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NASIR JAVAID MAQSOOD IMRAN
Chartered Accountants

Spectrum Securities Limited
Financial Statements
For the year ended June 30, 2019

A member firm of
CPAAI
CPA ASSOCIATES INTERNATIONAL

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NASIR JAVAID MAQSOOD IMRAN
Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

To the members of Spectrum Securities Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **Spectrum Securities 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, 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 loss 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.

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 Mohammad Javaid Qasim.

NASIR JAVAID MAQSOOD IMRAN ★ KARACHI ★ CHARTERED ACCOUNTANTS

Nasir Javaid Maqsood Imran

Dated: 04 OCT 2019
Karachi

NASIR JAVAID MAQSOOD IMRAN
Chartered Accountants

SPECTRUM SECURITIES LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2019

	Note	Rupees 2019	Rupees 2018
ASSETS			
NON-CURRENT ASSETS			
Property & equipment	4	6,683,466	7,653,910
Intangible assets	5	2,764,148	5,323,174
Long term investment *at fair value through other comprehensive income*	6	29,922,252	36,612,650
Long term deposits	7	1,710,000	2,020,000
		41,079,867	51,609,734
CURRENT ASSETS			
Trade receivables	8	34,925,596	31,526,142
Receivable against margin financing	9	14,138,603	22,035,320
Short term investment	10	10,002,152	26,762,591
Advances, deposits, pre-payments & other receivables	11	50,872,448	42,209,215
Cash & bank balances	12	826,861	3,788,161
		110,765,660	126,321,429
TOTAL ASSETS		151,845,527	177,931,163
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Authorized Capital			
1,000,000 (2018: 1,000,000) Ordinary shares of Rs. 100/- each		100,000,000	100,000,000
Issued, subscribed and paid-up capital	13	90,000,000	90,000,000
Reserves		37,497,957	65,222,600
		127,497,957	155,222,600
LIABILITIES			
CURRENT LIABILITIES			
Trade payables		22,749,792	19,791,920
Accrued expenses & other liabilities	14	1,597,778	2,916,644
		24,347,570	22,708,564
CONTINGENCIES AND COMMITMENTS	15	-	-
TOTAL EQUITY AND LIABILITIES		151,845,527	177,931,163

The annexed notes from 1 to 31 form an integral part of these financial statements.

Chief Executive **Director**

NASIR JAVAID MAQSOOD IMRAN CHARTERED ACCOUNTANTS
Initialled for identification

SPECTRUM SECURITIES LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2019

	Note	Rupees 2019	Rupees 2018
REVENUE			
Operating revenue	16	28,591,245	25,082,134
Capital (loss) / gain on sale of securities		(14,343,566)	8,839,917
Unrealised loss on remeasurement of investment at fair value - through profit or loss		(113,113)	(8,332,436)
		14,134,566	25,589,615
Administrative expenses	17	(40,286,453)	(36,096,063)
Finance cost	18	(28,528)	(25,579)
		(40,314,981)	(36,121,642)
Operating loss		(26,180,415)	(10,532,027)
Other charges	19	(1,400,000)	-
Other income	20	8,004,938	6,377,905
Loss before taxation		(19,575,477)	(4,154,121)
Taxation	21	(1,458,768)	(5,485,936)
Loss after taxation		(21,034,245)	(9,640,056)
Loss per share - basic	22	(23.37)	(10.71)

The annexed notes from 1 to 31 form an integral part of these financial statements.

Chief Executive **Director**

NASIR JAVAID MAQSOOD IMRAN CHARTERED ACCOUNTANTS
Initialled for identification

SPECTRUM SECURITIES LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2019

	Note	Rupees 2019	Rupees 2018
Loss after taxation		**(21,034,245)**	**(9,640,056)**
Other comprehensive income			
Loss on remeasurement of investment at fair value - through other comprehensive income		(6,690,398)	1,571,188
Total comprehensive loss for the year		**(27,724,642)**	**(8,068,868)**

The annexed notes from 1 to 31 form an integral part of these financial statements.

Chief Executive

Director

NASIR JAVAID MAQSOOD IMRAN * CHARTERED ACCOUNTANTS *
Initialled for identification

SPECTRUM SECURITIES LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2019

	Note	Rupees 2019	Rupees 2018
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before taxation		**(19,575,477)**	**(4,154,121)**
Add/(less) : Items not involved in movement of fund:			
Depreciation		1,137,393	1,320,777
Amortization of computer software		59,026	80,794
Capital loss / (gain) on sale of securities		14,343,566	(8,839,917)
Impairment on TREC		1,400,000	-
Unrealised loss on remeasurement of investment at fair value - through profit or loss		113,113	8,332,436
Finance costs		48,266	48,266
		17,101,363	**942,356**
Cash used in operating activities before working capital changes		(2,474,114)	(3,211,765)
Net change in working capital	(a)	**253,501**	**(34,938,493)**
Finance costs paid		(48,266)	(48,266)
Taxes paid		(4,239,234)	(4,754,652)
Net cash used in operating activities		**(6,508,113)**	**(42,953,176)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property and equipment		(166,950)	(1,015,106)
Proceeds from disposal of property and equipment		-	7,829
Proceeds from disposal of TREC		1,100,000	-
Short term investments		2,303,763	(5,442,727)
Long term deposits		310,000	14,290,000
Net cash generated from investing activities		**3,546,813**	**7,839,996**
Net increase in cash and cash equivalents		**(2,961,300)**	**(35,113,180)**
Cash and cash equivalents at the beginning of the year		3,788,161	38,901,341
Cash and cash equivalents at the end of the year	12	**826,861**	**3,788,161**
(Increase) / decrease in current assets			
Trade receivables		(3,399,454)	(22,192,783)
Receivable against margin financing		7,896,717	(22,035,320)
Advances, deposits, pre-payments & other receivables		(5,882,768)	33,737,982
		(1,385,504)	**(10,490,121)**
Increase / (decrease) in current liabilities			
Trade payables		2,957,872	(6,608,773)
Accrued expenses & other liabilities		(1,318,866)	(17,839,599)
		1,639,006	**(24,448,372)**
Net change in working capital		**253,501**	**(34,938,493)**

The annexed notes from 1 to 31 form an integral part of these financial statements.

Chief Executive **Director**

NASIR JAVAID MAQSOOD IMRAN CHARTERED ACCOUNTANTS Initialled for identification

SPECTRUM SECURITIES LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2019

		Reserves			
	Issued, subscribed & paid up capital	**Unappropriated profit / (loss)**	**Unrealised gain on remeasurement of investment at fair value-through other comprehensive income**	**Sub Total**	**Total**
	Rupees	*Rupees*	*Rupees*	*Rupees*	*Rupees*
Balance as at June 30, 2017	**90,000,000**	**50,434,348**	**33,887,433**	**84,321,781**	**174,321,781**
Loss for the year	-	(9,640,056)	-	**(9,640,056)**	**(9,640,056)**
Transfer to statement of profit or loss on account of disposal of investment - At fair value - through comprehensive income	-	-	(11,030,313)	**(11,030,313)**	**(11,030,313)**
Gain on remeasurement of investment - At fair value - through other comprehensive income - net	-	-	1,571,188	**1,571,188**	**1,571,188**
Balance as at June 30, 2018	**90,000,000**	**40,794,292**	**24,428,308**	**65,222,600**	**155,222,600**
Loss for the year	-	(21,034,245)	-	(21,034,245)	**(21,034,245)**
Loss on remeasurement of investment at fair value - through other comprehensive income - net	-	-	(6,690,398)	(6,690,398)	**(6,690,398)**
Balance as at June 30, 2019	**90,000,000**	**19,760,047**	**17,737,911**	**37,497,957**	**127,497,957**

The annexed notes from 1 to 31 form an integral part of these financial statements.

Chief Executive

Director

NASIR JAVAID MAQSOOD IMRAN * CHARTERED ACCOUNTANTS *
Initialled for identification

SPECTRUM SECURITIES LIMITED
NOTES TO THE ACCOUNTS

1 CORPORATE AND GENERAL INFORMATION

1.1 Legal status and operations

Spectrum Securities Limited (the Company) was incorporated in October 27, 2014 as a private limited company under the Companies Ordinance, 1984. The registered office of the Company is situated at Room No. 526, 5th Floor, Stock Exchange Building, Stock Exchange Road, Karachi. Pakistan. The company is engaged in the business of financial consultancy, brokerage, underwriting and investment counselling. It is a Trading Right Certificate Holder of the Pakistan Stock Exchange Limited.The branch offices are situated at;

- Office no. 706, 7th Floor, Business and finance Centre, Karachi
- 1st Floor, Plaza No. 287, Block Y, Phase III-C, DHA Lahore Cantt, Lahore

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of such International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017 (the Act), and provisions of and directives issued under the Companies Act, 2017. Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed. Preparation of financial statements also include disclosure required by Securities Brokers (Licensing and Operations) Regulations, 2016.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention, except for derivatives and investments. Statement of cash flow has been presented on cash basis.

2.3 Functional and presentation currency

Items included in these financial statements are measured using the currency of the primary economic environment in which the Company operates. These financial statements are presented in Pakistani Rupee, which is the Company's functional and presentation currency.

2.4 Use of estimates and judgments

The preparation of financial statements in conformity with approved financial reporting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

2.5 New or Amendments / interpretations to existing standards, interpretation and forth coming requirements:

There are new and amended standards interpretations that are mandatory for accounting periods beginning 01 July, 2018 other than those disclosed in note 3.1 are considered not to be relevant or do not have any significant effect on the company's financial statements and are therefore not stated in these financial statements.

2.6 Standards, interpretations and amendments to published approved accounting standards that are not yet effective:

The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 01 July, 2019.

- Amendment to IFRS 9 'Financial Instruments' - Prepayment Features with Negative Compensation (effective for annual periods beginning on or after 01 January 2019). For a debt instrument to be eligible for measurement at amortized cost of FVOCI, IFRS 9 requires its contractual cash flows to meet the SPPI criterion - i.e. the cash flows are 'solely payments of principal and interest'. Some prepayment options could result in the party that triggers the early termination receiving compensation from the other party (negative compensation). The amendment allows that financial assets containing prepayment features with negative compensation can be measured at amortized cost or at fair value through other comprehensive income (FVOCI) if they meet the other relevant requirements of IFRS 9. The application of amendment is not likely to have an impact on Company's financial statements.

- IFRIC 23 'Uncertainty over Income Tax Treatments' (effective for annual periods beginning on or after 1 January 2019) clarifies the accounting for income tax when there is uncertainty over income tax treatments under IAS 12. The interpretation requires the uncertainty over tax treatment be reflected in the measurement of current and deferred tax. The application of interpretation is not likely to have material impact on Company's financial statements.

- IFRS 16 'Leases' (effective for annual period beginning on or after 1 January 2019). IFRS 16 replaces existing leasing guidance, including IAS 17 'Leases', IFRIC 4 'Determining whether an Arrangement contains a Lease', SIC-15 'Operating Leases- Incentives' and SIC-27 'Evaluating the Substance of Transaction Involving the Legal Form of a Lease'. IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability represneting its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard i.e. lessors continue to classify leases as finance or operating leases. Management is not expecting any impact of the standard on Company's financial reporting.

- Amendment to IAS 28 'Investments in Associates and Joint Ventures' - Long Term interests in Associates and Joint Ventures (effective for annual period beginning on or after 1 January 2019). The amendment will affect companies that finance such entities with preference shares or with loans for which repayment is not expected in the foreseeable future (referred to as long-term interests or 'LTI'). The amendment and accompanying example state that LTI are in the scope of both IFRS 9 and IAS 28 and explain the annual sequence in which both standards are to be applied. The amendments are not likely to have an impact on Company's financial

- Amendments to IAS 19 'Employee Benefits'- Plan Amendment, Curtailment or Settlement (effective for annual periods beginning on or after 1 January 2019). The amendments clarify that on amendment, curtailment or settlement of a defined benefit plan, a company now uses updated actuarial assumptions to determine its current service cost and net interest for the period; and the effect of the asset ceiling is disregarded when calculating the gain or loss on any settlement of the plan and is dealt with separately in other comprehensive income. The application of amendments are not likely to have an impact on Company's financial statements.

- Amendment to IFRS 3 'Business Combinations' - Definition of a Business (effective for business combinations for which the acquisition date is on or after the beginning of annual period beginning on or after 01 January 2020). The IASB has issued amendments aiming to resolve the difficuties that arise when an entity determines whether it has acquired a business or a group of assets. The amendments clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. The amendments include an election to use a concentration test. The standard is effective for transaction in the future and therefore would not have an impact on past financial statements.

- Amendment to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies. Changes in Accounting Estimates and Errors (effective for annual periods beginning on or after 01 January 2020). The amendments are intended to make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standard. In addition, the IASB has also issued guidance on how to make materiality judgments when preparing their general purpose financial statements in accordance with IFRS Standards.

- On 29 March 2018, the International Acconting Standards Board (the IASB) has issued a revised Conceptual Framework for Financial Reporting which is applicable immediately contains changes that will set a new direction for IFRS in the future. The Conceptual Framework, primarily serves as a tool for the IASB to develop standards and to assits the IFRS Interpretations Committee in interpreting them. It does not override the requirements of individual IFRSs and any inconsistencies with the revised Framework will be subject to the usual due process - this means that the overall impact on standard setting may take some time to arystalize. The companies may use the Framework as a reference for selecting their accounting policies in the absence of specific IFRS requirements. In these cases, companies should review those policies and apply the new guidance retrospectively as of 01 January 2020, unless the new guidance contains specific scope outs.

Annual improvements to IFRS Standards 2015-2017 Cycle - the improvements address amendments to following approved accounting standards:

- IFRS 3 Business Combinations and IFRS 11 Joint Arrangement - the amendment aims to clarify the accounting treatment when a company increase its interest in a joint operation that meets the definition of a business. A company remeasures its previously held interest in a joint operation when it obtains control of the business. A company does not remeasure its previously held interest in a joint operation when it obtains joint control of the business.

- IAS 12 Income Taxes - the amendment clarifies that all income tax consequences of dividends (including payments on financial instruments classified as equity) are recognized consistently with the transaction that generates the distributable profits.

- IAS 23 Borrowing Costs - the amendment clarifies that a company treats as part of general borrowings any borrowing originally made to develop an asset when the asset is ready for its intended use or sale. The above improvements to standards are not likely to have material / significant impact on Company's financial statements.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3.1 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:

3.1.1 IFRS 15 'Revenue from Constracts with Customers'

On 28 May 2014, the International Accounting Standards Board ("IASB") issued International Financial Reporting Standards ("IFRS") 15 "Revenue From Contracts with Customers" which provides a unified five step model for determining the timing, measurement and recognition of revenue. 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 adoption of IFRS 15 which replaced IAS 18 Revenue, IAS 11 Construction Contracts and related interpretations, did not have an impact on the timing and amounts of revenue recognition of the Company. Therefore, adoption of IFRS 15 at 01 July 2018, did not have an effect on the financial statements of the Company as Brokerage Commission from Customers is recognized on origination of invoice to Customers when the related services are rendered.

3.1.2 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 retrospectively. The details of new significant accounting policies adopted and the nature and effect of the changes to previous accounting

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 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

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 amortized cost or at FVOCI as at 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 cost that are directly attributable to its acquisition.

The adoption of IFRS 9 did not have a significant effect on the Company's accounting policies related to financial

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 amortized cost or at FVOCI as at 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 cost that are directly attributable to its acquisition.

The adoption of IFRS 9 did not have a significant effect on the Company's accounting policies related to financial liabilities.

The following table explain the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the Company's financial assets as at 30 June 2018 and 01 July 2017.

As at 30 June 2018	*Original classification under IAS 39*	*New Classification under IFRS 9*	*Original Carrying Amount Rupees*	*New Carrying Amount Rupees*
Long term investment	Available for sale	At fair value - through other comprehensive - income	**36,612,650**	**36,612,650**
Short term investment - Other Equity investment	Held for trading	At fair value - through profit or loss	**26,762,591**	**26,762,591**
Long term deposits	Loans and receivables	Amortized cost	**2,020,000**	**2,020,000**
Trade receivables	Loans and receivables	Amortized cost	**31,526,142**	**31,526,142**
Receivable against margin financing	Loans and receivables	Amortized cost	**22,035,320**	**22,035,320**
Loan to staff	Loans and receivables	Amortized cost	**608,000**	**608,000**
Exposure deposit	Loans and receivables	Amortized cost	**37,592,947**	**37,592,947**
Other advances and receivables	Loans and receivables	Amortized cost	**2,207,833**	**2,207,833**
Cash and bank balances	Loans and receivables	Amortized cost	**3,788,161**	**3,788,161**
Total			**163,153,644**	**163,153,644**

As at 01 July 2017	*Original classification under IAS 39*	*New Classification under IFRS 9*	*Original Carrying Amount Rupees*	*New Carrying Amount Rupees*
Long term investment	Available for sale	At fair value - through other comprehensive - income	**48,440,233**	**48,440,233**
Short term investment - Other Equity investment	Held for trading	At fair value - through profit or loss	**18,443,925**	**18,443,925**
Long term deposits	Loans and receivables	Amortized cost	**16,310,000**	**16,310,000**
Trade receivables	Loans and receivables	Amortized cost	**9,333,359**	**9,333,359**
Receivable against margin financing	Loans and receivables	Amortized cost	**-**	**-**
Loan to staff	Loans and receivables	Amortized cost	**5,000**	**5,000**
Exposure deposit	Loans and receivables	Amortized cost	**46,472,560**	**46,472,560**
Other advances and receivables	Loans and receivables	Amortized cost	**27,669,204**	**27,669,204**
Cash and bank balances	Loans and receivables	Amortized cost	**38,901,341**	**38,901,341**
Total			**205,575,622**	**205,575,622**

ii) Impairment

IFRS 9 replaces the 'incurrred loss' model in IAS 39 with an 'expected credit loss' (ECL) model. IFRS 9 introduces a forward looking expected credit losses model, raither than the current incurred loss model, when assessing the impairment of financial assets in the scope of IFRS 9. The new impairment model applies for financial assets measured at amortized cost, contract assets and debt investments at FVOCI, but not to investments in equity instrument.

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.

3.2 Property and equipment

Items of property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the asset including borrowing costs.

Where major components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Subsequent costs are included in the carrying amount 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. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the profit and loss account during the year in which they are incurred.

Disposal of an item of property, plant and equipment is recognized when significant risks and rewards incidental to ownership have been transferred. Gains and losses on disposal are determined by comparing the proceeds with the carrying amount and are recognized within 'Other operating expenses/income in the profit and loss account.

Depreciation is charged to profit and loss account applying the reducing balance method.

Depreciation is charged when asset is available for use until asset is disposed off.

3.3 Intangible assets

These are stated at cost less accumulated amortization and impairment losses, if any. Amortization is charged using reducing balance method over assets estimated useful life, after taking into accounts residual values; useful life and amortization methods are reviewed and adjusted, if appropriate, at balance sheet date.

Amortization on additions is charged from the month the assets are put to use while no amortization is charged in the month in which the assets are disposed off.

Gain and losses on disposal of such assets, if any, are included in the profit and loss account.

3.3.1 Trading Right Entitlement Certificate

This is stated at cost less impairment, if any. The carrying amount is reviewed at each balance sheet date to assess whether it is in excess of its recoverable amount, and where the carrying value exceeds estimated recoverable amount, it is written down to its estimated recoverable amount.

3.3.2 Pakistan Mercantile Exchange - Membership card

Membership card represents corporate membership of Pakistan Mercantile Exchange with indefinite useful life. This is stated at cost less impairment, if any. The carrying amount is reviewed at each balance sheet date to assess whether this is in excess of its recoverable amount, and where the carrying value exceeds estimated recoverable amount, this is written down to its estimated recoverable amount.

3.3.3 Computer software

Expenditure incurred to acquire identifiable computer software and having probable economic benefits exceeding the cost beyond one year, is recognized as an intangible asset. Such expenditure includes the purchase cost of software (license fee) and related overhead cost.

Costs associated with maintaining computer software programs are recognized as an expense when incurred.

Computer software and license costs are stated at cost less accumulated amortization and any identified impairment loss and amortized through reducing balance method.

Amortization is charged from the month in which the related asset is available for use while no amortization is charged for the month in which such asset is disposed off.

3.4 Investment property

Property that is held for long-term rental yields or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the supply of services or for administrative purposes, is classified as investment property. Investment property is initially measured at its cost, including related transaction costs and borrowing

Subsequent expenditure is capitalized to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expenses when incurred.

3.5 Financial Instruments

3.5.1 Initial Measurement of financial assets

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 applicable.

Subsequent Measurement

Debt Investments at FVOCI	These assets are subsequently measured at fair value. Interest / markeup 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 ohter comprehensive income are reclassified 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 account.
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 statement profit or loss account.
Financial assets measured at amortized cost	These assets are subsequently measured at authozied cost using the effective interest 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 account.

3.5.2 Financial liabilities

Financial liabilities are classified as measured at amortized cost or 'At Fair Value - Through Profit or Loss' (FVTPL). A financial liability is classified as at FVTPL if it is classified as held for trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in the statement of profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in the statement of profit or loss. Any gain or loss on de-recognition is also recognized in the statement of profit or loss.

Financial liabilities are derecognized when the contractual obligations are discharged or cancelled or have expired or when the financial liability's cash flows have been substantially modified.

3.6 Impairment

3.6.1 Financial assets

The Company recognises loss allowances for Expected Credit Losses (ECLs) in respect of financial assets measured at amortised 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 quantitative 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 assets 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

Loss allowances for financial assets measured at amortised 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 entirely 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 expects 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.

3.6.2 Impairment of non-financial assets

The carrying amout of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any objective evidence that an assets or group of assets may be impaired. If any such evidence exists, the asset's or group of assets' recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is the higher of value in use and fair value less cost to sell. Impairment losses are recognized to the statement of profit or loss.

3.7 Derecognition

3.7.1 Financial assets

The Company derecognises financial assets only when the contractual rights to cash flows from the financial assets expire or when it transfer the financial assets and substantially all the associated risks and reward of ownership to another entity. On derecognition of financial assets measured at amortized cost, the difference between the assets carrying value and the sum of the consideration received and receivable recognised in statement of profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve reclassified to statement of profit or loss. In contrast, on derecognition of an investment in equity instrument which the Company has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to statement of profit or loss, but is transferred to statement of changes in equity.

3.7.2 Financial liabilities

The Company derecognises financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. The difference between the carrying amount of the financial liabilities derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in statement of profit or loss.

3.8 Investments

Investment in Shares of Pakistan Stock Exchange (PSX) are classified as "At Fair Value - through Other Comprehensive Income" and is initially measured at cost and subsequently is measured at fair value determined using the market value at each reporting date. 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.

Investment in Listed Shares are classified as "At Fair Value - Through Profit or Loss" and is initially measured at cost and subsequently is measured at fair value determined using the market value at each reporting date. Net gains and losses, including any interest / markup or dividend income, are recognized in statement profit or loss.

3.9 Settlement date accounting

All purchases and sales of securities that require delivery within the time frame established by regulation or market convention wuch as 'T+2' purchases and sales are recognized at the settlement date. Trade date is the date on which the Company commits to purchase or sale an asset.

3.10 Off-setting of financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount is reported in the financial statements if, and only if, there is a legally enforceable right to offset the recognized amounts and there is an intention either to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

3.11 Trade debts and other receivables

Trade debts and other receivables are recognized at fair value and subsequently measured at amortized cost. A provision for impairment in trade debts and other receivables is made when there is objective evidence that the Company will not be able to collect all amounts due according to original terms of receivables. Trade debts and other receivables considered irrecoverable are written off. Actual credit loss experience over past years is used to base the calculation of expected credit loss (ECL)Trade Receivables in respect of securities sold on behalf of client are recorded at settlement date of transaction.

3.12 Fiduciary assets

Assets held in trust or in a fiduciary capacity by the company are not treated as assets of the Company and accordingly are not included in these financial statements.

3.13 Cash and cash equivalents

Cash and cash equivalents in the statement of cash flows includes cash in hand, balance with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts / short term borrowings. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

3.14 Share capital

Ordinary shares are classified as equity and recognized at their face value. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

3.15 Proposed dividend and transfer between reserves

Dividends declared and transfers between reserves, except appropriations which are required by law, made subsequent to the reporting date are considered as non-adjusting events and are recognized in the financial statements in the period in which such dividends and transfers are approved.

3.16 Trade and other payables

Trade and other payables are recognized initially at fair value plus directly attributable cost, if any, and subsequently measured at amortized cost using the effective interest method. Trade payables in respect of securities purchased are recorded at settlement date of transaction.

These are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

3.17 Taxation

The tax expense for the year comprises current and deferred tax. Tax is recognized in the profit and loss account, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case the tax is also recognized in other comprehensive income or directly in equity, respectively.

i) Current

The current income tax charge is based on the taxable income for the year calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

ii) Deferred

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

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilized. Deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

3.18 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 will be required to settle the obligation, and a reliable estimate of the amount can be made of the amount of obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect current best estimate.

3.19 Foreign currency transactions and translation

Monetary assets and liabilities in foreign currencies are translated into Pakistan Rupees at the rates of exchange prevailing at the balance sheet date. Transactions in foreign currencies are translated into functional currency using the rates of exchange prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the profit and loss account.

SPECTRUM SECURITIES LIMITED
NOTES TO THE ACCOUNTS

3.20 Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable, net of any direct expenses. Revenue is recognized on the following basis:

- Brokerage, consultancy, advisory fee and commission etc. are recognized as and when such services are
- Income from bank deposits, reverse repo and margin deposits is recognized at effective yield on time
- Dividend income is recorded when the right to receive the dividend is established.
- Gains / (losses) arising on sale of investments are included in the profit and loss account in the period in which they arise.
- Unrealized capital gains / (losses) arising from mark to market of investments classified as 'financial assets at fair value through profit or loss - held for trading' are included in profit and loss account for the period in which they arise.
- Rental income from investment properties is recognized on accrual basis.
- Other/miscellaneous income is recognized on receipt basis.
- Income on financial assets (including margin financing) is recognised on time proportionate basis taking into account effective / agreed rate of the instrument.
- Unrealised gains / (losses) arising from mark to market of investments classified as 'available for sale' are taken directly to other comprehensive income.
- Gains / (losses) arising on revaluation of derivatives to fair value are taken to profit and loss account under other income / other expenses.

3.21 Operating and administrative expenses

These expenses are recognized in statement of profit or loss upon utilization of the services or as incurred except for specifically stated in the financial statements.

3.22 Borrowing costs

Borrowing costs are recognized as an expense in the period in which these are incurred except to the extent of borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. Such borrowing costs, if any, are capitalized as part of the cost of that asset.

3.23 Related party transactions

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

SPECTRUM SECURITIES LIMITED
NOTES TO THE ACCOUNTS

4 PROPERTY AND EQUIPMENT

	Office	Office equipments	Motor vehicles	Furniture & fixtures	Computer equipments	Total
	(Rupees)	*(Rupees)*	*(Rupees)*	*(Rupees)*	*(Rupees)*	*(Rupees)*
Net carrying value basis						
Year ended June 30, 2019						
Opening net book value (NBV)	1,535,152	1,784,075	1,389,499	2,203,299	741,884	7,653,909
Additions (at cost)	-	30,500	-	-	136,450	166,950
Disposals (at NBV)/ Written off	-	-	-	-	-	-
Depreciation charge	(153,515)	(181,458)	(208,425)	(330,495)	(263,500)	(1,137,393)
Closing net book value (NBV)	**1,381,637**	**1,633,118**	**1,181,074**	**1,872,804**	**614,834**	**6,683,466**
Gross carrying value basis						
As at June 30, 2019						
Cost	2,100,000	2,483,823	2,024,402	3,714,843	2,040,935	12,364,003
Accumulated depreciation	(718,363)	(850,706)	(843,328)	(1,842,039)	(1,426,101)	(5,680,537)
Net book value (NBV)	**1,381,637**	**1,633,118**	**1,181,074**	**1,872,804**	**614,834**	**6,683,466**
Net carrying value basis						
Year ended June 30, 2018						
Opening net book value (NBV)	1,705,725	1,554,482	1,634,705	2,292,305	780,193	**7,967,410**
Additions (at cost)	-	435,653	-	299,812	279,641	**1,015,106**
Disposals (at NBV)	-	(7,829)	-	-	-	**(7,829)**
Depreciation charge	(170,573)	(198,231)	(245,206)	(388,818)	(317,950)	**(1,320,778)**
Closing net book value (NBV)	**1,535,152**	**1,784,075**	**1,389,499**	**2,203,299**	**741,884**	**7,653,910**
Gross carrying value basis						
As at June 30, 2018						
Cost	2,100,000	2,453,323	2,024,402	3,714,843	1,904,485	**12,197,053**
Accumulated depreciation	(564,848)	(669,248)	(634,903)	(1,511,544)	(1,162,601)	**(4,543,144)**
Net book value (NBV)	**1,535,152**	**1,784,075**	**1,389,499**	**2,203,299**	**741,884**	**7,653,910**
Depreciation rate (% per annum)	**10**	**10**	**15**	**15**	**30**	

	Note	Rupees 2019	Rupees 2018
5 INTANGIBLE ASSETS			
Trading Right Entitlement Certificate - Pakistan Stock Exchange Limited	5.1	5,000,000	5,000,000
Less: Sale of Trading Right Entitlement Certificate - Pakistan Stock Exchange Limited		(2,500,000)	-
		2,500,000	5,000,000
Computer software	5.2	264,148	323,174
		2,764,148	**5,323,174**

5.1 This represents Trading Right Entitlement Certificate (TREC) received from Pakistan Stock Exchange Limited (PSX) in accordance with the requirements of the Stock Exchanges (Corporatization, Demutualization and Integration) Act, 2012 (The Act). The Company has also received ordinary shares of PSX after completion of the demutualization process.

5.2 Computer Software

Acquisition cost	323,174	789,000
Accumulated amortisation	-	(385,032)
	323,174	**403,968**
Amortisation for the year	(59,026)	(80,794)
Net book value	**264,148**	**323,174**

6 LONG TERM INVESTMENT

At fair value through other comprehensive income

	Note		
Quoted			
Investment in shares of Pakistan Stock Exchange Limited		21,353,582	41,163,833
Transfer to short term investment		-	(13,398,771)
		21,353,582	27,765,062
Loss on remeasurement of investment at fair value - through other comprehensive income		(7,298,060)	(6,411,480)
Market value	6.1	**14,055,522**	**21,353,582**
Unquoted			
Shares of LSE Financial Services Limited		15,259,068	7,276,400
Loss on remeasurement of investment at fair value - through other comprehensive income		607,662	7,982,668
	6.2	**15,866,730**	**15,259,068**
		29,922,252	**36,612,650**

6.1 This represents the investment in ordinary shares of Pakistan Stock Exchange Limited (PSX) received by the Company in pursuance of the promulgation of Stock Exchanges (Corporatization, Demutualization and Integration) Act, 2012. Due to restriction on sale, 1,081,194 shares has been classified as long term investments.

6.2 This represents the investment in 843,975 unquoted ordinary shares of M/s. LSE Financial Services Limited valued at fair value of Rs. 18.80 per ordinary share.

SPECTRUM SECURITIES LIMITED
NOTES TO THE ACCOUNTS

	Note	Rupees 2019	Rupees 2018

7 LONG TERM DEPOSITS

	Note	Rupees 2019	Rupees 2018
Pakistan Stock Exchange Limited		400,000	210,000
Central Depository Company of Pakistan Limited		100,000	200,000
National Clearing Company of Pakistan Limited		1,000,000	1,400,000
Deposit at Lahore office		210,000	210,000
		1,710,000	**2,020,000**

8 TRADE RECEIVABLES - CONSIDERED GOOD

	Note	Rupees 2019	Rupees 2018
Considered good	8.1	32,123,843	31,526,142
Considered doubtful		-	-
		32,123,843	31,526,142
Allowance for expected credit loss		(428,404)	-
		31,695,439	**31,526,142**
From clearing house		3,230,157	-
		34,925,596	**31,526,142**

8.1 Allowance for expected credit loss

	Rupees 2019	Rupees 2018
Opening balance	-	-
Allowance for expected credit loss	428,404	-
Closing balance	**428,404**	-

Aging analysis

	Rupees 2019	Rupees 2018
Upto 90 days	25,277,082	30,908,248
More than 90 but upto 180 days	3,695,241	59,926
More than 180 but upto 360 days	2,723,117	464,161
More than 360 days	428,404	93,806
	32,123,843	**31,526,142**

		Rupees 2019	Rupees 2018
8.2	Total value of securities pertaining to clients held in the Central Depository Company	**91,906,781**	**124,775,038**
8.3	Value of pledge securities of clients with National Clearing Company of Pakistan Limited	**668,208**	**1,759,180**
8.4	Value of pledge securities of clients with Financial institutions	-	-

8.5 *The securities are valued using market rate at the year end*

9 RECEIVABLE AGAINST MARGIN FINANCING

This represents receivable against margin financing from clients amounting to **Rs. 14,138,603/-** (2018: 22,035,320).