

MONEYLINE SECURITIES (Pvt) Ltd

TREC Holder
Pakistan Stock Exchange Ltd

Code 331

To
Chief Regulatory Officer
Pakistan Stock Exchange Ltd
Karachi

01-03-2021

Subject: Half Yearly Financial Statement

Dear Sir,

Reference to the above mentioned subject, Please find enclosed the said documents as per your requirement

- 1) Financial Statement for The Period Ended **31-12-2020**

Thanking You

Regards,



Director/CEO



MONEYLINE SECURITIES (PVT) LTD.

Financial Statements

For the Period Ended 31 December 2020

MONEYLINE SECURITIES (PVT) LTD.

Statement of Financial Position

As at 31 December, 2020

	Note	Dec-20 Rupees	Jun-20 Rupees
ASSETS			
Non-current assets			
Property and equipment	5	5,273,192	5,452,273
Intangible assets	6	5,000,000	5,000,000
Long term investments	7	19,605,539	19,605,539
Long term deposits	8	3,237,500	2,737,500
		33,116,231	32,795,312
Current assets			
Trade debts - net	9	6,537,505	5,611,360
Loans and advances	10	30,011,759	9,617,842
Trade deposits and short-term prepayments	11	10,300,000	5,800,000
Other receivables	12	11,111	4,613,688
Income tax refundable	13	367,494	195,077
Short term investments	14	12,267,235	16,834,823
Cash and bank balances	15	45,787,342	20,186,061
		105,282,445	62,858,850
		138,398,676	95,654,162
EQUITY & LIABILITIES			
Share capital and reserves			
Issued, subscribed and paid-up capital	16	100,000,000	100,000,000
Unappropriated profit		(22,828,998)	(28,154,826)
Unrealized surplus / (deficit) on re-measurement of investments measured at FVOCI		9,967,344	9,967,344
Total equity		87,138,346	81,812,518
Current liabilities			
Trade and other payables	17	46,233,961	13,782,095
Short-Term Borrowing	18	4,727,201	59,548
Provision for taxation	19	299,167	-
		51,260,329	13,841,643
Contingencies and commitments	20		
		138,398,675	95,654,162

The annexed notes from 1 to 39 form an integral part of these financial statements.


Chief Executive Officer




Director

MONEYLINE SECURITIES (PVT) LTD.

Statement of Profit and Loss

For the period ended December 31, 2020

	Note	Dec-20 Rupees	Jun-20 Rupees
Operating revenue	21	10,377,930	9,964,601
Gain/(loss) on sale of short term investments			310,260
Unrealized gain/(loss) on remeasurement of investments classified at FVTPL		639,436	1,418,423
		<u>11,017,366</u>	<u>11,693,284</u>
Operating and administrative expenses	22	(6,586,302)	(13,946,548)
Operating profit / (loss)		<u>4,431,064</u>	<u>(2,253,265)</u>
Financial charges	23	(64,622)	(110,615)
Other income and losses	24	660,219	2,294,536
Profit / (loss) before taxation		<u>5,026,661</u>	<u>(69,344)</u>
Taxation	25	299,167	498,980
Profit/(loss) for the year		<u><u>5,325,828</u></u>	<u><u>(568,324)</u></u>
Earnings/(loss) per share - basic	26	0.05	(0.01)

The annexed notes from 1 to 39 form an integral part of these financial statements.



Chief Executive Officer




Director

MONEYLINE SECURITIES (PVT) LTD.
Statement of Comprehensive Income
For the period ended December 31, 2020

	Note	Dec-20 Rupees	Jun-20 Rupees
Profit/(loss) for the year		5,325,828	(568,324)
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Unrealized gain / (loss) during the period in the market value of investments measured at FVOCI			447,306
Total comprehensive income/(loss) for the year		<u><u>5,325,828</u></u>	<u><u>(121,017)</u></u>

The annexed notes from 1 to 39 form an integral part of these financial statements.



Chief Executive Officer




Director

MONEYLINE SECURITIES (PVT) LTD.

Statement of Changes in Equity

For the year ended June 30, 2020

	Issued, subscribed and paid-up capital	Unappropriated profit/ (loss)	Unrealized surplus / (deficit) on re- measurement of investments measured at FVOCI	Total
Rupees.....			
Balance as at June 30, 2019	100,000,000	(27,586,502)	9,520,038	81,933,536
Total comprehensive income for the year				
Profit for the year	-	(568,324)	-	(568,324)
Other comprehensive income/(loss)	-	-	447,306	447,306
	-	(568,324)	447,306	(121,017)
Balance as at June 30, 2020	100,000,000	(28,154,826)	9,967,344	81,812,518
Total comprehensive income for the period				
Profit for the period	-	5,325,828	-	5,325,828
Other comprehensive income/(loss)	-	-	-	-
	-	5,325,828	-	5,325,828
Balance as at December 31, 2020	100,000,000	(22,828,998)	9,967,344	87,138,346
		23,976,449		
		18,650,621		

The annexed notes from 1 to 39 form an integral part of these financial statements.



Chief Executive Officer




Director

6 INTANGIBLE ASSETS

	Note	44,166 Rupees	43,983 Rupees
Trading Rights Entitlement Certificate ("TREC")	6	2,500,000	2,500,000
Pakistan Mercantile Exchange Limited		2,500,000	2,500,000
		<u>5,000,000</u>	<u>5,000,000</u>
Impairment	6		
		<u>5,000,000</u>	<u>5,000,000</u>

- 6 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 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 1.5 million in fiscal 2018.

7 LONG-TERM INVESTMENTS

Investments at fair value through OCI

LSE Financial Services Limited (unquoted) - at fair value	7.1	19,605,539	19,158,233
Adjustment for remeasurement to fair value			447,306
		<u>19,605,539</u>	<u>19,605,539</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 23.23 / per share, compared to PKR 22.7 / per share as at June 30, 2019). Remeasurement to fair value resulted in a gain of PKR 447,306 (2019: PKR 3,899,165).

8 LONG-TERM DEPOSITS

Central Depository Company Limited	100,000	100,000
National Clearing Company of Pakistan Limited	1,337,500	1,337,500
Other security deposits	550,000	550,000
PMEX membership deposit	1,250,000	750,000
	<u>3,237,500</u>	<u>2,737,500</u>

9 TRADE DEBTS

Note	44,166 Rupees	43,983 Rupees
Considered good	9 6,537,505	5,611,360
Considered doubtful	19,192,479	19,770,776
	<u>25,729,984</u>	<u>25,382,136</u>
Less: Provision for doubtful debts	9 19,192,479	19,770,776
	<u>6,537,505</u>	<u>5,611,360</u>

9 Movement in provision against trade debts is as under:

Opening balance (as at July 1)	19,770,776	19,188,073
Charged to profit and loss during the year	-	582,703
	<u>19,770,776</u>	<u>19,770,776</u>
Amounts written off during the year	(578,297)	-
Closing balance (as at June 30)	<u>19,192,479</u>	<u>19,770,776</u>

10 LOANS AND ADVANCES

Loan to Employees	550,348	8,656,432
Staff advances - unsecured, considered good	0	-
Advance against Property	28,500,000	-
MF given to Client	961,410	961,410
	<u>30,011,759</u>	<u>9,617,842</u>

11 TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS

Clearing House Deposits (Reg. & Future)	10,300,000	5,800,000
	<u>10,300,000</u>	<u>5,800,000</u>

12 Other Receivables

Receivable from NCCPL	9,862	4,612,439
Other receivables	1,249	1,249
	<u>11,111</u>	<u>4,613,688</u>

13 INCOME TAX REFUNDABLE

Opening balance (as at July 1)	195,077	618,930
Add: Current year additions	172,417	462,884
	367,494	1,081,814
Less: Adjustment against previous year provisions for taxation	-	(387,757)
Less: Adjustment against current year provisions for taxation	-	(498,980)
Balance at the end of the year	<u>367,494</u>	<u>195,077</u>

14 SHORT TERM INVESTMENTS

Investments in listed securities

Note	31-Dec-20 Rupees	1-Jun-20 Rupees
	12,267,235	16,834,823

15 CASH AND BANK BALANCES

Cash in hand

20,764 16,041

Cash at bank

Proprietary Account

15 3,561,000 12,350,087

Clients Account

42,205,578 7,819,933

45,787,342 20,186,061

16 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

16 Authorized capital

100,000 (2020: 100,000) ordinary shares of PKR 1,000 each.

100,000,000 100,000,000

16 Issued, subscribed and paid-up share capital

100,000 (2020: 100,000) ordinary shares of PKR 1,000/- each, issued for cash

100,000,000 100,000,000

100,000,000 100,000,000

16 Shareholders holding 5% or more of total shareholding

	Number of Shares		Percentage	
	44,166	43,983	44,166	43,983
Aftab Mohi Ud Din	16,500	16,500	0	0
Dr.Zeeshan Miraj	33,000	33,000	0	0
Dr.Khalid Perviaz Saqib	16,500	16,500	0	0
Shams Tabryaz	1,000	1,000	0	0
Dr.Manzoor qadir	33,000	33,000	0	0
	100,000	100,000	1	1

17 TRADE AND OTHER PAYABLES

Trade creditors

17 Dec 2020 Jun 2020
42,669,977 11,727,354

Auditor's remuneration payable

60,000 200,000

Other payables

285,366 871

Tax Payable	1,855,740	1,569,375
NCCPL Payables	1,362,879	-
	<u>46,233,961</u>	<u>13,497,600</u>

17 This does not include any amounts due to related parties.

18 SHORT-TERM BORROWINGS

	Note	Dec 2020 Rupees	Jun 2020 Rupees
Running finance	18	4,727,201	59,548
		<u>4,727,201</u>	<u>59,548</u>

18 The balance represents the amount drawn down against a total facility of PKR 9 million obtained from MCB Bank Limited. It carries mark-up of 4% per annum + 3-month KIBOR average ask rate.

19 PROVISION FOR TAXATION

Balance at the beginning of the year	-	387,757
Add: Current year provision	299,167	498,980
	<u>299,167</u>	<u>886,737</u>
Less: Adjustment against previous year advance tax		(387,757)
Less: Adjustment against current year advance tax		(498,980)
Balance at the end of the year	<u>299,167</u>	<u>-</u>

20 CONTINGENCIES AND COMMITMENTS

20 There are no contingencies or commitments of the Company as at June 30, 2020 (2019: Nil).

21 OPERATING REVENUE

Brokerage income	11,178,225	10,144,498
Less: Commission Expense	(1,789,883)	(2,262,526)
Dividend income	989,588	2,082,629
	<u>10,377,930</u>	<u>9,964,601</u>

22 OPERATING & ADMINISTRATIVE EXPENSES

Director's remuneration	2,690,000	5,400,000
Staff salaries, allowances and other benefits	2,329,500	4,957,700
Telephone and internet charges	90,590	204,508
Postage and telegram	5,286	19,253
Fee and subscription	138,483	114,927
Printing and Stationary	80,790	67,435
Legal & professional charges	250,000	-
CDC charges	190,857	298,643
NCSS charges	655,663	809,467
Clearing house fee	50,000	225,050
Rent, Rates & Taxes	30,000	30,000
Charity donations	6,000	3,764
Travelling and conveyance	-	1,000
Entertainment	185,228	278,815
Audit Fee	-	155,300
Newspaper and Periodicals	5,590	10,664
Charge for allowance for doubtful debts	(578,297)	582,703

Utilities	228,308	423,103
Repair and Maintenance	18,840	34,310
Depreciation	209,464	329,907
	<u>6,586,302</u>	<u>(13,946,548)</u>

22 Auditor's remuneration

Statutory audit	140,000	155,300
Certifications and other charges	-	-
	<u>140,000</u>	<u>155,300</u>

23 FINANCIAL CHARGES

	Note	44,166 Rupees	43,983 Rupees
Mark-up on interest-bearing loans		58,187	(89,729)
Bank and other charges		6,435	(20,886)
		<u>64,622</u>	<u>(110,615)</u>

24 OTHER INCOME / LOSSES

Income from financial assets

Mark-up on:

Profit on MF	-	359,343
Bank Profit	79,444	789,118
	<u>79,444</u>	<u>1,148,461</u>

Income / loss from non-financial assets/liabilities

Unrealized loss on investment	-	-
Realized loss on investment	-	-
Other income	580,775	1,146,074
(Loss) / gain on sale of fixed assets	-	-
Impairment on TREC	-	-
Sundry / miscellaneous income	-	-
Expenses Write-Off	-	-
	<u>660,219</u>	<u>2,294,536</u>

25 TAXATION

Current tax expense / (income)		
for the year	299,167	498,980
prior years	-	-
	<u>299,167</u>	<u>498,980</u>

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

26. EARNINGS PER SHARE

Basic

Profit / (loss) after taxation, attributable to ordinary shareholders	5,325,828	(568,324)
Weighted average number of ordinary shares in issue during the year	100,000,000	100,000,000
Earnings per share	0.05	(0.01)

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.

27. 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:

	2,020		2,019	
	Remuneration	# of persons	Remuneration	# of persons
Chief Executive Officer	1,200,000	1	600,000	1
Directors	4,200,000	4	2,400,000	4


 Chief Executive Officer




 Director