Icon Capital Management (Private) Limited

Financial Statements
For the year ended June 30, 2018

Reanda Haroon Zakaria & Company
Chartered Accountants

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
ICON CAPITAL MANAGEMENT (PRIVATE) LIMITED
REPORT 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, 2018, 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, 2018 and of the loss, statement of 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.

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.

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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.

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 2018

ICON CAPITAL MANAGEMENT (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2018

	Note	2018 Rupees	2017 Rupees
ASSETS			
Non-Current Assets			
Property and equipment	5	**13,515,294**	19,330,313
Intangibles	6	**5,000,000**	5,000,000
Long-term investments	7	**6,630,000**	6,630,000
Long-term deposit	8	**2,300,000**	2,612,682
		27,445,294	33,572,995
Current Assets			
Trade debts	9	**6,253,591**	8,637,240
Advances, deposits and other receivable	10	**10,608,979**	3,830,742
Short term investments	11	**1,430,806**	1,908,087
Tax refunds due from government	12	**1,615,011**	1,604,695
Cash and bank balances	13	**16,865,382**	30,209,462
		36,773,769	46,190,226
Total Assets		**64,219,063**	79,763,221
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		**(2,751,516)**	(2,467,600)
		47,248,484	47,532,400
Long Term Liabilities			
Long term deposits payables		**112,500**	112,500
Deferred tax liability	15	**-**	-
		112,500	112,500
Current Liabilities			
Trade and other payables	16	**16,699,694**	32,028,150
Short-term borrowing	17	**158,385**	90,171
		16,858,079	32,118,321
Contingency and Commitment	18		
Total Capital and Liabilities		**64,219,063**	79,763,221

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

Chief Executive

S.A.Khan

Director

ICON CAPITAL MANAGEMENT (PRIVATE) LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2018

	Note	2018 Rupees	2017 Rupees
Operating revenue	19	**8,373,703**	7,515,071
Capital gain on sale of investment - net		-	669,568
Loss on re-measurement of investments carried at fair value through profit or loss - net		**(477,281)**	(506,273)
		7,896,422	7,678,366
Administrative and operating expenses	20	**(8,163,625)**	(6,860,024)
Other charges	21	-	(3,370,000)
Other income	22	**1,288,085**	1,522,172
Finance cost		**(122,928)**	(142,356)
Profit / (loss) before taxation		**897,954**	(1,171,842)
Taxation - net	23	**(1,181,870)**	723,492
Loss after taxation		**(283,916)**	(448,350)

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, 2018

	2018 Rupees	2017 Rupees
Loss after taxation	**(283,916)**	(448,350)
Other comprehensive income for the year	-	-
Total comprehensive loss for the year	**(283,916)**	(448,350)

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

S.A. Khan

Chief Executive

Director

ICON CAPITAL MANAGEMENT (PRIVATE) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2018

	Share capital	*Revenue Reserves*	*Total*
		Unappropriated loss	
		-------- Rupees --------	
Balance as at June 30, 2016	50,000,000	(2,019,250)	47,980,750
Loss for the year	-	(448,350)	(448,350)
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**

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

Chief Executive

S.A.Khan

Director

ICON CAPITAL MANAGEMENT (PRIVATE) LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2018

	2018	2017
	Rupees	Rupees
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (loss) before taxation	**897,954**	(1,171,842)
Adjustment for non-cash charges and other items		
Depreciation	**827,019**	547,777
Impairment of TREC	**-**	3,370,000
	827,019	3,917,777
	1,724,973	2,745,935
Changes in Working Capital:		
(Increase) / decrease in current assets		
Trade debts	**2,383,649**	(911,947)
Advances, deposits and other receivable	**(1,778,237)**	(2,551,450)
Increase / (decrease) in current liabilities		
Trade and other payables	**(15,328,456)**	29,771,412
Short-term borrowing	**68,214**	19,989
	(14,654,830)	26,328,004
Taxes paid	**(1,192,186)**	(1,635,110)
Long term deposits - net	**312,682**	(1,000,000)
Net cash (used in) / generated from operating activities	**(13,809,361)**	26,438,830
B. CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure incurred	**(512,000)**	(4,878,572)
Transferred from CWIP	**500,000**	-
Investments - net	**477,281**	3,122,668
Net cash generated from / (used in) investing activities	**465,281**	(1,755,904)
Net (decrease) / increase in cash and cash equivalents (A+B)	**(13,344,080)**	24,682,926
Cash and cash equivalents at beginning of year	**30,209,462**	5,526,536
Cash and cash equivalents at end of year	**16,865,382**	30,209,462

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

Chief Executive

S.A.Khan
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 (the Ordinance). 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 SIGNIFICANT TRANSACTIONS AND EVENTS AFFECTING THE COMPANY'S FINANCIAL POSITION AND PERFORMANCE

Due to the applicability of Companies Act, 2017 certain disclosures of the financial statements have been presented in accordance with the fifth schedule notified by the Securities and Exchange commission of Pakistan vide S.R.O 1169 dated November 7, 2017.

The financial statements include disclosure requirements of the Securities Brokers (Licensing and Operations) Regulations, 2016 as notified by the Securities and Exchange Commission of Pakistan vide S.R.O 569(I) / 2016 dated June 24, 2016.

3 BASIS OF PREPARATION

3.1 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 comprise of:

- 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.

3.2 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.

3.3 *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.

3.4 *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.

3.5 *Standards, interpretations and amendments to approved accounting standards that are not yet effective*

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial year except as follows :

3.5.1 *New standards*

The Company has adopted the following revised standards and amendments of IFRSs which became effective for the current year:

IAS 7	Statement of Cash Flows - Disclosure initiative - (Amendment)
IAS 12	Income taxes - Recognition of Deferred tax Assets for unrealized losses (Amendments)

The adoption of the above revised standards, amendments and improvements does not have any material effect on these financial statements.

3.5.2 Standards, amendments and improvements to approved accounting standards that are not yet effective

The following revised standards, amendments and improvements with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standards or interpretations:

Standard or Interpretation		***Effective date (annual periods beginning on or after)***
IFRS 2	Share Based Payments - Classification and Measurement of Share Based payments Transactions (Amendment)	01 January 2018
IFRS 9	Financial instruments	01 July 2018
IFRS 9	Prepayment Features with Negative Compensation - (Amendments)	01 January 2018
IFRS 10	Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	Not yet finalized
IFRS 15	Revenue from Contracts with Customers	01 July 2018
IFRS 16	Leases	01 January 2019
IFRS 4	Instruments with IFRS 4 Insurance contracts - (Amendments)	01 January 2018
IAS 40	Investment Property - Transfer of Investment Property (Amendments)	01 January 2018
IAS 19	Plan Ammendment, Curtailment or Settlement	01 January 2019
IAS 28	Long term interests in Associates and Joint ventures (Amendments)	01 January 2019
IFRIC 22	Foreign Currency Transactions and Advance	01 January 2018
IFRIC 23	Uncertainty over Income Tax Treatment	01 January 2019

The above standards and amendments are not expected to have any material impact on the Company's financial statements in the period of initial application except for 'FRS 15 - Revenue from contracts with customers. The Company is currently evaluating the impact of the said standard.

In addition to the above standards and amendments, improvements to various accounting standards have also been issued by the IASB in December 2016 and December 2017. Such improvements are generally effective for accounting periods beginning on or after 01 January 2018 and 01 January 2019 respectively. The Company expects that such improvements to the standards will not have any impact on the Company's financial statements in the period of initial application

The IASB has also issued the revised Conceptual Framework for Financial Reporting (the Conceptual Framework) in March 2018 which is effective for annual periods beginning on or after 1 January 2020 for preparers of financial statements who develop accounting policies based on the Conceptual Framework. The revised Conceptual Framework is not a standard, and none of the concepts override those in any standard or any requirements in a standard. The purpose of the Conceptual Framework is to assist IASB in developing standards, to help preparers develop consistent accounting policies if there is no applicable standard in place and to assist all parties to understand and interpret the standards.

Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

3.5.3 Standard or Interpretation		*Effective date (annual periods beginning on or after)*
IFRS 14	Regulatory Deferral Accounts	01 January 2016
IFRS 17	Insurance Contracts	01 January 2021

The company expects that above new standards will not have any material impact on the Company's financial statements in the period of initial application.

4 *SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*

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

4.1 *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 straight line 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.

4.2 *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.

4.3 Financial instruments

4.3.1 Financial assets

The Company classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, available for sale and held to maturity. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at the time of initial recognition.

a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss. A financial asset is classified as held for trading if acquired principally for the purpose of selling in the short term. Assets in this category are classified as current assets.

b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.They are included in current assets, except for maturities greater than twelve months after the balance sheet date, which are classified as non-current assets.

c) Held to maturity

Held to maturity are financial assets with fixed or determinable payments and fixed maturity that are quoted in an active market, where management has the intention and ability to hold till maturity are carried at amortised cost.

d) Available for sale financial assets

Available for sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investments within twelve months from the reporting date. Available for sale financial assets in such case are classified as short term investments in the statement of financial position.

When securities classified as available for sale are sold or impaired, the accumulated fair value adjustments recognised as "Other comprehensive income" are included in the profit or loss as gains and losses on disposal of short term investments. Interest on available for sale securities calculated using effective interest method is recognised as profit or loss. Dividends on available for sale equity instruments are recognised in the profit or loss when the Company's right to receive payments is established.

4.3.2 *Recognition and measurement of financial assets*

All financial assets are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. Regular purchases and sales of investments are recognised at trade date i.e. the date on which the Company commits to purchase or sell the asset.

Financial assets are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the profit or loss.

Available for sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. In case of available for sale financial assets, the change in fair value is recognised in other comprehensive income and in case of financial assets classified as fair value through profit and loss, the change is recognised in profit and loss account for the year.

The fair values of quoted investments are based on quoted prices. In case quoted prices are not available, the Company establishes fair value using a valuation technique. The chosen valuation technique makes maximum use of market inputs, relies as little as possible on estimates specific to the Company, incorporates all factors that market participants would consider in setting a price, and is consistent with accepted economic methodologies for pricing financial Instruments. Inputs to valuation techniques reasonably represent market expectations and measures of the risk-return factors inherent in the financial instrument. The Company calibrates valuation techniques and tests them for validity using prices from observable current market transactions in the same instrument or based on other available observable market data.

Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. If any such evidence exists for available for-sale financial assets, the cumulative loss that had been recognized in other comprehensive income is reclassified from equity to profit and loss account as a reclassification adjustment. Impairement losses recognized in the profit and loss account on equity instruments classified as available-for-sale are not reversed through the profit and loss account.

4.3.3 *Financial liabilities*

All financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. All financial liabilities are initially measured at cost, which is the fair value of the consideration given.

Financial liabilities, other than those at fair value through profit or loss, are measured at amortised cost using the effective yield method.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange and modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognised in the profit or loss.

4.3.4 *Off-setting of financial assets and financial liabilities*

A financial asset and a financial liability is offset and the net amount is reported in the financial statements if the Company has a legally enforceable right to set-off the transaction and also intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Other receivables are recognized and carried at cost which is the fair value of the consideration to be received in the future for goods and services

4.4 *Trade debts*

These are stated initially at fair value and subsequently measured at amortised cost less provision for impairment, if any.

A provision for impairment is recognised where there is objective evidence that the Company will not be able to collect all amounts due according to original terms of the receivable. The amount of provision is charged to profit and loss account.

Trade debts are written off when considered irrecoverable.

4.5 *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.

4.6 *Cash and cash equivalents*

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

4.7 *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.

4.8 *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.

4.10 Revenue

Brokerage, commission, consultancy and other income are recognised as and when such services are provided

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

4.11 Impairment

Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

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.

4.12 Related party transactions

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

	Note	2018 Rupees	2017 Rupees

5 PROPERTY AND EQUIPMENTS

	Note	2018 Rupees	2017 Rupees
Operating fixed assets	5.1	**13,515,294**	13,830,313
Capital work-in-progress	5.2	-	5,500,000
		13,515,294	19,330,313

5.1 *Operating fixed assets*

Particular	Owned				Total
	Offices	Computers	Furniture & fixtures	Office Equipment	
	---- Rupees ----				
Net book value as at June 30, 2016	9,285,371	125,889	-	88,259	9,499,519
Additions	4,000,000	74,700	-	803,872	4,878,572
Depreciation charged	(480,935)	(46,047)	-	(20,796)	(547,778)
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**
At June 30, 2017					
Cost	15,400,000	381,549	-	925,072	16,706,621
Accumulated depreciation	(2,595,564)	(227,007)	-	(53,737)	(2,876,308)
Net book value	**12,804,436**	**154,542**	-	**871,335**	**13,830,313**
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**
Rate of depreciation %	**5%**	**30%**	**10%**	**10%**	

5.2 *Capital work-in-progress*

	Note	2018 Rupees	2017 Rupees
Advance against rooms - Pakistan Mercantile Exchange Limited		-	5,000,000
Advance against capital expenditure			500,000
		-	5,500,000

6 INTANGIBLES

	Note	2018 Rupees	2017 Rupees
Entitlement certificates	6.1	**5,000,000**	5,000,000

	2018 Rupees	2017 Rupees
6.1 *Membership card and trading right entitlement certificates*		
Membership		
Pakistan Mercantile Exchange Limited	**2,500,000**	2,500,000
Trading Rights Entitlement Certificate (TREC)		
Pakistan Stock Exchange Limited	**2,500,000**	2,500,000
	5,000,000	5,000,000

6.1.1 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.

7 *LONG-TERM INVESTMENT*

- Available for sale - at cost - Unquoted

2018 Number of Shares	*2017* Number of Shares		Note	2018 Rupees	2017 Rupees
3,034,603	3,034,603	ISE Towers Reit Management Company Limited	7.1	**6,630,000**	6,630,000

7.1 Investment in unlisted company is carried at cost, as the fair value can not be reliably measured on account of limitation of trading in active market.

The company has pledged these shares with Pakistan Stock Exchange Limited

8 *LONG-TERM DEPOSITS*

	Note	2018 Rupees	2017 Rupees
Central Depository Company of Pakistan Limited		**100,000**	100,000
National Clearing Company of Pakistan Limited		**1,700,000**	1,500,000
Pakistan Mercantile Exchange Limited		**500,000**	500,000
Pakistan Stock Exchange Limited		**-**	512,682
		2,300,000	2,612,682

9 *TRADE DEBTS*

	Note	2018 Rupees	2017 Rupees
Considered good			
Receivable from clients	9.1 & 9.2	**3,138,831**	7,324,780
Receivable from NCCPL against:			
Future profits		**1,063,265**	1,312,460
Others		**2,051,495**	-
		6,253,591	8,637,240

	2018 Rupees	2017 Rupees

9.1 Receivable from clients

Considered good	**3,472,547**	7,954,067
Provision for doubtful receivables	**(333,716)**	(629,287)
	3,138,831	7,324,780

9.2 Clients securities pledged

The total value of securities pertaining to clients are Rs. 851.84 million held in sub-accounts of the company. Among which securities of Rs. 31.05 million are pledged by client to the financial institutions.

	2018 Rupees	2017 Rupees

10 ADVANCES, DEPOSITS AND OTHER RECEIVABLE

Loans and advances		
Loan to employees	-	10,000
Advance against PMEX room	**5,000,000**	-
Deposits		
Exposure margin with NCCPL	**5,603,000**	3,808,000
Other receivable		
Bank profit receivable	**5,979**	-
Other receivable	-	6,000
Prepayments	-	6,742
	10,608,979	3,830,742

11 SHORT TERM INVESTMENTS

Held for trading - through profit or loss		
In quoted securities	**1,430,806**	1,908,087

12 TAX REFUNDS DUE FROM GOVERNMENT

Opening tax payable	**1,604,695**	310,047
Provision for the year	**(1,181,870)**	(340,462)
	422,825	(30,415)
Tax paid during the year	**1,192,186**	1,635,110
	1,615,011	1,604,695

	Note	2018 Rupees	2017 Rupees

13 CASH AND BANK BALANCES

	Note	2018 Rupees	2017 Rupees
Cash in hand		**880**	4,060
Cash at bank - client account		**15,859,069**	29,286,062
Cash at bank - house account	13.1	**1,005,433**	919,340
	13.2	**16,864,502**	30,205,402
		16,865,382	30,209,462

13.1 This includes balance of Rs.186,601 pertining to client who is the major sponsor of the company moreover, in accordance with rule 4.18.2 the sponsor has no objection if the house retain the said fund in house bank account.

13.2 Cash at bank

	Note	2018 Rupees	2017 Rupees
Current account		**16,221,345**	30,066,655
Deposit account	13.3	**643,157**	138,747
		16,864,502	30,205,402

13.3 The deposit account carries markup rate ranging from 3.75% to 4.5% (2017 : 3.75% to 4.25%).

14 ISSUED, SUBSCRIBED AND PAID UP CAPITAL

2018 Number of Shares	2017 Number of Shares		2018 Rupees	2017 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 DEFERRED TAX LIABILITIES

This comprises of the following:

	Note	2018	2017
Taxable temporary differences			
Accelerated depreciation for tax purposes		**1,643,576**	1,519,184
Impairment of intangible		**1,500,000**	-
		3,143,576	1,519,184
Deductible temporary differences			
Minimum tax impact		**(116,706)**	(116,706)
Alternate corporate tax		**(340,462)**	-
Tax losses		**(5,224,869)**	(1,637,210)
		(5,682,037)	(1,753,916)
Deferred tax asset		**(2,538,461)**	(234,732)
Un recognized deferred tax asset	15.1	**2,538,461**	234,732
		-	-

15.1 The deferred tax asset net of Rs. 2.538 million (2017 : Rs. 0.234 million) has not been recognised owing to uncertainty regarding future profitability against which deferred tax asset could be set off.

	2018 Rupees	2017 Rupees

16 TRADE AND OTHER PAYABLES

	2018 Rupees	2017 Rupees
Trade creditors	**16,045,671**	28,457,129
Accrued liabilities	**588,663**	3,498,606
Sales tax payable	**65,360**	72,415
	16,699,694	32,028,150

17 SHORT-TERM BORROWING

- Unsecured
- From related party

	2018 Rupees	2017 Rupees
Loan from Icon Management (Private) Limited	**158,385**	90,171

17.1 The company has taken running finance facility from bank amounting to Rs. 20 million in order to meet the working capital requirements (if required), though the avilable working capital was enough to meet the current year requirements therefore the facility was not use during the year. The facility carries a markup of 3 months kibor + 2% p.a, payable quarterly in arrears.

18 CONTINGENCY AND COMMITMENT

18.1 Contingency

	2018 Rupees	2017 Rupees
Guarantee issued by bank on behalf of the Company	**5,000,000**	4,000,000

18.1.1 The above guarantee facility has been secured against pledged of quoted shares of equivalent value owned by associate company M/S Icon Management (Pvt) Limited. The aforesaid guarantee has been furnished to Pakistan Stock Exchange Limited.

18.1.2 The Company has pledged quoted shares amounting to Rs. 12.42 million (2017 : Rs. 38.86 million) in favour of Pakistan Stock Exchange against Exposure Limit. The above stated shares are owned by the major shareholder of the company.

18.2 Commitments

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

	2018 Rupees	2017 Rupees
For purchase of shares	**4,205,100**	94,563,186
For sale of shares	**3,003,775**	86,875,620

	Note	2018 Rupees	2017 Rupees

19 OPERATING REVENUE

	Note	2018 Rupees	2017 Rupees
Brokerage income			
Retail customers		**7,681,411**	6,524,438
Institutional customers		**373,082**	662,633
		8,054,493	7,187,071
Dividend income		**319,210**	328,000
		8,373,703	7,515,071

20 ADMINISTRATIVE AND OPERATING EXPENSES

	Note	2018 Rupees	2017 Rupees
Salaries and other benefits		**3,414,683**	2,856,866
Printing and stationary		**62,355**	49,900
C.D.C & clearing house charges		**468,317**	634,946
Postage and telephone		**73,593**	70,766
Legal and professional charges		**289,222**	127,300
Insurance expense		**29,454**	43,606
Conveyance		**85,840**	9,390
Membership, fees and other subscription		**463,807**	466,339
Auditors' remuneration	20.1	**372,600**	160,000
Repair and maintenance		**53,473**	44,302
Depreciation	5.1	**827,019**	547,777
Software maintenance charges		**102,672**	65,000
Communication expenses		**386,750**	285,710
Utilities expenses		**265,831**	314,259
Miscellaneous expenses		**471,196**	275,756
Bad debt expense		**-**	629,287
Others		**796,813**	278,820
		8,163,625	6,860,024

20.1 Auditors' remuneration

	Note	2018 Rupees	2017 Rupees
Statutory audit fee		**189,000**	100,000
Other certification fee		**183,600**	60,000
		372,600	160,000

21 OTHER CHARGES

	Note	2018 Rupees	2017 Rupees
Impairment of trading right entitlement certificate		**-**	3,370,000

22 OTHER INCOME

	Note	2018 Rupees	2017 Rupees
Other income		**163,610**	179,937
Property income		**605,000**	1,274,000
Profit on savings account		**519,475**	68,235
		1,288,085	1,522,172

	2018 Rupees	2017 Rupees

23 TAXATION

Current year	**1,181,870**	340,462
Deferred	-	(1,063,954)
	1,181,870	(723,492)

24 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%

25 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

FINANCIAL ASSETS AND LIABILITIES

	2018	2017
Financial assets		
Long-term investments	**6,630,000**	6,630,000
Long-term deposit	**2,300,000**	2,612,682
Advances, deposits and other receivable	**10,608,979**	3,824,000
Short term investments	**1,430,806**	1,908,087
Trade debts	**6,253,591**	8,637,240
Cash and bank balances	**16,865,382**	30,209,462
	44,088,758	53,821,471
Financial Liabilities		
Trade and other payables	**16,699,694**	32,028,150
Short-term borrowing	**158,385**	90,171
	16,858,079	32,118,321

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

management framework. All treasury related transactions are carried out within the parameters of these policies.

25.1 *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: -

	2018 Rupees	2017 Rupees
Long-term investments	**6,630,000**	6,630,000
Long-term deposit	**2,300,000**	2,612,682
Trade debts	**6,253,591**	8,637,240
Advances, deposits and other receivable	**10,608,979**	3,830,742
Short term investments	**1,430,806**	1,908,087
Cash and bank balances	**16,865,382**	30,209,462
	44,088,758	53,828,213

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

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

	2017	
	Gross Rupees	Impairment Rupees
More than 5 days	7,974,148	-

25.2 *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:-

	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**	-

	2017			
	Carrying Amount	*Contractual cash flows*	*Upto one year*	*More than one year*
	------------- *Rupees* -------------			
Financial liabilities				
Trade and other payables	32,028,150	32,028,150	32,028,150	-
Short-term borrowing	90,171	90,171	90,171	-
	32,118,321	32,118,321	32,118,321	-

25.3 *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.0.643 million (2017 : Rs.0.138 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: -

	2018	2017
	Carrying amount	
Financial assets		
Cash and bank balances	**643,157**	138,747
Financial liability		
Short-term borrowing	**158,385**	90,171

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, 2018		
Cash flow sensitivity -Variable rate financial instruments	**64,316**	**(64,316)**
As at June 30, 2017		
Cash flow sensitivity -Variable rate financial instruments	**13,875**	**(13,875)**

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, 2016 and 2015 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 *Rupees*	*Hypothetical price change*	*Estimated fair value after hypothetical change in prices*	*Hypothetical increase (decrease) in shareholders' equity* *Rupees*
June 30, 2018	**1,430,806**	**10% increase**	**1,573,887**	**143,081**
		10% decrease	**1,287,725**	**(143,081)**
June 30, 2017	1,908,087	10% increase	2,098,896	190,809
		10% decrease	1,717,278	(190,809)

25.4 *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.

25.5 *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, 2018			
Investments available for sale	-	-	**6,630,000**
Investments at fair value through profit or loss	**1,430,806**	-	-
June 30, 2017			
Investments available for sale	-	-	6,630,000
Investments at fair value through profit or loss	1,908,087	-	-

26 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, 2016.

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

27 CHIEF EXECUTIVE REMUNERATION

		2018	2017
Managerial remuneration	Rs.	**1,500,000**	1,500,000
Number of persons		**1**	1

28 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*	*2018* --- -Rupees- ---	*2017*
Sharfyab Ali Khan	Director	Brokerage income earned	**143,337**	65,914
		Trade Payable	**6,634,291**	-
Iqbal Usman	Shareholder	Brokerage income earned	**883,323**	-
		Trade Payable	**931,368**	
Imran Iqbal	Shareholder	Brokerage income earned	**42,733**	182,386
		Trade Payable	**330,330**	-
Humera	Shareholder	Brokerage income earned	**68,188**	-
		Trade Payable	**4,111,833**	-
Icon Management (Private) Limited	Associated undertaking	Brokerage income earned	**140,420**	-
		Loan Payable	**158,385**	90,171
		Trade receivable	**11,764**	201,512
The maximum aggregate amount outstanding during the year was Rs.286,840				
Icon Global (Private)	Associated	Brokerage income earned	-	56,507

29 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, 2018 are located in Pakistan.

30 CAPITAL ADEQUACY LEVEL

The capital adequacy level of the company is as follows:

	Note	2018 Rupees	2017 Rupees
Total assets	30.1	**64,219,063**	79,763,221
Less: Total liabilities		**(16,970,579)**	(32,230,821)
Less: Revaluation Reserves (created upon revaluation of fixed assets)		-	-
Capital adequacy level		**47,248,484**	47,532,400

30.1 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, 2018 as determined by the Pakistan Stock Exchange Limited - PSX has been considered.

31 NUMBER OF EMPLOYEES

	2018	2017
Number of employees as at	6	6
Average number of employees	6	6

32 DATE OF AUTHORIZATION FOR ISSUE

The financial statements were approved by the Board of Directors and were authorized for issue on 04 OCT 2018.

33 GENERAL

Figures have been rounded off to the nearest rupee.

Chief Executive

Director