

SOS CAPITAL LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2024

	Note	Un-audited December 31, 2024 Rupees	Audited June 30, 2024 Rupees
<u>ASSETS</u>			
Non-Current Assets			
Property and equipment	4	10,001,300	-
Intangible assets	5	3,500,000	2,500,000
Long term deposits	6	19,850,000	400,000
		33,351,300	2,900,000
Current Assets			
Trade debts	7	116,172	-
Loan, advances and other receivables	8	2,769,146	-
Cash and bank	9	43,455,361	76,306,289
		46,340,678	76,306,289
		79,691,978	79,206,289
<u>EQUITY AND LIABILITIES</u>			
Share capital and reserves			
Authorized share capital			
10,000,000 ordinary shares of Rs. 10 each		100,000,000	100,000,000
Issued, subscribed and paid-up share capital	10	80,000,000	80,000,000
Accumulated losses		(4,611,111)	(881,211)
		75,388,889	79,118,789
Current Liabilities			
Trade and other payables	11	4,303,089	87,500
Contingencies and Commitments			
	12	-	-
		79,691,978	79,206,289

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



 Chief Executive





 Director

SOS CAPITAL LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE PERIOD ENDED DECEMBER 31, 2024

	<i>Note</i>	<i>Un-audited December 31, 2024 Rupees</i>	<i>Audited June 30, 2024 Rupees</i>
Revenue	13	1,353,238	-
Administrative expenses	14	(5,098,957)	(793,641)
Finance cost	15	(50)	(70)
Other income	16	15,869	-
Other Charges	17	-	(87,500)
Loss before taxation		<u>(3,729,900)</u>	<u>(881,211)</u>
Taxation		-	-
Loss after taxation		<u><u>(3,729,900)</u></u>	<u><u>(881,211)</u></u>

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



 Chief Executive





 Director

SOS CAPITAL LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED DECEMBER 31, 2024

	<i>Un-audited</i> <i>December 31,</i> <i>2024</i> <i>Rupees</i>	<i>Audited</i> <i>June 30,</i> <i>2024</i> <i>Rupees</i>
Loss after taxation	(3,729,900)	(881,211)
(Loss) on remeasurement of investments-at fair value through OCI	-	-
Total comprehensive loss for the year	<u><u>(3,729,900)</u></u>	<u><u>(881,211)</u></u>

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



Chief Executive





Director

SOS CAPITAL LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED DECEMBER 31, 2024

	<i>Issued, subscribed & paid-up capital</i>	<i>Unappropriated losses</i>	<i>Total</i>
----- Rupees -----			
Balance as at June 30, 2023	-	-	-
loss for the year	-	(881,211)	(881,211)
Issuance of shares	80,000,000	-	80,000,000
Other comprehensive income			
Loss on remeasurement of investments - at fair value through OCI	-	-	-
Total comprehensive loss for the period	80,000,000	(881,211)	79,118,789
Balance as at June 30, 2024	80,000,000	(881,211)	79,118,789
loss for the period	-	(3,729,900)	(3,729,900)
Other comprehensive income			
Loss on remeasurement of investments - at fair value through OCI	-	-	-
Total comprehensive loss for the period	-	(3,729,900)	(3,729,900)
Balance as at December 31, 2024	80,000,000	(4,611,111)	75,388,889

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



Chief Executive




Director

SOS CAPITAL LIMITED
STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED DECEMBER 31, 2024

	<i>Un-audited</i> <i>December 31,</i> <i>2024</i>	<i>Audited</i> <i>June 30,</i> <i>2024</i>
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(3,729,900)	(881,211)
Adjustment for non-cash and other items:		
Depreciation	646,100	
Finance cost	50	70
Cash (used in) before working capital changes	(3,083,750)	(881,141)
Changes in working capital:		
Decrease in current assets		
Trade debts	(116,172)	-
Loan, advances and other receivables	(2,769,146)	
Increase/ (Decrease) in current liabilities		
Trade and other payables	4,215,589	87,500
	(1,753,478)	(793,641)
Finance cost paid	(50)	(70)
Net cash (used in) from operating activities	(1,753,528)	(793,711)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Property and equipment	(10,647,400)	-
Intangible assets	(1,000,000)	(2,500,000)
Long term deposits	(19,450,000)	(400,000)
Net cash used in investing activities	(31,097,400)	(2,900,000)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Issuance of shares	-	80,000,000
Net cash generated from investing activities	-	80,000,000
Net increase in cash and cash equivalents (A+B+C)	(32,850,928)	76,306,289
Cash and cash equivalents at the beginning of the year	76,306,289	-
Cash and cash equivalents at the end of the period	43,455,361	76,306,289

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



 Chief Executive





 Director

SOS CAPITAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED DECEMBER 31, 2024

1 STATUS AND NATURE OF BUSINESS

Sos Capital Limited was incorporated in Pakistan on April 17, 2024 as Company limited by shares under the Companies Act, 2017.

The Company is a Trading Right Entitlement Certificate ("TREC") holder of PSX and is principally engaged in brokerage of shares, stocks, securities, commodities & other financial instruments, securities research, financial consultancy and underwriting.

Registered office Office No.704 & 705, 7th floor. Stock exchange, New building, II Chundrigarh Road, Karachi

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

- Accounting and Financial Reporting Standard for Small-Sized Entities
- Provision of and directives issued under the Companies Act, 2017.

Preparation of financial statements also include disclosure required by Securities Brokers (Licensing and Operations) Regulations, 2016.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention, except for certain investments which are measured at fair value.

These financial statements have been prepared following accrual basis of accounting except for cash flow information

2.3 Functional and presentation currency

These financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency.



2.4 Use of estimates and judgments

The preparation of financial statements in conformity with approved financial reporting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

2.5 Standards, interpretations and amendments to accounting and reporting standards as applicable in Pakistan which are effective in current period

The following standards, amendments to standards and interpretations are effective for the period ended December 31, 2024. However, except as disclosed otherwise, these standards, interpretations and amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures:

	<i>Effective for period beginning on or after</i>
Amendments to IAS 1 'Presentation of Financial Statements': Amendments regarding the disclosure of accounting policies.	January 1, 2023
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors': Amendments regarding the definition of accounting estimates.	January 1, 2023
Amendments to IAS 12 'Income Taxes': Amendments regarding deferred tax on leases and decommissioning obligations and amendments to provide a temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes.	January 1, 2023

Certain amendments updating a reference to the Conceptual Framework and annual improvements have also been made to a number of standards, which have not been enumerated here for brevity.

2.6 Amendments to standards and IFRS interpretations that are not yet effective

The following standards, amendments to standards and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, interpretations and amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures:



Effective from accounting period beginning on or after

Amendments to IFRS 7 'Financial Instruments: Disclosures' and IAS 7 'Statement of Cash Flows': Amendments regarding supplier finance arrangements. January 1, 2024

Amendments to IFRS 7 'Financial Instruments - Disclosures' and IFRS 9 'Financial Instruments': Amendments regarding the classification and measurement of financial instruments. January 1, 2026

Effective from accounting period beginning on or after

Amendments to IFRS 10 'Consolidated Financial Statements' and IAS 28 'Investments in Associates and Joint Ventures': Sale or contribution of assets between an investor and its associate or joint venture. Effective from accounting period beginning on or after a date to be determined. Earlier application is permitted.

Amendments to IFRS 16 'Leases': Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions. January 1, 2024

IFRS 17 - Insurance Contracts January 1, 2026

Amendments to IAS 1 'Presentation of Financial Statements': Amendments regarding the classification of liabilities and debts with covenants January 1, 2024

Certain amendments updating a reference to the Conceptual Framework and annual improvements have also been made to a number of standards, which have not been enumerated here for brevity.

Other than the aforesaid standards, interpretations and amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

IFRS 1 - First Time Adoption of International Financial Reporting Standards

IFRS 18 Presentation and Disclosures in Financial Statements

IFRS 19 Subsidiaries without Public Accountability: Disclosures

IFRS S1 - General Requirements for Disclosure of Sustainability Related Financial Information

IFRS S2 Climate-related Disclosures

3 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policy applied in the presentation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

3.1 Intangible asset

An intangible asset is recognised if it is probable that the future economic benefits that are attributable to the asset will flow to the company and that the cost of such asset can also be measured reliably



Generally, costs associated with developing or maintaining computer software programmes are recognised as an expense as incurred. However, costs that are directly associated with identifiable software and have probable economic benefits exceeding one year, are recognised as an intangible asset. Direct costs include the purchase cost of software and related overhead cost. Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

Intangible asset is amortised and charged to profit or loss from the month when such asset is available for use on written down valuation basis over its useful economic life. The estimated useful life and amortisation method are reviewed on an annual basis at each reporting period, with the effect of any change in estimate being accounted for on prospective basis.

3.2 *Financial Instruments*

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i) Financial Assets

Initial recognition and measurement

Financial assets are classified, at initial recognition and subsequently measured at amortised cost, fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVPL).

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables and contract assets, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables and contract assets are measured at the transaction price determined under IFRS 15 'Revenue from Contract with Customers'.

Subsequent Measurement

For purposes of subsequent measurement, the Company classifies its financial assets into following categories:

Financial assets at amortised cost (debt instruments);

The Company measures financial assets at amortised cost if both of the following conditions are met:

- a) The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.



Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Company's statement of financial position) when the rights to receive cash flows from the asset have expired.

ii) Financial Liabilities

Initial Recognition and Measurement

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

Subsequent Measurement

After initial recognition, borrowings and payables are subsequently measured at cost.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

iii) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

3.3 Impairment

a) Financial Assets

The Company recognises an allowance for expected credit losses (ECL) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade debts and contract assets, the Company applies a simplified approach where applicable in calculating ECL. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECL at each reporting date. The Company has established a provision matrix for large portfolio of customer having similar characteristics and default rates based on the credit rating of customers from which receivables are due that is based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.



b) Impairment of 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 is estimated to determine the extent of impairment loss, if any. An impairment loss is recognised, as an expense in profit or loss. The recoverable amount is the higher of an asset's fair value less cost to disposal and value in use. Value in use is ascertained through discounting of the estimated future cash flows using a discount rate that reflects current market assessments of the time value of money and the risk specific to the assets for which the estimate of future cash flow have not been adjusted. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

3.4 Settlement date accounting

All purchases and sales of securities that require delivery within the time frame established by regulation or market convention such as 'T+2' purchases and sales are recognized at the settlement date. Trade date is the date on which the Company commits to purchase or sale an asset.

3.5 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of cash flow statement, cash and cash equivalent consist of bank balances and running finances under mark-up arrangements.

3.6 Trade debts, advances, deposits and other receivables

Trade debts, advances, deposits and other receivables are recognized and carried at original invoiced amount. When a trade debt is uncollectible, it is written off and charge to profit and loss account. Subsequent recoveries of amounts previously written off are credited to the profit and loss account.

3.7 Trade and other payables

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Company.

3.8 Proposed dividend and transfer between reserves

Dividends declared and transfer between reserves, except appropriations which are required by the law, made subsequent to the balance sheet date are considered as non adjusting events and are recognized in the financial statements in the year in which such dividends are declared or transfers between reserves are made.

3.9 Provisions

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

3.10 Revenue recognition

Brokerage, consultancy, advisory fee, underwriting, book running fee, commission on foreign exchange dealings and debt securities etc. are recognised as and when such services are provided.



Dividend income is recorded when the right to receive the dividend is established

Gains / losses arising on sale of investments are included in the statement of profit or loss in the period in which they arise.

Unrealised capital gains / losses arising from mark to market of investments classified as 'financial assets at fair value through profit or loss' are included in statement of profit or loss in the period in which they arise.

Unrealised gains / losses arising from mark to market of investments classified as 'fair value through other comprehensive income' are taken directly to statement of comprehensive income in the period in which they arise.

3.11 Other income

- Profit on call deposit account is recognized on accrual basis.
- Gain (loss) on asset is recognised when the risk and rewards of the goods are transferred to the buyers.

3.12 Expenses

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

3.13 Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the statement of profit or loss, except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised in equity or other comprehensive income respectively.

Current

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

Deferred

Deferred tax is recognised using the balance sheet liability method on all temporary differences between the carrying amount of assets and liabilities used for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the rates that are expected to be applied to the temporary differences when they arise, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised. Deferred tax is charged or credited to the statement of profit or loss.

3.14 Related party transactions

All transactions with related parties are carried out by the company at arms' length price using the admissible pricing method.



4 PROPERTY AND EQUIPMENT

	<i>Office Building</i>	<i>Furniture and fixtures</i>	<i>Computer and Accessories</i>	<i>Total</i>
	----- Rupees -----			
<i>Net book value as at July 1, 2024</i>	-	-	-	-
<i>Additions</i>	9,160,100.00	700,000	787,300	10,647,400
<i>Depreciation charged</i>	(458,005)	(70,000)	(118,095)	(646,100)
<i>Net book value as at December 31, 2024</i>	8,702,095	630,000	669,205	10,001,300
<i>As at December 31, 2024</i>				
Cost/Revalued amount	9,160,100	700,000	787,300	10,647,400
Accumulated depreciation	(458,005)	(70,000)	(118,095)	(646,100)
<i>Net book value as at December 31, 2024</i>	8,702,095	630,000	669,205	10,001,300
<i>Depreciation rate</i>	10%	20%	30%	



	<i>Un-audited December 31, 2024</i>	<i>Audited June 30, 2024</i>
<i>Note</i>	<i>Rupees</i>	<i>Rupees</i>
5 INTANGIBLE ASSETS		
Software	1,000,000	-
Pakistan Stock Exchange Limited	2,500,000	2,500,000
	<u>3,500,000</u>	<u>2,500,000</u>
6 LONG TERM DEPOSITS		
Security deposits	<u>19,850,000</u>	<u>400,000</u>
7 TRADE DEBTS		
<i>Unsecured</i>	<u>116,172</u>	<u>-</u>
8 LOAN, ADVANCES AND OTHER RECEIVABLES		
Advance tax	2,380	-
Loan to associates	2,759,479	-
Other receivables	7,287	-
	<u>2,769,146</u>	<u>-</u>
9 CASH AND BANK		
<i>Cash in hand</i>	38,795	13,720
<i>Cash at bank</i>		
- current account	9.1 43,416,566	76,292,569
	<u>43,455,361</u>	<u>76,306,289</u>
9.1 Bank balance pertains to:		
- Brokerage house	41,131,555	76,292,569
- Customer Account	2,285,011	-
	<u>43,416,566</u>	<u>76,292,569</u>
10 ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL		
<i>Number of shares</i>		
<u>8,000,000</u>	Ordinary shares of Rs.10 each fully paid	<u>80,000,000</u>
		<u>80,000,000</u>



11 TRADE AND OTHER PAYABLES

Trade creditors	2,504,171	-
Accrued expenses	1,294,362	87,500
Withholding tax payables	157,175	-
Sales tax Payables	148,035	-
Other payables	199,346	-
	<u>4,303,089</u>	<u>87,500</u>

12 CONTINGENCIES AND COMMITMENTS

There is no contingencies and commitment at year ended December 31, 2024.

13 REVENUE

	<i>Un-audited</i> <i>December 31,</i> <i>2024</i> <i>Rupees</i>	<i>Audited</i> <i>June 30,</i> <i>2024</i> <i>Rupees</i>
Gross	2,011,263	-
less: Commission	(658,025)	-
	<u>1,353,238</u>	<u>-</u>

14 ADMINISTRATIVE EXPENSES

Salaries and other benefits	3,279,350	-
Printing and stationary	51,726	56,955
Repair and maintainance	9,100	2,350
Travelling and conveyance	1,250	7,560
Postage and communication	3,950	2,850
Fees and subscription	142,200	265,025
Legal and professional charges	30,000	52,500
CDC Charges	12,379	104,905
NCCPL Charges	42,208	16,855
PSX service charges	525,684	180,802
Entertainment	138,695	14,950
Depreciation	646,100	-
Utilities	175,464	22,415
Other expenses	40,851	66,474
	<u>5,098,957</u>	<u>793,641</u>



15 FINANCE COST

Bank charges	50	70
	<u>50</u>	<u>70</u>

16 OTHER INCOME

Profit on saving accounts	15,869	-
	<u>15,869</u>	<u>-</u>

17 OTHER CHARGES

Auditors' remuneration	17.1	-	87,500
		<u>-</u>	<u>87,500</u>

17.1 Auditors' remuneration

Audit fees	-	65,000
Sales tax	-	5,200
	<u>-</u>	<u>70,200</u>
Out of pocket Certificates	-	6,500
	<u>-</u>	<u>10,800</u>
	<u>-</u>	<u>87,500</u>

18 LOSS PER SHARE - BASIC AND DILUTED

- Basic and diluted

Loss after taxation	Rs.	<u>(3,729,900)</u>	<u>(881,211)</u>
Weighted average number of ordinary shares		<u>8,000,000</u>	<u>8,000,000</u>
Loss per share - basic and diluted	Rs.	<u>(0.47)</u>	<u>(0.11)</u>

19 PATTERN OF SHAREHOLDING

Following is the pattern of shareholding at year end

Name of shareholders'	Number of shares held	Percentage %
Kanwar Muhammad Tariq	4,100,000	51.25%
Asghari Begum	2,000,000	25.00%
Najma Parveen	1,899,995	23.75%
Masood Ali	5	0%
	<u>8,000,000</u>	<u>100%</u>



20 FINANCIAL RISK MANAGEMENT

The Board of Directors of the Company has overall responsibility for establishment and oversight of the company's risk management framework. The Company has exposure to the following risks from its use of financial instrument:

- Market risk
- Liquidity risk
- Credit risk
- Operational risk

20.1 Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates and foreign exchange rates.

20.1.1 Interest rate risk

Interest rate risk is the risk that the value of the financial instrument will fluctuate due to changes in the market interest rates. The Company is exposed to such risk mainly in respect of bank balances. Management of the Company estimates that 1% increase in the market interest rate, with all other factors remaining constant, would increase the Company's profit by Rs. nil and a 1% decrease would result in a decrease in the Company's profit by the same amount. However, in practice, the actual results may differ from the sensitivity analysis. Currently, The Company is not materially exposed to interest rate risk.

20.1.2 Foreign currency risk

Foreign currency risk is the risk that the fair value or the future cash flows of a financial instruments will fluctuate because of changes in foreign exchange rates. The Company does not have any financial instrument in foreign currencies and hence is not exposed to such risk.

20.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligation associated with its financial liabilities that are settled by delivering cash or another financial assets. Liquidity risk arises because of possibility that the Company could required to pay its liabilities earlier than expected or difficulty in raising funds to meet comments associated with financial liabilities as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding to an adequate amount of committed credit facilities and the ability to close out market options due to the dynamic nature of the business. The Company's treasury aims at maintaining flexibility in funding by keeping committed credit lines available. The following are the contractual maturities of financial liabilities.

	<i>Un-audited</i> <i>December 31,</i> <i>2024</i> <i>Rupees</i>	<i>Audited</i> <i>June 30,</i> <i>2024</i> <i>Rupees</i>
<i>Financial Liabilities</i>		
<i>Within one year</i>		
Trade and other payables	4,303,089	87,500
	<u>4,303,089</u>	<u>87,500</u>



20.3 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss, without taking into account the fair value of any collateral. Credit risk arises from inability of the issuers of the instruments, the relevant financial institutions or counter parties in case of placements or other arrangements to fulfill their obligations.

20.3.1 Exposure to credit risk

Credit risk of the Company arises principally from the trade debts, short term investments, loans and advances, deposits and other receivables. The carrying amount of the financial assets represents the maximum credit exposure. To reduce the exposure to credit risk, the Company has developed its own risk management policies and guidelines whereby clients are provided trading limits according to their worth and proper margins are collected and maintained from the clients. The management continuously monitors the credit exposure towards the clients and makes provision against those balances considered doubtful of recovery.

The Company's policy is to enter into financial contracts in accordance with the internal risk management policies and investment and operational guidelines approved by the Board of Directors. In addition, credit is also minimized due to the fact that the Company invests only in high quality financial assets, majority of which have been rated by a reputable rating agency. All transactions are settled / paid for upon delivery. The Company does not expect to incur material credit losses on its financial assets. The maximum exposure to credit risk at the reporting date is follows:

	<i>Un-audited</i> <i>December 31,</i> <i>2024</i> <i>Rupees</i>	<i>Audited</i> <i>June 30,</i> <i>2024</i> <i>Rupees</i>
Long term deposits	19,850,000	400,000
Trade debts	116,172	-
Loan, advances and other receivables	2,769,146	-
Cash and bank	43,455,361	76,306,289
	<u>66,190,678</u>	<u>76,706,289</u>

20.4 Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with processes technology and infrastructure supporting the Company's operations either internally within the Company or externally at the Company's service providers, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of investment management behaviour.

The Company's objective is to manage operational risk so as to balance limiting of financial losses and damage to its reputation with achieving its investment objective of generating returns for investors.

The primary responsibility for the development and implementation of controls over operational risk rests with the board of directors. The responsibility encompasses the controls in the following areas.

- 1) Requirements for appropriate segregation of duties between various functions, roles and responsibility;
- 2) Requirements for the reconciliation and monitoring of transactions;
- 3) Compliance with regulatory and other legal requirements;
- 4) Documentation of control and procedures;
- 5) Requirements for the periodic assessment of operational risk faced, and the adequacy of controls and procedures to address the risk identified;



- 6) ethical and business standards;
- 7) Risk mitigation, including insurance where this is effective.

21 CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to maintain healthy capital ratios, strong credit rating and optimal capital structure in order to ensure availability of finance for its existing operations, for maximizing shareholder's value, for tapping potential investment opportunities and to reduce cost of capital.

The Company manages its capital structure and makes adjustment to it, in light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders or issue new shares.

The Company finances its operations through equity.

22 CAPITAL ADEQUACY LEVEL

The capital adequacy level of the company is as follows:

Total assets	79,691,978	79,206,289
Less : Total liabilities	(4,303,089)	(87,500)
Less : Revaluation Reserves (created upon revaluation of fixed assets)	-	-
Capital adequacy level	75,388,889	79,118,789

22.1 While determining the value of total assets of TREC holder, notional value of TRE certificate held by Sos Capital Limited as at period ended December 31, 2024 as determined by the Pakistan Stock Exchange Limited - PSX has been considered.

23 CORRESPONDING FIGURES

Corresponding figures have been rearranged, wherever necessary, for the purpose of comparison.

24 DATE OF AUTHORIZATION FOR ISSUE.

These financial statements have been authorized for issue on February 27, 2025 by the Board of Directors of the Company.

25 GENERAL

Figures have been rounded off to the nearest Rupee.



Chief Executive





Director