

INVESTMENT MANAGERS SECURITIES (PRIVATE) LIMITED
FINANCIAL STATEMENTS
FOR THE PERIOD ENDED DECEMBER 31, 2020

INVESTMENT MANAGERS SECURITIES (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2020

| | Note | Rupees December 2020 | Rupees June 2020 |
|---|------|-------------------------|---------------------|
| <u>ASSETS</u> | | | |
| <u>NON-CURRENT ASSETS</u> | | | |
| Property and equipment | 4 | 3,188,982 | 1,536,311 |
| Intangible assets | 5 | 2,500,000 | 2,500,000 |
| Long term advances and deposits | 6 | 5,706,000 | 5,706,000 |
| | | 11,394,982 | 9,742,311 |
| <u>CURRENT ASSETS</u> | | | |
| Trade debts | 7 | 16,309,732 | 2,482,884 |
| Advances, deposits, pre-payments & other receivables | 8 | 49,261,208 | 41,735,006 |
| Short term investment | 9 | 23,755,763 | 15,869,235 |
| Cash & bank balances | 10 | 15,799,066 | 48,601,266 |
| | | 105,125,769 | 108,688,391 |
| TOTAL ASSETS | | 116,520,751 | 118,430,702 |
| <u>EQUITY AND LIABILITIES</u> | | | |
| <u>CAPITAL AND RESERVES</u> | | | |
| <u>Authorised Capital</u> | | | |
| 15,000,000 (2019: 15,000,000) ordinary shares of Rs.10/- each | | 150,000,000 | 150,000,000 |
| Issued, subscribed & paid-up capital | 11 | 200,004,000 | 200,004,000 |
| Reserves | | (85,647,305) | (96,711,530) |
| | | 114,356,695 | 103,292,470 |
| <u>LIABILITIES</u> | | | |
| <u>CURRENT LIABILITIES</u> | | | |
| Trade payables | | 1,844,210 | 12,618,519 |
| Accrued expenses & other liabilities | 12 | 319,846 | 2,519,713 |
| | | 2,164,056 | 15,138,232 |
| CONTINGENCIES AND COMMITMENTS | 13 | - | - |
| TOTAL EQUITY AND LIABILITIES | | 116,520,751 | 118,430,702 |

Chief Executive

Director

INVESTMENT MANAGERS SECURITIES (PRIVATE) LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE PERIOD ENDED DECEMBER 31, 2020

| | Note | Rupees December 2020 | Rupees June 2020 |
|--|-------------|---------------------------------|-----------------------------|
| Operating revenue | 14 | 6,747,007 | 7,222,525 |
| Capital gain on sale of securities | | - | 30,229 |
| Unrealised gain / (loss) on remeasurement of investment at fair value - through profit or loss | | 2,567,054 | (1,653,531) |
| | | 9,314,061 | 5,599,223 |
| Administrative and operating expenses | 15 | (6,518,690) | (14,072,834) |
| Finance cost | 16 | (6,870) | (12,775) |
| | | (6,525,559) | (14,085,609) |
| Operating profit / (loss) | | 2,788,502 | (8,486,386) |
| Other income | 17 | 2,956,250 | 9,203,146 |
| Profit before taxation | | 5,744,751 | 716,760 |
| Taxation | 18 | - | (238,914) |
| Profit after taxation | | 5,744,751 | 477,845 |
| Earnings per share - basic and diluted | 19 | 0.29 | 0.02 |

Chief Executive

Director

INVESTMENT MANAGERS SECURITIES (PRIVATE) LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED DECEMBER 31, 2020

| Note | Rupees December 2020 | Rupees June 2020 |
|--|-------------------------|---------------------|
| Profit after taxation | 5,744,751 | 477,845 |
| <u>Other comprehensive income / (loss) for the period</u> | | |
| Items that will not be reclassified to statement of profit or loss subsequently | | |
| Unrealised gain / (loss) on remeasurement of investment - At fair value - through other comprehensive income | 5,319,474 | (3,351,701) |
| Total comprehensive income / (loss) for the period | 11,064,225 | (2,873,856) |

Chief Executive

Director

INVESTMENT MANAGERS SECURITIES (PRIVATE) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED DECEMBER 31, 2020

| | <i>Reserves</i> | | | Sub Total | Total |
|--|--------------------------------------|--------------------------------|---|---------------------|--------------------|
| | Issued, subscribed & paid up capital | Unappropriated profit / (loss) | Unrealised gain on remeasurement of investment at fair value-through other comprehensive income | | |
| | <i>Rupees</i> | <i>Rupees</i> | <i>Rupees</i> | <i>Rupees</i> | <i>Rupees</i> |
| Balance as at June 30, 2019 | 200,004,000 | (97,081,255) | 3,243,582 | (93,837,673) | 106,166,327 |
| Loss for the year | - | 477,845 | - | 477,845 | 477,845 |
| Loss on remeasurement of investment at fair value - through other comprehensive income | - | - | (3,351,701) | (3,351,701) | (3,351,701) |
| Balance as at June 30, 2020 | 200,004,000 | (96,603,411) | (108,119) | (96,711,530) | 103,292,470 |
| Profit for the period | - | 5,744,751 | - | 5,744,751 | 5,744,751 |
| Loss on remeasurement of investment at fair value - through other comprehensive income | - | - | 5,319,474 | 5,319,474 | 5,319,474 |
| Balance as at December 31, 2020 | 200,004,000 | (90,858,660) | 5,211,355 | (85,647,305) | 114,356,695 |

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> |
| <u>Net carrying value basis</u> | | | | |
| Period ended December 31, 2020 | | | | |
| Opening net book value (NBV) | 352,608 | 58,745 | 1,124,957 | 1,536,311 |
| Additions (at cost) | 5,500 | - | 1,910,500 | 1,916,000 |
| Disposals (at NBV) | - | - | - | - |
| Depreciation charge | (26,858) | (8,812) | (227,659) | (263,329) |
| Closing net book value (NBV) | 331,250 | 49,934 | 2,807,798 | 3,188,982 |
| <u>Gross carrying value basis</u> | | | | |
| As at December 31, 2020 | | | | |
| Cost | 1,118,315 | 1,102,306 | 5,222,375 | 7,442,997 |
| Accumulated depreciation | (787,065) | (1,052,373) | (2,414,577) | (4,254,015) |
| Net book value (NBV) | 331,250 | 49,934 | 2,807,798 | 3,188,982 |
| <u>Net carrying value basis</u> | | | | |
| Year ended June 30, 2020 | | | | |
| Opening net book value (NBV) | 400,118 | 83,921 | 1,323,479 | 1,807,519 |
| Additions (at cost) | 14,715 | - | - | 14,715 |
| Disposals (at NBV) | - | - | - | - |
| Depreciation charge | (62,225) | (25,176) | (198,522) | (285,923) |
| Closing net book value (NBV) | 352,608 | 58,745 | 1,124,957 | 1,536,311 |
| <u>Gross carrying value basis</u> | | | | |
| As at June 30, 2020 | | | | |
| Cost | 1,112,815 | 1,102,306 | 3,311,875 | 5,526,997 |
| Accumulated depreciation | (760,207) | (1,043,561) | (2,186,918) | (3,990,686) |
| Net book value (NBV) | 352,608 | 58,745 | 1,124,957 | 1,536,311 |
| Annual rates of depreciation (%) | 15 | 30 | 15 | |

INVESTMENT MANAGERS SECURITIES (PRIVATE) LIMITED
NOTES TO THE ACCOUNTS

| Note | Rupees December 2020 | Rupees June 2020 |
|------|-------------------------|---------------------|
|------|-------------------------|---------------------|

5 INTANGIBLE ASSETS

| | | | |
|--|-----|------------------|------------------|
| Trading Right Entitlement Certificates - Pakistan Stock Exchange Limited | 5.1 | 2,500,000 | 2,500,000 |
| | | 2,500,000 | 2,500,000 |

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. TREC has been recognized at cost less accumulated impairment losses.

6 LONG TERM ADVANCES AND 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 | 4,100,000 | 4,100,000 |
| | 5,706,000 | 5,706,000 |

7 TRADE RECEIVABLES

| | | |
|------------------------------------|-------------------|------------------|
| Considered good | 30,470,128 | 19,331,210 |
| Doubtful | - | - |
| | 30,470,128 | 19,331,210 |
| Allowance for expected credit loss | 7.1 (18,161,176) | (18,161,176) |
| | 12,308,952 | 1,170,034 |
| From clearing house | 4,000,780 | 1,312,850 |
| | 16,309,732 | 2,482,884 |

7.1 Allowance for expected credit loss

| | | |
|---|---|-------------------|
| Opening balance | - | 20,898,777 |
| Reversal / Allowance for expected credit loss | - | (2,737,601) |
| Closing balance | - | 18,161,176 |

8 ADVANCES, DEPOSITS, PRE-PAYMENTS & OTHER RECEIVABLES

| | | |
|------------------------|-------------------|-------------------|
| Exposure deposit | 44,500,000 | 22,109,980 |
| Advance payment of tax | 4,397,878 | 19,061,340 |
| Advance to staff | 363,330 | 480,830 |
| Other receivables | - | 82,856 |
| | 49,261,208 | 41,735,006 |

INVESTMENT MANAGERS SECURITIES (PRIVATE) LIMITED
NOTES TO THE ACCOUNTS

| Note | Rupees December 2020 | Rupees June 2020 |
|------|-------------------------|---------------------|
|------|-------------------------|---------------------|

9 SHORT TERM INVESTMENT

Investments at fair values through profit & loss

| | | |
|---|------------------|------------------|
| Listed equity securities | 5,165,414 | 6,818,945 |
| Unrealised gain on remeasurement of investment at fair value - through profit or loss | 2,567,054 | (1,653,531) |
| Market value | 7,732,468 | 5,165,414 |

Investments at fair values through other comprehensive income

| | | |
|---|-------------------|-------------------|
| Shares of Pakistan Stock Exchange Limited | 10,703,821 | 14,055,522 |
| Unrealised gain / (loss) on remeasurement of investment | 5,319,474 | (3,351,701) |
| Market value | 16,023,295 | 10,703,821 |
| GRAND TOTAL | 23,755,763 | 15,869,235 |

10 CASH AND BANK BALANCES

| | | |
|-----------------------|-------------------|-------------------|
| Cash in hand | 10,000 | 10,000 |
| Cash at bank | | |
| - in current accounts | 15,789,066 | 48,591,266 |
| - in savings accounts | - | - |
| | 15,789,066 | 48,591,266 |
| | 15,799,066 | 48,601,266 |

11 ISSUED, SUBSCRIBED AND PAID UP CAPITAL

Ordinary Shares of Rs. 10 /- each

| Dec 2020 | June 2020 | | Dec 2020 | June 2020 |
|-------------------|-------------------|---|--------------------|--------------------|
| 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 |
| 20,000,400 | 20,000,400 | | 200,004,000 | 200,004,000 |

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.

INVESTMENT MANAGERS SECURITIES (PRIVATE) LIMITED
NOTES TO THE ACCOUNTS

| Note | Rupees December 2020 | Rupees June 2020 |
|------|-------------------------|---------------------|
|------|-------------------------|---------------------|

12 ACCRUED EXPENSES AND OTHER LIABILITIES

| | | |
|---------------------------|----------------|------------------|
| Accrued expenses | 24,961 | 128,710 |
| Other liabilities | 2,170 | 292,356 |
| Dealer commission payable | 167,612 | 2,024,000 |
| Sindh Sales tax payable | 125,103 | 74,647 |
| | 319,846 | 2,519,713 |

13 CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments as at June 30, 2020 (2019:Nil).

14 OPERATING REVENUE

| | | |
|--|------------------|------------------|
| Brokerage Commission including sales tax on services | 7,624,118 | 8,161,453 |
| Less: Sales tax on services | (877,111) | (938,928) |
| Net brokerage commission excluding sales tax on services | 6,747,007 | 7,222,525 |
| | 6,747,007 | 7,222,525 |

15 ADMINISTRATIVE AND OPERATING EXPENSES

| | | |
|-------------------------------------|------------------|-------------------|
| Directors' remuneration | - | 2,700,000 |
| Salaries, wages and other benefits | 1,626,100 | 2,196,950 |
| Rent, rates and taxes | 289,892 | 670,256 |
| Repair and maintenance | 551,100 | 244,695 |
| Telephone and communication charges | 83,920 | 174,124 |
| Service and transaction charges | 1,980,242 | 2,133,053 |
| Utility charges | 217,717 | 263,193 |
| Computer, software and I.T.expenses | 274,842 | 373,920 |
| Entertainment | 446,555 | 499,915 |
| Dealers' expenses & benefits | 162,597 | 3,626,704 |
| Fees and subscriptions | 34,100 | 184,570 |
| Postage and courier | 2,130 | 3,730 |
| Printing and stationery | 70,995 | 61,740 |
| Vehicle running and travelling | 133,080 | 157,760 |
| Generator expenses | 20,822 | 12,725 |
| Auditors' remuneration | 128,489 | 285,000 |
| Allowance for expected credit loss | - | - |
| Depreciation | 263,329 | 285,923 |
| Other expenses | 232,780 | 198,577 |
| | 6,518,690 | 14,072,834 |

INVESTMENT MANAGERS SECURITIES (PRIVATE) LIMITED
NOTES TO THE ACCOUNTS

| Note | Rupees December 2020 | Rupees June 2020 |
|---|---------------------------------|-----------------------------|
| 16 <u>FINANCE COSTS</u> | | |
| Bank charges | 6,870 | 12,775 |
| | 6,870 | 12,775 |
| 17 <u>OTHER INCOME</u> | | |
| Profit on exposure deposit | 648,376 | 2,921,430 |
| Profit on savings accounts | 956,279 | 2,214,859 |
| Recoveries | 1,351,595 | 1,329,256 |
| Reversal of expected credit loss | - | 2,737,601 |
| | 2,956,250 | 9,203,146 |
| | 2,956,250 | 9,203,146 |
| 18 <u>TAXATION</u> | | |
| Current | - | 238,914 |
| Prior | - | - |
| | - | 238,914 |
| 19 <u>EARNINGS PER SHARE - BASIC AND DILUTED</u> | | |
| 19.1 <u>Basic earnings per share</u> | | |
| Profit after taxation | 5,744,751 | 477,845 |
| Number of shares issued up to the end of the year | 20,000,400 | 20,000,400 |
| | 0.29 | 0.02 |

19.2 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, 2020 which would have any effect on the earnings per

Chief Executive

Director