

**ARIF LATIF SECURITIES (PRIVATE)
LIMITED**

**FINANCIALS HALF YEAR ENDED
DECEMBER 31,2021**

ARIF LATIF SECURITIES (PRIVATE) LIMITED
CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)
AS AT DECEMBER 31, 2021

	NOTE	December 31, 2021	June 30, 2021
		Rupees Un-audited	Rupees Audited
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	7	4,783,517	3,209,317
Intangible	8	3,000,000	3,000,000
Long-term investments	9	20,533,913	19,673,058
Long-term deposits and prepayments	10	1,500,000	1,500,000
		29,817,430	27,382,375
CURRENT ASSETS			
Trade debts - considered good	11	15,132,271	18,258,085
Short term deposits	12	8,500,000	8,000,000
Short term investments	13	35,476,600	2,316,000
Taxation-net	19	2,601,101	2,311,214
Cash and bank balances	14	41,311,040	127,963,107
		103,021,012	158,848,406
TOTAL ASSETS		132,838,442	186,230,781
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital	15	75,000,000	55,000,000
Unappropriated profit		10,520,110	11,135,868
		85,520,110	66,135,868
Revaluation reserves	16	20,534,302	19,673,447
NON-CURRENT LIABILITIES			
Deferred taxation	17	60,709	82,081
CURRENT LIABILITIES			
Trade and other payables	18	26,723,321	100,339,385
CONTINGENCIES AND COMMITMENTS			
	20	-	-
TOTAL EQUITY AND LIABILITIES		132,838,442	186,230,781

The annexed notes 1 to 34 form an integral part of these financial statements.

CHIEF EXECUTIVE

[Signature]



DIRECTOR

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ARIF LATIF SECURITIES (PRIVATE) LIMITED
 CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
 FOR THE HALF YEAR ENDED DECEMBER 31, 2021

	NOTE	December 31, 2021	June 30, 2021
		Rupees Un-audited	Rupees Audited
REVENUE			
	21	4,024,555	7,285,135
EXPENSES			
Administrative and general expenses	22	(4,053,711)	(11,597,067)
Loss on sale of investment		(2,270,700)	-
Operating loss		<u>(2,299,856)</u>	<u>(4,311,932)</u>
Financial charges	23	(14,531)	(23,016)
Other income	24	2,066,123	7,186,756
Profit before taxation		<u>(248,264)</u>	<u>2,851,809</u>
Taxation			
Profit after taxation	25	(367,494)	(503,787)
		<u>(615,758)</u>	<u>2,348,021</u>
Other comprehensive income			
Items that will not be subsequently reclassified to profit and loss account			
Fair value gain / (loss) on remeasurement of long term investment- FVOCI	16	860,855	590,783
Items that will be reclassified to profit and loss account subsequently		-	-
Total comprehensive income for the year		<u>245,097</u>	<u>2,938,804</u>
Earning per share - basic	26	<u>(0.08)</u>	<u>0.54</u>

The annexed notes 1 to 34 form an integral part of these financial statements.

CHIEF EXECUTIVE




DIRECTOR



ARIF LATIF SECURITIES (PRIVATE) LIMITED
 CONDENSED INTERIM CASH FLOW STATEMENT - (UN-AUDITED)
 FOR THE HALF YEAR ENDED DECEMBER 31, 2021

Note	December 31, 2021	June 30, 2021
	Rupees Un-audited	Rupees Audited
CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	(248,264)	2,851,808
<i>Adjustment for non cash items:</i>		
Dividend income	(2,385,828)	(915,783)
Financial charges	14,531	23,016
Depreciation for the year	-	150,622
	(2,371,297)	(742,145)
Changes in working capital		
<i>(Increase)/ decrease in current assets</i>		
Trade debts - considered good	3,125,814	(16,966,398)
Short term deposits	(500,000)	(4,000,000)
Short term investments	(33,160,600)	16,931,120
	(30,534,786)	(4,035,278)
<i>Increase / (decrease) in current liabilities</i>		
Trade and other payables	(73,616,064)	10,879,491
Net cash inflow / (outflow) from operations	(106,770,411)	8,953,876
Income tax paid	(678,753)	(1,148,739)
Finance charges paid	(14,531)	(23,016)
	(693,284)	(1,171,755)
Net cash inflow / (outflow) from operating activities	(107,463,695)	7,782,121
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of fixed assets	(1,574,200)	(2,930,000)
Long term deposit	-	-
Dividend income	2,385,828	915,783
Net cash (outflow) / inflow from investing activities	811,628	(2,014,217)
CASH FLOWS FROM FINANCING ACTIVITIES		
Directors' Loan	-	(4,461,699)
Issuance of shares	20,000,000	20,000,000
Net cash flow from financing activities	20,000,000	15,538,301
Net increase / (decrease) in cash and cash equivalents	(86,652,067)	21,306,206
Cash and cash equivalents at beginning of the year	127,963,107	106,656,901
Cash and cash equivalents at end of the year	41,311,040	127,963,107

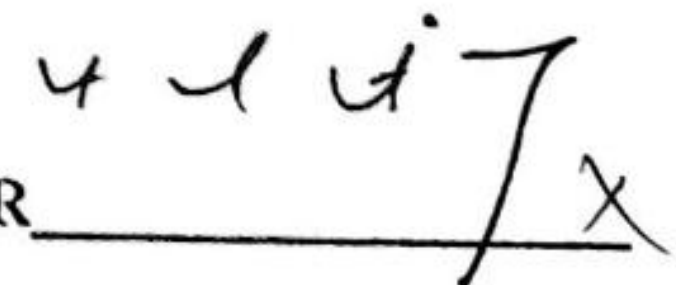
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The annexed notes 1 to 34 form an integral part of these financial statements.

CHIEF EXECUTIVE




DIRECTOR



ARIF LATIF SECURITIES (PRIVATE) LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED DECEMBER 31, 2021

Particulars	Share capital	December 31, 2021	Revaluation reserves	Directors' loan	Total
-----RUPEES-----					
Balance as at June 30, 2020	35,000,000	8,787,847	19,082,664	4,461,699	67,332,210
Total comprehensive loss for the year	-	2,348,021	-	-	2,348,021
Issue of share capital	20,000,000	-	-	-	20,000,000
Repayment of loan	-	-	-	(4,461,699)	(4,461,699)
Revaluation (deficit)/Surplus	-	-	590,783	-	590,783
Balance as at June 30, 2021	55,000,000	11,135,868	19,673,447	-	67,332,210
Total comprehensive income for the year	-	(615,758)	-	-	(615,758)
Issue of share capital	20,000,000	-	-	0	20,000,000
Revaluation (deficit)/Surplus	-	-	860,855	0	860,855
Balance as at December 31, 2021	75,000,000	10,520,110	20,534,302	-	106,054,412

The annexed notes 1 to 34 form an integral part of these financial statements.



Arif Latif

CHIEF EXECUTIVE _____

DIRECTOR _____

Arif Latif

**ARIF LATIF SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED DECEMBER 31, 2021**

1 CORPORATE AND GENERAL INFORMATION

1.1 LEGAL STATUS AND OPERATIONS

Arif Latif Securities (Private) Limited was incorporated as private limited company on January 28, 2010 under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017) via incorporation no. 0071461.

The Company is a Trading Rights Entitlement Certificate (TREC) holder of the Pakistan Stock Exchange Limited. The Company is engaged in the business of share brokerage and investment in securities.

The registered and principal office of the company is situated at 4th Floor, Room No. 414 and 415, 19- Khayaban-e-Aiwan-e-Iqbal, Lahore.

2 BASIS OF PREPARATION

2.1 STATEMENT OF COMPLIANCE

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

International Financial Reporting Standards for Public Interest Company (PIC).

Provisions of and directives issued under the Companies Act, 2017.

Where Provisions of and directives issued under the Companies Act, 2017 differ from International Financial Reporting Standards for Public Interest Company (PIC), the Provisions of and directives issued under the Companies Act, 2017 have been followed. During the year, the Company has opted for the presentation of combined 'Statement of Profit or Loss and other Comprehensive Income' instead of presenting separate 'Statement of Profit and Loss' and 'Statement of Comprehensive Income' as allowed in the Companies Act, 2017 in accordance with IAS-8 'Accounting Policies, Changes in Accounting Estimates and Errors'.

2.2 BASIS OF MEASUREMENT

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

2.3 FUNCTIONAL AND PRESENTATION CURRENCY

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



ARIF LATIF SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED DECEMBER 31, 2021

3 STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS THAT ARE NOT YET EFFECTIVE

The Company has adopted the following amendments in accounting standard and interpretation of IFRSs which became effective for the current year:

- IAS 12 - Income Taxes – Annual Improvements 2015–2017 Cycle (Amendments).
- IAS 19 - Employee Benefits – Plan amendments, curtailments or settlements. (Amendments).
- IAS 23 - Borrowing Costs – Annual Improvements 2015–2017 Cycle (borrowing costs eligible for capitalisation) (Amendments).
- IAS 28 - Investments in Associates and Joint Ventures – Long-term interests in associates and joint ventures (Amendments).
- IAS 39 - Financial Instruments – Pre-replacement issues in the context of the IBOR reform (Amendment)
- IFRS 3 - Business Combinations – Annual Improvements to IFRS Standards 2015–2017 Cycle
- IFRS 9 - Financial Instruments – Prepayment Features with Negative Compensation (Amendments to IFRS 9)
- IFRS11 - Joint Arrangements – Annual Improvements to IFRS Standards 2015–2017 Cycle
- IFRS 14 - Regulatory Deferral Accounts Accounts
- IFRS 16 - Leases
- IFRIC 23 - Uncertainty over Income Tax Treatments.

The adoption of the above standards, amendments, improvements to accounting standards and interpretations did not have any effect on the financial statements.

4 STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS THAT ARE NOT YET EFFECTIVE

The following standards, amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

Standard or Interpretation	Effective Date (Annual periods beginning on or after)
IAS 1 - Accounting Policies, Changes in Accounting Estimates and Errors – definition of 'material' (Amendments)	January 1, 2023
IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors – definition of 'material' (Amendments)	January 1, 2023

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ARIF LATIF SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED DECEMBER 31, 2021

IAS 16	- Property, Plant and Equipment – Prohibiting a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. (Amendments).	January 1, 2022
IAS 37	- Provisions, Contingent Liabilities and Contingent Assets – costs to include when assessing whether a contract is onerous (Amendments)	January 1, 2022
IFRS 1	- First-time Adoption of International Financial Reporting Standards – Annual Improvements to IFRS Standards 2018–2020).	January 1, 2022
IFRS 3	- Business Combination – Amendments to clarify reference to the Conceptual Framework	January 1, 2022
IFRS 4	- Insurance Contracts – Extension of the Temporary Exemption from Applying IFRS 9 (Amended)	January 1, 2021
IFRS 9	- Financial Instrument – Pre-replacement issues in the context of the IBOR reform (Amendment)	January 1, 2022

In addition to the above standards and amendments, improvements to various accounting standards have also been issued by the IASB in previous years. Such improvements are generally effective for accounting periods beginning on or after January 01, 2021 and January 01, 2022 respectively. The Company expects that such improvements to the standards will not have any significant impact on the Company's financial statements in the period of initial application

In addition to the above, the following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan:

Standard <i>(Annual periods beginning on or after)</i>	IASB effective date
IFRS - 17 Insurance Contracts	January 1, 2023

The Company expects that the adoption of the above standards will have no material effect on the Company's financial statements, in the period of initial application.

5 KEY JUDGMENTS AND ESTIMATES

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

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ARIF LATIF SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED DECEMBER 31, 2021

and relate primarily to:

- Useful lives, residual values and amortization method of intangible assets - Note 6.3
- Fair value adjustment of financial assets other than inventories - Note 6.8
- Current income tax expense, provision for current tax - Note 6.12

The revision to accounting estimates (if any) are recognized in the period in which the estimates is revised if the revision affects only that period of the revision and future periods if the revision affects both current and future periods.

6 SUMMARIES OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

6.1 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses except freehold land and capital work in progress, which are stated at cost. Cost comprises acquisition and other directly attributable costs.

Depreciation is provided on reducing balance basis so as to write off the cost of an asset over its estimated useful life without taking into account any residual value.

Depreciation on all additions / deletions is being charged on monthly basis. Full month's depreciation is charged on normal additions, while no depreciation is charged on items deleted during the month.

The assets' residual values and useful lives are reviewed at each financial year end and adjusted if impact on depreciation is significant. Normal repairs and maintenance are charged to income statement, while major renewals and improvements are capitalized.

Gain and loss on disposal of fixed assets are included in other income.

6.2 Impairment of Assets

An assessment is made at each balance sheet date to determine whether there is any indication of impairment or reversal of previous impairment, including items of property, plant and equipment, intangible assets and long-term investments. In the event that an asset's carrying amount exceeds its recoverable amount, the carrying amount is reduced to recoverable amount and an impairment loss is recognized in the statement of comprehensive income.

The previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount, however not to an amount higher than the carrying amount that would have been determined (net of amortization or depreciation), had no impairment losses been recognized for the asset in prior years. Reversal of impairment loss is restricted to the original cost of the asset.

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ARIF LATIF SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED DECEMBER 31, 2021

6.3 Intangible assets

An intangible asset is recognized as an asset if it is probable that the economic benefits attributable to the assets will flow to the company and cost of the asset can be measured reliably.

This is stated at cost less impairment, if any. The carrying amount is reviewed at each balance sheet date to assess whether it is in excess of its recoverable amount. Where the carrying amount exceeds estimated recoverable amount, it is written down to its estimated recoverable amount.

6.4 Trading rights entitlement certificates (TREC) and right to use room

TREC is stated at the notional value determined by Pakistan Stock Exchange Limited at the time of issue. The carrying amount is reviewed at each balance sheet date to assess whether this is recorded in excess of their recoverable amounts, and where carrying values exceeds estimated recoverable amounts, these are written down to their estimated recoverable amount. Right to use room is a leasehold right to use room given by Pakistan stock exchange for indefinite useful life. This is considered to be indefinite as there is no foreseeable limit on the period during which an entity expects to consume the future economic benefits. Both TREC and right to use room are treated as

6.5 Investments

Investments in listed equity and other securities, which are intended to be held for an indefinite period of time and may be sold in response to need for liquidity or significant changes in equity prices are classified as 'available for sale financial assets'. On initial recognition these are measured at cost, being their fair value on date of acquisition, plus attributable transaction costs. Subsequent to initial recognition, these are measured at fair value. Changes in fair value are recognized as other comprehensive income until the investment is derecognized or impaired. Gains and losses on de-recognition and impairment losses are recognized in profit or loss.

6.5.1 Long term investment - Fair value through other comprehensive income

These represents shares in Lahore Stock Exchange Limited, a public unlisted company, therefore they have been stated at fair value through other comprehensive income. Fair value is determined as the value of membership card with which it has been exchanged. For this purpose, the cost of the membership card has first been allocated to the shares allocated to the shares of LSE @ Rs. 10/- being the par value and remaining cost has been allocated to the TREC.

6.5.2 At fair value through profit and loss

Investments which are principally for the purpose of selling in the near term or the investments that are part of a portfolio of financial instruments exhibiting short term profit taking are classified as investment at fair value through profit and loss. These are stated at fair values with any resulting gain or loss recognized directly in profit and loss account. The fair value of such investments representing listed equity securities is determined on the basis of prevailing market prices.

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ARIF LATIF SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED DECEMBER 31, 2021

6.6 Trade and other receivables

Trade and other receivables are initially recognized at original invoice amount which is the fair value of consideration to be received in future and subsequently measured at cost as reduced by appropriate provision for trade debts and other receivables considered to be doubtful. A provision 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 receivables. The amount of provision is charged to profit and loss. Trade and other receivables considered irrecoverable are written off.

6.7 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of cash flow statement, cash and cash equivalents comprise of cash in hand, balances with banks, highly liquid short-term investments that are convertible to known amounts of cash and are subject to insignificant risk of change in value, and short-term running finance under mark-up arrangements.

6.8 Financial instruments

6.8.1 Financial assets

a) Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at fair value through Profit or loss and other comprehensive income. The classification of financial asset at initial recognition depends on the financial assets contractual cash flows characteristics and the company's business model for managing them. With the exception of trade receivables that do not contain a significant financial component or for which the company has applied the practical expedient, the company initially measures financial asset at its fair value plus, in case of financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the company has applied the practical expedient are measured at the transaction price determined under IFRS 15.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI. It needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at it an instrument level. The company's business model for managing financial asset refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets or both. Purchases or sales of the financial assets that require delivery of assets within a time frame established by regulation or convention in a market place (regular way trades) are recognized on the trade date, i.e. the date that the company commits to purchase or sell the assets.

b) Subsequent measurement

For purposes of subsequent measurement financial assets are classified in two categories:

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ARIF LATIF SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED DECEMBER 31, 2021

- i) Financial assets at amortized cost (debt instruments).
- ii) Financial assets at fair value through profit or loss.

Financial assets at amortized cost (debt instruments)

This category is the most relevant to the Company. The Company measures financial assets at amortized cost if both of the following conditions are met:

The financial asset is held within a business model with The objective to held 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 at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Company's financial assets at amortized cost includes trade and other receivables.

c) De Recognition

A financial asset (or where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Company's statement of financial position) when:

- i) The rights to receive cash flows from the asset have expired or
- ii) The Company has transferred its rights to receive cash flows from The asset or has assumed an obligation to pay The received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either.
 - the Company has transferred substantially all the risks and rewards of the asset, or
 - the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

ARIF LATIF SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED DECEMBER 31, 2021

6.8.2 Financial liabilities

a) Initial recognition and measurement

Financial Liabilities are classifying, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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

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

b) Subsequent measurement

Financial Liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial Liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the company that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedge instruments.

Gains or losses on liabilities held for trading are recognized in statement of profit or loss. Financial Liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition and only if the criteria in IFRS 9 are satisfied. The company has not designated any financial liability as at fair value through profit or loss.

c) De recognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, for the terms of existing liability are substantially modified, such an exchange or modification is treated as the de recognition of the original liability and the recognition a new liability. The differences in the respective carrying amounts is recognized in the statement of profit or loss.

6.8.3 Off Setting

Financial assets and financial liabilities are set off and the net amount is reported in the financial statement when there is a legally enforceable right to set off and the company intends either to settle On a net basis or to realize the assets and to settle the liabilities simultaneously.

ARIF LATIF SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED DECEMBER 31, 2021

6.9 Provisions

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

6.10 Trade and other payables

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in future for goods and services.

6.11 Revenue recognition

. The company recognizes revenue from contract with customer based on a five step model as set out in IFRS 15.

. Revenue represents the fair value of the consideration received or receivable for services rendered net of discounts. Revenue is recognized when it is probable that the economic benefit associated with the transaction will flow to the Company and the amount of revenue, and the associated loss incurred, or to be incurred, can be measured reliably.

. Brokerage/commission: At the provision of services i.e. execution of client order.

. Capital gain/loss: At the disposal of the assets.

. Dividend: When the right to receive the dividend is established.

. Bank profit and others: On accrual basis.

6.12 Taxation

Provision for current taxation is based on the taxable income at the current rates of taxation after taking into account tax credits and tax rebates available, if any, or minimum tax on turnover or alternative corporate tax, whichever is higher.

Deferred tax is accounted for using the liability method in respect of all taxable temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited in the profit and loss account, except in case of items credited or charged to other comprehensive income in which case it is included in other comprehensive income.

ARIF LATIF SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED DECEMBER 31, 2021

6.13 Off Setting

Financial assets and financial liabilities are set off and the net amount is reported in the financial statements when there is a legally enforceable right to set off and the company intends either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously.

6.14 Related party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions and include holding company, associated companies with or without common directors, directors and major shareholders and their close family members, key management personnel and staff and retirement benefit funds.

All transactions with related parties are made at arm's length prices determined in accordance with comparable uncontrolled price method.

6.15 Staff retirement benefits

The company is required to maintain unfunded gratuity as retirement benefit plan for its employees, eligible for gratuity under The West Pakistan Industrial and Commercial Employment (Standing Orders) Ordinance, 1968, Schedule of Standing Orders, who have completed the qualifying period as defined under the standing order.

The amount of liability of each employee is computed by number of years completed multiplied by the last drawn monthly gross salary. The difference between the current and the previous liability is charged to profit and loss account as expense for the year under the head salaries and benefits.

However, according to the Section 1 of the Ordinance; pertaining to minimum number of employees, the Company is not liable to create any provision for gratuity during the year as its employees are less than minimum required limit as given in aforesaid section.

No other funded /unfunded scheme is in operation.

6.16 Borrowing costs

Borrowing cost directly attributable to the acquisition, construction or production of qualifying asset, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, unit such time as the assets are substantially ready for their intended use or sale. All other borrowing cost are charged to profit and loss account, whenever incurred. Finance cost is accounted for on accrual basis.

6.17 Contingencies and Commitments

Contingencies and commitments are accounted for when these become due.



ARIF LATIF SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED DECEMBER 31, 2021

7 PROPERTY, PLANT AND EQUIPMENT

Particulars	December 31, 2021						WDV As at 31-Dec-21
	Cost			Rate %	Depreciation		
	As at 01-Jul-21	Additions/ (deletions)	As at 31-Dec-21		As at 01-Jul-21	For the year	
Furniture and fittings	53,479	9,200	62,679	10	-	30,866	31,813
Computer equipment	367,847	-	367,847	30	-	238,523	129,324
Office equipment	352,936	-	352,936	10	-	123,056	229,880
Vehicle	2,900,000	1,565,000	4,465,000	15	-	72,500	4,392,500
Total	3,674,262	1,574,200	5,248,462		-	464,945	4,783,517

Particulars	June 30, 2021						WDV As at 30-Jun-21
	Cost			Rate %	Depreciation		
	As at 01-Jul-20	Additions/ (deletions)	As at 30-Jun-21		As at 01-Jul-20	For the year	
Furniture and fittings	53,479	-	53,479	10	2,513	28,353	22,613
Computer equipment	337,847	30,000	367,847	30	50,068	188,455	129,324
Office equipment	352,936	-	352,936	10	25,542	97,514	229,880
Vehicle	-	2,900,000	2,900,000	15	72,500	-	2,827,500
Total	744,262	2,930,000	3,674,262		150,623	464,945	3,209,317

ARIF LATIF SECURITIES (PRIVATE) LIMITED
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FOR THE HALF YEAR ENDED DECEMBER 31, 2021

	NOTE	December 31, 2021	June 30, 2021
		Rupees Un-audited	Rupees Audited
8 INTANGIBLE			
Trading Right Entitlement Certificate (TREC)	8.1	2,500,000	2,500,000
Rights to use room	8.2	500,000	500,000
		<u>3,000,000</u>	<u>3,000,000</u>
8.1 Opening value	8.1.1	2,500,000	2,500,000
Fair value adjustment		-	-
		<u>2,500,000</u>	<u>2,500,000</u>
<p>8.1.1 This represent Trading Right Entitlement Certificate (TREC) received from Pakistan Stock Exchange Limited after the merger of all the three exchanges of Pakistan in accordance with the requirements of the Stock Exchanges (Corporatization, Demutualization and Integration) Act, 2012 (The Act). The Company has also received shares of LSE Financial Services Ltd. (formerly LSE) after completion of the demutualization process.</p> <p>The notional value of TREC was Rs. 2,500,000 as per notice of PSX/N-448 dated April 01, 2021.</p>			
<p>8.2 This represent cost of leasehold right to use room given by Pakistan Stock Exchange for indefinite useful life as per notice of LSE no. LSE-4757 dated November 12, 2009. This is considered to be indefinite as there is no foreseeable limit on the period during which an entity expects to consume the future economic benefits.</p>			
9 LONG-TERM INVESTMENTS			
9.1 Equity instruments- fair value throught the comprehensive income			
LSE Financial Services Ltd. (formerly LSE)	9.1.1	<u>20,533,913</u>	<u>19,673,058</u>
843,975 (2020: 843,975) shares			
9.1.1 Opening		19,673,058	19,082,275
Fair value adjustment through other comprehensive income		860,855	590,783
		<u>20,533,913</u>	<u>19,673,058</u>
<p>9.1.2 Pursuant to the promulgation of the Stock Exchanges (Corporation, Demutualization and Integration) Act, 2012 (The Act), the ownership in a Stock Exchange had been segregated from the right to trade on the Exchange. Accordingly, the Company had received equity shares of LSE and a Trading Right Entitlement Certificate (TREC) in lieu of its membership card of LSE. The company's entitlement in respect of LSE's share is determined on the basis of valuation of assets and liabilities of LSE as approved by the SECP and the company had been allotted 843,975 shares of the face value of Rs. 10 each. The Company has pledged / hypothecated 843,975 shares of Lahore Stock Exchange Limited and Trading Right Entitlement Certificate as referred to note no. 6 to the financial statements.</p>			
10 LONG-TERM DEPOSITS AND PREPAYMENTS			
Central Depository Company of Pakistan (CDC)		100,000	100,000
National Clearing Company.of Pakistan (NCCPL)		1,400,000	1,400,000
		<u>1,500,000</u>	<u>1,500,000</u>
10.1 These are non-interest bearing deposits under statutory obligations.			

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	NOTE	December 31, 2021	June 30, 2021
		Rupees Un-audited	Rupees Audited
11 TRADE DEBTS - Considered Good			
Trade receivable	11.1	11,628,999	637,851
NCCPL Recievable - MTS	11.2	3,503,272	17,620,234
		<u>15,132,271</u>	<u>18,258,085</u>
<p>11.1 This includes trading account due from related party amounting to Rs. 873,452 (June 30, 2021: Rs. 25,255)</p> <p>11.2 In MTS (Margin Trading System), an investor can buy MTS eligible securities having a part percentage of funds available of the total value of MTS eligible securities bought. An investor may buy a number of MTS eligible securities while having only a fixed percentage of funds available. The remaining amount is financed or leveraged by the Brokerage firm. The percentage of funds required for MTS is defined by the Brokerage firm which shall not be less than 15% of the total value of MTS eligible securities purchased or VAR (Value at Risk – A percentage number signifying the decline in the value of an asset class in a particular period of time). A mark-up rate of not more than Kibor+8% is charged against the leveraged securities held under MTS. Margin Trading Contracts are settled in T+2 days.</p>			
12 SHORT TERM DEPOSITS			
Pakistan Stock Exchange Limited (PSX)		6,500,000	6,500,000
MTS Exposure to NCCPL		2,000,000	2,000,000
		<u>8,500,000</u>	<u>8,500,000</u>
13 SHORT TERM INVESTMENTS			
13.1 Equity Instruments	13.1.1	35,476,600	2,316,000
Financial assets at 'fair value through profit or loss'		<u>35,476,600</u>	<u>2,316,000</u>
13.1.1 Investment In Lotte Pak			
1,300,000 Shares (2021: 150,000) Lotte Pak		17,864,000	2,316,000
110,000 Shares (2021:Nil) Faufi Fertiliver		11,267,300	-
200000 Shares (2021:Nil) SNGPL		8,616,000	-
		37,747,300	2,316,000
Fair value Adjustment		(2,270,700)	-
		<u>35,476,600</u>	<u>2,316,000</u>
Investment in listed securities			

These represent investments in listed securities having market value.

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NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE HALF YEAR ENDED DECEMBER 31, 2021

	NOTE	December 31, 2021	June 30, 2021
		Rupces Un-audited	Rupces Audited
14 CASH AND BANK BALANCES			
Cash in hand		70,212	70,212
Cash at bank:			
Broker's account - saving account		24,226,955	26,463,134
Client's account - saving account		17,013,873	101,429,761
		41,240,828	127,892,895
		<u>41,311,040</u>	<u>127,963,107</u>

The saving accounts carries markup ranging from 8% to 5.5% (June 30, 2021: 3% to 3.5%) per annum.

15 SHARE CAPITAL

Authorized share capital

7,500,000 (June 30, 2021 : 7,500,000/-) ordinary shares of Rs 10/- each fully paid in cash

75,000,000 75,000,000

Issued, subscribed and paid-up capital

7,500,000 (June 30, 2021 : 5,500,000/-) ordinary shares of Rs 10/- each fully paid in cash

75,000,000 55,000,000

15.1 Pattern of share holding

Name	Share holders	Number of shares held	Percentage
Arif Latif	-Director	67,500,000	90.00%
Atif Latif	Director	3,750,000	5.00%
Adeel Arif	Director	3,750,000	5.00%
Total number of shares		<u>75,000,000</u>	<u>100%</u>

16 REVALUATION RESERVES

Opening balance		19,673,447	19,082,664
LSE Financial Services Limited (formerly LSE)	16.1	860,855	590,783
		<u>20,534,302</u>	<u>19,673,447</u>

16.1 The Pakistan Stock Exchange has revised the breakup value per share of LSE shares to Rs. 24.33/(2021: 23.31) share as per notice PSX/N-1521 of LSE Financial Services Limited dated December 29, 2021 which has resulted in fair value adjustment at year end of Rs. 860,855/-

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	NOTE	December 31, 2021 Rupees Un-audited	June 30, 2021 Rupees Audited
17 DEFERRED TAX			
<i>Deferred credits/ (debits) arising due to:</i>			
Accelerated tax depreciation and revaluation of investment	17.1	60,709	82,081
17.1 Opening balance		82,081	(41,325)
Movement during the year		(21,372)	123,406
Closing balance		60,709	82,081
18 TRADE AND OTHER PAYABLES			
Trade payables	18.1	21,192,021	94,327,756
Accrued liabilities	18.2	31,300	1,011,629
NCCPL Future Deposit Dfc Exposure		5,500,000	5,000,000
		26,723,321	100,339,385
18.1 This includes trading account due to related parties amounting to Rs. 16,258.112/- (June 30, 2021: 82,131,673)			
18.2 ACCRUED LIABILITIES			
Audit fee payable		-	110,000
Other payables		31,300	909,629
		31,300	1,019,629
19 TAXATION-NET			
Opening (receivable) / payable		(2,311,214)	(1,542,856)
Add: Tax paid / deducted during the year		(678,753)	(1,148,739)
		(2,989,967)	(2,691,595)
Less: Provision for tax :			
Current		388,866	529,092
Prior year		-	(148,711)
		388,866	380,381
Closing (receivable) / payable		(2,601,101)	(2,311,214)
.1 Numerical reconciliation between average effective tax rate and the applicable tax rate.			
Applicable tax rate		Percentage % 29	Percentage % 29
Effect of prior year taxation		-	(5.21)
Effect of admissible / (Inadmissible) and FTR		(132.75)	(10.45)
Others		8.61	4.33
Effective tax rate		(95.14)	17.67
2 The provision for current year tax represent tax on taxable income at the rate of 29%. According to management, the tax provision made in the financial statements is sufficient.			

ARIF LATIF SECURITIES (PRIVATE) LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE HALF YEAR ENDED DECEMBER 31, 2021

NOTE	December 31, 2021	June 30, 2021
	Rupees	Rupees
	Un-audited	Audited

20 CONTINGENCIES AND COMMITMENTS

CONTINGENCIES:

There are no contingencies as at December 31, 2021 (June 30, 2021: nil).

COMMITMENTS:

The company has lien the TRE certificate's Pakistan Stock Exchange and 843,975 number of shares with Pakistan Stock Exchange in compliance with Base Minimum Capital (BMC) requirement under the regulations governing risk management of PSX.

21 REVENUE

Gross commission	1,900,923	7,388,448
Sales tax on services	(262,196)	(1,019,096)
Net commission	1,638,727	6,369,352
Dividend income	2,385,828	915,783
	<u>4,024,555</u>	<u>7,285,135</u>

22 ADMINISTRATIVE AND GENERAL EXPENSES

Salaries, wages and benefits	1,871,500	8,039,628
Legal and professional charges	177,200	411,500
Auditors' remuneration	22.1 -	258,115
Fee and subscription	667,788	627,986
Electricity	130,927	212,042
Rent, rates and taxes	436,771	828,514
Insurance	3,382	-
Communication expense	114,607	148,045
Entertainment expense	12,610	30,530
Postage	15,828	24,040
Travelling and conveyance	415,041	421,520
Depreciation	7 -	150,622
Audit oversight board	-	-
Miscellaneous	208,064	444,525
	<u>4,053,711</u>	<u>11,597,067</u>

22.1 AUDITORS' REMUNERATION

Audit fee	-	82,500
Certification charges	-	27,500
Others	-	148,115.00
	<u>-</u>	<u>110,000</u>

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	NOTE	December 31, 2021	June 30, 2021
		Rupees	Rupees
		Un-audited	Audited
23	<u>FINANCIAL CHARGES</u>		
	Bank charges	14,531	23,016
24	<u>OTHER INCOME</u>		
	Bank profit	2,065,525	6,072,617
	Service income	598	1,114,139
		<u>2,066,123</u>	<u>7,186,756</u>
25	<u>PROVISION FOR TAXATION</u>		
	Current	388,866	529,092
	Prior year	-	(148,711)
	Deferred	(21,372)	123,406
		<u>367,494</u>	<u>503,787</u>
26	<u>EARNING PER SHARE - BASIC</u>		
	Weighted average number of ordinary shares outstanding during the year	<u>7,333,333</u>	<u>4,333,334</u>
	Profit after taxation	<u>(615,758)</u>	<u>2,348,021</u>
	Earning per share - basic	<u>(0.08)</u>	<u>0.54</u>

26.1 **Diluted earnings per share**

No figure for diluted earning per share has been presented as the company has not issued any instrument carrying options which would have an impact on earning per share when exercised.

27 **RELATED PARTIES TRANSACTIONS**

Amounts due from and to related parties are shown under respective notes to the financial statements. Remuneration of directors and key management personnel is disclosed in Note 30. Other significant transactions with related parties are as follows:

Name and basis of relationship	Nature of transaction	Percentage of shareholding	December 31, 2021	June 30, 2021
i) Mr. Arif Latif - CEO / Director	Director's loan		-	-
	Trade debts	90.00%	-	-
	Trade payables		5,358,619	47,082,175
ii) Mrs. Seemi Arif Latif - Director's spouse	Trade payables	Nil	7,145,826	35,985,146

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		NOTE	December 31, 2021	June 30, 2021
			Rupees	Rupees
iii) Mr. Adeel Arif - Director	Trade Debts/Trade payables	5%	Un-audited 873,452	Audited 10,610
iv) Mr. Atif Arif - Director	Trade payable	5%	3,699,926	25,255
v) Mrs. Sobia Atif - Director's spouse	Trade payables	Nil	53,741	53,741

28 NUMBER OF EMPLOYEES

Number of employees as at year end

4

5

Average number of employees during the year

4

5

28.1 Average and number of employees during the year in factory not applicable to the company.

ARIF LATIF SECURITIES (PRIVATE) LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE HALF YEAR ENDED DECEMBER 31, 2021

29 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

	Interest bearing		Non-interest bearing		Total	
	Maturity within one year	Maturity after one year	Maturity within one year	Maturity after one year	December 31, 2021	June 30, 2021
	Rupees		Rupees		Rupees	
Financial assets:						
Long term investment	-	-	-	20,533,913	20,533,913	19,673,058
Long term deposits	-	-	-	1,500,000	1,500,000	1,500,000
Short term deposits	-	-	8,500,000	-	8,500,000	8,000,000
Trade debts - considered good	-	-	15,132,271	-	15,132,271	18,258,085
Short term investments	-	-	35,476,600	-	35,476,600	2,316,000
Cash and bank balances	-	41,240,828	70,212	-	41,311,040	127,963,107
	-	41,240,828	59,179,083	22,033,913	122,453,824	177,710,250
Financial liabilities:						
Trade and other payables	-	-	26,723,321	-	26,723,321	100,339,385
	-	-	26,723,321	-	26,723,321	100,339,385

29.1 Financial instruments and financial risk management

The company's activities are exposed to a variety of financial risks namely credit risk, interest rate risk, foreign exchange risk and liquidity risk. Overall, risks arising from the Company's financial instruments are limited. The Company manages its exposure to financial risk in the following manner:

29.2 Credit Risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties failed completely to perform as contracted. However, this risk is mitigated by applying individual credit limits to high credit rating parties and constant monitoring of credit.

29.3 Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will effect the value of financial instruments.

ARIF LATIF SECURITIES (PRIVATE) LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE HALF YEAR ENDED DECEMBER 31, 2021

29.4 Liquidity risk

Liquidity risk is the risk that an enterprise will encounter difficulties in raising funds to meet commitments associated with financial instruments. Prudent liquidity risk management implies maintaining sufficient cash and bank balances and availability of funding through an adequate amount of committed credit facilities. The Company aims to maintain flexibility in funding by keeping committed credit lines available.

Financial liabilities in accordance with their contractual maturities are presented below:

	December 31, 2021	June 30, 2021
	(Un-Audited)	(Audited)
Carrying amount	26,723,321	100,339,385

29.5 Capital risk management

The company's prime objectives when managing capital is to safeguard its ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and to maintain a strong capital base to support the sustained development of its business. In order to maintain or adjust the capital structure, the company may adjust the amount of dividend paid to shareholders, issue new shares or sell assets to reduce debts. Consistent with others in the industry, the company monitors capital on the basis of the gearing ratio. The ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowing less cash and bank balances. Total capital is calculated as equity as shown in the balance sheet plus net debts. The gearing ratio as at period ended June 30, 2021 and December 31, 2021 are as follows:-

	December 31, 2021	June 30, 2021
	Rupees	Rupees
	Un-audited	Audited
Total borrowing	41,311,040	127,963,107
Cash and bank balances	(41,311,040)	(127,963,107)
Net debt	106,054,412	85,809,315
Total equity	64,743,372	(42,153,792)
Total capital	(0.64)	3.04

29.6 Fair value of financial instruments

The carrying amounts of financial assets and financial liabilities approximate their fair values.

ARIF LATIF SECURITIES (PRIVATE) LIMITED
 NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
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	NOTE	December 31, 2021	June 30, 2021
		Rupees	Rupees
		Un-audited	Audited
30 CAPITAL ADEQUACY LEVEL			
Total Assets		132,838,442	186,230,781
Less: Total liabilities		(26,723,321)	(100,339,385)
Less: Revaluation Reserves (Created upon revaluation of fixed assets)		(20,534,302)	(19,673,447)
Capital Adequacy Level		<u>85,580,819</u>	<u>66,217,949</u>

30.1 While determining the value of the total assets of the TREC Holder, Notional value of the TRE certificate held by M/s. Arif Latif Securities (Pvt.) Limited as at year ended December 31, 2021 as determined by Pakistan Stock Exchange has been considered.

31 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	Chief Executive		Directors		Executives	
	2021	2021	2021	2021	2021	2021
	-----Rupees-----					
Remuneration	1,958,672	1,958,672	3,093,966	3,093,966	-	-
Medical	-	-	-	-	-	-
Reimbursement expenses	-	-	-	-	-	-
LFA/ Bonus	-	-	-	-	-	-
Utilities	-	-	-	-	-	-
	<u>1,958,672</u>	<u>1,958,672</u>	<u>3,093,966</u>	<u>3,093,966</u>	<u>-</u>	<u>-</u>
Number of person	<u>1</u>	<u>1</u>	<u>2</u>	<u>2</u>	<u>0</u>	<u>0</u>

32 IMPACT OF COVID-19 ON OPERATIONS

The company followed the development of Covid-19 corona virus and evaluated the extent to which this affected the operations in short and long term. The company has concluded that there are no significant implications of pandemic over the operations of the entity.

33 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on _____ by the Board of Directors.

34 GENERAL

- Figures have been rounded off to the nearest rupee, unless otherwise stated.
- Corresponding figures, where necessary, have been rearranged for the purpose of comparison.

CHIEF EXECUTIVE OFFICER




DIRECTOR

