

**Investment Managers Securities (Private) Limited**  
**Financial Statements**  
**For the period ended December 31, 2016**

**Investment Managers Securities (Private) Limited**  
**Balance Sheet**  
**As at December 31, 2016**

	Note	Rupees December 2016	Rupees June 2016
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property & equipment	4	1,803,532	1,831,985
Intangible assets	5	5,000,000	5,000,000
Long term investment	6	40,073,830	40,073,830
Long term advances & deposits	7	610,809	610,809
		47,488,171	47,516,624
<b>CURRENT ASSETS</b>			
Trade receivables	8	107,380,981	90,087,275
Advances, deposits, pre-payments & other receivables	9	42,850,966	23,624,736
Cash & bank balances	10	6,336,915	14,029,505
		156,568,862	127,741,516
<b>TOTAL ASSETS</b>		<b>204,057,034</b>	<b>175,258,141</b>
<b>EQUITY AND LIABILITIES</b>			
<b>CAPITAL AND RESERVES</b>			
<b>Authorized Capital</b>			
30,000,000 (2015: 30,000,000) ordinary shares of Rs. 10/- each		300,000,000	300,000,000
Issued, subscribed and paid-up capital	11	200,004,000	200,004,000
Unappropriated loss		(29,355,408)	(34,004,400)
		170,648,592	165,999,600
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade payables		28,994,658	8,707,773
Accrued expenses & other liabilities	12	4,413,784	550,768
		33,408,442	9,258,541
<b>CONTINGENCIES AND COMMITMENTS</b>	13	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>204,057,034</b>	<b>175,258,141</b>
		-	-

Chief Executive

Director

**Investment Managers Securities (Private) Limited**  
**Profit & Loss Account**  
**For the period ended December 31, 2016**

Note	Rupees December 2016	Rupees June 2016	
<b>REVENUE</b>			
Operating revenue	14	9,810,605	14,687,651
Capital (loss) / gain on sale of securities		-	(843)
		<u>9,810,605</u>	<u>14,686,808</u>
Administrative expenses	15	6,438,031	15,061,310
Finance cost	16	4,526	13,533
		<u>(6,442,557)</u>	<u>(15,074,843)</u>
<b>Operating profit / (loss)</b>		<u>3,368,049</u>	<u>(388,035)</u>
<b>Other charges</b>	17	-	(44,955,502)
<b>Other income</b>	18	1,320,042	1,854,626
<b>Profit / (Loss) before taxation</b>		<u>4,688,091</u>	<u>(43,488,911)</u>
<b>Taxation</b>	19	(39,099)	(632,870)
<b>Profit / (Loss) after taxation</b>		<u>4,648,992</u>	<u>(44,121,781)</u>
<b>Earning / (Loss) per share - basic and diluted</b>	20	<u>0.23</u>	<u>(2.21)</u>

Chief Executive

Director

**Investment Managers Securities (Private) Limited**  
**Statement of Comprehensive Income**  
**For the period ended December 31, 2016**

Note	Rupees December 2016	Rupees June 2016
Profit / (Loss) after taxation	4,648,992	(44,121,781)
Other comprehensive income	-	-
Total comprehensive Income / (loss) for the year	4,648,992	(44,121,781)

Chief Executive

Director

**Investment Managers Securities (Private) Limited**  
**Statement of Changes in Equity**  
**For the period ended December 31, 2016**

	<b>Issued, subscribed &amp; paid up capital</b>	<b>Unappropriated profit</b>	<b>Total</b>
	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>
<b>Balance as at June 30, 2015</b>	<b>200,004,000</b>	<b>10,117,381</b>	<b>210,121,381</b>
Loss after taxation	-	(44,121,781)	(44,121,781)
<b>Balance as at June 30, 2016</b>	<b>200,004,000</b>	<b>(34,004,400)</b>	<b>165,999,600</b>
Profit after taxation	-	4,648,992	<b>4,648,992</b>
<b>Balance as at December 31, 2016</b>	<b>200,004,000</b>	<b>(29,355,408)</b>	<b>170,648,592</b>

Chief Executive

Director

**Investment Managers Securities (Private) Limited**  
**Notes to the accounts**

**4 PROPERTY AND EQUIPMENT**

	<b>Office equipments</b>	<b>Computer equipments</b>	<b>Furniture &amp; fixtures</b>	<b>Total</b>
	<i>(Rupees)</i>	<i>(Rupees)</i>	<i>(Rupees)</i>	<i>(Rupees)</i>
<b><u>Net carrying value basis</u></b>				
<b>Year ended December 31, 2016</b>				
Opening net book value (NBV)	406,937	40,572	1,384,477	<b>1,831,986</b>
Additions (at cost)	-	131,750	-	<b>131,750</b>
Disposals (at NBV)	-	-	-	-
Depreciation charge	(30,520)	(25,848)	(103,836)	<b>(160,204)</b>
Closing net book value (NBV)	<b>376,417</b>	<b>146,474</b>	<b>1,280,641</b>	<b>1,803,532</b>
<b><u>Gross carrying value basis</u></b>				
<b>As at December 31, 2016</b>				
Cost	906,400	1,056,206	2,656,875	<b>4,619,481</b>
Accumulated depreciation	(529,983)	(909,732)	(1,376,234)	<b>(2,815,949)</b>
<b>Net book value (NBV)</b>	<b>376,417</b>	<b>146,474</b>	<b>1,280,641</b>	<b>1,803,532</b>
<b><u>Net carrying value basis</u></b>				
<b>Year ended June 30, 2016</b>				
Opening net book value (NBV)	375,649	57,960	777,046	<b>1,210,655</b>
Additions (at cost)	103,100	-	851,750	<b>954,850</b>
Disposals (at NBV)	-	-	-	-
Depreciation charge	(71,812)	(17,388)	(244,319)	<b>(333,520)</b>
Closing net book value (NBV)	<b>406,937</b>	<b>40,572</b>	<b>1,384,477</b>	<b>1,831,985</b>
<b><u>Gross carrying value basis</u></b>				
<b>As at June 30, 2016</b>				
Cost	906,400	924,456	2,656,875	<b>4,487,731</b>
Accumulated depreciation	(499,463)	(883,884)	(1,272,398)	<b>(2,655,746)</b>
<b>Net book value (NBV)</b>	<b>406,937</b>	<b>40,572</b>	<b>1,384,477</b>	<b>1,831,985</b>
<b>Depreciation rates (%)</b>	<b>15</b>	<b>30</b>	<b>15</b>	

**Investment Managers Securities (Private) Limited**  
**Notes to the Accounts**

Notes	Rupees December 2016	Rupees June 2016
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**5 INTANGIBLE ASSETS**

Trading Right Entitlement Certificate - Pakistan Stock Exchange Limited

Less: Impairment loss

5.1	5,000,000	49,926,170
	-	(44,926,170)
	<b>5,000,000</b>	<b>5,000,000</b>

5.1 The Company has recognised impairment in value of TREC of **Rs. 44,926,170/-** based on BMC valuation of **Rs. 5 Million** issued by Pakistan Stock Exchange Limited.

**6 LONG TERM INVESTMENTS**

**Available for sale - unquoted**

Investment in shares of Pakistan Stock Exchange Limited

6.1	40,073,830	40,073,830
	<b>40,073,830</b>	<b>40,073,830</b>

6.1 This represents unquoted shares of Stock Exchange received by the Company in pursuance of Stock Exchanges (Corporatization, Demutualization and Integration) Act, 2012. The total number of shares received by the Company were 4,007,383 of Pakistan Stock Exchange Limited (formerly KSEL). Out of total number of shares owned, 60% shares of the said entities are held in separate CDC blocked Account, to restrict the sale of these shares by the members. Whereas stock exchanges will dispose of these shares under the Demutualization Act, however the proceeds of these shares and right to dividend/bonus is vested with the Company whereas the voting rights attached to these shares are suspended. Above unquoted shares are initially recognized at face value.

**7 LONG TERM DEPOSITS**

Pakistan Stock Exchange Limited

National Clearing Company of Pakistan Limited

Central Depository Company of Pakistan

Other deposits

304,809	304,809
200,000	200,000
100,000	100,000
6,000	6,000
<b>610,809</b>	<b>610,809</b>

**8 TRADE RECEIVABLES - (CONSIDERED GOOD)**

- from Clients

- from NCCPL

99,878,686	90,087,275
7,502,295	-
<b>107,380,981</b>	<b>90,087,275</b>

**9 ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES**

Exposure deposit

Advance payment of tax

Advance to staff

Other receivables

Advance to others

9.1	30,210,000	14,110,000
	12,286,966	8,554,476
	254,000	50,000
	-	810,260
	100,000	100,000
	<b>42,850,966</b>	<b>23,624,736</b>

9.1 These represent amounts of deposits held at the year end against exposure arising out of the trading in securities in accordance with the regulations of Pakistan Stock Exchange Limited and National Clearing Company Pakistan Limited.

**Investment Managers Securities (Private) Limited**  
**Notes to the Accounts**

Notes	Rupees December 2016	Rupees June 2016
<b>10 CASH AND BANK BALANCES</b>		
Cash in hand	10,000	10,000
Cash at Bank		
<i>in current accounts</i>	-	8,634,588
<i>in savings accounts</i>	6,326,915	5,384,916
<b>10.1</b>	<b>6,336,915</b>	<b>14,029,505</b>

**10.1** The return on these balances is 4% to 5% (2015: 6% to 7% ) per annum on daily product basis.

**11 ISSUED, SUBSCRIBED AND PAID UP CAPITAL**

Number of shares				
2016	2015			
11,000,400	11,000,400	Ordinary shares of Rs. 10 each fully paid in cash	110,004,000	110,004,000
9,000,000	9,000,000	Ordinary shares of Rs. 10 each issued for consideration other than in cash.	90,000,000	90,000,000
<b>20,000,400</b>	<b>20,000,400</b>		<b>200,004,000</b>	<b>200,004,000</b>

**11.1** The shareholders are entitled to receive all distributions to them including dividend and other entitlements in the form of bonus and right shares as and when declared by the Company. All shares carry "one vote" per share without restriction.

**12 ACCRUED EXPENSES & OTHER LIABILITIES**

Accrued expenses	2,355,050	119,983
Provision for taxation	632,870	-
Workers' Welfare Fund payable	96,788	96,788
Other liabilities	1,329,076	333,997
	<b>4,413,784</b>	<b>550,768</b>

**13 CONTINGENCIES AND COMMITMENTS**

There were no contingencies and commitment during the year. (2015 : Nil)

**14 OPERATING REVENUE**

Brokerage commission	9,610,236	13,405,288
Dividend income	200,369	1,282,363
	<b>9,810,605</b>	<b>14,687,651</b>



**Investment Managers Securities (Private) Limited**  
**Notes to the Accounts**

Notes	Rupees December 2016	Rupees June 2016
<b>15 <u>ADMINISTRATIVE EXPENSES</u></b>		
Directors' remuneration	1,800,000	1,920,000
Salaries, wages and other benefits	1,329,600	2,175,800
Rent, rates and taxes	190,600	565,540
Repair and maintenance	276,010	175,580
Telephone and communication charges	87,879	215,079
Service and transaction charges	1,267,585	1,960,941
Utility charges	183,024	289,333
Software & I.T expenses	196,165	257,880
Travelling and conveyance	-	129,700
Entertainment	292,735	490,660
Dealer's expense & benefits	153,809	5,342,589
Fee and subscription	95,200	346,400
Postage	2,450	2,510
Printing and stationery	50,445	57,710
Vehicle running expenses	66,480	161,790
Generator expenses	9,978	41,278
Audit fee	-	127,800
Depreciation	160,204	333,520
Commission expense	-	96,607
Other expenses	275,867	370,593
	<b>6,438,031</b>	<b>15,061,310</b>
<b>16 <u>FINANCE COST</u></b>		
Bank charges	4,526	13,533
	<b>4,526</b>	<b>13,533</b>
<b>17 <u>OTHER CHARGES</u></b>		
Impairment loss	-	44,926,170
Workers' Welfare Fund	-	29,332
	<b>-</b>	<b>44,955,502</b>
<b>18 <u>OTHER INCOME</u></b>		
<b>From financial assets</b>		
Profit on exposure deposit	423,639	685,807
Cost recoveries	377,433	245,992
Profit on savings accounts	518,801	922,041
IPO commission	170	785
	<b>1,320,042</b>	<b>1,854,626</b>

**Investment Managers Securities (Private) Limited**  
**Notes to the Accounts**

Notes	Rupees December 2016	Rupees June 2016
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**19 TAXATION**

Current	-	593,771
Prior	39,099	39,099
	<u>39,099</u>	<u>632,870</u>

**19.1 Relationship between income tax expense and accounting profit**

**19.1** In the view of tax loss for the year, provision for minimum tax has been made in accordance with Section 113 of Income Tax Ordinance, 2001. Therefore, relationship between tax expense and accounting profit has not been presented for the current year.

**19.2** Income tax returns of the company have been finalized upto and including the tax year 2015, which are deemed to be assessment order under provisions of Income Tax Ordinance, 2001.

**20 (LOSS) / EARNINGS PER SHARE - BASIC AND DILUTED**

**20.1 Basic (loss) / earnings per share**

(Loss) / profit after taxation	4,648,992	(44,121,781)
Number of shares issued up to the end of the year	20,000,400	20,000,400
	<u>0.23</u>	<u>(2.21)</u>

**20.2 Diluted earnings per share**

There is no dilutive effect on the basic earnings per share of the Company, since there are no convertible instruments in issue as at June 30, 2016 and June 30, 2015 which would have any effect on the earnings per share if the option to convert is exercised.

**21 REMUNERATION OF CHIEF EXECUTIVE AND DIRECTORS**

	2016		2015	
	Directors	Chief Executive	Directors	Chief Executive
Remuneration	<u>1,440,000</u>	<u>480,000</u>	<u>1,200,000</u>	<u>400,000</u>
Number of person(s)	<u>3</u>	<u>1</u>	<u>3</u>	<u>1</u>