

**Financial Statements**

**For the half year ended on December 31, 2023**

**FORTUNE SECURITIES LIMITED**

**Fortune Securities Limited**  
**Condensed Interim Balance Sheet**  
 As on December 31, 2023

Notes	Period ended	
	Dec-23	Jan-23
13	35,209,168	44,585,265
8	17,207,576	16,862,402
14	11,455,888	11,453,888
15	3,642,325	2,632,305
	<b>66,592,936</b>	<b>75,533,858</b>

Notes	Period ended	
	Dec-23	Jan-23
5	200,000,000	200,000,000
	124,962,450	124,962,450
	35,761,834	32,419,377
	<b>360,724,284</b>	<b>357,401,827</b>
6	8,577,090	10,112,508
7	992,861	952,862
	<b>992,861</b>	<b>952,862</b>
9	311,440,656	362,749,534
10	73,224,251	74,262,546
11	3,616,126	3,626,366
	<b>388,281,032</b>	<b>342,640,409</b>
11	-	-
	<b>556,506,247</b>	<b>613,147,694</b>

**EQUITY AND LIABILITIES**  
 Share capital and reserves  
 Authorized Share Capital  
 20,000,000 ordinary shares of Rs. 10/- each  
 Issued, subscribed and paid-up  
 Accumulated loss/ unappropriated profit  
**Total equity**  
 Surplus on revaluation of property, plant & equipment  
**Non-current liabilities**  
 Liabilities against assets subject to finance lease  
**Total non-current liabilities**  
**Current liabilities**  
 Creditors, Accrued and other liabilities  
 Short Term Financing - Secured  
 Current liability against assets subject to finance lease  
**Total current liabilities**  
**Contingencies and commitments**  
**Total equity and liabilities**

Notes	Period ended	
	Dec-23	Jan-23
16	125,020,145	170,236,707
17	113,685,107	9,517,760
18	29,587,495	34,943,071
19	336,014	3,585,043
20	2,173,850	4,138,161
	<b>496,602,609</b>	<b>335,613,836</b>
	<b>556,506,247</b>	<b>613,147,694</b>

Notes	Period ended	
	Dec-23	Jan-23
16	125,020,145	170,236,707
17	113,685,107	9,517,760
18	29,587,495	34,943,071
19	336,014	3,585,043
20	2,173,850	4,138,161
	<b>496,602,609</b>	<b>335,613,836</b>
	<b>556,506,247</b>	<b>613,147,694</b>

**ASSETS**  
**Non-current assets**  
 Property and Equipment  
 Deferred tax liability | adding on surplus on revaluation, DP)  
 Membership Card and Licenses  
 Long Term Investment  
 Long Term Deposits  
**Total non-current assets**  
**Current assets**  
 Trade debts - considered good  
 Short Term Investment - Stocks  
 Advances, Deposits & Prepayments  
 Other Receivables  
 Taxation - net of provision  
 Cash and Bank Balances  
**Total current assets**  
**Total assets**



*A. Awan*  
 Chief Executive Officer

*[Signature]*  
 Director

**Condensed Interim Unaudited Income Statement  
For Six Months Period Ended on December 31, 2023**

	Notes	(Unaudited)	
		Dec-23	Jun-23
<b>Operating Revenue:</b>			
- Institutions	21	13,673,591	11,001,432
- Retailers		32,659,277	31,044,329
- Dividend Income		2,495,750	7,500
- IPO Commission		10,953	-
Brokerage Revenue		48,839,570	42,053,261
Capital loss on sale of short term investment		4,255,925	(2,606,882)
Net change in unrealized loss on remeasurement of short term investment		5,568,700	(2,934,041)
		<b>58,664,195</b>	<b>36,512,338</b>
<b>Operating &amp; Admin Expense</b>	22		
Less: - Transaction & Settlement Cost	22.1	3,249,630	4,550,286
- Admin Expense	22.2	48,325,561	57,586,390
		<b>51,575,192</b>	<b>62,136,676</b>
		<b>7,089,004</b>	<b>(25,624,338)</b>
<b>Operating Gain / (Loss)</b>			
Less: <b>Financial Cost</b>			
Bank & Lease Charges		1,001,627	1,261,492
Mark-up Charges		6,484,057	2,761,551
Total Interest Expense		<b>7,485,685</b>	<b>4,023,043</b>
Add:			
<b>Other Income</b>		5,364,737	2,350,152
		<b>4,968,056</b>	<b>(27,297,229)</b>
<b>Net Profit Before Tax</b>			
Less:			
<b>Taxation</b>		3,506,195	(1,708,226)
		<b>1,461,861</b>	<b>(29,005,455)</b>
<b>Profit After Tax</b>			

  
Chief Executive



  
Director

**Fortune Securities Limited**  
**Statement of Changes in Equity**  
**For The Half Year Ended on Dec 31, 2023**

	Note	Dec-23 ----- (Rupees) -----	Jun-23 -----
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit / (Loss) before taxation		4,968,056	(49,739,241)
<b>Adjustments for :</b>			
- Depreciation		8,552,101	17,475,154
- Capital Gain / (Loss) on disposal of short term investments		(4,255,925)	3,009,842
- Gain / (Loss) on short term investments		(5,568,700)	1,501,874
- Gain / (Loss) on disposal of asset		(4,034,869)	-
- Dividend income		(2,495,750)	(8,749)
- Interest income		(1,152,344)	(3,438,015)
- Finance cost		7,485,685	9,957,425
<b>Cash generated from operating activities before working capital changes</b>		<b>(1,469,802)</b>	<b>28,497,532</b>
		<b>3,498,254</b>	<b>(21,241,710)</b>
<b>(Increase)/decrease in current assets:</b>			
Trade debts - considered good		(54,783,438)	12,480,646
Advance, Deposits and prepayments		8,755,577	33,717,502
Other receivables		3,229,033	13,529,464
<b>Increase/(decrease) in current liabilities:</b>			
Trade creditors, accrued and other liabilities		148,691,071	4,617,275
		<b>105,892,243</b>	<b>64,344,886</b>
Finance cost paid		(6,484,057)	(9,957,425)
Taxes paid		(2,763,507)	(3,189,852)
<b>Net cash generated from/(used in) from operating activities</b>		<b>100,142,932</b>	<b>29,955,900</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisition of property and equipment		(570,637)	(1,063,700)
Short term investments - net		(94,532,742)	(7,358,411)
Proceeds from disposal of property and equipments		5,349,500	-
Interest income		1,152,344	3,438,015
Dividend income		2,495,750	8,749
Long term deposits-net		-	-
<b>Net cash generated from from investing activities</b>		<b>(86,105,785)</b>	<b>(4,975,348)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Payment of lease liabilities		(4,012,263)	(8,553,154)
Dividend paid		-	-
<b>Net cash (used in) from financing activities</b>		<b>(4,012,263)</b>	<b>(8,553,154)</b>
<b>Net (decrease) in cash and cash equivalents during the year</b>		<b>10,024,884</b>	<b>16,427,398</b>
Cash and cash equivalents at the beginning of the year		<b>(64,269,436)</b>	<b>(80,696,834)</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>16.1</b>	<b>(54,244,551)</b>	<b>(64,269,436)</b>

The annexed notes from 1 to 39 form an integral part of these financial statements.

  
**Chief Executive**

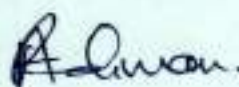


  
**Director**

**Fortune Securities Limited**  
**Statement of Changes in Equity**  
**For The Half Year Ended on Dec 31, 2023**

	Capital reserve		Revenue reserve	Total
	Issued, subscribed and paid-up capital	Revaluation Surplus	Unappropriated profit	
	----- (Rupees) -----			
Balance as at July 01, 2022	124,982,450	13,183,342	81,910,108	220,075,900
Other comprehensive income				
Loss for the year June 30, 2023	-	-	(52,561,565)	(52,561,565)
Other comprehensive income	-	-	-	-
<b>Total Comprehensive loss for the year ended June 30, 2023</b>	-	-	(52,561,565)	(52,561,565)
Transferred from surplus on revaluation of fixed assets - net of tax	-	(3,070,834)	3,070,834	-
<b>Balance as at June 30, 2023</b>	<b>124,982,450</b>	<b>10,112,508</b>	<b>32,419,379</b>	<b>167,514,335</b>
Other comprehensive income				
Profit for the year half year ended on Dec 31, 2023	-	-	1,461,862	1,461,862
Other comprehensive income	-	-	-	-
<b>Total Comprehensive income for the half year ended Dec 31, 2023</b>	-	-	<b>1,461,862</b>	<b>1,461,862</b>
Transferred from surplus on revaluation of fixed assets - net of tax	-	(1,535,416)	1,535,416	-
Deferred Tax			345,176	345,176
<b>Balance as at Dec 31, 2023</b>	<b>124,982,450</b>	<b>8,577,092</b>	<b>35,761,834</b>	<b>169,321,374</b>

The annexed notes from 1 to 39 form an integral part of these financial statements.



Chief Executive





Director

**Fortune Securities Limited**  
**Notes To Financial Statements**  
**For The Half Year Ended on Dec 31, 2023**

**1 LEGAL STATUS AND NATURE OF BUSINESS**

Fortune Securities Limited ("the Company") was incorporated in Pakistan as a public unquoted Company on December 04, 1994 under the repealed Companies Ordinance, 1984 ("the Ordinance") which has now been replaced with Companies Act, 2017 ("the Act"). The Company is a corporate member of Pakistan Stock Exchange Limited (PSX).

The Company is a TREC (Trading Right Entitlement Certificate) holder of Pakistan Stock Exchange Limited (Formerly: Karachi Stock Exchange Limited) and a member of Pakistan Mercantile Exchange Limited (PMEX). The Company is principally engaged in brokerage of shares, stocks, securities, commodities and other financial instruments, securities research, financial consultancy and underwriting.

**Registered address**

- 3rd Floor, Razi Tower, BC-13, Block No. 9, KDA Scheme No. 5, Clifton, Karachi.

**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 for financial reporting. The accounting and reporting standards as applicable in Pakistan comprise of such international Financial Reporting Standards (IFRS Standards), issued by International Accounting Standard Board (IASB) as notified under Companies Act, 2017 (the "Act"); and provisions of and directives issued under the Companies Act, 2017. Where the provisions of and directives issued under the Companies Act, 2017 differ from the IFRS standard, the provisions of and directives issued under the Companies Act, 2017 have been followed.

**2.2 Basis of measurement**

These financial statements have been prepared under historical cost convention except, for office building in property and equipment, which have been carried at revalued amount and short term investment in quoted equity securities which have been carried at their fair values.

**2.3 Functional and presentation currency**

These financial statements have been presented in Pakistan Rupees, which is the functional currency of the Company and rounded off to the nearest rupee.

**2.4 Use Of Estimates And Judgements**

The preparation of 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 recognized 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 recognized in these financial statements, assumptions and estimation uncertainties with significant risk of material adjustment to the carrying amount of asset and liabilities in the next year are described in the following notes:

- Property and equipment and depreciation (refer note 4.1)
- Intangible assets and amortization (refer note 4.2)
- Trade debts (refer note 4.8)
- Deferred tax assets (refer note 4.9)
- Provisions (refer note 4.12)

#### 4 SUMMARY SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies and methods of computation have been consistently applied to all the periods presented, unless otherwise stated.

##### 4.1 Property and equipment

###### *Owned*

Property and equipment (except for office premises) are stated at cost less accumulated depreciation and impairment losses, if any. Office premises are stated at revalued amount less accumulated depreciation and impairment loss, if any.

Depreciation is charged to statement of profit or loss account by applying the straight line method systematically on yearly basis at the rates specified in note 12. Depreciation on additions to property and equipment is charged from the month in which an item is acquired while no depreciation is charged in the month the item is disposed off. Surplus on revaluation of property and equipment is credited to surplus on revaluation of fixed assets account. To the extent of incremental depreciation charged on revalued assets, the related surplus on revaluation of fixed assets - net of deferred tax is transferred directly to equity.

The residual value, depreciation method and the useful lives of each part of property and equipment that is significant in relation to the total cost of the asset are reviewed, and adjusted if appropriate, at each balance sheet date.

Gains and losses on disposal of assets, if any are included in statement of profit or loss for the current year.

Normal repairs and maintenance costs are charged to profit and loss account in the period of its occurrence, while major renovations and improvements are capitalized only when it is probable that the future economic benefits associated with the item will flow to the entity and its cost can be measured reliably. Disposal of assets is recognized when significant risk and rewards incidental to the ownership have been transferred to the buyers.

###### *Right-of-use asset*

The right-of-use asset is initially measured based on the initial measurement of lease liability, plus any initial direct costs incurred and an estimate of costs to be incurred to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located. If ownership of the leased asset transfer to the company at the end of the year or the cost reflect the exercise of purchase option.

The right-of-use asset is subsequently measured at cost model. The right of use asset is depreciated on a straight line method over the lease term as this method most closely reflects the expected pattern of consumption of future economic benefits. The right-of-use asset is reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The Company has elected to apply the practical expedient not to recognise right-of-use assets and lease liabilities for short term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases are recognised as an expense on a straight line basis over the lease term if the ownership of leased assets transfer to company at the end of year or the cost reflects the exercise of purchase option, depreciation is calculated using the estimated useful life of asset.

###### *Lease liability*

At the commencement date of lease company recognizes lease liabilities measured at the present value of lease payment to be made over the lease term. The lease payments include lease payments (substance fixed payments) less any lease incentive receivables, variable lease payment that depend on an index or rate and amount expected to be paid under residual value guarantees. The lease payments also include the exercise price of purchase option reasonably certain to be exercised by the company and payment of penalties for terminating the lease, if the lease term reflect the company exercising the option to terminate variable lease payments that do not depend on an index and rate are recognized as expense ( unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs).

In calculating the present value of lease payments, the company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date the amount of lease liability increased to reflect the accretion of interest and reduce for the lease payment made. In addition the carrying amount of lease liability remeasured if there is modification , a change in the lease term , lease payment, or change in the assessment of an option to purchase the underlying asset.

## 4.2 Intangible assets

These represent TREC of, Pakistan Stock Exchange Limited and membership cards of Pakistan Mercantile Exchange Limited and Dubai Gold and Commodity Exchange. These intangible assets have indefinite useful life and are stated at cost less accumulated amortization and accumulated impairment (if any).

The carrying amount of intangible assets are reviewed at each balance sheet date to assess whether they are in excess of their recoverable. Provisions are made for decline in values, other than temporary, of these assets where the carrying values exceed estimated recoverable amounts.

Amortization is charged from the month of addition to the month proceeding the month of retirement / disposal.

## 4.3 Borrowing costs

Borrowing costs are interest or other costs incurred by the Company in connection with the borrowing of funds. Borrowing cost that is directly attributable to a qualifying asset, i.e., an asset that necessarily takes a substantial period of time to get ready for its intended use or sale, is capitalized as part of cost of that asset. All other borrowing costs are charged to income in the period in which they are incurred.

## 4.4 Financial assets

### 4.4.1 Classification and initial measurement

The Company classifies its financial assets in the following three categories:

- (a) financial assets measured at amortized cost.
- (b) fair value through other comprehensive income (FVOCI);
- (c) fair value through profit or loss (FVTPL); and

#### (a) *Financial assets measured at amortized cost*

A financial asset is measured at amortized cost if it is held within business model whose objective is to hold assets to collect contractual cash flows, and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

Such financial assets are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue thereof.

#### (b) *Financial assets at FVOCI*

A financial asset is classified as at fair value through other comprehensive income when either:

- (a) it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding; or
- (b) it is an investment in equity instrument which is designated as at fair value through other comprehensive income in accordance with the irrevocable election available to the Company to at initial recognition.

Such financial assets are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue thereof.

#### (c) *Financial assets at FVTPL*

A financial asset shall be measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income, as aforesaid.

Such financial assets are initially measured at fair value.

### 4.4.2 Subsequent measurement

#### (a) *Financial assets measured at amortized cost*

These assets are subsequently measured at amortized cost (determined using the effective interest method) less accumulated impairment losses.

Interest / markup income, foreign exchange gains and losses and impairment losses arising from such financial assets are recognized in the profit and loss account.



**(b) Financial assets at FVOCI**

These are subsequently measured at fair value less accumulated impairment losses.

A gain or loss on a financial asset measured at fair value through other comprehensive income in accordance is recognised in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognised or reclassified. When the financial asset is derecognised the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment (except for investments in equity instruments which are designated as at fair value through other comprehensive income in whose case the cumulative gain or loss previously recognized in other comprehensive income is not so reclassified). Interest is calculated using the effective interest method and is recognised in profit or loss.

**(c) Financial assets at FVTPL**

These assets are subsequently measured at fair value.

Net gains or losses arising from remeasurement of such financial assets as well as any interest income accruing thereon are recognized in profit and loss account.

**4.4.3 Impairment**

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' (ECL) model. IFRS 9 introduces a forward looking expected credit loss model, rather than the current incurred loss model, when assessing the impairment of financial assets in the scope of IFRS 9. The new impairment model applies to financial assets measured at amortized cost, contract assets and debt instruments at FVOCI, but not to investment in equity instruments.

The Company applies the IFRS 9 'General Approach' to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. The Company measures expected credit losses on trade receivables in a way that reflects an unbiased and probability-weighted amount, time value of money and reasonable and supportable information at the reporting date about the past events, current conditions and forecast of future economic conditions. The Company recognises in profit and loss account, as an impairment loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date.

**4.4.4 De-recognition**

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

**4.5 Financial liabilities**

Financial liabilities are classified as measured at amortized cost or 'at fair value through profit or loss' (FVTPL). A financial liability is classified as at FVTPL if it is classified as held for trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in the statement of profit and loss account. Other financial liabilities are carried at amortized cost using effective interest method.

Financial liabilities are derecognized when the contractual obligations are discharged or cancelled or have expired or when the financial liability's cash flows have been substantially modified.

**4.6 Non-financial assets**

The Company assesses at each balance sheet date whether there is any indication that assets may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment loss is recognized in the profit and loss account. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount of the asset. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, if no impairment loss had been recognized.

**4.7 Long term deposits**

These are stated at cost which represents the fair value of consideration given.

#### 4.8 Trade debts

Trade and other receivables are recognized at fair value and subsequently measured at amortised cost less impairment losses, if any. A receivable is recognized on the settlement date so this is the point of time that the payment of the consideration by a customer become due. Actual credit loss experience over past years is used to base the calculation of expected credit loss. Trade and other receivables considered irrecoverable are written off.

#### 4.9 Taxation

##### *Current*

Provision for current taxation is based on taxability of certain income streams of the Company under presumptive / final tax regime at the applicable tax rates and remaining income streams chargeable at current rate of taxation under the normal tax regime after taking into account tax credits and tax rebates available, if any.

##### *Deferred*

Deferred tax is accounted for using the balance sheet 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 liabilities are recognized for all taxable temporary differences and 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 utilized.

Deferred tax is not recognized for the following temporary differences; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences arising on the initial recognition of goodwill. be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse, based on tax rates that have been enacted.

The Company takes into account the current income tax law and decisions taken by the taxation authorities. Instances where the Company's views differ from the income tax department at the assessment stage and where the Company considers that its view on items of material nature is in accordance with law, the amounts are shown as contingent liabilities.

#### 4.10 Revenue recognition

- Brokerage and commission income is recognized as and when such services are provided.
- Dividend income is recognized at the time when the right to receive dividend is established.
- Interest income is recognized on a time proportion basis that takes into account the effective yield.
- Income on continuous funding system is recognized on an accrual basis.
- Underwriting commission is recognized when the agreement is executed.
- Gains / (loss) arising on sale of investments are included in the profit and loss account in the period in which they arise.
- Unrealized capital gains / (losses) arising from mark to market of investments classified as 'financial assets at fair value through profit or loss - held for trading' are included in profit and loss account in the period in which they arise.
- Gains / (losses) arising on revaluation of derivatives to fair value are taken to profit and loss account into other income / other expense.
- All other incomes are recognized on an accrual basis.

#### 4.11 Expenses

All expenses are recognized in the profit and loss account on an accrual basis.

#### 4.12 Provisions

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

#### **4.13 Trade and other payables**

Trade and other payables are recognised initially at fair value plus directly attributable cost, if any, and subsequently measured at amortised cost.

#### **4.14 Offsetting of financial assets and financial liabilities**

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

#### **4.15 Dividend**

Dividend distributions and appropriations are recorded in the period in which the distributions and appropriations are approved.

#### **4.16 Cash and cash equivalents**

Cash and cash equivalents for cash flow purposes include cash and bank balance and short term running finance, current and deposit accounts held with banks. Running finance facilities availed by the Company, which are payable on demand and form an integral part of the Company's cash management are included as part of cash and cash equivalents for the purpose of cash flow statement.

#### **4.17 Earning per share**

Earning per share is calculated by dividing the profit / (loss) after taxation for the year by the weighted average number of shares outstanding during the year.

**Fortune Securities Limited**  
**Notes to Interim Balance Sheet (Unaudited)**

	Dec-23	Jun-23
<b>5 Share Capital &amp; Reserve</b>		
20,000,000 ordinary shares of Rs. 10/- each	<u>200,000,000</u>	<u>200,000,000</u>
12,498,246 Ordinary shares of Rs. 10. each		
- Anis ur Rahman	59,991,210	59,991,210
- Ms. Shamama Arif Rehman	49,985,240	49,985,240
- National Bank of Pakistan	5,000,000	5,000,000
- Nabeel Tajammal	9,996,000	9,996,000
- Aftab Alam	5,000	5,000
- Shahid Ali	5,000	5,000
	<u>124,982,450</u>	<u>124,982,450</u>
<b>6 Surplus on Revaluation of Fixed Assets - Net of Tax</b>		
<b>Opening Balance</b>		
Surplus / (deficit) arising as a result of revaluation on:		
Office Premises - Razi Tower	18,954,180	13,183,342
Room # 43 & 44 - PSX	-	-
Membership Card & Room - PMEX	-	-
	<u>18,954,180</u>	<u>13,183,342</u>
Related deferred tax effect of revaluation on:		
Transferred to statement of changes in equity on account of incremental depreciation for the	(30,121,187)	(3,070,834)
	<u>8,577,090</u>	<u>10,112,508</u>
<b>7 Liabilities Against Assets Subject to Finance Lease</b>	<u>992,862</u>	<u>992,862</u>
<b>8 Deferred Tax</b>		
On Taxable temporary difference:		
At the beginning of the year	17,092,518	17,551,750
On Deductible temporary difference: Obligation against FL	(115,058)	(690,348)
<b>At the end of the year</b>	<u>17,207,576</u>	<u>16,862,402</u>
<b>9 Creditors, Accrued &amp; Other Liabilities</b>		
- Creditors for purchase of shares - PSX	84,866,955	34,283,881
- Payable to NCCPL Future Profit of Clients	216,297,996	120,907,778
- Accrued Liabilities	7,340,994	7,257,150
- Tax Payable	359,405	248,222
- Other Liabilities	1,473,706	52,553
	<u>310,339,057</u>	<u>162,749,584</u>
<b>10 Short Term Running Finance - Secured</b>	<b>Limit</b>	
Habib Metropolitan Bank Limited	10 MN	73,458
Bank of Khyber	100 MN	25,056,807
Askari Bank Limited - CUR-0100001569-KSE	200 MN	49,132,281
	400 MN	<u>74,262,546</u>
<b>11 Current Maturity Against Assets Subject to Finance Lease</b>	<u>1,616,105</u>	<u>5,628,368</u>
<b>12 Contingencies &amp; Commitments</b>		
There are no contingencies and commitments	-	-
<b>13 Property &amp; Equipment</b>		
Owned Assets	91,150,712	96,026,029
Leased Assets	43,833,965	42,201,399
	<u>135,984,677</u>	<u>138,227,428</u>
Less: Accumulated Depreciation	(100,695,509)	(93,642,165)
<b>Written Down Value</b>	<u>13.1 35,289,168</u>	<u>44,585,263</u>
<b>14 Membership Cards &amp; Licenses</b>		
Pakistan Stock Exchange Ltd - TREC Holder	2,500,000	2,500,000
PMEX - Membership Card	1,750,000	1,750,000
PMEX - Room	2,500,000	2,500,000
Dubai Gold & Commodity Exchange - Membership	4,703,888	4,703,888
	<u>11,453,888</u>	<u>11,453,888</u>
<b>15 LONG TERM DEPOSITS</b>		
Security deposits - Clearing House	100,000	100,000
Security deposits - NCCPL	400,000	400,000
Security deposits - NCCPL Future	1,000,000	1,000,000
Security deposits - Railway Land Deposit	10,000	10,000
Security deposits - PMEX	750,000	750,000
Security deposits - Margin Trading System MTS	5,000	5,000
Security deposits - Imtiaz General Store	50,000	50,000
Security deposits - Nazir Sindh High Court for IT Fees	296,305	296,305
Security deposits - Nature Water & Nodira Health Water	31,000	21,000
	<u>2,642,305</u>	<u>2,632,305</u>
<b>16 TRADE DEBTS - considered good</b>		
Considered Good	325,020,145	270,236,707
Considered Doubtful	82,523,979	82,523,979
	<u>407,544,124</u>	<u>352,760,686</u>

**Fortune Securities Limited**  
**Notes to Interim Balance Sheet (Unaudited)**

	<u>Dec-23</u>	<u>Jun-23</u>
Less: Provision For Doubtful Debts	(82,523,979)	(82,523,979)
	<u>325,620,145</u>	<u>270,236,707</u>
	<u>Dec-23</u>	<u>Jun-23</u>
16.1 Aging analysis of trade debts		
Within 5 days		
Above 5 days		
17 SHORT TERM INVESTMENT		
- Securities held for Investment	111,185,107	6,827,740
- TDR with JS Bank	2,500,000	2,500,000
	<u>113,685,107</u>	<u>9,327,740</u>
14 ADVANCES, DEPOSITS & PREPAYMENTS		
- Loan to staff	4,317,319	3,713,620
- Advance Against Salary	266,230	274,251
- Prepayments	903,966	1,355,202
- Trade Deposits with PSX	24,100,000	33,000,000
	<u>29,587,495</u>	<u>38,343,072</u>
15 OTHERS RECEIVABLE		
Receivable from PSX	-	2,766,000
Insurance claims	-	59,315
Interest receivable from banks	318,470	318,470
Others	37,543	441,261
	<u>356,013</u>	<u>3,585,046</u>
16 CASH & BANK BALANCE		
- Petty Cash	64,200	64,200
- On Company Account	3,197,819	2,389,684
- On Clients Account	15,717,681	7,539,216
	<u>18,979,700</u>	<u>9,993,100</u>
16.1 Cash & Cash Equivalents	<u>(54,244,551)</u>	<u>(64,269,436)</u>
	<u>Dec-23</u>	<u>Dec-22</u>
	<u>Rs.</u>	<u>Rs.</u>
21 Operating & Admin Expense		
21.1 Transaction & Settlement Cost	<u>3,249,630</u>	<u>4,550,286</u>
21.2 Administrative Expenses		
Staff Salaries & Other Benefits	29,528,879	40,334,738
Internet & Software Expense	1,455,509	1,555,645
Insurance Expense	903,150	775,374
Repair & Maintenance	1,583,447	1,448,192
Audit Fee	350,000	-
Fee & Subscription	1,432,061	919,663
Entertainment	458,720	603,847
Communication Expense	106,996	377,882
Power & Diesel Expense	2,272,370	1,673,907
Printing & Stationery	131,890	175,038
Rent, Rates, Taxes & Other Expenses	208,097	430,160
Depreciation Expense	8,552,101	8,687,616
Other Expenses	1,532,341	604,327
Total Admin Expenses	<u>48,325,561</u>	<u>57,586,390</u>
Operating & Admin Expense	<u>51,575,192</u>	<u>62,136,676</u>
	<u>Dec-23</u>	<u>Jun-23</u>
22 Other Income		
- Interest Income	1,152,344	2,329,610
- Gain) / Loss on Disposal of Assets	4,034,869	-
- Other Income	177,524	20,542
	<u>5,364,737</u>	<u>2,350,152</u>
23 Taxation		
Current	3,506,195	1,708,226
Deferred	-	-
	<u>3,506,195</u>	<u>2,822,324</u>

Fortune Securities Limited  
13.1. Property & Equipment

Dec-2023

	Office premises	Furniture and fixtures	Office equipment	Computers	Electric installation	Motor vehicles		Total
						(Owned)	(Leased)	
<b>COST / REVALUED AMOUNT</b>								
As on July 1, 2023	60,280,000	7,420,781	12,070,900	10,230,179	1,033,673	4,990,496	42,201,399	138,227,428
Additions/Transfers	-	143,000	35,000	392,637	-	-	-	570,637
Disposals/Transfers	-	-	-	-	-	(51,500)	(2,761,888)	-
As at Dec 31, 2023	60,280,000	7,563,781	12,105,900	10,622,816	1,033,673	4,938,996	39,439,511	135,984,677
<b>ACCUMULATED DEPRECIATION</b>								
As on July 1, 2023	42,195,988	6,176,005	10,623,236	8,124,101	1,033,673	4,840,043	20,649,120	93,642,166
For the period	3,013,998	246,356	419,065	768,236	-	22,400	4,082,046	8,552,101
On disposals	-	-	-	-	-	(25,750)	(1,473,007)	(1,498,757)
As at Dec 31, 2023	45,209,986	6,422,361	11,042,301	8,892,337	1,033,673	4,836,693	23,258,158	100,695,511
Written down value	15,070,014	1,141,420	1,063,600	1,730,479	-	102,303	16,181,353	35,289,168

Jun-2023

	Office premises	Furniture and fixtures	Office equipment	Computers	Electric installation	Motor vehicles		Total
						(Owned)	(Leased)	
<b>COST / REVALUED AMOUNT</b>								
As on July 1, 2022	60,280,000	7,420,781	12,070,900	9,166,479	1,033,673	4,990,496	42,201,399	137,163,728
Additions/Transfers	-	-	-	1,063,700	-	-	-	1,063,700
Disposals/Transfers	-	-	-	-	-	-	-	-
As at June 30, 2023	60,280,000	7,420,781	12,070,900	10,230,179	1,033,673	4,990,496	42,201,399	138,227,428
<b>ACCUMULATED DEPRECIATION</b>								
As on July 1, 2022	36,167,984	5,692,831	9,764,381	6,693,349	1,033,673	4,605,953	12,208,840	76,157,010
For the year	6,028,004	483,174	858,855	1,430,752	-	234,090	8,440,280	17,475,155
Transfers	-	-	-	-	-	-	-	-
On disposals	-	-	-	-	-	-	-	-
As at June 30, 2023	42,195,988	6,176,005	10,623,236	8,124,101	1,033,673	4,840,043	20,649,120	93,642,165
Written down value	18,084,012	1,244,776	1,447,664	2,106,078	-	150,453	21,552,279	44,585,258
Depreciation Rates	10%	10%	30%	33%	20%	30%	20%	