

ALPHA CAPITAL (PRIVATE) LIMITED

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 2023**



STATEMENT OF COMPLIANCE WITH CORPORATE GOVERNANCE CODE

FOR SECURITIES BROKER

This statement is being presented to comply with the Corporate Governance Code (Code) for Securities Broker contained in the Securities Brokers (Licensing and Operations) Regulations No 6(1)(f) of Securities Exchange Commission of Pakistan for the purpose of establishing a framework of good governance, whereby a company is managed with the best practices of corporate governance.

Alpha Capital (Pvt.) Limited has applied the principles contained in the Code in the following manner:

1. The composition of Board for the year ended as at June 30, 2023 is as follows:

Category	Name
Non-Executive Director & Chairman of the Board	Muhammad Iqbal Adhi
Non-Executive Director and Chairman of the Audit Committee	Muhammad Iqbal Adhi
Non-Executive Director	Sana Mahmood
Executive Director & Chief Executive Officer	Azfer Naseem-CEO / Director Mohsin Adhi – Director Nadeem ul Haq - Director

2. The directors have confirmed that none of them and their spouses are serving as a director in a Listed Company.
3. All the directors of the Company are registered as tax payers and none of them has defaulted in payment of any loan to a banking company, DFI or an NBFIL.
4. The Company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
5. The Company has developed a vision/mission statement. A complete record of particulars of significant approved policies is maintained.
6. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board. The Board met at least once in every quarter. The minutes of the meetings were appropriately recorded and circulated.
7. The Directors' report for this year has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.
8. The financial statements of the Company were duly endorsed by the Chief Executive Officer before approval of the Board.



Alpha Capital (Pvt) Limited

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9. The Company has complied with all the corporate and financial reporting requirements of the Code.
10. There is no transaction entered in to by the broker during the year, which are fraudulent, illegal or in violation of any securities market laws.
11. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP, and firm is enlisted in Category "A" of the State Bank of Pakistan.
12. We confirm that all other material principles enshrined in the Code have been complied.

On behalf of the Board of Directors

Company Secretary

October 21, 2023

**Independent Auditor's Report
To the Members of Alpha Capital (Private) Limited
Report on the Audit of the Financial Statements**

Opinion

We have audited the annexed financial statements of the **Alpha Capital (Private) Limited** which comprise the statement of financial position as at June 30, 2023 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 significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the 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, the profit and loss statement, 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, 2023 and of its loss and other 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

The management is responsible for the other information. The other information comprises the information included in the Annual 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 or 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

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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(XIX of 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 are 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.
- 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

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- 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

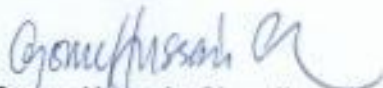
Based on our audit, we further report that in our opinion:

- 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 requirements 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 statement of financial position was prepared.

Other Matters

The financial statements of the Company for the year ended June 30, 2022 were audited by another firm of chartered accountants who expressed unmodified opinion dated October 07, 2022

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



Crowe Hussain Chaudhury & Co.
Chartered Accountants

Karachi

Date: **30 OCT 2023**

UDIN: AR202310207jb8VHIPyu

**ALPHA CAPITAL (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2023**

	Note	2023 -----Rupees-----	2022
ASSETS			
Non-Current Assets			
Property and equipment	5	18,505,885	20,250,005
Intangible assets	6	3,998,753	4,137,497
Long-term deposits	7	5,264,000	5,264,000
Deferred tax asset	8	-	-
		27,768,638	29,651,502
Current Assets			
Trade debts	9	23,232,042	42,179,398
Loans and advances	10	1,177,631	10,126,448
Deposits, prepayments and other receivables	11	34,825,088	53,511,472
Short-term investments	12	12,825,410	-
Taxation-net	13	5,947,327	5,338,334
Cash and bank balances	14	65,477,168	80,140,491
		143,484,666	191,296,143
Total Assets		171,253,304	220,947,645
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Authorized share capital			
10,000,000 Ordinary shares of Rs. 10 each		<u>100,000,000</u>	<u>100,000,000</u>
Issued, subscribed and paid-up capital	15	50,490,000	50,490,000
Revenue reserve			
Unappropriated profit		45,411,213	77,025,272
Capital reserve			
Surplus on revaluation of property	16	-	1,368,357
Shareholders' equity		<u>95,901,213</u>	<u>128,883,629</u>
Non-Current Liabilities			
Deferred liabilities	17	5,719,391	4,970,324
Current Liabilities			
Trade and other payables	18	69,632,700	79,191,637
Mark-up accrued		-	3,529
Short-term borrowings	19	-	7,898,526
		<u>69,632,700</u>	<u>87,093,692</u>
Contingencies and Commitments			
Total Equity and Liabilities	20	<u>171,253,304</u>	<u>220,947,645</u>

The annexed notes from 1 to 34 form an integral part of these financial statements.

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CHIEF EXECUTIVE OFFICER



DIRECTOR



**ALPHA CAPITAL (PRIVATE) LIMITED
STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2023**

	<i>Note</i>	2023 -----Rupees-----	2022
Operating revenue - net	21	30,362,324	53,223,703
Commission paid to agents	21	<u>(3,206,589)</u>	<u>(4,347,282)</u>
		27,155,735	48,876,421
Operating and administrative expenses	22	(68,784,511)	(61,101,268)
Finance cost	23	<u>(226,732)</u>	<u>(607,366)</u>
Operating (loss)		(41,855,508)	(12,832,213)
Other charges	24	(461,110)	(6,587,640)
Other income	25	10,951,656	9,772,237
(Loss) before taxation		(31,364,962)	(9,647,616)
Taxation - net	26	<u>(1,617,454)</u>	<u>(1,952,726)</u>
(Loss) after taxation		(32,982,416)	(11,600,342)
Other comprehensive income		-	-
Total comprehensive (loss) for the year		<u>(32,982,416)</u>	<u>(11,600,342)</u>

The annexed notes from 1 to 34 form an integral part of these financial statements.

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CHIEF EXECUTIVE OFFICER



DIRECTOR



ALPHA CAPITAL (PRIVATE) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2023

Description	Issued, Subscribed and Paid-up Capital	Reserves		Total reserves	Total Shareholders' Equity
		Revenue Unappropriated Profit	Capital Surplus on Revaluation of Property		
----- Rupees -----					
Balance as at June 30, 2021	50,490,000	84,286,290	5,707,681	89,993,971	140,483,971
Total comprehensive income for the year	-	(11,600,342)	-	(11,600,342)	(11,600,342)
Transferred from surplus on revaluation on account of disposal of assets - net of deferred tax	-	4,168,376	(4,168,376)	-	-
Transferred from surplus on revaluation on account of incremental depreciation - net of deferred tax	-	170,948	(170,948)	-	-
Balance as at June 30, 2022	50,490,000	77,025,272	1,368,357	78,393,629	128,883,629
Total comprehensive income for the year	-	(32,982,416)	-	(32,982,416)	(32,982,416)
Transferred from surplus on revaluation on account of disposal of assets - net of deferred tax	-	1,368,357	(1,368,357)	-	-
Transferred from surplus on revaluation on account of incremental depreciation - net of deferred tax	-	-	-	-	-
Balance as at June 30, 2023	50,490,000	45,411,213	(0)	45,411,213	95,901,213

The annexed notes from 1 to 34 form an integral part of these financial statements.

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CHIEF EXECUTIVE OFFICER



DIRECTOR

DIRECTOR

ALPHA CAPITAL (PRIVATE) LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023

2023 2022

-----Rupees-----

CASH FLOWS FROM OPERATING ACTIVITIES

(Loss) before taxation	(31,364,962)	(9,647,616)
Adjustment for:		
Depreciation	3,726,455	2,765,710
Amortization	138,744	279,467
Provision in respect of employees gratuity fund	749,067	1,051,400
Financial charges	226,732	607,366
Bad debts expense	-	90,045
Provision for doubtful debts made / (reversed)	-	(79,196)
Capital gain on disposal of investments	(859,327)	(30,337)
Unrealized Loss on investment	706,610	-
Gain on disposal of fixed assets - net	(5,679,067)	(4,762,046)
Cash outflows / inflows before working capital changes	(32,355,748)	(9,725,207)

(Increase) / decrease in current assets

Trade debts	18,947,356	18,520,290
Loans and advances	8,948,817	14,805,820
Deposits, prepayments and other receivables	18,839,101	5,432,378
Increase / (decrease) in current liabilities		
Trade and other payables	(9,558,937)	(44,600,489)

Cash generated from operations

	37,176,337	(5,842,001)
Cash generated from operations	4,820,589	(15,567,208)
Financial charges paid	(230,261)	(1,092,846)
Income taxes paid	(2,226,447)	(2,780,878)
Refunds received	-	-
Net cash (used in) / generated from operating activities	2,363,881	(19,440,932)

CASH FLOWS FROM INVESTING ACTIVITIES

Capital expenditure incurred	(4,503,268)	(13,750,415)
Proceeds from sales of office premises	8,200,000	15,024,500
Short term investments	(12,825,410)	30,337
Net cash generated from investing activities	(9,128,678)	1,304,422

CASH FLOWS FROM FINANCING ACTIVITIES

Short term borrowings (repaid) / obtained - net	(7,898,526)	(19,444,426)
Net cash (used in) / generated from financing activities	(7,898,526)	(19,444,426)
Net (decrease) / increase in cash and cash equivalent	(14,663,323)	(37,580,936)
Cash and cash equivalents at the beginning of the year	80,140,491	117,721,427
Cash and cash equivalents at the end of the year	65,477,168	80,140,491

The annexed notes from 1 to 34 form an integral part of these financial statements.

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CHIEF EXECUTIVE OFFICER



DIRECTOR

