



KPMG Taseer Hadi & Co.
Chartered Accountants

Symmetry Group Limited

Unconsolidated Financial
Statements
for the three months ended 30
September 2021



KPMG Taseer Hadi & Co.
Chartered Accountants
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INDEPENDENT AUDITOR'S REPORT

To the members of Symmetry Group Limited

Report on the Audit of Special Purpose Unconsolidated Financial Statements

Opinion

We have audited the annexed special purpose unconsolidated financial statements of **Symmetry Group Limited** ("the Company"), which comprise the unconsolidated statement of financial position as at **30 September 2021**, and the unconsolidated statement of profit and loss and other comprehensive income, the unconsolidated statement of changes in equity, and the unconsolidated statement of cash flows for the period then ended, and notes to the special purpose unconsolidated 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 unconsolidated statement of financial position, the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated 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 30 September 2021 and of the unconsolidated profit, the changes in equity and its cash flows for the period 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 Special Purpose 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.

Emphasis of Matters – Basis of Accounting and Restriction on Distribution

We draw attention to note 1 to the special purpose unconsolidated financial statements which states that these special purpose unconsolidated financial statements have been



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prepared for onward submission to Pakistan Stock Exchange together with the application for listing of the Company. Accordingly, these special purpose unconsolidated financial statements would not be used for any other purpose. Our opinion is not modified in respect of this matter.

Other Matter

We draw attention to the fact that we have not audited the accompanying unconsolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the three months ended 30 September 2020, or any of the related notes and accordingly, we do not express an opinion on them.

Responsibilities of Management and Board of Directors for the Special Purpose Financial Statements

Management is responsible for the preparation and fair presentation of the special purpose 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 special purpose financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the special purpose 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 Special Purpose Financial Statements

Our objectives are to obtain reasonable assurance about whether the special purpose 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 special purpose 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:



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- Identify and assess the risks of material misstatement of the special purpose 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 special purpose 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 special purpose financial statements, including the disclosures, and whether the special purpose 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.

The engagement partner on the audit resulting in this independent auditor's report is **Moneeza Usman Butt**.

Date: 15 March 2022

Karachi

KPMG Taseer Hadi & Co.
Chartered Accountants

Symmetry Group Limited
Unconsolidated Statement of Financial Position

As at 30 September 2021

September 30,
2021 June 30, 2021

Note -----(Rupees)-----

ASSETS

Non current assets

Property and equipment	5	9,079,160	7,740,680
Right-of-use assets	6	7,369,727	9,233,246
Intangible assets	7	3,716,219	4,050,375
Long term investments	8	10,996,000	10,996,000
Deferred taxation	9	-	265,345
Long term deposits	10	1,294,000	1,858,900
		32,455,106	34,144,546

Current assets

Trade debts	11	144,332,578	155,112,561
Advances and prepayments	12	689,050	621,940
Interest accrued on short term investments		307,440	181,312
Short term investments	13	10,950,000	14,275,000
Due from related parties	14	81,348,796	85,856,850
Cash and bank balances	15	282,734	164,204
		237,910,598	256,211,867

Total assets

	270,365,704	290,356,413
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EQUITY AND LIABILITIES

Share capital and reserves

Authorized share capital 100,000,000 (30 June 2021): 100,000,000) ordinary shares of Rs. 1/- each		100,000,000	100,000,000
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Issued, subscribed and paid-up capital	16	85,000,000	85,000,000
Unappropriated profit		105,655,448	102,866,639
		190,655,448	187,866,639

Non current liabilities

Lease liabilities	6	2,724,592	3,381,104
Long term borrowings	17	1,842,674	4,680,589
Deferred taxation	9	1,998,820	-
Deferred income - government grant	18	8,215	489,565
		6,574,301	8,551,258

Current liabilities

Current portion of lease liabilities	6	2,491,763	3,237,685
Current portion of long term borrowings	17	7,813,031	7,340,539
Current portion of deferred income - government grant	18	400,417	532,798
Trade and other payables	19	22,544,410	25,556,116
Short term finance	20	22,798,284	21,243,329
Taxation - net		141,066	18,724,279
Loan payable to a related party	21	16,946,984	17,303,770
		73,135,955	93,938,516

Total equity and liabilities

	270,365,704	290,356,413
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Contingencies and commitments

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The annexed notes 1 to 35 form an integral part of these special purpose financial statements.

Chief Executive

Director

Symmetry Group Limited

Unconsolidated Statement of Profit or Loss Account and Other Comprehensive Income

For the three months ended September 30, 2021

	Note	For the three months ended September 30, 2021 (Audited) ----- (Rupees) -----	For the three months ended September 30, 2020 (Unaudited) -----
Revenue - net	23	33,245,102	51,326,669
Administrative and general expenses	24	(30,315,198)	(27,836,772)
		<u>2,929,904</u>	<u>23,489,897</u>
Impairment loss on financial assets		-	(18,807)
Other income	25	6,557,537	5,495,150
Operating profit		<u>9,487,441</u>	<u>28,966,240</u>
Finance costs	26	(1,869,920)	(1,782,186)
Profit before taxation		<u>7,617,521</u>	<u>27,184,054</u>
Taxation	27	(4,828,712)	(6,474,620)
Profit after taxation		<u>2,788,809</u>	<u>20,709,434</u>
Other comprehensive income		-	-
Total comprehensive income for the period		<u><u>2,788,809</u></u>	<u><u>20,709,434</u></u>

The annexed notes 1 to 35 form an integral part of these special purpose financial statements.


Chief Executive


Director

Symmetry Group Limited
 Unconsolidated Statement of Cash Flows
 For the three months ended September 30, 2021

	For the three months ended September 30, 2021 (Audited)	For the three months ended September 30, 2020 (Un-Audited)
Note	------(Rupees)-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash generated from operations	28 23,262,832	12,508,004
Finance costs paid	(1,869,920)	(1,782,186)
Income taxes paid	(21,147,760)	(9,109,179)
Long term deposits - net	564,900	(100,000)
Net cash generated from operating activities	810,052	1,516,639
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property and equipment	(1,496,270)	(1,143,000)
Interest received on Term Deposits Receipts	49,436	192,996
Investments in Term Deposit Receipts redeemed / (made)	3,325,000	(6,900,000)
Net cash generated from / (used in) investing activities	1,878,166	(8,296,640)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of loans from related parties - net (Repayment of) / long term borrowings	(356,786) (2,365,423)	- 6,880,000
Payment of lease liabilities	(1,402,434)	(357,022)
Net cash (used in) / generated from financing activities	(4,124,643)	6,522,978
Net (decrease) / increase in cash and cash equivalents	(1,436,425)	(257,023)
Cash and cash equivalents at beginning of the period	(21,079,125)	(19,435,683)
Cash and cash equivalents at end of the period	(22,515,550)	(19,692,706)
Cash and cash equivalents comprise of the following:		
Cash and bank balances	282,734	379,969
Short term running finance	(22,798,284)	(19,626,039)
	(22,515,550)	(19,246,070)

The annexed notes 1 to 35 form an integral part of these special purpose financial statements.


 Chief Executive


 Director

Symmetry Group Limited
Unconsolidated Statement of Changes in Equity

For the three months ended September 30, 2021

	Issued, subscribed and paid-up share capital	Unappropriated profit	Total
	----- (Rupees) -----		
Balance as at 01 July 2020 (audited)	85,000,000	35,593,145	120,593,145
<i>Total comprehensive income for the period (unaudited)</i>			
Profit for the period	-	20,709,434	20,709,434
Other comprehensive income	-	-	-
	-	20,709,434	20,709,434
Balance as at 30 September 2020 (unaudited)	<u>85,000,000</u>	<u>56,302,579</u>	<u>141,302,579</u>
Balance as at 1 July 2021 (audited)	85,000,000	102,866,639	187,866,639
<i>Total comprehensive income for the period (unaudited)</i>			
Profit for the period	-	2,788,809	2,788,809
Other comprehensive income	-	-	-
	-	2,788,809	2,788,809
Balance as at 30 September 2021 (audited)	<u>85,000,000</u>	<u>105,655,448</u>	<u>190,655,448</u>

The annexed notes 1 to 35 form an integral part of these special purpose financial statements.


Chief Executive


Director

Symmetry Group Limited

Notes to the Unconsolidated Special Purpose Financial Statements

For the three months ended September 30, 2021

1. STATUS AND NATURE OF BUSINESS

Symmetry Group Limited ('the Company') was incorporated in Pakistan as a private limited company on 3 February 2012 under the repealed Companies Ordinance, 1984. In 2018, the Company was converted to a public company with effect from 31 May 2018. The principal activities of the Company is digital media, internet marketing and display advertising etc.

The ultimate parent entity of the Company is Bulls Eye Communications (Private) Limited incorporated in Pakistan.

The registered office of the Company is situated at 3rd and 4th Floor, Plot 45-C, Shahbaz Lane 4, Phase VI, D.H.A. Karachi.

These financial statements are the separate financial statements of the Company in which investment in subsidiaries is accounted for in accordance with the accounting policy as stated note 4.4. Consolidated financial statements are prepared separately.

Detail of Company's investment in subsidiary companies is given in note 8 to these special purpose financial statements.

These special purpose financial statements are prepared for onward submission to Pakistan Stock Exchange together with the application for listing of the Company.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act 2017.

Where the provisions of and directives issued under the Companies Act 2017 differ from IFRS Standards, the provisions of and directives issued under the Companies Act 2017 have been followed.

2.2 Basis of measurement

These special purpose financial statements have been prepared under the historical cost convention, unless otherwise stated.

2.3 Functional and presentation currency

These special purpose financial statements are presented in Pakistan rupees which is Company's functional currency. All financial information presented in Pakistan rupees has been rounded to the nearest rupee, unless otherwise stated.

2.4 Use of estimates and judgments

The preparation of financial statements in conformity with accounting and reporting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.



The estimates underlying the 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. Information about the judgments made by the management in the application of the accounting policies, that have the most significant effect on the amount recognized in these special purpose financial statements, assumptions and estimation uncertainties with significant risk of material adjustment to the carrying amount of asset and liabilities in the next year are described in the following notes:

- Lease (note 4.2)
- Property and equipment (note 4.1)
- Intangible assets (note 4.3)
- Financial assets (note 4.5)
- Taxation (note 4.8)
- Provisions (note 4.9)
- Government grants (note 4.1)

3 CHANGES IN ACCOUNTING STANDARDS, INTERPRETATIONS AND PRONOUNCEMENTS

Changes in accounting policy resulting from adoption of new standard during the period

The following new or amended standards and interpretations became effective during the year which are not considered to be relevant to the Company's financial statements:

- Interest Rate Benchmark Reform – Phase 2
- COVID-19-Related Rent Concessions (Amendment to IFRS 16)

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

The following International Financial Reporting Standards (IFRS) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 01 October 2021:

- Onerous Contracts - Cost of Fulfilling a Contract (Amendments to IAS 37) effective for the annual periods beginning on or after 1 January 2022 amends IAS 1 by mainly adding paragraphs which clarifies what comprises the cost of fulfilling a contract, Cost of fulfilling a contract is relevant when determining whether a contract is onerous. An entity is required to apply the amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application). Restatement of comparative information is not required, instead the amendments require an entity to recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.
- The following annual improvements to IFRS Standards 2018-2020 are effective for annual reporting periods beginning on or after 1 January 2022.
 - IFRS 9 - The amendment clarifies that an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf, when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognize a financial liability.
 - IFRS 16 - The amendment partially amends Illustrative Example 13 accompanying IFRS 16 by excluding the illustration of reimbursement of leasehold improvements by the lessor. The objective of the amendment is to resolve any potential confusion that might arise in lease incentives.
 - IAS 41 - The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique.

- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16) effective for annual periods beginning on or after 1 January 2022 clarifies that sales proceeds and costs of items produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management e.g. when testing etc., are recognized in profit or loss in accordance with applicable Standards. The entity measures the cost of those items applying the measurement requirements of IAS 2. The standard also removes the requirement of deducting the net sales proceeds from cost of testing. An entity shall apply those amendments retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. The entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.
- Reference to the Conceptual Framework (Amendments to IFRS 3) - Reference to the Conceptual Framework, issued in May 2020, amended paragraphs 11, 14, 21, 22 and 23 of and added paragraphs 21A, 21B, 21C and 23A to IFRS 3. An entity shall apply those amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2022. Earlier application is permitted if at the same time or earlier an entity also applies all the amendments made by Amendments to References to the Conceptual Framework in IFRS, issued in March 2018. These amendments are not likely to affect the financial statements of the Company.
- Classification of liabilities as current or non-current (Amendments to IAS 1) amendments apply retrospectively for the annual periods beginning on or after 1 January 2023. These amendments in the standards have been added to further clarify when a liability is classified as current. The standard also amends the aspect of classification of liability as non-current by requiring the assessment of the entity's right at the end of the reporting period to defer the settlement of liability for at least twelve months after the reporting period. An entity shall apply those amendments retrospectively in accordance with IAS 8. These amendments would not have a significant impact on the financial statements of the Company.
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) - the Board has issued amendments on the application of materiality to disclosure of accounting policies and to help companies provide useful accounting policy disclosures. The key amendments to IAS 1 include:
 - requiring companies to disclose their material accounting policies rather than their significant accounting policies;
 - clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and
 - clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.

The Board also amended IFRS Practice Statement 2 to include guidance and two additional examples on the application of materiality to accounting policy disclosures. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 with earlier application permitted.

- Definition of Accounting Estimates (Amendments to IAS 8) - The amendments introduce a new definition for accounting estimates clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty.

The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy. The amendments are effective for periods beginning on or after 1 January 2023 and will apply prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the company applies the amendments.

- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) - The amendments narrow the scope of the initial recognition exemption (IRE) so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, companies will need to recognize a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision. For leases and decommissioning liabilities, the associated deferred tax asset and liabilities will need to be recognized from the beginning of the earliest comparative period presented, with any cumulative effect recognized as an adjustment to retained earnings or other

components of equity at that date. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 with earlier application permitted.

- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) - The amendment amends accounting treatment on loss of control of business or assets. The amendments also introduce new accounting for less frequent transaction that involves neither cost nor full step-up of certain retained interests in assets that are not businesses. The effective date for these changes has been deferred indefinitely until the completion of a broader review. These amendments would not have a significant impact on the financial statements of the Company.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies set out below are consistently applied for all periods presented in these financial statements.

4.1 Property and equipment

An item of property and equipment is initially recognized at cost which is equal to the fair value of consideration paid at the time of acquisition or construction of the asset. These are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciation is charged to income at rates using straight line method. Depreciation on additions is charged from the month during which the asset is available for use. For disposals during the year, depreciation is charged up to the month preceding the month of disposal. The useful life and depreciation method are reviewed and adjusted, if appropriate, at the reporting date.

Maintenance and repairs are charged to statement of profit or loss account as and when incurred. Major renewals and improvements are capitalized and the assets so replaced, if any, are retired. Gains and losses on disposal of assets, if any, are included in current income.

4.2 Leases

Right-of-use assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

Right-of-use assets comprise of head office sales office and warehouse building which is depreciated over period of lease on straight line basis ranging from one year to five years. If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

Lease liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases

The Company applies the short-term lease recognition exemption to its short-term leases where the lease term is of 12 months or less from the commencement date and do not contain a purchase option and leases for which the underlying asset is of low value. Lease payments on short-term leases are recognized as expense on a straight-line basis over the lease term.

4.3 Intangible assets

Intangible assets acquired by the Company are stated at cost less accumulated amortization and impairment losses, if any. Subsequent expenditure on intangible assets is capitalized only when it increases the future economic benefits embodied in the specific assets to which it relates. All other expenditure is expensed out as incurred.

Amortization is charged to statement of profit or loss account on reducing balance method at the rates specified in respective notes in these special purpose financial statements unless lives of assets are indefinite. All intangible assets with an indefinite useful life are systematically tested for impairment at each reporting date. Amortization on additions to intangible assets is charged from the date on which an item is acquired or capitalized and upto the date preceding the disposal. Where the carrying amount of an asset exceeds its estimated recoverable amount it is written down immediately to its recoverable amount.

4.4 Long term investment - subsidiary companies

Subsidiaries are the entities controlled by the Company. The Company controls an entity when it is exposed to or has right to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The investment in subsidiary is initially recognized and carried at cost. The carrying amount of the investment is reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists the investment's recoverable amount is estimated. An impairment loss is recognized if the carrying amount exceeds its recoverable amount. A recoverable amount is higher of its fair value less cost to sell and value in use. Impairment losses are recognized in the statement of profit or loss account. An impairment loss is reversed if there has been a change in estimates used to determine the recoverable amount but limited to the extent of initial cost of investment. A reversal of impairment loss is recognized in the statement of profit or loss account. On loss of control of subsidiary company, any gain or loss is recognized in the statement of profit or loss account, being the difference between purchase price and disposal proceeds.

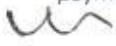
4.5 Financial instruments

4.5.1 Financial assets

4.5.1.1 Classification

The Company classifies financial assets on the basis of the business model within which they are held and their contractual cash flow characteristics. The financial assets of the Company are categorized as follows:

a) Financial assets at amortised cost

- these are the financial assets held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
 - the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- 

b) Financial assets measured at fair value through other comprehensive income (FVOCI)

- these are the financial assets held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c) Financial assets measured at fair value through profit or loss (FVTPL)

- these are the financial assets measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income (FVOCI).

4.5.1.2 Initial recognition and measurement

All financial assets are recognised at the time the Company becomes a party to the contractual provisions of the instrument. Financial assets are initially recognised at fair value plus transaction costs except for financial assets carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs associated with these financial assets are taken directly to the statement of profit or loss.

4.5.1.3 Subsequent measurement

Subsequent to initial recognition, financial assets are valued as follows:

a) Debt Investments at FVOCI

These assets are subsequently measured at fair value. Interest / markup income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in the statement of profit or loss. 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 or loss.

b) Equity Investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised 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 recognised in other comprehensive income and are never reclassified to the statement of profit or loss.

c) Financial assets at FVTPL

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

d) Financial assets measured at amortized cost

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

4.5.1.4 Impairment

The Company applies the IFRS 9 simplified approach to measure 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 has used actual credit loss experience over past years to base the calculation of ECL.

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4.5.1.5 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the assets and settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in normal course of business and in the event of default, insolvency or winding up of the Company or the counterparties.

4.5.2 Financial liabilities

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

4.5.3 Derecognition

Financial assets are derecognised at the time when the Company's contractual right to the cash flows from the asset expires or it transfers the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial assets are transferred or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control the transferred asset. Financial liabilities are derecognised at the time when they are extinguished i.e. when the obligation specified in the contract is discharged, cancelled, or expires. Any gain or loss on derecognition of financial assets and financial liabilities is taken to the statement of profit or loss.

4.6 Cash and cash equivalents

For the purpose of presentation in statement of cash flow, cash and cash equivalents includes cash in hand, balances with banks and short term borrowings availed by the Company, which are repayable on demand and form an integral part of the Company's cash management.

4.7 Impairment

4.7.1 Financial assets

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

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

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

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

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information. The Company assumes that the credit risk on a financial asset has increased significantly if it is more than past due for a reasonable period of time. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

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

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering of a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company 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.

The adoption of the expected loss approach has not resulted in any material change in impairment provision for any financial asset.

4.7.2 Non-financial assets

The carrying amounts of the Company's non-financial assets, other than deferred tax assets and inventories are reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the asset's recoverable amount, being higher of value in use and fair value less costs to sell, is estimated. In assessing value in use, the estimated future cash flows are 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. For the purpose of impairment testing, assets that cannot be tested individually 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 groups of assets. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognized in the statement of profit or loss account and other comprehensive income.

4.8 Taxation

Current

Provision for current taxation is based on taxable income at current rates of taxation after taking into account tax rebates and credits, if any.

Deferred

Deferred tax is provided using balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

4.9 Provisions

A provision is recognized in the balance sheet when the Company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. However, provisions are reviewed at each reporting date and adjusted to reflect current best estimate.

4.10 Government grants

Government grants are transfers of resources to an entity by a government entity in return for compliance with certain past or future conditions related to the entity's operating activities - e.g. a government subsidy. The definition of "government" refers to governments, government agencies and similar bodies, whether local, national or international.

The Company recognizes government grants when there is reasonable assurance that grants will be received and the Company will be able to comply with conditions associated with grants.

Government grants are recognized at fair value, as deferred income, when there is reasonable assurance that the grants will be received and the Company will be able to comply with the conditions associated with the grants.

Grants that compensate the Company for expenses incurred, are recognized on a systematic basis in the income for the year in which the related expenses are recognized. Grants that compensate for the cost of an asset are recognized in income on a systematic basis over the expected useful life of the related asset.

A loan is initially recognized and subsequently measured in accordance with IFRS 9. IFRS 9 requires loans at below-market rates to be initially measured at their fair value - e.g. the present value of the expected future cash flows discounted at a market-related interest rate. The benefit that is the government grant is measured as the difference between the fair value of the loan on initial recognition and the amount received, which is accounted for according to the nature of the grant.

4.11 Foreign currency transactions

Transactions in foreign currencies are accounted for in rupees at the rate of exchange prevailing on the date of transaction. Monetary assets and liabilities in foreign currencies as at the reporting date are expressed in rupees at rates of exchange prevailing on that date except where forward exchange cover has been obtained for payment of liabilities, in which case the contracted rates are applied. Exchange gains and losses are included in income currently.

4.12 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates. These special purpose financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency and have been rounded off to the nearest rupee.

4.13 Revenue recognition

Revenue from contracts with customers is recognized when control of the services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods and services.

- Revenue from media buying services is recognized at a point in time when the performance criteria have been met in accordance with the contract and acknowledged by the customer.
- Revenue from providing social media management services is recognized on a straight line basis over the line of the respective contracts.
- Revenue from content creation services is recognized at a point in time when the performance criteria have been met in accordance with the contract and acknowledged by the customer.
- Revenue from agency commissions and discounts is recognized at a point in time when the performance criteria have been met in accordance with the contract and acknowledged by the customer.

4.14 Expenses

All expenses are recognized in the statement of profit or loss account on an accrual basis.

4.15 Dividends and appropriations

Dividend distributions and appropriations are recorded in the period in which the distributions and appropriations are approved.



5. PROPERTY AND EQUIPMENT

	Furniture and fixtures	Office equipment	Computer and ancillary equipment	Vehicles	Total
	----- (Rupees) -----				
As at 1 July 2020					
Cost	1,975,653	787,061	12,838,183	1,085,000	16,685,897
Accumulated depreciation	(344,255)	(540,374)	(5,291,895)	(857,921)	(7,034,445)
Net book value	<u>1,631,398</u>	<u>246,687</u>	<u>7,546,288</u>	<u>227,079</u>	<u>9,651,452</u>
Additions	-	491,500	2,255,548	-	2,747,048
Depreciation charge for the year	(296,408)	(194,678)	(3,972,095)	(194,639)	(4,657,820)
Closing net book value	<u>1,334,990</u>	<u>543,509</u>	<u>5,829,741</u>	<u>32,440</u>	<u>7,740,680</u>
As at 30 June 2021					
Cost	1,975,653	1,278,561	15,093,731	1,085,000	19,432,945
Accumulated depreciation	(640,663)	(735,052)	(9,263,990)	(1,052,560)	(11,692,265)
Net book value	<u>1,334,990</u>	<u>543,509</u>	<u>5,829,741</u>	<u>32,440</u>	<u>7,740,680</u>
As at 1 July 2021					
Cost	1,975,653	1,278,561	15,093,731	1,085,000	19,432,945
Accumulated depreciation	(640,663)	(735,052)	(9,263,990)	(1,052,560)	(11,692,265)
Net book value	<u>1,334,990</u>	<u>543,509</u>	<u>5,829,741</u>	<u>32,440</u>	<u>7,740,680</u>
Additions	-	206,910	1,289,360	-	1,496,270
Transfer from right-of-use assets					
Cost	-	-	-	2,058,390	2,058,390
Accumulated Depreciation	-	-	-	(939,140)	(939,140)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,119,250</u>	<u>1,119,250</u>
Depreciation charge for the period	(74,102)	(81,243)	(1,076,390)	(45,305)	(1,277,040)
Closing net book value	<u>1,260,888</u>	<u>669,176</u>	<u>6,042,711</u>	<u>1,106,385</u>	<u>9,079,160</u>
As at 30 September 2021					
Cost	1,975,653	1,485,471	16,383,091	3,143,390	22,987,605
Accumulated depreciation	(714,765)	(816,295)	(10,340,380)	(2,037,005)	(13,908,445)
Net book value	<u>1,260,888</u>	<u>669,176</u>	<u>6,042,711</u>	<u>1,106,385</u>	<u>9,079,160</u>
Depreciation rates (% per annum)	<u>15</u>	<u>30</u>	<u>30</u>	<u>15</u>	

5.1 The depreciation charge for the year has been allocated to administrative and general expenses.

6. LEASES	<i>Note</i>	September 30, 2021	June 30, 2021
6.1 Right-of-use assets		----- (Rupees) -----	
Opening balance		9,233,246	6,605,572
Additions		-	3,397,285
Transfer to PPE		(1,119,250)	-
Depreciation		(744,269)	(769,611)
Closing balance		<u>7,369,727</u>	<u>9,233,246</u>

6.2 Lease liabilities

Rental contracts are made for a fixed period subject to renewal upon mutual consent of the Company and lessor. Wherever practicable, the Company seeks to include extension option to provide operational flexibility. Lease term is negotiated on an individual basis and contain a wide range of different terms and conditions. Management exercises significant judgement in determining whether these extensions and termination options are reasonably certain to be exercised. The future lease payments have been discounted using interest rates ranging from 6.32% to 11.05% (30 June 2021: 6.32% to 11.05%).

Set out below is the carrying amount of lease liabilities and the movements during the year:

Opening balance	6,618,789	4,649,591
Additions	-	3,397,285
Interest expense	152,410	421,185
Payments	(1,554,844)	(1,849,272)
Closing balance	<u>5,216,355</u>	<u>6,618,789</u>
Current	2,491,763	3,237,685
Non-current	2,724,592	3,381,104
	<u>5,216,355</u>	<u>6,618,789</u>

7. INTANGIBLE ASSETS

Computer software

Cost

Balance as at 1 July	30,000,000	30,000,000
Balance as at 30 September / 30 June	<u>30,000,000</u>	<u>30,000,000</u>

Amortization

Balance as at 1 July	25,949,625	23,954,664
Amortization for the period / year	334,156	1,994,961
Balance as at 30 September / 30 June	<u>26,283,781</u>	<u>25,949,625</u>

Net book value

Amortization rate (% per annum)

	September 30, 2021	June 30, 2021
	----- (Rupees) -----	
	3,716,219	4,050,375
	<u>33.00%</u>	<u>33.00%</u>

7.1 The amortization charge for the year has been allocated to administrative and general expenses.

8. LONG TERM INVESTMENTS - Subsidiaries at cost

September 30, 2021 (Number of shares)	June 30, 2021				
999,800	999,800	Symmetry Digital (Private) Limited	8.1	9,998,000	9,998,000
99,800	99,800	Iris Digital (Private) Limited	8.2	998,000	998,000
<u>1,099,600</u>	<u>1,099,600</u>			<u>10,996,000</u>	<u>10,996,000</u>

8.1 This represents investment in Symmetry Digital (Private) Limited ("Symmetry Digital") at par value of Rupees. 10 each. The Company held 99.8% (30 June 2021: 99.8%) shareholding in Symmetry Digital as at 30 September 2021.

8.2 This represents investment in Iris Digital (Private) Limited ("Iris Digital") at par value of Rupees 10 each. The Company held 99.8% (30 June 2021: 99.8%) shareholding in Iris Digital as at 30 September 2021.

9. DEFERRED TAXATION

Deferred taxation	9.1	<u>(1,998,820)</u>	<u>265,345</u>
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9.1 Deductible / (taxable) temporary differences

Property and equipment	614,441	276,210
Intangible assets	864,052	396,440
Deferred income - government grant	(104,151)	261,551
Finance lease obligation	624,478	(668,856)
	<u>1,998,820</u>	<u>265,345</u>

10. LONG TERM DEPOSITS

Deposit for		
- rent	1,294,000	1,294,000
- finance lease	-	564,900
	<u>1,294,000</u>	<u>1,858,900</u>

11. TRADE DEBTS

	September 30, 2021	June 30, 2021
	----- (Rupees) -----	
Trade debts	144,407,804	155,187,787
less: Allowance for impairment loss	(75,226)	(75,226)
	<u>144,332,578</u>	<u>155,112,561</u>

11.1 Allowance for impairment loss

Opening balance	75,226	-
Expense for the period / year	-	75,226
Closing balance	<u>75,226</u>	<u>75,226</u>

12. ADVANCES AND PREPAYMENTS

Advance to staff - <i>unsecured</i>	200,000	266,200
Prepayments:		
- rent	36,000	355,740
- insurance	453,050	-
	489,050	355,740
	689,050	621,940

13. SHORT TERM INVESTMENTS

Investments in Term Deposit Receipts - at amortised cost	10,950,000	14,275,000
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13.1 The Term Deposit Receipts are maintained with Bank Al Habib Limited carrying mark-up rate of 6.10% (30 June 2021: ranging from 6.60% to 7.10%) per annum and having maturity upto 23 April 2022.

14. DUE FROM RELATED PARTIES

Iris Digital (Private) Limited	13,768,992	19,248,846
Symmetry Digital (Private) Limited	67,579,804	66,608,004
	81,348,796	85,856,850

The maximum aggregate amount due from the related parties at the end of any month during the year is as follows:

Iris Digital (Private) Limited	20,333,846	20,111,351
Symmetry Digital (Private) Limited	70,169,804	96,791,349

15. CASH AND BANK BALANCES

Cash with banks			
- In saving accounts	15.1	8	8
- In current accounts		12,476	12,476
		12,484	12,484
Cash in hand		270,250	151,720
		282,734	164,204

15.1 The saving accounts carry markup ranging from 6.5% to 7% per annum. (2021: 6.5% to 7% per annum).

16. ISSUED, SUBSCRIBED AND PAID UP CAPITAL

September 30, 2021 June 30, 2021
(Number of shares)

September 30, 2021 June 30, 2021
----- (Rupees) -----

31,462,472	31,462,472	Ordinary shares of Re. 1 each fully paid in cash	31,462,472	31,462,472
53,537,528	53,537,528	Ordinary shares of Re. 1 each issued as bonus shares	53,537,528	53,537,528
85,000,000	85,000,000		85,000,000	85,000,000

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16.1 Share capital was subscribed and paid-up by the following:

September 30, 2021	June 30, 2021		September 30, 2021	June 30, 2021
(Percentage holding)			(Number of Shares)	
51.00%	51.00%	Bull's Eye Communication (Private) Limited	43,350,000	43,350,000
24.50%	24.50%	Mr. Adil Ahmed	20,825,000	20,825,000
24.50%	24.50%	Mr. Sarosh Ahmed	20,825,000	20,825,000
			<u>85,000,000</u>	<u>85,000,000</u>

Subsequent to the period end, M/s Bulls Eye Communications (Private) Limited sold its entire shareholding in the Company to the other shareholders Mr. Adil Ahmed and Mr. Sarosh Ahmed in equal proportion for a total consideration of Rs. 145,550,000.

17. LONG TERM BORROWINGS - secured

		September 30, 2021	June 30, 2021
		----- (Rupees) -----	
Loan from conventional financial institutions	17.1	9,655,705	12,021,128
Current portion shown under current liabilities		(7,813,031)	(7,340,539)
		<u>1,842,674</u>	<u>4,680,589</u>

17.1 Due to the effects of pandemic, State Bank of Pakistan took various steps to support the economy. SBP introduced a refinance scheme for payment of salaries and wages at subsidized rate of borrowing.

The Company has obtained the said borrowing from Bank Al-Habib Limited ("BAHL") at subsidized rate in five tranches on 21 May 2020, 25 June 2020, 14 July 2020, 24 August 2020 and 13 October 2020 at 3% concessional interest rate which is repayable in October 2022 in 8 quarterly installments to BAHL under the SBP scheme.

18. DEFERRED INCOME - GOVERNMENT GRANT

Deferred income - government grant	18.1	408,632	1,022,363
Current portion of deferred income - government grant		(400,417)	(532,798)
		<u>8,215</u>	<u>489,565</u>

18.1 The value of benefit of below-market interest rate on the borrowings disclosed in note 17 to these special purpose financial statements has been accounted for as government grant under IAS - 20 Government grants.

19. TRADE AND OTHER PAYABLES

Trade payables		4,456,200	4,456,200
Accrued expenses		9,764,936	9,089,456
Withholding tax payable		8,120,244	6,062,267
EOBI payable		203,030	187,430
Sales tax payable		-	5,760,763
		<u>22,544,410</u>	<u>25,556,116</u>

20. **SHORT TERM FINANCE - secured**

This represents running finance facility obtained from Askari Bank Limited against available limit of Rs. 19.70 million, which carries mark-up @ 3 months KIBOR plus 2% payable quarterly in arrears. The facility is secured against hypothecation charge over receivables with 25% margin, mortgage over 100 yards commercial plot situated in Phase - VII (Ext.) DHA, owned by family member of director and personal guarantees of all directors and owner of mortgaged property. Amount unutilized for such facility as at 30 September 2021 was Rs. 1,777 thousand (30 June 2021: Rs. 34,574 thousand).

21. **LOAN PAYABLE TO A RELATED PARTY**

**September 30,
2021** June 30, 2021
----- (Rupees) -----

Ms. Dur-e-Shahwar Fareed 21.1 **16,946,984** 17,303,770

21.1 This represents loan from Ms. Dur-e-Shahwar Fareed (close family member of the Company's shareholders, Mr. Adil Ahmed and Mr. Sarocsh Ahmed) and bearing interest at the rate of 12% (30 June 2021: 15%) per annum. The loan is payable on demand.

22. **CONTINGENCIES AND COMMITMENTS**

There were no contingences and commitments as at reporting date (30 June 2021: Nil).

23. **REVENUE- net**

**For the three
months ended
September 30,
2021** For the three
months ended
September 30,
2020
(Audited) (Un-audited)
----- (Rupees) -----

Gross sales **83,065,638** 92,852,020
Sales tax **(7,322,272)** (6,614,080)
23.1 **75,743,366** 86,237,940
Cost of services 23.2 **(42,498,264)** (34,911,271)
23.2 **33,245,102** 51,326,669

23.1 **Disaggregation of revenue**

The Company analyses its net revenue by the following streams:

Media buying **17,907,321** 18,898,421
Social media management and retainership **8,521,800** 7,112,396
Content creation **45,544,450** 25,362,796
Agency commissions and discounts **1,549,795** 664,126
Web Hosting & Registration Local **1,245,000** -
Designing and Development **975,000** 23,834,070
Website maintenance - 868,951
Export of IT services 23.1.1 - 9,497,180
23.1.1 **75,743,366** 86,237,940

23.1.1 Export of IT services are not taxable as per clause 9815.600, First Schedule to the Sindh Sales Tax Act, 2011.

23.2	Cost of sales	For the three months ended September 30, 2021 (Audited) ----- (Rupees) -----	For the three months ended September 30, 2020 (Un-audited) -----
	Media buying	8,373,611	9,840,335
	Social media management and retainership	808,461	1,086,960
	Content creation	33,316,192	23,983,976
		<u>42,498,264</u>	<u>34,911,271</u>
24.	ADMINISTRATIVE AND GENERAL EXPENSES		
	Salaries and other benefits	16,672,107	14,968,961
	Traveling and conveyance	3,099,071	3,938,798
	Depreciation	2,021,309	1,356,858
	Amortisation	334,156	498,740
	Utilities	1,744,856	1,474,353
	Entertainment	1,236,857	1,322,599
	Advertisement / sales promotion	35,098	46,540
	Rent, rates and taxes	1,954,608	2,041,064
	Legal and professional	52,830	362,432
	Fees and subscription	200,808	9,750
	Repairs and maintenance	221,015	717,335
	Insurance	290,351	204,063
	Office supplies	410,023	365,057
	Auditors' remuneration	1,782,000	-
	Printing and stationery	86,655	118,074
	Communication and courier	49,350	47,946
	Others	124,104	364,202
		<u>30,315,198</u>	<u>27,836,772</u>
24.1	Auditors' remuneration		
	Audit fee for special purpose financial statements	1,500,000	-
	Sindh sales tax	132,000	-
	Out of pocket expenses	150,000	-
		<u>1,782,000</u>	<u>-</u>
25.	OTHER INCOME		
	Interest income on Term Deposit Receipts	175,564	223,318
	Amortization of government grant	613,731	233,142
	Shared service income	4,702,146	4,917,100
	Exchange gain	1,066,096	121,590
		<u>6,557,537</u>	<u>5,495,150</u>
25.1	This includes salaries of key management personal, utilities, insurance, conveyance, rent, security cost, cleaning, office supplies, computer cost, printing and stationery, courier, advertising and marketing, staff and guest entertainment, repair and maintenance, travelling and accommodation, donations and other miscellaneous expenses allocated among group companies on an agreed basis.		

26. FINANCE COSTS

For the three months ended September 30, 2021	For the three months ended September 30, 2020
(Audited)	(Un-audited)
----- (Rupees) -----	

Markup charges on:		
- running finance	427,231	455,153
- finance lease	152,410	105,296
- long term borrowings	272,568	322,989
- loan from other parties	512,588	258,000
	<u>1,364,797</u>	<u>1,141,438</u>
 Bank charges	 505,123	 640,748
	<u>1,869,920</u>	<u>1,782,186</u>

27. TAXATION

Current	2,564,547	6,828,923
Deferred	2,264,165	(354,303)
	<u>4,828,712</u>	<u>6,474,620</u>

27.1 Income tax assessments of the Company have been deemed to be finalized upto and including tax year 2017 on the basis of tax return filed under section 120 of Income Tax Ordinance 2001. However, the return may be selected for detailed audit within five years from the date of filing of return and the Income Tax Commissioner may amend the assessment if any objection is raised in audit.

Accounting profit	<u>7,617,521</u>	<u>27,184,054</u>
Tax @ 29% (2021: 29%)	2,209,081	7,883,376
Tax effect of:		
- income assessed under minimum tax regime	1,064,267	2,102,593
- recognition of previously unrecognised deductible temporary differences	-	(3,511,349)
- non-deductible expenses	1,555,364	-
	<u>4,828,712</u>	<u>6,474,620</u>

28. CASH GENERATED FROM OPERATIONS

Profit before taxation	7,617,521	27,184,054
<i>Adjustments for:</i>		
- Depreciation	2,021,309	1,124,677
- Amortization	334,156	498,740
- Finance costs	1,869,920	1,782,186
- Impairment of trade debts	-	18,807
- Amortization of grant income	(613,731)	(283,509)
- Interest income on Term Deposit Receipts	(175,564)	(223,318)
Working capital changes	12,209,221	(17,593,633)
	<u>23,262,832</u>	<u>12,508,004</u>

28.1

28.1 Working capital changes

Changes in:

	For the three months ended September 30, 2021 (Audited)	For the three months ended September 30, 2020 (Un-audited)
	----- (Rupees) -----	
Trade debts	10,779,983	(20,865,655)
Advances and prepayments	(67,110)	537,800
Due from related parties	4,508,054	(630,191)
Trade and other payables	(3,011,706)	3,364,413
	<u>12,209,221</u>	<u>(17,593,633)</u>

29. REMUNERATION OF CHIEF EXECUTIVE, DIRECTOR AND EXECUTIVES

	For the three months ended September 30, 2021 (Audited)			For the three months ended September 30, 2021 (Audited)		
	Chief Executive	Director	Executives	Chief Executive	Director	Executives
	----- (Rupees) -----					
Managerial remuneration	1,809,423	1,990,365	3,215,825	1,538,010	1,691,810	2,894,242
Other allowances	890,150	979,165	2,380,225	756,627	832,290	2,142,202
	<u>2,699,573</u>	<u>2,969,530</u>	<u>5,596,050</u>	<u>2,294,637</u>	<u>2,524,100</u>	<u>5,036,444</u>
Number of persons	<u>1</u>	<u>1</u>	<u>18</u>	<u>1</u>	<u>1</u>	<u>17</u>

30. NUMBER OF EMPLOYEES

	September 30, 2021	June 30, 2021
	Number	
As at 30 September / 30 June	<u>35</u>	<u>48</u>
Average number of employees during the period / year	<u>42</u>	<u>44</u>

31. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of the Parent company and other group companies, entities with common directors, major shareholders, staff retirement funds, directors, key management personnel and close members of family of such individuals. Transactions with related parties are carried out at agreed rates.

Transactions with related parties and outstanding balances other than those disclosed elsewhere in these financial statements can be summarized as follows:

	For the three months ended September 30, 2021 (Audited)	For the three months ended September 30, 2020 (Un-audited)
	----- (Rupees) -----	
Expenses incurred by / (on behalf of) associated company		
Symmetry Digital (Private) Limited	(971,800)	(665,144)
Iris Digital (Private) Limited	5,479,854	9,876,446
Other parties		
Repayment of loan	<u>356,786</u>	<u>-</u>

32. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

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

- Credit risk
- Liquidity risk
- Market risk

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

32.1 Credit risk

Credit risk is the risk of financial loss to the Company if a customer or a counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and related parties.

To manage the exposure to credit risk in respect of trade debts, management uses aging of debtors to follow up overdue balances. The Company believes that it is not exposed to any major concentration of credit risk, as its customers represent various sectors of the economy.

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

	September 30, 2021	June 30, 2021
	(Rupees)	
Long term deposits	1,294,000	1,858,900
Trade debts	144,332,578	155,112,561
Advances to staff	200,000	266,200
Interest accrued on short term investments	307,440	181,312
Short term investments	10,950,000	14,275,000
Due from related parties	81,348,796	85,856,850
Bank balances	12,484	12,484
	<u>238,445,298</u>	<u>257,563,307</u>

Long term deposits

The Company has provided security deposits as per the contractual terms with counter parties as security and does not expect material loss against those deposits and consider such amounts as receivable upon termination of services.

Trade debts

The Company monitors the credit quality of its financial assets with reference to historical performance of such assets and where available, external credit ratings.

The aging of trade debts at the reporting date is as follows:

	September 30, 2021		June 30, 2021	
	Gross	Impairment	Gross	Impairment
	(Rupees)			
Not past due	28,420,671	-	93,519,857	-
Past due 30 - 60 days	1,288,075	-	14,063,520	-
Past due 60 - 90 days	139,592	-	45,767,570	-
Past due 90 days and over	114,484,240	-	1,761,614	-
	<u>144,332,578</u>	<u>-</u>	<u>155,112,561</u>	<u>-</u>

The Company applies IFRS 9 simplified approach to measure expected credit losses (ECLs) which uses a life time expected loss allowance for all trade debts. The company uses an allowance matrix to measure the ECLs of trade receivables. These historical loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off. Thus, expected credit loss rates are based on the payment profile of revenue over a period of 24 months before 30 September 2021 and the corresponding historical credit loss experienced within this period. These historical rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of customers to settle the receivables. The Company identified gross domestic product (GDP), and inflation to be the most relevant factors for performing macro level adjustments in expected credit loss financial model.

Based on the past experience, consideration of financial position, past track records and recoveries, the Company believes that trade debts past due do not require any impairment.

Due from related parties

This represents due from associated companies in respect of certain reimbursable expenses and accrued markup on outstanding balance from an associated company. Management does not expect to incur material losses against those balances.

	September 30, 2021		June 30, 2021	
	Gross	Impairment	Gross	Impairment
	(Rupees)			
Not past due	1,605,133	-	1,543,825	-
Past due 30 - 60 days	3,087,128	-	2,386,297	-
Past due 60 - 90 days	11,600,997	-	12,380,500	-
Past due 90 - 120 days	65,055,538	-	69,546,228	-
	<u>81,348,796</u>	<u>-</u>	<u>85,856,850</u>	<u>-</u>

Bank balances

Credit risk from bank deposits are managed by placing deposits with banks having sound credit ratings. The credit quality of the Company's major bank accounts is assessed with reference to external credit ratings which at the reporting date are as follows:

	Rating Agency	Rating	
		Short term	Long Term
Bank AL Habib Limited	PACRA	A1+	AAA
Askari Bank Limited	PACRA	A1+	AA+

32.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure as far as possible to always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company is not materially exposed to liquidity risk as a substantial portion of its obligations / commitments of the Company are short term in nature and are restricted to the extent of available liquidity.

The following are the contractual maturities of the financial liabilities, including estimated interest payments:

	September 30, 2021			
	Carrying amount	Contractual cash flows	Upto one year	More than one year
	(Rupees)			
Financial liabilities				
Lease liabilities	5,216,355	(5,780,605)	(2,878,836)	(2,901,769)
Long term borrowings	9,655,705	(10,474,100)	(8,379,280)	(2,094,820)
Trade and other payables	14,221,136	(14,221,136)	(14,221,136)	-
Short term finance	22,798,284	(22,798,284)	(22,798,284)	-
Loan payable to a related party	16,946,984	(16,946,984)	(16,946,984)	-
	<u>68,838,464</u>	<u>(70,221,109)</u>	<u>(65,224,520)</u>	<u>(4,996,589)</u>

	June 30, 2021			
	Carrying amount	Contractual cash flows	Upto one year	More than one year
	(Rupees)			
Financial liabilities				
Lease liabilities	6,618,789	(7,326,991)	(3,687,513)	(3,639,478)
Long term borrowings	12,021,128	(5,787,689)	(1,609,640)	(4,178,049)
Trade and other payables	13,545,656	(13,545,656)	(13,545,656)	-
Short term finance	21,243,329	(21,243,329)	(21,243,329)	-
Loan payable to a related party	17,303,770	(17,303,770)	(17,303,770)	-
	<u>70,732,672</u>	<u>(65,207,435)</u>	<u>(57,389,908)</u>	<u>(7,817,527)</u>

32.3 Market risk

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

32.3.1 Currency risk

The Company is exposed to foreign currency risk on its receivables and payables in the following currencies:

	September 30, 2021	June 30, 2021
	USD (Equivalent Rupees)	
<i>Financial assets</i>		
Trade debts	<u>755,902</u>	122,000
	<u>755,902</u>	122,000
<i>Financial liabilities</i>		
Trade payables	-	(347,046)
Net exposure	<u><u>755,902</u></u>	<u><u>(225,046)</u></u>

The following significant exchange rates have been applied:

	Average rate		Reporting date rate	
	For the three months ended September 30, 2021	For the year ended June 30, 2021	September 30, 2021	June 30, 2021
PKR to USD	163.29	160.33	169.03	157.54

Sensitivity analysis

At the reporting date, if the PKR had strengthened by 10% against the above foreign currencies with all based on past experience, consideration of financial position, past track records and recoveries, the shown below, mainly as a result of foreign exchange gains / (losses).

	September 30, 2021	June 30, 2021
	----- (Rupees) -----	
USD	<u><u>53,669</u></u>	<u><u>(15,978)</u></u>

The weakening of the PKR against above currencies would have had an equal but opposite impact on the post tax profits.

The sensitivity analysis prepared is not necessarily indicative of the effects on profit for the year and assets of the Company.

32.3.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

At the reporting date, the interest rate profile of the Company's interest-bearing financial assets and liabilities is as follows:

Variable rate instruments		'September 30, 2021	June 30, 2021
		----- (Rupees) -----	
<i>Financial liabilities</i>			
Short term finance	3-month KIBOR + 2%	<u>(22,798,284)</u>	<u>(21,243,329)</u>

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the year end would have increased or decreased the profit for the period and equity by Rs. 161,867 (year ended 30 June 2021: Rs. 150,827). This analysis assumes that all other all other variables, in particular foreign currency rates, remain constant.

The sensitivity analysis prepared is not necessarily indicative of the effects on profit for the year and assets / liabilities of the Company.

32.3.3 Other price risk

Other price risk is the risk that the fair value of future cash flows of financial instruments 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 instrument traded in the market. As at 30 September 2021, the Company is not exposed to other price risk.

32.4 Reconciliation of movements of equity and liabilities to cash flows arising from financing activities

	Long term borrowings	Finance lease liabilities	Unappropri- ated profit	Loan payable to a related party	Total
	----- (Rupees) -----				
Balance as at 1 July 2021	13,043,491	6,618,789	102,866,639	17,303,770	139,832,689
<i>Changes from financing cash flows</i>					
Repayment of long term borrowings	(2,365,423)	-	-	-	(2,365,423)
Payment of finance lease liabilities	-	(1,554,844)	-	-	(1,554,844)
Loan obtained from a related party	-	-	-	997,495	997,495
Repayment of loan to related and other parties	-	-	-	(1,354,281)	(1,354,281)
Total changes from financing activities	10,678,068	5,063,945	102,866,639	16,946,984	135,555,636
<i>Other changes - interest cost</i>					
Interest expense	272,568	152,410	-	-	424,978
Amortization of government grant	(613,731)	-	-	-	(613,731)
Interest paid	(272,568)	-	-	-	(272,568)
	(613,731)	152,410	-	-	(461,321)
Total equity related other changes	-	-	2,788,809	-	2,788,809
Balance as at 30 September 2021	<u>10,064,337</u>	<u>5,216,355</u>	<u>105,655,448</u>	<u>16,946,984</u>	<u>137,883,124</u>

32.5 Fair value of financial instruments

The estimated fair value of all financial assets and liabilities is considered not significantly different from carrying values as the items are either short-term in nature or periodically repriced.

33. CAPITAL RISK MANAGEMENT

The Company's objective when managing capital is to safe guard the Company's ability to continue as a going concern so that it can provide returns for shareholders and benefits for other stakeholders and to maintain a strong capital base to support the sustained development of its business.

The Company manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to the shareholders or issue new shares. There are no externally imposed capital requirements on the Company.

34. SUBSEQUENT EVENTS

There were no significant events after the reporting date, except as disclosed in note 16, which have a bearing on the understanding of these special purpose financial statements.

35. GENERAL

These financial statements were authorized for issue on 14 MAR 2022 by the Board of Directors of the Company.


Chief Executive


Director



KPMG Taseer Hadi & Co.
Chartered Accountants

Symmetry Group Limited
Consolidated Financial
Statements
for the three months ended 30
September 2021



KPMG Taseer Hadi & Co.
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INDEPENDENT AUDITOR'S REPORT

To the members of Symmetry Group Limited

Report on the Audit of Special Purpose Consolidated Financial Statements

Opinion

We have audited the annexed special purpose consolidated financial statements of **Symmetry Group Limited** ("the Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at **30 September 2021**, and the consolidated statement of profit and loss and other comprehensive income, the consolidated statement of changes in equity, and the consolidated statement of cash flows for the period then ended, and notes to the special purpose consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 30 September 2021, and of its consolidated financial performance and its consolidated cash flows for the period then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

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 Special Purpose Financial Statements* section of our report. We are independent of the Group 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.

Emphasis of Matters – Basis of Accounting and Restriction on Distribution

We draw attention to note 1 to the special purpose consolidated financial statements which states that these special purpose consolidated financial statements have been prepared for onward submission to Pakistan Stock Exchange together with the application for listing of the Company. Accordingly, these special purpose consolidated financial statements would not be used for any other purpose. Our opinion is not modified in respect of this matter.



KPMG Taseer Hadi & Co.

Other Matter

We draw attention to the fact that we have not audited the accompanying consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the three months ended 30 September 2020, or any of the related notes and accordingly, we do not express an opinion on them.

Responsibilities of Management and Board of Directors for the Special Purpose Financial Statements

Management is responsible for the preparation and fair presentation of the special purpose 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 special purpose financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the special purpose consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements

Our objectives are to obtain reasonable assurance about whether the special purpose consolidated 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 special purpose 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 special purpose consolidated 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



KPMG Taseer Hadi & Co.

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 Group'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 Group'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 special purpose consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the special purpose consolidated financial statements, including the disclosures, and whether the special purpose consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the special purpose consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

The engagement partner on the audit resulting in this independent auditor's report is **Moneeza Usman Butt**.

Date: 15 March 2022

Karachi


KPMG Taseer Hadi & Co.
Chartered Accountants

Symmetry Group Limited
 Consolidated Statement of Financial Position
 As at September 30, 2021

	Notes	September 30, 2021	June 30, 2021
		(Rupees)	
ASSETS			
Non current assets			
Property and equipment	4	15,080,650	15,605,279
Right-of-use assets	5	7,369,727	9,233,246
Intangible assets	6	4,766,219	5,595,375
Goodwill	7	42,777,721	42,777,721
Deferred taxation	8	-	1,202,502
Long term deposits	9	1,294,000	1,858,900
		<u>71,288,317</u>	<u>76,273,023</u>
Current assets			
Trade debts	10	173,980,369	175,577,702
Advances and prepayments	11	819,050	721,940
Interest accrued on short term investments		801,590	486,780
Short term investments	12	28,550,000	38,325,000
Taxation - net		43,802,503	27,828,945
Cash and bank balances	13	3,857,502	268,202
		<u>251,811,014</u>	<u>243,208,569</u>
Total assets		<u>323,099,331</u>	<u>319,481,592</u>
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised share capital 100,000,000 (June 30, 2021: 100,000,000) ordinary shares of Re. 1/- each		<u>100,000,000</u>	<u>100,000,000</u>
Issued, subscribed and paid-up share capital	14	85,000,000	85,000,000
Unappropriated profit		124,519,460	112,010,230
Equity attributable to owners		209,519,460	197,010,230
Non-controlling interest	15	15,081	799
		<u>209,534,541</u>	<u>197,011,029</u>
Non - current liabilities			
Lease liabilities	5	2,724,592	3,381,104
Long term borrowings	16	6,158,933	13,122,318
Deferred income - government grant	17	48,744	660,061
Deferred taxation	8	1,475,216	-
		<u>10,407,485</u>	<u>17,163,483</u>
Current liabilities			
Current portion of lease liabilities	5	2,491,763	3,237,685
Current portion of long term borrowings	16	19,792,135	19,723,101
Current portion of deferred income - government grant	17	1,106,367	1,371,251
Trade and other payables	18	38,438,460	40,945,634
Short term finance	19	22,798,284	21,243,329
Loan from a related party	20	18,530,296	18,786,080
		<u>103,157,305</u>	<u>105,307,080</u>
		<u>323,099,331</u>	<u>319,481,592</u>
Contingencies and commitments	21		

The annexed notes 1 to 33 form an integral part of these special purpose consolidated financial statements.


 Chief Executive


 Director

Symmetry Group Limited

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the three months ended September 30, 2021

	Note	For the three months ended September 30, 2021 (Audited) (Rupees)	For the three months ended September 30, 2020 (Unaudited)
Revenue - net	22	76,500,316	71,662,711
Administrative and operating expenses	23	(54,875,935)	(48,302,375)
		21,624,381	23,360,336
Impairment of trade debts		-	(18,807)
Other income	24	2,229,821	1,339,574
Finance cost	25	(2,365,321)	(2,344,321)
Profit before taxation		21,488,881	22,336,782
Taxation	26	(8,965,369)	(7,589,534)
Profit after taxation		12,523,512	14,747,248
Other comprehensive income		-	-
Total comprehensive income for the period		12,523,512	14,747,248
Profit attributable to:			
- Parent entity		12,509,230	14,723,609
- Non-controlling interest		14,282	23,639
		12,523,512	14,747,248

The annexed notes 1 to 33 form an integral part of these special purpose consolidated financial statements.



Chief Executive




Director

Symmetry Group Limited
 Consolidated Statement of Cash Flows
 For the three months ended September 30, 2021

	For the three months ended September 30, 2021 (Audited)	For the three months ended September 30, 2020 (Unaudited)
Note	(Rupees)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	21,488,881	21,104,541
Adjustment for non-cash and other items:		
- Depreciation	3,884,418	3,007,711
- Amortization	829,156	993,740
- Finance costs	2,365,321	2,344,321
- Impairment of trade debts	-	18,807
- Amortization of grant income	(876,201)	(1,137,697)
- Interest income on Term Deposit Receipts	(457,754)	(529,507)
- Exchange Gain	(895,866)	-
Operating profit before working capital changes	26,337,955	25,801,916
Changes in :		
Trade debts	2,493,199	(5,320,616)
Advances and prepayments	(97,110)	537,800
Trade and other payables	(2,507,174)	(15,675,660)
Loan from Director	-	(182,600)
Cash used in operations	(111,085)	(20,641,076)
Finance cost paid	(2,365,321)	(2,059,043)
Income tax paid	(22,261,209)	(8,644,695)
Long term deposits - net	564,900	(100,000)
Net cash generated from / (used in) operating activities	2,165,240	(5,642,898)
CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of property and equipment	(1,496,270)	(1,143,000)
Interest received on Term Deposits Receipts	142,944	362,243
Investment in Term Deposits Receipts redeemed / (made)	9,775,000	(22,500,000)
Net cash generated / (used in) in investing activities	8,421,674	(23,280,757)
CASH FLOW FROM FINANCING ACTIVITIES		
Loan repaid to related parties - net	(255,784)	-
Long term borrowings - net	(6,894,351)	29,470,290
Payment of lease liabilities	(1,402,434)	(357,022)
Net cash (used in) / generated from financing activities	(8,552,569)	29,113,268
Net increase in cash and cash equivalents	2,034,345	189,613
Cash and cash equivalents at the beginning of the period	(20,975,127)	(15,195,389)
Cash and cash equivalents at the end of the period	(18,940,782)	(15,005,776)
Cash and cash equivalents comprise of the following:		
Cash and bank balances	13 3,857,502	4,620,263
Short term running finance	19 (22,798,284)	(19,626,039)
	(18,940,782)	(15,005,776)

The annexed notes 1 to 33 form an integral part of these special purpose consolidated financial statements.



 Chief Executive


 Director

Symmetry Group Limited
 Consolidated Statement of Changes in Equity
 For the three months ended September 30, 2021

	Attributable to equity holders of parent			Non-controlling interest	Total Equity
	Issued, subscribed and paid-up share capital	Unappropriated profit	Total		
	(Rupees)				
Balances as at 1 July 2020 (audited)	85,000,000	70,036,763	155,036,763	55,557	155,092,320
<i>Total comprehensive income for the period (unaudited)</i>					
Profit for the period	-	14,723,609	14,723,609	23,639	14,747,248
Other comprehensive income	-	-	-	-	-
		14,723,609	14,723,609	23,639	14,747,248
Balances as at 30 September 2020 (unaudited)	85,000,000	84,760,372	169,760,372	79,196	169,839,568
Balances as at 1 July 2021 (audited)	85,000,000	112,010,230	197,010,230	799	197,011,029
<i>Total comprehensive income for the period (audited)</i>					
Profit for the period	-	12,509,230	12,509,230	14,282	12,523,512
Other comprehensive income	-	-	-	-	-
		12,509,230	12,509,230	14,282	12,523,512
Balances as at 30 September 2021 (audited)	85,000,000	124,519,460	209,519,460	15,081	209,534,541

The annexed notes 1 to 33 form an integral part of these special purpose consolidated financial statements.


 Chief Executive


 Director

Symmetry Group Limited

Notes to the Special Purpose Consolidated Financial Statements

For the three months ended September 30, 2021

1. THE GROUP AND ITS OPERATIONS

- 1.1 Symmetry Group Limited ('the Company') was incorporated in Pakistan as a private limited company on 3 February 2012 under the repealed Companies Ordinance, 1984. In 2018 the Company was converted to a public company with effect from 31 May 2018. The principal activities of the Company is digital media, internet marketing and display advertising etc.

M/s Bulls Eye Communications (Private) Limited, Mr. Adil Ahmed and Mr. Sarosch Ahmed each hold 51.00%, 24.50% and 24.50% shareholding respectively in the Company. Bulls Eye Communications (Private) Limited in the ultimate parent of the Group. Subsequent to the period end, M/s Bulls Eye Communications (Private) Limited sold its entire shareholding in the Company to the other shareholders, Mr. Adil Ahmed and Mr. Sarosch Ahmed in equal proportion for a total consideration of Rs. 145,550,000.

The registered office of the Company is situated at 3rd and 4th Floor, Plot 45-C, Shahbaz Lane 4, Phase VI, D.H.A. Karachi.

These special purpose consolidated financial statements are prepared for onward submission to Pakistan Stock Exchange together with the application for listing of the Company.

- 1.2 Symmetry Group Limited and its subsidiaries ("the Group") comprises of the following:

Symmetry Group Limited

Parent Company

Subsidiary companies

Percentage of Direct Holding
September 30, 2021 June 30, 2021

Symmetry Digital (Private) Limited

99.98%

99.98%

Iris Digital (Private) Limited

99.80%

99.80%

- 1.3 **Nature of operations of subsidiaries**

Symmetry Digital (Private) Limited

Symmetry Digital (Private) Limited was incorporated in Pakistan as a private limited company on 31 August 2009 under the repealed Companies Ordinance, 1984. Its principal activities are digital media, internet marketing and display advertising etc. and creative services including digital design, web development and other related activities.

The registered office is situated at 3rd and 4th Floor, Plot 45-C, Shahbaz Lane 4, Phase VI, D.H.A, Karachi.

Iris Digital (Private) Limited

Iris Digital (Private) Limited was incorporated in Pakistan as a private limited company on 3 February 2012 under the repealed Companies Ordinance, 1984. Its principal activities are digital media, internet marketing and display advertising etc. and creative services including digital design, web development and other related activities.

The registered office is situated at 3rd and 4th Floor, Plot 45-C, Shahbaz Lane 4, Phase VI, D.H.A. Karachi.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act 2017.

Where the provisions of and directives issued under the Companies Act 2017 differ from IFRS Standards, the provisions of and directives issued under the Companies Act 2017 have been followed.

2.2 Basis of measurement

These special purpose consolidated financial statements have been prepared under the historical cost convention, unless otherwise stated.

2.3 Functional and presentation currency

These special purpose consolidated financial statements are presented in Pakistan Rupees which is Group's functional currency. All financial information presented in Pakistan Rupees has been rounded to the nearest rupee, unless otherwise stated.

2.4 Use of estimates and judgments

The preparation of financial statements in conformity with accounting and reporting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates underlying the 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. Information about the judgments made by the management in the application of the accounting policies, that may have the most significant effect on the amount recognized in these financial

statements, assumptions and estimation uncertainties with significant risk of material adjustment to the carrying amount of asset and liabilities in the next year are described in the following notes:

- Property and equipment (note 3.2)
- Leases (note 3.3)
- Intangible assets (note 3.4)
- Goodwill (note 3.5)
- Impairment (note 3.8)
- Taxation (note 3.9)

2.5 New or amendments / interpretations to existing standards, interpretation and forthcoming requirements

The following new or amended standards and interpretations became effective during the year which are not considered to be relevant to the Company's financial statements:

- Interest Rate Benchmark Reform – Phase 2
- COVID-19-Related Rent Concessions (Amendment to IFRS 16)

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 October 2021:

- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37) effective for the annual periods beginning on or after 1 January 2022 amends IAS 1 by mainly adding paragraphs which clarifies what comprises the cost of fulfilling a contract, Cost of fulfilling a contract is relevant when determining whether a contract is onerous. An entity is required to apply the amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application). Restatement of comparative information is not required, instead the amendments require an entity to recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.
- The following annual improvements to IFRS Standards 2018-2020 are effective for annual reporting periods beginning on or after 1 January 2022.
 - IFRS 9 – The amendment clarifies that an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf, when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognize a financial liability.
 - IFRS 16 – The amendment partially amends Illustrative Example 13 accompanying IFRS 16 by excluding the illustration of reimbursement of leasehold improvements by the lessor. The objective of the amendment is to resolve any potential confusion that might arise in lease incentives.
 - IAS 41 – The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique.

- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16) effective for annual periods beginning on or after 1 January 2022 clarifies that sales proceeds and costs of items produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management e.g. when testing etc., are recognized in profit or loss in accordance with applicable Standards. The entity measures the cost of those items applying the measurement requirements of IAS 2. The standard also removes the requirement of deducting the net sales proceeds from cost of testing. An entity shall apply those amendments retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. The entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.

- Reference to the Conceptual Framework (Amendments to IFRS 3) - Reference to the Conceptual Framework, issued in May 2020, amended paragraphs 11, 14, 21, 22 and 23 of and added paragraphs 21A, 21B, 21C and 23A to IFRS 3 . An entity shall apply those amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2022. Earlier application is permitted if at the same time or earlier an entity also applies all the amendments made by Amendments to References to the Conceptual Framework in IFRS Standards, issued in March 2018.

- Classification of liabilities as current or non-current (Amendments to IAS 1) amendments apply retrospectively for the annual periods beginning on or after 1 January 2023. These amendments in the standards have been added to further clarify when a liability is classified as current. The standard also amends the aspect of classification of liability as non-current by requiring the assessment of the entity's right at the end of the reporting period to defer the settlement of liability for at least twelve months after the reporting period. An entity shall apply those amendments retrospectively in accordance with IAS 8.

- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) – the Board has issued amendments on the application of materiality to disclosure of accounting policies and to help companies provide useful accounting policy disclosures. The key amendments to IAS 1 include:
 - requiring companies to disclose their material accounting policies rather than their significant accounting policies;
 - clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and
 - clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.

The Board also amended IFRS Practice Statement 2 to include guidance and two additional examples on the application of materiality to accounting policy disclosures. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 with earlier application permitted.

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- Definition of Accounting Estimates (Amendments to IAS 8) – The amendments introduce a new definition for accounting estimates clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty. The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy. The amendments are effective for periods beginning on or after 1 January 2023, and will apply prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the company applies the amendments.
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) – The amendments narrow the scope of the initial recognition exemption (IRE) so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, companies will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision. For leases and decommissioning liabilities, the associated deferred tax asset and liabilities will need to be recognised from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 with earlier application permitted.
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) – The amendment amends accounting treatment on loss of control of business or assets. The amendments also introduce new accounting for less frequent transaction that involves neither cost nor full step-up of certain retained interests in assets that are not businesses. The effective date for these changes has been deferred indefinitely until the completion of a broader review.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies set out below are consistently applied for all periods presented in these special purpose consolidated financial statements.

3.1 Basis of consolidation and equity accounting

3.1.1 Business Combination

Business combinations are accounted for using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Goodwill arising on acquisition date is measured as the excess of the purchase consideration, including the acquisition date fair value of the acquirer's previously held equity interest in the acquiree in case of step acquisition, over the fair value of the identifiable assets acquired and liabilities assumed including contingent liabilities less impairment losses, if any. Any goodwill that arises is not amortised and tested annually for impairment. Any gain on bargain purchase is recognised immediately in special purpose consolidated statement of profit or loss. Transaction cost are expensed as incurred, except if related to the issue of debt or equity securities. Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognised in special purpose consolidated statement of profit and loss.

3.1.2 Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Parent Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the special purpose consolidated financial statements from the date that control commences until the date on which control ceases.

These special purpose consolidated financial statements have been prepared using uniform accounting policies for the like transactions and other events in similar circumstances and the accounting policies of subsidiaries have been changed when necessary to align them with the accounting policies adopted by the Parent Company. The assets and liabilities of subsidiary companies have been consolidated on a line-by-line basis. The carrying value of investments held by the Parent Company is eliminated against the subsidiary's shareholders' equity in these special purpose consolidated financial statements.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners.

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in special purpose consolidated statement of profit or loss. Any retained interest in the former subsidiary is measured at fair value where control is lost.

The financial year of the Parent Company and its subsidiaries are the same and also audited.

3.1.3 Non-controlling interests

Non-controlling interest is that portion of equity in a subsidiary that is not attributable, directly or indirectly, to the Parent Company. Non-controlling interests are measured at their proportionate share of the subsidiaries' identifiable net assets. They are presented as a separate item in the special purpose consolidated financial statements.

3.1.4 Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions are eliminated on consolidation.

3.2 Property and equipment

An item of property and equipment is initially recognised at cost which is equal to the fair value of consideration paid at the time of acquisition or construction of the asset. These are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciation is charged to income at rates using straight line method. Depreciation on additions is charged from the month during which the asset is available for use. For disposals during the year, depreciation is charged up to the month preceding the month of disposal. The useful life and depreciation method are reviewed and adjusted, if appropriate, at the reporting date.

Maintenance and repairs are charged to income as and when incurred. Major renewals and improvements are capitalized and the assets so replaced, if any, are retired. Gains and losses on disposal of assets, if any, are included in current income.

3.3 Leases

Right-of-use assets

The Group recognizes right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

Lease liabilities

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases

The Group applies the short-term lease recognition exemption to its short-term leases where the lease term is of 12 months or less from the commencement date and do not contain a purchase option and leases for which the underlying asset is of low value. Lease payments on short-term leases are recognized as expense on a straight-line basis over the lease term.

3.4 Intangible assets

Intangible assets acquired by the Group are stated at cost less accumulated amortisation and impairment losses, if any. Subsequent expenditure on intangible assets is capitalized only when it increases the future economic benefits embodied in the specific assets to which it relates. All other expenditure is expensed out as incurred.

Amortisation is charged to profit and loss account on reducing balance method at the rates specified in respective notes in these special purpose consolidated financial statements unless lives of assets are indefinite. All intangible assets with an indefinite useful life are systematically tested for impairment at each reporting date. Amortisation on additions to intangible assets is charged from the date on which an item is acquired or capitalized and upto the date preceding the disposal. Where the carrying amount of an asset exceeds its estimated recoverable amount it is written down immediately to its recoverable amount.

3.5 Goodwill

Goodwill that arises upon the acquisition of assets and assuming liabilities is included in intangible assets. The acquisition method of accounting is used to account for the acquisition of the assets and assuming liabilities. The cost of acquisition is measured at the fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed at the acquisition date. The cost of acquisition includes fair value of assets and liabilities resulting from consideration agreement. Identifiable assets acquired and the liabilities assumed are measured initially at their fair values at the acquisition date. Transaction costs are expensed out as incurred except if they relate to the issue of debt or equity securities.

The excess of the consideration transferred over the fair value of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the Acquiree in the case of a bargain purchase, the difference is recognised directly in the profit and loss account.

Goodwill has indefinite useful life and is subsequently measured at cost less impairment in value, if any. Goodwill is tested for impairment on an annual basis and also when there is an indication of impairment. Impairment loss on goodwill is not reversed. On disposal of an entity, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

3.6 Share capital - ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

3.7 Financial instruments

3.7.1 Initial measurement of financial asset

The Group 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 amortised cost.

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

Subsequent measurement

Debt Investments at FVOCI

These assets are subsequently measured at fair value. Interest / markup income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in the statement of profit or loss account and other comprehensive income. 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 consolidated statement of profit or loss account and other comprehensive income.

Equity Investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in the consolidated statement of profit or loss account and other comprehensive income 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 consolidated statement of profit or loss account and other comprehensive income.

Financial assets at FVTPL

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

Financial assets measured at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest / markup income, foreign exchange gains and losses and impairment are recognised in the consolidated statement of profit or loss account and other comprehensive income.

3.7.2 Non-derivative financial assets

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

The Group derecognises 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.

3.7.3 Cash and cash equivalents

For the purpose of presentation in consolidated statement of cash flows, cash and cash equivalents include cash in hand, balances with banks and short term borrowings availed by the Group, which are repayable on demand and form an integral part of the Group's cash management.

3.7.4 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 Group has currently legally enforceable right to set-off the recognised amounts and the Group intends either to settle on a net basis or to realise the assets and to settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in normal course of business and in the event of default, insolvency or winding up of the Group or the counter parties.

3.8 Impairment

3.8.1 Financial assets

The Group recognises loss allowances for Expected Credit Losses (ECLs) in respect of financial assets measured at amortised cost.

The Group 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 Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

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

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 Group has no reasonable expectations of recovering of a financial asset in its entirety or a portion thereof. The Group 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 Group 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 Group's procedures for recovery of amounts due.

The adoption of the expected loss approach has not resulted in any material change in impairment provision for any financial asset.

3.8.2 Non-financial assets

The carrying amounts of the Group's non-financial assets, other than deferred tax assets and inventories are reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the asset's recoverable amount, being higher of value in use and fair value less costs to sell, is estimated. In assessing value in use, the estimated future cash flows are 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. For the purpose of impairment testing, assets that cannot be tested individually 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 groups of assets. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the consolidated statement of profit or loss account and other comprehensive income.

3.9 Taxation

Current

Provision for current taxation is based on taxable income at current rates of taxation after taking into account tax rebates and credits, if any.

Deferred

Deferred tax is provided using balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

3.10 Provisions

A provision is recognised in the balance sheet when the Group has a legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. However, provisions are reviewed at each reporting date and adjusted to reflect current best estimate.

3.11 Foreign currency transactions

Transactions in foreign currencies are accounted for in rupees at the rate of exchange prevailing on the date of transaction. Monetary assets and liabilities in foreign currencies as at the reporting date are expressed in rupees at rates of exchange prevailing on that date except where forward exchange cover has been obtained for payment of liabilities, in which case the contracted rates are applied. Exchange gains and losses are included in income currently.

3.12 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Group operates. The financial statements are presented in Pak Rupees, which is the Group's functional and presentation currency and have been rounded off to the nearest rupee.

3.13 Revenue recognition

Revenue from contracts with customers is recognised when control of the services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods and services.

- Revenue from media buying services is recognised at a point in time when the performance criteria have been met in accordance with the contract and acknowledged by the customer.
- Revenue from providing Social media management services is recognised on a straight line basis over the line of the respective contracts.
- Revenue from content creation services is recognised at a point in time when the performance criteria have been met in accordance with the contract and acknowledged by the customer.
- Revenue from agency commissions and discounts is recognised at a point in time when the performance criteria have been met in accordance with the contract and acknowledged by the customer.

3.14 Expenses

All expenses are recognised in the consolidated statement of profit and loss on an accrual basis.

3.15 Dividends and appropriations

Dividend distributions and appropriations are recorded in the period in which the distributions and appropriations are approved.

4. PROPERTY AND EQUIPMENT

	Furniture and fixtures	Office equipment	Computer and ancillary equipment (Rupees)	Vehicles	Total
As at 1 July 2020					
Cost	5,768,758	8,635,997	41,930,451	4,992,865	61,328,071
Accumulated depreciation	(3,998,757)	(7,730,357)	(19,380,443)	(4,765,786)	(35,875,343)
Net book value	1,770,001	905,640	22,550,008	227,079	25,452,728
Additions	-	491,500	2,255,548	-	2,747,048
Depreciation charge for the year	(421,029)	(804,949)	(11,173,880)	(194,639)	(12,594,497)
Closing net book value	1,348,972	592,191	13,631,676	32,440	15,605,279
As at 30 June 2021					
Cost	5,768,758	9,127,497	44,185,999	4,992,865	64,075,119
Accumulated depreciation	(4,419,786)	(8,535,306)	(30,554,323)	(4,960,425)	(48,469,840)
Net book value	1,348,972	592,191	13,631,676	32,440	15,605,279
As at 1 July 2021					
Cost	5,768,758	9,127,497	44,185,999	4,992,865	64,075,119
Accumulated depreciation	(4,419,786)	(8,535,306)	(30,554,323)	(4,960,425)	(48,469,840)
Net book value	1,348,972	592,191	13,631,676	32,440	15,605,279
Additions	-	206,910	1,289,360	-	1,496,270
Transfer from Right of use assets					
Cost	-	-	-	2,058,390	2,058,390
Accumulated depreciation	-	-	-	(939,140)	(939,140)
Net book value	-	-	-	1,119,250	1,119,250
Depreciation charge for the period	(88,084)	(129,925)	(2,876,836)	(45,304)	(3,140,149)
Closing net book value	1,260,888	669,176	12,044,200	1,106,386	15,080,650
As at 30 Sept 2021					
Cost	5,768,758	9,334,407	45,475,359	7,051,255	67,629,779
Accumulated depreciation	(4,507,870)	(8,665,231)	(33,431,159)	(5,944,869)	(52,549,129)
Net book value	1,260,888	669,176	12,044,200	1,106,386	15,080,650
Depreciation rates (% per annum)	15	30	30	15	

5. LEASES

September 30, 2021
June 30, 2021
(Rupees)

5.1 Right-of-use assets

Opening balance	9,233,246	6,605,572
Additions	-	3,397,285
Transfer to Property and equipment	(1,119,250)	-
Depreciation for the period / year	(744,269)	(769,611)
Closing balance	7,369,727	9,233,246

5.2 Lease liabilities

Rental contracts are made for a fixed period subject to renewal upon mutual consent of the Group and lessor. Wherever practicable, the Group seeks to include extension option to provide operational flexibility. Lease term is negotiated on an individual basis and contain a wide range of different terms and conditions. Management exercises significant judgement in determining whether these extensions and termination options are reasonably certain to be exercised. The future lease payments have been discounted using interest rates ranging from 6.32% to 11.05% (June 30, 2021: 6.32% to 9.37%).

Set out below is the carrying amount of lease liabilities and the movements during the period / year:

	September 30, 2021	June 30, 2021
	(Rupees)	
Opening balance	6,618,789	4,649,591
Additions	-	3,397,285
Interest expense for the period / year	152,410	421,185
Payments during the period / year	<u>(1,554,844)</u>	<u>(1,849,272)</u>
Closing balance	<u>5,216,355</u>	<u>6,618,789</u>

Lease liabilities are classified in the consolidated statement of financial position in the following manner:

Current	2,491,763	3,237,685
Non-current	<u>2,724,592</u>	<u>3,381,104</u>
	<u>5,216,355</u>	<u>6,618,789</u>

6. INTANGIBLE ASSETS

Computer software

Cost

Balance as at 1 July	<u>36,000,000</u>	<u>36,000,000</u>
Balance as at 30 September / 30 June	<u>36,000,000</u>	<u>36,000,000</u>

Amortisation

Balance as at 1 July	30,404,625	26,429,664
Amortisation for the period / year	<u>829,156</u>	<u>3,974,961</u>
Balance as at 30 September / 30 June	<u>31,233,781</u>	<u>30,404,625</u>

Net book value

	<u>4,766,219</u>	<u>5,595,375</u>
Amortisation rate (% per annum)	<u>33.33%</u>	<u>33.33%</u>

6.1 The amortisation charge for the period / year has been allocated to administrative and operating expenses.

7. GOODWILL

7.1 On 31 August 2009, the Group acquired assets and assumed liabilities of The Symmetry, a sole proprietary business ("the Acquiree"), engaged in digital media advertising and IT Services business against an aggregate consideration of 116.78 million. Under the terms of the agreement effective from 31 August 2009, the Group has acquired assets and assumed liabilities of the Acquiree.

Goodwill arising from the acquisition has been recognised as follows:

	September 30, 2021	June 30, 2021
	(Rupees)	
Consideration transferred	161,777,721	161,777,721
Fair value of identifiable net assets	(119,000,000)	(119,000,000)
Goodwill	<u>42,777,721</u>	<u>42,777,721</u>

Goodwill is primarily related to growth expectations, expected future profitability, expected cost and other synergies to be derived by the Group from the acquired business.

7.1.1 Fair value of identifiable assets and liabilities

The fair values of identifiable assets and liabilities of the Acquiree as at the date of acquisition were as follows:

	(Rupees)
Property and equipment	6,560,828
Long term deposits	713,476
Trade debts	82,167,117
Prepayments and other receivables	29,558,579
Total identifiable net assets acquired	<u>119,000,000</u>

7.1.2 Impairment testing of goodwill

The recoverable amount of business operations of Symmetry Digital (Private) Limited (acquired entity) have been determined based on 'value in use' calculation, using cash flow projections prepared by management from 2020 through 2025 till terminal period. The following assumptions have been used:

	September 30, 2021	June 30, 2021
	(Percentage)	
Long term growth rate	<u>15.00%</u>	<u>10.00%</u>
Weighted average cost of capital (WACC) (discount rate)	<u>17.00%</u>	<u>17.00%</u>
Terminal Growth rate	<u>3.00%</u>	<u>3.00%</u>

W

The Calculation of 'value in use' for the business operations of Symmetry Digital (Private) Limited is most sensitive to the following assumptions;

Revenue, cost of services and operating expenses

Revenue, cost of services and operating expenses represent management's best estimate of the most likely future operating results of Symmetry Digital (Private) Limited and exclude any synergies expected to arise from the transaction that would not be equally realisable by other market participants.

Capital expenditures

Capital expenditures have been projected taking into account growth in business volume and historical trends.

Discount rate (WACC)

Discount rates reflect management's estimate of the rate of return required for the business and are calculated after taking into account the prevailing risk free rate, industry risk and business risk. Discount rates are calculated by using the weighted average cost of capital.

Sensitivity to changes in assumptions

Management believes that reasonable possible changes in other assumptions used to determine the recoverable amount of the cash generating units will not have significant impact on the cash flows that could result in an impairment of goodwill.

8. DEFERRED TAXATION	<i>Note</i>	September 30, 2021	June 30, 2021
		(Rupees)	
Deferred taxation	8.1	<u>(1,475,216)</u>	<u>1,202,502</u>
8.1 (Taxable) / deductible temporary differences			
Property and equipment		(133,148)	1,100,819
Intangible assets		(978,502)	266,840
Deferred income - government grant		260,912	503,699
Lease Liabilities		(624,478)	(668,856)
		<u>(1,475,216)</u>	<u>1,202,502</u>
9. LONG TERM DEPOSITS			
Deposit for			
- rent		1,294,000	1,294,000
- finance lease		-	564,900
		<u>1,294,000</u>	<u>1,858,900</u>
10. TRADE DEBTS			
Trade debts		174,055,595	175,652,928
less: Allowance for expected credit losses	10.1	(75,226)	(75,226)
		<u>173,980,369</u>	<u>175,577,702</u>
10.1 Allowance for expected credit losses			
Opening balance		75,226	-
Provision for the period / year		-	75,226
Closing balance		<u>75,226</u>	<u>75,226</u>

11. ADVANCES AND PREPAYMENTS

Note **September 30, 2021** June 30, 2021
(Rupees)

Advance to staff - unsecured	330,000	366,200
Prepayments:		
- rent	36,000	355,740
- insurance	453,050	-
	489,050	355,740
	819,050	721,940

12. SHORT TERM INVESTMENTS

Investments in Term Deposit Receipts	28,550,000	38,325,000
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12.1 The Term Deposit Receipts are maintained with Bank Al Habib Limited carrying mark-up rate of 6.10% (June 30, 2021: ranging from 6.60% to 7.10%) per annum and having maturity upto 23 April 2022.

13. CASH AND BANK BALANCES

Cash in hand	272,450	153,920
Cash at bank		
- Current accounts	3,585,044	114,274
- Savings account	8	8
	3,585,052	114,282
	3,857,502	268,202

13.1 The saving accounts carries markup ranging from 6.5% to 7% per annum (June 30, 2021: 6.5% to 7% per annum).

14. ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

September 30, 2021 (Number of shares)	June 30, 2021		September 30, 2021 (Rupees)	June 30, 2021
31,462,472	31,462,472	Ordinary shares of Re. 1 each fully paid in cash	31,462,472	31,462,472
53,537,528	53,537,528	Ordinary shares of Re. 1 each issued as bonus shares	53,537,528	53,537,528
85,000,000	85,000,000		85,000,000	85,000,000

14.1 Share capital was subscribed and paid-up by the following:

September 30, 2021 Percentage holding	June 30, 2021		September 30, 2021 (Number of Shares)	June 30, 2021
51.00%	51.00%	Bull's Eye Communications (Private) Limited	43,350,000	43,350,000
24.50%	24.50%	Mr. Adil Ahmed	20,825,000	20,825,000
24.50%	24.50%	Mr. Sarocsh Ahmed	20,825,000	20,825,000
100%	100%		85,000,000	85,000,000

15. **NON CONTROLLING INTEREST (NCI)**

The following table summarises the information relating to each of the Group's subsidiaries that has NCI, before any intra group eliminations.

	September 30, 2021			June 30, 2021		
	Symmetry Digital (Private) Limited	Iris Digital (Private) Limited	Total	Symmetry Digital (Private) Limited	Iris Digital (Private) Limited	Total
NCI Percentage	0.02%	0.20%		0.02%	0.20%	
----- (Rupees) -----						
Total Assets	109,560,329	53,557,800	163,118,129	107,189,982	46,500,075	153,690,057
Total liabilities	(84,744,059)	(48,498,973)	(133,243,032)	(85,255,268)	(48,294,395)	(133,549,663)
Net assets	24,816,270	5,058,827	29,875,097	21,934,714	(1,794,320)	20,140,394
Net assets attributable to NCI	4,963	10,118	15,081	4,387	(3,588)	799
Revenue	8,977,697	34,277,517	43,255,214	4,834,259	15,501,783	20,336,042
Profit / (loss)	2,881,556	6,853,147	9,734,703	2,249,250	(26,971,843)	(24,722,593)
Total comprehensive income / (loss)	2,881,556	6,853,147	9,734,703	2,249,250	(26,971,843)	(24,722,593)
Profit / (loss) allocated to NCI	576	13,706	14,282	450	(53,944)	(53,494)
Cash flows from operating activities	(808,256)	2,264,446	1,456,190	(348,264)	(6,210,048)	(6,558,312)
Cash flows from investing activities	3,145,100	3,398,408	6,543,508	(6,079,091)	(8,069,574)	(14,148,665)
Cash flows from financing activities	(2,345,836)	(2,183,092)	(4,528,928)	6,360,502	7,664,861	14,025,363
Net increase / (decrease) in cash and cash equivalents	(8,992)	3,479,762	3,470,770	(66,853)	(6,614,761)	(6,681,614)

16. **LONG TERM BORROWINGS - secured**

September 30, 2021 June 30, 2021
(Rupees)

Loan from conventional financial institutions	16.1	25,951,068	32,845,419
Current portion shown under current liabilities		(19,792,135)	(19,723,101)
		6,158,933	13,122,318
		6,158,933	13,122,318

- 16.1 Due to the effects of pandemic, State Bank of Pakistan took various steps to support the economy. SBP introduced a refinance scheme for payment of salaries and wages at subsidized rate of borrowing.

The Group had obtained the said borrowing from Bank Al-Habib Limited ("BAHL") at subsidized rate in fifteen tranches at 3% concessional interest rate which is repayable in October 2022 in 8 quarterly installments to BAHL under the SBP scheme.

17. **DEFERRED INCOME - GOVERNMENT GRANT**

Deferred income - government grant	1,155,111	2,031,312
Current portion of deferred income - government grant	(1,106,367)	(1,371,251)
	48,744	660,061

- 17.1 The value of benefit of below-market interest rate on the borrowings disclosed in note 16 to these special purpose consolidated financial statements has been accounted for as government grant under IAS - 20 Government grants.

18. **TRADE AND OTHER PAYABLES**

September 30, 2021 June 30, 2021
(Rupees)

Trade payables		8,733,787	10,816,095
Accrued expenses		17,574,577	17,393,985
Withholding tax payable		9,464,489	6,244,929
Workers welfare fund	18.1	143,176	143,176
EOBI payable		649,900	601,800
Sales tax payable		1,763,611	5,744,951
Others		108,920	698
		38,438,460	40,945,634

18.1 The Finance Act 2006 and Finance Act 2008 introduced amendments to the Workers' Welfare Fund (WWF) Ordinance, 1971 (the Ordinance) whereby the definition of industrial establishment was extended. The Honourable Supreme Court of Pakistan vide its judgment dated 10 November 2016 has annulled the said amendments which were considered to be ultra vires the Constitution of Pakistan. The Federal Board of Revenue has filed a Civil Review Petitions in respect of said judgment. Management has booked a provision amounting to Rs. 143,176 on account of WWF provision for the year 2015 and earlier. The provision has not been reversed on the basis of prudence. Further provision has not been made on account of WWF.

19. SHORT TERM FINANCE - secured

This represents running finance facility obtained from Askari Bank Limited against available limit of Rs. 19.70 million, which carries mark-up @ 3 months KIBOR plus 2% payable quarterly in arrears. The facility is secured against hypothecation charge over receivables with 25% margin, mortgage over 100 yards commercial plot situated in Phase - VII (Ext.) DHA, owned by family member of director and personal guarantees of all directors and owner of mortgaged property. Amount unutilized for such facility as at 30 September 2021 was Rs. 1,777 thousand (June 30, 2021: Rs. 34,574 thousand).

20. LOAN FROM A RELATED PARTY

Mrs. Dur-e-Shahwar Fareed	20.1	<u>18,530,296</u>	<u>18,786,080</u>
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20.1 This represents loan from Ms. Dur-e-Shahwar Fareed (close family member of the Company's shareholders, Mr. Adil Ahmed and Mr. Sarocsh Ahmed) and bearing interest at the rate of 12% (30 June 2021: 15%) per annum. The loan is payable on demand.

21. CONTINGENCIES AND COMMITMENTS

There were no contingences and commitments as at the reporting date (June 30, 2021 Rs. Nil).

22. REVENUE - net

		For the three months ended September 30, 2021 (Audited) (Rupees)	For the three months ended September 30, 2020 (Unaudited)
Gross sales		182,967,847	178,600,292
Sales tax		(11,807,111)	(10,368,826)
	22.1	<u>171,160,736</u>	168,231,466
Cost of services	22.2	<u>(94,660,420)</u>	(96,568,755)
		<u>76,500,316</u>	<u>71,662,711</u>

22.1 Disaggregation of revenue

Media buying		74,554,336	67,570,199
Social media management and retainership		24,526,800	24,440,538
Content creation		53,766,825	36,583,367
Agency commissions and discounts		3,722,247	2,784,735
Web Hosting & Registration Local		1,245,000	-
Designing and Development		8,545,528	26,486,496
Website maintenance		4,800,000	868,951
Export of IT services	22.1.1	-	9,497,180
		<u>171,160,736</u>	<u>168,231,466</u>

22.1.1 Export of IT services are not taxable as per clause 9815.600, First Schedule to the Sindh Sales Tax Act, 2011.

22.2 Cost of sales

	For the three months ended September 30, 2021 (Audited) (Rupees)	For the three months ended September 30, 2020 (Unaudited)
Media buying	33,079,611	49,451,751
Social media management and retainership	808,461	1,086,960
Content creation	33,316,192	23,983,976
Designing and development	27,456,156	22,046,068
	<u>94,660,420</u>	<u>96,568,755</u>

23. ADMINISTRATIVE AND OPERATING EXPENSES

Salaries and other benefits	38,515,735	32,878,133
Traveling and conveyance	3,399,071	4,087,298
Depreciation	3,884,418	3,239,892
Amortization	829,156	993,740
Utilities	1,744,856	1,474,353
Entertainment	1,241,857	1,327,349
Advertisement / sales promotion	35,098	46,540
Rent, rates and taxes	1,954,608	2,041,062
Legal and professional	106,830	387,579
Fees and subscription	200,808	9,750
Repairs and maintenance	221,015	717,335
Insurance	290,351	204,063
Office supplies	410,023	365,057
Auditors' remuneration	1,782,000	-
Printing and stationery	86,655	118,074
Communication and courier	49,350	47,946
Miscellaneous expenses	124,104	364,204
	<u>54,875,935</u>	<u>48,302,375</u>

23.1 Auditors' remuneration

Audit fee for special purpose financial statement	1,500,000	-
Sindh sales tax	132,000	-
Out of pocket expenses	150,000	-
	<u>1,782,000</u>	<u>-</u>

24. OTHER INCOME	For the three months ended September 30, 2021 (Audited)	For the three months ended September 30, 2020 (Unaudited)
	(Rupees)	
Interest income on Term Deposit Receipts	457,754	529,507
Amortization of government grant	876,201	603,565
Exchange gain	895,866	206,502
	<u>2,229,821</u>	<u>1,339,574</u>
25. FINANCE COST		
Markup charges on:		
- short term finance	427,231	455,153
- lease liabilities	152,410	105,296
- long term borrowings	726,779	864,089
- loan from a related party	512,588	258,000
	<u>1,819,008</u>	<u>1,682,538</u>
Bank charges	546,313	661,783
	<u>2,365,321</u>	<u>2,344,321</u>
26. TAXATION		
Current	6,287,651	8,326,878
Prior	-	35,687
Deferred	2,677,718	(773,031)
	<u>8,965,369</u>	<u>7,589,534</u>

26.1 Income tax assessments of the Group have been deemed to be finalised upto and including tax year 2021 on the basis of tax return filed under section 120 of Income Tax Ordinance 2001. However, the return may be selected for detailed audit within five years from the date of filing of return and the Income Tax Commissioner may amend the assessment if any objection is raised in audit.

26.2 Reconciliation of effective tax rate

Profit before taxation	<u>21,488,881</u>	<u>22,219,455</u>
Tax at applicable rate	5,122,067	6,691,872
Tax effect of:		
- income assessed under minimum tax regime	2,166,655	4,551,020
- previously recognised deductible temporary differences	-	(3,689,045)
- non deductibel expenses	1,676,647	-
Prior year	-	35,687
	<u>8,965,369</u>	<u>7,589,534</u>

27. REMUNERATION OF CHIEF EXECUTIVE, DIRECTOR AND EXECUTIVES

	For the three months ended September 30, 2021			For the three months ended September 30, 2020		
	Chief Executive	Director	Executives	Chief Executive	Director	Executives
	(Rupees)					
Managerial remuneration	2,390,906	2,571,848	13,462,912	1,923,947	2,077,747	10,302,318
Other allowances	954,460	1,043,475	10,359,578	780,344	856,007	6,017,340
	<u>3,345,366</u>	<u>3,615,323</u>	<u>23,822,490</u>	<u>2,704,291</u>	<u>2,933,754</u>	<u>16,319,658</u>
Number of persons	<u>3</u>	<u>3</u>	<u>32</u>	<u>4</u>	<u>4</u>	<u>30</u>

28. NUMBER OF EMPLOYEES

	September 30, 2021	June 30, 2021
	(Numbers)	
Number of employees as at	<u>115</u>	<u>128</u>
Average number of employees during the period / year	<u>121</u>	<u>120</u>

29. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

The Group has exposures to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

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

29.1 Credit risk

Credit risk is the risk of financial loss to the Group if a customer or a counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and related parties.

To manage the exposure to credit risk in respect of trade debts, management uses aging of debtors to follow up overdue balances. The Group believes that it is not exposed to any major concentration of credit risk, as its customers represent various sectors of the economy.

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

	September 30, 2021	June 30, 2021
	(Rupees)	
Interest accrued on short term investments	801,590	486,780
Long term deposits	1,294,000	1,858,900
Trade debts	173,980,369	175,577,702
Short term investments	28,550,000	38,325,000
Bank balances	3,585,052	114,282
	<u>208,211,011</u>	<u>216,362,664</u>

Long term deposits

The Group has provided security deposits as per the contractual terms with counter parties as security and does not expect material loss against those deposits and consider such amounts as receivable upon termination of services.

Trade debts

The Group monitors the credit quality of its financial assets with reference to historical performance of such assets and where available, external credit ratings.

29.3 Market risk

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

29.3.1 Currency risk

The Group is exposed to foreign currency risk on its receivables and payables in the following currencies:

	September 30, 2021	June 30, 2021
	USD (Equivalent Rupees)	
<i>Financial assets</i>		
Trade debts	753,711	122,000
<i>Financial liabilities</i>		
Trade payables	-	(351,722)
Net exposure	753,711	(229,722)

The following significant exchange rates have been applied:

	Average rate		Reporting date rate	
	For the three months ended September 30, 2021	For the year ended June 30, 2021	September 30, 2021	June 30, 2021
PKR to USD	168.54	160.33	169.03	157.54

Sensitivity analysis

At the reporting date, if the PKR had strengthened by 10% against the above foreign currencies with all other variables held constant, post-tax profit for the year would have been higher / (lower) by the amount shown below, mainly as a result of foreign exchange gains / (losses).

	September 30, 2021	June 30, 2021
	(Rupees)	
Effect on profit or loss		
USD	53,669	(16,310)

The weakening of the PKR against above currencies would have had an equal but opposite impact on the post tax profits.

The sensitivity analysis prepared is not necessarily indicative of the effects on profit for the Period and assets of the Group.

29.3.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

At the reporting date, the interest rate profile of the Group's interest-bearing financial assets and liabilities is as follows:

	Effective interest rate		Carrying amount	
	September 30, 2021	June 30, 2021	September 30, 2021	June 30, 2021
	(In percent)		(Rupees)	
Variable rate instruments				
Short term finance	3-month KIBOR + 2%	3-month KIBOR + 2%	(22,798,284)	(21,243,329)

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the end of period would have increased or decreased the profit for the period and equity by Rs. 161,867 (year ended 30 June 2021: Rs. 150,827). This analysis assumes that all other all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for the year ended 30 June 2021.

The sensitivity analysis prepared is not necessarily indicative of the effects on profit for the period / year and assets / liabilities of the Group.

29.3.3 Other price risk

Other price risk is the risk that the fair value of future cash flows of financial instruments 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 instrument traded in the market. As at 30 September 2021, the Group is not exposed to other price risk.

29.4 Reconciliation of movements of liabilities to cash flows arising from financing activities

	Long term borrowings	Lease liabilities	Loan from a related party	Unappropriated profit	Total
	(Rupees)				
Balance as at 1 July 2021	34,876,731	6,618,789	18,786,080	112,010,230	172,291,830
<i>Changes from financing cash flows</i>					
Long term borrowings - net	(6,894,351)	-	-	-	(6,894,351)
Payment of lease liabilities	-	(1,402,434)	-	-	(1,402,434)
Repayment of loan from a related party	-	-	(255,784)	-	(255,784)
Total changes from financing activities	27,982,380	5,216,355	18,530,296	112,010,230	163,739,261
<i>Other changes - interest cost</i>					
Interest expense	726,779	152,410	-	-	879,189
Interest paid	(726,779)	(152,410)	-	-	(879,189)
Amortization of government grant	(876,201)	-	-	-	(876,201)
	(876,201)	-	-	-	(876,201)
Total equity related other changes	-	-	-	-	-
Profit for the period	-	-	-	12,509,230	12,509,230
Balance as at 30 September 2021	27,106,179	5,216,355	18,530,296	124,519,460	175,372,290

30. Fair value of financial instruments

The estimated fair value of all financial assets and liabilities is considered not significantly different from carrying values as the items are either short-term in nature or periodically repriced.

31. CAPITAL RISK MANAGEMENT

The Group's objective when managing capital is to safe guard the Group's ability to continue as a going concern so that it can provide returns for shareholders and benefits for other stakeholders and to maintain a strong capital base to support the sustained development of its business.

The Group manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend paid to the shareholders or issue new shares. There are no externally imposed capital requirements on the Group.

32. SUBSEQUENT EVENTS

There were no significant events after the reporting date, except as disclosed in note 1, which have a bearing on the understanding of these special purpose consolidated financial statements.

33. GENERAL

33.1 Corresponding figures have been rearranged and reclassified for better presentation, wherever considered necessary, the effect of which is not material.

33.2 These special purpose consolidated financial statements were authorised for issue on 14 MAR 2022 by the Board of Directors of the Group.



Chief Executive



Director