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NASIR JAVAID MAQSOOD IMRAN
Chartered Accountants

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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 (the Company)**, which comprise the statement of financial position as at **June 30, 2019** 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 (the financial statements), and we state that we have obtained all the information and explanation which, to the best of our knowledge and belief, were necessary for the purpose 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, 2019** and of the profit or loss and other comprehensive income or 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.

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 misstatements, 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 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 controls 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 accounts 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; and

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

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

NASIR JAVAID MAQSOOD IMRAN LAHORE * CHARTERED ACCOUNTANTS *

Nasir Javaid Maqsood Imran

Dated: 04-10-2019
Lahore

NASIR JAVAID MAQSOOD IMRAN
Chartered Accountants

INTEGRATED EQUITIES LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2019

	Note	JUNE 2019 Rupees	JUNE 2018 Rupees
NON CURRENT ASSETS			
Property and equipment	*6*	6,588,605	1,709,609
Intangibles	*7*	5,010,500	5,017,500
Investment property	*8*	27,687,712	28,302,400
Long term investments	*9*	68,635,213	60,561,552
Long term deposits and prepayments	*10*	1,719,000	1,749,000
		109,641,030	97,340,061
CURRENT ASSETS			
Trade debtors	*11*	29,924,226	38,921,788
Short term investments	*12*	6,016,746	6,870,001
Advances, deposits, prepayments & other receivables	*13*	11,079,426	13,506,999
Cash and bank balances	*14*	11,333,908	19,820,778
		58,354,306	79,119,566
TOTAL ASSETS		167,995,336	176,459,627
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share Capital	*15*	130,000,000	130,000,000
Other reserves	*16*	-	6,064,197
Retained earnings		11,399,364	6,320,576
TOTAL EQUITY		141,399,364	142,384,773
LIABILITIES			
NON CURRENT LIABILITIES			
Deferred tax liability	*26*	-	2,106,032
		-	2,106,032
CURRENT LIABILITIES			
Trade and other payables	*17*	22,817,747	28,991,923
Short term borrowings	*18*	1,811,990	-
Provision for taxation		1,966,235	2,976,899
		26,595,972	31,968,822
CONTINGENCIES AND COMMITMENTS	*19*		-
TOTAL EQUITY AND LIABILITIES		167,995,336	176,459,627

The annexed notes 1 to 32 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, 2019

	Note	JUNE 2018 Rupees	JUNE 2018 Rupees
INCOME			
Brokerage & consultancy income	20	27,808,097	31,932,411
Capital (Loss) / gain - net		1,485,968	(3,611,752)
Dividend income		891,063	635,738
Unrealized gain on re-measurement of investment property		3,185,312	3,916,900
Unrealised loss on re-measurement of investments at fair value through profit or loss	21	554,182	211,134
		33,924,622	33,084,432
EXPENDITURE			
Operating Expenses	22	(30,823,398)	(34,980,818)
Financial charges	23	(241,121)	(268,871)
Operating income		2,860,103	(2,165,257)
Other income	24	251,259	5,526,145
Profit Before Tax		3,111,362	3,360,887
Taxation	25	(1,849,898)	(2,248,179)
Profit After Tax		1,261,464	1,112,708

The annexed notes 1 to 32 form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR

INTEGRATED EQUITIES LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2019

	JUNE 2019 Rupees	JUNE 2018 Rupees
Profit after tax	**1,261,464**	**1,112,708**
Other comprehensive income for the year	-	214,985
Deferred tax - Investment available for sale	-	(1,760,573)
Total other comprehensive income - net of tax	-	**(1,545,588)**
Total comprehensive income	**1,261,464**	**(432,880)**

The annexed notes 1 to 32 form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR

INTEGRATED EQUITIES LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2019

	June 2019 Rupees	June 2018 Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Profit from Operations	**3,111,362**	**3,360,887**
Adjustment for Non-cash items		
Depreciation	1,398,037	609,484
Amortization	7,000	7,000
Gain on re-measurement of investments at fair value through profit or loss - net	(554,182)	(211,134)
Capital (Loss) / gain - net	(1,485,968)	3,611,752
Impairment on intangibles	-	5,000,000
Gain / (loss) on disposal of equipment	17,166	(3,338,420)
Gain / (loss) on disposal of Investment Property	225,000	(3,916,900)
Gain on revaluation of investment property	(3,185,312)	-
Bad debts	199,530	330,171
Provision for bad debts	(1,062,306)	-
Liabilities written off	-	(2,108,371)
Profit/(Loss) before Working Capital Changes	**(1,329,673)**	**3,344,468**
Changes in Working Capital		
(Increase) / Decrease in Current Assets		
Trade Debtors	1,216,563	10,421,690
Investments--net	(283,742)	4,126,479
Advances, Deposits and Other Receivables	1,395,478	(3,588,641)
Increase / (Decrease) in Current Liabilities		
Trade Creditors and Accrued Expenses	(6,174,176)	(5,763,492)
Cash (used in)/generated from operations	**(5,175,550)**	**8,540,503**
Tax paid	(2,434,111)	(2,826,634)
Net Cash (used in)/generated from Operating Activities	**(7,609,661)**	**5,713,869**
CASH FLOW FROM INVESTING ACTIVITIES		
Security Deposit	30,000	(533,000)
Acquisition of PPE	(6,304,700)	(132,974)
Proceed from disposals of PPE	10,500	4,240,000
Disposal of investment property	3,575,000	-
Net Cash (used in)/generated from Investing Activities	**(2,689,200)**	**3,574,026**
CASH FLOW FROM FINANCING ACTIVITIES		
Acquisition/(repayment) of short term loan	1,811,990	(1,791,466)
Net Cash generated from /(used in) Financing Activities	**1,811,990**	**(1,791,466)**
Net (Decrease)/Increase in Cash and Cash Equivalents	(8,486,871)	7,496,429
Cash and Cash Equivalents at the beginning of the year	19,820,778	12,324,349
Cash and Cash Equivalents at the end of the year	**11,333,908**	**19,820,778**

The annexed notes 1 to 32 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, 2019

Particulars	Issued, subscribed and paid-up capital	Revenue Reserve		Total
		Other reserves	Retained earnings	
		RUPEES		
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**
Impact of adoption of IFRS 9 (note: 5.1.2)	**-**	**(6,064,197)**	**3,817,325**	**(2,246,872)**
Balance as at July 01, 2018	**130,000,000**	**-**	**10,137,900**	**140,137,901**
Other Comprehensive loss for the year	-	-	-	-
Profit for the year	-	-	1,261,464	1,261,464
Balance as at June 30,2019	**130,000,000**	**-**	**11,399,364**	**141,399,364**

The annexed notes 1 to 32 form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR

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.

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:

- IFRS 9 'Financial Instruments'
- IFRS 15 'Revenue from contracts with customers'

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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 16 - Leases	July 01, 2019
IFRIC 23 - Uncertainty over Income Tax Treatments	January 01, 2019
Amendment to IFRS-9 Financial Instruments	January 01, 2019
Amendment to IAS 28 Investments in Associates and Joint Ventures	January 01, 2019
Amendments to IAS 19 Employee Benefits	January 01, 2019
Amendment to IFRS 3 Business Combinations	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.

The other new standards, amendments to approved accounting standards and interpretations that are mandatory for the financial year beginning on July 1, 2019 are considered not to be relevant or to have any significant effect on the Company's financial reporting and operations, therefore have not been detailed in these financial statements.

5 SIGNIFICANT ACCOUNTING POLICIES

Except as described below in Note 5.1, the significant accounting policies are consistently applied in the preparation of these financial statements are the same as those applied in earlier periods presented.

5.1 Changes in significant accounting policies

The Company has adopted **'IFRS 15 'Revenue from Contracts with Customers'** and **IFRS 9 'Financial Instruments'** from 01 July 2018 which are effective from annual periods beginning on or after 01 July 2018 and for reporting period / year ending on or after 30 June 2019 respectively.
The details of new significant accounting policies adopted and the nature and effect of the changes to previous accounting policies are set out below:

5.1.1 **IFRS 15 'Revenue from Contracts with Customers'**- International Accounting Standards Board (IASB) issued International Financial Reporting Standards (IFRS) 15 'Revenue From Contracts with Customers' which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. Specifically, the standard introduces a 5-step approach to revenue recognition:

Step 1: Identify the contract(s) with a customer.
Step 2: Identify the performance obligations in the contract.
Step 3: Determine the transaction price.
Step 4: Allocate the transaction price to the performance obligations in the contract.
Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

Under IFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

The focus of the new standard is to recognize revenue as performance obligations are made rather than based on the transfer of risk and rewards. IFRS 15 includes a comprehensive set of disclosure requirements including qualitative and quantitative information about contracts with customers to understand the nature, amount, timing and uncertainty of revenue. The standard supersedes IAS 18 'Revenue', IAS 11 'Construction Contracts' and the number of revenue related interpretations.

The Company has applied the modified retrospective method upon adoption of IFRS 15 as allowed under the Standard. This method requires the recognition of the cumulative effect (without practical expedients) of initially applying IFRS 15 to retained earnings. Under this transition method, comparative information for prior periods has not been restated and continues to be reported in accordance with the previous standard under IAS 18 and related interpretations.

Under IFRS 15, revenue is recognised when a customer obtains control of the goods or services. Determining the timing of the transfer of control – at a point in time or over time – requires judgement. Control of the underlying goods could be transferred and revenue recognized when the product leaves the seller's location, based on legal title transfer, the entity's right to receive payment, or the customer's ability to redirect and sell the goods, but there might be additional performance obligations for shipping and in-transit risk of loss. The Company allocates the transaction price to each of the performance obligations, and recognize revenue when each performance obligation is satisfied, which might be at different times. Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties

Invoices are generated at execution of each transaction and revenue is recognised at that point in time, as the services has been rendered and accepted by client.

The above is generally consistent with the timing and amounts of revenue the Company recognised in accordance with the previous standard, IAS 18. Therefore, the adoption of IFRS 15 did not have an impact on the timing and amounts of revenue recognition of the Company. The above is generally consistent with the timing and amounts of revenue the Company recognised in accordance with the previous standard, IAS 18. Therefore, the adoption of IFRS 15 did not have an impact on the timing and amounts of revenue recognition of the Company.

5.1.2 **IFRS 9 'Financial Instruments'**-IFRS 9 replaced the provisions of IAS 39 'Financial Instruments: Recognition and Measurement 'that relates to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting. Changes in accounting policies resulting from adoption of IFRS 9 have been applied prospectively. The details of new significant accounting policies adopted and the nature and effect of the changes to previous accounting policies are set out below:

i- Classification and measurement of financial assets and financial liabilities

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities. However, it eliminates the previous IAS 39 categories for financial assets of held to maturity, loans and receivables, held for trading and available for
sale. IFRS 9, classifies financial assets in the following three categories:
- fair value through other comprehensive income (FVOCI);
- fair value through profit or loss (FVTPL); and
- measured at amortized cost.

The following assessments have been made on the basis of the facts and circumstances that existed at the date of initial application:
- The determination of business model within which a financial asset is held; and
- The designation and revocation of previous designation of certain financial assets as measured at FVTPL.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at fair value through profit or loss:
- it is held within business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:
- It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For assets measured at fair value, gains and losses will either be recorded in the statement of profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at FVOCI.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

A financial asset is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.
The following table explains the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the Company's financial assets as at 30 June 2019

As at July 01, 2018	Original Classification Under IAS-39	New Classification Under IFRS-9	Original Carrying Amount	New Carrying Amount
Long term investments	Available for sale	Fair value through profit or loss	60,561,552	65,458,066
Long term deposits and prepayments	Loans & Receivables	Amortized Cost	1,749,000	1,749,000
Trade debtors	Loans & Receivables	Amortized Cost	38,921,788	30,278,013
Short term investments	Held for trading	Fair value through profit or loss	6,870,001	6,870,001
Advances, deposits, prepayments & other receivables	Loans & Receivables	Amortized Cost	13,506,999	13,506,999
Cash and bank balances	Loans & Receivables	Amortized Cost	19,820,778	19,820,778

The Company has elected to classify its non-trading equity securities at fair value through profit or loss. The fair value of such investment is Rs. 65.7 Million (carrying value of Rs. 60.56 million) as result of fair value exercise carried out by the management of the Company upon adoption of IFRS 9. Accordingly, the retained earning as at July 01, 2018 has been adjusted by Rs. 4.89 Million (net of tax Rs. 3.89 Million) and due to reclassification the existing revaluation reserve is transferred to retained earning.

ii- Impairment

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' (ECL) model. IFRS 9 introduces a forward looking expected credit losses model, rather than the current incurred loss model, when assessing the impairment of financial assets in the scope of IFRS 9. The new impairment model applies to financial assets measured at amortized cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments. The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade and other receivables. Impairment losses related to trade and other receivables, are presented separately in the statement of profit or loss. Trade and other receivables are written off when there is no reasonable expectation of recovery. Management used actual credit loss experience over past years to base the calculation of ECL on adoption of IFRS 9. As explained above the management has applied the retrospective method upon the adoption of IFRS 9 as allowed under the standard. The cummulative effect representing the difference between the carrrying amount before the adoption of IFRS 9 and the new carrying amount at the begining of the year is recognized in retained earning. Accordingly, the retained earning as at July 01, 2018 has been adjusted by Rs. 8.6

5.2 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.

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, 2019 did not require any adjustment.

5.3 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.

5.4 Impairment-Non Financial Assets

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.

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.

Impairment-Financial Assets

The Company recognizes loss allowances for Expected Credit Losses (ECLs) in respect of financial assets measured at amortized cost.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balance for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than past due for a reasonable period of time. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Loss allowances for financial assets measured at amortized cost are deducted from the Gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering of a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expect no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

5.5 Financial instruments

i- Initial measurement of financial asset

The Company classifies its financial assets in to following three categories:
- fair value through other comprehensive income (FVOCI);
- fair value through profit or loss (FVTPL); and
- measured at amortized cost.

A financial asset is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition

ii- Subsequent measurement

Debt Investments at FVOCI: These assets are subsequently measured at fair value. Interest / markup income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in the statement of profit or loss. Other net gains and losses are recognized in other comprehensive income. On de-recognition, gains and losses accumulated in other comprehensive income are reclassified to the statement of profit or loss.

Equity Investments at FVOCI: These assets are subsequently measured at fair value. Dividends are recognized as income in the statement of profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to the statement of profit or loss.

Financial assets at FVTPL: These assets are subsequently measured at fair value. Net gains and losses, including any interest / markup or dividend income, are recognized in profit or loss

Financial assets measured at amortized cost: These assets are subsequently measured at amortized cost using the effective interest rate method. The amortized cost is reduced by impairment losses. Interest / markup income, foreign exchange gains and losses and impairment are recognized in the statement of profit or loss

iii- Non-derivative financial assets

All non-derivative financial assets are initially recognized on trade date i.e. date on which the Company becomes party to the respective contractual provisions. Non-derivative financial assets comprise loans and receivables that are financial assets with fixed or determinable payments that are not quoted in active markets and includes trade debts, advances, other receivables and cash and cash equivalent.

The Company derecognizes the financial assets when the contractual rights to the cash flows from the asset expires or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risk and rewards of ownership of the financial assets are transferred or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset

iv- Financial Liabilities

Financial liabilities are initially recognised on trade date i.e. date on which the Company becomes party to the respective contractual provisions. Financial liabilities include mark-up bearing borrowings and trade and other payables. The Company derecognizes the financial liabilities when contractual obligations are discharged or cancelled or expire. Financial liability other than at fair value through profit or loss are initially measured at fair value less any directly attributable transaction cost. Subsequent to initial recognition, these liabilities are measured at amortized cost using effective interest rate method.

Cl

v- Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position only when the Company has a legally enforceable right to set off the recognized amounts and intends to either settle on a net basis or realize the asset and settle the liability simultaneously.

5.6 Trade debts, advances and other receivables

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.

5.7 Trade and other payables

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

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.
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 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.

5.10 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.

5.11 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.

5.12 Functional and presentation currency

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

5.13 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.

5.14 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.

5.15 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 30,2019

6 Property and Equipment

	Computers & Accessories	Furniture & fixtures	Office equipment	Vehicles	Total
			Rupees		
COST					
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**
Balance as at 1 July 2018	1,846,598	1,246,345	809,668	2,238,510	6,141,121
Additions during the year	-	95,200	231,200	5,978,300	6,304,700
Disposals during the year	-	-	(63,622)	-	(63,622)
Balance as at 30 June 2019	**1,846,598**	**1,341,545**	**977,246**	**8,216,810**	**12,382,199**
DEPRECIATION					
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**
Balance as at 1 July 2018	1,370,243	796,326	352,694	1,912,250	4,431,513
Charge for the year	142,907	75,023	61,485	1,118,622	1,398,037
Disposals during the year	-	-	(35,956)	-	(35,956)
Balance as at 30 June 2019	**1,513,150**	**871,349**	**378,223**	**3,030,872**	**5,793,594**
Book value as at 30 June 2018	**476,355**	**450,019**	**456,974**	**326,260**	**1,709,609**
Book value as at 30 June 2019	**333,448**	**470,196**	**599,023**	**5,185,938**	**6,588,605**
Annual depreciation rate %	**30%**	**15%**	**10%**	**20%**	

	Notes	2019 Rupees	2018 Rupees
7 INTANGIBLES			
Computer Software	7.1	10,500	17,500
Trading Right Entitlement Certificate (TREC)	7.2	5,000,000	5,000,000
		5,010,500	5,017,500
7.1 COMPUTER SOFTWARE			
Gross carrying value basis			
Opening carrying amount		17,500	24,500
Additions (at cost)		-	-
Amortization charge		(7,000)	(7,000)
Closing carrying amount		10,500	17,500
Gross carrying value basis			
Cost		209,500	209,500
Accumulated Amortization		(199,000)	(192,000)
Net book value		10,500	17,500
7.2 TRADING RIGHT ENTITLEMENT CERTIFICATES			
Cost	7.2.1	5,000,000	10,000,000
Impairment		-	(5,000,000)
		5,000,000	5,000,000

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, 2019, the TREC was recorded at 5,000,000/- (2018: Rs. 5,000,000).

7.3 The Company has no internally generated intangible assets.

7.4 One of the trading right entitlement certificate of the company is pledged against the BMC requirement with Pakistan Stock Exchange.

	Notes	2019 Rupees	2018 Rupees
8 INVESTMENT PROPERTY			
Balance as on July 01		28,302,400	24,385,500
Acquisition during the year		-	-
		28,302,400	24,385,500
Disposal during the year		(3,800,000)	-
		24,502,400	24,385,500
Increase in fair value		3,185,312	3,916,900
Balance as at June 30,	8.3	27,687,712	28,302,400

8.1 Investment property amounting Rs. 27.6 Million (2018: Rs. 24.5 Million) is mortgaged against the running finance facility obtained from JS Bank Limited.

8.2 Investment Property comprise of Commercial Plot No. 30, Located At Service Lane Ring Road, Near Netsol, Cricketers' Colony, Hadbast Mouza Ghova, Tehsil Cantt, District Lahore

8.3 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, 2019. The valuer determined the fair value of Rs. 27,687,712/- (2018: 28,302,400), 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 5.15.

8.4 The direct expense relating to investment properties were Rs. 20,000 (2018: Rs. 20,000)

8.5 **Recurring fair value measurements**

	Fair value measurements at 30 June 2019 using significant other observable inputs (Level 2) Rupees
Investment properties	27,687,712

	Fair value measurements at 30 June 2018 using significant other observable inputs (Level 2) Rupees
Investment properties	28,302,400

There are no level 1 and level 3 assets or transfers between levels 1, 2 and 3 during 2019 or 2018.

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.

8.6 Particulars of the investment properties are as follows:

Particulars	Location	Forced sale value		Forced Sale Value	
		Area Sq. Ft	June 2019 Rupees	Area Sq. Ft	June 2018 Rupees
Plot	Plot No. 30, Located At Service Lane Ring Road, Near Netsol, Cricketers' Colony, Hadbast Mouza Ghova, Tehsil Cantt, District Lahore	2225	23,534,555	2225	20,827,040
Office	Eden Tower Gulberg III Lahore	-	-	485	3,230,000

9 LONG TERM INVESTMENTS

	Notes	2019 Rupees	2018 Rupees
9.1 Investments in related parties			
Media Info Systems (Pvt.) Limited	9.1.1	3,568,500	2,971,400
		3,568,500	2,971,400
9.2 Other Investments			
Pace Barka Properties Limited	9.2.1	49,199,983	42,124,764
LSE Financial Services Limited (formerly Lahore Stock Exchange Limited-LSEL)	9.2.2	15,866,730	15,465,388
		65,066,713	57,590,152
		68,635,213	60,561,552

Movement of Investment in related parties

		2019 Rupees	2018 Rupees
9.1.1 Media Info Systems (Pvt.) Limited			
Opening balance on July 01,		2,971,400	2,785,500
450,000 (June 2018: 450,000) Ordinary Shares of Rs. 10 each			
Equity Held 10.1637% (2018 : 10.1637%)			
Gain/(Loss) on remeasurement of investment charged to equity		-	-
Gain/(Loss) on remeasurement of investment charged to P&L		597,100	185,900
Closing balance on June 30,		3,568,500	2,971,400

Movement of other Investments

		2019 Rupees	2018 Rupees
9.2.1 Pace Barka Properties Limited			
Opening balance on July 01,		42,124,764	42,124,764
2,721,238 (June 2018: 2,721,238) Ordinary shares of Rs. 10 each			
Equity Held 0.89% (2018 : 0.89%)			
Gain/(Loss) on remeasurement of investment charged to equity		5,170,352	-
Gain/(Loss) on remeasurement of investment charged to P&L		1,904,867	-
Closing balance on June 30,		49,199,983	42,124,764
9.2.2 LSE Financial Services Limited (formerly Lahore Stock Exchange Limited-LSEL)			
Opening balance on July 01,		15,465,388	15,436,303
843,975 (June 2018: 843,975) Ordinary shares of Rs. 10 each			
Equity Held 0.66% (2018 : 0.66%)			
Gain/(Loss) on remeasurement of investment charged to equity		(273,838)	-
Gain/(Loss) on remeasurement of investment charged to P&L		675,180	29,085
Closing balance on June 30,	9.2.3	15,866,730	15,465,388

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 During the year investment in unquoted securities are valued at fair value due to change in accounting policy as detail mentioned in note 5.1.2. Level 3 inputs were used for fair value calculation as per detail mentioned in note 27.3.6.

9.2.5 During the year there is no transfers between Level 1,2 and 3 of the fair value hierarchy.

9.2.6 LSE Financial Services Limited shares held by the entity has been pledged against Base Minimum Capital (BMC).

	Notes	2019 Rupees	2018 Rupees
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	1,200,000
Others		219,000	249,000
		1,719,000	1,749,000
11 TRADE DEBTS			
Trade debts against purchase of shares:			
Considered good - unsecured		2,785,535	2,741,328
		2,785,535	2,741,328
Trade debts other than purchase of shares:			
Considered good - unsecured		27,138,691	36,180,459
Considered doubtful - unsecured		7,581,469	-
		34,720,160	36,180,459
Provision for doubtful debt		(7,581,469)	-
	11.1	29,924,226	38,921,788

11.1 Age analysis of trade debts is provided in Note 28.1.2.

11.2 Provision for impairment of trade debts

		2019	2018
Opening		-	-
Impact of adoption of IFRS 9		8,643,775	-
Charge/(Reversal) during the year		(1,062,306)	-
Closing balance		7,581,469	-

12 SHORT TERM INVESTMENTS

	Notes	2019	2018
At fair value through profit or loss,		6,016,746	6,870,001
- Quoted equity securities	12.1	6,016,746	6,870,001

12.1 Financial assets at fair value through profit or loss

Quoted equity securities

	June 30, 2019			June 30, 2018		
	No. of Shares	Carrying amount	Fair Value	No. of Shares	Carrying amount	Fair Value
		Rupees			Rupees	
Quoted Securities						
First Capital Equities Limited	143	1,201	536	143	1,287	1,201
Dost Steels Limited	500,000	3,040,000	1,720,000	-	-	-
Nishat Chunian Limited	15,000	1,046,700	525,300	-	-	-
Pakistan Petroleum Limited	5,000	918,450	722,150	-	-	-
Sui Northern Gas Limited	14,000	1,192,660	972,860	-	-	-
Pak Bulk Terminal Limited	110,000	1,091,200	928,400	-	-	-
Waves Singer Pakistan Limited	50,000	1,349,500	1,147,500	187,500	6,000,000	6,442,500
Dandot Cement Company Limited	-	-	-	49,000	657,580	426,300
Total Investment	694,143	8,639,711	6,016,746	236,643	6,658,867	6,870,001
Gain/(Loss) on remeasurment			(2,622,965)			211,134
Total Investment as at June 30			**6,016,746**			**6,870,001**

12.2 Shares of Sui Northern Gas Pipelines Limited having carrying amount of Rs 1,192,660 (2018: Nil) and market value of Rs 972,860 (2018: Nil) are pledged against exposure requirement of NCCPL

12.3 During the year company realized gain amounting Rs 1,485,968 (2018: Loss amounting Rs 3,611,752) on disposal of investments having carrying value of Rs. 649,588,009 (2018: Rs 803,248,975)

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

	Notes	2018 Rupees	2018 Rupees
13.1 Advances - unsecured - considered good			
- To employees	13.5	310,358	142,000
- To others		550,000	350,000
		860,358	493,000
13.2 Short Term Prepayments			
Prepayments		261,495	-
Advance tax		5,282,393	6,314,488
		5,543,888	6,314,488
13.3 Short Term Deposits			
Exposure with National Clearing Company of Pakistan Limited		4,050,000	1,000,000
Margin deposit with bank		-	960,000
Base Minimum Capital		128,236	128,236
		4,178,236	2,088,236
13.4 Other Receivables	13.6	496,944	4,611,275
		11,079,426	13,506,999

13.5 This includes advance against expenses to Director amounting Rs 13,728 (2018: NIL) against expenses. 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.

	Notes		
13.6 Other receivables - considered good	13.7	496,944	4,611,275
Other Receivables - considered doubtful		85,700	85,700
Less: Provision for doubtful other receivables		(85,700)	(85,700)
		496,944	4,611,275

13.7 Other receivables includes loan given to Media Info Systems (Pvt.) Limited amounting Rs. 300,000/- (2018: Rs. 300,000/-) a related party.

14 CASH AND BANK BALANCES

	Notes		
Cash in hand		12,681	7,976
Cash at bank			
Saving accounts	14.2	4,337,462	3,507
Current accounts	14.1	6,983,765	19,809,295
		11,321,227	19,812,802
		11,333,908	19,820,778

14.1 Bank balances include customers' bank balances held in designated bank accounts amounting to Rs. 6,595,428 /- (2018: Rs.13,836,447/-)

14.2 These carry profit at rates ranging upto 10% per annum (2018: 3% to 4% per annum).

15 SHARE CAPITAL

Authorized Share Capital		
16,000,000 (2018: 16,000,000) ordinary Shares Of Rs. 10/- Each	160,000,000	160,000,000
Issued subscribed and paid up Share Capital		
Fully paid in cash		
13,000,000 (2018: 13,000,000) Ordinary Shares Of Rs. 10/- each	102,216,080	102,216,080
Other than cash		
2,778,392 ordinary shares of Rs. 10/- each issued as bonus shares	27,783,920	27,783,920
	130,000,000	130,000,000

16 OTHER RESERVES

The fair value reserve comprises the cumulative net change in the fair value of financial assets classified at fair value through other comprehensive income. The details are as under:-

	Media Info Systems (Pvt.) Limited	Pace Barka Properties Limited	LSE Financial Services Limited	Total
		Rupees		
Balance as on July 01, 2018	(2,020,091)	11,557,097	(3,472,809)	6,064,197
Reserve transferred to retained earning due to change in policy on adoption of IFRS 9 refer note 5.1.2	2,020,091	(11,557,097)	3,472,809	(6,064,197)
Balance as on June 30, 2019	-	-	-	-

17 TRADE AND OTHER PAYABLES

	Notes	2019 Rupees	2018 Rupees
Payable against sale of shares - un secured		7,092,063	14,938,356
Other Payables		6,070,113	6,070,113
		13,162,176	21,008,469
Accrued liabilities	17.1	5,347,174	1,691,826
Other liabilities		4,308,397	6,291,628
		9,655,571	7,983,454
		22,817,747	28,991,923

17.1 This includes balance payable to director amounting Rs 2,520,879 on account of salaries payable and reimbursement expenses (2018: NIL).

18 SHORT TERM BORROWING

	Notes	2019 Rupees	2018 Rupees
Running finance from JS Bank Ltd	18.1	1,811,990	-
		1,811,990	-

18.1 This represents balance payable against running finance facility availed from JS Bank Limited total value of limit available is Rs. 15 Million. The facility is secured against the investment property of the Company and personal guarantee of CEO and director with markup payable at the rate of 1 month KIBOR plus 350 basis points.

19 CONTINGENCIES AND COMMITMENTS

	2019	2018
Financial guarantees given by commercial banks on behalf of the Company	-	9,600,000

	Notes	2019 Rupees	2018 Rupees
20 BROKERAGE AND CONSULTANCY INCOME			
Brokerage		6,416,311	6,594,207
Less: Sales Tax		(883,214)	(899,296)
		5,533,097	5,694,911
Advisory and consultancy fee		23,922,250	28,545,500
Less: Sales Tax		(1,647,250)	(2,308,000)
		22,275,000	26,237,500
		27,808,097	31,932,411
21 UNREALISED LOSS ON RE-MEASUREMENT OF INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS			
Gain/(Loss) on remeasurement of short term investments	12	(2,622,965)	211,134
Gain/(Loss) on remeasurement of long term investments		3,177,147	-
		554,182	211,134
22 OPERATING EXPENSES			
Salaries, wages & benefits		22,321,316	22,288,205
Impairment of TREC		-	5,000,000
Rent, rates and taxes		1,716,330	1,584,900
Fee and subscription		2,189,651	948,419
Utilities		440,680	396,740
Travelling & conveyance		98,560	90,491
Internet and mobile charges		654,149	790,669
Insurance		160,952	329,148
Entertainment		617,938	527,396
Printing and stationery		139,886	132,445
Courier charges		19,842	45,129
Newspaper and periodicals		-	7,334
Auditors' remuneration	22.1	200,000	275,000
Depreciation and amortization	6 & 7	1,405,037	616,484
Repair and maintenance office		316,125	75,580
Vehicle running & maintenance		572,410	653,243
CDC charges		133,901	230,321
Bad debts		199,530	330,171
Provision for doubtful debt		(1,062,306)	-
NCCPL charges		620,932	557,918
Other office expenses		78,466	101,227
		30,823,398	34,980,818

	Notes	2019 Rupees	2018 Rupees
22.1 Auditor's remuneration			
Statutory audit		100,000	100,000
Certifications and others		75,000	155,000
Out of pocket expenses		25,000	20,000
		200,000	**275,000**
23 FINANCIAL CHARGES			
Financial charges		241,121	268,871
24 OTHER INCOME			
Income from financial assets			
Profit on Bank Balances		356,346	13,699
Income from assets other than financial assets			
Loss on sale of investment property		(225,000)	-
Gain/(Loss) on sale of property and equipment		(17,166)	3,338,420
Liabilities written back		-	2,108,371
Other income		137,079	65,655
		251,259	**5,526,145**
25 TAXATION			
25.1 Detail of tax charged to profit or loss			
Deferred		(605,643)	(688,161)
Prior period		489,307	(40,559)
Current		1,966,235	2,976,899
		1,849,898	**2,248,179**

25.2 Since the company is subject to minimum and final tax under section 153 and 233A, 5 of Income Tax Ordinance, 2001 respectively, therefore no numerical reconciliation of profit and tax expense is produced.

	Notes	2019 Rupees	2018 Rupees
26 DEFERRED TAX			
26.1 Amount charged to profit and loss			
Origination and (reversal) of temporary differences - net		(1,141,086)	(654,818)
Reduction in tax rate		(70,201)	(33,343)
Recognition/(reversal) of tax losses - net		605,643	-
Deferred tax (income) /expense for the year - net		**(605,643)**	**(688,161)**
26.2 Movement in deferred tax balances			
Opening balance		**2,106,032**	**1 033,621**
Deferred tax expense/(income) charged/recognized in profit and loss			
Operating fixed assets - owned		(35,788)	(357,660)
Investment Property		(349,576)	(603,558)
Others		(220,279)	273,057
		(605,643)	**(688,161)**
Expense/(Income) charged/recognized other comprehensive income		-	1,760,572
Expense/(Income) charged/recognized directly on equity		(1,500,388)	-
Closing balance		-	2,106,032

26.3 The Company have a deferred tax asset on unused tax losses and deductible temporary differences. Tax losses will be carried forward for six years only, in accordance with the Income Tax Ordinance, 2001. However as sufficient taxable profits may not be available in foreseeable future, the Company has not recognized deferred tax asset in these financial statements amounting Rs. 0.2 Million (2018: Nil).

27 TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of entities over which the Directors are able to exercise significant influence. Related parties include entities with common Directors, major shareholders, subsidiary undertakings, associated companies, Directors and key management personnel. Details of transactions with related parties are as follows:

Nature of Transactions	Relationship	Descriptions	Transaction during the year 2019	2018
			Rupees	
Media Info Systems (Pvt.) Limited	Associate (10.1% holding in company)	Dividend received	-	168,750
Key Management Personnel				
Mrs. Sadia Ali	Director	Shares purchased	-	6,000,000
Mr. Sardar Ali	Director/CEO	Sale of Vehicle	-	3,400,000
Ahmed Bilal	Director	Sale of Vehicle	-	840,000

2019	Chief Executive	Directors	Executives
Total number	1	2	2
	Rupees		
Managerial remuneration	3,000,000	6,600,000	5,368,454
Commission or bonus	-	-	-
Utilities	40,000	-	-
	3,040,000	6,600,000	5,368,454

2018	Chief Executive	Directors	Executives
Total number	1	2	2
	Rupees		
Managerial remuneration	3,000,000	6,600,000	4,951,772
Commission or bonus	-	250,000	-
Utilities	103,928	-	-
	3,103,928	6,850,000	4,951,772

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 meetings (2018: Nil).

27.3 Total no. of employees are 15 as on June 30, 2019 (2018: 16) and average employees during the year were 15 (2018: 18)

28 FINANCIAL INSTRUMENTS

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.

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

The Board of Directors has overall responsibility for the establishment and oversight of Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management policies.

28.1 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Concentrations of credit risk arise when a number of counterparties are engaged in similar business activities, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of a company's performance to developments affecting a particular industry. The Company manages its credit risk by the following methods:

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

28.1.1 Exposure to credit risk

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

	2019 Rupees	2018 Rupees
Long term deposits and prepayments	1,719,000	1,749,000
Trade debts - unsecured	29,924,226	38,921,788
Investments	6,016,746	6,870,001
Advances, deposits and other receivables	11,079,426	13,506,999
Cash and bank balance	11,321,227	19,812,802
	60,060,625	80,860,590

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

28.1.2 The age of trade debts at the reporting date was:

		2019 Rupees	2018 Rupees
Not over due	28.1.3	6,969,328	8,323,376
Over due for less than 365 days		3,827,448	185,265
More than 1 year Less than 3 year		17,752,303	26,484,768
More than 3 year Less than 5 year		1,375,147	3,928,379
More than 5 year		-	-
		29,924,226	38,921,788

28.1.3 The collateral available against clients balances due for more than fifteen days related to brokerage amounting Rs. 1,768,581 is Rs. 72,066,171.

28.2 Liquidity risk

Liquidity risk is the risk that an enterprise will encounter difficulties in raising funds to meet commitments associated with financial instruments. The Company believes that it is not exposed to any significant level of liquidity risk.

28.3 Market risk

Market risk is the risk that changes in market price, such as foreign exchange rates, interest rates and equity prices will effect the Company's income or the value of its holdings of financial instruments.

28.3.1 Currency risk

Currency risk arises mainly where receivables and payables exist due to transactions entered into foreign currency. Foreign currency risk arises mainly where payable/receivable exist due to transactions with foreign clients. The company does not have any financial assets or liabilities in foreign currency at the reporting date.

28.3.2 Interest rate risk

Interest rate risk is the risk of decline in earnings due to adverse movement of the interest rate curve. Interest rate risk arises from the possibility that changes in interest rates will affect the value of the financial instruments.

28.3.3 Other Price Risk

Equity price risk arise from equity securities classified as at fair value through profit or loss. To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio within the eligible stocks in accordance with the risk investment guidelines approved by the investment committee.

28.3.4 Sensitivity analysis

All of the Company's listed equity investments are listed on Pakistan Stock exchange. The table below summarizes the Company's equity price risk as of June 30 2019 and 2018 and shows the effects of a 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 worse because of the nature of equity markets and the aforementioned concentrations existing in the Company's equity investment portfolio.

	2019				
Investments	Fair value	Estimated fair value after hypothetical change in prices"	Estimated fair value after hypothetical change in prices"	Hypothetical increase /(decrease) in shareholders' equity"	"Hypothetical increase/(decrease) in profit /(loss) before tax"
Long term Investments	68,635,213	+10%	75,498,734	6,863,521	6,863,521
		-10%	(61,771,692)	(6,863,521)	(6,863,521)
Short term investments	6,016,746	+10%	6,618,421	601,675	601,675
		-10%	(5,415,072)	(601,675)	(601,675)

Investments	2018					
	Fair value	Estimated fair value after hypothetical change in prices"	Estimated fair value after hypothetical change in prices"	Hypothetical increase /(decrease) in shareholders' equity"	"Hypothetical increase/(decrease) in profit /(loss) before tax"
	Rupees				
Long term Investments	60,561,552	+10% -10%	66,617,707 (54,505,397)	6,056,155 (6,056,155)	6,056,155 (6,056,155)
Short term investments	6,870,001	+10% -10%	7,557,001 (6,183,001)	687,000 (687,000)	687,000 (687,000)

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 5.15.

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

	2019			
	Level 1	Level 2	Level 3	Total
	Rupees			
<u>**Long term investments**</u>				
Unquoted investments	-	-	68,635,213	**68,635,213**
<u>**Investment Property**</u>		27,687,712		**27,687,712**
<u>**Short term investments**</u>	6,016,746	-	-	**6,016,746**

	2018			
	Level 1	Level 2	Level 3	Total
	Rupees			
<u>Long term investments</u>				
Unquoted investments	-	-	60,561,552	**60,561,552**
<u>Investment Property</u>		28,302,400	-	**28,302,400**
<u>Short term investments</u>	6,870,001	-	-	**6,870,001**

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.

As at June 30, 2019, the Company's long term investments in unquoted securities (see note 9), carried at fair value. The fair value of such investments is determined by using level 3 techniques. The fair value of investment in unquoted securities has been determined by using various valuation techniques depending on availability of data.

There were no transfers between levels 1, 2 and 3 for recurring fair value measurements during the year.

28.3.7 Financial instruments by category

	30-Jun-19			
	At Amortized Cost	Assets at fair value through profit or loss	Assets at fair value through OCI	Total
Financial Assets	Rupees			
Long term investments	-	68,635,213	-	**68,635,213**
Long term deposits and prepayments	1,719,000	-	-	**1,719,000**
Trade debtors	29,924,226	-	-	**29,924,226**
Short term investments	-	6,016,746	-	**6,016,746**
Advances, deposits, prepayments & other receivables	11,079,426	-	-	**11,079,426**
Cash and bank balances	11,333,908	-	-	**11,333,908**

	30-Jun-19		
	At amortized cost	Liabilities at fair value through profit or loss	Total
	Rupees		
Financial Liabilities			
Trade and other payables	22,817,747	-	**22,817,747**
Short term borrowings	1,811,990	-	**1,811,990**

	30-Jun-18			
	At Amortized Cost	Assets at fair value through profit or loss	Assets at fair value through OCI	Total
Financial Assets	Rupees			
Long term investments	-	60,561,552	-	**60,561,552**
Long term deposits and prepayments	1,749,000	-	-	**1,749,000**
Trade debtors	38,921,788	-	-	**38,921,788**
Short term investments	-	6,870,001	-	**6,870,001**
Advances, deposits, prepayments & other receivables	13,506,999	-	-	**13,506,999**
Cash and bank balances	19,820,778	-	-	**19,820,778**

	30-Jun-18		
	At amortized cost	Liabilities at fair value through profit or loss	Total
	Rupees		
Financial Liabilities			
Trade and other payables	28,991,923	-	**28,991,923**
Short term borrowings	-	-	**-**

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.

There were no changes in the Company's approach to capital management during the year and the company is subject to externally imposed minimum equity requirement of the Securities Brokers (Licensing and Operations) Regulations, 2016 and is required to maintain Rs. 35 million net equity. The Company's equity is above the minimum required threshold limit. Capital comprises of share capital adn other reserves net of accumulated losses.

29.1 Capital Adequacy Level

	Notes	2019 Rupees
Total Assets	29.1.1	167,995,336
Less: Total Liabilities		(26,595,972)
Less: Revaluation Reserve (created upon revaluation of fixed assets)		-
Capital Adequacy Level		**141,399,364**

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, 2019 as determined by Pakistan Stock Exchange has been considered.

30 CORRESPONDING FIGURES

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

31 AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue by the Board of Directors of the Company on 04 October 2019

32 GENERAL

Figures have been rounded off to the nearest rupee.

CHIEF EXECUTIVE

DIRECTOR