

PRIME SECURITIES (PRIVATE) LIMITED
FINANCIAL STATEMENTS
FOR THE PERIOD ENDED DECEMBER 31, 2022

PRIME SECURITIES (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2022

	Note	Dec 31,2022 Rupees	June 30,2022 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	4	71,907	77,470
Intangible assets	5	2,750,000	2,750,000
Long term deposits	6	7,100,000	7,100,000
		9,921,907	9,927,470
CURRENT ASSETS			
Short term investments	7	12,951,860	16,398,210
Trade receivables	8	1,416,803	715,436
Advances, deposits, pre-payments and other receivables	9	53,131,489	54,439,388
Cash & bank balance	10	25,405,415	41,811,944
		92,905,568	113,364,978
TOTAL ASSETS		102,827,475	123,292,448
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Authorized Capital			
6,000,000 (2022: 6,000,000) ordinary shares of Rs. 10/- each		60,000,000	60,000,000
Issued, subscribed and paid-up capital			
Reserves	11	56,000,000	56,000,000
		24,083,502	28,814,808
		80,083,502	84,814,808
LIABILITIES			
CURRENT LIABILITIES			
Trade payable	12	22,471,676	38,316,140
Accrued expenses & other liabilities		272,297	161,500
		22,743,973	38,477,640
CONTINGENCIES AND COMMITMENTS	13	-	-
TOTAL EQUITY AND LIABILITIES		102,827,475	123,292,448

The annexed notes from 1 to 19 form an integral part of these financial statements.

Chief Executive

Director

PRIME SECURITIES (PRIVATE) LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE PERIOD ENDED DECEMBER 31, 2022

Note	Dec 31,2022 Rupees	June 30,2022 Rupees
REVENUE		
Operating revenue	14 923,295	3,711,176
Unrealised loss on remeasurement of investment at fair value - through profit or loss	(1,121,782)	(6,302,848)
	(198,487)	(2,591,672)
Administrative expenses	15 (3,797,869)	(9,320,050)
Finance cost	16 (4,406)	(10,080)
	(3,802,275)	(9,330,130)
Operating loss	(4,000,763)	(11,921,802)
Other income	17 1,594,024	1,799,387
Loss before taxation	(2,406,739)	(10,122,415)
Taxation	18 -	(112,964)
Loss after taxation	(2,406,739)	(10,235,379)
Loss per share- basic and diluted	19 (0.43)	(1.83)

The annexed notes from 1 to 19 form an integral part of these financial statements.

Chief Executive

Director

PRIME SECURITIES (PRIVATE) LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED DECEMBER 31, 2022

	Note	Dec 31,2022 Rupees	June 30,2022 Rupees
Loss after taxation		(2,406,739)	(10,235,379)
<u>Other comprehensive loss</u>			
Items that will not be reclassified to statement of profit or loss subsequently			
Unrealised loss on remeasurement of investment - At fair value - through other comprehensive income		(2,324,567)	(13,060,823)
Total comprehensive loss		(4,731,306)	(23,296,203)

The annexed notes from 1 to 19 form an integral part of these financial statements.

Chief Executive

Director

PRIME SECURITIES (PRIVATE) LIMITED
CASH FLOW STATEMENT
FOR THE PERIOD ENDED DECEMBER 31, 2022

Note	Dec 31,2022 Rupees	June 30,2022 Rupees
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CASH FLOWS FROM OPERATING ACTIVITIES

Loss before taxation (2,406,739) (10,122,415)

Add : Items not involved in movement of fund:

Depreciation	5,563	13,358
Unrealised loss on remeasurement of investment at fair value - through profit or loss	1,121,782	6,302,848
Finance cost	4,406	10,080

Operating profit before working capital changes, financial charges and taxes
(1,274,987) (3,796,129)

Net change in working capital (a) **(15,127,136)** **31,941,566**
(16,402,123) **28,145,437**

Taxes paid - (172,207)
Finance cost (4,406) (10,080)

Net cash generated (used in) / from operating activities **(16,406,529)** **27,963,150**

CASH FLOWS FROM INVESTING ACTIVITIES

Net cash used in investing activities - -

CASH FLOWS FROM FINANCING ACTIVITIES

Net cash used in financing activities - -

Net decrease in cash and cash equivalents **(16,406,529)** **27,963,150**

Cash and cash equivalent at beginning of the period 41,811,944 13,848,794

Cash and cash equivalent at end of the period 10 **25,405,415** **41,811,944**

(a) Statement of change in working capital

(Increase) / decrease in current assets

Trade receivables	(701,367)	210,463
Advances, deposits, pre-payments and other receivables	1,307,899	1,874,100
	606,531	2,084,563

Increase / (decrease) in current liabilities

Trade payables	(15,844,464)	31,733,586
Accrued expenses & other liabilities	110,797	(1,876,583)
	(15,733,667)	29,857,003

Net change in working capital **(15,127,136)** **31,941,566**

The annexed notes from 1 to 19 form an integral part of these financial statements.

Chief Executive

Director

PRIME SECURITIES (PRIVATE) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED DECEMBER 31, 2022

	<i>Reserves</i>				
	Issued, subscribed & paid up capital	Unappropriated profit	Unrealised gain on remeasurement of investment at fair value-through other comprehensive income	Sub Total	Total
	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>
Balance as at June 30, 2021	56,000,000	38,801,510	13,309,498	52,111,009	108,111,009
Loss for the year	-	(10,235,379)	-	(10,235,378)	(10,235,378)
Loss on remeasurement of investment at fair value - through other comprehensive income	-	-	(13,060,823)	(13,060,823)	(13,060,823)
Balance as at June 30, 2022	56,000,000	28,566,131	248,675	28,814,808	84,814,809
Loss for the period	-	(2,406,739)	-	(2,406,739)	(2,406,739)
Loss on remeasurement of investment at fair value - through other comprehensive income	-	-	(2,324,567)	(2,324,567)	(2,324,567)
Balance as at December 31,2022	56,000,000	26,159,392	(2,075,892)	24,083,502	80,083,503

The annexed notes from 1 to 19 form an integral part of these financial statements.

Chief Executive

Director

PRIME SECURITIES (PRIVATE) LIMITED
NOTES TO THE ACCOUNTS

4 PROPERTY AND EQUIPMENT

Net carrying value basis

Period ended December 31, 2022

	Office renovation	Office equipments	Computer	Furniture & fixture	Total
	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)
Opening net book value (NBV)	27,716	38,853	5,944	4,956	77,470
Additions (at cost)	-	-	-	-	-
Disposals (at NBV)	-	-	-	-	-
Depreciation charge	(1,386)	(2,914)	(891)	(372)	(5,563)
Closing net book value (NBV)	26,330	35,939	5,053	4,585	71,907

Gross carrying value basis

As at December 31, 2022

Cost	205,180	375,450	1,374,231	99,710	2,054,571
Accumulated depreciation	(178,850)	(339,511)	(1,369,178)	(95,125)	(1,982,664)
Net book value (NBV)	26,330	35,939	5,053	4,585	71,907

Net carrying value basis

Year ended June 30, 2022

Opening net book value (NBV)	30,796	45,709	8,492	5,831	90,828
Additions (at cost)	-	-	-	-	-
Disposals (at NBV)	-	-	-	-	-
Depreciation charge	(3,080)	(6,856)	(2,548)	(875)	(13,358)
Closing net book value (NBV)	27,716	38,853	5,944	4,956	77,470

Gross carrying value basis

As at June 30, 2022

Cost	205,180	375,450	1,374,231	99,710	2,054,571
Accumulated depreciation	(177,464)	(336,597)	(1,368,287)	(94,754)	(1,977,102)
Net book value (NBV)	27,716	38,853	5,944	4,956	77,470

Depreciation Rates (%)

10	15	30	15
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PRIME SECURITIES (PRIVATE) LIMITED
NOTES TO THE ACCOUNTS

Note	Dec 31,2022 Rupees	June 30,2022 Rupees
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5 INTANGIBLE ASSETS

Trading Right Entitlement Certificate - Pakistan Stock Exchange Limited	5.1	2,500,000	2,500,000
Membership card - Pakistan Mercantile Exchange Limited		250,000	250,000
		2,750,000	2,750,000

- 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 DEPOSITS & ADVANCES

National Clearing Company of Pakistan Limited	1,400,000	1,400,000
Central Depository Company of Pakistan Limited	100,000	100,000
Advance against purchase of office in Pakistan Mercantile Exchange Limited	2,500,000	2,500,000
Pakistan Mercantile Exchange Limited	750,000	750,000
Deposit against Base Minimum Capital Requirement	2,350,000	2,350,000
	7,100,000	7,100,000

7 SHORT TERM INVESTMENT

Investments at fair values through profit & loss

Listed equity securities	5,337,595	11,640,443
Unrealized loss on remeasurement of investment at market value	(1,121,782)	(6,302,848)
Market value	4,215,813	5,337,595

Investments at fair values through other comprehensive income

Shares of Pakistan Stock Exchange Limited	11,060,615	24,121,438
Unrealized loss on remeasurement of investment at market value	(2,324,567)	(13,060,823)
Market value	8,736,048	11,060,615

GRAND TOTAL

12,951,860	16,398,210
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PRIME SECURITIES (PRIVATE) LIMITED
NOTES TO THE ACCOUNTS

Note	Dec 31,2022 Rupees	June 30,2022 Rupees
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8 TRADE RECEIVABLES

Considered good	1,302,944	619,874
Considered doubtful	-	-
	1,302,944	619,874
Provision for doubtful debts	-	-
	1,302,944	619,874
From clearing house	113,859	95,562
	1,416,803	715,436

9 ADVANCES, DEPOSITS AND OTHER RECEIVABLES

Exposure deposit	9.1	20,000,000	20,000,000
Advance to related parties	9.2	29,500,000	31,000,000
Advance to employees		219,500	182,500
Advance tax		3,299,089	3,169,488
Other receivable		112,900	87,400
		53,131,489	54,439,388

9.1 This represents deposit with National Clearing Company of Pakistan Limited against the exposure margin in respect of trade in future and ready market.

9.2 Advance provided to directors for temporary purpose.

10 CASH & BANK BALANCES

Cash in hand		15,440	69,287
Cash at bank - in current accounts	10.1	25,389,975	41,742,657
		25,405,415	41,811,944

PRIME SECURITIES (PRIVATE) LIMITED
NOTES TO THE ACCOUNTS

Note	Dec 31,2022 Rupees	June 30,2022 Rupees
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10.1 Bank balance pertains to:

Clients	22,471,678	38,316,140
Brokerage House	2,918,298	3,426,517
	25,389,975	41,742,657

11 ISSUED, SUBSCRIBED & PAID-UP-CAPITAL

Number of shares				
Dec 31,2022	Jun 30,2022			
5,600,000	5,600,000	Ordinary shares of Rs. 10 each fully paid in cash	56,000,000	56,000,000
-	-	Ordinary shares of Rs. 10 each issued for consideration other than cash.	-	-
5,600,000	5,600,000		56,000,000	56,000,000

- 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.

12 ACCRUED EXPENSES & OTHER LIABILITIES

Accrued expenses	10,560	10,705
Other liabilities	139,111	29,708
SST payable	122,626	121,087
	272,297	161,500

13 CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments as on December 31, 2022 (June 30,2022: Nil).

14 OPERATING REVENUE

Brokerage commission including sales tax on services	14.1	1,043,323	3,831,361
Less: Sales tax on services		(120,028)	(440,776)
Net brokerage commission excluding sales tax on services		923,295	3,390,585
Dividend Income		-	320,591
		923,295	3,711,176

PRIME SECURITIES (PRIVATE) LIMITED
NOTES TO THE ACCOUNTS

Note	Dec 31,2022 Rupees	June 30,2022 Rupees
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14.1 Brokerage Income - net of sales tax

Equity brokerage

- Institutional customers
- Retail clients

-	-
923,295	3,390,585
923,295	3,390,585

15 ADMINISTRATIVE EXPENSES

Directors' remuneration	1,500,000	3,000,000
Staff salaries & allowances	888,000	1,657,000
Rent, rates and taxes	96,000	250,000
Telephone and communication charges	32,102	103,200
Utility charges	87,117	117,091
Printing and stationery	4,790	28,200
Computer & software expense	231,364	448,690
Entertainment	173,327	278,675
Fee and subscriptions	78,575	166,990
Postage & courier	18,000	16,880
Auditors' remuneration	162,000	200,000
Vehicle fuel and maintenance	8,300	16,000
Repairs and maintenance	23,500	63,300
Commission expense	-	1,760,295
Legal and professional charges	-	203,800
Service and transaction charges	476,255	974,816
Depreciation	5,563	13,358
Other expenses	12,976	21,755

3,797,869	9,320,050
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PRIME SECURITIES (PRIVATE) LIMITED
NOTES TO THE ACCOUNTS

Note	Dec 31,2022 Rupees	June 30,2022 Rupees
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16 FINANCE COST

Bank charges

4,406	10,080
4,406	10,080

17 OTHER INCOME

Profit on exposure deposit

IPO commission

Recoveries

1,265,476	1,165,158
-	6,535
328,547	627,694
1,594,024	1,799,387

18 TAXATION

Current

Prior

-	112,964
-	-
-	112,964

19 LOSS PER SHARE - BASIC & DILUTED

19.1 Basic loss per share

Loss after taxation

Number of shares

(2,406,739)	(10,235,379)
5,600,000	5,600,000
(0.43)	(1.83)

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 December 31, 2022 which would have any effect on the earnings per share if the option to convert is exercised.