ICON CAPITAL MANAGEMENT (PRIVATE) LIMITED

Financial Statements
For the year ended June 30, 2019

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
ICON CAPITAL MANAGEMENT (PRIVATE) LIMITED
ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the annexed financial statements of **Icon Capital Management (Private) Limited** which comprise the statement of financial position as at June 30, 2019, and the statement of profit or loss, statement of other 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, statement of profit or loss, 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, 2019 and of the profit, statement of other comprehensive income, 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.

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.

REANDA

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.

REANDA

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 and, statement of other 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;

d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980; and

e) the Company was in compliance with the requirement of section 78 of the Securities Act 2015 and the relevant requirements of Securities Brokers (Licensing and Operations) Regulations 2016 as at the date on which the balance sheet was prepared.

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

Reanda Haroon Zakaria & Co

Reanda Haroon Zakaria & Company
Chartered Accountants

Place: Karachi
Dated: 04 OCT 2019

ICON CAPITAL MANAGEMENT (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2019

	Note	*2019* *Rupees*	*2018* *Rupees*
ASSETS			
Non-Current Assets			
Property and equipment	4	**12,768,100**	13,515,294
Intangibles	5	**4,250,000**	5,000,000
Long-term investments	6	**6,630,000**	6,630,000
Long-term deposit	7	**2,750,000**	2,300,000
Deferred tax assets	8	**-**	-
		26,398,100	27,445,294
Current Assets			
Trade debts	9	**5,772,199**	6,253,591
Advances, deposits and other receivable	10	**10,656,352**	10,608,979
Short term investments	11	**880,561**	1,430,806
Tax refunds due from government	12	**2,206,424**	1,615,011
Cash and bank balances	13	**13,372,395**	16,865,382
		32,887,931	36,773,769
Total Assets		**59,286,031**	64,219,063
CAPITAL AND LIABILITIES			
Authorized Capital			
5,000,000 Ordinary shares of Rs.10 each		**50,000,000**	50,000,000
Issued, subscribed and paid-up capital	14	**50,000,000**	50,000,000
Unappropriated loss		**(2,444,561)**	(2,751,516)
		47,555,439	47,248,484
Long Term Liabilities			
Long term deposits payables		**112,500**	112,500
Current Liabilities			
Trade and other payables	15	**10,568,092**	16,699,694
Short-term borrowing	16	**1,050,000**	158,385
		11,618,092	16,858,079
Contingency and Commitment	17		
Total Capital and Liabilities		**59,286,031**	64,219,063

The annexed notes form an integral part of these financial statements.

Chief Executive	***Director***

S.A.Khan

ICON CAPITAL MANAGEMENT (PRIVATE) LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2019

	Note	2019 Rupees	2018 Rupees
Operating revenue	18	**6,027,770**	8,373,703
Loss on re-measurement of investments carried at fair value through profit or loss - net		**(550,245)**	(477,281)
		5,477,525	7,896,422
Administrative and operating expenses	19	**(6,521,613)**	(8,163,625)
Other income	20	**1,580,088**	1,288,085
Finance cost		**(20,372)**	(122,928)
Profit before taxation		**515,628**	897,954
Taxation - net	21	**(208,673)**	(1,181,870)
Profit / (loss) after taxation		**306,955**	(283,916)

The annexed notes form an integral part of the financial statements.

Chief Executive

S.A. Khan

Director

ICON CAPITAL MANAGEMENT (PRIVATE) LIMITED
STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2019

	2019 Rupees	2018 Rupees
Profit / (loss) after taxation	**306,955**	(283,916)
Other comprehensive income for the year	-	-
Total comprehensive income / (loss) for the year	**306,955**	(283,916)

The annexed notes form an integral part of these financial statements.

Chief Executive

Director

ICON CAPITAL MANAGEMENT (PRIVATE) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2019

	Share capital	Revenue Reserves Unappropriated (loss) / profit	Total
	--------	Rupees --------	
Balance as at June 30, 2017	**50,000,000**	**(2,467,600)**	**47,532,400**
Loss for the year	-	(283,916)	(283,916)
Balance as at June 30, 2018	**50,000,000**	**(2,751,516)**	**47,248,484**
Profit for the year	-	306,955	306,955
Balance as at June 30, 2019	**50,000,000**	**(2,444,561)**	**47,555,439**

The annexed notes form an integral part of these financial statements.

Chief Executive

S.A.Ichan

Director

ICON CAPITAL MANAGEMENT (PRIVATE) LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2019

	2019 Rupees	2018 Rupees
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	**515,628**	897,954
Adjustment for non-cash charges and other items		
Depreciation	**773,194**	827,019
	1,288,822	1,724,973
Changes in Working Capital:		
(Increase) / decrease in current assets		
Trade debts	**481,392**	2,383,649
Advances, deposits and other receivable	**(47,373)**	(1,778,237)
Increase / (decrease) in current liabilities		
Trade and other payables	**(6,131,602)**	(15,328,456)
Short-term borrowing	**891,615**	68,214
	(4,805,968)	(14,654,830)
Taxes paid	**(800,086)**	(1,192,186)
Long term deposits - net	**(450,000)**	312,682
Net cash used in operating activities	**(4,767,232)**	(13,809,361)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure incurred	**(26,000)**	(512,000)
Transferred from CWIP	-	500,000
Transferred from Intangibles	**750,000**	-
Investments - net	**550,245**	477,281
Net cash generated from investing activities	**1,274,245**	465,281
Net decrease in cash and cash equivalents (A+B)	**(3,492,987)**	(13,344,080)
Cash and cash equivalents at beginning of year	**16,865,382**	30,209,462
Cash and cash equivalents at end of year	**13,372,395**	16,865,382

The annexed notes form an integral part of the financial statements.

Chief Executive ***Director***

1 LEGAL STATUS AND NATURE OF BUSINESS

Icon Capital Management (Private) Limited (the Company) was incorporated in Pakistan on March 14, 2011 as a private limited company under the Companies Ordinance, 1984 (Now Companies Act 2017). The Company is a Trading Right Entitlement Certificate Holder of the Pakistan Stock Exchange Limited, and member of Pakistan Mercantile Exchange Limited.

The company is principally engaged in brokerage of shares, equity and debt securities and commodities. Further, the company is engaged in trading in equity and debt securities on its own account.

The registered office is situated at Icon House, Plot No.83-C, 2nd Floor, 12th Commercial Street, Phase-2, DHA, Karachi.

The principal objects of the Company include share brokerage, money market transactions, consultancy services, underwriting etc.

2 BASIS OF PREPARATION

2.1 Statement of Compliance

These Financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards as applicable in Pakistan

- International Financial reporting standards (IFRS standards) issued by International Accounting standards Board (IASB) as notified under Companies Act 2017; and

- Provisions of and directives issued under the companies Act, 2017.

Where provisions of and directive issued under the Act differ from IFRS standards, the provisions of and directives issued under the Act have been followed.

2.2 Basis of Measurement

These financial statements have been prepared under the historical cost convention, except otherwise disclosed in these financial statements. Further, accrual basis of accounting is followed except for cash flow information.

2.3 Functional and presentation currency

These financial statements are presented in Pak Rupees, which is the functional and presentation currency of the Company and rounded off to the nearest rupee.

2.4 Significant accounting judgements,estimates and assumptions

The preparation of financial statements in conformity with approved accounting standards as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgments made by management in the application of approved accounting standard as, applicable in Pakistan, that have significant effect on the financial statements and estimates with a significant risk of material judgment in the next year are as follows: -

Property and equipment

The Company reviews the rate of depreciation, useful life, residual value and value of assets for possible impairment on an annual basis. Any change in the estimates in future years might affect the carrying amounts of the respective items of property and equipment with a corresponding affect on the depreciation charge and impairment.

Intangible assets

The Company reviews the rate of amortisation and value of intangible assets for possible impairment on an annual basis. Any change in the estimates in future years might affect the carrying amounts of intangible assets with a corresponding affect on the amortisation charge and impairment.

Income taxes

In making the estimates for income taxes currently payable by the Company, the management looks at the current income tax laws and establish provision where appropriate on the basis of amounts expected to be paid to the tax authorities.

2.5 Standards, interpretations and amendments to approved accounting standards that

There are new and amended standards and interpretations that are mandatory for accounting periods beginning 01 July 2018 , are considered not to be relevant or do not have any significant effect on the Company's financial statements and are therefore not stated in these financial statements.

2.5.1 New standards, amendments to standards and IFRS interpretations that are effective for the year ended June 30, 2019

The following amendments to accounting standards are effective for the period ended June 30, 2019. Except as explained otherwise, these standards and amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures:

	Effective for period beginning on or after
Amendments to IFRS 2 'Share-based Payment' - Clarification on the classification and measurement of share-based payment transactions	January 1, 2018
IFRS 4 'Insurance Contracts': Applying IFRS 9 with IFRS 4	January 1, 2018
IFRS 9 'Financial Instruments'	Annual period ending on or after June 30, 2019
IFRS 15 'Revenue from Contracts with Customers'	July 1, 2018

	Effective for period beginning on or after
Amendments to IAS 40 'Investment Property': Clarification on transfers of property to or from investment property	January 1, 2018
IFRIC 22 'Foreign Currency Transactions and Advance Consideration': Provides guidance on transactions where consideration against non-monetary prepaid asset / deferred income is denominated in foreign currency.	January 1, 2018

Certain annual improvements have also been made to a number of standards, which have not ben enumerated here for brevity.

First time adoption of new Standards

IFRS 9 - Financial Instruments

This standard has been notified by the SECP to be effective for annual periods ending on or after June 30, 2019. This standard replaced the majority of requirement of IAS 39 - Financial Instruments: Recognition and Measurement (IAS 39) and covers the classification, measurement and de-recognition of financial assets and financial liabilities. It requires all fair value movements on equity investments to be recognized either in the profit or loss or in other comprehensive income, on a case-by-case basis, and also introduced a new impairment model for financial assets based on expected losses rather than incurred losses and provides a new hedge accounting model.

The impact of the adoption of IFRS 9 has been in the following areas:

(i) Classification and measurement of financial assets and financial liabilities

IFRS 9 largely retains the existing requirements of IAS 39 for the classification and measurement of financial liabilities. However, it replaces the previous IAS 39 categories for financial assets i.e. loans and receivables, fair value through profit or loss (FVTPL), available for sale and held to maturity with the categories such as amortized cost, fair value through profit or loss (FVTPL) and fair value through other comprehensive income (FVTOCI).

There is no significant impact of IFRS 9 on the classification and measurement of financial assets for the year ended June 30, 2019 investments in unquoted shares previously classified as 'Available for sale' now have been re classified as 'fair value through Other Comprehensive Income' based on the business model of the Company and Other Financial assets previously classified as 'loans & receivables' have been reclassified as 'amortised cost'.Further, based on assessment by the management, no material change in provision for impairment of financial assets is required in these financial statements.

Under IFRS 9, the classification of financial assets is based on the objective of the entity's business model that is the Company's objective is to hold assets only to collect cash flows, or to collect cash flows and to sell ("the Business Model test") and the contractual cash flows of an asset give rise to payments on specified dates that are solely payments of principal and interest ("SPPI") on the principal amount outstanding ("the SPPI test").

(ii) Impairment of financial assets

IFRS 9 replaces the 'incurred loss' model of IAS 39 with an 'expected credit loss' (ECL) model. The new impairment model applies to financial assets measured at amortized cost, contract assets and debt investments at FVTOCI, but not to investments in equity instruments. Under IFRS 9, credit losses are recognized earlier than under IAS 39.

Under IFRS 9, loss allowances are measured on either of the following basis:

- 12 - months ECLs: These are ECLs that result from possible default events within the 12 months after the reporting date; and

- Lifetime ECLs: These are ECLs that result from all possible default events over the expected life of a financial instrument.

The Company has elected to measure provision against financial assets on the basis of lifetime ECLs.

Lifetime ECL is only recognized if the credit risk at the reporting date has increased significantly relative to the credit risk at initial recognition. Further, the Company considers the impact of forward looking information (such Company's internal factors and economic environment of the country of customers) on ECLs.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity and the cash flows that the Company expects to receive). Since these assets are short term in nature, therefore no credit loss is expected on these balances

Presentation of impairment

Provision against financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

Impact of the new impairment model

For assets within the scope of the IFRS 9 impairment model, impairment losses are generally expected to increase and become more volatile. The Company has determined that the application of IFRS 9's impairment requirements on the reporting date does not have a material impact on provision for doubtful debts measured under IAS 39.

IFRS 15 - Revenue from Contracts with Customers

This standard was notified by the Securities and Exchange Commission of Pakistan ('SECP') to be effective for annual periods beginning on or after July 1, 2018. IFRS 15 - Revenue from contracts with customers (IFRS 15) replaced IAS 18 - Revenue, IAS 11 - Construction Contracts, IFRIC 13 - Customer Loyalty Programmes, IFRIC 15 - Agreements for the Construction of Real Estate, IFRIC 18 - Transfers of Assets from Customers and SIC 31 - Revenue - Barter Transactions involving Advertising Services. IFRS 15 provides a single, principle-based approach to the recognition of revenue from all contracts with customers and focuses on the identification of performance obligations in a contract and requires revenue to be recognized when or as those performance obligations in a contract are satisfied.

The company is generating revenue from brokerage commission hence there is no material impact on adoption of IFRS 15

2.5.2 Amendments to standards and IFRS interpretations that are not yet effective

The following amendments to accounting standards and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, interpretations and amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures:

	Effective from accounting period beginning on or after
Amendments to IFRS 3 'Business Combinations': Amendments to clarify the definition of a business	January 1, 2020
Amendments to IFRS 9 'Financial Instruments': Amendments regarding prepayment features with negative compensation and modifications of financial liabilities	January 1, 2019
Amendments to IFRS 10 'Consolidated Financial Statements' and IAS 28 'Investments in Associates and Joint Ventures': Sale or contribution of assets between an investor and its associate or joint venture	Effective from accounting period beginning on or after a date to be determined. Earlier application is permitted.
IFRS 16 'Leases'	January 1, 2019
Amendments to IAS 1 'Presentation of Financial Statements' and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors': Amendments regarding the definition of material	January 1, 2020
Amendments to IAS 19 'Employee Benefits': Plan amendments, curtailments or settlements	January 1, 2019
Amendments to IAS 28 'Investments in Associates and Joint Ventures': Long-term interests in associates and joint ventures	January 1, 2019
IFRIC 23 'Uncertainty over Income Tax Treatments': Clarifies the accounting treatment in relation to determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12 'Income Taxes'.	January 1, 2019
Amendments to IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32 to update those pronouncements with regard to references to and quotes from the framework or to indicate where they refer to a different version of the Conceptual Framework.	January 1, 2020

Certain annual improvements have also been made to a number of standards, which have not ben enumerated here for brevity.

Other than the aforesaid standards, interpretations and amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

IFRS 1	First Time Adoption of International Financial Reporting Standards
IFRS 14	Regulatory Deferral Accounts
IFRS 17	Insurance Contracts

3 *SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

3.1 The following table explain the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the Company's financial assets as at 30 June 2018:

	Original classification under IAS 39	*New classification under IFRS 9*	*Original amount*	*New amount*
As at June 30, 2018				
Long term investments	Available for sale	FVTOCI	6,630,000	6,630,000
Short term investments	FVTPL	FVTPL	1,430,806	1,430,806
Long term deposits	Loan and receivables	Amortized cost	2,300,000	2,300,000
Trade debts	Loan and receivables	Amortized cost	6,253,591	6,253,591
Advances, deposits and other receivables	Loan and receivables	Amortized cost	10,608,979	10,608,979
Cash and bank balances	Loan and receivables	Amortized cost	16,865,382	16,865,382

3.2 *Property and Equipment*

These are initially measured at cost. Subsequent to initial recognition these are measured at cost less accumulated depreciation and impairment loss if any.

Subsequent costs are included in the asset's carrying amounts or recognised as a separate asset, as appropriate, only when it is probable that future benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Depreciation is charged to income using the reducing balance method at the rates specified in the relevant note. Monthly depreciation is charged on additions during the month while no depreciation is charged on assets in the month of disposal.

The Company reviews the useful lives and residual value of its assets on regular basis . Any change in the estimates in future years might affect the carrying amounts of the respective items of property, equipment with a corresponding effect on the depreciation charge.

Maintenance and normal repairs are charged to income as and when incurred.

Gain or loss on disposal of an asset is charged to profit and loss account.

3.3 *Intangible Assets*

An intangible asset is recognized as an assets if it is probable that economic benefits attributable to the assets will flow to the company and cost of the assets can be measured reliably.

Intangible assets having finite useful lives are stated at cost less accumulated amortization and accumulated impairment losses, if any. Amortization is charged from the date the asset is available for use while in the case of assets disposed of, it is charged till the date of disposal. The useful lives and amortization method are reviewed and adjusted, if appropriate, at each reporting date.

Intangible assets having an indenite useful life are stated at cost less accumulated impairment losses, if any. An intangible asset is regarded as having an indefinite useful life, when, based on an analysis of all the relevant factors, there is no foreseeable limit to the period over which asset is expected to generate net cash inflows for the Company.

An intangible asset with an indefinite useful life is not amortized. However, the carrying amount is reviewed at each reporting date or whenever there is an indication that the asset may be impaired, to assess whether it is in excess of its recoverable amount, and where the carrying value exceeds the estimated recoverable amount, it is written down to its estimated recoverable amount.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in profit and loss account when the asset is derecognised.

-Trading Right Entitlement Certificate (TREC)

Trading Right Entitlement Certificate (TREC) is stated at acquisition cost less provision for impairment loss, if any. The carrying amount is reviewed at each balance sheet date to assess whether it is in excess with its recoverable amount, and where the carrying value exceeds from estimated recoverable amount, it is written down to its estimated recoverable amount.

3.4 Financial instruments

3.4.1 Initial Recognition

All financial assets and liabilities are initially measured at cost which is the fair value of the consideration given or received. These are subsequently measured at fair value, amortized cost as the case may be.

3.4.2 Classification of financial assets

The Company classifies its financial instruments in the following categories:

- at amortized cost.
- at fair value through other comprehensive income ("FVTOCI"), or
- at fair value through profit and loss ("FVTPL"),

The Company determines the classification of financial assets at initial recognition. The classification of instruments (other than equity instruments) is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics.

Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and

b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through OCI

Financial assets that meet the following conditions are subsequently measured at FVTOCI:

a) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and

b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

However, Company may make an irrevocable election at initial recognition for particular investments in equity instruments that would otherwise be measured at fair value through profit or loss to present subsequent changes in fair value in other comprehensive income.

Financial assets at fair value through P&L

A financial asset is measured at fair value through P&L unless it is measured at amortized or at fair value through OCI.

3.4.3 Financial liabilities

The Company classifies its financial liabilities in the following categories:

- at fair value through profit and loss ("FVTPL"), or
- at amortized cost.

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has opted to measure them at FVTPL.

3.4.4 Subsequent measurement

Financial assets at FVTOCI

Elected investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently, they are measured at fair value, with gains or losses arising from changes in fair value recognized in OCI.

Investments in un-quoted equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently, they are measured at fair value. However, in limited circumstances, where there is insufficient recent information is available or where there is wide range of possible fair value measurements, the cost may be an appropriate estimate of fair value.

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, and subsequently carried at amortized cost, and in the case of financial assets, less any impairment.

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statement of profit or loss and other comprehensive income. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statement of profit or loss and other comprehensive income in the period in which they arise. Where management has opted to recognize a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognized in other comprehensive income/(loss). Currently, there are no financial liabilities designated at FVTPL.

3.4.5 Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses (ECLs) on financial assets that are measured at amortized cost. Loss allowances are measured on the basis of life time (ECLs) that result from all possible default events over the expected life of a financial instrument.

Lifetime ECL is only recognized if the credit risk at the reporting date has increased significantly relative to the credit risk at initial recognition. Further, the Company considers the impact of forward looking information (such Company's internal factors and economic environment of the country of customers) on ECLs. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity and the cash flows that the Company expects to receive).

Provision against financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

3.4.6 *Derecognition*

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire or when it transfers the financial assets and substantially all the associated risks and rewards of ownership to another entity.

On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying value and the sum of the consideration received and receivable is recognized in profit or loss.

In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

In contrast, on derecognition of an investment in equity instrument which the Company has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to revenue reserve.

Financial liabilities

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the statement of profit or loss and other comprehensive income.

3.4.7 *Offsetting of financial assets and financial liabilities*

Financial assets and financial liabilities are offset and the net amount is reported in the financial statements only when there is a legally enforceable right to set off the recognized amount and the Company intends either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously.

3.5 *Advances and Deposits*

All short and long term advances and deposits are carried at amortized cost. Provisions are made for doubtful amounts. Irrecoverable amounts are written off to profit and loss account.

3.6 *Trade debts*

These are classified at amortized cost and are initially recognised when they are originated and measured at fair value of consideration receivable. These assets are written off when there is no reasonable expectation of recovery. Actual credit loss experience over past years is used to base the calculation of expected credit loss.

Trade receivables in respect of securities sold on behalf of client are recorded at settlement date of transaction

3.7 *Provisions*

A provision is recognized when the Company has an obligation (legal or constructive), as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

However, provisions are reviewed at each balance sheet date and adjusted to reflect the current best

3.8 Cash and cash equivalents

These include cash in hand and bank balances and are carried at cost.

3.9 Trade and other payables

Trade and other payables are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received up to the year end, whether or not billed to the Company.

3.10 Taxation

Income tax expense comprises of current and deferred tax. Income tax expense is recognised in the profit and loss account, except to the extent that it relates to items recognised directly in statement of changes in equity or in which case it is recognised in equity.

Current

Provision for current taxation is based on taxability of certain income streams of the Company under presumptive / final tax regime at the applicable tax rates and remaining income streams chargeable at current rate of taxation under the normal tax regime after taking into account tax credits and tax rebates available, if any.

Deferred

Deferred tax is recognised using the balance sheet liability method on all temporary differences between the carrying amount of assets and liabilities used for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised. Deferred tax is charged or credited to the profit and loss account.

3.11 Revenue

Brokerage, commission, consultancy and other income are recognised as and when such services are provided performance obligation is satisfied.

Interest income is recognised on a time proportion basis using the effective interest rate of return.

3.12 Expenses

All expenses are recognised in the profit and loss account on accrual basis.

3.13 *Impairment*

Non-Financial assets

The carrying amounts of non-financial assets are assessed at each reporting date to ascertain whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. An impairment loss is recognized, as an expense in the profit and loss account, for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sale and value in use. Value in use is ascertained through discounting of the estimated future cash flows using a discount rate that reflects current market assessments of the time value of money and the risk specific to the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization. if no impairment loss had been recognised.

3.14 *Related party transactions*

All transactions with related parties are carried out by the Company at arms' length price using the admissible pricing method.

	Note	2019 Rupees	2018 Rupees

4 PROPERTY AND EQUIPMENTS

	Note	2019 Rupees	2018 Rupees
Operating fixed assets	4.1	**12,768,100**	13,515,294

4.1 Operating fixed assets

Particular	Owned: Offices	Owned: Computers	Owned: Furniture & fixtures	Owned: Office Equipment	Total
	------ Rupees ------				
Net book value as at June 30, 2017	12,804,436	154,542	-	871,335	13,830,313
Additions		12,000	500,000	-	512,000
Depreciation charged	(640,222)	(49,663)	(50,000)	(87,134)	(827,019)
Net book value as at June 30, 2018	**12,164,214**	**116,879**	**450,000**	**784,201**	**13,515,294**
Additions		**26,000**			**26,000**
Depreciation charged	**(608,211)**	**(41,563)**	**(45,000)**	**(78,420)**	**(773,194)**
Net book value as at June 30, 2019	**11,556,003**	**101,316**	**405,000**	**705,781**	**12,768,100**
At June 30, 2018					
Cost	15,400,000	393,549	500,000	925,072	17,218,621
Accumulated depreciation	(3,235,786)	(276,670)	(50,000)	(140,871)	(3,703,327)
Net book value	**12,164,214**	**116,879**	**450,000**	**784,201**	**13,515,294**
At June 30, 2019					
Cost	15,400,000	419,549	500,000	925,072	17,244,621
Accumulated depreciation	(3,843,997)	(318,233)	(95,000)	(219,291)	(4,476,521)
Net book value	**11,556,003**	**101,316**	**405,000**	**705,781**	**12,768,100**
Rate of depreciation %	**5%**	**30%**	**10%**	**10%**	

5 INTANGIBLES

	Note	2019 Rupees	2018 Rupees
Entitlement certificates	5.1	**4,250,000**	5,000,000

5.1 Membership card and trading right entitlement certificates

	2019 Rupees	2018 Rupees
Membership		
Pakistan Mercantile Exchange Limited	**1,750,000**	2,500,000
Trading Rights Entitlement Certificate (TREC)		
Pakistan Stock Exchange Limited	**2,500,000**	2,500,000
	4,250,000	5,000,000

5.1.1 Pursuant to Memorandum of Understanding was signed between Karachi Stock Exchange Limited (KSE), Lahore Stock Exchange Limited (LSE) and Islamabad Stock Exchange Limited (ISE) for integration of all three stock exchanges in Pakistan as envisaged in the Stock Exchanges (Corporatization, Demutualization and Integration) Act 2012 (XV of 2012) [the Act], the Company has been issued two TREC's of Pakistan Stock Exchange, in lieu of TREC of KSE and ISE previously issued. These have been carried at cost less impairment.

6 LONG-TERM INVESTMENT
- At Fair value through OCI

2019	*2018*				
Number of Shares			***Note***	***2019 Rupees***	***2018 Rupees***
3,034,603	3,034,603	ISE Towers Reit Management Company Limited	6.1	**6,630,000**	6,630,000

6.1 Investment in unlisted company is measured at fair value which approximates its carrying value.

The company has pledged these shares with Pakistan Stock Exchange Limited

	Note	*2019 Rupees*	*2018 Rupees*

7 LONG-TERM DEPOSITS

Central Depository Company of Pakistan Limited		**100,000**	100,000
National Clearing Company of Pakistan Limited		**1,400,000**	1,700,000
Pakistan Mercantile Exchange Limited		**1,250,000**	500,000
		2,750,000	2,300,000

8 DEFERRED TAX ASSETS

This comprises of the following:

	Note	2019	2018
Taxable temporary differences			
Accelerated depreciation for tax purposes		**1,352,802**	1,643,576
Impairment of intangible		**-**	1,500,000
		1,352,802	3,143,576
Deductible temporary differences			
Minimum tax impact		**(116,706)**	(116,706)
Alternate corporate tax		**(340,462)**	(340,462)
Loss on remeasurement		**(82,537)**	-
Tax losses		**(4,812,771)**	(5,224,869)
		(5,352,476)	(5,682,037)
Deferred tax asset		**(3,999,674)**	(2,538,461)
Un recognized deferred tax asset	8.1	**3,999,674**	2,538,461
		-	-

8.1 The deferred tax asset net of Rs.3.999 million (2018 : Rs. 2.538 million) has not been recognised owing to uncertainty regarding future profitability against which deferred tax asset could be set off.

9 TRADE DEBTS

	Note	2019 Rupees	2018 Rupees
Considered good			
Receivable from clients	9.1 & 9.2	**2,491,259**	3,138,831
Receivable from NCCPL against:			
Future profits		**2,763,420**	1,063,265
Others		**517,520**	2,051,495
		5,772,199	6,253,591

9.1 *Receivable from clients*

	2019 Rupees	2018 Rupees
Considered good	**2,491,259**	3,472,547
Provision for doubtful receivables	**-**	(333,716)
	2,491,259	3,138,831

9.2 *Clients securities pledged*

The total value of securities pertaining to clients are Rs. 700.580 million held in sub-accounts of the company. Among which securities of Rs. 15.800 million are pledged by client to the financial institutions.

10 ADVANCES, DEPOSITS AND OTHER RECEIVABLE

	2019 Rupees	2018 Rupees
Advances		
Advance against PMEX room	**5,000,000**	5,000,000
Deposits		
Exposure margin with NCCPL	**5,562,156**	5,603,000
Other receivable		
Bank profit receivable	**-**	5,979
RMS profit receivable	**94,196**	-
	10,656,352	10,608,979

11 SHORT TERM INVESTMENTS

	2019 Rupees	2018 Rupees
At Fair value through profit or loss		
In quoted securities	**880,561**	1,430,806

12 TAX REFUNDS DUE FROM GOVERNMENT

	2019 Rupees	2018 Rupees
Opening tax payable	**1,615,011**	1,604,695
Provision for the year	**(220,493)**	(1,181,870)
Prior year	**11,820**	-
	1,406,338	422,825
Tax paid during the year	**800,086**	1,192,186
	2,206,424	1,615,011

	Note	2019 Rupees	2018 Rupees

13 CASH AND BANK BALANCES

	Note	2019 Rupees	2018 Rupees
Cash in hand		**1,000**	880
Cash at bank - client account		**7,515,957**	15,859,069
Cash at bank - house account		**5,855,438**	1,005,433
	13.1	**13,371,395**	16,864,502
		13,372,395	16,865,382

13.1 Cash at bank

	Note	2019 Rupees	2018 Rupees
Current account		**13,357,349**	16,221,345
Deposit account	13.2	**14,046**	643,157
		13,371,395	16,864,502

13.2 The deposit account carries markup rate ranging from 8% to 11% (2018 : 3.75% to 4.25%).

14 ISSUED, SUBSCRIBED AND PAID UP CAPITAL

2019 Number of Shares	2018 Number of Shares		2019 Rupees	2018 Rupees
3,000,000	3,000,000	Ordinary shares of Rs.10 each fully paid in cash	**30,000,000**	30,000,000
2,000,000	2,000,000	Ordinary shares of Rs.10 each fully paid against membership cards and offices	**20,000,000**	20,000,000
5,000,000	5,000,000		**50,000,000**	50,000,000

15 TRADE AND OTHER PAYABLES

	2019 Rupees	2018 Rupees
Trade creditors	**7,059,398**	16,045,671
Accrued liabilities	**3,455,864**	588,663
Sales tax payable	**52,830**	65,360
	10,568,092	16,699,694

16 SHORT-TERM BORROWING
- Unsecured

	2019 Rupees	2018 Rupees
From related party		
Loan from Icon Management (Private) Limited	-	158,385
From shareholder	**1,050,000**	-
	1,050,000	158,385

	2019 Rupees	2018 Rupees

17 CONTINGENCY AND COMMITMENT

17.1 Contingency

Guarantee issued by bank on behalf of the Company	-	5,000,000

17.1.1 During the year the company has not made renewal of the guarentee issued by the bank.

17.2 Commitments

Commitment against unrecorded transactions executed before the year end having settlement date subsequent to year end: -

	Note	2019 Rupees	2018 Rupees
For purchase of shares		**153,800**	4,205,100
For sale of shares		**6,150,465**	3,003,775

18 OPERATING REVENUE

Brokerage income	**6,811,380**	9,022,778
Less: Sales Tax	**(783,610)**	(968,285)
Dividend income	-	319,210
	6,027,770	8,373,703

19 ADMINISTRATIVE AND OPERATING EXPENSES

	Note	2019	2018
Salaries and other benefits		**2,731,046**	3,414,683
Printing and stationary		**55,400**	62,355
C.D.C & clearing house charges		**616,182**	468,317
Postage and telephone		**78,492**	73,593
Legal and professional charges		**150,889**	289,222
Insurance expense		**17,790**	29,454
Conveyance		**128,120**	85,840
Membership, fees and other subscription		**548,608**	463,807
Auditors' remuneration	19.1	**172,800**	178,200
Repair and maintenance		**12,000**	53,473
Depreciation	4.1	**773,194**	827,019
Software maintenance charges		**189,936**	102,672
Communication expenses		**454,100**	386,750
Utilities expenses		**283,319**	265,831
Miscellaneous expenses		**309,737**	1,462,409
		6,521,613	8,163,625

	2019 Rupees	2018 Rupees
19.1 Auditors' remuneration		
Statutory audit fee	**108,000**	102,600
Other certification fee	**64,800**	75,600
	172,800	178,200

20 OTHER INCOME

Other income	**-**	163,610
Property income	**950,400**	605,000
Profit on exposure and savings account	**629,688**	519,475
	1,580,088	1,288,085

21 TAXATION

Current year	**220,493**	1,181,870
Prior year	**(11,820)**	-
	208,673	1,181,870

22 PATTERN OF SHAREHOLDINGS

Following are the shareholders having holding as at June 30, 2018:

Sr. No	Name of Shareholder	No. of Shares Held	Percentage %
1	Sharfyab Ali Khan	**50,000**	1%
2	Icon Management (Private) Limited	**1,500,000**	30%
3	Iqbal Usman	**2,720,000**	54%
4	Humera Iqbal	**580,000**	12%
5	Sajjad Sultan Mankani	**100,000**	2%
6	Imran Iqbal	**50,000**	1%
		5,000,000	100%

23 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

FINANCIAL ASSETS AND LIABILITIES

Financial assets		
Long-term investments	**6,630,000**	6,630,000
Long-term deposit	**2,750,000**	2,300,000
Advances, deposits and other receivable	**10,656,352**	10,608,979
Short term investments	**880,561**	1,430,806
Trade debts	**5,772,199**	6,253,591
Cash and bank balances	**13,372,395**	16,865,382
	40,061,507	44,088,758
Financial Liabilities		
Trade and other payables	**10,568,092**	16,699,694
Short-term borrowing	**1,050,000**	158,385
	11,618,092	16,858,079

The Company's activities expose it to a variety of financial risks: capital risk, credit risk, liquidity risk and market risk (interest / mark-up rate risk and price risk). The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance. Overall, risks arising from the Company's financial assets and liabilities are limited. The Company consistently manages its exposure to financial risk without any material change from previous period in the manner described in notes below.

Risk managed and measured by the Company are explained below: -

a) Credit risk
b) Liquidity risk
c) Market Risk

The Board of Directors has overall responsibility for the establishment and oversight of Company's risk management framework. All treasury related transactions are carried out within the parameters of these policies.

23.1 Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. Company believes that it is not exposed to major concentration of credit risk. To manage exposure to credit risk, Company applies credit limits and deal with credit worthy parties. It makes full provision against those balances considered doubtful and by dealing with variety of major banks and financial institutions.

The carrying amounts of financial assets represent the maximum credit exposure, as specified below: -

	2019	*2018*
	Rupees	*Rupees*
Long-term investments	**6,630,000**	6,630,000
Long-term deposit	**2,750,000**	2,300,000
Trade debts	**5,772,199**	6,253,591
Advances, deposits and other receivable	**10,656,352**	10,608,979
Short term investments	**880,561**	1,430,806
Cash and bank balances	**13,372,395**	16,865,382
	40,061,507	44,088,758

The maximum exposure to credit risk for trade debtors and other receivables at the balance sheet date are as follows:

	2019	
	Gross	***Impairment***
	Rupees	***Rupees***
5 days	**109,627**	-
More than 5 days	**2,381,632**	-

	2018	
	Gross	*Impairment*
	Rupees	*Rupees*
5 days	826,838	-
More than 5 days	2,645,709	-

23.2 *Liquidity risk*

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of adequate funds through committed credit facilities and the ability to close out market positions due to dynamic nature of the business. Company finances its operations through equity, borrowings and working capital with a view to maintaining an appropriate mix between various sources of finance to minimize risk. The management aims to maintain flexibility in funding by keeping regular committed credit lines.

The following are the contractual maturities of financial liabilities, including estimated interest payments:-

	2019			
	Carrying Amount	Contractual cash flows	Upto one year	More than one year
	------------- Rupees -------------			
Financial liabilities				
Trade and other payables	10,568,092	10,568,092	10,568,092	-
Short-term borrowing	1,050,000	1,050,000	1,050,000	-
	11,618,092	11,618,092	11,618,092	-

	2018			
	Carrying Amount	Contractual cash flows	Upto one year	More than one year
	------------- Rupees -------------			
Financial liabilities				
Trade and other payables	16,699,694	16,699,694	16,699,694	-
Short-term borrowing	158,385	158,385	158,385	-
	16,858,079	16,858,079	16,858,079	-

23.3 *Market risk*

Market risk means that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices such as foreign exchange rates, interest rates and equity prices. The objective is to manage and control market risk exposures within acceptable parameters, while optimizing the return. Market risk comprises of three types of risk: foreign exchange or currency risk, interest / mark up rate risk and price risk. The market risks associated with the Company's business activities are discussed as under:-

Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Foreign Currency risk arises mainly where receivables and payables exist due to transactions entered into foreign currencies.

Currently the Company is not exposed to any currency risk because the company is not dealing in any foreign currency transactions.

Interest / mark up rate risk

Financial assets and liabilities include balances of Rs .0.014046 million (2018 : Rs.0.643 million) which are subject to interest rate risk . Applicable interest/mark-up rates for financial assets and liabilities have been indicated in respective notes.

Interest / mark-up rate risk is the risk that value of a financial instrument or future cash flows of a financial instrument will fluctuate due to changes in the market interest / mark-up rates. Sensitivity to interest / mark up rate risk arises from mismatches of financial assets and liabilities that mature or re-price in a given period. The Company manages these mismatches through risk management strategies where significant changes in gap position can be adjusted.

At the balance sheet date, the interest rate profile of the Company's significant interest bearing financial instruments was as follows: -

	2019	*2018*
	Carrying amount	
Financial assets		
Cash and bank balances	**14,046**	643,157
Financial liability		
Short-term borrowing	**1,050,000**	158,385

Sensitivity analysis

The Company does not account for any fixed rate financial asset and liabilities at fair value through profit or loss. Therefore, a change in interest rate will not effect fair value of any financial instrument and company does not have any variable rate instrument which effect profit and loss account and equity.

The following information summarizes the estimated effects of hypothetical increases and decreases in interest rates on cash flows from financial assets and liabilities that are subject to interest rate risk. It is assumed that the changes occur immediately and uniformly to each category of instrument containing interest rate risk. The hypothetical changes in market rates do not reflect what could be deemed best or worst case scenarios. Variations in market interest rates could produce significant changes at the time of early repayments. For these reasons, actual results might differ from those reflected in the details specified below. The analysis assumes that all other variables remain constant.

	Profit and loss 100 bp	
	increase	***decrease***
As at June 30, 2019		
Cash flow sensitivity - Variable rate financial instruments	**1,405**	**(1,405)**
As at June 30, 2018		
Cash flow sensitivity - Variable rate financial instruments	64,316	(64,316)

Price risk

Price risk represents the risk that the fair value of a financial instrument will fluctuate because of changes in the market prices (other than those arising from interest / mark up rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all or similar financial instruments traded in the market.

The Company's strategy is to hold its strategic equity investments for long period of time. Thus, Company's management is not concerned with short term price fluctuations with respect to its strategic investments provided that the underlying business, economic and management characteristics of the investee remain favorable which if not, impairment loss has been recognised and other opportunities may be considered. Company manages price risk by monitoring exposure in quoted equity securities and implementing the strict discipline in internal risk management and investment policies.

The carrying value of investments subject to equity price risk are, in almost all instances, based on quoted market prices as of the balance sheet date except for, unquoted associates which are carried at fair value determined through latest sales price. Market prices are subject to fluctuation and consequently the amount realized in the subsequent sale of an investment may significantly differ from the reported market value. Fluctuation in the market price of a security may result from perceived changes in the underlying economic characteristics of the investee, the relative price of alternative investments and general market conditions. Furthermore, amount realized in the sale of a particular security may be affected by the relative quantity of the security being sold.

Sensitivity analysis

The table below summarizes Company's equity price risk as of June 30, 2019 and 2018 and shows the effects of hypothetical 10% increase and a 10% decrease in market prices as at the year end. The selected hypothetical change does not reflect what could be considered to be the best or worst case scenarios. Indeed, results could be worst because of the nature of the equity market and aforementioned concentrations existing in company's equity investment portfolio.

	Fair Value	*Hypothetical price change*	*Estimated fair value after hypothetical change in prices*	*Hypothetical increase (decrease) in shareholders' equity*
	Rupees		*Rupees*	*Rupees*
June 30, 2019	**880,561**	**10% increase**	**968,617**	**88,056**
		10% decrease	**792,505**	**(88,056)**
June 30, 2018	1,430,806	10% increase	1,573,887	143,081
		10% decrease	1,287,725	(143,081)

23.4 *Fair value of financial instruments*

The carrying values of the financial assets and financial liabilities approximate their fair values. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in arm's length transaction.

23.5 *Fair value hierarchy*

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows: -

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable).

	Level 1	*Level 2*	*Level 3*
		-------------- Rupees --------------	
June 30, 2019			
Investments available for sale	-	-	**6,630,000**
Investments at fair value through profit or loss	**880,561**	-	-
June 30, 2018			
Investments available for sale	-	-	6,630,000
Investments at fair value through profit or loss	1,430,806	-	-

24 CAPITAL RISK MANAGEMENT

The primary objective of the Company's capital management is to ensure that it maintains healthy capital ratios in order to support its business sustain future development of the business and maximize shareholders value. The Company closely monitors the return on capital along with the level of distributions to ordinary shareholders. No changes were made in the objectives, policies or processes during the year ended June 30, 2019.

The Company monitors capital by effective control over expenses and investment. Therefore no debt is taken by the company.

25 CHIEF EXECUTIVE REMUNERATION

		2019	2018
Managerial remuneration	Rs.	**1,800,000**	1,500,000
Number of persons		**1**	1

26 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise directors of the Company and key management Personnel. The Company continues to have a policy whereby all transactions with related parties are entered into at commercial terms and conditions. Transaction with associated undertakings and key management personnel under the term of their employment, are as follows: -

Transaction with associated undertakings and key management personnel under the term of their employment, are as follows: -

Name of Related Party	Relationship	Nature of Transaction	2019 ---Rupees---	2018
Sharfyab Ali Khan	Director	Brokerage income earned	**110,093**	143,337
		Trade Payable	**2,670,466**	6,634,291
Iqbal Usman	Shareholder	Brokerage income earned	**299,430**	883,323
		Trade Payable	-	931,368
		Loan Payable	**1,050,000**	
Imran Iqbal	Shareholder	Brokerage income earned	**17,281**	42,733
		Trade Payable	**57,331**	330,330
Humera	Shareholder	Brokerage income earned	**18,933**	68,188
		Trade Payable	-	4,111,833
		Trade receivable	**2,868**	-
Icon Management (Private) Limited	Associated undertaking	Brokerage income earned	**37,555**	140,420
		Loan Payable	-	158,385
		Trade receivable	-	11,764

The maximum aggregate amount outstanding during the year was Rs.207,273/-

Name of Related Party	Relationship	Nature of Transaction	2019	2018
Icon Global (Private) Limited	Associated undertaking	Brokerage income earned		-

27 *OPERATING SEGMENT*

These financial statements have been prepared on the basis of a single reportable segment which is consistent with the internal reporting used by the chief operating decision-maker. The chief operating decision-maker is responsible for allocating resources and assessing performance of the operating segments.

The internal reporting provided to the chief operating decision-maker relating to the Company's assets, liabilities and performance is prepared on a consistent basis with the measurement and recognition principles of approved accounting standards as applicable in Pakistan. There were no change in the reportable segments during the year.

The Company is domiciled in Pakistan. The Company's revenue is generated from shares brokerage, portfolio management, investment advisory, consultancy and underwriting services.

All non-current assets of the Company at June 30, 2019 are located in Pakistan.

28 *CAPITAL ADEQUACY LEVEL*

The capital adequacy level of the company is as follows:

	Note	2019 Rupees	2018 Rupees
Total assets	28.1	**59,286,031**	64,219,063
Less: Total liabilities		**(11,730,592)**	(16,970,579)
Less: Revaluation Reserves (created upon revaluation of fixed assets)		-	-
Capital adequacy level		**47,555,439**	47,248,484

28.1 While determining the value of total assets of TREC holder, notional value of TRE certificate held by such Participant as at year ended June 30, 2019 as determined by the Pakistan Stock Exchange Limited - PSX has been considered.

29 *RECLASSIFICATION*

Corresponding figure have been rearranged and reclassified, wherever necessary for the purpose of better presentation. Reclassification is as follows:

Description	*Head of account of the financial statements for the year ended June 30, 2018*	*Head of account of the financial statements for the year ended June 30, 2019*	*Amount Rupees*
Others	Administrative expenses - Other expenses	Administrative expenses - Miscellaneous expenses	796,813
Audit Remuneration	Administrative expenses - Audit remuneration	Administrative expenses - Miscellaneous expenses	194,400

	2019	2018
30 NUMBER OF EMPLOYEES		
Number of employees as at	**3**	6
Average number of employees	**5**	6

31 DATE OF AUTHORIZATION FOR ISSUE

The financial statements were approved by the Board of Directors and were authorized for issue on 04 OCT 2019.

32 GENERAL

Figures have been rounded off to the nearest rupee.

Chief Executive	Director