



Independent Auditor's report to the members of Integrated Equities Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Integrated Equities Limited, which comprise the statement of financial position as at June 30, 2018, and the statement of profit or loss and 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 and other 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 profit and other comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

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

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

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

Offices also at:

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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- 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 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 (XVIII of 1980); and

The engagement partner on the audit resulting in this independent auditor's report is Nasir Gulzar.

Date: 04-10-18
Lahore

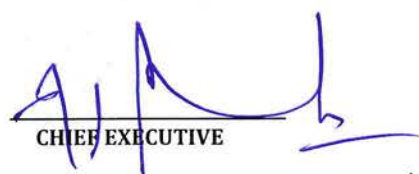


Nasir Javaid Maqsood Imran
Nasir Javaid Maqsood Imran
Chartered Accountants

INTEGRATED EQUITIES LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2018

	Note	Restated	
		JUNE	JUNE
		2018	2017
		Rupees	Rupees
NON CURRENT ASSETS			
Property and equipment	6	1,709,609	3,087,698
Intangibles	7	5,017,500	10,024,500
Investment property	8	28,302,400	24,385,500
Long term investments	9	60,561,552	60,346,567
Long term deposits and prepayments	10	1,749,000	1,216,000
		97,340,061	99,060,265
CURRENT ASSETS			
Trade debtors	11	38,921,788	49,673,648
Short term investments	12	6,870,001	14,397,097
Advances, deposits, prepayments & other receivables	13	7,192,511	3,603,870
Advance tax	14	6,314,488	8,321,398
Cash and bank balances	15	19,820,778	12,324,349
		79,119,566	88,320,362
TOTAL ASSETS		176,459,627	187,380,627
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share Capital	16	130,000,000	130,000,000
Other reserves	17	6,064,197	7,609,785
Retained earnings		6,320,576	5,207,867
TOTAL EQUITY		142,384,773	142,817,652
LIABILITIES			
NON CURRENT LIABILITIES			
Deferred tax liability	25	2,106,032	1,033,620
		2,106,032	1,033,620
CURRENT LIABILITIES			
Trade and other payables	18	28,958,006	36,829,869
Short term borrowings	19	33,917	1,825,383
Provision for taxation		2,976,899	4,874,103
		31,968,822	43,529,355
CONTINGENCIES AND COMMITMENTS	20	-	-
TOTAL EQUITY AND LIABILITIES		176,459,627	187,380,627

The annexed notes from 1 to 33 form an integral part of these Financial Statements.


CHIEF EXECUTIVE


DIRECTOR

INTEGRATED EQUITIES LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2018

			Restated
	Note	JUNE 2018 Rupees	JUNE 2017 Rupees
INCOME			
Brokerage & consultancy income	21	31,932,411	52,725,706
Capital (Loss) / gain - net		(3,611,752)	1,821,600
Dividend income		635,738	838,892
Gain on re-measurement of investments at fair value through profit or loss - net		211,134	3,257,242
		<u>29,167,531</u>	<u>58,643,440</u>
EXPENDITURE			
Operating Expenses	22	(34,980,818)	(38,011,252)
Financial charges	23	(268,871)	(516,734)
Operating income		<u>(6,082,158)</u>	<u>20,115,454</u>
Other income	24	9,443,045	3,097,015
Profit Before Tax		<u>3,360,887</u>	<u>23,212,469</u>
Taxation	25	(2,248,178)	(7,824,142)
Profit After Tax		<u><u>1,112,709</u></u>	<u><u>15,388,328</u></u>

The annexed notes from 1 to 33 form an integral part of these Financial Statements.


CHIEF EXECUTIVE

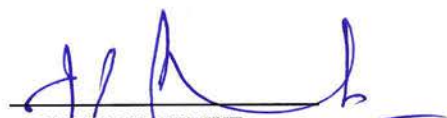

DIRECTOR

INTEGRATED EQUITIES LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2018

	Restated	
	JUNE	JUNE
	2018	2017
	Rupees	Rupees
Profit after tax	1,112,709	15,388,328
Other comprehensive income for the year	214,985	(10,353,442)
Deferred tax - Investment available for sale	(1,760,573)	-
Total other comprehensive income - net of tax	(1,545,588)	(10,353,442)
Total comprehensive income	<u>(432,879)</u>	<u>5,034,886</u>

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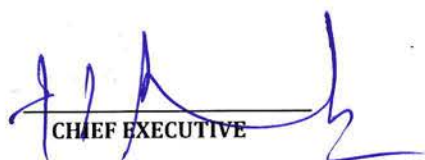

CHIEF EXECUTIVE


DIRECTOR

INTEGRATED EQUITIES LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2018

	June 2018 Rupees	Restated June 2017 Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Profit from Operations	3,360,887	23,212,470
Adjustment for Non-cash items		
Depreciation	609,484	714,652
Amortization	7,000	20,467
Gain on re-measurement of investments at fair value through profit or loss - net	(211,134)	(3,257,242)
Capital (Loss) / gain - net	3,611,752	-
Impairment on intangibles	5,000,000	-
Gain / (loss) on disposal of equipment	(3,338,420)	237,500
Gain on revaluation of investment property	(3,916,900)	(3,074,627)
Bad debts	330,171	-
Liabilities written off	(2,108,371)	-
Net Profit before Working Capital Changes	3,344,468	17,853,220
Changes in Working Capital		
(Increase) / Decrease in Current Assets		
Trade Debtors	10,421,690	(16,073,856)
Investments	4,126,479	(9,468,780)
Advances, Deposits and Other Receivables	(3,588,641)	2,570,460
Increase / (Decrease) in Current Liabilities		
Trade Creditors and Accrued Expenses	(5,763,492)	23,292,059
Cash Used in Operations	8,540,503	18,173,103
Tax paid	(2,826,634)	(4,121,689)
Net Cash Generated from Operating Activities	5,713,869	14,051,414
CASH FLOW FROM INVESTING ACTIVITIES		
Security Deposit	(533,000)	(500,000)
Acquisition of PPE	(132,974)	(485,700)
Proceed from disposals of PPE	4,240,000	-
Acquisition of investment property	-	(17,673,373)
Disposal of investment property	-	3,400,000
Net Cash generated/(used) from/in Investing Activities	3,574,026	(15,259,073)
CASH FLOW FROM FINANCING ACTIVITIES		
Long Term Loan	-	-
Acquisition/(repayment) of long term loan from director	(1,791,466)	(809,063)
Net Cash used in Financing Activities	(1,791,466)	(809,063)
Net Increase in Cash and Cash Equivalents	7,496,429	(2,016,724)
Cash and Cash Equivalents at the beginning of the year	12,324,349	14,341,073
Cash and Cash Equivalents at the end of the year	19,820,778	12,324,349

The annexed notes from 1 to 33 form an integral part of these Financial Statements.

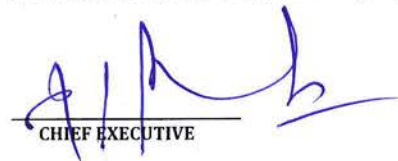

CHIEF EXECUTIVE


DIRECTOR

INTEGRATED EQUITIES LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2018

Particulars	Issued, subscribed and paid-up capital	Revenue Reserve		Total
		Other reserves	Retained earnings	
RUPEES				
Balance as at June 30,2016	102,216,080	17,963,227	17,603,459	137,782,766
Other Comprehensive loss for the year--restated	-	(10,353,442)	-	(10,353,442)
Profit for the year--restated	-	-	15,388,328	15,388,328
2,778,392 ordinary shares of Rs. 10/- each issued as bonus shares	27,783,920	-	(27,783,920)	-
Balance as at June 30,2017 - restated	130,000,000	7,609,785	5,207,867	142,817,652
Other Comprehensive loss for the year	-	(1,545,588)	-	(1,545,588)
Profit for the year	-	-	1,112,709	1,112,709
Balance as at June 30,2018	130,000,000	6,064,197	6,320,576	142,384,773

The annexed notes from 1 to 33 form an integral part of these Financial Statements.


CHIEF EXECUTIVE


DIRECTOR

INTEGRATED EQUITIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

1 STATUS AND NATURE OF BUSINESS

Integrated Equities Limited ("the Company") was incorporated in Pakistan on July 01, 2008 as a private limited company, under the repealed Companies Ordinance, 1984. Status of the Company was changed from private limited to public limited on December 30, 2016. The Principal Activities of the company include shares brokerage and Investment in shares, stocks, fixed income securities, bonds, etc. and also provides consultancy services.

The Registered office of the company is located at 202 Y First Floor Commercial Area Defense Housing Authority Lahore.

2 STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the approved Accounting Standards as applicable in Pakistan and the requirements of the Companies Act, 2017. Approved Accounting Standards comprise of such International financial reporting standards as notified under the provisions of the Companies Act, 2017. Whenever the requirements of the Companies Act, 2017 or directives of the Securities and Exchange Commission of Pakistan (SECP) differ with the requirements of the Standards, the requirements of the Companies Act, 2017 or the requirements of the said directives take precedence.

3 BASIS OF MEASUREMENT

These financial statements have been prepared under the historical cost convention except for investment property and certain financial assets that are stated at fair value and recognition of deferred liabilities at present value.

3.1 Critical accounting estimates and judgments

The preparation of financial statements in conformity with approved accounting standards, requires management to make judgments, estimates and assumptions that affect the application of policies, reported amounts of assets and liabilities, income and expense. The estimates and associated assumptions and judgments are based on historic experience and various other factors that are believed to be reasonable under the circumstances the result of which form the basis of making the judgments about carrying values of the 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. Revision to accounting estimates are recognized in the period in which the estimate is revised if the revision effects only the period, or in the period of revision and future periods if the revision effects both current and future periods. There was no significant adjustment required for the estimates and judgments as compared to previous year.

The areas involving a higher degree of judgment or complexity or areas where assumptions and estimates are significant to the financial statements are as follows:

- a) Useful life and residual values of property and equipment
- b) Impairment
- c) Classification and valuation of investment
- d) Provision for taxation

4 Initial application of new standards, interpretations or amendments to existing standards

4.1 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 other new standards, amendments to approved accounting standards and interpretations that are mandatory for the financial year beginning on July 1, 2017 are considered not to be relevant or to have any significant effect on the Company's financial reporting and operations.



4.2 Standards, amendments to approved accounting standards that are not yet effective

Standards or Interpretation	Effective date (annual periods beginning on or after)
IFRS 9 - Financial Instruments	July 01, 2018
IFRS 9 - Prepayment Features with Negative Compensation - (Amendments)	January 01, 2019
IFRS 15 - Revenue from Contracts with Customers	July 01, 2018
IFRS 16 - Leases	January 01, 2019
IAS 19 - Plan Amendment, Curtailment or Settlement (Amendments)	January 01, 2019
IAS 28 - Long-term Interests in Associates and Joint Ventures - (Amendments)	January 01, 2019
IAS 40 - Investment Property: Transfers of Investment Property (Amendments)	January 01, 2018
IFRIC 22 - Foreign Currency Transactions and Advance Consideration	January 01, 2018
IFRIC 23 - Uncertainty over Income Tax Treatments	January 01, 2019

The above mentioned standards and amendments are not expected to have any material impact on the Company's financial statements in the period of initial application.

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. 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.

Standards or Interpretation

IFRS 14 - Regulatory Deferral Accounts	January 1, 2016
IFRS 17 - Insurance Contracts	January 1, 2021

5 SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

5.1 Property and equipment

These are stated at cost less accumulated depreciation and impairments, if any. Depreciation is charged on reducing balance basis at the rates specified in **Note 6** to the financial statements, which are considered appropriate to write off the cost of assets over their useful economic lives.

Depreciation on additions is charged on a pro-rata basis from the month in which the asset is put to use, while for disposals depreciation is charged up to the month preceding the disposal of the asset. Where an impairment loss is recognized, the depreciation charge is adjusted in the future periods to allocate the assets revised carrying amount over its estimated useful life.

**INTEGRATED EQUITIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

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

Maintenance and repairs are charged to profit or loss as and when incurred. Renewals and improvements are capitalized when it is probable that respective future economic benefits will flow to the Company and the cost of the item can be measured reliably, and the assets so replaced, if any, are retired.

The gain or loss on disposal or retirement of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is recognized as an income or expense.

Residual value and the useful life of an asset are reviewed at each financial year end and adjusted if impact on depreciation is significant. The Company's estimates of residual value of property and equipment at June 30, 2018 did not require any adjustment.

5.2 Intangibles

Trading Right Entitlement Certificate (TREC)

These are stated at cost less accumulated impairment, if any. The carrying amount is reviewed at each statement of financial position date to assess whether these are recorded in excess of their recoverable amount, and where carrying amount exceeds estimated recoverable amount, these are written down to their estimated recoverable amount. These assets have an indefinite useful life so no amortization has been charged.

Computer software

These are stated at cost less accumulated amortization, if any. The carrying amount is reviewed at each statement of financial position date to assess whether these are recorded in excess of their recoverable amount, and where carrying amount exceeds estimated recoverable amount, these are written down to their estimated recoverable amount. These assets are amortized at 20% p.a.

5.3 Impairment

The carrying amount of the Company's assets are reviewed at each statement of financial position date to determine whether there is any indication of impairment loss. If any such indication exists, the asset's recoverable amount is estimated in order to determine the extent of the impairment loss, if any.

An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. All impairment losses are recognized in the profit or loss. Individually significant financial assets are tested for impairment on individual basis. An impairment loss in respect of available-for-sale financial assets is calculated by the reference to its current fair value. Any cumulative loss in respect of an available-for-sale financial assets recognized previously in equity is transferred to profit or loss.

Impairment losses are reversed when there is an indication that the impairment may no longer exist and there has been a change in the estimate 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 and amortization, if no impairment loss had been charged.

For available-for-sale financial assets that are equity securities, the reversal is recognized directly in equity.

5.4 Investments

Held for trading

These include investments classified as held for trading or upon initial recognition are designated by the Company at fair value through profit or loss. Investments which are acquired principally for the purpose of generating a profit from short term fluctuations in price are classified as held for trading. After initial recognition, these are stated at fair values with any resulting gains and losses recognized directly in profit or loss. Fair value of investments is their quoted bid price at the statement of financial position date.



INTEGRATED EQUITIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

Available for sale

Investments which are intended to be held for an indefinite period of time but may be sold in response to the need for liquidity are classified as available-for-sale. After initial recognition, these are stated at fair values (except for unquoted investments where active market does not exist) with any resulting gains and losses which are charged to other comprehensive income, until the investment is disposed or impaired. At the time of disposal, the respective surplus or deficit is transferred to profit or loss. Fair value of quoted investments is their bid price at the statement of financial position date.

Unquoted investments, where active market does not exist, are carried at their closest estimate of fair value and tested for impairment at each year end. Impairment loss, if any, is charged to profit or loss currently.

The Company assesses at each statement of financial position date whether there is objective evidence that an investment or a group of investments is impaired. If any such evidence exists for available for sale investments, the cumulative loss is removed from equity and recognized in the profit or loss. Impairment losses recognized in the profit or loss on equity instruments are not reversed through profit or loss.

5.5 Trade debts

Trade debts are carried at original invoice amount less an estimate made for doubtful debts based on a review of all outstanding amounts at the year end. Bad debts are written off when identified.

5.6 Financial instruments

All the financial assets and financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instruments. The Company de-recognizes a financial asset or a portion of financial asset when, and only when, the enterprise loses control of the contractual rights that comprise the financial asset or portion of financial asset. A financial liability or part of financial liability is de-recognized from the statement of financial position, when and only when, it is extinguished i.e. when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on the recognition or de-recognition of the financial assets and liabilities is included in the profit or loss currently.

Significant financial assets include long term deposits and prepayments other receivables, short term investments, trade debts and cash and bank balances.

Significant financial liabilities are classified according to the substance of the contractual agreements entered into. Significant financial liabilities are liabilities against assets subject to finance lease, mark-up accrued, long term / short term borrowings and trade and other payables.

5.7 Financial assets and liabilities

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially measured at cost, which is the fair value of the consideration given and received respectively. These financial assets and liabilities are subsequently measured at fair value, amortized cost or cost, as the case may be. The particular measurement methods adopted are disclosed in the individual policy statements associated with each item.

5.8 Investment property

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Investment properties are initially recognized at cost, being the fair value of the consideration given, subsequent to initial recognition these are stated at fair value. The fair value is determined annually by an independent approved valuer. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of valuation between knowledgeable and willing buyer and seller in an arm's length transaction.

Any gain or loss arising from a change in fair value is recognized in the statement of profit or loss. Rental income from investment property is charged to profit or loss on accrual basis.

When an item of property and equipment is transferred to investment property following a change in its use, any differences arising at the date of transfer between the carrying amount of the item immediately prior to transfer and its fair value is recognized in surplus on revaluation of property and equipment, if it is a gain. Upon disposal of the item the related surplus on revaluation of property and equipment is transferred to retained earnings. Any loss arising in this manner is recognized immediately in the profit or loss.

INTEGRATED EQUITIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

If an investment property becomes owner-occupied, it is reclassified as property and equipment and its fair value at the date of reclassification becomes its cost for accounting purposes for subsequent recording.

5.9 Trade and other payables

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in future for goods or services received.

5.10 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. However, provisions are reviewed at each statement of financial position date and adjusted to reflect current best estimate.

5.11 Revenue recognition

- Brokerage income and consultancy are recognized as and when such services are provided
- Dividend income is recognized at the time of book closure of the company declaring the dividend.
- Return on securities other than shares is recognized as and when it is due on time proportion basis.
- Mark-up/interest income is recognized on accrual basis.
- Capital gains or losses on sale of investments are recognized in the year in which they arise.

5.12 Taxation

Current

Provision for current taxation is based on the taxable income for the year determined in accordance with the prevailing laws for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year if enacted after taking into account tax credits, rebates and exemptions, if any. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

Deferred

Deferred tax is accounted for using the statement of financial position liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted by the statement of financial position date. Deferred tax is charged or credited in the profit or loss, except in the case of items credited or charged to equity in which case it is included in equity.

5.13 Functional and presentation currency

These financial statements are presented in Pakistan Rupees which is also the Company's functional currency.

5.14 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of cash flow statement, cash and cash equivalents comprise of cash in hand, cash with banks and other short term highly liquid investments (if any) that are readily convertible to known amounts of cash and which are subject to insignificant risk of change in value.

INTEGRATED EQUITIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

5.15 Related party transactions

All transactions involving related parties arising in the normal course of business are conducted at arm's length, at normal commercial rates on the same terms and conditions as third party transactions using valuation modes as admissible, except in extremely rare circumstances where, subject to approval of Board of Directors, it is in the interest of the Company to do so.

5.16 Fair value

Fair value is the amount for which an asset could be exchanged, or liability settled, between knowledgeable willing parties in an arm's length transaction. Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms. The carrying values of all financial assets and liabilities reflected in these financial statements approximate their fair values. Fair value is determined on the basis of objective evidence at each reporting date.

Specific valuation techniques used to value financial instruments include:

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

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

Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).



INTEGRATED EQUITIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30,2018

6 Property and Equipment

COST

	Computers & Accessories	Furniture & fixtures	Office equipment	Vehicles	Total
	Rupees				
Balance as at 1 July 2016	1,442,598	1,109,485	731,854	7,438,510	10,722,447
Additions during the year	337,200	90,500	58,000	-	485,700
Disposals during the year	-	-	-	-	-
Balance as at 30 June 2017	1,779,798	1,199,985	789,854	7,438,510	11,208,147
Balance as at 1 July 2017	1,779,798	1,199,985	789,854	7,438,510	11,208,147
Additions during the year	66,800	46,360	19,814	-	132,974
Disposals during the year	-	-	-	(5,200,000)	(5,200,000)
Balance as at 30 June 2018	1,846,598	1,246,345	809,668	2,238,510	6,141,121

DEPRECIATION

Balance as at 1 July 2016	973,475	634,023	249,539	5,548,760	7,405,797
Charge for the year	199,783	82,888	54,031	377,950	714,652
Disposals during the year	-	-	-	-	-
Balance as at 30 June 2017	1,173,258	716,911	303,570	5,926,710	8,120,449
Balance as at 1 July 2017	1,173,258	716,911	303,570	5,926,710	8,120,449
Charge for the year	196,985	79,415	49,124	283,960	609,483
Disposals during the year	-	-	-	(4,298,420)	(4,298,420)
Balance as at 30 June 2018	1,370,243	796,326	352,694	1,912,250	4,431,512
Book value as at 30 June 2017	606,540	483,074	486,284	1,511,800	3,087,698
Book value as at 30 June 2018	476,355	450,019	456,974	326,260	1,709,609
Annual depreciation rate %	30%	15%	10%	20%	

6.1 Disposal of property and equipment

Particulars	Cost	Accumulated Depreciation	Book Value	Sale Proceeds	Gain	Mode of Sale	Particulars of Buyers and relationship
	Rupees						
Vehicle	1,500,000	1,210,986	289,014	840,000	550,986	Negotiation	Mr. Ahmed Bilal (Director)
Vehicle	3,700,000	3,087,434	612,566	3,400,000	2,787,434	Negotiation	Mr. Sardar Ali (Director)
Total	5,200,000	4,298,420	901,580	4,240,000	3,338,420		

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INTEGRATED EQUITIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

7 INTANGIBLES

Computer Software
Trading Right Entitlement Certificate (TREC)

Notes	2018 Rupees	2017 Rupees
7.1	17,500	24,500
7.2	5,000,000	10,000,000
	<u>5,017,500</u>	<u>10,024,500</u>

7.1 COMPUTER SOFTWARE

Gross carrying value basis
Opening carrying amount
Additions (at cost)
Amortization charge
Closing carrying amount

24,500	44,967
(7,000)	(20,467)
<u>17,500</u>	<u>24,500</u>

Gross carrying value basis
Cost
Accumulated Amortization
Net book value

209,500	209,500
(192,000)	(185,000)
<u>17,500</u>	<u>24,500</u>

7.2 TRADING RIGHT ENTITLEMENT CERTIFICATES

Cost
Impairment

7.2.1	10,000,000	10,000,000
	(5,000,000)	-
	<u>5,000,000</u>	<u>10,000,000</u>

7.2.1 This represents two Trading Right Entitlement Certificate (TREC) received from Pakistan Stock Exchange Limited (PSX) (formerly Karachi Stock Exchange Limited). As on June 30, 2018, the TREC was recorded at 5,000,000/- (2017: Rs. 10,000,000). During the year, Pakistan Stock Exchange Limited (PSX) issued the value of each TREC for calculation of Base Minimum Capital (BMC) at Rs. 2.5 Million (2017: 5 Million). As a result an impairment loss of Rs 5 Million (2017: Nil) has been charged on TREC.

7.3 The Company has no internally generated intangible assets.

Notes	2018 Rupees	2017 Rupees
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8 INVESTMENT PROPERTY

Balance as on July 01
Acquisition during the year
Disposal during the year
Increase in fair value
Balance as at June 30,

24,385,500	7,275,000.00
-	17,673,373
24,385,500	24,948,373
-	(3,637,500)
24,385,500	21,310,873
3,916,900	3,074,627
<u>28,302,400</u>	<u>24,385,500</u>

8.1 Investment Property comprises office / plot situated at Lahore.

8.2 The fair value of subject investment property is based on valuation that was carried out by M/s. Fairwater Property Valuers & Surveyors (Pvt.) Limited, independent valuer (approved valuator on the panel of Pakistan Banking Association) as on June 30, 2018. The valuer determined the fair value of Rs. 28,302,400/- (2017: 24,385,500), the effect of which has been incorporated in the financial statements. The table below analyses the non-financial assets carried at fair value, by valuation method. The different levels have been defined in Note 5.16.

8.3 Recurring fair value measurements

Fair value measurements at 30 June 2018 using significant other observable inputs (Level 2) Rupees

Investment properties

28,302,400

Fair value measurements at 30 June 2017 using significant other observable inputs (Level 2) Rupees

Investment properties

24,385,500

There are no level 1 and level 3 assets or transfers between levels 1, 2 and 3 during 2018 or 2017.

Valuation techniques used to derive level 2 fair values:

Level 2 fair value of investment properties has been derived using the sales comparison approach. Sale prices of comparable land and buildings in close proximity are adjusted for differences in key attributes such as location, size, nature and condition of the property. The most significant input into this valuation approach is price per square foot.

8.4 Particulars of the investment properties are as follows:

Particulars	Location	Forced sale value		Forced sale value	
		Area Sq. Ft	June 2018 Rupees	Area Sq. Ft	June 2017 Rupees
Plot	Service Lane Ring Road, Cricketers Colony, Netsole, Lahore Cantt.	2690	20,827,040	2690	17,497,675
Office	Eden Tower, Gulberg III, Lahore	485	3,230,000	485	3,800,000

Notes	2018 Rupees	2017 Rupees
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9 LONG TERM INVESTMENTS

9.1 Investments in related parties

Available for sale
Media Info Systems (Pvt.) Limited

9.1.1	2,971,400	2,785,500
	<u>2,971,400</u>	<u>2,785,500</u>

9.2 Other Investments

Available for sale
Pace Barka Properties Limited

9.2.1	42,124,764	42,124,764
9.2.2	15,465,388	15,436,303
	57,590,152	57,561,067
	<u>60,561,552</u>	<u>60,346,567</u>

LSE Financial Services Limited (formerly Lahore Stock Exchange Limited-LSEL)

INTEGRATED EQUITIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

	Notes	2018 Rupees	2017 Rupees
Movement of Investment in related parties			
9.1.1 Media Info Systems (Pvt.) Limited			
Opening balance on July 01,		2,785,500	2,489,474
450,000 (June 2017: 450,000) Ordinary Shares of Rs. 10 each			
Equity Held 10.1637% (2017: 10.1637%)			
Gain/(Loss) on remeasurement of investment available for sale charged to OCI		185,900	296,026
Closing balance on June 30,		<u>2,971,400</u>	<u>2,785,500</u>
Movement of other Investments			
9.2.1 Pace Barka Properties Limited			
Opening balance on July 01,		42,124,764	43,600,224
2,721,238 (June 2017: 2,721,238) Ordinary shares of Rs. 10 each			
Equity Held 0.89% (2017: 0.89%)			
Gain/(Loss) on remeasurement of investment available for sale charged to OCI		-	(1,475,460)
Closing balance on June 30,		<u>42,124,764</u>	<u>42,124,764</u>
9.2.2 LSE Financial Services Limited (formerly Lahore Stock Exchange Limited-LSEL)			
Opening balance on July 01,		15,436,303	24,610,311
843,975 (June 2017: 843,975) Ordinary shares of Rs. 10 each			
Equity Held 0.66% (2017: 0.66%)			
Gain/(Loss) on remeasurement of investment available for sale charged to OCI		29,085	(9,174,008)
Closing balance on June 30,	9.2.3	<u>15,465,388</u>	<u>15,436,303</u>
9.2.3 This represents unquoted 843,975 shares of Lahore Stock Exchange received by the Company in pursuance of Stock Exchanges (Corporatization, Demutualization and Integration) Act, 2012. Out of these 60% shares of LSEL held in separate CDC blocked Account to restrict the sale of these shares by the members whereas stock exchanges will dispose of these shares under the Demutualization Act, however the proceeds of these shares and right to dividend/bonus is vested with the Company whereas the voting rights attached to these shares are suspended.			
During the year 2016-17, a memorandum of understanding was signed between Karachi Stock Exchange (KSE), the Lahore stock exchange (LSE) and the Islamabad stock exchange (ISE) for integration of all three stock exchanges in Pakistan Stock Exchange as envisaged in the stock exchanges (Corporatization, Demutualization) Act 2012 (XV of 2012) vide SECP's order 01/2016 dated January 11, 2016. As a consequence of the integration scheme, the business model of ISE and LSE have been changed and they have obtained the license to operate as NBFC as per NBFC rules and KSE would carry the same business as Stock Exchange under the name of Pakistan Stock Exchange Limited. Changes in estimated fair value will be recognized in other comprehensive income.			
9.2.4 These investments (unquoted) are carried at their closest estimate of fair value and tested for impairment at each year end, as active market does not exist. For valuation of these investments Net Asset Value method has been adopted.			
Net Asset value per share in the equity capital of the company is the amount each share is worth on the basis of carrying value per statement of financial position, prepared in accordance with IFRS. Such standards provide that:-			
- Net Asset value per share is computed by dividing shareholders' equity which includes Paid Up Capital & Reserves/Surplus with the number of shares issued.			
9.2.5 During the year there is no transfers into or out of Level 3 of the fair value hierarchy.			
9.2.6 All shares of LSE Financial Services Limited has been pledged against Base Minimum Capital (BMC).			
10 LONG TERM DEPOSITS AND PREPAYMENTS			
Pakistan Stock Exchange Limited		200,000	200,000
Central Depository Company of Pakistan Limited		100,000	100,000
National Clearing Company of Pakistan Limited		1,200,000	700,000
Others		249,000	216,000
		<u>1,749,000</u>	<u>1,216,000</u>
11 TRADE DEBTS			
Trade debts against purchase of shares:			
Considered good - unsecured		-	5,978
Related parties	11.1	2,741,328	270,128
Others		2,741,328	276,106
Trade debts other than purchase of shares:			
Considered good - unsecured		-	217,041
Related parties		36,180,459	49,180,501
Others		36,180,459	49,397,542
	11.2	<u>38,921,788</u>	<u>49,673,648</u>
11 Related parties			
Purchase of shares			
Poseidon Synergies (Pvt.) Limited		-	5,978
Other than purchase of shares:			
Poseidon Synergies (Pvt.) Limited		-	217,041
		<u>-</u>	<u>223,019</u>
11 Age analysis of trade debts is provided in Note 28.1.2.			
12 SHORT TERM INVESTMENTS			
At fair value through profit or loss,			
- Quoted equity securities	12.1	<u>6,870,001</u>	<u>14,397,097</u>

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INTEGRATED EQUITIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

12.1 Financial assets at fair value through profit or loss
Quoted equity securities

	June 30, 2018		
	No. of Shares	Carrying amount	Fair Value
	Rupees		
Quoted Securities			
First Capital Equities Limited	143	1,287	1,201
Pak Elektron Limited	-	-	-
The Bank Of Punjab-Right	-	-	-
Power Cement-Right	-	-	-
MCB Bank Limited	-	-	-
Treet Corporation Limited	-	-	-
Waves Singer Pakistan Limited	187,500	6,000,000	6,442,500
Dandot Cement Company Limited	49,000	657,580	426,300
Total Investment	236,643	6,658,867	6,870,001
Profit/(Loss) on remeasurement			211,134
Total Investment as at June 30			6,870,001

Notes	2018 Rupees	2017 Rupees
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	June 30, 2017		
	No. of Shares	Carrying amount	Fair Value
	Rupees		
	183	1,647	1,647
	100,000	11,552,000	11,032,000
	200,000	10,610	8,000
	25,000	312,500	312,500
	5,000	1,104,336	1,052,150
	35,000	2,194,670	1,990,800
	-	-	-
	-	-	-
	365,183	15,175,763	14,397,097
			(778,666)
			14,397,097

12.2 Shares of Pak Electron Limited having carrying amount of Rs. nil (2017: Rs. 11,552,000/-) and market value of Rs. nil (2017: Rs. 11,032,000/-), out of this Nil shares (2017: 60,000 shares) having carrying amount of Rs. nil (2017: Rs. 6,931,200/-) and market value of Rs. nil (2017: Rs. 6,619,200/-) are pledged with Stock Exchange against base minimum capital and future margin.

12.3 During the year capital (loss) /gain of Rs. (3,611,752)/- (2017: 1,821,600 /-) has been received on sale of shares having carrying Value Rs. 803,248,975/- (2017: Rs.16,218,697/-)

12.4 Level 1 inputs i.e. Quoted prices (unadjusted) in active markets for these shares are used for recurring measurement of fair value.

13 ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

13 Advances - unsecured - considered good

- To employees
- To others

13 Short Term Prepayments

Prepayments

13 Short Term Deposits

Exposure with National Clearing Company of Pakistan Limited
Margin deposit with bank
Base Minimum Capital

13 Other Receivables

14 Advances given to executives / staff are in accordance with the Company policy. Such advances are unsecured, interest free and are adjusted against salary / expense claims.

14 Other receivables - considered good

Other Receivables - considered doubtful
Less: Provision for doubtful other receivables

14 Other receivables includes loan given to Media Info Systems (Pvt.) Limited amounting Rs 300,000/- (2017: 300,000/-) a related party and amount of Rs 3,400,000/- (2017:nil) from Chief Executive and Rs. 840,000/- (2017:nil) director against sale of vehicles.

14 ADVANCE TAX

Advance Tax

15 CASH AND BANK BALANCES

Cash at hand
Cash at bank
Savings accounts
Current accounts

15.1 Bank balances include customers' bank balances held in designated bank accounts amounting to Rs. 13,836,447/- (2017: Rs. 3,811,626/-)

15.2 These carry profit at rates ranging from 3% to 4% per annum (2017: 3% to 4% per annum).

16 SHARE CAPITAL

Authorized Share Capital

16,000,000 (2017: 16,000,000) ordinary Shares Of Rs. 10/- Each

Issued subscribed and paid up Share Capital

Fully paid in cash

13,000,000 (2017: 13,000,000) Ordinary Shares Of Rs. 10/- each

Other than cash

2,778,392 ordinary shares of Rs. 10/- each issued as bonus shares

17 OTHER RESERVES

The fair value reserve comprises the cumulative net change in the fair value of available for sale financial assets until the assets are derecognized or impaired. The details are as under:-

Media Info Systems (Pvt.) Limited	Pace Barka Properties Limited	LSE Financial Services Limited	Total
(2,792,469)	14,912,383	(4,510,129)	7,609,785
185,900	-	29,085	214,985
586,478	(3,355,286)	1,008,235	(1,760,573)
(2,020,091)	11,557,097	(3,472,809)	6,064,197

INTEGRATED EQUITIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

18 TRADE AND OTHER PAYABLES

Payable against sale of shares - un secured
Other Payables

Accrued liabilities
Punjab sales tax payable
Others

Notes	2018 Rupees	2017 Rupees
		Restated
		2018 Rupees
		2017 Rupees
	14,938,356	19,803,442
	6,070,113	8,111,426
	<u>21,008,469</u>	<u>27,914,868</u>
18.1	1,657,909	1,181,678
	3,974,585	5,111,148
	2,317,043	2,622,175
	<u>7,949,537</u>	<u>8,915,001</u>
	<u>28,958,006</u>	<u>36,829,869</u>

18 Punjab sales tax on consultancy services provided to public sector organizations will be reported in sales tax return and paid on receipt of payment as per clarification issued by Punjab Revenue Authority (PRA) vide Circular No. 02 of 2014 dated August 12, 2014.

19 SHORT TERM BORROWING

Loan from related parties-unsecured
Loan from director

Notes	2018 Rupees	2017 Rupees
19.1	33,917	1,825,383
	<u>33,917</u>	<u>1,825,383</u>

19 The loan was obtained to finance the consulting wing of the business and it does not bear any mark-up.

20 CONTINGENCIES AND COMMITMENTS

Financial guarantees given by commercial banks on behalf of the Company

9,600,000 14,600,000

20 Company entered in to a consortium agreement to provide consultancy services to Lahore Knowledge Park Company(LKPC), during 2016-2017 invoice amounting Rs. 28,487,645 including sales tax on behalf of consortium members (Cornelius, Lane & Mufti, Risk Management International and Areopa), this amount will be payable to consortium members and Punjab Revenue Authority upon receipt from LKPC. So no provision recognized for this.

21 BROKERAGE AND CONSULTANCY INCOME

Brokerage
Less: Sales Tax

Advisory and consultancy fee
Less: Sales Tax

Notes	2018 Rupees	2017 Rupees
	6,594,207	8,357,979
	<u>899,296</u>	<u>1,337,277</u>
	<u>5,694,911</u>	<u>7,020,702</u>
	28,545,500	50,073,620
	<u>2,308,000</u>	<u>4,368,616</u>
	<u>26,237,500</u>	<u>45,705,004</u>
	<u>31,932,411</u>	<u>52,725,706</u>

22 OPERATING EXPENSES

Salaries, wages & benefits
Impairment of TREC
Rent, rates and taxes
Fee and subscription
Utilities
Travelling & conveyance
Internet and mobile charges
Insurance
Entertainment
Printing and stationery
Courier charges
Newspaper and periodicals
Auditors' remuneration
Depreciation and amortization
Repair and maintenance office
Vehicle running & maintenance
CDC charges
Bad debts
NCCPL charges
Cost of services
Other office expenses

	22,288,205	23,947,697
	5,000,000	-
	1,584,900	1,425,700
	948,419	978,605
	396,740	512,882
	90,491	283,365
	790,669	442,285
	329,148	160,123
	527,396	614,850
	132,445	205,538
	45,129	86,147
	7,334	13,063
22.1	275,000	205,000
6 & 7	616,484	735,119
	75,580	375,246
	653,243	881,513
	230,321	198,847
	330,171	95,000
	557,918	619,102
	-	6,070,113
	101,227	161,057
	<u>34,980,818</u>	<u>38,011,252</u>

22 Auditor's remuneration

Statutory audit
Certifications and others
Out of pocket expenses

Notes	2018 Rupees	2017 Rupees
	100,000	85,000
	155,000	120,000
	20,000	-
	<u>275,000</u>	<u>205,000</u>

23 FINANCIAL CHARGES

Financial charges

268,871 516,734

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INTEGRATED EQUITIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

24 OTHER INCOME

	2018 Rupees	2017 Rupees
Income from financial assets		
Profit on Bank Balances	13,699	1,274
Income from assets other than financial assets		
Unrealized gain on remeasurement of investments property	3,916,900	3,074,627
Gain/Loss on sale of investment property	-	(237,500)
Gain on sale of property and equipment	3,338,420	-
Liabilities written back	2,108,371	-
Other income	65,655	258,614
	9,443,045	3,097,015

25 TAXATION

25 Detail of tax charged to profit or loss

Deferred	(688,161)	576,018
Prior period	(40,559)	2,374,021
Current	2,976,899	4,874,103
	2,248,178	7,824,142

25 Reconciliation between tax expense and accounting profit multiplied by applicable tax rate

Accounting profit	4,321,460	23,212,469
Tax rate	30%	31%
Tax on accounting profit	1,296,438	7,195,866

Tax effect of expenses that are not deductible for tax purposes

Accounting depreciation	515,912	227,887
Accounting Amortization	-	-
Capital Loss	3,611,752	-
Tax gain on sale of equipments	2,314,311	-
Liabilities written back	1,732,359	-
Bad debts	-	29,450
	8,174,333	257,337

Tax effect of expenses that are deductible for tax purposes

Tax depreciation	323,856	169,570
Tax amortization	-	-
Capital Gain	-	564,696
Dividend Income	635,738	260,057
Gain on sale of equipment	3,338,420	-
Gain on remeasurement of investment Property	3,916,900	953,134
Gain on remeasurement of investment	211,134	1,009,745
	8,426,048	2,957,202

Items under PTR

Capital Gain	-	273,240
Dividend Income	635,738	104,862
	635,738	378,102

Prior period adjustments

Effect of deferred tax	(40,559)	2,374,021
	(688,161)	576,018

Tax expense charged in accounts

	951,741	7,824,142
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26 DEFERRED TAX

26.1 Amount charged to profit and loss

Origination and (reversal) of temporary differences - net	1,105,754	590,318
Reduction in tax rate	(33,343)	(14,300)
Recognition/(reversal) of previously unrecognized tax losses - net	-	-
Deferred tax income/(expense) for the year - net	1,072,412	576,018

26.2 Movement in deferred tax balances

Opening balance	1,033,621	457,602
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Change in deferred tax asset / (liability) recognized in profit and loss

Operating fixed assets - owned	(357,660)	(135,729)
Investment Property	(603,558)	953,134
Short Term Investment	273,057	(241,386)
	(688,161)	576,019

Charged to other comprehensive income

Charged directly to equity	1,760,573	-
	-	-

Closing balance

	2,106,032	1,033,621
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27. TRANSACTIONS WITH RELATED PARTIES

Nature of Transactions	Relationship	Descriptions	Transaction during the year		
			2018	2017	
			Rupees		
Media Info Systems (Pvt.) Limited	Associate (10.1% holding in company)	Dividend received	168,750	-	
Mrs. Sadia Ali	Director	Shares purchased	6,000,000	-	
Mr. Sardar Ali	Director/CEO	Loan repayment	1,791,466	-	
		Sale of Vehicle	3,400,000	-	
Ahmed Bilal	Director	Sale of Vehicle	840,000	-	
			2018		
			Chief Executive	Directors	Executives
			1	2	2
			(RUPEES)		
Total number					
Managerial remuneration			3,000,000	6,600,000	4,951,772
House rent			-	-	-
Commission or bonus			-	250,000	-
Medical expenses reimbursed			-	-	-
Provision for gratuity			-	-	-
Utilities			103,928	-	-
			3,103,928	6,850,000	4,951,772
			2017		
			Chief Executive	Directors	Executives
			1	2	2
			(RUPEES)		
Total number					
Managerial remuneration			3,000,000	5,700,000	6,065,807
House rent			-	-	-
Commission or bonus			-	250,000	-
Medical expenses reimbursed			-	-	-
Provision for gratuity			-	-	-
Utilities			103,928	-	-
			3,103,928	5,950,000	6,065,807

27.1	In addition, Chief Executive, Directors and some Executives have been provided with Company maintained cars.
27.2	No meeting fees were paid to any of the directors for attending the Board/ Audit Committee meetings (2017: Nil).
27.3	Total No. of employees are 16 as on June 30, 2018 (2017: 20) and average employees during the year were 18 (2017: 19)

The Company finances its operations through equity, borrowings and management of working capital with a view to obtain a reasonable mix between the various source of finance to minimize the risk.

- Credit risk
- Liquidity risk
- Market risk

28.1 Credit risk

- Monitoring of debts on continuous basis.
- Deposit of margins before execution of orders for all retail clientele.
- Obtaining adequate securities for all receivables.

The carrying values of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	2018	2017
	Rupees	Rupees
Trade debts - unsecured	38,921,788	78,161,293
Investments	6,870,001	14,397,097
Advances, deposits and other receivables	7,192,511	3,603,870
Cash and bank balance	19,820,778	12,324,349
	72,805,078	108,486,609

The credit quality of financial assets can be assessed by reference to external credit rating or the historical information about counter party defaults.

Long term Investments	60,346,567	+10%	66,381,224	6,034,657	6,034,657
		-10%	(54,311,910)	(6,034,657)	(6,034,657)
Short term investments	14,397,097	+10%	15,836,807	1,439,710	1,439,710
		-10%	(12,957,387)	(1,439,710)	(1,439,710)

28.3.5 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 an arm's length transaction.

The carrying values of the financial assets and financial liabilities approximate their fair values. Fair value is measured in accordance with Note 5.16.

The table below analyses equity instruments measured at fair value at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorized:

28.3.6 Recurring fair value measurements

	2018			
	Level 1	Level 2	Level 3	Total
Rupees				
Long term investments classified as "Available for Sale"	-	-	60,561,552	60,561,552
Short term investments classified as "Held for Trading"	6,870,001	-	-	6,870,001

	2017			
	Level 1	Level 2	Level 3	Total
Rupees				
Long term investments classified as "Available for Sale"	-	-	60,346,567	60,346,567
Short term investments classified as "Held for Trading"	14,397,097	-	-	14,397,097

Valuation techniques used to measure fair values

The fair value of financial instruments traded in active markets is based on quoted market prices at the statement of financial position date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in Level 1. The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2. If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

29 CAPITAL RISK MANAGEMENT

The primary objective of the Company's capital management is to maintain healthy capital ratios, strong credit rating and optimal capital structure in order to ensure ample availability of finance for its existing operations, for maximizing shareholder's value, for tapping potential investment opportunities and to reduce cost of capital.

The Company manages its capital structure and makes adjustment to it, in light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders or issue new shares.

The Company finances its operations through equity, borrowing and management of its working capital with a view to maintain an appropriate mix between various sources of finance to minimize risk.

During the year the Company has no significant gearing.

Neither there were any change in the Company's approach to capital management during the year nor the Company is subject to externally imposed capital requirements.

29.1 Capital Adequacy Level

	Notes	2018 Rupees
Total Assets	29.1.1	176,459,627
Less: Total Liabilities		(34,074,854)
Less: Revaluation Reserve (created upon revaluation of fixed assets)		-
Capital Adequacy Level		142,384,773

29.1.1 While determining the value of total assets of the TREC Holder, notional value of the TRE certificate held by the Integrated Equities Limited as at year ended June 30, 2018 as determined by Pakistan Stock Exchange has been considered.

30 CORRECTION OF PRIOR YEAR ERROR

During the year 2016-17, the Company entered in to a consortium agreement with other parties namely, Cornelius, Lane & Mufti, Risk Management International and Areopos to bid for the Consultancy services required by Lahore Knowledge Park Company (LKPC). As per consortium agreement the Company was nominated as Lead Member for coordination with LKPC. All the consortium members were responsible to fulfill their own obligations under the agreement individually. As a lead member Company was just responsible to issue invoice and to receive payment from LKPC on behalf of each consortium member. As per Consultancy agreement signed with LKPC, invoice will be issued upon completion of specified tasks. During last year based on the completed work company issued invoice of Rs. 49.8 Million including sales tax out of this Rs. 28,487,645 including sales tax was related to other consortium members, portion of other consortium member was booked in revenue and expense for the year ended June 30, 2017. As a consequence, revenue and expense was overstated with Rs. Nil effect on profit and resultantly overstatement of receivable and payable balances. During current year a detailed review was conducted about terms and condition of the contract which lead to discovery of error.

The error has been corrected by restating each of the affected financial statement line items for prior year, as follows:

Impact on equity - increase / (decrease) in equity

	2017 Rupees
Trade debtors	(28,487,645)
Total assets	(28,487,645)
Trade payables	24,558,314
Sales tax payables	3,929,331
Total liabilities	28,487,645
Net impact on equity	-

62

INTEGRATED EQUITIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

Impact on statement of profit or loss - increase / (decrease) in profit

Revenue
Operating expenses
Net Impact on profit for the year

2017
Rupees
(24,558,314)
24,558,314
-

30.1 There is no impact on basic and diluted earning per share.

31 CORRESPONDING FIGURES

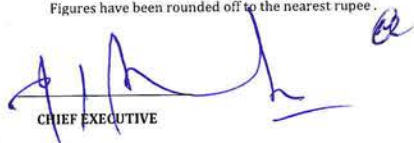
Corresponding figures have been rearranged and reclassified, wherever necessary for the purpose of comparison and disclosed in relevant notes.

32 AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue by the Board of Directors of the Company on October 04, 2018

33 GENERAL

Figures have been rounded off to the nearest rupee.


CHIEF EXECUTIVE


DIRECTOR