MUSHTAQ & CO.

CHARTERED ACCOUNTANTS

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leading edge alliance
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Member firm

Independent auditor's report

To the members of Ample Securities (Private) Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **Ample Securities (Private) Limited** , which comprise the statement of financial position as at June 30, 2022, and the statement of profit or loss and other comprehensive income, the statement of changes in equity 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 and other comprehensive income, the statement of changes in equity 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, 2022 and of the loss and other comprehensive loss, 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 (the Code) 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 obtained at the date of this auditor's report is information included in the annual report, but does not include the financial statements of the company 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 there on.

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 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.

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.

Boards of directors are 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.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 and other 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) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

e) The Company was in compliance with the requirement of section 78 of the Securities Act 2015, and the relevant requirements of Securities Brokers (Licensing and Operations) Regulations, 2016 as at the date on which the Financial Statements were prepared.

Other Matter Paragraph

The financial statements of the company for the year ended June 30, 2021 were audited by another firm of Chartered Accountants who expressed unmodified opinion in their report dated September 15, 2021.

The engagement partner on the audit resulting in this independent auditor's report is **Zahid Hussain Zahid, FCA**.

MUSHTAQ & COMPANY KARACHI Chartered Accountants

MUSHTAQ & CO.
Chartered accountants

KARACHI
Date: 14 September, 2022
UDIN: AR202210043ZIkCm0rdn

AMPLE SECURITIES (PRIVATE) LIMITED.
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2022

	Note	2022 Rupees	2021 Rupees
ASSETS			
NON CURRENT ASSETS			
Property and Equipment	4	322,300	363,229
Intangible Assets	5	1,690,000	1,690,000
Long term deposits	6	4,795,000	4,795,000
		6,807,300	6,848,229
CURRENT ASSETS			
Trade Receivables	7	-	-
Short Term Investment	8	51,064,565	29,712,841
Advances, Deposits and Other Receivables	9	15,792,173	33,264,151
Cash and Bank Balances	10	6,002,132	20,297,651
		72,858,870	83,274,643
TOTAL ASSETS		**79,666,170**	**90,122,872**
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized capital			
30,000,000 (2021: 30,000,000) ordinary shares of Rs. 10 each		300,000,000	300,000,000
Issued, subscribed and paid up capital	11	70,000,000	70,000,000
Accumulated profit / (loss)		7,807,433	19,284,650
		77,807,433	89,284,650
LIABILITIES			
NON CURRENT LIABILITIES			
CURRENT LIABILITIES			
Accrued expenses & other liabilities	12	1,858,737	838,222
		1,858,737	838,222
CONTINGENCIES AND COMMITMENTS	13	-	-
		79,666,170	**90,122,872**

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

Chief Executive

Director

AMPLE SECURITIES (PRIVATE) LIMITED.
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022 Rupees	2021 Rupees
Operating Revenue	14	7,291,249	9,805,660
Capital (loss) / gain on sale of securities		(10,312,517)	25,557,549
Fair Value Adjustment		(2,542,732)	1,288,188
Gross (loss) / profit		(5,563,999)	36,651,397
Administrative expenses	15	(7,519,327)	(7,484,312)
Finance Cost	16	(229,411)	(520,472)
		(7,748,739)	(8,004,784)
(Loss) / Profit from operation		(13,312,738)	28,646,613
Other income	17	1,742,622	1,375,690
(Loss) / Profit before taxation		(11,570,116)	30,022,303
Taxation	18	92,899	(837,663)
(Loss) / Profit for the year		(11,477,217)	29,184,640
Earnings per share - basic and diluted	19	(1.64)	4.17

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

Chief Executive

Director

AMPLE SECURITIES (PRIVATE) LIMITED.

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022 Rupees	2021 Rupees
(Loss) / Profit for the year		(11,477,217)	29,184,640
Other comprehensive income for the year		-	-
Total comprehensive (loss) / income for the year		(11,477,217)	29,184,640

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

Chief Executive

Director

AMPLE SECURITIES (PRIVATE) LIMITED.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2022

Particulars	Share capital	Unappropriated profit/ (loss)	Total equity
	Rupees		
Balance as at July 01, 2020	70,000,000	(9,899,990)	60,100,010
Profit for the year	-	29,184,640	29,184,640
Balance as at June 30, 2021	70,000,000	19,284,650	89,284,650
Balance as at July 01, 2021	70,000,000	19,284,650	89,284,650
Loss for the year	-	(11,477,217)	(11,477,217)
Balance as at June 30, 2022	70,000,000	7,807,433	77,807,433

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

Chief Executive

Director

AMPLE SECURITIES (PRIVATE) LIMITED.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022 Rupees	2021 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss) / Profit before taxation		(11,570,116)	30,022,303
Adjustments for:			
Depreciation		40,929	47,291
Capital loss / (gain) on disposal of securities		10,312,517	(25,557,549)
Unrealized loss / (gain) on remeasurement of investments		2,542,732	(1,288,188)
Finance cost		229,411	520,472
		13,125,588	(26,277,974)
Profit before working capital changes		1,555,472	3,744,329
(Increase) / decrease in current assets			
Trade Receivables		-	-
Advances, Deposits and Other Receivables		17,471,978	(19,500,000)
Short Term Investment		(34,206,973)	55,801,830
		(16,734,995)	36,301,830
(Decrease) / increase in current liabilities			
Accrued expenses & other liabilities		1,123,489	(560,891)
		1,123,489	(560,891)
Cash (used) / generated from operations		(15,611,506)	35,740,939
Finance cost paid		(332,386)	(520,472)
Income Tax		92,900	(156,620)
		(239,486)	(677,092)
Net cash (used) / generated from operating activities		(15,850,992)	35,063,847
CASH FLOWS FROM INVESTING ACTIVITIES			
Net cash used in investing activities		-	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Net cash used in financing activities		-	-
Net (decrease) / increase in cash and cash equivalents		(14,295,519)	38,808,176
Cash and cash equivalents at the beginning of the year		20,297,651	(18,510,524)
Cash and cash equivalents at the end of the year		**6,002,132**	**20,297,651**

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

Chief Executive

Director

27 Capital Adequcy level

	Note	2022 Rupees	2021 Rupees
Total Assets		79,666,170	90,122,872
Less: Total Liabilities		(1,858,737)	(838,222)
Less: Revaluation Reserves (Created upon revaluation of Fixed Assets)		-	-
Capital Adequacy Level	**27.1**	**77,807,433**	**89,284,650**

27.1 While determining the value of total assets of the TREC Holder, National value of the TRE certificate held by the company as at June 30, 2022, as determined by Pakistan Stock Exchange has been considered.

28 Net Capital Balance

Net Capital Balance of the Comapany, as at June 30, 2022, in accordance with the Second Schedule of the Securities Brokers (Licensing and Operations) Regulations, 2016 and the guidebook issued by the Securities and Exchange Commission of Pakistan is **Rs. 50,889,016/-**.

Description		30-Jun-22	
CURRENT ASSETS			
Cash in hand			52,743
Bank balances			
Bank balances pertaining to brokerage house		5,889,466	
Bank balances pertaining to clients		59,923	5,949,389
Other Cash deposit			1,611,339
Trade Receivables			
Book value		24,826	
Less: Overdue for more than 14 days		24,826	-
Securities purchased for client			20,013
Investment in listed securities in the name of broker			
Securities on the exposure list		39,668,645	
Less: 15% adjustment (as required)		5,950,297	33,718,349
Treasury Bill			11,395,920
	A		52,747,753
CURRENT LIABILITIES			
Trade Payables			
Book value		59,923	
Less: Overdue for more than 30 days		24,719	35,204
Other liabilities			
Accrued expenses and other liabilities			1,823,533
Total Current Liabilities	B		1,858,737
NET CAPITAL BALANCE	(A-B)		50,889,016

29 Liquid Capital Balance

Liquid Capital Balance of the Comapany, as at June 30, 2022, in accordance with the Third Schedule of the Securities Brokers (Licensing and Operations) Regulations, 2016 is **Rs.46,757,239.**

S.No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
1. Assets				
1.1	Property & Equipment	322,300	100.00%	-
1.2	Intangible Assets	1,690,000	100.00%	-
1.3	Investment in Govt. Securities	11,395,920	-	11,395,920
1.4	**Investment in Debt. Securities**			
	If listed than:			
	i. 5% of the balance sheet value in the case of tenure upto 1 year.	-	5.00%	-
	ii. 7.5% of the balance sheet value, in the case of tenure from 1-3 years.	-	7.50%	-
	iii. 10% of the balance sheet value, in the case of tenure of more than 3 years.	-	10.00%	-
	If unlisted than:	-		
	i. 10% of the balance sheet value in the case of tenure upto 1 year.	-	10.00%	-
	ii. 12.5% of the balance sheet value, in the case of tenure from 1-3 years.	-	12.50%	-
	iii. 15% of the balance sheet value, in the case of tenure of more than 3 years.	-	15.00%	-
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.	39,668,645	7,224,211	32,444,434
	ii. If unlisted, 100% of carrying value.		100.00%	-
1.6	Investment in subsidiaries	-	100.00%	-
1.7	**Investment in associated companies/undertaking**			
	i. If listed 20% or VaR of each securities as computed by the Securites Exchange for respective securities whichever is higher.	-	-	-
	ii. If unlisted, 100% of net value.	-	100.00%	-
1.8	Statutory or regulatory deposits/basic deposits with the exchanges, clearing house or central depository or any other entity.	4,795,000	100.00%	-
1.9	Margin deposits with exchange and clearing house.	1,611,339	-	1,611,339
1.10	Deposit with authorized intermediary against borrowed securities under SLB.	-	-	-
1.11	Other deposits and prepayments	-	100.00%	-
1.12	Accrued interest, profit or mark-up on amounts placed with financial institutions or debt securities etc.(Nil)	-	-	-
	100% in respect of markup accrued on loans to directors, subsidiaries and other related parties	-	100.00%	-
1.13	Dividends receivables.	-	-	-
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	Receivables other than trade receivables	14,180,834	100.00%	-
1.2	**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.	-		-
1.17	**Receivables from customers**			
	i. In case receivables are against margin financing, the aggregate if (i) value of securities held in the blocked account after applying VAR based Haircut, (ii) cash deposited as collateral by the financee (iii) market value of any securities deposited as collateral after applying VaR based haircut.	-	-	-
	i. Lower of net balance sheet value or value determined through adjustments.			
	ii. Incase receivables are against margin trading, 5% of the net balance sheet value.	-	5.00%	-
	ii. Net amount after deducting haircut			
	iii. Incase receivalbes are against securities borrowings under SLB, the amount paid to NCCPL as collateral upon entering into contract,	-	-	-
	iii. Net amount after deducting haricut			
	iv. Incase of other trade receivables not more than 5 days overdue, 0% of the net balance sheet value.	-		-
	iv. Balance sheet value			
	v. Incase of other trade receivables are overdue, or 5 days or more, the aggregate of (i) the market value of securities purchased for customers and held in sub-accounts after applying VAR based haircuts, (ii) cash deposited as collateral by the respective customer and (iii) the market value of securities held as collateral after applying VaR based haircuts.	24,826	20,013	20,013
	v. Lower of net balance sheet value or value determined through adjustments			
	vi. 100% haircut in the case of amount receivable form related parties.		100.00%	-

1.18	**Cash and Bank balances**			
	I. Bank Balance-proprietory accounts	5,889,466	-	5,889,466
	ii. Bank balance-customer accounts	59,923	-	59,923
	iii. Cash in hand	52,743	-	52,743
1.19	**Total Assets**	**79,690,997**		**51,473,839**

2. Liabilities

2.1	**Trade Payables**			
	i. Payable to exchanges and clearing house	1,386,600	-	1,386,600
	ii. Payable against leveraged market products		-	-
	iii. Payable to customers	59,923	-	59,923
2.2	**Current Liabilities**			
	i. Statutory and regulatory dues		-	-
	ii. Accruals and other payables	412,214	-	412,214
	iii. Short-term borrowings	-	-	-
	iv. Current portion of subordinated loans	-	-	-
	v. Current portion of long term liabilities	-	-	-
	vi. Deferred Liabilities	-	-	-
2.2	vii. Provision for bad debts	-	-	-
	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	-	-	-
2.4	**Subordinated Loans**	-	-	-
	100% of Subordinated loans which fulfill the conditions specified by SECP are allowed to be deducted	-	-	-
2.5	**Total Liabilites**	**1,858,737**		**1,858,737**

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 financees exceed 10% of the aggregate of amounts receivable from total financees.	-	-	-
3.2	**Concentration in securites lending and borrowing**			
	The amount by which the aggregate of:	-	-	-
3.3	**Net underwriting Commitments**			
	(a) in the case of right issuse : if the market value of securites 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 issuse where the market price of securities is greater than the subscription price, 5% of the Haircut multiplied by the net underwriting	-	-	-
	(b) in any other case : 12.5% of the net underwriting commitments	-	-	-
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	-	-	-
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 cuurency less total liabilities denominated in foreign currency	-	-	-
3.6	Amount Payable under REPO	-	-	-

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 securites. **In the case of financee/seller** the market value of underlying securities after applying haircut less the total amount received ,less value of any securites deposited as collateral by the purchaser after applying haircut less any cash deposited by the purchaser.	-	-	-
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 .If the market of a security exceeds 51% of the proprietary position,then 10% of the value of such security		-	-
3.9	**Opening Positions in futures and options** i. In case of customer positions, the total margin requiremnets in respect of open postions less the amount of cash deposited by the customer and the value of securites held as collateral/ pledged with securities exchange after applyiong VaR haircuts	2,857,862	-	2,857,862
	ii. In case of proprietary positions , the total margin requirements in respect of open positions to the extent not already met	1,705,532	1,705,532	-
3.10	**Short selll positions** i. Incase 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. Incase of proprietory 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 Liabilites**	**4,563,394**	**-**	**2,857,862**

Calculations Summary of Liquid Capital		
(i) Adjusted value of Assets (serial number 1.19)	79,690,997	51,473,839
(ii) Less: Adjusted value of liabilities (serial number 2.5)	(1,858,737)	(1,858,737)
(iii) Less: Total ranking liabilities (series number 3.11)	(4,563,394)	(2,857,862)
LIQUID CAPITAL BALANCE	**73,268,866**	**46,757,239**

30 CORRESPONDING FIGURES

Comparative information has been rearranged and reclassified, wherever necessary, for better presentation and comparison.

31 NUMBER OF EMPLOYEES

	2022	2021
Number of employees as on June 30	6	6
Average number of employees during the year	6	6

32 RECLASSIFICATION

Corresponding figures have been rearranged and reclassified to reflect more appropriate presentation of events and transactions of the purposes of comparison.

33 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on 14 SEP 2022 by the board of directors of the company.

34 GENERAL

Figures have been rounded off to the nearest Rupee.

CHIEF EXECUTIVE

DIRECTOR