Measures taken by management to manage and mitigate credit risk include:
- Development of and compliance with risk management, investment and operational policies / guidelines (including guidelines in respect of entering into financial contracts);
- Assignment of trading limits to clients in accordance with their net worth;
- Collection / maintenance of sufficient and proper margins from clients;
- Initial and ongoing client due diligence procedures, where clients' financial position, past experience and other factors are considered;
- Collection and maintenance of collateral if, as and when deemed necessary and appropriate;
- Diversification of client and investments portfolios; and
- Engagement with creditworthy / high credit rating parties such as banks, clearing houses and stock exchanges.

The Company continually monitors the quality of its debtor portfolio, both on an individual and portfolio basis, and provides against credit losses after considering the age of receivables, nature / quantum of collateral and debtor-specific factors (such as creditworthiness and repayment capacity).

The carrying amount of financial assets, which represents the maximum credit exposure before consideration of collateral and counterparty creditworthiness, is as specified below:

	2021	2020
Long term investments	20,533,912	19,605,539
Long term deposits	4,056,024	4,056,024
Trade debts - net	1,667,181	457,046
Prepayments and advances	1,850,810	47,067
Short term investments	50,791,777	27,333,808
Cash and bank balances	1,804,623	5,393,900
	80,704,326	**56,893,384**

27.4 Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations, settled by delivering cash or another financial asset, as they fall due. Prudent liquidity risk management requires the maintenance of sufficient cash and marketable securities, the availability of adequate funds through committed credit facilities and the ability to close out market positions due to the dynamic nature of the business and the industry it operates in. The Company finances its operations through equity and, as and when necessary, borrowings, with a view to maintaining an appropriate mix between various sources of financing.

The table below classifies the Company's financial liabilities into relevant maturity groupings based on the time to contractual maturity date, as at the balance sheet date. The amounts in the table are contractual undiscounted cash flows.

	As at June 30, 2021		
Financial liabilities	Carrying amount	Within one year	More than one year
Loan from Directors	39,140,440	-	39,140,440
Short term borrowings	15,521,906	15,521,906	-
Trade and other payables	2,306,358	2,306,358	-
Total	56,968,704	17,828,264	39,140,440

	As at June 30, 2020		
Financial liabilities	Carrying amount	Within one year	More than one year
Loan from Directors	44,165,440	-	44,165,440
Short term borrowings	16,155,000	16,155,000	-
Trade and other payables	2,524,485	2,524,485	-
Total	62,844,925	18,679,485	44,165,440

The Company does not expect that the timing or quantum of cash flows outlined in the table above will change significantly, and as a result expects to be able to fulfill its obligations as they come due.

28 CAPITAL RISK MANAGEMENT

The Company's objective in managing capital is to ensure that the Company is able to continue as a going concern so that it can continue to provide adequate returns to shareholders and benefits to other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital. As well, the Company has to comply with capital requirements as specified under the Securities Brokers (Licensing and Operations) Regulations, 2016 (as well as other relevant directives from regulating bodies issued from time to time).

IECnet S.K.S.S.S. Chartered Accountants