KTRADE SECURITIES LIMITED
BALANCE SHEET
HALF YEAR ENDED 31 MAR, 2024

	Note	HALF YEAR ENDED 31 MAR, 2024	YEAR ENDED 30 June, 2023
		Rupees	Rupees
Non-Current Assets			
Property and Equipment	5	**76,344,451**	34,877,148
Intangible Assets	6	**8,741,353**	9,179,165
Security Deposit	7	**3,310,228**	3,290,228
Investments in Un-Listed Securities		**21,249,700**	21,249,700
		109,645,732	**68,596,241**
Current Assets			
Advances & other receivables	**9**	**33,336,312**	24,240,264
Receivables from Clients	**10**	**314,913,326**	288,314,652
Exposure Deposit held with NCCPL		**123,181,795**	32,404,177
Advance tax		**36,639,126**	16,340,459
GOVERNMENT TREASURY BILLS		**-**	47,934,031
Investment in Listed Securities-Mutual Funds	**11**	**69,307,173**	71,071,473
Cash and bank balances	**12**	**384,237,793**	150,901,483
		961,615,525	**631,206,539**
TOTAL ASSETS		**1,071,261,257**	**699,802,780**
Equity and Liabilities			
Authorized Share Capital			
50,000,000(2022:50,000,000) ordinary shares of Rs. 10/- each		**500,000,000**	**500,000,000**
Issued, subscribed & paid up share capital	**13**	**236,103,910**	236,103,910
Advance against issue of shares		**395,072**	395,072
Share Premium		**424,168,307**	424,168,307
Fair Value Reserve on Available for Sale Investment		(7,044,589)	(7,044,589)
Unappropriated profit/(loss)		**(217,655,161)**	(262,957,316)
		435,967,539	390,665,384
Deferrred tax	14	**861,267**	**861,266**
Revaluation surplus on intangible asset		**-**	
Current liabilities			
Other payable	15	**634,432,452**	**308,276,131**
Short term borrowing		**-**	**-**
Contingencies and Commitments		**-**	**-**
Total Equity and Liabilities		**1,071,261,258**	**699,802,780**

Chief Executive Officer **Director**

KTRADE SECURITIES LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE HALF YEAR ENDED 31 MAR, 2024

	NINE MONTH ENDED 31 MAR, 2024 Rupees	NINE MONTH ENDED 31 MAR, 2023 Rupees
Operating Revenue	131,415,302	63,048,422
Advisory Services	9,349,953	3,495,000
Services Rendered Outside Pakistan	5,218,790	-
Capital Gain on Sale of Listed Investments	53,480,412	494,924
Unrealised gain on remeasurement of investments	-	(570,950)
	199,464,457	**66,467,396**
Expenditures		
Administrative and Operating Expenses	230,443,414	170,871,138
Finance Cost	426,393	575,902
	230,869,807	171,447,040
Other income	76,707,505	36,144,902
		-
Profit / (loss) before taxation	**45,302,155**	(68,834,742)
TAXATION	-	-
Profit / (loss) for the year	**45,302,155**	(68,834,742)
Earning Per Share-Basic and Diluted	0.10	

Chief Executive Officer **Director**

KTRADE SECURITIES LIMITED
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 MAR, 2024

1 STATUS AND NATURE OF BUSINESS

KTrade Securities Limited ("the Company") was incorporated in Pakistan on April 25, 2013 under the repealed Companies Ordinance, 1984 now the Companies Act, 2017. The Company was initially incorporated as a private limited company. Subsequently, the Company changed its status from private limited company to public unlisted company. The registered office of the Company is situated at Room 101 and 105, 1st Floor, New PSX Building, I.I. Chundrigar Road, Karachi. The corporate office of the Company is located at "Office 201-202, 2nd floor, Plot # 33-C, Lane 13, Khayaban e Bukhari, Phase VI, DHA, Karachi.".

The Company is the subsidiary of Oxford Frontier Capital Limited ("the Holding Company") which holds 59.64% shares of the Company as at June 30, 2023. Oxford Frontier Capital Limited is registered in London (UK) under registration no. 10823644. Registered address of the company is " 3, 31 Emperors Gate, London, UK, SW/ 4JA" The Company holds 85% voting shares in Block Tech Limited ("the Subsidiary") as at June 30, 2023, which is a public unlisted company incorporated in Pakistan and is involved in providing IT services.

The Company is a Trading Right Entitlement Certificate (TREC) holder of Pakistan Stock Exchange Limited (PSX) and member of Pakistan Mercantile Exchange Limited (PMEX). The Company is principally engaged in the business of dealing of stocks, money market, foreign exchange and commodity broking. Other activities include investment in a mix of listed and unlisted equity and debt securities, economic research, advisory services and dealing in leverage products of the National Clearing Company of Pakistan Limited (NCCPL).

The Company's is principally engaged in the business of dealing of stocks, money market, foreign exchange and commodity broking. Other activities include investment in a mix of listed and unlisted equity and debt securities, economic research, advisory services and dealing in leverage products of the National Clearing Company of Pakistan Limited (NCCPL).

The geographical location of the Company's offices are as follows;

- Pakistan Stock Exchange Office - Karachi	Room # 101 and 105, 1st Floor, New PSX Building, I.I. Chundrigar Road, Karachi.
- DHA Bukhari Commercial 1st floor Office - Karachi	Office 101-102, 1st floor, Plot # 33-C, Lane 13, Khayaban e Bukhari, Phase VI, DHA, Karachi.

- DHA Bukhari Commercial 2nd floor Office - Karachi	Office 201-202, 2nd floor, Plot # 33-C, Lane 13, Khayaban e Bukhari, Phase VI, DHA, Karachi.
- DHA Bukhari Commercial 3rd floor Office - Karachi	Office 301-302, 3rd floor, Plot # 33-C, Lane 13, Khayaban e Bukhari, Phase VI, DHA, Karachi.
- DHA Bukhari Commercial 3rd floor Office - Karachi	Office 401-402, 4th floor, Plot # 33-C, Lane 13, Khayaban e Bukhari, Phase VI, DHA, Karachi.
- Multan	Office # 16, 4th Floor, Bomanji Square, Plot no. 84/2, Nusrat Road, Multan Cantt, Multan.
- Lahore	Office # M09, 50N Gurumangat Road, Gulberg II, Lahore.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These unconsolidated financial statements are the separate financial statements of the Company. 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 (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

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

2.2 Use of estimates and judgments

The preparation of unconsolidated financial statements in conformity with accounting and reporting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates underlying the assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Information about the judgments made by the management in the application of the accounting policies, that have the most significant effect on the amount recognised in these unconsolidated financial statements, assumptions and estimation uncertainties with significant risk of material adjustment to the carrying amount of asset and liabilities in future periods are described in the following notes:

- Property and equipment (note 4.1 & 5)
- Trade debts, advances and other receivables (note 4.5, 9 & 10)
- Provision (note 4.9)
- Taxation (note 4.13 & 21)
- Fair value (note 4.3 & 25)

2.3 Functional and presentation currency

Items included in the unconsolidated financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the functional currency). These unconsolidated financial statements are presented in Pak Rupees ("Rupees" or "Rs."), which is the Company’s functional and presentation currency.

3 APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO PUBLISHED APPROVED ACCOUNTING AND REPORTING STANDARDS

3.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2023

The following standards, amendments and interpretations are effective for the year ended June 30, 2023. These standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the unconsolidated financial statements other than certain additional disclosures.

	Effective date (annual periods beginning on or after)
Interest Rate Benchmarch Reform - Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)	January 01, 2021
Amendments to IFRS 3 'Business Combinations' - Reference to the conceptual framework	January 01, 2022

	Effective date (annual periods beginning on or after)
Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before Intended Use	January 01, 2022
Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts - Cost of fulfilling a contract	January 01, 2022
Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of Accounting Policies	January 01, 2023
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of Accounting Estimates	January 01, 2023
Amendments to IAS 12 'Income Taxes' - Deferred Tax related to Assets and Liabilities arising from a single transaction	January 01, 2023
Amendments to IAS 12 'Income Taxes' - Temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes International Tax Reform — Pillar Two Model Rules	January 01, 2023
Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts - Cost of fulfilling a contract	January 01, 2022

Certain annual improvements have also been made to a number of IFRSs.

3.2 New accounting standards, amendments and interpretations that are not yet effective

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

Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Non-current Liabilities with Covenants	January 01, 2024
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements	January 01, 2024

	Effective date (annual periods beginning on or after)
Amendments to IAS 7 'Statement of Cash Flows' - Supplier Finance Arrangements	January 01, 2024
Amendments to IFRS 16 'Leases' - Lease Liability in a Sale and Leaseback to clarify how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale	January 01, 2024

Certain annual improvements have also been made to a number of IFRSs.

The following new standards and interpretations have been issued by the International Accounting Standards Board (IASB), which have not been adopted locally by the Securities and Exchange Commission of Pakistan (SECP):

IFRS 1	First Time Adoption of International Financial Reporting Standards	January 01, 2004
IFRS 17	Insurance Contracts.	January 01, 2023

4 SIGNIFICANT ACCOUNTING POLICIES

These unconsolidated financial statements have been prepared under the historical cost convention except as otherwise disclosed in the accounting policies below.

4.1 Property and equipment

These are stated at cost less accumulated depreciation and impairment losses, if any. Normal repairs and maintenance are charged to profit or loss, as and when incurred.

Subsequent costs are included in the assets' 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.

Gains or losses on disposal of property and equipment, if any, are taken to profit or loss.

Depreciation is charged to profit or loss account by applying the straight line method reflecting the pattern in which the economic benefits of the assets are consumed by the Company at the rates specified in note 5. Depreciation on additions is charged for the full month in which an asset is available for use and on deletions up to the month immediately preceding the month of deletion.

The Company reviews the useful lives and residual values of the assets for possible impairment on an annual basis. Any change in the estimates in future years might affect the carrying amounts of the respective items of property and equipment with a corresponding effect on the depreciation charge and impairment.

Capital work-in-progress

Capital work-in-progress is stated at cost less impairment (if any). It consists of expenditure incurred and advances made in respect of tangible and intangible assets in the course of their construction and installation.

4.2 Intangible assets

Computer software

These are stated at cost less accumulated amortization and impairment losses, if any. Amortization is computed using the straight line method reflecting the pattern in which the economic benefits of the assets are consumed by the Company at the rates specified in note 5. The residual values, useful lives and amortization methods are reviewed and adjusted, if appropriate, at each reporting date.

Amortization on additions is charged for the full month in which an asset is available for use and on deletions up to the month immediately preceding the month of deletion..

Gain and losses on disposal of such assets, if any, are included in the statement of profit or loss.

Trading Right Entitlement Certificates & Membership cards

These are initially stated at cost. Subsequent to initial recognition, TREC is being carried at revalued amount. TREC do not have definite useful life, therefore, it is not being amortized.

Following the application of IAS 38, the Company's accounting policy for surplus on revaluation of intangibles stands amended as follows:

Increases in the carrying amounts arising on revaluation of intangibles are recognized, net of tax, in other comprehensive income and accumulated in surplus on revaluation of intangibles in shareholders' equity. To the extent that increase reverses a decrease previously recognized in the statement of profit or loss, the increase is first recognized in the statement of profit or loss. Decreases that reverse previous increases of the same asset are first recognized in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to the statement of profit or loss.

4.3 Financial Instruments - Initial recognition and subsequent measurement

Initial Recognition

All financial assets and liabilities are initially measured at cost which is the fair value of the consideration given or received. These are subsequently measured at fair value or amortized cost as the case may be.

Regular way purchase of investments are recognized using trade date accounting i.e. , the date on which

Classification of financial assets

The Company classifies its financial instruments in the following categories:

- at fair value through profit or loss ("FVTPL"),
- at fair value through other comprehensive income ("FVTOCI"), or
- at amortized cost.

The Company determines the classification of financial assets at initial recognition. The classification of instruments (other than equity instruments) is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics.

Financial assets that meet the following conditions are subsequently measured at amortized cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at FVTOCI:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the 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.

By default, all other financial assets are subsequently measured at FVTPL.

Classification of financial liabilities

The Company classifies its financial liabilities in the following categories:

- at fair value through profit or loss ("FVTPL"); or
- at amortized cost.

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has opted to measure them at FVTPL.

Subsequent measurement

i) Financial assets at FVTOCI

Elected investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently, they are measured at fair value, with gains or losses arising from changes in fair value recognized in other comprehensive income / (loss).

ii) Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value, and subsequently carried at amortized cost, and in the case of financial assets, less any impairment.

iii) Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statement of profit or loss and other comprehensive income. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statement of profit or loss and other comprehensive income in the period in which they arise.

Where management has opted to recognize a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognized in other comprehensive income / (loss). Currently, there are no financial liabilities designated at FVTPL.

Impairment of financial asset

The Company recognizes loss allowance for Expected Credit Loss (ECL) through general approach on financial assets measured at amortized cost and FVTOCI at an amount equal to 12 months ECL or lifetime ECLs based on significant increase in credit risk except for the financial assets in which there is no significant increase in credit risk since initial recognition or financial assets which are determined to have low credit risk at the reporting date, in which case 12 months' ECL is recorded. The following were either determined to have low or there was no increase in credit risk since initial recognition as at the reporting date:

- bank balances;
- employee receivables;
- other short term receivables; and
- receivables from PMEX and NCCPL.

Loss allowance for trade receivables are always measured at an amount equal to life time ECLs.

The Company considers a financial asset in default when it is more than 180 days past due.

Life time ECLs are the ECLs that results from all possible default events over the expected life of a financial instrument. 12 months ECLs are portion of ECL that result from default events that are possible within 12 months after the reporting date.

ECLs are a probability weighted estimate of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between cash flows due to the entity in accordance with the contract and cash flows that the Company expects to receive).

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.

Derecognition

i) Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire or when it transfers the financial assets and substantially all the associated risks and rewards of ownership to another entity. On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying value and the sum of the consideration received and receivable is recognized in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument which the Company has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to statement of changes in equity.

ii) Financial liabilities

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any noncash assets transferred or liabilities assumed, is recognized in the statement of profit or loss and other comprehensive income.

4.4 Off-setting of financial assets and liabilities

Financial assets and liabilities are off-set and the net amount is reported in the statement of financial position if the Company has a legal right to set off the transaction and also intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

4.5 Trade debts and other receivables

Trade debts and other receivables are recognized initially at fair value and subsequently measured at amortized cost less provision for impairment, if any. A provision for impairment is established when there is an objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. Trade debts and other receivables considered irrecoverable are written off.

A receivable is recognized on the trade date as this is the point in time that the Company becomes a party to the contractual provisions of the instrument.

4.6 Cash and cash equivalents

Cash and cash equivalents comprise of cash in hand, current accounts held with various banks and deposits placed in profit and loss sharing accounts.

4.7 Revenue recognition

Brokerage income, advisory fees and commission are recognized as and when such services are provided.

Capital gains and losses on sale of investments are included in the profit and loss account in the period in which they arise.

Dividend income is recognized when the right to receive dividend is established i.e. on the date of book closure of the investee company / institution declaring the dividend.

Unrealized gains / (losses) arising on mark to market of investments classified as 'Financial assets at fair value through profit or loss' are included in the profit and loss account in the period in which they arise.

Mark-up / interest income on Margin Financing facility is recognized on a time proportion basis on the principal amount outstanding and at the rate applicable.

Mark-up income on profit and loss sharing basis bank accounts is recognized on a time proportion basis that takes into account the effective yield.

4.8 Foreign currency transactions

Transactions denominated in foreign currencies are translated to Pak Rupees at the exchange rate ruling at the date of transaction. Monetary assets and liabilities in foreign currencies at reporting date are translated into Pak Rupees at exchange rates ruling on that date. Exchange differences are included in the profit or loss.

4.10 Provisions

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

4.11 Earnings per share

Earnings per share is calculated by dividing the profit/loss after tax for the year by the weighted average number of shares outstanding during the year.

4.12 Trade creditors and other liabilities

Trade and other payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest rate method.

4.13 Dividend and appropriations

Dividend and appropriations to / from reserves are recognized in the period in which these are approved.

4.14 Income tax

Current

The charge for current taxation is based on the taxable income at the rate of taxation after taking into account tax credits, rebates available, if any.

Deferred

Deferred tax is accounted for using the liability method on all temporary difference arising between tax base of assets and liabilities and their carrying amounts in the unconsolidated financial statements. Deferred tax liability is generally recognized for all taxable temporary differences and deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized. Deferred tax is charged to or credited in the unconsolidated statement of profit or loss and other comprehensive income.