

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF FAIRWAY SECURITIES (PRIVATE) LIMITED

Report on the Audit of the Financial Statements

Opinion

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

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

Basis for Qualified Opinion

Trade receivables amounting to RS 148,166,188 are doubtful, as no supporting documentation was provided to assess their recoverability. Management has not recorded a provision for these trade receivables, which raises concerns regarding the recoverability of these amounts.

We conducted our audit in accordance with the 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 comprises the information included in the annual report, but those not include the financial statements and our auditor's report thereon.

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

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

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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 such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Board of directors is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risk 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 audit evidence obtained up to the date of our auditor's report. However, future events are 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 those charged with governance and the board of directors, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion except for the matters described in Basis of Qualified Opinion section of our report:

- (a) Proper books of accounts have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- (b) The statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of accounts and returns;
- (c) Investment 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.

The engagement partner on audit resulting in this independent auditor's report is Muhammad Naeem.

Alam & Aulakh

ALAM & AULAKH
CHARTERED ACCOUNTANTS

Alam & Aulakh
Chartered Accountants

Place: Lahore
Date: September 14, 2024

UDIN: AR202410190tQS1xdlsP

FAIRWAY SECURITIES (PVT) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2024

	Note	2024 Rupees	2023 Rupees
ASSETS			
NON CURRENT ASSETS			
Property and equipment	4	202,758	239,058
Intangible assets	5	2,500,000	2,500,000
Long term investment	6	-	8,646,063
Long term deposits	7	670,000	670,000
		<u>3,372,758</u>	<u>12,055,121</u>
CURRENT ASSETS			
Trade debts	8	149,981,948	459,937
Advances, deposits and prepayments	9	800,000	675,000
Tax refund from Government	10	2,131,229	1,669,803
Short term Investment	11	5,029,590	-
Cash and bank balances	12	446,756	203,517,754
		<u>158,389,522</u>	<u>206,322,494</u>
		<u>161,762,280</u>	<u>218,377,616</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital	13	100,000,000	100,000,000
Accumulated loss		(77,403,607)	(73,969,438)
Capital reserve			
Fair value adjustment reserve		-	-
Directors' loan - subordinated	14	-	16,000,000
		<u>22,596,393</u>	<u>42,030,562</u>
NON-CURRENT LIABILITIES			
Deferred taxation	15	-	-
CURRENT LIABILITIES			
Trade and other payables	16	2,043,543	7,555,004
Accrued interest		11,915,468	20,120,972
Loan from banking company	17	125,206,876	125,206,876
Loan from related parties	18	-	23,464,202
		<u>139,165,887</u>	<u>176,347,054</u>
Contingencies and commitments	19	-	-
		<u>161,762,280</u>	<u>218,377,616</u>

The annexed notes from 1 to 35 form an integral part of these financial statements.


CHIEF EXECUTIVE



a. a

DIRECTOR

**FAIRWAY SECURITIES (PVT) LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2024**

	Note	2024 Rupees	2023 Rupees
Brokerage and commission	20	11,102,272	5,539,568
Direct cost	21	<u>(481,929)</u>	<u>(258,618)</u>
		10,620,343	5,280,951
Operating expenses	22	<u>(16,107,901)</u>	<u>(13,084,808)</u>
Other expense	23	<u>(2,599,834)</u>	<u>(5,665,073)</u>
Other income	24	<u>4,925,839</u>	<u>2,615,932</u>
		<u>(13,781,896)</u>	<u>(16,133,949)</u>
LOSS FROM OPERATIONS		(3,161,553)	(10,852,999)
Finance cost	25	<u>(18,197)</u>	<u>-</u>
LOSS BEFORE TAXATION		(3,179,749)	(10,852,999)
Taxation	26	<u>(254,420)</u>	<u>(159,847)</u>
LOSS FOR THE YEAR		<u>(3,434,169)</u>	<u>(11,012,846)</u>
LOSS PER SHARE - BASIC AND DILUTED	27	<u>(0.34)</u>	<u>(1.10)</u>

The annexed notes from 1 to 35 form an integral part of these financial statements.

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CHIEF EXECUTIVE




DIRECTOR

**FAIRWAY SECURITIES (PVT) LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2024**

	2024 Rupees	2023 Rupees
Loss for the year	(3,434,169)	(11,012,846)
Items that will not be reclassified subsequently to statement of profit or loss	-	-
Items that may be reclassified subsequently to statement of profit or loss		
(Loss)/gain on available for sale investment		(10,410,893)
Derecognition of fair value reserve on reclassification of investment	(671,129)	
Deferred tax on available for sale investment	-	2,084,203
Other comprehensive loss	(671,129)	(8,326,690)
	<u>(4,105,298)</u>	<u>(19,339,536)</u>

The annexed notes from 1 to 35 form an integral part of these financial statements.

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CHIEF EXECUTIVE




DIRECTOR

FAIRWAY SECURITIES (PVT) LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024 Rupees	2023 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before taxation		(3,179,749)	(10,852,999)
Adjustments of items not involving movements of cash:			
Depreciation	4	36,300	44,068
Unrealized (gain)/loss on short-term investments		(368,194)	5,390,121
Realized loss on sale of short-term investments		2,968,028	202,000
Provision for doubtful debts		-	72,952
Interest income		(358,190)	(43,023)
		<u>2,277,943</u>	<u>5,666,118</u>
Operating Cash Flows Before Working Capital Changes		(901,806)	(5,186,881)
(Increase) / Decrease in Working Capital			
(Increase) / decrease in current assets			
Account receivables		(149,522,011)	1,483,203
current account balance with statutory authorities		(125,000)	(583,876)
Loan from Related Party		-	-
Increase / (decrease) in current liabilities			
Trade and other payables		(5,511,461)	4,103,487
		<u>(155,158,472)</u>	<u>5,002,814</u>
Cash Used In Operations		(156,060,277)	(184,067)
Taxes paid		(715,846)	(382,462)
		<u>(715,846)</u>	<u>(382,462)</u>
Net cash used in operations		(156,776,123)	(566,529)
CASH FLOWS FROM INVESTING ACTIVITIES			
Disposal of securities		1,016,640	799,907
Interest income received		358,190	43,023
Net cash generated From Investing Activities		1,374,830	692,557
CASH FLOWS FROM FINANCING ACTIVITIES			
Loan obtained from related parties		(23,464,201)	(102,425)
Directors' loan - subordinated		(16,000,000)	
Accrued Interest		(8,205,504)	
Loan from banking company		-	-
Net Cash Flows (used in)/ generated from financing activities		(47,669,705)	(102,425)
NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS		(203,070,998)	23,603
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		203,517,754	203,494,151
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		446,756	203,517,754

The annexed notes from 1 to 35 form an integral part of these financial statements.

CHIEF EXECUTIVE




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DIRECTOR

**FAIRWAY SECURITIES (PVT) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2024**

	Paid up capital	Acumulated loss	Fair value adjustment reserve	Subtotal	Long term loan	Total
	----- (R u p e e s) -----					
Balance as at June 30, 2022	100,000,000	(58,235,518)	3,223,985	44,988,467	16,000,000	60,988,467
Loss after taxation	-	(11,012,846)	-	(11,012,846)	-	(11,012,846)
Other comprehensive loss	-	-	(8,326,690)	(8,326,690)	-	(8,326,690)
Total comprehensive loss for the year	-	(11,012,846)	(8,326,690)	(19,339,536)	-	(19,339,536)
Balance as at June 30, 2023	100,000,000	(73,969,438)	-	26,030,562	16,000,000	42,030,562
Loss after taxation	-	(3,434,169)	-	(3,434,169)	(16,000,000)	(19,434,169)
Other comprehensive loss	-	-	-	-	-	-
Total comprehensive loss for the year	-	(3,434,169)	-	(3,434,169)	(16,000,000)	(19,434,169)
Balance as at June 30, 2024	100,000,000	(77,403,607)	-	22,596,393	-	22,596,393

The annexed notes from 1 to 35 form an integral part of these financial statements.


CHIEF EXECUTIVE




DIRECTOR

FAIRWAY SECURITIES (PVT) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

1 COMPANY AND ITS OPERATION

- 1.1** The company was incorporated as Private Limited Company on May 3, 2006 under the repealed Companies Ordinance, 1984. The company is engaged in the business of share brokerage and investment in securities. The registered office of the Company is situated at 26-K, Ground Floor Commercial, Phase-1, DHA, Lahore.

The company is holder of Trading Right Entitlement Certificate (TREC) of Pakistan Stock Exchange.

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 Standard for Small and Medium Sized Entities (IFRS for SMEs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS for SMEs, 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 the historical cost convention except as disclosed in the accounting policy notes.

2.3 FUNCTIONAL AND PRESENTATION CURRENCY

The financial statements are presented in Pakistani Rupee, which is the company's functional and presentation currency.

2.4 Method of preparation of statement of cash flows

The statement of cash flows is prepared using indirect method.

2.4 JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision 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 revision and future periods if the revision affects both current and future periods.

Judgments and estimates made by management that may have a significant risk of material adjustments to the financial statements in subsequent years are as follows:

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FAIRWAY SECURITIES (PVT) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

- Useful lives, residual values and depreciation method of property and equipment
- Useful lives, residual values and amortization method of intangible assets
- Valuation of investment in ordinary shares of LSE Financial Services Limited
- Provision for doubtful account receivables
- Estimation of provisions

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 PROPERTY AND EQUIPMENT

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment

Depreciation is charged on reducing balance method at the rates mentioned in the relevant notes to the financial statements. Depreciation on additions is charged for the month in which an asset is acquired while no depreciation is charged for the month in which an asset is disposed off. Normal repair and maintenance is charged to revenue as and when incurred, while major renewals and replacements are capitalized. The useful lives, residual values and depreciation method are reviewed on a regular basis. The effect of any changes in estimate is accounted for on a prospective basis.

Gain or loss on disposal of property and equipment, if any is taken to profit or loss.

3.2 Loan from Director-Unsecured

Intangible assets with finite useful life are stated at cost less amortization and impairment, if any. The carrying amount is reviewed at each reporting date to assess whether it is in excess of its recoverable amount, and where carrying value exceeds estimated recoverable amount, it is written down to estimated recoverable amount. The useful lives, residual values and amortization method are reviewed on a regular basis. The effect of any changes in estimate accounted for on a prospective basis.

3.2.1 Membership card and offices

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

3.3 FINANCIAL ASSETS

Financial assets are classified in the following categories: Held-to-maturity, at fair value through profit or loss, available-for-sale and loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

3.3.1 Held to Maturity

The investments with fixed maturity, if any, that the company has to positive intent and ability to hold to maturity. Held to maturity investments are initially measured at fair value plus transaction costs and are subsequently stated at amortized cost using the effective interest rate method less impairment, if any. These are classified as current and non-current assets in accordance with nature of investment.

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3.3.2 At fair value through profit or loss

Investments classified as held for trading are included in the category of financial assets at fair value through profit and loss. These are listed securities that are acquired principally for the purpose of generating a profit from short term fluctuations in price or dealer's margin.

All investments are initially recognized at cost, being the fair value of the consideration given excluding acquisition charges with the investment. After initial recognition, investments are measured at their fair values. Unrealized gains and losses on investments are recognized in profit or

Fair values of these securities representing listed equity and debt securities are determined by reference to stock exchange quoted market prices at the close of the business on reporting date.

3.3.3 Available-for-sale

Investments which are intended to be held for an undefined period of time but may be sold in response to the need for liquidity or changes in interest rates are classified as available-for-sale.

Subsequent to initial recognition at cost, these are premeasured at fair value. The Company uses latest stock exchange quotations to determine the fair value of its quoted investments whereas fair value of investments in un-quoted companies is determined by applying the appropriate valuation techniques. Gains or losses on available-for-sale investments are recognized directly in other comprehensive income until the investments are sold or disposed-off, or until the investments are determined to be impaired, at that time cumulative gain or loss previously recognized in other comprehensive income, is re-classified from equity to profit and loss as re-classification adjustment.

3.3.4 Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than twelve months after the reporting date, which are classified as non-current assets. Loans and receivables comprise trade debts, loans, advances, deposits, other receivable and cash and bank balances in the statement of financial position.

3.4 FINANCIAL LIABILITIES

Financial liabilities are initially measured at cost, which is the fair value, of the consideration given and subsequently carried at amortized cost using effective interest rate method.

3.5 OFF-SETTING OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

A financial asset and a financial liability is offset and the net amount is reported in the financial statements if the Company has a legally enforceable right to set-off the transaction and also intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

3.6 TRADE DEBTS AND OTHER RECEIVABLES

Trade and other receivables are recognised and carried at transaction price less an allowance for impairment.

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FAIRWAY SECURITIES (PVT) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is recognised in the statement of profit or loss. Bad debts are written-off in the statement of profit or loss on identification.

The allowance for doubtful debts of the Company is based on the ageing analysis and management's continuous evaluation of the recoverability of the outstanding receivables. In assessing the ultimate realisation of these receivables, management considers, among other factors, the creditworthiness and the past collection history of each customer.

3.7 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise of cash balances and call deposits. For the purpose of statement of cash flows; cash and cash equivalents comprise cash in hand, bank balances and running finances.

3.8 BORROWINGS

Loans are measured at amortised cost using the effective interest method. Interest expense is recognised on the basis of the effective interest method and is included in finance costs.

In case the loan is interest-free or carries interest below the prevalent market rate, it is initially recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. The difference between the discounted present value and actual receipt is recognised as finance income. Subsequently, the interest-free loan is measured at amortized cost, using the effective interest rate method, this involves unwinding of discount, such that at the repayment date, the carrying value of obligation equals the amount to be repaid. The unwinding of discount is included in finance costs in the statement of profit or loss.

3.9 TAXATION

Current

Provision for current taxation is based on taxable income at the applicable rates of taxation after taking into account tax credits, brought forward losses, accelerated depreciation allowances and any minimum limits imposed by the taxation laws.

Deferred

Deferred tax is recognized using the liability method on all temporary differences between the carrying amounts of assets and liabilities for the financial reporting purposes and the amounts used for taxation

Deferred tax asset is recognized for all the deductible temporary differences only to the extent that it is probable that future taxable profits will be available against which the asset may be utilized. Deferred tax asset is reduced to the extent that it is no longer probable that the related tax benefit will be realized. Deferred tax liabilities are recognized for all the taxable temporary differences.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the tax rates that have been enacted or substantially enacted by the reporting date.

Deferred tax is charged or credited in the income statement, except in the case of items credited or charged to comprehensive income or equity, in which case it is included in comprehensive income or equity.

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FAIRWAY SECURITIES (PVT) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

3.10 TRADE AND OTHER PAYABLES

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

3.11 PROVISIONS

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value using a pre-tax discount rate. The unwinding of the discount is recognised as finance cost in the statement of profit or loss.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

As the actual outflows can differ from estimates made for provisions due to changes in laws, regulations, public expectations, technology, prices and conditions, and can take place many years in the future, the carrying amounts of provisions are reviewed at each reporting date and adjusted to take account of such changes. Any adjustments to the amount of previously recognised provision is recognised in the statement of profit or loss unless the provision was originally recognised as part of cost of an asset.

3.12 CONTINGENT LIABILITIES

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

3.13 IMPAIRMENT OF NON-FINANCIAL ASSETS

The assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. If there is an indication of possible impairment, the recoverable amount of the asset is estimated and compared with its carrying amount.

An impairment loss is recognized if the carrying amount of an asset exceeds its estimated recoverable amount. The impairment loss is recognised in the statement of profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

An impairment loss is reversed only to the extent that the asset carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. The Company recognises the reversal immediately in the statement of profit or loss, unless the asset is carried at a revalued amount in accordance with the revaluation model. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

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FAIRWAY SECURITIES (PVT) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

3.14 REVENUE RECOGNITION

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable, net of any direct expenses and sales tax. Revenue is recognized on the following basis:

- Brokerage, consultancy and advisory fee, commission etc. are recognized as and when such services are provided, and thereby the performance obligations are satisfied.
- Profit on saving accounts, profit on exposure deposits and markup on marginal financing is recognized at effective yield on time proportion basis.
- Gains/(losses) arising on sale of investments are included in the profit and loss account in the period in which they arise.
- Dividend income is recorded when the right to receive the dividend is established.
- Unrealised gains / (losses) arising on revaluation of securities classified as 'fair value through other comprehensive income' are included in other comprehensive income in the period in which they arise.
- Unrealised gains / (losses) arising on revaluation of securities classified as 'fair value through profit or loss' are included in profit or loss in the period in which they arise.
- Other revenues are recorded, as and when due, on accrual basis.

3.15 BASIC AND DILUTED EARNINGS PER SHARE

The Company presents basic and diluted earnings per share (EPS) for its shareholders. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, if any.

3.16 RELATED PARTY TRANSACTIONS

Transactions and contracts with the related parties are carried out at an arm's length price determined in accordance with comparable uncontrolled price method except reason disclosed in relevant note to the financial statements, if any. Transactions with related parties have been disclosed in the relevant notes to the financial statements.

3.17 TRADE DATE ACCOUNTING

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

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FAIRWAY SECURITIES (PVT) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

4 PROPERTY AND EQUIPMENT

Particulars	2024											
	Cost					Depreciation					W.D.V	
	As at June 30, 2023	Additions	Transfer	Disposal	As at June 30, 2024	Rate %	As at June 30, 2023	Transfer	Disposal	Charge for the year	As at June 30, 2024	As at June 30, 2024
	-----Rupees-----					-----Rupees-----						
OWNED												
Furniture and fittings	642,095	-	-	-	642,095	10	519,631	-	-	12,246	531,877	110,218
Computers	628,672	-	-	-	628,672	30	621,322	-	-	2,205	623,527	5,145
Office equipments	2,282,877	-	-	-	2,282,877	20	2,183,349	-	-	19,906	2,203,255	79,622
Vehicles	113,130	-	-	-	113,130	20	103,414	-	-	1,943	105,357	7,773
Shop	-	-	-	-	-	-	-	-	-	-	-	-
Total 2023	3,666,774	-	-	-	3,666,774		3,427,716	-	-	36,300	3,464,016	202,758

Particulars	2023											
	Cost					Depreciation					W.D.V	
	As at June 30, 2022	Additions	Transfer	Disposal	As at June 30, 2023	Rate %	As at June 30, 2022	Transfer	Disposal	Charge for the year	As at June 30, 2023	As at June 30, 2023
	-----Rupees-----					-----Rupees-----						
OWNED												
Furniture and fittings	642,095	-	-	-	642,095	10	506,024	-	-	13,607	519,631	122,464
Computers	628,672	-	-	-	628,672	30	618,172	-	-	3,150	621,322	7,350
Office equipments	2,282,877	-	-	-	2,282,877	20	2,158,467	-	-	24,882	2,183,349	99,528
Vehicles	113,130	-	-	-	113,130	20	100,985	-	-	2,429	103,414	9,716
Total 2023	3,666,774	-	-	-	3,666,774		3,383,648	-	-	44,068	3,427,716	239,058

4.1 ALLOCATION OF DEPRECIATION

	Note	2024 Rupees	2023 Rupees
Operating expenses	22	36,300	44,068
		<u>36,300</u>	<u>44,068</u>

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FAIRWAY SECURITIES (PVT) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024 Rupees	2023 Rupees
5 INTANGIBLE ASSETS			
Trading right entitlement certificate	5.1	<u>2,500,000</u>	<u>2,500,000</u>
		<u>2,500,000</u>	<u>2,500,000</u>

5.1 This represents Trading Right Entitlement Certificate (TREC) received from the Pakistan Stock Exchange Limited without any additional payment, in lieu of TREC issued by the Lahore Stock Exchange Limited, surrendered on, January 10, 2016 on the consequence of Scheme(s) of Integration approved by the Securities and Exchange Commission of Pakistan vide Order No. 01/2016 dated January 11, 2016 under regulation 6 (8) of the Stock Exchange (Corporatization, Demutualization and Integration) Regulations, 2012. The Trading Right entitlement certificate is pledged/mortgaged with the Pakistan Stock Exchange Limited as a collateral for running the brokerage business. It is carried at cost less impairment (2023: same).

6 LONG TERM INVESTMENT

Unquoted - Shares of LSE Financial Services Limited:

Available for sale

Cost as at July 01,		8,646,063	15,832,971
Reversal of investment upon classification from long term investment to short term investment		8,646,063	(7,186,908)
	6.1	<u>-</u>	<u>8,646,063</u>

6.1 During the year, LSE Financial Services Limited was demerged into two companies, LSE Venture Limited and LSE Proptech Limited, as per the demerger scheme approved by the Honorable Lahore Highcourt, dated April 26, 2023. During the year company has received the quited shares of LSE Venture Limited and LSE Proptech Limited against shares in LSE Financial Services Limited as per the above mentioned scheme. Due to change in investment in investment form un-quoted shares to quoted shares, the company has reclassified the investment from available for sale investment to fair value through profit and loss and respective accumulated reserve has been charged to profit and loss account.

7 LONG TERM DEPOSITS

Deposits with:

LSE Financial Services Limited		360,000	360,000
National Clearing Company of Pakistan Ltd.		-	-
Central Depository Company of Pakistan Ltd.		100,000	100,000
Security deposit against office building		210,000	210,000
		<u>670,000</u>	<u>670,000</u>

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FAIRWAY SECURITIES (PVT) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024 Rupees	2023 Rupees
8 TRADE DEBTS			
Receivable from clients on account of:			
Purchase of shares on behalf of clients		148,166,188	289,633
Less: Provision for doubtful debts	8.1	-	(289,633)
		<u>148,166,188</u>	<u>-</u>
Receivable from Eclear Clients		1,815,760	459,937
Brokerage commission receivable		-	-
		<u>149,981,948</u>	<u>459,937</u>
8.1 Movement is as follows			
Opening balance		289,633	226,301
Less: Reversal of provision for doubtful debts		(54,017)	(9,620)
Less: Bad debt written off		(235,616)	-
Provision made during the year		-	72,952
		<u>-</u>	<u>289,633</u>
9 ADVANCES, DEPOSITS AND PREPAYMENTS			
Deposits with:			
ECLEAR Exposure	9.1	800,000	675,000
Prepayments		-	-
		<u>800,000</u>	<u>675,000</u>
10 TAX REFUND FROM GOVERNMENT			
Balance as at July 1,		1,669,803	1,447,188
Addition during the year		715,846	382,462
Provision for taxation		(254,420)	(159,847)
Balance as at June 30,		<u>2,131,229</u>	<u>1,669,803</u>
11 SHORT TERM INVESTMENTS			
Investment at fair value through profit or loss			
Value as at July 1,		-	-
Long term Investment classified as short term		8,646,063	-
Purchase/sale-net		(1,016,640)	-
Realized Gain/(loss)		(2,968,028)	-
Unrealized Gain/(loss)		368,194	-
Value as at June 30,		<u>5,029,590</u>	<u>-</u>

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FAIRWAY SECURITIES (PVT) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024 Rupees	2023 Rupees
12 CASH AND BANK BALANCES			
Cash in hand		8,859	1,895
Cash at banks			
Current Accounts			
Pertaining to brokerage house		10,653	203,208,705
Pertaining to clients		-	-
		10,653	203,208,705
Deposit Accounts			
Pertaining to brokerage house	12.1	-	2,120
Pertaining to clients	12.1	427,244	305,034
		427,244	307,154
		437,896	203,515,859
		446,756	203,517,754

12.1 These carry markup rates ranging from 20.50% to 20.55% (2023: 20.50% to 20.55%) per annum.

13 SHARE CAPITAL

Authorized

10,000,000 (2023: 10,000,000) ordinary shares
of Rs. 10 each

100,000,000 100,000,000

Issued, subscribed and paid up

10,000,000 (2023: 10,000,000) ordinary shares
of Rs. 10 each fully paid in cash

100,000,000 100,000,000

13.1 The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company. All shares rank equally with regard to the Company's residual assets.

14.2 Reconciliation of number of shares outstanding

	----- Numbers -----	
Number of shares outstanding at the beginning of the year	10,000,000	10,000,000
Issued for cash	-	-
Issued for consideration other than cash	-	-
Number of shares outstanding at the end of the year	10,000,000	10,000,000

14 DIRECTORS' LOAN - SUBORDINATED

From related parties:

Chief Executive-Mr. Nadeem Javed

14.1 - 16,000,000

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FAIRWAY SECURITIES (PVT) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

14.1 During the year 2023 the interest free and un-secured loan obtained from the chief executive of the company. The loan is subordinated to all other debts of the company. The loan is repayable after at the discretion of the company subject to the sufficient cash flows of the company. This loan has been accounted for under Technical Release - 32 "Accounting Directors' Loan" issued by the Institute of Chartered Accountants of Pakistan. The company has obtained loan in order to maintain the company's operations cost effective. During the year ended June 30, 2024 the loan has been repaid in full.

15 DEFERRED TAXATION

Deferred credits/(debits) arising due to:

	2024 Rupees	2023 Rupees
Unrealized gain on long term investment	106,776	(1,563,135)
Accelerated tax depreciation	(13,702)	(15,812)
Provision for doubtful debts	-	(83,994)
Brought forward losses	(16,243,104)	(16,184,524)
Alternative corporate taxes paid	(1,054,700)	(1,054,700)
Minimum taxes paid	(655,878)	(461,205)
Deferred tax asset not recognised	17,860,608	19,363,370
	<u>-</u>	<u>-</u>
Balance as at July 01,	-	274,123
Add: charge for the year in:		
Profit or loss	-	-
Other comprehensive income	-	(274,123)
	<u>-</u>	<u>-</u>

15.1 At the year end, net deductible temporary differences, taxable losses and tax credits resulted in a net deferred tax asset of Rs. 16.80 million (2022: Rs. 19.36 million). However, deferred tax asset has not been recognized in these financial statements being prudent. Management is of the view that recognition of deferred tax asset shall be reassessed as at June 30, 2024.

15.2 Minimum taxes would expire as follows:

Accounting year to which minimum tax relates	Amount of minimum taxes (Rupees)	Accounting year in which minimum tax will expire
2019	112,969	2024
2020	134,086	2025
2022	117,601	2027
2023	96,549	2028
2024	194,673	2030

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FAIRWAY SECURITIES (PVT) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024 Rupees	2023 Rupees
15.3 Depreciation losses with no expiry limit are as follows:			
Accounting year to which depreciation loss relates	Amount of depreciation losses (Rupees)		
2022	55,456		
2023	50,889		
2024	45,305		
15.4 Business losses would expire as follows:			
Accounting year to which business loss relates	Amount of business losses (Rupees)	Accounting year in which business loss will expire	
2018	21,495,925	2024	
2019	24,303,424	2025	
2020	1,396,251	2026	
2022	3,620,252	2028	
2023	4,886,508	2029	
2024	773,554	2030	
15.5 Losses losses would expire as follows:			
Accounting year to which business loss relates	Amount of business losses (Rupees)	Accounting year in which business loss will expire	
2024	2,968,028	2030	
15.6 Alternative corporate taxes would expire are as follows:			
Accounting year to which alternative corporate taxes relates	Amount of minimum taxes (Rupees)	Accounting year in which alternative corporate taxes will expire	
2021	1,054,700	2031	
16 TRADE AND OTHER PAYABLES			
Creditors for sale of shares on behalf of clients	16.1	116,654	116,694
Tax deducted at source - Payable		-	7,800
Sales tax payable		96,186	37,837
Auditors' remuneration payable		80,000	50,000
Accrued expenses		1,622,576	7,214,546
PWWF payable		128,127	128,127
		2,043,543	7,555,004

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FAIRWAY SECURITIES (PVT) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024 Rupees	2023 Rupees
16.1	Creditors for sale of shares on behalf of clients include the following amount due to related parties:		
	Name of related party	Basis of relationship	
	Ahmad Bilal Chaudry	Substantial shareholding in the company	
		<u>757</u>	<u>-</u>
		<u>757</u>	<u>-</u>

17 LOAN FROM BANKING COMPANY

From financial institutions

Summit Bank Limited - (secured) RF-II	17.1	83,097,998	83,097,998
Silk Bank Limited - (secured) RF-II	17.2	42,108,879	42,108,879
		<u>125,206,876</u>	<u>125,206,876</u>

17.1 This facility of Rs. 83.09 million was available to the company under the mark up arrangement from Summit Bank Limited. Rate of mark up was Three Months KIBOR plus 4% per annum. This facility remained secured by personal guarantee of directors, token registered mortgage of Rs.0.10 million and Equitable Mortgage with 30% margin on the market value of three properties which had been valued by independent valuers. The company has instituted a suit on 27-2-2019 against the Summit Bank Limited on account of illegalities and breach of contractual obligations in the Honourable Lahore Banking Court No. II for Rs. 91.970 million. The matter is pending adjudication. There is no scope of any loss to the company in the instant matter. This case is being vigorously pursued by the company through its legal counsel and there are good chances of favorable result in this case.

17.2 This facility of Rs. 40.00 million was available to the company under the mark up arrangement from Silk Bank Limited. Rate of mark up was One Year KIBOR plus 4.5% per annum. This facility remained secured by personal guarantee of directors and also secured by mortgage of property of an associate and personal guarantee of directors and their associates.

17.3 During the year ended June 30, 2023, the company has instituted a suit against the Silk Bank Limited challenging act of the Bank for sale/adjustment of shares in the Honourable Lahore Banking Court No. I for Rs. 25.00 million. This suit was dismissed by the Banking Court, against which an Appeal vide RFA No. 47212/2021 has been filed on 27-07-2021 before the Honourable Lahore High Court Lahore, wherein a stay order has already been granted. This Appeal is pending adjudication. There is no scope of any loss to the company in the instant matter. This case is being vigorously pursued by the company and there are good chances of favorable result in this case.

18 LOAN FROM RELATED PARTIES

Unsecured and interest free

Loan from:

Mr. Nadeem Javed- Chief Executive	18.1	-	11,665,440
Mrs. Shamsa Nadeem - Director	18.3	-	11,798,762
		<u>-</u>	<u>23,464,202</u>

9-9

FAIRWAY SECURITIES (PVT) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024 Rupees	2023 Rupees
18.1 Particulars of loan from Mr. Nadeem Javed			
Balance as at July 01,		11,665,440	11,665,440
Add: Loan received during the year		-	-
Less: Adjustment during the year	18.3	-	-
		<u>11,665,440</u>	<u>11,665,440</u>
Less: Repayment during the year	18.2	<u>(11,665,440)</u>	-
		<u>-</u>	<u>11,665,440</u>

18.2 This represented interest free and un-secured loan obtained from chief executive of the company to meet the working capital requirements of the company. It was being utilized for the said purpose.

18.3 These represent adjustment against sale of shares by the Silk Bank Limited to settle its partial loan liability. The company has filed case against this act as referred to note no. 17.4 to the financial statements.

19 CONTINGENCIES AND COMMITMENTS

19.1 Contingencies

20.1.1 The company has not accounted for additional interest aggregating amount Rs. 50.09 million (2023: Rs. 50.09 million) on the loan payable to Summit Bank Limited as the matter is subjudice with the Honourable Lahore Banking Court No. II referred to note no. 18.1 to the financial statements. During the year ended June 30, 2021, the Summit Bank Limited has also filed a suit against the company with the Honourable Lahore Banking Court No. II, wherein the bank has claimed recovery of Rs. 97.94 million. This suit is presently pending adjudication before the Honourable Lahore Court, Lahore. This case is being vigorously pursued by the company and there are good chances of favorable result in this case. The company also filed PLA before Lahore High Court, Lahore.

20.1.2 Based on legal opinion obtained from the legal advisor, the company did not account for the markup aggregating amounting Rs. 28.66 million (2023: Rs. 28.66 million) on running finance facilities obtained from the Silk Bank Limited as referred to note no. 18.2 to the financial statements as the limits of these facilities have not been renewed by the bank. During the year ended June 30, 2022, the company has filed a suit against Silk Bank Limited with the Honourable Lahore Banking Court No. I, as referred to note no. 18.3 to the financial statements.

19.2 Commitments

Commitments as at reporting date were Rs. nil (2023: Rs. nil).

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FAIRWAY SECURITIES (PVT) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024 Rupees	2023 Rupees
20 BROKERAGE AND COMMISSION			
Retail Customers	20.1	12,878,636	6,425,899
Less: Sales tax		<u>(1,776,364)</u>	<u>(886,331)</u>
		<u>11,102,272</u>	<u>5,539,568</u>
21 DIRECT COST			
Charges paid to:			
National Clearing Company of Pakistan Ltd.		6,387	10,600
Central Depository Company of Pakistan Ltd.		23,271	41,246
ECLEAR Services Limited		399,854	206,438
Pakistan Stock Exchange Ltd.		52,417	333
		<u>481,929</u>	<u>258,618</u>
22 OPERATING EXPENSES			
Directors' remuneration		4,800,000	4,850,000
Staff salaries and benefits		3,148,400	3,477,900
Rent, rates and taxes		1,475,534	1,386,058
Communication expenses		550,145	504,779
Utility charges		375,857	406,184
Printing and stationery		32,670	39,415
Repair and maintenance		2,463,423	1,104,203
Vehicle running and maintenance		1,227,744	695,057
Legal and professional charges		-	30,000
Fee and subscription		700,812	59,325
Auditors' remuneration	23.1	80,000	50,000
Entertainment		555,294	234,637
Insurance		-	91,124
Bad debt expense		235,616	
Depreciation	4.1	36,300	44,068
Security services		-	2,882
Postage and courier		26,923	7,063
Software charges		378,201	100,572
Miscellaneous		20,982	1,542
		<u>16,107,901</u>	<u>13,084,808</u>

22.1 Auditors' remuneration

The audit fee and remuneration for other services included in the financial statements is as follows:

Audit Fee	<u>80,000</u>	<u>50,000</u>
	<u>80,000</u>	<u>50,000</u>

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FAIRWAY SECURITIES (PVT) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024 Rupees	2023 Rupees
23 OTHER EXPENSES			
Provision for doubtful debts		-	72,952
Realized Loss on sale of short term investmnet		2,968,028	202,000
Unrealized loss on remeasurement of short term investment		(368,194)	5,390,121
		<u>2,599,834</u>	<u>5,665,073</u>
24 OTHER INCOME			
Income from financial assets			
Dividend income		400,250	421,988
Profit on saving account		358,190	43,023
Bad debt recovered		54,022	9,620
Profit on exposure margin		4,050,655	2,054,542
		<u>4,863,117</u>	<u>2,529,172</u>
Income from assets other than financial assets			
Other income		62,722	86,760
Less: sales tax		-	-
		<u>62,722</u>	<u>86,760</u>
		<u>4,925,839</u>	<u>2,615,932</u>
25 FINANCE COST			
Bank charges		18,197	-
		<u>18,197</u>	<u>-</u>
26 TAXATION			
Income tax:			
-Current		254,036	159,847
-Prior		384	-
-Deferred		-	-
		<u>254,420</u>	<u>159,847</u>
26.1	No numeric tax rate reconciliation is presented for the current and prior year as the company was either liable to pay tax under final tax regime or minimum tax regime under the provisions of the Income Tax Ordinance 2001.		
27 LOSS PER SHARE - BASIC AND DILUTED			
(Loss)/profit after taxation for the year-Rupees		<u>(3,434,169)</u>	<u>(11,012,846)</u>
Weighted average number of ordinary shares outstanding during the year -Numbers		<u>10,000,000</u>	<u>10,000,000</u>
Loss per share-Rupees		<u>(0.34)</u>	<u>(1.10)</u>

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FAIRWAY SECURITIES (PVT) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024 Rupees	2023 Rupees
28 NUMBER OF EMPLOYEES			
		2024	2023
		(N u m b e r)	
Total number of employees at the end of year		<u>11</u>	<u>11</u>
Average number of employees during the year		<u>11</u>	<u>11</u>

29 REMUNERATION TO CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amount charged in the financial statements for the year for remuneration, including certain benefits to the chief executive and directors of the company is as follows:

	2024		2023	
	Managerial Remuneration	No. of Persons	Managerial Remuneration	No. of Persons
	Rupees		Rupees	
Chief Executive	4,800,000	1	4,850,000	1
Director	600,000	1	600,000	1
Executive	-	-	-	-

30 FINANCIAL INSTRUMENTS BY CATEGORY

Financial assets and financial liabilities

Financial assets

Fair Value through OCI

Long term investment	-	8,646,063
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Financial liabilities at amortized cost

Long term deposits	670,000	670,000
Trade debts	149,981,948	396,605
Short term Investment	5,029,590	-
Cash and bank balances	446,756	203,517,754
	<u>156,928,293</u>	<u>205,259,359</u>

Financial liabilities

Financial liabilities at amortized cost

Trade and other payables	2,043,543	7,555,004
Loan from banking company	125,206,876	125,206,876
Loan from related parties	-	23,464,202
Markup on short term borrowings	11,915,468	20,120,972
	<u>139,165,887</u>	<u>176,347,054</u>

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**FAIRWAY SECURITIES (PVT) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

	Note	2024 Rupees	2023 Rupees
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31 CORRESPONDING FIGURES

The corresponding figures have been rearranged and reclassified, wherever considered necessary, for the purpose of better presentation. Following major reclassifications have been made during the year:

Nature	Reclassification from component	Reclassification to component	2024 Rupees	2023 Rupees
STATEMENT OF FINANCIAL POSITION				
Auditors' remuneration payable	Deposits, accrued liabilities and advances	Trade and other payables	80,000	50,000
Accrued expenses	Deposits, accrued liabilities and advances	Trade and other payables	1,622,576	7,214,546

32 RELATED PARTY TRANSACTIONS

Related parties from the Company's perspective comprise of key management personnel, directors and key shareholders of the Company. There are no transactions with related parties, other than those which have specifically been disclosed else where in these financial statements.

33 EVENTS AFTER THE REPORTING DATE

There were no events after the end of the reporting date that might need reporting in these financial statements (2023: same).

34 GENERAL

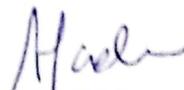
Figures have been rounded off to the nearest of rupee.

35 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorized for issue on September 14, 2024 by the Board of Directors of the Company.


CHIEF EXECUTIVE




DIRECTOR



ALAM & AULAKH
Chartered Accountants

Mr. Nadeem Javed
Chief Executive Officer
Fairway Securities (Private) Limited

Date: November 14, 2024

Subject: Letter Regarding Trade Receivables of Rs. 148 Million as of November 14, 2024, for Fairway Securities (Private) Limited

Dear Sir,

This letter is issued to formally confirm the audit procedures conducted to verify the accounts receivable amounting to Rs. 148 million, as detailed below:

- Subsequent to June 30, 2024, as of November 14, 2024, we reviewed the balances based on affidavits provided by the debtors, affirming their commitment to settle the outstanding amount within a one-year period.
- We further validated these balances by cross-referencing the ledger details provided by management.
- Relevant communications regarding payment commitments or disputes were inspected to identify any issues that may affect the collectibility of these receivables.
- The existence of clients' accounts was verified in both the Smart Stock and Stock Man systems.
- Post-audit events were assessed to identify any circumstances impacting the valuation or existence of these receivables.
- A management representation letter was obtained, confirming the accuracy and recoverability of receivables, with a statement affirming that no undisclosed arrangements affect their recovery.

Based on these procedures, we understand that the aforementioned receivables do not exhibit signs of being doubtful.

Disclaimer: This letter is issued solely at the request of management and is not founded on any applicable regulation, law, or circular. This statement is provided exclusively for submission to the Pakistan Stock Exchange and should not be used for any other purposes.

Thank you for your attention to this matter. Should you require further clarification, please do not hesitate to contact our office.

Yours faithfully

Alam & Aulakh
(Chartered Accountants)



📍 Suite No. 10 & 11 2-BD Block, 4th Floor, Ross Residencia,
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☎ 0321-111-2041 / 0321-111-2048 / 0321-111-2049

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