
**VECTOR SECURITIES
(PRIVATE) LIMITED**

Financial Statements
For the year ended June 30, 2023

**REANDA**

Reanda Haroon Zakaria & Company
Chartered Accountants



**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF VECTOR SECURITIES (PRIVATE) LIMITED
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

Opinion

We have audited the annexed financial statements of **Vector Securities (Private) Limited** which comprise the statement of financial position as at June 30, 2023, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2023 and of the loss, other comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017(XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no zakat is deductible at source under the Zakat and Ushr Ordinance, 1980.
- e) the Company was in compliance with the requirement of section 78 of the Securities Act, 2015, Section 62 of the Futures Market Act, 2016 and the relevant requirements of Securities Brokers (Licensing and Operations) Regulations, 2016 and Future Brokers (Licensing and Operations) Regulations, 2018 as at the date on which the statement of financial position was prepared.

The engagement partner on the audit resulting in this independent auditor's report is **Muhammad Yameen**.


Reanda Haroon Zakaria & Company
Chartered Accountants

Place: Karachi

Dated: **05 OCT 2023**

UDIN: AR202310584naA7bfCBk

VECTOR SECURITIES (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2023

	Note	2023 Rupees	2022 Rupees
<u>ASSETS</u>			
Non-Current Assets			
Property and equipment	4	6,890,126	7,485,126
Intangible assets	5	6,886,545	6,876,931
Long term loans and advances	6	6,937,108	4,741,458
Long term deposits	7	2,000,000	2,000,000
Deferred tax asset	8	-	-
		<u>22,713,779</u>	<u>21,103,515</u>
Current Assets			
Trade debts	9	21,996,473	25,879,206
Advances, deposits, prepayments and other receivables	10	91,299,328	77,020,095
Short term investment	11	8,502,584	11,267,333
Tax refunds due from government	12	4,722,487	4,471,462
Bank balances	13	24,510,723	41,321,116
		<u>151,031,595</u>	<u>159,959,212</u>
Total Assets		<u><u>173,745,374</u></u>	<u><u>181,062,727</u></u>
<u>EQUITY AND LIABILITIES</u>			
Share Capital and Reserves			
Authorized Capital			
20,000,000 Ordinary shares of Rs.10 each		<u>200,000,000</u>	<u>200,000,000</u>
Issued subscribed and paid up capital			
19,350,000 (2022: 17,500,000) Ordinary shares of Rs.10 each fully paid in cash	14	193,500,000	175,000,000
Unappropriated loss		(142,503,806)	(108,136,891)
Shareholders' Equity		<u>50,996,194</u>	<u>66,863,109</u>
Non-Current Liabilities			
Long term financing	15	20,915,219	16,928,600
Current Liabilities			
Trade and other payables	16	25,563,931	37,491,440
Short term loan	17	76,270,030	59,779,578
Commitments	18		
Total Equities and Liabilities		<u><u>173,745,374</u></u>	<u><u>181,062,727</u></u>

The annexed notes from 1 to 33 forms an integral part of these financial statements


Chief Executive Officer


Director

VECTOR SECURITIES (PRIVATE) LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 Rupees	2022 Rupees
Commission income	19	15,458,402	27,395,832
(Loss) / gain on sale of investments- net		(1,239,476)	444,116
Loss on remeasurement of investment - net		(3,205,803)	(11,157,606)
		<u>11,013,123</u>	<u>16,682,342</u>
Operating expenses	20	(44,208,803)	(51,115,731)
Loss from operation		(33,195,680)	(34,433,389)
Other income	21	5,103,237	5,848,651
Other charges	22	-	(6,173)
Finance cost	23	(14,426,164)	(7,613,382)
		<u>(9,322,927)</u>	<u>(1,770,904)</u>
Loss before taxation		(42,518,607)	(36,204,293)
Taxation	24	(721,483)	(2,145,897)
Loss after taxation		(43,240,090)	(38,350,190)

The annexed notes from 1 to 33 forms an integral part of these financial statements


 Chief Executive Officer


 Director

VECTOR SECURITIES (PRIVATE) LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2023

	<i>2023</i> <i>Rupees</i>	<i>2022</i> <i>Rupees</i>
Loss for the year	(43,240,090)	(38,350,190)
Other comprehensive income	-	-
Total comprehensive loss for the year	<u><u>(43,240,090)</u></u>	<u><u>(38,350,190)</u></u>

The annexed notes from 1 to 33 forms an integral part of these financial statements



Chief Executive Officer



Director

VECTOR SECURITIES (PRIVATE) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2023

	<i>Share Capital</i>	<u><i>Revenue Reserve</i></u> <i>Accumulated</i> <i>Losses</i>	<i>Total</i>
		<i>Rupees</i>	
Balance as at June 30, 2021	150,000,000	(71,376,345)	78,623,655
Loss for the year	-	(38,350,190)	(38,350,190)
Present value of long term loan on initial recognition	-	6,916,610	6,916,610
Reversal of present value adjustment of long term loan on derecognition	-	(5,326,966)	(5,326,966)
Transaction with owner			
Issue of ordinary shares	25,000,000	-	25,000,000
Balance as at June 30, 2022	<u>175,000,000</u>	<u>(108,136,891)</u>	<u>66,863,109</u>
Loss for the year	-	(43,240,090)	(43,240,090)
Present value of long term loan on initial recognition	-	13,567,795	13,567,795
Reversal of present value adjustment of long term loan on derecognition	-	(4,694,620)	(4,694,620)
Transaction with owner			
Issue of ordinary shares	18,500,000	-	18,500,000
Balance as at June 30, 2023	<u><u>193,500,000</u></u>	<u><u>(142,503,806)</u></u>	<u><u>50,996,194</u></u>

The annexed notes from 1 to 33 forms an integral part of these financial statements


Chief Executive Officer


Director

VECTOR SECURITIES (PRIVATE) LIMITED
STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED JUNE 30, 2023

2023 2022
Rupees Rupees

A. CASH FLOW FROM OPERATING ACTIVITIES

Loss before taxation	(42,518,607)	(36,204,293)
Adjustment for :		
Depreciation	1,517,964	1,582,158
Amortization	380,386	291,123
Capital gain on shares	1,239,476	(444,116)
Unrealized loss on remeasurement on investments	3,205,803	11,157,606
Dividend income	(139,000)	(344,780)
Finance cost	14,426,164	7,613,382
Loss on disposal of property and equipment	-	6,173
	<u>20,630,793</u>	<u>19,861,546</u>
Operating Loss before working capital	(21,887,814)	(16,342,747)
Effect of changes in working capital		
(Increase)/decrease in current assets		
Advances, deposits, prepayments and other receivables	(14,279,234)	(3,986,334)
Trade debts	3,882,733	13,231,474
Decrease in current liabilities		
Trade and other payables	(11,927,509)	(31,838,579)
Cash used in operations	(44,211,824)	(38,936,186)
Taxes paid - net	(972,507)	(2,365,569)
Finance cost paid	(11,066,370)	(5,825,784)
Net cash used in operating activities	(56,250,701)	(47,127,539)

B. CASH FLOW FROM INVESTING ACTIVITIES

Additions to property and equipment	(922,964)	(1,203,749)
Addition to intangibles	(390,000)	(780,000)
Long term loan and advances - net	(2,195,650)	(2,819,750)
Investments - net	(1,680,530)	2,563,566
Dividend received	139,000	344,780
Sale proceed from the disposal of property and equipment	-	5,000
Net cash used in investing activities	(5,050,144)	(1,890,153)

2023
Rupees

2022
Rupees

C. CASH FLOW FROM FINANCING ACTIVITIES

Receipt of long term loan	20,000,000	20,000,000
Receipt of short term loan	16,490,452	1,155,947
Receipt of share capital	8,000,000	-
Net cash generated from financing activities	44,490,452	21,155,947
Net decrease in cash and cash equivalent	(16,810,393)	(27,861,745)
Cash and cash equivalents at beginning of the year	41,321,116	69,182,861
Cash and cash equivalents at end of the year	24,510,723	41,321,116

The annexed notes from 1 to 33 forms an integral part of these financial statements


Chief Executive Officer


Director