UHY Hassan Naeem & Co
Chartered Accountants

SPINZER EQUITIES (PRIVATE) LIMITED

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2020

Intelligent Choice
Intelligent Solution

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AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2020

UHY Hassan Naeem & Co.
Chartered Accountants

West Lower Ground
Pak Plaza (19-A), Fazal-e-Haq Road
Blue Area, Islamabad.

Phone +92 (51) 2873431
+92 (51) 2873432
+92 (51) 2873433

E-mail infoisb@uhy-hnco.com
Web www.uhy-hnco.com

INDEPENDENT AUDITOR'S REPORT

To the members of Spinzer equities (Private) Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Spinzer Equities (Private) Limited ("the Company"), which comprise the statement of financial position as at June 30, 2020, and the statement of profit or loss, statement of comprehensive income, statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss, statement of comprehensive income, 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, 2020 and of the profit and other comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

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 is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

a) Proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

b) The statement of financial position, the statement of profit or loss, the statement of other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

c) Investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business;

d) No zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980); and

e) The Company was in compliance with the requirements of section 78 of the Securities Act, 2015 and the relevant requirements of Securities Brokers (Licensing and Operations) Regulations, 2016 as at date on which the statement of financial position was prepared except for the matter described in the below paragraph:

Section 78 of the Securities Act 2015 requires the regulated person to account for the customer funds in a separate trust account, and not comingle those customer assets with the assets of the regulated person. During the audit, we noted that the Company made five payments totaling PKR 22.3 million on varying dates to the Directors of the Company out of the bank account designated for clients' funds. These funds were subsequently returned into the designated bank account. The highest amount outstanding at any point during the year was Rs 9.41 million.

Other Matter

The financial statements of the Company for the year ended June 30, 2019 were audited by another firm of Chartered Accountants whose report dated October 02, 2019 expressed modified opinion on those financial statements.

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

UHY Hassan Naeem & Co

UHY Hassan Naeem & Co.
Chartered Accountants

ISLAMABAD

Date: 06 OCT 2020

SPINZER EQUITIES (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE, 2020

	Note	2020 Rupees	2019 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	5	**3,103,677**	3,713,960
Intangible assets	6	**2,500,000**	2,560,750
Long term investments	8	**32,819,235**	42,757,556
Long term deposits	9	**505,000**	505,000
		38,927,912	49,537,266
CURRENT ASSETS			
Trade and other receivable - net	10	**4,015,113**	1,291,199
Prepayments and advances	11	**1,730,610**	4,105,950
Short term investments	12	**9,492,997**	7,469,132
Income tax refundable	14	**1,271,181**	1,614,350
Cash and bank balances	13	**15,070,380**	4,709,372
		31,580,281	19,190,003
		70,508,193	68,727,269
EQUITY & LIABILITIES			
SHARE CAPITAL AND RESERVES			
Issued, subscribed and paid-up capital	15	**35,382,880**	35,382,880
Revenue reserve			
Unappropriated profit		**18,114,496**	15,850,511
Capital reserve			
Fair value reserve	16	**1,935,283**	12,411,526
		55,432,659	63,644,917
NON-CURRENT LIABILITIES			
Deferred tax liability - net	18	**1,146,863**	-
CURRENT LIABILITIES			
Trade and other payables	19	**13,928,671**	5,082,352
CONTINGENCIES AND COMMITMENTS	20		
		70,508,193	68,727,269

The annexed notes 1 to 39 form an integral part of these financial statements.

Chief Executive Officer | SPINZER EQUITIES (PVT) LIMITED TREC 432 PSX | **Director**

SPINZER EQUITIES (PRIVATE) LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2020

	Note	2020 Rupees	2019 Rupees
Revenue	21	**11,188,429**	8,041,085
Operating and administrative expenses	22	**(8,509,462)**	(8,154,914)
Operating profit / (loss)		**2,678,967**	(113,829)
Other income / (loss)	23	**708,914**	(2,854,274)
Profit (Loss) / before taxation		**3,387,881**	(2,968,103)
Taxation	24	**(1,123,896)**	(281,176)
Profit/(loss) for the year		**2,263,985**	(3,249,279)
Earnings/(loss) per share - basic	25	**6.40**	(9.18)

The annexed notes 1 to 39 form an integral part of these financial statements.

Chief Executive Officer

SPINZER EQUITIES (PVT) LIMITED
TREC-432
PSX

Director

SPINZER EQUITIES (PRIVATE) LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2020

	Note	2020 Rupees	2019 Rupees
Profit/(loss) for the year		**2,263,985**	(3,249,279)
Other comprehensive income			
Items that will not be reclassified subsequently to P/L			
Fair value gain on equity instruments at FVTOCI		**(9,938,321)**	-
Deferred tax		**(537,922)**	-
Total comprehensive income/(loss) for the year		**(8,212,258)**	(3,249,279)

The annexed notes 1 to 39 form an integral part of these financial statements.

SPINZER EQUITIES (PVT) LIMITED TREC-432 PSX

Chief Executive Officer **Director**

SPINZER EQUITIES (PRIVATE) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2020

	Issued, subscribed and paid-up capital	Revenue reserve	Capital reserve	Total
		Unappropriated profit/(loss)	Fair value reserve of financial assets at FVOCI	
	---------------------- Rupees ----------------------			
Balance as at July 1, 2018	17,100,000	19,099,790	12,411,526	48,611,316
Total comprehensive income for the year				
Issue of shares	18,282,880		-	18,282,880
Profit (loss) for the year	-	(3,249,279)	-	(3,249,279)
	18,282,880	(3,249,279)	-	15,033,601
Balance as at June 30, 2019	35,382,880	15,850,511	12,411,526	63,644,917
Total comprehensive income for the year				
Profit for the year	-	2,263,985	-	**2,263,985**
Other comprehensive income/(loss)	-	-	(9,938,321)	**(9,938,321)**
deferred tax	-	-	(537,922)	**(537,922)**
	-	2,263,985	(10,476,243)	**(8,212,258)**
Balance as at June 30, 2020	**35,382,880**	**18,114,496**	**1,935,283**	**55,432,659**

The annexed notes 1 to 39 form an integral part of these financial statements.

Chief Executive Officer

Director

SPINZER EQUITIES (PRIVATE) LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2020

	Note	2020 Rupees	2019 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(loss) before taxation		3,387,881	(2,968,103)
Adjustments:			
Depreciation and impairment		743,447	902,528
Realized loss/(gain) on sale of short-term investments		(57,966)	180,834
Unrealized loss/(gain) on short-term investments		(232,412)	(2,980,122)
Intangible written off		60,750	-
Provision for doubtful debts		-	38,172
Dividend income		1,073,745	(1,286,028)
		1,587,564	(3,144,616)
Profit before working capital changes		4,975,445	(6,112,719)
(Increase)/decrease in current assets			
Trade debts - net		(2,723,914)	299,260
Deposits, prepayments and other receivables		2,375,340	(1,327,659)
		(348,574)	(1,028,399)
Increase/(decrease) in current liabilities			
Trade and other payables		8,846,319	(3,812,033)
Cash generated from/(used in) operations		13,473,190	(10,953,151)
Proceeds from net sales of/(acquisition of) short-term investments		(1,733,487)	7,825,986
Dividend received		(1,073,745)	1,286,028
Taxes paid		(171,786)	(715,834)
		(2,979,018)	8,396,180
Net cash from / (used in) operating activities		10,494,172	(2,556,971)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property and equipment		(133,165)	(13,850)
Net cash generated (used in) investing activities		(133,165)	(13,850)
CASH FLOWS FROM FINANCING ACTIVITIES			
advance against issue of shares			93
Net cash generated from financing activities		-	93
Net (decrease)/increase in cash and cash equivalents		10,361,007	(2,570,728)
Cash and cash equivalents at the beginning of the year		4,709,373	7,280,101
Cash and cash equivalents at the end of the year	13	15,070,380	4,709,373

The annexed notes 1 to 39 form an integral part of these financial statements.

Chief Executive Officer

SPINZER EQUITIES (PVT) LIMITED TREC-432 PSX

Director

SPINZER EQUITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

1 CORPORATE AND GENERAL INFORMATION

1.1 Legal status and operations

Spinzer Equities (Private) Limited (the "Company") is a private limited company incorporated in Pakistan on January 01, 2004 under the Companies Ordinance, 1984 (Repealed with the enactment of the Companies Act, 2017). The Company is a holder of Trading Rights Entitlement Certificate ("TREC") of Pakistan Stock Exchange Limited.

The Company is principally engaged in the business of investment advisory, purchase and sale of securities, financial consultancy, brokerage, underwriting, portfolio management and securities research.

Business Unit	**Geographical location**
Head Office	Office #1113, 11th floor, ISE Towers, Jinah Avenue, Islamabad
Branch Office	Ist Floor, Chakdara trade Centre, University Road, Chakdara, Dir (Lower), KPK

1.2 Summary of Significant events and transactions in the current year

The Company's financial position and performance was particularly affected by the following events and transactions during the reporting year:

- There was no significant impact of COVID-19 pandemic on the carrying amounts of assets and income during the year.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") as are notified under the Companies Act, 2017,
- Provisions of or directives issued under the Companies Act, 2017, and relevant provisions of the Securities Brokers (Licensing and Operations) Regulations 2016 (the "Regulations").

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS standards, the provision of and directives issued under the Companies Act, 2017 shall prevail.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention, except for certain items as disclosed in the relevant accounting policies below.

2.3 Functional & Presentation Currency

These financial statements are presented in Pakistan Rupee (Rs. / Rupees) which is the Company's functional currency. Amounts presented in the financial statements have been rounded off to the nearest of Rs. / Rupees,

2.4 Use of Judgment and Estimates

The preparation of financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires the use of certain critical accounting estimates. In addition, it requires management to exercise judgement in the process of applying the Company's accounting policies. The areas involving a high degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are documented in the following accounting policies and notes, and relate primarily to:

- Useful lives, residual values and amortization method of intangible assets – Note 3.2 & 6;
- Impairment loss of non-financial assets other than inventories – Note 3.4;
- Provision for expected credit losses – Note 3.4 ;
- Estimation of provisions - Note 3.10 ;
- Fair value of unquoted equity investments - Note: 8;
- Classification, recognition, measurement / valuation of financial instruments Note: 3.3 and
- provision for taxation - Note 3.6.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, except as described otherwise.

3.1 Property and equipment

Initial Recognition

Items of property and equipment are stated at cost less accumulated depreciation (if any) and impairment losses (if any). Cost includes expenditure that is direct attributable to the acquisition of the items.

Subsequent measurement

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. Where such subsequent costs are incurred to replace parts and are capitalized, the carrying amount of replaced parts is derecognized. All other repair and maintenance expenditures are charged to profit or loss during the year in which the are incurred.

Depreciation

Depreciation on all items of property and equipment is calculated using the reducing balance method, in accordance with the rates specified in note 4 to these financial statements and after taking into account residual value, if material. Residual values and useful lives are reviewed and adjusted, if appropriate, at each balance sheet date. Depreciation is charged on an asset from the date when the asset is available for use until the asset is disposed off.

Disposal

An item of property and equipment is derecognized upon disposal or when no future benefits are expected from its use or disposal. Any gain or loss arising on asset derecognition (calculated as the difference between net disposal proceeds and the carrying amount of the asset) is included in the profit and loss account in the year in which the asset is derecognized.

Judgments and estimates

The useful lives, residual values and depreciation method are reviewed on a regular basis. The effect of any changes in estimate is accounted for on a prospective basis.

Impairment

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Change in estimate

The Company reviews useful lives of property and equipment on a regular basis. Any change in estimates in future years which might affect the carrying amounts of the respective items of property and equipment with a corresponding effect on the depreciation charge and impairment loss. Further, management also on a year basis reviews the carrying amounts of certain classes of property and equipment which are carried at revalued amounts. Any change in estimate in future years which might affect the carrying amount of these classes with a corresponding effect on the surplus on revaluation of property and equipment, related deferred tax liability and related charge of incremental depreciation.

3.2 Intangible Asset - Acquired

TREC Certificate

These are stated at cost less impairment losses (if any). Cost includes expenditure that is directly attributable to the acquisition of the items. Trading Right Entitlement Certificate has indefinite useful life and accordingly not amortized however it is tested for impairment only. Impairment loss is recognized in profit and loss account.

Judgments and estimates

The useful lives, residual values and amortization method are reviewed on a regular basis. The effect of any changes in estimate accounted for on a prospective basis.

3.3 Financial Instruments

Initial measurement of financial asset

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

why

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.

Subsequent measurement

Debt Investments

at FVTOCI

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

at Amortized cost

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest/markup income, and impairment are recognised in the statement of profit and

at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest /markup of dividend income, are recognised in the statement of profit and loss account.

Equity Investments

at FVOCI

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

at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest /markup of dividend income, are recognised in the statement of profit and loss account.

Non-derivative financial assets

All non-derivative financial assets are initially recognised 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. 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 retain substantially all of the risks and rewards of ownership and does not retain control over the transferred asset.

Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the financial statements only when the Company has a legally enforceable right to offset and the Company intends to either settle on a net basis. or to realize the assets and to settle the liabilities simultaneously. Income and expense items of such assets and liabilities are also offset and the net amount is reported in the financial statements only when permitted by the accounting and reporting standards as applicable in Pakistan.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, and financial liabilities at amortized cost, as appropriate

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Group has not designated any financial liability as at fair value through profit or loss.

Financial liabilities at amortized cost (loans and borrowings)

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognized as well as through the EIR amortisation process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss. This category generally applies to interest-bearing loans and borrowings.

Derecognition

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

3.4 Impairment

Financial Assets

The Company applies a three-stage approach to measure allowance for credit losses, using an expected credit loss approach as required under IFRS 9, for financial assets measured at amortized cost. The Company's expected credit loss impairment model reflects the present value of all cash shortfalls related to default events, either over the following twelve months, or over the expected life of a financial instrument, depending on credit deterioration from inception. The allowance/provision for credit losses reflects an unbiased, probability-weighted outcomes which considers multiple scenarios based on reasonable and supportable forecasts.

Where there has not been a significant decrease in credit risk since initial recognition of a financial instrument, an amount equal to 12 months expected credit loss is recorded. The expected credit loss is computed using a probability of default occurring over the next 12 months. For those instruments with a remaining maturity of less than 12 months, a probability of default corresponding to the remaining term to maturity is used.

When a financial instrument experiences a significant increase in credit risk subsequent to origination but is not considered to be in default, or when a financial instrument is considered to be in default, expected credit loss is computed based on lifetime expected credit losses.

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

Forward-looking information includes reasonable and supportable forecasts of future events and economic conditions. These include macro-economic information, which may be reflected through qualitative adjustments or overlays. The estimation and application of forward- looking information may require significant judgment.

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 expectation of recovering a financial asset in its entirety or a portion thereof. The Company makes this assessment on an individual asset basis, after consideration of multiple historical and forward- looking factors. Financial assets that are written off may still be subject to enforcement activities in order to comply with the Company's processes and procedures for recovery of amounts due.

Non-financial assets

At each reporting date, the company reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.
For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Cash Generating Units
The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.
An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount.
Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata
An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. A reversal of impairment loss for a cash generating unit is allocated to the assets of the unit, except for goodwill, pro rata with the carrying amounts of those assets. The increase in the carrying amounts shall be treated as reversals of impairment losses for individual assets and recognized in profit or loss unless the asset is measured at revalued amount. Any reversal of impairment loss of a revalued asset shall be treated as a revaluation increase.

3.5 Trade receivable

Measurement

Trade receivable are recognized initially at fair value and subsequently measured at cost less provision for doubtful debts.

Impairment

A provision for impairment of trade debts is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the debts. The amount of the provision is recognised in the statement of profit or loss. Bad debts are written-off in the statement of profit or loss on identification.

Judgments and estimates

Management reviews its trade debtors on a continuous basis to identify receivables where collection of the amount is no longer probable. These estimates are based on historical experience and are subject to change in condition at the time of actual recovery.

3.6 Taxation

Income tax expense comprises current and deferred tax.

Current

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date. Management yearly evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable income.
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 income 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 year when the differences reverse, based on tax rates that have been enacted or substantially enacted by the balance sheet date.

Deferred tax is charged or credited in the statement of profit or loss account, except in the case of items credited or charged to comprehensive income or equity, in which case it is included in comprehensive income or equity.

Judgment and estimates

Significant judgment is required in determining the income tax expenses and corresponding provision for tax. There are many transactions and calculations for which the ultimate tax determination is uncertain as these matters are being contested at various legal forums. The Company recognizes liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax assets and liabilities

Further, the carrying amount of deferred tax assets is reviewed at each reporting date and is adjusted to reflect the current assessment of future taxable profits. If required, carrying amount of deferred tax asset is reduced to the extent that it is no longer probable that sufficient taxable profits to allow the benefit of part or all of that recognised deferred tax asset to be utilized. Any such reduction shall be reversed to the extent that it becomes probable that sufficient taxable profit will be available.

Off-setting

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

3.7 Cash and cash equivalents

These are measured at cost which is the fair value. For the purposes of cash flow statement, cash and cash equivalents comprise balances with less than three months' maturity from the date of acquisition, including cash in hand, balances with banks on current and savings accounts and short term investment and running finance.

3.8 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.

3.9 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. They are classified as current if payment is due within twelve months of the reporting date, and as non-current otherwise.

3.10 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount could be reliably estimated. Provisions are not recognized for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Judgement and estimates

As the actual outflows can differ from estimates made for provisions due to changes in laws, regulations, public expectations, technology, prices and conditions, and can take place many years in the future, the carrying amounts of provisions are reviewed at each reporting date and adjusted to take account of such changes. Any adjustments to the amount of previously recognised provision is recognised in the statement of profit or loss unless the provision was originally recognised as part of cost of an asset.

Contingent liabilities

A contingent liability is disclosed when the company has a possible obligation as a result of past events, whose existence will be confirmed only by the occurrence or non-occurrence, of one or more uncertain future events not wholly within the control of the company or the company has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

3.11 Revenue recognition

Revenue is recognized to the extent that it is probable that 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 Commission

Brokerage, consultation and advisory fee and commission on securities and commodities is recognized as and when related services are rendered.

Income on bank deposits

Mark-up / interest on bank deposits and return on investments is recognized on accrual basis.

Profit on exposure deposits

profit on exposure deposits is recognized using the effective interest rate.

Dividend income

Dividend income is recognised in profit or loss as other income when:

- the Company's right to receive payment have been established;
- it is probable that the economic benefits associated with the dividend will flow to the company; and
- the amount of the dividend can be measured reliably.

Others

Gain / loss on sale of investment is recognized in the year in which they arise.

3.12 Borrowings

These are recorded at the proceeds received. Finance costs are accounted for on accrual basis and are disclosed as accrued interest / mark-up to the extent of the amount unpaid at the reporting date.

3.13 Borrowing costs

Borrowing costs are recognized as an expense in the period in which they are incurred except where such costs are directly attributable to the acquisition, construction or production of a qualifying asset in which such costs are capitalized as part of the cost of that asset. Borrowing costs includes exchange differences arising from foreign currency borrowings to the extent these are regarded as an adjustment to borrowing costs and net gain / loss on the settlement of derivatives hedging instruments.

3.14 Fiduciary assets

Assets held in trust or in a fiduciary capacity by the Company are not treated as assets of the Company.

3.15 Earnings per share

The Company presents basic and diluted earnings per share (EPS). Basic EPS is calculated by dividing the profit and loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by using profit and loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for the effects of all dilutive potential ordinary shares.

3.16 Related party transactions

All transactions involving related parties arising in the normal course of business are conducted and recorded at rates that are not less than market.

4 INITIAL APPLICATION OF STANDARDS, AMENDMENTS OR AN INTERPRETATION TO EXISTING STANDARDS

4.1 Standards, amendments and interpretations to accounting and reporting standards that became effective during the year

The following standard and interpretation to accounting and reporting standards as applicable in Pakistan became effective for the first time and are relevant to the Company.

a) IFRS 16 - 'Leases'

b) IFRIC - 23 'Uncertainty over Income Tax Treatments'
The adoption of the above standard and interpretation to accounting standards did not have any material effect on the financial statements , details are as follows:

4.2 IFRS 16 - 'Leases'

IFRS 16 supersedes IAS 17 'Leases', 'IFRIC 4' Determining whether an Arrangement contains a Lease, 'SIC-15' Operating Leases Incentives and 'SIC-27' Evaluating the Substance of Transactions Involving the Legal Form of a Lease. IFRS-16 sets out the principles for the recognition, measurement, presentation and disclosure of leases. Under IFRS 16, distinction for lessees between operating and finance leases has been removed and all lease contracts, with limited exceptions will be recognized in statement of financial position by way of right-of-use assets

In applying the standard, the Company adopted IFRS 16 with effect from July 1, 2019 using the modified retrospective method. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application with no restatement of comparative The right-of-use assets were recognized based on the amount equal to lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognized. Lease liabilities were recognized based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application. The Company does not have any sub-lease as on July 1, 2019.
Lease term is the non-cancelable period for which the Company has right to use the underlying asset in line with the lease contract together with the periods covered by an option to extend which the Company is reasonably certain to exercise and option to terminate which the Company is not reasonably certain to exercise.

4.3 Standards, amendments and interpretations to accounting and reporting standards that are not yet effective

The following amendments to the accounting and reporting standards as applicable in Pakistan are relevant to the Company and would be effective from the dates mentioned below against the respective standard or interpretation:

		Effective date (annual reporting periods beginning on or after)
IAS 1	Presentation of financial statements (Amendments)	1-Jan-20
IAS 8	Accounting policies, changes in accounting estimates and errors (Amendments)	1-Jan-20
IAS 16	Property, Plant and Equipment (Amendments)	1-Jan-22
IAS 37	Provisions, Contingent Liabilities and Contingent Assets (Amendments)	1-Jan-22
IAS 39	Financial Instruments: Recognition and Measurement (Amendments)	1-Jan-20
IAS 41	Agriculture (Amendments)	1-Jan-20
IFRS 3	Business combinations (Amendments)	1-Jan-20
IFRS 17	Insurance contracts (Amendments)	1-Jan-23
IFRS 7	Financial instruments: disclosures (Amendments)	1-Jan-20
IFRS 9	Financial instruments (Amendments)	1-Jan-20

The management anticipates that adoption of above amendments in future periods, will have no material impact on the financial statements other than in presentation / disclosures.

4.4 Further, the following new standards have been issued by the International Accounting Standards Board (IASB), which are yet to be notified by the Securities and Exchange Commission of Pakistan (SECP), for the purpose of
a) IFRS 1 First-time Adoption of International Financial Reporting Standards.
b) IFRS 17 Insurance contracts.

4.5 The following interpretation issued by the IASB has been waived off by SECP:
a) IFRIC 12 Service concession arrangement.

5 PROPERTY AND EQUIPMENT

	Owned				Total
	Office equipment	Computer equipment	Furniture and fixtures	Vehicles	
	Rupees				
Cost					
Balance as at July 01, 2018	324,100	301,060	168,500	5,209,184	6,002,844
Additions	-	13,850	-	-	13,850
Balance as at June 30, 2019	324,100	314,910	168,500	5,209,184	6,016,694
Balance as at July 01, 2019	324,100	314,910	168,500	5,209,184	6,016,694
Additions	51,400	73,765	8,000	-	133,165
Balance as at June 30, 2020	375,500	388,675	176,500	5,209,184	6,149,859
Depreciation					
Balance as at July 01, 2018	93,012	205,519	66,589	1,041,837	1,406,957
For the period	23,109	29,009	10,191	833,469	895,778
Balance as at June 30, 2019	116,121	234,528	76,780	1,875,306	2,302,735
Balance as at July 01, 2019	116,121	234,528	76,780	1,875,306	2,302,735
For the period	25,976	41,523	9,172	666,776	743,447
Balance as at June 30, 2020	142,097	276,051	85,952	2,542,082	3,046,182
Carrying amount as at June 30, 2020	233,403	112,624	90,548	2,667,102	3,103,677
Carrying amount as at June 30, 2019	207,979	80,382	91,720	3,333,878	3,713,959
Rate of Depreciation	**10%**	**30%**	**10%**	**20%**	

4.1 Depreciation has been allocated to administrative expenses.

SPINZER EQUITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

6 INTANGIBLE ASSETS

	Note	2020 Rupees	2019 Rupees
Trading Right Entitlement Certificate ("TREC")	6.1	**2,500,000**	2,500,000
		2,500,000	2,500,000

5.2 These are carried at notional value. Notional values of these Trading Right Entitlement Certificates is Rs. 2.5 million (2019: Rs.2.5 million), as published by the PSX.

6.1 The Company has pledged/hypothecated Trading Right Entitlement Certificate (TREC) of Pakistan Stock Exchange Limited (PSX) at a notional value of Rs.2.5 million to meet Base Minimum Capital (BMC) requirement.

7 FINANCIAL ASSETS OTHER THAN CASH AND BANK

	Note	2020 Rupees	2019 Rupees
Equity instruments designated at FVTOCI	8	**32,819,235**	42,757,556
Financial Assists designated at FVTPL	12	**9,492,997**	7,469,132
Debt instruments at amortised cost			
- Long term deposits	9	**505,000**	505,000
- Trade and Other receivable - net	10	**4,015,113**	2,538,476
- Deposits, prepayments and other receivables	11	**1,730,610**	7,469,132
		6,250,723	10,512,608
		48,562,956	60,739,296

8 LONG TERM INVESTMENT AT FVTOCI

	Note	2020 Rupees	2019 Rupees
Opening Balance	8.1	**42,757,556**	42,757,556
Adjustment for remeasurement to fair value	8.2	**(9,938,321)**	-
		32,819,235	42,757,556

8.1 This include 60% (1,820,762 shares) which are held in a separate Central Depository Company Limited ("CDC") sub-account marked as blocked.

8.2 This represents investment in the shares of ISE REIT Management Company Limited. The shares are non-listed and there is no evidence of existence of an active market or transactions amongst the participants at an arms length basis. As an alternative approach, the break-up value of shares (calculated as per TR-22 issued by ICAP) of ISE REIT Management Company Limited as per their latest audited financial statements has been taken with adjustment for unobservable inputs related to percentage of assets of REIT stated at fair value and risk factors related to marketability of shares.

9 LONG TERM DEPOSITS

	2020 Rupees	2019 Rupees
Central Depository Company Limited	**100,000**	100,000
National Clearing Company of Pakistan Limited	**205,000**	205,000
Pakistan Stock Exchange Limited	**200,000**	200,000
	505,000	505,000

10 TRADE AND OTHER RECEIVABLE - NET

	Note	2020 Rupees	2019 Rupees
Clients	10.1	**3,675,825**	2,068,584
Related parties	10.2	**114,881**	242,538
		3,790,706	2,311,122
Add: Other Receivable	10.3	**1,185,637**	1,247,277
		4,976,343	3,558,399
Less: Allowance for expected losses			
Customer	10.4	**961,230**	1,019,923
		4,015,113	2,538,476

SPINZER EQUITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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10.1 Aging of Trade receivable

	2020	
	Clients	Total
	----- Rupees -----	
Not overdue	(89,120)	(89,120)
Past due less than 30 days	3,065,738	3,065,738
Past due less than 60 days	(566,842)	(566,842)
Past due less than 90 days	(473,297)	(473,297)
Past due less than 365 days	1,274,199	1,274,199
Past due over 365 days	580,109	580,109
Gross trade receivable	3,790,787	3,790,787
Impairment provision	(961,230)	(961,230)
Net trade receivable	2,829,557	2,829,557

10.2 The maximum balance outstanding at any time during the year was Rs. 9,412,777.

10.3 This represents amount receivable against trading of securities in all markets which is due for settlement.

	Note	2020 Rupees	2019 Rupees
10.4 Allowance for expected credit losses			
Balance as at July 1		1,019,923	981,751
Reversal during the year		(58,693)	38,172
		961,230	1,019,923
11 PREPAYMENTS AND DEPOSITS			
Short-term and advances			
Advances to employees		18,883	23,898
Prepayments			
Rent and other prepayments		1,711,727	2,834,775
		1,730,610	2,858,673
12 SHORT TERM INVESTMENT AT FVTPL			
Listed equity Securities	12.1	9,492,997	7,469,132
		9,492,997	7,469,132

12.1 Fair values of these equity shares are determined by reference to published price quotations in an active market.

12.2 Shares with fair value of PKR 8,218,084 (2019: PKR. 5,472,890) have been pledged with NCCPL against margin deposit requirements.

	Note	2020	2019
14 INCOME TAX REFUNDABLE - NET			
Balance at the beginning of the year		1,614,350	1,179,692
Less: Adjustment against advance tax		171,786	715,834
Add: Current year provision		(514,955)	(281,176)
		1,271,181	1,614,350
		1,271,181	1,614,350
13 CASH AND BANK BALANCES			
Cash in hand		5,000	15,565
Cash at bank - Local currency			
Current accounts	13.1	15,065,380	4,693,807
		15,070,380	4,709,372

13.1 Cash at bank includes customers' assets in the amount of PKR 14,746,540 (2019: PKR 4,140,382) held in designated bank accounts.

SPINZER EQUITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

		Note	2020 Rupees	2019 Rupees
15	**SHARE CAPITAL**			
15.1	**Authorized capital**			
	8,000,000 (2019: 8,000,000) ordinary shares of PKR 10 each, fully paid in cash		**80,000,000**	80,000,000

15.2 Issued, subscribed and paid-up share capital

2020	2019		2020	2019
353,829	353,829	Ordinary shares of Rs.10 each, issued for cash	**3,538,288**	3,538,288

15.3 Shareholders holding 5% or more of total shareholding

	Number of Shares		Percentage	
	2020	**2019**	**2020**	2019
Mr. Liaquat Ali Khan	**3,135,888**	**3,135,888**	**89%**	89%
Mr. Jibran Ali Khan	**402,400**	**402,400**	**11%**	11%

16 CAPITAL RESERVE

	2020	2019
Fair value reserve	**1,935,283**	12,411,526

16.1 The fair value reserve comprises the cumulative net change in the fair value of financial assets designated at fair value through OCI.

17 FINANCIAL LIABILITIES

Current

Financial liabilities at amortised cost

	Note	2020	2019
Trade payable	19	**13,928,671**	5,082,352
		13,928,671	5,082,352

18 DEFERRED TAX LIBILITY

The deferred tax assets and the deferred tax liabilities relate to income tax in the same jurisdiction, and the law allows net settlement. Therefore, they have been offset in the statement of financial position as follows:

	2020	2019
Deferred tax liability	**1,425,620**	-
Deferred tax asset	**(278,757)**	-
	1,146,863	-

18.1 Analysis of change in deferred tax

	2020	2019
Accelerated depreciation	**852,836**	-
Other comprehensive income - Reserve	**537,922**	
Provision for bad debts	**(278,757)**	-
Revaluation of equity investment to fair value	**34,862**	
	1,146,863	-

19 TRADE AND OTHER PAYABLES

	Note	2020	2019
Trade creditors	19.1	**12,549,354**	4,545,390
Accrued and Other payables		**1,379,317**	536,962
		13,928,671	5,082,352

19.1 Trade payables include balances amounting to Rs. 612,676 (2019: Rs. 34,472) due to related parties.

20 CONTINGENCIES AND COMMITMENTS

There are no contingencies or commitments of the Company as at June 30, 2020 (2019: Nil).

SPINZER EQUITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

	Note	2020 Rupees	2019 Rupees
21 REVENUE			
Commission Income Equity Trading		11,733,034	6,755,057
Less: Federal Excise Duty		(1,618,349)	-
		10,114,684	6,755,057
Dividend income from equity instruments at FVTOCI		728,305	1,286,028
Dividend income from equity instruments at FVTPL		345,440	-
		1,073,745	1,286,028
		11,188,429	8,041,085
22 OPERATING AND ADMINISTRATIVE EXPENSES			
Staff salaries, allowances and other benefits		2,928,442	2,194,228
Director's remuneration		938,329	1,130,160
Room rent		1,623,600	1,584,000
Communication expense		142,346	130,100
Postage and courier charges		5,247	941
Entertainment		82,663	182,137
Printing and stationery		80,705	50,773
CDC trading charges		174,835	277,177
NCCPL trading charges		178,712	190,461
PSX trading charges		526,197	481,486
Provision for doubtful debts		-	38,172
Travelling and conveyance		16,652	-
Legal and professional charges		5,000	45,000
Fee and Subscription		86,139	66,060
Website charges		8,000	86,000
EOBI Expense		50,274	42,970
Software charges		173,100	-
Repair and maintenance		37,960	8,300
Auditor Remuneration	22.1	174,000	150,000
Utilities		486,512	523,637
Bank and other charges		20,733	16,535
Misc. Expenses		26,568	54,249
Depreciation		743,448	895,778
Amortization		-	6,750
		8,509,462	8,154,914
22.1 Auditor's remuneration			
Audit Services			
Annual Audit fee		145,000	110,000
Non-audit services			
Certifications for regulatory purposes		29,000	40,000
		174,000	150,000
23 OTHER INCOME			
Fair value gain on equity instruments at FVTPL		232,412	(2,980,122)
Gain (loss) on sale of equity instruments at FVTPL - net		57,966	(180,834)
Miscellaneous income		418,536	306,682
		708,914	(2,854,274)

SPINZER EQUITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

	Note	2020 Rupees	2019 Rupees
24 INCOME TAX EXPENSE			
Current tax	24.1	514,955	281,176
Deferred tax	24.2	608,941	-
		1,123,896	281,176
24.1 Major components of current tax expense			
Charge for current year		514,955	-
		514,955	-
24.2 Major components of deferred tax expense			
Accelerated depreciation		852,836	-
Provision for bad debts		(278,757)	-
Revaluation of equity investment to fair value		34,862	
		608,941	-
24.3 Tax expense on items recognized in other comprehensive income			
Revaluations of financial assets to FVTOCI		537,922	-

24.4 Reconciliation between tax expense and accounting profit has not been made due to application of minimum tax.

25 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing profit after tax for the year by the weighted average number of shares outstanding during the period, as follows:

	2020	2019
Profit / (loss) after taxation, attributable to ordinary shareholders	2,263,985	(3,249,279)
Weighted average number of ordinary shares in issue during the year	353,829	353,829
Earnings per share	6.40	(9.18)

No figure for diluted earnings per share has been presented as the Company has not issued any dilutive instruments carrying options which would have an impact on earnings per share when exercised.

26 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amounts charged in the financial statements for remuneration to the chief executive, directors and executives of the Company as per the terms of their employment are set out in the table below:

	2020		2019	
	CEO	Director	CEO	Director
Short term employee benefits	------- Rupees ------		------- Rupees ------	
Managerial Remuneration	507,392	370,209	740,000	390,160
Commission paid	63,392	214,937	-	-
	507,392	370,209	740,000	390,160
No. of persons	1	1	1	1

27 FINANCIAL RISK MANAGEMENT

27.1 Risk management framework

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, other price risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance and provide maximum return to shareholders.

Risk management is carried out by the Company's finance department under policies approved by the Board of Directors.

27.2 (a) Market risk

(i) Foreign currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies. The Company do not have any financial instruments in foreign currencies and accordingly is not exposed to such risk.

(ii) Interest rate risk

Interest rate risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has no significant long-term interest-bearing assets. Financial instruments at variable rates expose the Company to cash flow interest rate risk. At the reporting date, there were no variable rate interest -bearing financial instruments.

(iii) Other price risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The maximum exposure to price risk at the reporting date was as follows:

The Company's investment in listed shares amounting to Rupees 9.4 million (2019: Rupees 7.4 million) is exposed to price risk due to change in fair value.

(b) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and other financial instruments.

Trade Receivable

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses.

The aging analysis of trade receivable as at reporting is as follows:

	2020	
	Clients	Total
	----- Rupees -----	
Not overdue	(89,120)	(89,120)
Past due less than 30 days	3,065,738	3,065,738
Past due less than 60 days	(566,842)	(566,842)
Past due less than 90 days	(473,297)	(473,297)
Past due less than 365 days	1,274,199	1,274,199
Past due over 365 days	580,109	580,109
Gross Trade Receivable	3,790,787	3,790,787
Allowance for ECL	(961,230)	(961,230)
Net Trade Receivable	2,829,557	2,829,557

Other financial assets at amortised cost

Other financial assets at amortised cost include deposits, short term loans and advances, and other receivables.

(c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Company manages liquidity risk by maintaining sufficient cash and bank balances. At 30 June, 2020, the Company had Rupees 15,161,622 (2019: Rupees 4,709,372) bank balances. The management believes the liquidity risk to be low. Following are the contractual maturities of financial liabilities, including interest payments. The amount disclosed in the table are undiscounted cash flows:

	Carrying amount	Contractual cash flows	Less than one year	More than one year
	Rupees			
Contractual maturities of financial liabilities as at June 30, 2020:				
Financial liabilities :				
Trade and other payables	13,928,671	13,928,671	13,928,671	-
	13,928,671	13,928,671	13,928,671	-
Contractual maturities of financial liabilities as at June 30, 2019:				
Financial liabilities :				
Trade and other payables	5,082,352	5,082,352	5,082,352	
	5,082,352	5,082,352	5,082,352	

Contractual cash flows include interest related cash flows up to the year end. The future interest related cash flows depends on the extent of utilization of short term borrowings facilities and the interest rates applicable at that time.

28 FAIR VALUE ESTIMATE

Set out below is a comparison, by class, of the carrying amounts and fair values of the company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

28.1 Fair value of financial instruments

	2020		2019	
	Carrying amount	Fair value	Carrying amount	Fair value
	Rupees			
Financial Assets				
Non-listed equity investments	**32,819,235**	**32,819,235**	42,757,556	42,757,556
Advances to employees	**18,883**	**18,883**	23,898	23,898
Listed equity investments	**9,492,997**	**9,492,997**	7,469,132	7,469,132
Total	**42,331,115**	**42,331,115**	50,250,586	50,250,586

The management assessed that the fair values of cash and short-term deposits, trade receivables, trade payables, short term finances and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The following methods and assumptions were used to estimate the fair values:

Non-listed equity investments

The fair values of the non-listed equity investments have been estimated using the break-up value of shares (calculated as per TR-22 issued by ICAP) of ISE REIT Management Company Limited as per their latest audited financial statements has been taken with adjustment for unobservable inputs related to percentage of assets of REIT stated at fair value and risk factors related to marketability of shares.

Listed equity investments

There is an active market for the Company's listed equity investments and quoted debt instruments.

28.2 Measurement hierarchy of financial instruments

The following table shows the fair values of financial assets, including their levels in the fair value hierarchy. It does not include fair value information for financial assets not measured at fair value if the carrying amount is a reasonable approximation of fair value. The company does not have a financial liability measured at fair value.

	level 1	level 2	level 3	Total
	------------------ Rupees ------------------			
As at June 30, 2020				
Financial Assets				
Non-listed equity investments	-	-	32,819,235	32,819,235
Listed equity investments	9,492,997	-	-	9,492,997
	9,492,997	-	32,819,235	42,312,232
As at June 30, 2019				
Financial Assets				
Non-listed equity investments	-	-	42,757,556	42,757,556
Listed equity investments	7,469,132	-	-	7,469,132
	7,469,132	-	42,757,556	50,226,688

28.3 Sensitivity Analysis

The table below summarizes Company's equity price risk as of June 30, 2020 and 2019 and shows the effects of a hypothetical 10% increase and a 10% decrease in market price of non-listed equity securities as at the year end reporting dates. 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 Company's equity investment portfolio.

	Fair Value	Hypothetical Change	Estimated fair value after hypothetical change	Hypothetical change in shareholder equity	Hypothetical change in Profit / (Loss) after tax
June 30, 2020					
Non-listed equity	32,819,235	10% increase	36,101,159	3,281,924	-
Securites		10% decrease	29,537,312	(3,281,924)	-
June 30, 2019					
Non-listed equity	42,757,556	10% increase	47,033,312	4,275,756	-
Securites		10% decrease	38,481,800	(4,275,756)	-

28.4 Reconciliation of level 3 fair values

The following table shows reconciliation of fair value measurement of non-listed equity investments classified as equity instruments designated at fair value through OCI:

	2020	2019
	------- Rupees -------	
Real Estate Sector		
Balance as at July 01,	**42,757,556**	42,757,556
Remeasurement recognised in OCI	**(9,938,321)**	-
Balance as at June 30, 2020	**32,819,235**	42,757,556

28.5 Transfers between hierarchy levels

There were no transfers amongst the levels during the year.

29 CAPITAL MANAGEMENT

The Company's objective when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefit for other stake holders and to maintain an optimal capital structure to reduce the cost of capital.

The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders or issue new shares.

The management seeks to maintain a balance between higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

The total long term borrowings to equity ratio as at year end are as follows:

Debt	-	-
Equity	**55,432,659**	**63,644,917**
	55,432,659	63,644,917
Debt/equity ratio	**0%**	0%

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

30 CAPITAL ADEQUACY LEVEL AND CAPITAL RISK MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure.

Net capital requirements of the Company are set and regulated by Pakistan Stock Exchange Limited. These requirements are put in place to ensure sufficient solvency margins and are based on excess of current assets over current liabilities.

The Capital adequacy level as required by CDC is calculated as follows;

	2020	2019
	Rupees	
Total assets	**70,508,193**	68,727,269
Less: Total liabilities	**(15,075,535)**	(5,082,352)
Less: Revaluation Reserves (created uponrevaluation of fixed assets)	-	-
Capital adequacy level	**55,432,659**	63,644,917

While determining the value of the total assets of the TREC Holder, Notional value of the TRE certificate as at year ended as determined by Pakistan Stock Exchange has been considered.

31 BASE MINIMUM CAPITAL

In compliance with the Regulation 19.2 of the Rule Book. of Pakistan Stock Exchange Limited, every Trading Right Entitlement Certificate (TREC) holder registered as a broker is required to maintain a Base Minimum Capital (BMC) in the amount and form as prescribed in the Rule on the basis of Assets Under Custody (AUC). As per the said regulation, as at June 30, 2020, the Company is required to maintain BMC of Rs. 17 million. The company has pledged TRE certificate and of shares of ISE REIT to meet this requirement.

32 NET CAPITAL BALANCE STATEMENT

Description	Note	2020 Rupees
Current Assets		
Cash and Bank Balances	13	15,070,380
Trade receivables	32.2	983,170
Investment in Listed Securities	32.3	8,069,047
Receivable from National Clearing Company of Pakistan Limited	10.3	1,185,637
Securities Purchased for Customers		1,934,243
Total Current Assets		27,242,477
Current Liabilities		
Trade payables	32.4	8,450,557
Other liabilities	32.5	5,478,114
Total Current Liabilities		13,928,671
Net Capital Balance as at June 30, 2020		13,313,806

32.1 STATEMENT OF COMPLIANCE

This Net Capital Balance Statement is prepared in accordance with the requirements of the Regulation 6 and the Second Schedule of the Securities Brokers (Licensing and Operations) Regulations, 2016 read with Rule 2(d) of the Securities and Exchange Commission Rules, 1971 and SECP guidelines.

The accounting principles and methods of computation used in the preparation of this Statement of Net Capital Balance are the prevailing accounting policies of the company.

The valuation of current assets and current liabilities for the purposes of net capital balance has been determined on the basis of the following:

Description	Valuation Basis
Cash in hand or in bank	As per Book value
Cash margin with NCCPL	As per Book value
Trade Receivables	Book value less those overdue for more than 14 days
Investment in the listed securities	Securities on the exposure list marked to market less 15% discount
Securities Purchased for Clients	Securities purchased for the customer and held by the broker where the payment has not been received within fourteen days
Trade Payables	Book value less overdue for more than 30 days
Other liabilities	As classified under generally accepted accounting principles

32.2 Trade Receivable

These are stated at cost less bad and doubtful debts (if any) and debts outstanding for more than 14 days.

	Note	2020 Rupees
Book Value	10	3,790,706
Less: overdue for more than 14 days		(2,807,536)
		983,170

32.3 Short term investment

	Note	2020 Rupees
Investment in Listed Securities	12	9,492,997
Less 15% Discount		(1,423,950)
		8,069,047

As per the guidelines issued by the SECP, only available for sale and shares pledged with KSE or NCCPL has been taken in calculation of Net Capital Balance. Investment in unlisted Securites and shares in freeze status has not been taken in the calculation of net capital balance.

32.4 Trade payable

This Represent balance payable against trading of shares less trade payables overdue for more than 30 days which has been included in other liabilities.

	Note	2020 Rupees
Customers	19	12,549,354
Over due more than 30 days		(4,098,797)
		8,450,557

32.5 Other liabilities

This Represent current liabilities and trade payable which are overdue for more than 30 days. Other liabilities are stated as book value.

	Note	2020 Rupees
Trade payables overdue for more than 30 days		4,098,797
Accrued and Other payable	19	1,379,317
		5,478,114

SPINZER EQUITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

33 **Liquid Capital Balance**

Sr. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
		------------- Rupees ----------		
1. Assets				
1.1	Property & Equipment	3,103,677	3,103,677	-
1.2	Intangible Assets	2,500,000	2,500,000	-
1.3	**Investment in Govt. Securities:**			
	Difference between book value and sale value on the date on the basis of PKRV published by NIFT *- Sale value on the date on the basis of PKRV published by NIFT*		-	-
1.4	**Investment in Debt. Securities:**			
	If listed than:			
	i. 5% of the balance sheet value in the case of tenure up to 1 year.		-	-
	ii. 7.5% of the balance sheet value, in the case of tenure from 1-3 years.		-	-
	iii. 10% of the balance sheet value, in the case of tenure of more than 3 years.		-	-
	If unlisted than:			
	i. 10% of the balance sheet value in the case of tenure up to 1 year.		-	-
	ii. 12.5% of the balance sheet value, in the case of tenure from 1-3 years.		-	-
	iii. 15% of the balance sheet value, in the case of tenure of more than 3 years.		-	-
1.5	**Investment in Equity Securities:**			
	i. If listed 15% or VaR of each securities on the cutoff date as computed by the Securities Exchange for respective securities whichever is higher.	9,492,997	1,535,477	7,957,520
	ii. If unlisted, 100% of carrying value.	32,819,235	32,819,235	-
1.6	**Investment in subsidiaries:**			
	- 100% of net value		-	-
1.7	**Investment in associated companies/undertaking:**			
	i. If listed 15% or VaR of each securities as computed by the Securitas Exchange for respective securities whichever is higher.	-	-	-
	ii. If unlisted, 100% of net value.		-	-
1.8	Statutory or regulatory deposits/basic deposits with the exchanges, clearing house or central depository or any other entity ***- 100% of net value***	505,000	505,000	-
1.9	Margin deposits with exchange and clearing house - Nil Haircut		-	-
1.10	Deposit with authorized intermediary against borrowed securities under SLB - nil		-	-
1.11	Other deposits and prepayments ***- 100% haircut of carrying value***	1,711,727	1,711,727	-
1.12	**Accrued interest, profit or mark-up on amounts placed with financial institutions or debt securities etc.: - nil**		-	-
	*- **100%** in respect of markup accrued on loans to directors, subsidiaries and other related parties*		-	-
1.13	Dividends receivables: *- **Nil***		-	-
1.14	**Amounts receivable against Repo financing:**		-	-
	- Amount paid as purchaser under the REPO agreement.			
	- Securities purchased under repo arrangement shall not be included in the investments.			
1.15	**Advances and Receivables other than trade receivables:**			
	i. No Haircut may be applied on the short term loan to employees provided these loans are secured and due for repayment within 12 months	18,883	18,883	-
	ii. No Haircut may be applied to the advance tax to the extent it is netted with provision of taxation	1,271,181	1,271,181	-
	iii. In all other cases. *- **100% of net value***		-	-
1.16	**Receivables from clearing house or securities exchange(s):**			
	100% value of claims other than those on account of entitlements against trading of securities in all markets including MtM gains.		-	-

SPINZER EQUITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

33 Liquid Capital Balance

Sr. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
		------------- Rupees ----------		
1.17	**Receivables from customers**			
	i. In case receivables are against margin financing, the aggregate if **a.** value of securities held in the blocked account after applying VAR based Haircut, **b.** cash deposited as collateral by the Financee and **c.** market value of any securities deposited as collateral after applying VAR based haircut. ***- Lower of net balance sheet value or value determined through adjustments.***		-	-
	ii. In case receivables are against margin trading, 5% of the net balance sheet value. ***(Net amount after deducting haircut)***		-	-
	iii. Incase receivables are against securities borrowings under SLB, the amount paid to NCCPL as collateral upon entering into contract ***- Net amount after deducting haircut***		-	-
	iv. Incase of other trade receivables not more than 5 days overdue, 0% of the net balance sheet value. ***- Balance sheet value***	465,182	-	465,182
	v. Incase of other trade receivables are overdue, or 5 days or more, the aggregate of **a.** the market value of securities purchased for customers and held in sub-accounts after applying VAR based haircuts, **b.** cash deposited as collateral by the respective customer and **c.** the market value of securities held as collateral after applying VAR based haircuts. ***- Lower of net balance sheet value or value determined through adjustments.***	3,210,644	856,428	2,354,216
	vi. 100% *haircut in the case of amount receivable form related parties.*	114,881	114,881	-
1.18	**Cash and Bank balances:**			
	i. Bank Balance-proprietary accounts	323,839	-	323,839
	ii. Bank balance-customer accounts	14,746,540	-	14,746,540
	iii. Cash in hand	5,000	-	5,000
1.19	**Subscription money against investment in IPO/offer for sale (asset):**			
	No haircut may be applied in respect of amount paid as subscription money provided that shares have not bell allotted or are not included in the investments of securities broker. ***- Net amount after deducting haircuts***			
1.20	**Total Assets**	**70,288,787**	**44,436,490**	**25,852,297**

2. Liabilities

Sr. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
2.1	**Trade Payables:**			
	i. Payable to exchanges and clearing house	-	-	-
	ii. Payable against leveraged market products	-	-	-
	iii. Payable to customers	12,549,354	-	12,549,354
2.2	**Current Liabilities:**			
	i. Statutory and regulatory dues		-	-
	ii. Accruals and other payables	1,379,317	-	1,379,317
	iii. Short-term borrowings		-	-
	iv. Current portion of subordinated loans		-	-
	v. Current portion of long term liabilities		-	-
	vi. Deferred Liabilities		-	-
	viii. Provision for taxation		-	-
	ix. Other liabilities as per accounting principles and included in the financial statements		-	-

33 **Liquid Capital Balance**

Sr. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
		------------- Rupees ----------		
2.3	**Non-Current Liabilities:**			
	i. Long-Term financing		-	-
	ii. Staff retirement benefits		-	-
	iii. other liabilities as per accounting principles and included in the financial statements		-	-
	- 100% haircut may be allowed against long term portion of financing obtained from a financial institution including amount due against finance leases.	-	-	-
	- Nil in all other cases.			
2.4	**Subordinated Loans:**			
	100% of Subordinated loans which fulfill the conditions specified by SECP are allowed to be deducted. In this regard, following ***conditions*** are specified: a. Loan agreement must be executed on stamp paper and must clearly reflect the amount to be repaid after 12 months of reporting period b. No haircut will be allowed against short term portion which is repayable within next 12 months. c. In case of early repayment of loan, adjustment shall be made to the Liquid Capital and revised Liquid Capital statement must be submitted to exchange.		-	-
2.5	**Advance against shares for Increase in Capital of Securities broker:**			
	100% haircut may be allowed in respect of advance against shares if: **a.** The existing authorized share capital allows the proposed enhanced share capital **b.** Board of Directors of the company has approved the increase in capital relevant Regulatory approvals have been obtained **d.** There is no unreasonable delay in issue of shares against advance and all regulatory requirements relating to the increase in paid up capital have been completed. **e.** Auditor is satisfied that such advance is against the increase of capital.			
2.6	**Total Liabilities**	**13,928,671**	-	**13,928,671**

3. Ranking Liabilities Relating to:

Sr. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
3.1	**Concentration in Margin Financing:**			
	The amount calculated client-to-client basis by which any amount receivable from any of the finances exceed 10% of the aggregate of amounts receivable from total finances.	-	-	-
3.2	**Concentration in securities lending and borrowing:**			
	The amount by which the aggregate of: **(i)** Amount deposited by the borrower with NCCPL **(ii)** Cash margins paid and **(iii)** The market value of securities pledged as margins exceed the 110% of the market value of shares borrowed **- Amount as determined through adjustment**	-	-	-
3.3	**Net underwriting Commitments:**			
	(a) - in the case of right issue: if the market value of securities is less than or equal to the subscription price; the aggregate of: **(i)** the 50% of Haircut multiplied by the underwriting commitments and **(ii)** the value by which the underwriting commitments exceeds the market price of the securities. **- In the case of rights issue:** where the market price of securities is greater than the subscription price, 5% of the Haircut multiplied by the net underwriting commitment.	-	-	-
	(b) in any other case : 12.5% of the net underwriting commitments	-	-	-
	- Amount as determined through adjustment			
3.4	**Negative equity of subsidiary**			

33 Liquid Capital Balance

Sr. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
		------------- Rupees ----------		
	The amount by which the total assets of the subsidiary (excluding any amount due from the subsidiary) exceed the total liabilities of the subsidiary **- Amount as determined through adjustment**	-	-	-
3.5	**Foreign exchange agreements and foreign currency positions:**			
	5% of the net position in foreign currency.Net position in foreign currency means the difference of total assets denominated in foreign currency less total liabilities denominated in foreign currency **- Amount as determined through adjustment**	-	-	-
3.6	**Amount Payable under REPO:**	-	-	-
	- Carrying Value			
3.7	**Repo adjustment:**			
	In the case of financier/purchaser, the total amount receivable under Repo less the 110% of the market value of underlying securities.	-	-	-
	In the case of finance/seller, the market value of underlying securities after applying haircut less the total amount received ,less value of any securities deposited as collateral by the purchaser after applying haircut less any cash deposited by the purchaser. **- Amount as determined through adjustment**			
3.8	**Concentrated proprietary positions:**			
	- If the market value of any security is between 25% and 51% of the total proprietary positions then 5% of the value of such security	-	-	-
	- If the market of a security exceeds 51% of the proprietary position, then 10% of the value of such security **- Amount as determined through adjustment**	-	-	-
3.9	**Opening Positions in futures and options:**			
	i. In case of customer positions, the total margin requirements in respect of open positions less the amount of cash deposited by the customer and the value of securities held as collateral/ pledged with securities exchange after applying VAR haircuts	-	-	-
	ii. In case of proprietary positions , the total margin requirements in respect of open positions to the extent not already met	-	-	-
3.10	**Short sell positions:**			
	i. In case of customer positions, the market value of shares sold short in ready market on behalf of customers after increasing the same with the VaR based haircuts less the cash deposited by the customer as collateral and the value of securities held as collateral after applying VAR based Haircuts	-	-	-
	ii. In case of proprietary positions, the market value of shares sold short in ready market and not yet settled increased by the amount of VAR based haircut less the value of securities pledged as collateral after applying haircuts.	-	-	-
3.11	**Total Ranking Liabilities**	-	-	-
Total Liquid Capital As At June 30, 2020 (1.20-2.5-3.11)		56,360,116	44,436,490	11,923,626

Calculations Summary of Liquid Capital

(i) Adjusted value of Assets (serial number 1.20)	25,852,297
(ii) Less: Adjusted value of liabilities (serial number 2.6)	13,928,671
(iii) Less: Total ranking liabilities (serial number 3.11)	-
	11,923,626

SPINZER EQUITIES (PRIVATE) LIMITED
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34 SHARES HELD IN CUSTOMERS SUB ACCOUNTS IN CENTRAL DEPOSITORY SYSTEM

Aggregate value of customer shares held in their sub accounts in Central depository system (Assets under custody) was Rs. 293,671,818 as at June 30, 2020 against assigned maximum custody limit of Rs.1,591,122,925 as at June 30, 2020.

35 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The related parties include directors, major shareholders, key management personnel, senior executives and entities over which the directors are able to exercise influence. Transaction with related parties are on arm's length basis (except for where stated else wise). Details of transactions with related parties during the year, other than those which have been disclosed elsewhere in these financial statements, are as follows:

Nam of the related party	Nature of relationship	Transactions during the year	2020	2019
			----- Rupees ----	
Jibran Ali Khan	Director	Rent paid	**811,800**	-

36 CORRESPONDING FIGURES

The preparation and presentation of these financial statements for the year ended June 30, 2020 is in accordance with requirements in Companies Act, 2017 and applicable IFRs / IAS. The corresponding figures have been rearranged and reclassified, wherever considered necessary, to comply with the requirements of Companies Act, 2017.

37 EVENTS AFTER REPORTING DATE

There were no subsequent events that may require adjustment is the financial statements as at reporting date.

38 GENERAL

38.1 The figures have been rounded off to the nearest Rupees.

	2020	2019
38.2 Number of persons employed	10	8
Average number employees during the year	9	8

39 DATE OF AUTHORIZATION

These financial statements have been authorized by the Board of Directors of the Company on 06 OCT 2020.

SPINZER EQUITIES (PVT) LIMITED TREC-432 PSX

Chief Executive Officer **Director**