ASA STOCKS (PRIVATE) LIMITED

Un- Audited Financial Statements

For the Period Ended 31 December 2020

ASA STOCKS (PRIVATE) LIMITED

Un- Audited Statement of Financial Position

As at 31 December, 2020

	Note	Dec-20 Rupees	Jun-20 Rupees
ASSETS			
Non-current assets			
Property and equipment	5	4,149,914	4,483,512
Intangible assets	6	7,578,768	7,578,768
Long term investments	7	19,605,539	19,605,539
Long term deposits	8	890,000	890,000
		32,224,221	**32,557,819**
Current assets			
Trade debts - net	9	1,140,116	3,621,984
Deposits, prepayments and other receivables	11	7,552,989	1,406,572
Income tax refundable	12	1,517,028	2,012,616
Short term investments	13	82,450,973	50,070,413
Cash and bank balances	14	6,218,022	5,961,158
		98,879,128	**63,072,743**
		131,103,350	**95,630,562**
EQUITY & LIABILITIES			
Share capital and reserves			
Issued Subscribed paidup Capital.	15	65,520,000	54,600,000
Unappropriated profit		(51,305,530)	(75,588,386)
Unrealized surplus / (deficit) on re-measurement of investments measured at FVOCI		10,051,742	10,051,742
Long-term financing	16	67,650,000	78,570,000
Total equity		**91,916,212**	**67,633,356**
Advance against issue of shares			
Current liabilities			
Trade and other payables	17	11,540,683	3,783,553
Short-term borrowings	19	27,532,676	23,699,455
Provision for taxation	18	113,780	514,198
		39,187,139	**27,997,206**
Contingencies and commitments	20		-
		131,103,350	**95,630,562**

The annexed notes from 1 to 29 form an integral part of these financial statements.

Chief Executive Officer

ASA STOCKS (PVT.) LIMITED TREC HOLDER PSX Ltd. TREC # 284

Director

ASA STOCKS (PRIVATE) LIMITED

Un- Audited Income Statement

For the Period Ended 31 December 2020

	Note	Dec-20 Rupees	Jun-20 Rupees
Operating revenue	21	1,494,697	3,651,272
Gain/(loss) on sale of short term investments		-	(16,840,797)
Unrealized gain/(loss) on remeasurement of investments classified at FVTPL		26,195,778	7,347,910
		27,690,474	(5,841,615)
Operating and administrative expenses	22	(2,825,162)	(6,711,734)
Operating profit / (loss)		**24,865,313**	**(12,553,349)**
Financial charges	23	(596,157)	(3,394,416)
Other income and losses	24	127,480	1,702,581
Profit / (loss) before taxation		24,396,636	(14,245,184)
Taxation	25	(113,780)	(307,451)
Profit/(loss) for the Period		**24,282,856**	**(14,552,635)**
Earnings/(loss) per share - basic	26	**44.47**	**(26.65)**

The annexed notes from 1 to 29 form an integral part of these financial statements.

ASA STOCKS (PVT.) LIMITED TREC HOLDER PSX Ltd. TREC # 284

Chief Executive Officer

Director

ASA STOCKS (PRIVATE) LIMITED

Un- Audited Statement of Comprehensive Income

For the Period Ended 31 December 2020

	Note	Dec-20 Rupees	Jun-20 Rupees
Profit/(loss) for the Period		24,282,856	(14,552,635)
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Unrealized gain / (loss) during the period in the market value of investments measured at FVOCI		-	447,306
Total comprehensive income/(loss) for the year		24,282,856	(14,105,329)

The annexed notes from 1 to 29 form an integral part of these financial statements.

TRECHOLDER PSX Ltd. TREC # 284 ASA STOCKS (PVT.) LIMITED

Chief Executive Officer **Director**

ASA STOCKS (PRIVATE) LIMITED

Un- Audited Statement of Changes in Equity

For the Period Ended 31 December 2020

	Issued, subscribed and paid-up capital	Unappropriated profit/ (loss)	Unrealized surplus / (deficit) on re-measurement of investments measured at FVOCI	Total
	......................Rupees......................			
Balance as at June 30, 2019	45,500,000	(61,035,751)	9,604,436	(33,931,315)
Total comprehensive income for the year				
Shares issued during the period	9,100,000			
Difference in opening equity				
Profit/(Loss) for the year		(14,552,635)	-	(14,552,635)
Other comprehensive income/(loss)	-	-	447,306	447,306
	9,100,000	(14,552,635)	447,306	(14,105,329)
Balance as at June 30, 2020	54,600,000	(75,588,386)	10,051,742	(48,036,644)
Total comprehensive income for the Period				
Shares issued during the period	10,920,000			
Difference in opening equity				
Profit/(Loss) for the year		24,282,856	-	24,282,856
Other comprehensive income/(loss)	-	-	-	-
	10,920,000	24,282,856	-	24,282,856
Balance as at December 31, 2020	65,520,000	(51,305,530)	10,051,742	(23,753,788)

The annexed notes from 1 to 29 form an integral part of these financial statements.

Chief Executive Officer

ASA STOCKS (PVT.) LIMITED TREC HOLDER PSX Ltd. TREC # 284

Director

ASA STOCKS (PRIVATE) LIMITED

Un- Audited Statement of Cash Flows

For the Period Ended 31 December 2020

	Note	Dec-20 Rupees	Jun-20 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		**24,396,636**	**(14,245,184)**
Adjustments:			
Depreciation and impairment		333,598	813,619
Provision for / (reversal of provision for) doubtful debts		(373,046)	(3,210)
Realized loss / (gain) on sale of short-term investments		-	(7,347,910)
Dividend Income		(680,021)	(1,682,542)
Interest income		(127,480)	(1,702,581)
Finance charges		596,157	3,340,172
		(250,791)	**(6,582,452)**
Operating profit before working capital changes		**24,145,844**	**(20,827,636)**
(Increase)/decrease in current assets			
Trade debts - net		2,854,914	621,153
Loans and advances		-	47,000
Deposits, prepayments and other receivables		(6,146,417)	11,675,525
Increase/(decrease) in current liabilities			
Trade and Other Payable		7,757,130	(3,558,202)
		4,465,626	**8,785,476**
Cash generated from / (used in) operations		**28,611,471**	**(12,042,160)**
Proceeds from net sales of / (acquisition of) short-term investments		(32,380,560)	(23,890,150)
Finance charges paid		(596,157)	(3,340,172)
Interest income		127,480	1,702,581
Taxes paid		(18,610)	(234,882)
Dividend Received		680,021	1,682,542
		(32,187,826)	**(24,080,081)**
Net cash from operating activities		**(3,576,355)**	**(36,122,241)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Decrease / (increase) in long-term deposits		-	800,000
Net cash generated from / (used in) investing activities		**-**	**800,000**
CASH FLOWS FROM FINANCING ACTIVITIES			
Share Deposit Money		-	-
Share capital Induction		10,920,000	9,100,000
Proceeds from Short Term finance facility		3,833,221	583,115
Proceeds from long term loan		(10,920,000)	29,500,000
Net cash generated from / (used in) financing activities		3,833,221	39,183,115
Net (decrease)/increase in cash and cash equivalents		256,866	3,860,874
Cash and cash equivalents at the beginning of the year		5,961,158	2,100,284
Cash and cash equivalents at the end of the year	14	6,218,022	5,961,158

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

Chief Executive Officer

ASA STOCKS (PVT.) LIMITED
TREC HOLDER
PSX Ltd.
TREC # 284

Director

ASA STOCKS (PRIVATE) LIMITED
UN-AUDITED NOTES TO THE FINANCIAL STATEMENTS
For the year ended June 30, 2020

1. LEGAL STATUS AND NATURE OF BUSINESS

ASA Stocks (Private) Limited (the "Company") was incorporated in Pakistan on January 08, 2007 as a private limited company, limited by shares, under the Companies Ordinance, 1984 . The Company's registered office is situated at 79/A-C-1,Gulberg 3, Lahore. The Company is a holder of Trading Rights Entitlement Certificate ("TREC") of Pakistan Stock Exchange Limited. The Company is principally engaged in the business of investment advisory, purchase and sale of securities

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 as applicable in Pakistan comprises of:

- 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; and
- Provisions of and directives issued under the Companies Act, 2017, and relevant provisions of the Securities Brokers (Licensing and Operations) Regulations 2016 (the "Regulations").

In case requirements differ, the provisions or directives of the Companies Act, 2017 and/or the Regulations shall prevail.

2.2. Accounting convention

These financial statements have been prepared under the historical cost convention, except:

- Investments in quoted equity securities (whether classified as assets at fair value through profit or loss, or at fair value through other comprehensive income), which are carried at fair value;
- Investments in unquoted equities, measured at fair value through other comprehensive income;
- Investments in associates, which are recorded in accordance with the equity method of accounting for such investments; and
- Derivative financial instruments, which are marked-to-market as appropriate under relevant accounting and reporting standards.

2.3. Functional and presentation currency

Items included in these financial statements are measured using the currency of the primary economic environment in which the Company operates. These financial statements are presented in Pak Rupees which is the Company's functional and presentation currency.

2.4. Accounting estimates and judgments

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

Areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the Company's financial statements, are as follows:

(i) Estimates of useful lives and residual values of items of property, plant and equipment (Note 5);
(ii) Estimates of useful lives of intangible assets (Note 6);
(iii) Fair values of unquoted equity investments (Note 7);
(iv) Classification, recognition, measurement / valuation of financial instruments (Note 4.5); and
(v) Provision for taxation (Note 18)
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0P9 XNew standards, amendments / improvements to existing standards (including interpretations thereof) and forthcoming requirements

2.4.1. Amendments to approved accounting standards and interpretations which became effective during the year ended June 30, 2020
During the year, certain new accounting and reporting standards/amendments/interpretations became effective and applicable to the Company. However, since such updates) were not considered to be relevant to the Company's financial reporting, the same have not been disclosed here.

2.4.2. New / revised accounting standards, amendments to published accounting standards and interpretations that are not yet effective.

The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after the date specified below;

- Amendment to IFRS 3 'Business Combinations' - Definition of a Business (effective for business combinations for which the acquisition date is on or after the beginning of annual period beginning on or after January 01, 2020). The IASB has issued amendments aiming to resolve the difficulties that arise when an entity determines whether it has acquired a business or a group of assets. The amendments clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. The amendments include an election to use a concentration test. The application of the amendment is not likely to have an impact on the Company's financial statements.

- Amendments to IAS 1 'Presentation of Financial Statements' and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' (effective for annual periods beginning on or after January 01, 2020). The amendments are intended to make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. In addition, the IASB has also issued guidance on how to make materiality judgments when preparing their general purpose financial statements in accordance with IFRS Standards. The amendments are not likely to affect the financial statements of the Company.

- Interest rate benchmark reform which amended IFRS 9, IAS 39 and IFRS 7 is applicable for annual financial periods beginning on or after January 01, 2020. The G20 asked the Financial Stability Board (FSB) to undertake a fundamental review of major interest rate benchmarks. Following the review, the FSB published a report setting out its recommended reforms of some major interest rate benchmarks such as IBORs. Public authorities in many jurisdictions uncertainty about the long-term viability of some interest rate benchmarks. In these amendments, the term 'interest rate benchmark reform' refers to the market-wide reform of an interest rate benchmark including its replacement with an alternative benchmark rate, such as that resulting from the FSB's recommendations set out in its July 2014 report 'Reforming Major Interest Rate Benchmarks' (the reform). The amendments made provide relief from the potential effects of the uncertainty caused by the reform. A company shall apply the exceptions to all hedging relationships directly affected by interest rate benchmark reform. The amendments are not likely to affect the financial statements of the Company.

- Amendments to IFRS-16- IASB has issued amendments to IFRS 16 (the amendments) to provide practical relief for lessees in accounting for rent concessions. The amendments are effective for periods beginning on or after June 01, 2020, with earlier application permitted. Under the standard's previous requirements, lessees assess whether rent concessions are lease modifications and, if so, apply the specific guidance on accounting for lease modifications. This generally involves remeasuring the lease liability using the revised lease payments and a revised discount rate. In light of the effects of the COVID-19 pandemic, and the fact that many lessees are applying the standard for the first time in their financial statements, the Board has provided an optional practical expedient for lessees. Under the practical expedient, lessees are not required to assess whether eligible rent concessions are lease modifications, and instead are permitted to account for them as if they were not lease modifications. Rent concessions are eligible for the practical expedient if they occur as a direct consequence of the COVID-19 pandemic and if all the following criteria are met:

a. the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
b. any reduction in lease payments affects only payments originally due on or before 30 June 2021; and
c. there is no substantive change to the other terms and conditions of the lease.

The above amendments are not likely to affect the financial statements of the Company.

1. Classification of liabilities as current or non-current (Amendments to IAS 1) effective for the annual period beginning on or after January 01, 2022. These amendments in the standards have been added to further clarify when a liability is classified as current. The standard also amends the aspect of classification of liability as non-current by requiring the assessment of the entity's right at the end of the reporting period to defer the settlement of liability for at least twelve months after the reporting period. An entity shall apply those amendments retrospectively in accordance with IAS 8. The amendments are not likely to affect the financial statements of the Company.

2. Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37) effective for the annual period beginning on or after January 01, 2022 amends IAS 1 by mainly adding paragraphs which clarifies what comprise the cost of fulfilling a contract, Cost of fulfilling a contract is relevant when determining whether a contract is onerous. An entity is required to apply the amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application). Restatement of comparative information is not required, instead the amendments require an entity to recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application. The amendments are not likely to affect the financial statements of the Company.

proceeds and cost of items produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management e.g. when testing etc., are recognized in profit or loss in accordance with applicable Standards. The entity measures the cost of those items applying the measurement requirements of IAS 2. The standard also removes the requirement of deducting the net sales proceeds from cost of testing. An entity shall apply those amendments retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. The entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented. The amendments are not likely to affect the financial statements of the Company.

2.4.3. Annual Improvements to IFRS standards 2018-2020:

The following annual improvements to IFRS standards 2018-2020 are effective for annual reporting periods beginning on or after January 01, 2022.

- IFRS 9 – The amendment clarifies that an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf, when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognize a financial liability.

- IFRS 16 – The amendment partially amends Illustrative Example 13 accompanying IFRS 16 by excluding the illustration of reimbursement of leasehold improvements by the lessor. The objective of the amendment is to resolve any potential confusion that might arise in lease incentives.

- IAS 41 – The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique.

The above amendments are not likely to affect the financial statements of the Company.

3. INITIAL APPLICATION OF IFRS 16

The Company financial statement's has no impact of the International Financial Reporting Standard (IFRS) 16 Leases.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented.

4.1. Property and Equipment

Items of property and equipment are stated at cost less accumulated depreciation (if any) and impairment losses (if any). Cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the carrying amount as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the statement of profit or loss account during the year in which they are as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Where such subsequent costs are incurred to replace parts and are capitalized, the carrying amount of replaced parts is derecognized. All other repair and maintenance expenditures are charged to profit or loss during the year in which they are incurred.

Depreciation on all items of property and equipment is calculated using the reducing balance method, in accordance with the rates specified in note 5 to these financial statements and after taking into account residual value, if material. Residual values and useful lives are reviewed and adjusted, if appropriate, at each balance sheet date. Depreciation is charged on an asset from when the asset is available for use until the asset is disposed of.

An item of property and equipment is derecognized upon disposal or when no future benefits are expected from its use or disposal. Any gain or loss arising on asset derecognition (calculated as the difference between net disposal proceeds and the carrying amount of the asset) is included in the profit and loss account in the year in which the asset is derecognized.

The assets' residual values, depreciation methods and useful lives are reviewed, and adjusted if appropriate, at each financial year end. The Company's estimate of residual value of property and equipment as at June 30, 2020 did not require any adjustment.

4.2. Intangible assets

Intangible assets with indefinite useful lives, including Trading Right Entitlement Certificate ("TREC"), are stated at cost less accumulated impairment losses, if any. An intangible asset is considered as having an indefinite useful life when, based on an analysis of all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the Company. An intangible asset with an indefinite useful life is not amortized. However, it is tested for impairment at each balance sheet date or whenever there is an indication that the asset may be impaired. Gains or losses on disposal of intangible assets, if any, are recognized in the profit and loss account during the year in which the assets are disposed of.

4.2.1. Membership cards 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.

4.3. Investment property

Investment properties are held for capital appreciation and are measured initially at its cost, including transaction costs.

Subsequent to initial recognition, investment properties are measured at fair value at each reporting date. The changes in fair value are recognized in the statement of profit or loss.

4.4. Investment in associates

Associates are all entities over which the Company has significant influence but not control. Investments in associates where the Company has significant influence are accounted for using the equity method of accounting. Under the equity method of accounting, investments in associates are initially recognized at cost and the carrying amount of investment is increased or decreased to recognize the Company's share of the associate's post-acquisition profits or losses in income, and its share of the post-acquisition movement in reserves is recognized in other comprehensive income.

4.5. Financial instruments

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

b) Financial assets measured at fair value through other comprehensive income (FVOCI); and
c) Financial assets measured at fair value through profit or loss (FVTPL).

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:

i. 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
ii. 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 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 amortized cost or at fair value through other comprehensive income, as aforesaid.

Such financial assets are initially measured at fair value.

4.5.2. Initial recognition

The Company recognizes an investment when and only when it becomes a party to the contractual provisions of the instrument evidencing investment.

Regular way purchase of investments are recognized using settlement date accounting i.e. on the date on which settlement of the purchase transaction takes place. However, the Company follows trade date accounting for its own (the house) investments. Trade date is the date on which the Company commits to purchase or sell its asset.

Transactions of purchase under resale (reverse-repo) of marketable securities including the securities purchased under margin trading system are entered into at contracted rates for specified periods of time. Amounts paid under these agreements in respect of reverse repurchase transactions are recognized as a receivable. The difference between purchase and resale price is treated as income from reverse repurchase transactions in marketable transactions / margin trading system and accrued on a time proportion basis over the life of the reverse repo agreement.

4.5.3. 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 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.

4.5.4. Impairment

Financial assets

The Company applies a three-stage approach to measure allowance for credit losses, using an expected credit loss approach as required under IFRS 9, for financial assets measured at amortized cost. The Company's expected credit loss impairment model reflects the present value of all cash shortfalls related to default events, either over the following twelve months, or over the expected life of a financial instrument, depending on credit deterioration from inception. The allowance / provision for credit losses reflects an unbiased, probability-weighted outcomes which considers multiple scenarios based on reasonable and supportable forecasts.

Where there has not been a significant decrease in credit risk since initial recognition of a financial instrument, an amount equal to 12 months expected credit loss is recorded. The expected credit loss is computed using a probability of default occurring over the next 12 months. For those instruments with a remaining maturity of less than 12 months, a probability of default corresponding to the remaining term to maturity is used.

When a financial instrument experiences a significant increase in credit risk subsequent to origination but is not considered to be in default, or when a financial instrument is considered to be in default, expected credit loss is computed based on lifetime expected credit losses.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition, and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue effort or cost. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessments, including forward-looking information.

Forward-looking information includes reasonable and supportable forecasts of future events and economic conditions. These include macro-economic information, which may be reflected through qualitative adjustments or overlays. The estimation and application of forward-looking information may require significant judgment.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. The gross carrying amount of a financial asset is written off when the Company has no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. The Company makes this assessment on an individual asset basis, after consideration of multiple historical and forward-looking factors. Financial assets that are written off may still be subject to enforcement activities in order to comply with the Company's processes and procedures for recovery of amounts due.

Non-financial assets

The carrying amounts of non-financial assets are assessed at each reporting date to ascertain whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount - defined as the higher of the asset's fair value less costs of disposal and the asset's value-in-use (present value of estimated future cash flows using a pre-tax discount rate that reflects current market assessments of the time value of money and asset-specific risk) - is estimated to determine the extent of the impairment loss.

For the purpose of assessing impairment, assets are grouped into cash-generating units: the lowest levels for which there are separately identifiable cash flows.

4.6. Offsetting of financial assets and financial liabilities

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

4.7. Trade debts and other receivables

Trade debts and other receivables are stated initially at amortised cost using the effective interest rate method.

Provision is made on the basis of lifetime ECLs that result from all possible default events over the expected life of the trade debts and other receivables. Bad debts are written off when considered irrecoverable.

4.8. Cash and cash equivalents

Cash and cash equivalents are carried at cost and include cash in hand, balances with banks in current and deposit accounts, stamps in hand, other short-term highly liquid investments with original maturities of less than three months and short-term running finances.

4.9. Borrowings

Borrowings are recognized initially at fair value, net of attributable transaction costs incurred. Borrowings are subsequently carried at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the statement of profit or loss account over the period of the borrowings using the effective interest method.

4.10. Trade and other payables

Trade and other payables are recognized initially at fair value plus directly attributable cost, if any, and subsequently measured at amortized cost using the effective interest method. They are classified as current if payment is due within twelve months of the reporting date, and as non-current otherwise.

4.11. Staff retirement benefits

The Company did not have any retirement benefits plan.

4.12. Taxation

Income tax expense comprises current and deferred tax.

Current

Provision for current taxation is based on taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using rates enacted or substantively enacted at the reporting date, and takes into account tax credits, exemptions and rebates available, if any. The charge for current tax also includes adjustments, where necessary, relating to prior years which arise from assessments framed / finalized during the year.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences at the reporting date between the tax base and carrying amount of assets and liabilities for financial reporting purposes

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences and carried forward unused tax losses, to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and carried forward unused tax losses can be utilized. Carrying amount of all deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

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 statement of profit or loss account, 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.

4.13. Provisions

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

4.14. Revenue recognition

Revenue is recognized to the extent that it is probable that 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. Revenue is recognized on the following basis:

- Brokerage and commission income is recognized when brokerage services are rendered.
- Dividend income is recognized when the right to receive the dividend is established.
- Return on deposits is recognized using the effective interest method.
- Income on fixed term investments is recognized using the effective interest method.
- Gains / (losses) 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 marking to market financial assets are included

– Income / profit on exposure deposits is recognized using the effective interest rate.

4.15. Dividend income

Dividends received from investments measured at fair value through profit or loss and at fair value through other comprehensive income. Dividends are recognized in the statement of profit or loss when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably. This applies even if they are paid out of pre-acquisition profits, unless the dividend clearly represents a recovery of a part of the cost of an investment. In this case, dividend is recognized in other comprehensive income if it relates to an investment measured at fair value through other comprehensive income.

4.16. Mark up / interest income

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

4.17. Borrowings

These are recorded at the proceeds received. Finance costs are accounted for on accrual basis and are disclosed as accrued interest / mark-up to the extent of the amount unpaid at the reporting date.

4.18. Borrowing costs

Borrowing costs are recognized as an expense in the period in which these are incurred except to the extent of borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. Such borrowing costs, if any, are capitalized as part of the cost of the relevant asset.

4.19. Fiduciary assets

Assets held in trust or in a fiduciary capacity by the Company are not treated as assets of the Company.

4.20. Foreign currency transactions and translation

Monetary assets and liabilities in foreign currencies are translated into functional currency at the rates of exchange prevailing at the balance sheet date. Transactions in foreign currencies are translated into functional currency at the rates of exchange prevailing on the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in income.

4.21. Derivative financial instruments

Derivative financial instruments are recognized at their fair value on the date on which a derivative contract is entered into. Subsequently, any changes in fair values arising on marking to market of these instruments are taken to the profit and loss account.

4.22. Related party transactions

All transactions involving related parties arising in the normal course of business are conducted and recorded at rates that are not less than market.

5 PROPERTY AND EQUIPMENT

-----December-2020-----

Description	Cost				Accumulated Depreciation				Net book value as at 31 December 2020	Rate of depreciation
	As at 1 July 2020	Additions	Deletions/ Adjustments	As at 31 December 2020	As at 1 July 2020	For the Period	Adjustments	As at 31 December 2020		
	Rupees									%age
Office equipment	145,520	-	-	145,520	83,948	3,079	-	87,027	58,493	10%
Computer equipment	454,630	-	-	454,630	316,836	13,779	-	330,615	124,015	20%
Furniture and fixtures	537,830	-	-	537,830	335,552	10,114	-	345,666	192,164	10%
Electrical installations	155,826	-	-	155,826	136,380	1,945	-	138,325	17,501	20%
Vehicles	6,888,040	-	-	6,888,040	2,825,618	304,682	-	3,130,300	3,757,740	15%
	8,181,846	**-**	**-**	**8,181,846**	**3,698,334**	**333,598**	**-**	**4,031,932**	**4,149,914**	

-----June-2020-----

Description	Cost				Accumulated Depreciation				Net book value as at 30 June 2020	Rate of depreciation
	As at 1 July 2020	Additions	Deletions/ Adjustments	As at 30 June 2020	As at 1 July 2019	For the Year	Adjustments	As at 30 June 2020		
	Rupees									%age
Office equipment	145,520	-	-	145,520	77,107	6,841	-	83,948	61,572	10
Computer equipment	454,630	-	-	454,630	282,388	34,448	-	316,836	137,794	20
Furniture and fixtures	537,830	-	-	537,830	284,983	50,569	-	335,552	202,278	10
Electrical installations	155,826	-	-	155,826	131,519	4,861	-	136,380	19,446	20
Vehicles	6,888,040	-	-	6,888,040	2,108,720	716,898	-	2,825,618	4,062,422	15
	8,181,846	**-**	**-**	**8,181,846**	**2,884,717**	**813,617**	**-**	**3,698,334**	**4,483,512**	

ASA STOCKS (PRIVATE) LIMITED
UN- AUDITED NOTES TO THE FINANCIAL STATEMENTS
As at 31 December, 2020

6 INTANGIBLE ASSETS

	Note	Dec-20 Rupees	Jun-20 Rupees
Trading Rights Entitlement Certificate ("TREC")	6.1	2,500,000	2,500,000
Rooms - Lahore Stock Exchange	6.2	5,078,768	5,078,768
		7,578,768	7,578,768
Impairment	6.3	-	-
		7,578,768	7,578,768

6.1 Pursuant to the Stock Exchange (Corporatization, Demutualization and Integration) Act, 2012, stock exchanges operating as guarantee limited companies were converted to public limited companies. Ownership rights in exchanges were segregated from the right to trade on an exchange. As a result of such demutualization and corporatization, the Company received shares of the relevant exchange and a Trading Rights Entitlement Certificate ("TREC") against its membership card.

The TREC has been recorded as an indefinite-life intangible asset pursuant to the provisions and requirements of IAS 38. As the TREC is not a commonly tradable instrument, the value approved by the Board of Directors of the Pakistan Stock Exchange Limited ("PSX") post-mutualization was used as the initial value of the intangible. The TREC, which has been pledged with the PSX to meet Base Minimum Capital ("BMC") requirements, is assessed for impairment in accordance with relevant approved accounting standards.

6.2 This represents the value of leases of three rooms - two from the PSX and one from the Lahore Stock Exchange. In each case, the lease period is 99 years, commencing April 1, 1992. Given the long duration of the lease term and the fact that it cannot be reliably estimated whether additional amounts will be due upon lease expiry in order to renew the leases, the room rights are treated as an intangible asset with an indefinite useful life.

6.3 Based on an assessment of indications of impairment as required under relevant accounting standards, which include a notice by PSX dated November 10, 2017 whereby the notional value of the PSX TREC was revised to notional value, the Company recognized, in fiscal 2018, impairment losses on the PSX and PMEX TRECs / membership cards in the amount necessary to reduce the carrying value of each intangible asset to PKR 2.5 million.

7 LONG-TERM INVESTMENTS

Investments at fair value through OCI

	Note	Dec-20	Jun-20
LSE Financial Services Limited (unquoted) - at fair value	7.1	19,605,539	19,158,233
Adjustment for remeasurement to fair value		-	447,306
		19,605,539	**19,605,539**

7.1 As a result of the demutualization and corporatization of stock exchanges as detailed in note 6.1, the Company received 843,975 shares of LSE Financial Services Limited. Of these, 60% (506,385 shares) were held in a separate Central Depository Company Limited ("CDC") sub-account, blocked until they are sold to strategic investors, financial institutions and/or the general public. The remaining shares (40% of total, or 337,590 shares) were allotted to the Company.

These shares are neither listed on any exchange nor are they actively traded. As a result, fair value has been estimated by reference to the latest break-up or net asset value per share of these shares notified by LSE Financial Services Limited (PKR 00,000,000 / per share as at 31 December 2020, compared to PKR 23.23 / per share as at June 30, 2020). Remeasurement to fair value resulted in a gain of PKR (2020: PKR 447,306).

8 LONG-TERM DEPOSITS

	Note	Dec-20 Rupees	Jun-20 Rupees
Central Depository Company Limited		200,000	200,000
National Clearing Company of Pakistan Limited (Future Trading)		-	-
National Clearing Company of Pakistan Limited (Basic)		400,000	400,000
Pakistan Stock Exchange Limited		200,000	200,000
Security deposits- Office Building		90,000	90,000
		890,000	**890,000**

9 TRADE DEBTS

	Note	Dec-20	Jun-20
Considered good	9.1	1,140,116	3,621,984
Considered doubtful		11,199,978	11,573,024
		12,340,094	**15,195,008**
Less: Provision for doubtful debts	9.2	(11,199,978)	(11,573,024)
		1,140,116	**3,621,984**

9.1 The Company holds client-owned securities with a total fair value of PKR 41,993,532 as collateral against trade debts. Refer to note 4.5.2 for details around the Company's methodology for computing estimated credit losses under the expected loss model under IFRS 9.

9.2 Movement in provision against trade debts is as under:

	Dec-20	Jun-20
Opening balance (as at July 1)	**11,573,024**	11,576,234
Charged to profit and loss during the year	**(373,046)**	(3,210)
	11,199,978	**11,573,024**
Amounts written off during the year		-
Closing balance (as at June 30)	**11,199,978**	**11,573,024**

10 LOANS AND ADVANCES

	Dec-20	Jun-20
Staff advances - unsecured, considered good	-	-
	-	-

11 TRADE DEPOSITS, SHORT-TERM PREPAYMENTS & OTHER RECEIVABLES

	Dec-20	Jun-20
Balance due from NCCPL	6,399,819	144,305
Deposits with NCSS	-	1,060,864
Other receivables	1,153,171	201,403
	7,552,989	**1,406,572**

12 INCOME TAX REFUNDABLE

Opening balance (as at July 1)	2,012,616	1,777,734
Add: Current year additions	18,610	234,882
	2,031,226	2,012,616
Less: Adjustment against provision for taxation	(514,198)	
Balance at the end of the year	**1,517,028**	**2,012,616**

13 SHORT TERM INVESTMENTS

	Note	Dec-20 Rupees	Jun-20 Rupees
Investment in listed securities-Regular		56,255,195	59,563,300
Realized gain/(loss) on remeasurement			
Gain / (Loss) on remeasurement		26,195,778	(9,492,887)
Investments at fair value through profit or loss		82,450,973	50,070,413

Shares with fair value of PKR 17,417,520 (2020: PKR 12,980,263) were pledged against NCCPL margin requirements.

14 CASH AND BANK BALANCES

	Note		
Cash in hand		204,232	201,744
Cash at bank			
Current accounts	14.1	6,013,790	5,691,923
Saving accounts		-	67,491
		6,218,022	**5,961,158**

14.1 Cash in current accounts includes customers' assets in the amount of PKR 5,951,858 (2020:5,550,269) held in designated bank accounts.

15 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

	Note	Dec-20 Rupees	Jun-20 Rupees
15.1 Authorized capital			
600,000 (2019: 500,000) ordinary shares of PKR 100 each.		**66,000,000**	**60,000,000**
15.2 Issued, subscribed and paid-up share capital			
655,200 (2020: 546,000) ordinary shares of PKR 100/- each, issued for cash		65,520,000	54,600,000
		65,520,000	**54,600,000**

15.3 Shareholders holding 5% or more of total shareholding

	Number of Shares		Percentage	
	Dec-20	Jun-20	Dec-20	Jun-20
Mr. Ahmad Shoaib Akram	352,800	294,000	54%	54%
Mr. Muhammad Akram	151,200	126,000	23%	23%
Mrs. Zahida Akram	72,000	60,000	11%	11%
Mr. Ahmad Junaid Akram	79,200	66,000	12%	12%

16 LONG-TERM FINANCING

	Note	Dec-20 Rupees	Jun-20 Rupees
Loan from Directors - unsecured	*16.1*	67,650,000	78,570,000
		67,650,000	**78,570,000**
Less: Current portion of long-term financing			
		67,650,000	**78,570,000**

16.1 This represents interest-free loans received from Directors of the Company paybale at company discretionary power when abality to pay and Long term in nature.

	Note	Dec-20 Rupees	Jun-20 Rupees
Mr. Muhammed Akram		14,775,000	18,615,000
Mrs. Zahida Akram		32,905,000	34,105,000
Mr. Ahmad Shoaib Akram		8,245,000	14,125,000
Mr. Ahmad Junaid Akram		11,725,000	11,725,000
		67,650,000	**78,570,000**

17 TRADE AND OTHER PAYABLE

	Note	Dec-20 Rupees	Jun-20 Rupees
Trade creditors	*17.1*	11,051,412	3,281,096
Futures rollover payable		-	-
Payable to NCCPL		-	-
Accrued and other payables		489,271	502,457
		11,540,683	**3,783,553**

17.1 This includes PKR 186,939 (2019: PKR Nill) due to related parties.

18 PROVISION FOR TAXATION

	Note	Dec-20 Rupees	Jun-20 Rupees
Balance at the beginning of the year		514,198	206,747
Add: Current year provision		113,780	307,451
		627,978	514,198
Less: Adjustment against advance tax		(514,198)	-
Balance at the end of the year		**113,780**	**514,198**

19 SHORT-TERM BORROWINGS

	Note	Dec-20 Rupees	Jun-20 Rupees
From:			
Banking companies - secured	*19.1*	27,532,676	23,699,455
		27,532,676	**23,699,455**

20 CONTINGENCIES AND COMMITMENTS

20.1 There are no contingencies or commitments of the Company as at June 30, 2020 (2019: Nil).

21 OPERATING REVENUE

	Note	Dec-20 Rupees	Jun-20 Rupees
Brokerage income		814,676	1,968,730
Dividend income		680,021	1,682,542
		1,494,697	**3,651,272**

22 OPERATING & ADMINISTRATIVE EXPENSES

	Note	Dec-20 Rupees	Jun-20 Rupees
Staff salaries, allowances and other benefits		714,919	1,583,640
Director's remuneration		538,838	1,080,000
Fuel and power expenses		6,000	15,687
Telephone and internet charges		197,649	311,605
Postage and telegram		36,478	57,508
Fee and subscription		90,705	193,691
Printing and stationery		33,992	46,534
Rent, rate and taxes		149,121	583,558
Legal & professional charges		72,000	75,073
CDC charges		-	10,814
NCCPL charges		-	28,410
Charge for doubtful accounts		(364,141)	(3,210)
Entertainment		111,307	174,782
Newspaper and Periodicals		2,708	4,986
Utilities		618,314	1,030,263
Insurance		-	105,302
Computer and software charges		11,308	20,347
Repair and maintenance		263,366	377,358
Miscellaneous Expenses		9,000	51,769
Auditor's remuneration	22.1	-	150,000
Depreciation	5	333,598	813,617
		2,825,162	**6,711,734**

22.1. Auditor's remuneration

Statutory audit	-	150,000
Certifications and other charges		-
	-	150,000

23 FINANCIAL CHARGES

	Note	Dec-20 Rupees	Jun-20 Rupees
Mark-up on interest-bearing loans		585,166	3,340,172
Bank and other charges		10,991	54,244
		596,157	**3,394,416**

24 OTHER INCOME / LOSSES

	Note	Dec-20 Rupees	Jun-20 Rupees
Income from financial assets			
PSX deposits		4,269	1,514,858
Rental Income		113,405	140,000
Profit on bank balances		9,806	47,723
		127,480	**1,702,581**

25 TAXATION

		Note	Dec-20 Rupees	Jun-20 Rupees
Current tax expense / (income)				
	for the year		113,780	307,451
	prior years		-	-
			113,780	307,451

The tax provision made in the financial statements is considered sufficient.

26. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing profit after tax for the year by the weighted average number of shares outstanding during the period, as follows:

	Dec-20 Rupees	Jun-20 Rupees
Profit / (loss) after taxation, attributable to ordinary shareholders	24,282,856	(14,552,635)
Weighted average number of ordinary shares in issue during the year	546,000	546,000
Earnings per share	44.47	(26.65)

No figure for diluted earnings per share has been presented as the Company has not issued any dilutive instruments carrying options which would have an impact on earnings per share when exercised.

27. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amounts charged in the financial statements for remuneration, including benefits, to the chief executive, directors and executives of the Company as per the terms of their employment are as follows:

	Dec-20		Jun-20	
	Remuneration	# of persons	Remuneration	# of persons
Chief Executive Officer	240,000	1	480,000	1
Directors	300,000	1	600,000	1

28 RE-CLASSIFICATION AND RE-ARRANGEMENTS

Corresponding figures have been reclassified and re-arranged wherever necessary to reflect more appropriate presentation of events and transactions for the purpose of comparison, and in order to improve compliance with disclosure requirements.

29 GENERAL

Amounts have been rounded off to the nearest rupee, unless otherwise stated.

Chief Executive

ASA STOCKS (PVT.) LIMITED
TREC HOLDER
PSX Ltd.
TREC # 284

Director