at June 30, 2024

	Level 1	Level 2	Level 3
Financial Assets at Fair Value Through Profit and Loss			
Quoted Shares	23,722,369		
Financial Assets at Fair Value Through Other Comprehensive Income			
ISE REIT Shares-Unquoted		63,969,438	

As at June 30, 2023

Financial Assets at Fair Value Through Profit and Loss			
Quoted Shares	15,042,918		
Value Through Other Comprehensive Income			
ISE REIT Shares-Unquoted		62,391,445	

35 CAPITAL RISK MANGAEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders 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 proportion of borrowings to equity at the year end was:

	2024	2023
Total Borrowings	161,637,950	153,049,538
Total Equity	<u>161,637,950</u>	<u>153,049,538</u>
Gearing Ratio	<u>0%</u>	<u>0%</u>

36 EVENTS AFTER REPORTING DATE

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

37 GENERAL

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

	2024	2023
37.2 Number of persons employed	13	13
Average number employees during the year	13	11

37.3 The corresponding figures have been rearranged and reclassified, wherever considered necessary.

38 DATE OF AUTHORIZATION

These financial statements have been authorized by the Board of Directors of the Company on 04-10-2024

Chief Executive Officer

Director

