

**INVESTMENT MANAGERS SECURITIES (PRIVATE) LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2019**

	Note	Rupees Dec 31, 2019	Rupees Jun 30, 2019
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property & equipment	4	1,679,272	1,807,519
Intangible assets	5	2,500,000	2,500,000
Long term investment <i>at fair value through other comprehensive income</i>	6	-	14,055,522
Long term advances & deposits	7	7,006,000	3,606,000
		11,185,272	21,969,041
<b>CURRENT ASSETS</b>			
Short term investment	8	27,793,573	6,782,867
Trade receivables	9	25,914,685	19,005,001
Advances, deposits, pre-payments & other receivables	10	46,158,600	58,310,102
Cash & bank balances	11	21,278,530	3,901,856
		121,145,388	87,999,826
<b>TOTAL ASSETS</b>		<b>132,330,660</b>	<b>109,968,867</b>
<b>EQUITY AND LIABILITIES</b>			
<b>CAPITAL AND RESERVES</b>			
<b>Authorized Capital</b>			
30,000,000 (2018: 30,000,000) ordinary shares of Rs. 10/- each		300,000,000	300,000,000
Issued, subscribed and paid-up capital	12	200,004,000	200,004,000
Reserves		(87,473,484)	(93,837,672)
		112,530,516	106,166,328
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade payables		19,390,342	3,444,643
Accrued expenses & other liabilities	13	409,801	357,897
		19,800,144	3,802,540
<b>CONTINGENCIES AND COMMITMENTS</b>	14	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>132,330,660</b>	<b>109,968,867</b>

*The annexed notes from 1 to 29 form an integral part of these financial statements.*

Chief Executive

Director

**INVESTMENT MANAGERS SECURITIES (PRIVATE) LIMITED**  
**STATEMENT OF PROFIT OR LOSS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

	<b>Note</b>	<b>Rupees Dec 31, 2019</b>	<b>Rupees June 30, 2019</b>
<b>REVENUE</b>			
Operating revenue	15	3,641,405	13,088,880
Capital loss on sale of securities		-	(15)
Unrealised gain on remeasurement of investment at fair value - through profit or loss		10,198,766	(3,521,859)
		<u>13,840,171</u>	<u>9,567,007</u>
Administrative expenses	16	(7,020,085)	(39,912,341)
Finance cost	17	(5,707)	(10,075)
		<u>(7,025,792)</u>	<u>(39,922,416)</u>
<b>Operating (loss) / profit</b>		<b>6,814,379</b>	<b>(30,355,409)</b>
<b>Other income</b>	18	<b>2,793,392</b>	<b>6,582,407</b>
<b>(Loss) / profit before taxation</b>		<b>9,607,771</b>	<b>(23,773,001)</b>
<b>Taxation</b>	19	<b>-</b>	<b>(560,487)</b>
<b>Loss after taxation</b>		<b>9,607,771</b>	<b>(24,333,488)</b>
<b>Loss per share - basic and diluted</b>	20	<b>0.48</b>	<b>(1.22)</b>

*The annexed notes from 1 to 29 form an integral part of these financial statements.*

**Chief Executive**

**Director**

**INVESTMENT MANAGERS SECURITIES (PRIVATE) LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

Note	Rupees Dec 31, 2019	Rupees June 30, 2019
<b>Loss after taxation</b>	<b>9,607,771</b>	<b>(24,333,489)</b>
<b><u>Other comprehensive income</u></b>		
Loss on remeasurement of investment at fair value - through other comprehensive income	(3,243,582)	(7,298,060)
<b>Total comprehensive loss for the year</b>	<b>6,364,189</b>	<b>(31,631,549)</b>

*The annexed notes from 1 to 29 form an integral part of these financial statements.*

**Chief Executive**

**Director**

**INVESTMENT MANAGERS SECURITIES (PRIVATE) LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

	<i>Reserves</i>				<b>Total</b>
	<b>Issued, subscribed &amp; paid up capital</b>	<b>Unappropriated loss</b>	<b>Unrealised gain on remeasurement of investment at fair value-through other comprehensive income</b>	<b>Sub Total</b>	
	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	
<b>Balance as at June 30, 2018</b>	<b>200,004,000</b>	<b>(72,747,766)</b>	<b>10,541,642</b>	<b>(62,206,124)</b>	<b>137,797,876</b>
Loss for the year	-	(24,333,488)	-	<b>(24,333,488)</b>	<b>(24,333,488)</b>
Loss on remeasurement of investment - At fair value - through other comprehensive income	-	-	(7,298,060)	<b>(7,298,060)</b>	<b>(7,298,060)</b>
<b>Balance as at June 30, 2019</b>	<b>200,004,000</b>	<b>(97,081,254)</b>	<b>3,243,582</b>	<b>(93,837,672)</b>	<b>106,166,328</b>
Loss for the year	-	9,607,771	-	9,607,771	<b>9,607,771</b>
Loss on remeasurement of investment at fair value - through other comprehensive income	-	-	(3,243,582)	<b>(3,243,582)</b>	<b>(3,243,582)</b>
<b>Balance as at December 31, 2019</b>	<b>200,004,000</b>	<b>(87,473,484)</b>	<b>-</b>	<b>(87,473,484)</b>	<b>112,530,516</b>

*The annexed notes from 1 to 29 form an integral part of these financial statements.*

Chief Executive

Director

**INVESTMENT MANAGERS SECURITIES (PRIVATE) LIMITED**  
**NOTES TO THE ACCOUNTS**

**4 PROPERTY AND EQUIPMENT**

	Office equipments	Computer equipments	Furniture & fixtures	Total
	<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, 2019</b>				
Opening net book value (NBV)	400,118	83,921	1,323,479	<b>1,807,519</b>
Additions (at cost)	14,715	-	-	<b>14,715</b>
Disposals (at NBV)	-	-	-	-
Depreciation charge	(31,112)	(12,588)	(99,261)	<b>(142,962)</b>
Closing net book value (NBV)	<b>383,721</b>	<b>71,333</b>	<b>1,224,218</b>	<b>1,679,272</b>
<b><u>Gross carrying value basis</u></b>				
<b>As at December 31, 2019</b>				
Cost	1,112,815	1,102,306	3,311,875	<b>5,526,996</b>
Accumulated depreciation	(729,094)	(1,030,973)	(2,087,657)	<b>(3,847,725)</b>
<b>Net book value (NBV)</b>	<b>383,721</b>	<b>71,333</b>	<b>1,224,218</b>	<b>1,679,272</b>
<b><u>Net carrying value basis</u></b>				
<b>Year ended June 30, 2019</b>				
Opening net book value (NBV)	378,927	109,287	1,557,034	<b>2,045,249</b>
Additions (at cost)	91,800	10,600	-	<b>102,400</b>
Disposals (at NBV)	-	-	-	-
Depreciation charge	(70,609)	(35,966)	(233,555)	<b>(340,130)</b>
Closing net book value (NBV)	<b>400,118</b>	<b>83,921</b>	<b>1,323,479</b>	<b>1,807,519</b>
<b><u>Gross carrying value basis</u></b>				
<b>As at June 30, 2019</b>				
Cost	1,098,100	1,102,306	3,311,875	<b>5,512,281</b>
Accumulated depreciation	(697,982)	(1,018,385)	(1,988,396)	<b>(3,704,763)</b>
<b>Net book value (NBV)</b>	<b>400,118</b>	<b>83,921</b>	<b>1,323,479</b>	<b>1,807,519</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 Dec 31, 2019	Rupees June 30, 2019
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**5 INTANGIBLE ASSET**

Trading Right Entitlement Certificate - Pakistan Stock Exchange Limited	5.1	<u>2,500,000</u>	<u>2,500,000</u>
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- 5.1 This represents Trading Right Entitlement Certificate (TREC) received from Pakistan Stock Exchange Limited (PSX) in accordance with the requirements of the Stock Exchanges (Corporatization, Demutualization and Integration) Act, 2012 (The Act). The Company has also received shares of PSX after completion of the demutualization process.

**6 LONG TERM INVESTMENT**

**Quoted**

**At fair value through other comprehensive income**

Investment in shares of Pakistan Stock Exchange Limited		14,055,522	21,353,582
Transfer to short term investment		-	-
		<b>14,055,522</b>	<b>21,353,582</b>
Loss on remeasurement of investment at fair value - through other comprehensive income		(14,055,522)	(7,298,060)
	6.1	<u>-</u>	<u>14,055,522</u>

- 6.1 This represents the investment in ordinary shares of Pakistan Stock Exchange Limited (PSX) received by the Company in pursuance of the promulgation of Stock Exchanges (Corporatization, Demutualization and Integration) Act, 2012. Due to restriction on sale, 1,081,194 shares has been classified as long term investments.

**7 LONG TERM DEPOSITS**

Pakistan Stock Exchange Limited		300,000	300,000
National Clearing Company of Pakistan Limited		1,200,000	1,200,000
Central Depository Company of Pakistan Limited		100,000	100,000
Other deposits		6,000	6,000
Base minimum Capital		5,400,000	2,000,000
		<b>7,006,000</b>	<b>3,606,000</b>

**8 SHORT TERM INVESTMENT**

**Investments at fair values through profit & loss**

Listed equity securities		17,594,807	10,304,726
Unrealised (loss) / gain on remeasurement of investment at fair value - through profit or loss		10,198,766	(3,521,859)
<b>Market value</b>	<b>8.1</b>	<u><b>27,793,573</b></u>	<u><b>6,782,867</b></u>

**INVESTMENT MANAGERS SECURITIES (PRIVATE) LIMITED**  
**NOTES TO THE ACCOUNTS**

Notes	Rupees Dec 31, 2019	Rupees June 30, 2019
<b>8.1</b>	<b>31 Dec 2019</b>	<b>June 30, 2019</b>
	<i>Number of shares</i>	<i>Market value in rupees</i>
	1,602,953	521,759
	782,000	-
	<b>2,384,953</b>	<b>521,759</b>
	PSX	PAKISTAN STOCK EXCHANGE
	20,004,853	6,782,867
	7,788,720	-
	<b>27,793,573</b>	<b>6,782,867</b>
	STCL	SHABBIR TILES & CERAMICS LTD
<b>9</b>	<b><u>TRADE RECEIVABLES</u></b>	
Considered good	44,529,367	33,004,124
Considered doubtful	-	-
	<b>44,529,367</b>	<b>33,004,124</b>
Allowance for expected credit loss	9.1 (20,898,777)	(20,898,777)
	<b>23,630,590</b>	<b>12,105,347</b>
From clearing house	2,284,095	6,899,654
	<b>25,914,685</b>	<b>19,005,001</b>
<b>9.1</b>	<b>Allowance for expected credit loss</b>	
Opening balance	-	-
Allowance for expected credit loss	9.1.1 20,898,777	20,898,777
Closing balance	<b>20,898,777</b>	<b>20,898,777</b>
<b>9.1.1</b>	<b>Aging analysis</b>	
Upto 90 days	-	20,042,930
More than 90 but upto 180 days	-	247,698
More than 180 but upto 360 days	-	316,522
More than 360 days	-	12,397,828
	<b>-</b>	<b>33,004,978</b>
<b>9.2</b>	<b>-</b>	<b>180,118,867</b>
<b>9.3</b>	<b>-</b>	<b>-</b>
<b>9.4</b>	<b>-</b>	<b>-</b>
<b>9.5</b>	<i>The securities are valued using market rate at the year end</i>	
<b>9.6</b>	Allowance for expected credit loss is calculated on the basis of aging analysis more than 360 days and unsecured balances which ever is	
<b>10</b>	<b><u>ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES</u></b>	
Exposure deposit	10.1 26,712,764	38,609,980
Advance payment of tax	19,005,046	18,786,627
Advance to staff	222,500	255,830
Advance to others	183,330	44,964
Other receivables	34,960	612,701
	<b>46,158,600</b>	<b>58,310,102</b>
<b>10.1</b>	This represents deposit with National Clearing Company of Pakistan Limited against the exposure margin in respect of trade in future and ready market. These deposits carry profit at rates ranging from 3.5% to 9.35% (30 June 2018: 2.75% to 3.6%) per annum.	
<b>11</b>	<b><u>CASH AND BANK BALANCES</u></b>	
Cash in hand	19,970	10,000
Cash at Bank		
<i>in savings accounts</i>	11.1 & 11.2 21,258,560	3,891,856
	<b>21,278,530</b>	<b>3,901,856</b>

**INVESTMENT MANAGERS SECURITIES (PRIVATE) LIMITED**  
**NOTES TO THE ACCOUNTS**

Notes	Rupees Dec 31, 2019	Rupees June 30, 2019
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11.1 The return on these balances is 5% to 9% (2018: 3.75% to 4.6% ) per annum on daily product basis.

11.2 **Bank balance pertains to:**

Clients	19,438,774	3,491,651
Brokerage House	1,819,786	400,205
	<b>21,258,560</b>	<b>3,891,856</b>

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

Number of shares				
2019	2018			
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>

12.1 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.

13 **ACCRUED EXPENSES & OTHER LIABILITIES**

Accrued expenses	-	337,890
Other liabilities	409,801	20,007
	<b>409,801</b>	<b>357,897</b>

14 **CONTINGENCIES AND COMMITMENTS**

14.1 Penalty of Rs. 300,000/- have been imposed by SECP due to non submission of quarterly financial reports. The company has approached Appellate Bench for waiver of penalty and expecting favourable outcome

14.2 There are no commitments as on December 31, 2019 (June 30, 2019: Nil).

15 **OPERATING REVENUE**

Brokerage Commission including sales tax on services	3,641,405	14,712,467
Less: Sales tax on services	-	(1,623,587)
Net brokerage commission excluding sales tax on services	<b>3,641,405</b>	<b>13,088,880</b>
Dividend income	-	-
	<b>3,641,405</b>	<b>13,088,880</b>

15.1 **Brokerage Income - net of sales tax**

**Equity brokerage**

- Institutional customers	-	1,171,661
- Retail clients	-	11,917,219
	<b>-</b>	<b>13,088,880</b>



**INVESTMENT MANAGERS SECURITIES (PRIVATE) LIMITED**  
**NOTES TO THE ACCOUNTS**

Notes	Rupees Dec 31, 2019	Rupees June 30, 2019
<b>16 ADMINISTRATIVE EXPENSES</b>		
Directors' remuneration	2,100,000	4,800,000
Salaries, wages and other benefits	979,100	2,317,550
Rent, rates and taxes	289,928	501,868
Repair and maintenance	157,345	648,756
Telephone and communication charges	160,832	129,307
Service and transaction charges	899,780	1,817,323
Utility charges	170,250	255,027
Computer, software and I.T.expenses	115,260	439,894
Entertainment	323,150	501,580
Dealers' expenses & benefits	1,174,371	6,431,469
Fees and subscriptions	207,400	158,450
Postage and courier	1,440	2,250
Printing and stationery	39,620	93,240
Vehicle running expenses	74,000	175,580
Generator expenses	7,508	30,677
Auditors' remuneration	-	230,000
Allowance for expected credit loss	-	20,898,777
Depreciation	142,962	340,130
Other expenses	177,140	140,464
	<b>7,020,085</b>	<b>39,912,341</b>

**16.1 Remuneration of Chief Executive and Director**

	2019		2018	
	Chief Executive	Director	Chief Executive	Director
Managerial remuneration	1,200,000	3,600,000	1,200,000	3,600,000
Medical allowance	-	-	-	-
Fees	-	-	-	-
Bonus	-	-	-	-
Housing and utilities	-	-	-	-
	<b>1,200,000</b>	<b>3,600,000</b>	<b>1,200,000</b>	<b>3,600,000</b>
Number of persons (including those who worked part of the year)	<b>1</b>	<b>3</b>	<b>1</b>	<b>3</b>

**16.2 Auditors' remuneration**

**Audit services**

Annual audit fee	-	110,000
Certifications	-	70,000
	<b>-</b>	<b>180,000</b>

**Non-audit services**

Other services	-	50,000
	<b>-</b>	<b>50,000</b>
	<b>-</b>	<b>230,000</b>

**17 FINANCE COST**

Bank charges	5,707	10,075
	<b>5,707</b>	<b>10,075</b>

**INVESTMENT MANAGERS SECURITIES (PRIVATE) LIMITED**  
**NOTES TO THE ACCOUNTS**

Notes	Rupees Dec 31, 2019	Rupees June 30, 2019
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**18 OTHER INCOME**

**From financial assets**

Profit on exposure deposit

Profit on savings accounts

Profit on PSX retention money

IPO commission

1,213,325	3,333,818
956,745	2,705,961
-	-
-	-
<b>2,170,070</b>	<b>6,039,779</b>

**From non-financial assets**

Cost recoveries

623,323	542,628
<b>623,323</b>	<b>542,628</b>

<b>2,793,392</b>	<b>6,582,407</b>
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**19 TAXATION**

Current

Prior

-	(1,092,459)
-	-
-	<b>(1,092,459)</b>

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

(Loss) / profit before taxation

Tax at the applicable tax rate of 29% (2018: 30%)

Tax effect of income taxed at lower tax rates

Effect of minimum tax

Tax effect of prior year

Tax effect of non deductible expenses

Others

<b>9,607,771</b>	<b>(23,773,001)</b>
-	(6,894,171)
-	(497,496)
-	49,434
-	-
-	6,881,381
-	1,021,339
<b>-</b>	<b>560,487</b>

**19.2** The income tax returns of the Company have been filed up to tax year 2018 under the Universal Self Assessment Scheme. This scheme provides that the return filed is deemed to be an assessment order. The returns may be selected for audit within five years. The Income Tax Commissioner may amend assessment if any objection is raised during audit.

**20 LOSS PER SHARE - BASIC & DILUTED**

**20.1 Basic loss per share**

Loss after taxation

Number of shares issued up to the end of the year

9,607,771	(24,333,488)
20,000,400	20,000,400
<b>0.48</b>	<b>(1.22)</b>

**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, 2019 which would have any effect on the earnings per share if the option to convert is exercised.