

SALMAN MAJEED SECURITIES (PVT) LIMITED

Statement of Financial Position

As at December 31, 2021

	Note	Dec-21 Rupees	Jun-21 Rupees
ASSETS			
Non-current assets			
Property and equipment	5	70,326	109,955
Intangible assets	6	12,394,008	12,394,008
Long term investments	7	20,533,912	20,533,912
Long term deposits	8	1,500,000	1,500,000
		34,498,246	34,537,875
Current assets			
Trade debts-net	9	5,872,045	2,648,489
Prepayments and advances	10	1,701,557	13,679,156
Cash and bank balances	11	14,924,730	7,883,551
		22,498,331	24,211,196
		56,996,577	58,749,071
EQUITY & LIABILITIES			
Share capital and reserves			
Issued, subscribed and paid-up capital	12	53,249,900	53,249,900
Capital Reserve			
Unrealized surplus / (deficit) on re-measurement of investments measured at FVOCI		12,094,162	12,094,162
Revenue reserve			
Unappropriated profit/loss		(13,909,624)	(14,995,004)
Total equity		51,434,438	50,349,058
Current liabilities			
Trade and other payables	13	5,562,139	8,400,013
Current tax liability	14	-	-
		5,562,139	8,400,013
Contingencies and commitments	15		
		56,996,577	58,749,071

The annexed notes from 1 to 36 form an integral part of these financial statements.


Chief Executive Officer




Director

SALMAN MAJEED SECURITIES (PVT) LIMITED**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended December 31, 2021

6 INTANGIBLE ASSETS

	Note	Dec-21 Rupees	Jun-21 Rupees
Trading Rights Entitlement Certificate ("TREC")	6.1	2,500,000	2,500,000
Membership PMEX		2,500,000	2,500,000
LSE Room Rights		7,394,008	7,394,008
		<u>12,394,008</u>	<u>12,394,008</u>
Impairment	6.2	-	-
		<u>12,394,008</u>	<u>12,394,008</u>

6.1 Pursuant to the Stock Exchange (Corporatization, Demutualization and Integration) Act, 2012, stock exchanges operating as guarantee limited companies were converted to public limited companies. Ownership rights in exchanges were segregated from the right to trade on an exchange. As a result of such demutualization and corporatization, the Company received shares of the relevant exchange and a Trading Rights Entitlement Certificate ("TREC") against its membership card.

The TREC has been recorded as an indefinite-life intangible asset pursuant to the provisions and requirements of IAS 38. As the TREC is not a commonly tradable instrument, the value approved by the Board of Directors of the Pakistan Stock Exchange Limited ("PSX") post-mutualization was used as the initial value of the intangible. The TREC, which has been pledged with the PSX to meet Base Minimum Capital ("BMC") requirements, is assessed for impairment in accordance with relevant approved accounting standards.

6.2 Vide its notice dated November 10, 2017, the PSX revised the notional value of the TREC to PKR 2.5 million. As a result, the Company recognized an impairment loss on the TREC in the amount of PKR 2.5 million in fiscal 2021.

7 LONG-TERM INVESTMENTS**Investments at fair value through OCI**

LSE Financial Services Limited (unquoted) - at fair value
Adjustment for remeasurement to fair value

	Dec-21 Rupees	Jun-21 Rupees
7.1	20,533,912	19,833,413
	-	700,499
	<u>20,533,912</u>	<u>20,533,912</u>

7.1 As a result of the demutualization and corporatization of stock exchanges as detailed in note 6.1, the Company received 843,975 shares of LSE Financial Services Limited. Of these, 60% (506,385 shares) were held in a separate Central Depository Company Limited ("CDC") sub-account, blocked until they are sold to strategic investors, financial institutions and/or the general public. The remaining shares (40% of total, or 337,590 shares) were allotted to the Company.

These shares are neither listed on any exchange nor are they actively traded. As a result, fair value has been estimated by reference to the latest break-up or net asset value per share of these shares notified by LSE Financial Services Limited (PKR XX/ per share as at June 30, 2021). Remeasurement to fair value resulted in a(Loss)/ gain of PKR XXX(2021: PKR 700499).

LONG-TERM DEPOSITS

Central Depository Company Limited	100,000	100,000
National Clearing Company of Pakistan Limited	200,000	200,000
National clearing Company (Transferred by PSX)	200,000	200,000
PMEX deposit	-	-
DCF deposit to NCCPL	-	-
	<u>1,000,000</u>	<u>1,000,000</u>
	<u>1,500,000</u>	<u>1,500,000</u>

9 TRADE & OTHER RECEIVABLES

	Note	Dec-21 Rupees	Jun-21 Rupees
Considered good	9.1	5,872,015	2,648,489
Considered doubtful		1,693,312	1,693,312
		<u>7,565,356</u>	<u>4,341,801</u>
Less: Provision for doubtful debts	9.2	(1,693,312)	1,693,312
		<u>5,872,045</u>	<u>2,648,489</u>

9.1 The Company holds client-owned securities with a total fair value of PKR XXXX (2021: PKR 69,890,813/-) as collateral against trade debts. Refer to note 4.7 for details around the Company's methodology for computing estimated credit losses under the expected loss model under IFRS 9.

9.2 Movement in provision against trade debts is as under:

Opening balance (as at July 1)	1,693,312	10,104,394
Charged to profit and loss during the year	-	-
	<u>1,693,312</u>	<u>10,104,394</u>
Amounts recovered during the year	-	(8,411,082)
Closing balance (as at June 30)	<u>1,693,312</u>	<u>1,693,312</u>

10 PREPAYMENTS & ADVANCES

Exposure margin with NCCPL	1,130,040	12,222,040
Balance due from NCCPL	395,492	1,411,363
National Clearing Account	-	-
Other Receivables	2,681	2,349
Income tax refundable	173,344	43,405
	<u>1,701,557</u>	<u>13,679,156</u>

10.1 INCOME TAX REFUNDABLE

Opening balance (as at July 1)	43,405	61,109
Add: Current year additions	129,939	137,696
	<u>173,344</u>	<u>198,805</u>
Less: Adjustment against previous year provision for taxation	-	-
Adjustment against current year provision for taxation	-	(155,400)
Balance at the end of the year	<u>173,344</u>	<u>43,405</u>

11 CASH AND BANK BALANCES

Cash in hand		551,164	456,833
Cash at bank			
Current accounts			
Savings accounts	11.1	25,824	40,824
		14,347,742	7,385,894
		<u>14,924,730</u>	<u>7,883,551</u>

11.1 Cash at bank includes customers' assets in the amount of PKR XXX (2021: 6,857,037) held in designated bank accounts.

12 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

	Note	Dec-21 Rupees	Jun-21 Rupees
12.1 Authorized capital			
10,000,000 (2021: 10,000,000) ordinary shares of PKR 10 each.		<u>100,000,000</u>	<u>100,000,000</u>
12.2 Issued, subscribed and paid-up share capital			
2,290,000 (2021: 2,290,000) ordinary shares of PKR 10/- each, issued for cash		22,900,000	22,900,000
3,034,990 (2020: 3,034,990) ordinary shares of PKR 10/- each, issued for consideration other than cash		30,349,900	30,349,900
		<u>53,249,900</u>	<u>53,249,900</u>
12.3 Shareholders holding 5% or more of total shareholding			

	Number of Shares		Percentage	
	2022	2021	2022	2021
Salman Majeed Sheikh	-	5,324,890	0.000%	99.998%
Saira Majeed	-	100	0%	0%

13 TRADE AND OTHER PAYABLES

Trade creditors		4,987,823	6,932,467
Accrued expenses and other payables		258,205	1,011,770
Accrued expenses	13.1	289,067	935,064
Sales tax payable		-	72,298
Worker welfare fund - Punjab		4,408	4,408
Auditor remuneration payable		-	-
NCSS Payable		316,111	455,775
		<u>5,562,139</u>	<u>8,400,013</u>

13.1 This includes PKR (2021: PKR 455,990) due to related parties.

14 PROVISION FOR TAXATION

Balance at the beginning of the year	-	155,400
Add: current year provision	-	<u>155,400</u>

Less: Adjustment against previous year advance tax
 Adjustment against current year advance tax
 Balance at the end of the year

-	(155,400)
-	0

15 CONTINGENCIES AND COMMITMENTS

15.1 There are no contingencies or commitments of the Company as at December 31, 2021 (2021: Nil).

16 OPERATING REVENUE

Note	Dec-21 Rupees	Jun-21 Rupees
	1,576,903	5,342,638
	759,578	590,783
	<u>2,336,481</u>	<u>5,933,421</u>

17 OPERATING & ADMINISTRATIVE EXPENSES

Director's remuneration		528,000	1,704,000
Staff salaries, allowances and other benefits		574,000	1,042,100
Utilities, communication and other		10,883	829,200
Postage and courier		-	2,780
Entertainment		164,910	394,830
Legal and professional charges		194,450	411,227
Charge for doubtful receivables		12,649	-
Auditor's remuneration	17.1	193,380	184,203
PSX charges		184,688	174,742
CDC charges		48,178	81,693
N.C.S. charges		60,875	265,825
Newspapers and periodicals		-	-
Printing and stationery		10,720	21,661
Repair and maintenance		-	-
Rent, rates and taxes		-	70,000
Travelling and conveyance		32,550	48,445
Computer expenses		-	-
Misc. Expenses		101,170	-
Depreciation	5	4,375	6,109
		<u>2,120,828</u>	<u>5,236,818</u>

17.1 Auditor's remuneration

Statutory audit		193,380	184,203
-----------------	--	---------	---------

		<u>193,380</u>	<u>184,203</u>
--	--	----------------	----------------

Non audit services

Certifications and other charges		-	-
----------------------------------	--	---	---

		<u>193,380</u>	<u>184,203</u>
--	--	----------------	----------------

18 OTHER OPERATING EXPENSE

Worker welfare fund - Punjab

-	-
---	---

19 FINANCE COSTS

Bank and other charges

4,878	12,017
<u>4,878</u>	<u>12,017</u>

Income from financial assets**Mark-up on:**

Bank balances

106,680 327,193

106,680 327,193**Income from non-financial assets / liabilities**

UIN fee & market access fee

54,522 9,501

Bad Debts Reverse

- 8,411,827

CDC renewal and miscellaneous

91,181 141,532

CGT collection

- 3,600

PSX Retain Profits

123,278 559,462

KITS Usage Charges

316,532 392,370

Other Income

182,395 327,193

874,588 10,172,677**21 INCOME TAX EXPENSE**

Current tax expense / (income)

for the year
prior years

Note	Dec-21 Rupees	Jun-21 Rupees
	-	155,400
	-	-
	-	155,400

The tax provision made in the financial statements is considered sufficient.

22. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing profit after tax for the year by the weighted average number of shares outstanding during the period, as follows:

Profit / (loss) after taxation, attributable to ordinary shareholders	1,085,379	10,701,863
Weighted average number of ordinary shares in issue during the year	5,324,990	5,324,990
Earnings per share	0.20	2.01

No figure for diluted earnings per share has been presented as the Company has not issued any dilutive instruments carrying options which would have an impact on earnings per share when exercised.

23. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amounts charged in the financial statements for remuneration, including benefits, to the chief executive, directors and executives of the Company as per the terms of their employment are as follows:

	Dec-21		Jun-21	
	Chief Executive	Directors	Chief Executive	Directors
Rupees.....			
Managerial remuneration	-	-	1,116,000	588,000
Insurance	-	-	286,480	-
	-	-	1,402,480	588,000

Number of persons (including those who worked part of the year)

1

1