

**INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF  
FLORET COMMODITIES (PRIVATE) LIMITED**

**Opinion**

We have audited the annexed financial statements of **FLORET COMMODITIES (PRIVATE) LIMITED** (the Company) which comprises the statement of financial position as at June 30, 2022, the statement of profit or loss, the statement of other comprehensive income, the statement of changes in equity and 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 purpose of the audit.

In our opinion and to the best of our information and according to explanations given to us, the statement of financial position, the statement of profit or loss, the statement of 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, 2022 and of the loss, other comprehensive loss, changes in equity and its cash flows for the year then ended.

**Basis for Opinion**

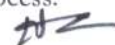
We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the 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.

**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 the 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.
- 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.



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, the statement of other comprehensive income, the statement of changes in equity, 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 books of account and returns;
- c) investment made, expenditure incurred and guarantees extended during the year were for the purpose of the Companies business; and
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

#### Other Matter

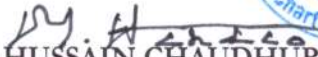
The financial statements for the year ended June 30, 2021 were audited by another auditor whose report dated October 07, 2021 expressed an unmodified opinion on these financial statements.

The engagement partner on the audit of “FLORET COMMODITIES (PRIVATE) LIMITED” for the year ended June 30, 2022 resulting in this independent auditor’s report is Iqbal Hussain.

Place: Islamabad

Dated: 25 NOV 2022

UDIN: AR202210592kC3yJcviW

  
CROWE HUSSAIN CHAUDHURY & CO.  
(CHARTERED ACCOUNTANTS)



**FLORET COMMODITIES (PRIVATE) LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT JUNE 30, 2022**

	Notes	2022 ----- (Pak Rupees) -----	2021
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property and equipment	4	1,527,382	-
<b>CURRENT ASSETS</b>			
Other receivable		-	19,785,096
Advances and deposits	5	22,310,000	-
Cash and bank balances	6	577,612	300,000
		<u>22,887,612</u>	<u>20,085,096</u>
<b>TOTAL ASSETS</b>		<u>24,414,994</u>	<u>20,085,096</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Authorized capital</b>			
2,000,000 ordinary shares of Rs. 10 each.		<u>20,000,000</u>	<u>20,000,000</u>
<b>Issued, subscribed and paid up capital</b>			
2,000,000 ordinary shares of Rs. 10 each.		20,000,000	20,000,000
Deposit for shares		7,300,000	300,000
Accumulated loss		(3,025,271)	(284,869)
		<u>24,274,729</u>	<u>20,015,131</u>
<b>NON-CURRENT LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Accrued and other payables	7	140,265	69,965
<b>CONTINGENCIES AND COMMITMENTS</b>			
	12		
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>24,414,994</u>	<u>20,085,096</u>

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

  
 \_\_\_\_\_  
 CHIEF EXECUTIVE OFFICER



  
 \_\_\_\_\_  
 DIRECTOR

**FLORET COMMODITIES (PRIVATE) LIMITED**  
**STATEMENT OF PROFIT OR LOSS**  
**FOR THE YEARE ENDED JUNE 30, 2022**

	Notes	2022 ----- (Pak Rupees) -----	2021
Revenue		-	-
<b>General and administrative expenses</b>	8	<u>2,740,402</u>	<u>30,484</u>
Loss from operating activities		(2,740,402)	(30,484)
Financial charges		-	-
<b>Loss before tax</b>		(2,740,402)	(30,484)
Taxation		-	-
<b>Loss after tax</b>		<u><u>(2,740,402)</u></u>	<u><u>(30,484)</u></u>

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

  
 \_\_\_\_\_  
 CHIEF EXECUTIVE OFFICER

  
 \_\_\_\_\_  
 DIRECTOR

H2

**FLORET COMMODITIES (PRIVATE) LIMITED  
STATEMENT OF OTHER COMPREHENSIVE INCOME  
FOR THE YEARE ENDED JUNE 30, 2022**

	Notes	2022 ------(Pak Rupees)-----	2021
Loss for the year		(2,740,402)	(30,484)
Other comprehensive income		-	-
<b>Total comprehensive loss for the year</b>		<u><u>(2,740,402)</u></u>	<u><u>(30,484)</u></u>

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

\_\_\_\_\_  
CHIEF EXECUTIVE OFFICER

\_\_\_\_\_  
DIRECTOR

112

**FLORET COMMODITIES (PRIVATE) LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEARE ENDED JUNE 30, 2022**

	Issued, subscribed and paid up capital	Unappropriated loss	Total Equity
	----- (Pak Rupees) -----		
Balance at June 30, 2020	20,000,000	(254,385)	19,745,615
Deposit for share	300,000		300,000
Loss for the year	-	(30,484)	(30,484)
Balance at June 30, 2021	<u>20,300,000</u>	<u>(284,869)</u>	<u>20,015,131</u>
Deposit for share	7,000,000		7,000,000
Loss for the year	-	(2,740,402)	(2,740,402)
Balance at June 30, 2022	<u>27,300,000</u>	<u>(3,025,271)</u>	<u>24,274,729</u>

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

  
 \_\_\_\_\_  
 CHIEF EXECUTIVE OFFICER

  
 \_\_\_\_\_  
 DIRECTOR

H2

**FLORET COMMODITIES (PRIVATE) LIMITED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEARE ENDED JUNE 30, 2022**

	Notes	2022 ----- (Pak Rupees) -----	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Loss before tax		(2,740,402)	(30,484)
<b>Adjustment for:</b>			
Depreciation	4	366,538	-
		<u>(2,373,864)</u>	<u>(30,484)</u>
<b>Changes in working capital</b>			
Advances, deposits & prepayments		(2,524,904)	-
Accrued and other payables		70,300	29,998
		<u>(2,454,604)</u>	<u>29,998</u>
<b>Cash used in operations</b>		<u>(4,828,468)</u>	<u>(486)</u>
Finance costs paid		-	-
Income tax paid		-	-
<b>Net cash used in operating activities</b>		<u>(4,828,468)</u>	<u>(486)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisition of property and equipment		(1,893,920)	-
<b>Net cash usen in investing activities</b>		<u>(1,893,920)</u>	<u>-</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Deposit for shares		7,000,000	-
<b>Net cash generated from financing activities</b>		<u>7,000,000</u>	<u>-</u>
Net increase /(decrease) in cash and cash equivalents during the year		277,612	(486)
Cash and cash equivalent at beginning of the year		300,000	300,486
Cash and cash equivalent at end of the year	7	<u>577,612</u>	<u>300,000</u>

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

  
 CHIEF EXECUTIVE OFFICER

  
 DIRECTOR

H<sub>2</sub>



**FLORET COMMODITIES (PRIVATE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARE ENDED JUNE 30, 2022**

**1 STATUS AND NATURE OF BUSINESS**

M/s FLORET COMMODITIES (PRIVATE) LIMITED was incorporated as a private limited company at Islamabad under the Companies Ordinance, 1984 (Repealed with the Company's Act 2017) and is primarily engaged in the business of stock, brokerage, investment advisory-consultancy, portfolio management and in secondary capital market operations. It is also actively taking part in the Initial Public Offerings (IPO's) and providing all relative services to the general public to promote investment. Company head office is situated at stock exchange building Islamabad.

**2 BASIS OF PREPARATION**

**2.1 Statement of Compliance**

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

International Financial Reporting Standards (IFRS Standards) 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

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

**2.2 Basis of preparation**

These financial statements have been prepared under the historical cost convention except as other wise stated in the respective policies and notes given hereunder.

**2.3 Functional and presentation currency**

These financial statements are presented in Pak Rupees (Rupees), which is the Company's functional and presentation currency. All figures are rounded off to the nearest Rupee.

**2.4 Significant Accounting Estimates and Judgments**

The preparation of financial statements in conformity with the Accounting and Financial Reporting Standards issued by the Institute of Chartered Accountants of Pakistan requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and 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 the judgments about 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 estimates are revised.

**FLORET COMMODITIES (PRIVATE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARE ENDED JUNE 30, 2022**

Significant areas requiring the use of management estimates in these financial statements relate to the useful life of depreciable assets, provision for doubtful receivables. However, assumptions and judgments made by management in the application of accounting policies that have significant effect on the financial statements are not expected to result in material adjustment to the carrying amounts of assets and liabilities in the next year.

**3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

**3.1 Property and equipment**

Property and equipment are initially recognized at acquisition cost, including any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the Company's management. These assets are subsequently measured using the cost model, cost less subsequent depreciation and impairment losses, if any.

Depreciation is charged using straight line method at the rates specified in the property and equipment note 4. Full year depreciation is charged in the year of acquisition while no depreciation is charged in the year of disposal.

Renewals and replacements are recognized in the carrying amount of the property and equipment if it is probable that future embodied economic benefits will flow to the Company. Other repairs and maintenance are charged to the statement of profit or loss as and when incurred. Gains or losses on disposal, if any, are recognized as and when incurred.

**3.2 Revenue**

Revenue is recognized when it is probable that the economic benefits associated with the transaction will flow to the company and the amounts of revenue and the associated cost incurred or to be incurred can be measured reliably.

**3.3 Trade and other receivables:**

Trade and other receivables are stated at estimated realizable value after each debt has been considered individually.

**3.4 Advances and deposits**

Advances and deposits are recognized at cost which is the fair value of the consideration given.

**3.5 Provisions**

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an out flow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

**FLORET COMMODITIES (PRIVATE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARE ENDED JUNE 30, 2022**

**3.6 Cash & cash equivalents**

For the purpose of the cash flow statement, cash and cash equivalents comprise cash in hand, demand deposits and other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value, in finances under markup arrangements.

**3.7 Financial instruments**

All financial assets and financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. All the financial assets are derecognized at the time when the Company losses control of the contractual rights that comprise the financial assets. All financial liabilities are derecognized at the time when they are extinguished that is, when the obligation specified in the contract is discharged, cancelled, or expires. Any gains or losses on de-recognition of the financial assets and financial liabilities are taken to the statement of profit or loss.

**Financial Assets:**

**(a) Classification**

The Company classifies its financial assets in the following measurement categories:

- (i) Amortized cost, where the effective interest rate method will apply;
- (ii) Fair value through profit or loss (FVTPL);
- (iii) Fair value through other comprehensive income (FVTOCI).

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at FVTOCI.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

**Recognition and derecognition**

Regular way purchases and sales of financial assets are recognized on trade-date, the date on which the Company commits to purchase or sell the asset. Further, assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

**Measurement**

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

**FLORET COMMODITIES (PRIVATE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARE ENDED JUNE 30, 2022**

**Debt instruments**

**Amortized cost**

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in other operating income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in other operating gains/ (losses), together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the profit or loss.

**Fair value through other comprehensive income (FVTOCI)**

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses and interest revenue which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other operating gains/(losses). Interest income from these financial assets is included in other operating income using the effective interest rate method. Impairment expenses are presented as separate line item in the profit or loss.

**Fair value through profit and loss (FVTPL)**

Assets that do not meet the criteria for amortized cost or FVTOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognized in profit or loss and presented net within other operating gains/(losses) in the period in which it arises.

**Equity instruments**

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognized in profit or loss as other operating income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at FVTPL are recognized in other gains/(losses) in the profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value.

**Impairment of financial assets**

The Company assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortized cost and FVTOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade and other receivables, the Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

**FLORET COMMODITIES (PRIVATE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARE ENDED JUNE 30, 2022**

The Company recognizes life time ECL for trade debts and other receivables, using the simplified approach. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors and other receivables, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above.

The Company recognizes an impairment gain or loss in the profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognized in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

#### **Financial liabilities**

##### **Classification, initial recognition and subsequent measurement**

The Company classifies its financial liabilities in the following categories:

- (i) at fair value through profit or loss; and
- (ii) other financial liabilities

The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value and, in the case of other financial liabilities, also include directly attributable transaction costs. The subsequent measurement of financial liabilities depends on their classification, as follows:

- (i) Financial liabilities at fair value through profit or loss include financial liabilities held-for-trading and financial liabilities designated upon initial recognition as being at fair value through profit or loss.
- (ii) After initial recognition, other financial liabilities which are interest bearing are subsequently measured at amortized cost, using the effective interest rate method. Gain and losses are recognized in the profit or loss, when the liabilities are derecognized as well as through effective interest rate amortization process.

##### **Derecognition of financial liabilities**

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of a financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed is recognized in profit or loss.

FLORET COMMODITIES (PRIVATE) LIMITED  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEARE ENDED JUNE 30, 2022

4 PROPERTY AND EQUIPMENT

2022	COST			As at June 30, 2022	Rate %	As at July 1, 2021	ACCUMULATED DEPRICIATION		W.D.V As at June 30, 2022	W.D.V As at June 30, 2021
	As at July 1, 2021	Addition	Disposal				Charge for the year	Disposal		
	(Pak Rupees)									
Office equipment	-	403,990	-	403,990	10%	-	40,399	-	40,399	363,510
Electrical appliances	-	141,000	-	141,000	10%	-	14,100	-	14,100	126,900
Furniture and fixtures	-	617,720	-	617,720	15%	-	92,638	-	92,638	525,062
Computer and accessories	-	731,360	-	731,360	34%	-	219,390	-	219,390	511,910
	-	1,893,920	-	1,893,920		-	366,538	-	366,538	1,527,382

2021	COST			As at June 30, 2021	Rate %	As at July 1, 2020	ACCUMULATED DEPRICIATION		W.D.V As at June 30, 2021	W.D.V As at June 30, 2020
	As at July 1, 2020	Addition	Disposal				Charge for the year	Disposal		
	(Pak Rupees)									
Office equipment	-	-	-	-	0%	-	-	-	-	-
Furniture and fixtures	-	-	-	-	0%	-	-	-	-	-
Computer and accessories	-	-	-	-	0%	-	-	-	-	-
	-	-	-	-		-	-	-	-	-

**FLORET COMMODITIES (PRIVATE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARE ENDED JUNE 30, 2022**

2022                      2021  
 -----(Pak Rupees)-----

**5    ADVANCES AND DEPOSITS**

Security deposit PMEX	1,250,000	-
Security deposit PMEX Market making	20,500,000	-
Security deposit rent	560,000	-
	<u>22,310,000</u>	<u>-</u>

This represents initial margin, clearing deposit and security deposit with the Pakistan Mercantile Exchange.

2022                      2021  
 -----(Pak Rupees)-----

**6    CASH AND BANK BALANCES**

Cash in hand	-	300,000
Cash at bank		
MCB Bank Limited 7623	576,544	-
MCB Bank Limited 4275	1,068	-
	<u>577,612</u>	<u>300,000</u>

**7    ACCRUED AND OTHER PAYABLES**

Audit fee payable	85,000	-
Other payables	55,265	69,965
	<u>140,265</u>	<u>69,965</u>

**8    GENERAL AND ADMINISTRATIVE EXPENSES**

Staff salaries	545,000	-
Office rent	1,160,000	-
Utilities	66,454	-
Postage and courier	2,880	-
Printing and stationery	12,205	-
Repair and maintenance	109,922	-
Newspaper	960	-
Entertainment	159,683	-
Water charges	2,040	-
Travel and fuel	2,320	-
Audit fee	85,000	-
Miscellaneous expense	-	484
Depreciation	366,538	-
Fee and subscription	227,400	30,000
	<u>2,740,402</u>	<u>30,484</u>

**FLORET COMMODITIES (PRIVATE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARE ENDED JUNE 30, 2022**

**9 RELATED PARTY TRANSACTIONS**

Related parties comprise of directors, key management personnel, entities over which directors are able to exercise significant influence. Transactions with related parties other than those which have been disclosed in relevant notes to the accounts are as under:

		2022	2021
		-----Pak Rupees-----	
<b>Transactions during the year are as follows:</b>			
<b>Relationship</b>	<b>Nature</b>		
Director	Share deposit	<u>7,000,000</u>	<u>-</u>
<b>Balances as at year end are as follows:</b>			
Share deposit		<u>7,000,000</u>	<u>-</u>

**10 REMUNERATION OF DIRECTORS, CHIEF EXECUTIVE AND EXECUTIVES**

Particulars	Chief Executive	Directors	Executive
	-----Pak Rupees-----		
<b>2022</b>			
Salary	-	-	-
Housing expense	-	-	-
Medical expense	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Number of persons	<u>1</u>	<u>2</u>	<u>-</u>
<b>2021</b>			
Salary	-	-	-
Housing expense	-	-	-
Medical expense	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Number of persons	<u>1</u>	<u>2</u>	<u>-</u>



**FLORET COMMODITIES (PRIVATE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARE ENDED JUNE 30, 2022**

**11 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT**

Fair value is the amount that would be received on sale of an asset or paid on transfer of a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and fair value estimates. Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The fair value of financial assets and liabilities traded in active markets i.e. listed equity shares are based on the quoted market prices at the close of trading on the period end date. The quoted market prices used for financial assets held by the Company is current bid price. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13 'Fair Value Measurements' requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).

Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).

Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

**FLORET COMMODITIES (PRIVATE) LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022**

**11.1 FAIR VALUE OF ASSETS AND LIABILITIES**

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy, it does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

On statement of financial position financial instruments

	Note	Carrying amount		Fair Value			
		Amortized cost	Total	Level 1	Level 2	Level 3	Total
(Pak Rupees)							
<b>2022</b>							
<b>Financial assets not measured at fair value</b>							
Other receivable		-	-	-	-	-	-
Advances and deposits	5	22,310,000	22,310,000	-	-	-	-
Bank balance	6	577,612	577,612	-	-	-	-
<b>Total</b>		<b>22,887,612</b>	<b>22,887,612</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities not measured at fair value</b>							
Accrued and other payables	7	140,265	140,265	-	-	-	-
<b>Total</b>		<b>140,265</b>	<b>140,265</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2021</b>							
<b>Financial assets not measured at fair value</b>							
Other receivable		19,785,096	19,785,096	-	-	-	-
Advances and deposits	5	-	-	-	-	-	-
Bank balance	6	300,000	300,000	-	-	-	-
<b>Total</b>		<b>20,085,096</b>	<b>20,085,096</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities not measured at fair value</b>							
Accrued and other payables	7	69,965	69,965	-	-	-	-
<b>Total</b>		<b>69,965</b>	<b>69,965</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**FLORET COMMODITIES (PRIVATE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARE ENDED JUNE 30, 2022**

**11.2** The Company has exposure to the credit risk, market risk and liquidity risk from its use of financial instruments.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

**11.3 Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from advances and deposits and bank balances. The carrying amount of financial assets represents the maximum credit exposure.

**Exposure to credit risk**

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	2022	2021
	-----Pak Rupees-----	
Cash and bank balances	577,612	300,000
	<u>577,612</u>	<u>300,000</u>

Geographically there is no concentration of credit risk.

The company limits its exposure to credit risk by maintaining bank accounts only with counter parties that have a credit rating of at least A. Given these high credit ratings, management does not expect any counter party to fail to meet its obligation.

	<u>Rating Long / Short-term</u>	<u>Rating Agency</u>
MCB Bank Limited	AAA / A1+	PACRA

**11.4 Market risk**

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price due to change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market. The Company is exposed to currency risk only.

**i) Foreign currency risk**

The PKR is the functional currency of the Company and as a result currency exposures arise from transactions and balances in currencies other than PKR currently the company is not exposed to any foreign currency risk.

**FLORET COMMODITIES (PRIVATE) LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARE ENDED JUNE 30, 2022**

**ii) Interest rate risk**

The interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. At the reporting date, the company is not exposed to any interest rate risk.

**11.5 Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company uses different methods which assists it in monitoring cash flow requirements and optimizing its cash return on investments. Typically the Company ensures that it has sufficient cash on demand to meet expected operational expenses for a reasonable period, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

**12 CONTINGENCIES AND COMMITMENTS**

There are no contingencies and commitments as at June 30, 2022 (2021:Nil).

**13 GENERAL**

Figures have been rounded to the nearest rupees, unless otherwise stated.

**14 AUTHORIZATION FOR ISSUE**

These financial statements have been authorized for issue on the \_\_\_\_\_.



CHIEF EXECUTIVE OFFICER



DIRECTOR

