KRESTON
HYDER BHIMJI & CO.
CHARTERED ACCOUNTANTS

AKIK CAPITAL (PRIVATE) LIMITED

FINANCIAL STATEMENT

FOR THE YEAR ENDED

JUNE 30, 2024

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OTHER OFFICES LAHORE - FAISALABAD - ISLAMABAD

A member of Kreston Global

akik capital

Akik Capital (Private) Limited

Directors Report for the Year Ended June 30, 2024

On behalf of the Board of Directors of Akik Capital (Private) Limited, I take pleasure in presenting to you an overview of Akik Capital's performance for the year ended June 30, 2024.

Financial Performance

Akik Capital (Private) Limited ("the Company", "Akik"), Al-Hamdolillah, closed the year with PAT at Rs9.2mn (EPS: Rs1.30). Profitability was supported by better operating revenues, portfolio gains and reversal of a previously booked provision.

Akik Capital's primary focus remained on institutional business, with corporate clients contributing to almost 64% of our broking revenue.

Future Outlook

Valuations at PSX remain attractive, despite a sharp rally over that last year or so. Key variables that will Insha Allah continue to keep markets reasonably buoyant (in our opinion) include lower interest rates and a reform-driven economic environment.

Over-all, we expect the broking business environment to remain conducive Insha Allah and continue to pray to Allah SWT for Akik's success in FY25. Insha Allah.

Compliance with Code of Corporate Governance

The Company duly complied with applicable provisions of the Code and relevant Regulations. Separate Statement in this respect is attached with these financials.

We remain thankful to Allah SWT for Akik's performance since inception (August 2020) and are also thankful to our regulators, stakeholders, clients and colleagues for their wonderful support.

Thank You

Muhammad Qasim Lakhani
Chief Executive
October 7, 2024

CORPORATE GOVERNANCE

BOARD OF DIRECTORS

An effective Board has been established, comprising of 2 Directors, responsible for ensuring long-term success and for monitoring and evaluating the management's performance. The composition of Board is as follows:

Mr. Muhammad Qasim Lakhani	Chief Executive Officer/Director
Mr. Imran Kharadi	Director

BOARD RESPONSIBILITIES, POWERS AND FUNCTIONS

Each member of the Board is fully aware of his responsibilities as an individual member, as well as the responsibilities of all members together, as a Board. The Board actively participates in all major decisions of the Company including but not limited to the approval of capital expenditure budgets, investments, related party transactions and appointment of key personnel. The Board also monitors the Company's operations by approval of financial statements, review of internal and external audit observations, if any, and recommendation of dividend. The Board has devised formal policies for conducting business and ensures their monitoring through an independent (outsourced) Internal Auditor who continuously monitors adherence to Company Policies.

The following policies have been approved by the Board:

- Internal Code of Conduct
- Whistleblower Policy
- Customer Complaint, Grievances & Conflict Resolution Policy
- Risk and Compliance Policy
- Segregation of Customer Assets from Securities Broker Assets.

BOARD MEETINGS

Meetings of the Board of Directors were presided over by the Chairman. The Board has complied with the requirements of Act and Regulations, with respect to frequency, recording and circulation of minutes of the Board meeting(s).

COMMITIEES OF BOARD

The Board has formed the following committee(s) and developed its / their Terms of References.

- Audit Committee

Akik Capital (Pvt.) Limited. Office No. 11, Mezzanine Floor, Quality Arcade, Block 7, Clifton, Karachi. Phone: (+9221) 35306281, Fax: (+9221) 35306282, Website: www.akikcapital.com

RELATED PARTY TRANSACTIONS

The Company has provided detailed information on Related Party Transactions in its Financial Statements annexed to its Annual Report(s). This disclosure complies with the requirements of Companies Act, 2017, and the relevant International Financial Reporting Standards.

RATING

In compliance with SECP's notification no. SMD/SE/2(20)/2010/22 dated March 24, 2023, read with Regulation 7 (4) (a) of the Securities Brokers (Licensing and Operations) Regulations, 2016, Akik Capital has been assigned Broker Management Rating of BMR3 and Broker Fiduciary Rating of BFR3 by Ms. VIS Credit Rating Company Limited.

AUDITORS

The company is registered under the Trading and Self Clearing Category of Securities Broker under the Securities Brokers (Licensing and Operations) Regulations, 2016 and has appointed M/s. Kreston Hyder Bhimji & Co., Chartered Accountants, as its external auditor. The Audit firm is enlisted within "A" category of Panel of Auditors issued by the State Bank of Pakistan.

COMPLIANCE STATEMENT

To the best of our knowledge and belief, there are no transactions entered into by the Company during the year ended June 30, 2024, which are fraudulent, illegal or in violation of any securities market laws.

COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

We confirm that the company is in compliance with the Code of Corporate Governance, as required under the Securities Brokers (Licensing and Operations) Regulations, 2016.

Mr. Qasim Lakhani	Mr. Imran Kharadi
Chief Executive	Director

October 7, 2024

Statement by CEO under clause 9 (a) Annexure D of the Regulations

To the best of my knowledge and belief, there are no transactions entered into by the Company during the year ended June 30, 2024, which are fraudulent, illegal or in violation of any securities market laws.

For and on behalf of Akik Capital (Private) Limited

Muhammad Qasim Lakhani
Chief Executive
October 7, 2024

Independent Auditors' Report
To the members of AKIK Capital (Private) Limited
Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **AKIK Capital (Private) Limited**, ("the Company") which comprise the statement of financial position as at June 30, 2024, and the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, , including a summary of material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss and other comprehensive income, the statement of changes in equity 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 profit, comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan ("the Code") and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in for Director's Report, but does 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.

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

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

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 ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

b) the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

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

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

The engagement partner on the audit resulting in this independent auditor's report is Shaikh Mohammad Tanvir.

Kreston Hyder Bhimji
Chartered Accountants
Karachi:
Dated: October 07, 2024
UDIN: AR202410225q5VPmuxGZ

AKIK CAPITAL (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2024

	Note	2024	2023
		-----------(Rupees)----------	
ASSETS			
NON CURRENT ASSETS			
Property and equipment	4	**9,857,157**	12,343,488
Intangible assets	5	**2,571,719**	3,328,386
Investment property	6	**23,311,000**	19,486,000
Long term loan to employees	7	**780,000**	-
Long term deposits	8	**416,300**	413,600
		36,936,176	35,571,474
CURRENT ASSETS			
Trade debts - considered good	9	**4,826,848**	5,893,762
Short Term Investments	10	**88,265,239**	83,066,897
Loans, Advances and Prepayments	11	**1,154,739**	1,765,818
Income Tax Refundable - net of provision		**2,574,843**	276,743
Cash and Bank Balances	12	**53,397,584**	17,576,933
		150,219,252	108,580,153
		187,155,428	144,151,627
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
AUTHORIZED CAPITAL			
8,000,000 Ordinary Shares of Rs. 10 each		**80,000,000**	80,000,000
Issued, subscribed and paid up capital			
7,100,000 ordinary shares of Rs. 10 each allotted for consideration paid in cash	13	**71,000,000**	71,000,000
Un-appropriated profit		**51,835,963**	42,587,381
		122,835,963	113,587,381
NON- CURRENT LIABILITIES			
Deferred Taxation	14	**1,628,995**	825,201
CURRENT LIABILITIES			
Trade and other payables	15	**62,690,470**	29,739,045
Contingencies and Commitment	16	-	-
		187,155,428	144,151,627

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

Chief Executive **Director**

AKIK CAPITAL (PRIVATE) LIMITED
STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024	2023
		---(Rupees)---	Restated
Operating Revenues	17	**65,232,285**	37,020,133
Net gain on disposal of short term investments		**7,405,570**	34,929,829
Unrealized gain on re-measurement of short term investments	10.1	**4,353,333**	1,376,706
		76,991,188	73,326,668
Expenses			
Operating and administrative expenses	18	**(53,612,490)**	(52,674,090)
Other Expenses	19	**(13,520,977)**	(9,028,770)
		(67,133,467)	(61,702,860)
		9,857,721	11,623,808
Other Income	15.1	**8,725,614**	-
		18,583,335	11,623,808
Finance cost - Bank charges		**(1,205,546)**	(1,455,657)
Profit before Levies and taxation		**17,377,789**	10,168,151
Levies	20	**(1,178,375)**	(9,987,303)
Profit before taxation		**16,199,414**	180,848
Provision for Taxation:	21	**(6,950,832)**	2,812,399
Profit after taxation		**9,248,582**	2,993,247
Other Comprehensive income :			
Comprehensive income		-	-
Total comprehensive income		**9,248,582**	2,993,247
Earning Per Share -Basic and Diluted	22	**1.30**	0.42

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

Chief Executive **Director**

AKIK CAPITAL (PRIVATE) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2024

	Issued, subscribed and paid up capital	Unappropriated Profit	Total
	------------------Rupees.------------------		
Balance as on July 01, 2022	71,000,000	39,594,134	110,594,134
Total comprehensive income for the year	-	2,993,247	2,993,247
	-	2,993,247	2,993,247
Balance as at June 30, 2023	71,000,000	42,587,381	113,587,381
Balance as on July 01, 2023	**71,000,000**	**42,587,381**	**113,587,381**
Total comprehensive income for the year	-	**9,248,582**	**9,248,582**
	-	**9,248,582**	**9,248,582**
Balance as at June 30, 2024	**71,000,000**	**51,835,963**	**122,835,963**

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

Chief Executive **Director**

AKIK CAPITAL (PRIVATE) LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024	2023
		---(Rupees)---	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		**17,377,789**	10,168,151
Adjustments for non-cash changes and other items:			
Depreciation	4	**2,563,832**	3,212,807
Amortization	5	**756,667**	756,667
Loss on disposal in property, plant & equipment	19	-	67,357
Unrealized gain on re-measurement of investments	19	**(4,353,333)**	(1,376,706)
		(1,032,834)	2,660,125
Working capital changes			
Decrease / (increase) Current assets			
Trade debts - considered good		**1,066,914**	(2,080,307)
Loans, Advance and Prepayments		**1,022,079**	(1,007,465)
		2,088,993	(3,087,772)
Increase / (decrease) Current liabilities			
Trade and other payables		**32,951,425**	(15,716,879)
Cash generated from / (used in) operations		**51,385,374**	(5,976,375)
Increase in long term deposits		**(2,700)**	-
Increase in long term loan		**(1,191,000)**	-
Tax paid during the year		**(9,623,513)**	(10,264,046)
Net cash generated from / (used in) operating activities		**40,568,161**	(16,240,421)
CASH FLOWS FROM INVESTING ACTIVITIES			
Addition in property & equipment	4	**(77,500)**	(267,500)
Addition in Investment Property		**(3,825,000)**	(4,515,200)
Sale proceeds from disposal in property, plant & equipment		-	72,000
Short term investments		**(845,009)**	5,231,581
Net cash (used in) / generated from investing activities		**(4,747,509)**	520,881
CASH FLOWS FROM FINANCING ACTIVITIES		-	-
Net cash generated from financing activities		-	-
Net increase / (decrease) in cash and cash equivalents		**35,820,651**	(15,719,540)
Cash and cash equivalents at the beginning of the year		**17,576,933**	33,296,473
Cash and cash equivalents at the end of the year	23	**53,397,584**	17,576,933

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

Chief Executive **Director**