

BACKERS & PARTNERS (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2023

	Note	Dec-23 Rupees	Jun-23 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	4	2,482,672	2,327,131
Intangible assets	5	5,135,035	4,625,035
Long term investment	6	5,087,084	9,006,813
Long term deposits	7	5,100,000	1,500,000
		17,804,791	17,458,979
CURRENT ASSETS			
Trade debts	8	106,467,012	126,833,540
Receivable against margin financing	9	35,480,422	7,863,736
Receivable under margin trading system	10	580,252	16,795,597
Loan and advances	11	1,162,738	2,103,627
Accrued interest	12	1,837,288	1,837,288
Investment at fair value through profit or loss	13	71,705	50,022
Trade deposits, short term prepayments and current account balances with statutory authorities	14	94,952,905	24,922,591
Cash and bank balances	15	77,638,509	23,536,650
		318,190,832	203,943,051
		335,995,623	221,402,030
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital	16	51,000,000	51,000,000
Revenue reserve			
Accumulated loss		3,330,698	(3,266,513)
Capital reserve			
Fair value adjustment reserve	17	-	-
		54,330,698	47,733,487
Long term loans from related parties	19	176,000,000	150,500,000
		230,330,698	198,233,487
NON-CURRENT LIABILITIES			
Deferred liabilities	18	-	-
CURRENT LIABILITIES			
Deposits, accrued liabilities and advances	20	8,681,537	1,477,010
Trade and other payables	21	96,462,458	19,135,884
Provident fund payable	22	520,931	2,555,649
Provision for taxation		-	-
		105,664,926	23,168,544
CONTINGENCIES AND COMMITMENTS			
	23	-	-
		335,995,624	221,402,031

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


AUTHORISED SIGNATORY



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BACKERS & PARTNERS (PRIVATE) LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Note	Dec-23 Rupees	Jun-23 Rupees
Brokerage and commission	24	32,522,015	14,181,188
Capital gain on marketable securities		-	1,760
		32,522,015	14,182,948
Direct cost	25	(15,311,628)	(3,746,777)
		17,210,387	10,436,171
Operating expenses	26	(22,506,090)	(31,597,210)
Other operating expenses	27	(3,922,348)	(541,260)
Other income	28	15,829,605	19,762,884
		(10,598,833)	(12,375,586)
OPERATING LOSS		6,611,554	(1,939,415)
Finance cost	29	(14,343)	(53,168)
LOSS BEFORE TAXATION		6,597,211	(1,992,583)
Taxation	30	-	(402,932)
LOSS FOR THE YEAR		6,597,211	(2,395,515)
EARNINGS PER SHARE-BASIC AND DILUTED	31	1.29	-

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BACKERS & PARTNERS (PRIVATE) LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2023

	Dec-23 Rupees	Jun-23 Rupees
Loss for the year	6,597,211	(2,395,515)
Items that may be reclassified subsequently to statement of profit or loss		
Effect of reclassification of long term investments	-	(11,916,927)
Deferred tax thereon	-	3,455,909
Items that will not be reclassified subsequently to statement of profit or loss	-	-
Other comprehensive loss for the year	-	(8,461,018)
Total comprehensive loss for the year	6,597,211	(10,856,533)

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


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BACKERS & PARTNERS (PRIVATE) LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Note	Dec-23 Rupees	Jun-23 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before taxation		6,597,211	(1,992,583)
Adjustments for non cash items:			
Depreciation	4	239,771	509,309
Loss on remeasurement of investment at fair value		3,922,348	17,163
Interest income		-	(66,091)
Capital gain on marketable securities		-	(1,760)
Unrealized loss on long term investments		-	(5,090,769)
Balances written back		-	-
Reversal of provision for doubtful debts		-	-
Balances written off		-	-
		<u>4,162,119</u>	<u>(4,632,148)</u>
Operating Cash Flows Before Working Capital Changes		10,759,330	(6,624,731)
(Increase) / Decrease in Working Capital			
(Increase) / decrease in current assets			
Trade debts		20,366,529	(499,853)
Receivable against margin financing		(27,616,686)	8,376,851
Receivable against marginal trading		16,215,345	(16,795,597)
Loans and advances		940,889	2,877,668
Trade deposits and short term prepayments		(75,705,000)	21,337,930
Increase / (decrease) in current liabilities			
Deposits, accrued liabilities and advances		7,204,527	(393,476)
Provident fund payable		(2,034,718)	(1,477,612)
Trade and other payables		76,269,469	(7,231,052)
		<u>15,640,355</u>	<u>6,194,859</u>
Cash (Used In)/Generated From Operations		26,399,685	(429,872)
Taxes paid		<u>7,051,517</u>	<u>(2,494,494)</u>
		<u>7,051,517</u>	<u>(2,494,494)</u>
Net Cash (Used In)/Generated From Operations		33,451,202	(2,924,366)
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(395,312)	-
Intangible assets		(510,000)	(2,125,035)
Investment at fair value through profit or loss - net		(3,944,031)	183,690
Interest received		-	66,091
Net Cash Flows From Investing Activities		<u>(4,849,343)</u>	<u>(1,875,254)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Loan from related parties		<u>25,500,000</u>	<u>(8,500,000)</u>
Net Cash Used In Financing Activities		25,500,000	(8,500,000)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		54,101,859	(13,299,620)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		23,536,650	36,836,270
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	A	<u>77,638,509</u>	<u>23,536,650</u>
A Cash and Cash Equivalents			
Cash and bank balances	15	<u>77,638,509</u>	<u>23,536,650</u>
		<u>77,638,509</u>	<u>23,536,650</u>

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


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BACKERS & PARTNERS (PRIVATE) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2023

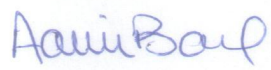
Issued subscribed and paid up Capital	Un- appropriated profit	Fair value adjustment reserve	Sub Total	Long term loans	Total
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----- (R u p e e s) -----

Balance as at June 30, 2022	51,000,000	(870,998)	8,461,018	58,590,020	159,000,000	217,590,020
Long term loan repaid	-	-	-	-	(8,500,000)	(8,500,000)
Loss after taxation	-	(2,395,515)	-	(2,395,515)	-	(2,395,515)
Other comprehensive loss	-	-	(8,461,018)	(8,461,018)	-	(8,461,018)
Total comprehensive loss for the year	-	(2,395,515)	(8,461,018)	(10,856,533)	-	(10,856,533)
Balance as at June 30, 2023	51,000,000	(3,266,513)	-	47,733,487	150,500,000	198,233,487
Long term loan repaid	-	-	-	-	-	-
Loss after taxation	-	6,597,211	-	6,597,211	-	6,597,211
Other comprehensive loss	-	-	-	-	-	-
Total comprehensive loss for the year	-	6,597,211	-	6,597,211	-	6,597,211
Balance as at December 31, 2023	51,000,000	3,330,698	-	54,330,698	150,500,000	204,830,698

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


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BACKERS & PARTNERS (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

1 COMPANY AND ITS OPERATION

- 1.1** Backers & Partners (Pvt.) Limited (the Company), was incorporated in Pakistan on August 11, 2014 under the Companies Ordinance, 1984 (now the Companies Act, 2017) as a private company limited by shares. The registered office of the Company is situated at 97 A/D -1, Basement PEC Building, Liberty Market, Gulberg III, Lahore. The Company is a Trading Right Entitlement Certificate holder of the Pakistan Stock Exchange Limited and engaged in providing brokerage services.

The company is holder of Trading Right Entitlement Certificate (TREC) of Pakistan Stock Exchange.

2 BASIS OF PREPARATION

2.1 STATEMENT OF COMPLIANCE

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

- International Financial Reporting Standard for Small and Medium Sized Entities (IFRS for SMEs) 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 provisions of and directives issued under the Companies Act, 2017 differ from the IFRS for SMEs, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 BASIS OF MEASUREMENT

These financial statements have been prepared under the historical cost convention except as disclosed in the accounting policy notes.

2.3 FUNCTIONAL AND PRESENTATION CURRENCY

The financial statements are presented in Pakistani Rupee, which is the company's functional and presentation currency.

2.4 JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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

Judgments and estimates made by management that may have a significant risk of material adjustments to the financial statements in subsequent years are as follows:

- Useful lives, residual values and depreciation method of property and equipment
- Useful lives, residual values and amortization method of intangible assets
- Provision for doubtful receivables
- Estimation of provisions
- Estimation of contingent liabilities
- Current income tax expense, provision for current tax and recognition of deferred tax asset

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 PROPERTY AND EQUIPMENT

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses (if any).

Depreciation is charged on reducing balance method at the rates mentioned in the relevant notes to the financial statements. Depreciation on additions is charged from the day in which an asset is ready to use while no depreciation is charged for the day in which an asset is disposed off. Normal repair and maintenance is charged to profit or loss as and when incurred, while major renewals and replacements are capitalized. The useful lives, residual values and depreciation method are reviewed on a regular basis. The effect of any changes in estimate is accounted for on a prospective basis.

Gain or loss on disposal of property and equipment, if any is taken to statement of profit or loss.

3.2 INTANGIBLE ASSETS

Intangible assets with finite useful life are stated at cost less amortization and impairment, if any. The carrying amount is reviewed at each reporting date to assess whether it is in excess of its recoverable amount, and where carrying value exceeds estimated recoverable amount, it is written down to estimated recoverable amount. The useful lives, residual values and amortization method are reviewed on a regular basis. The effect of any changes in estimate accounted for on a prospective basis.

3.2.1 Membership card and offices

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

3.2.2 Computer Software

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

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

Costs which enhance or extend the performance of computer software beyond its original specification and useful life is recognized as capital improvement and added to the original cost of the software.

Computer software and license costs are stated at cost less accumulated amortization and any identified impairment loss and amortized is charged using straight line method.

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

3.3 FINANCIAL ASSETS

Financial assets are initially measured at cost and subsequently classified at fair value through profit or loss or at amortized cost. Management determines the classification of its financial assets at initial recognition.

3.4 FINANCIAL LIABILITIES

Financial liabilities are initially measured at cost, which is the fair value, of the consideration given and subsequently carried at amortized cost using effective interest rate method.

3.5 OFF-SETTING OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

A financial asset and a financial liability is offset and the net amount is reported in the financial statements if the company has a legally enforceable right to set-off the transaction and also intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

3.6 CHANGE IN CLASSIFICATION OF FINANCIAL ASSETS

The company has changed nomenclature of financial assets from "Loans and receivables" to "Amortised cost" for better representation. As a result, the company has considered affects due to application of these

accounting policies and concluded that there is no material impact resulting from such adoption.

3.6 EMPLOYEE BENEFITS

The company is in the process of registration of trust against defined contribution plan i.e. "Provident Fund" for all its permanent employees. Equal monthly contribution are made both by the Company and employees at the rate of 10% of the basic salary and these are being kept in separate bank account maintained by the company as referred to note 15.1 to the financial statements.

3.7 TRADE DEBTS AND OTHER RECEIVABLES

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

The allowance for doubtful debts of the Company is based on the ageing analysis and management's continuous evaluation of the recoverability of the outstanding receivables. In assessing the ultimate realisation of these receivables, management considers, among other factors, the creditworthiness and the past collection history of each customer.

3.8 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise of cash balances and call deposits. For the purpose of statement of cash flows; cash and cash equivalents comprise cash in hand, bank balances and running finances.

3.9 BORROWINGS

Loans are measured at amortised cost using the effective interest method. Interest expense is recognised on the basis of the effective interest method and is included in finance costs.

In case the loan is interest-free or carries interest below the prevalent market rate, it is initially recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. The difference between the discounted present value and actual receipt is recognised as finance income. Subsequently, the interest-free loan is measured at amortized cost, using the effective Interest rate method, this involves unwinding of discount, such that at the repayment date, the carrying value of obligation equals the amount to be repaid. The unwinding of discount is included in finance costs in the statement of profit or loss.

3.10 TAXATION

Current

Provision for current taxation is based on taxable income at the applicable rates of taxation after taking into account tax credits, brought forward losses, accelerated depreciation allowances and any minimum limits imposed by the taxation laws.

Deferred

Deferred tax is recognized using the liability method on all temporary differences between the carrying

amounts of assets and liabilities for the financial reporting purposes and the amounts used for taxation purposes.

Deferred tax asset is recognized for all the deductible temporary differences only to the extent that it is probable that future taxable profits will be available against which the asset may be utilized. Deferred tax asset is reduced to the extent that it is no longer probable that the related tax benefit will be realized. Deferred tax liabilities are recognized for all the taxable temporary differences.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the tax rates that have been enacted or substantially enacted by the reporting date.

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

3.11 TRADE AND OTHER PAYABLES

Trade and other payables are recognised initially at cost, which is the fair value of the consideration to be paid, in the future for goods and services received and subsequently measured at amortized cost.

3.12 PROVISIONS

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value using a pre-tax discount rate. The unwinding of the discount is recognised as finance cost in the statement of profit or loss.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

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

3.13 CONTINGENT LIABILITIES

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

3.14 FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION

Transactions denominated in foreign currencies are translated to Pakistan Rupees at the exchanges rate ruling at the date of transaction.

Monetary assets and liabilities in foreign currencies at reporting date are translated into Pakistan Rupees at exchange rates ruling on that date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities

denominated in foreign currencies are recognised in the statement of profit or loss.

3.15 IMPAIRMENT OF NON-FINANCIAL ASSETS

The assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. If there is an indication of possible impairment, the recoverable amount of the asset is estimated and compared with its carrying amount.

An impairment loss is recognized if the carrying amount of an asset exceeds its estimated recoverable amount. The impairment loss is recognised in the statement of profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

An impairment loss is reversed only to the extent that the asset carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. The Company recognises the reversal immediately in the statement of profit or loss, unless the asset is carried at a revalued amount in accordance with the revaluation model. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

3.16 REVENUE RECOGNITION

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

- Brokerage, consultancy and advisory fee, commission etc. are recognized as and when such services are provided, and thereby the performance obligations are satisfied.
- Profit on saving accounts, profit on exposure deposits and markup on marginal financing is recognized at effective yield on time proportion basis.
- Gains/(losses) arising on sale of investments are included in the statement of profit or loss in the period in which they arise.
- Dividend income is recorded when the right to receive the dividend is established.
- Unrealised gains / (losses) arising on revaluation of securities classified as 'fair value through other comprehensive income' are included in other comprehensive income in the period in which they arise.
- Unrealised gains / (losses) arising on revaluation of securities classified as 'fair value through profit or loss' are included in profit or loss in the period in which they arise.
- Other revenues are recorded, as and when due, on accrual basis.

3.17 BASIC AND DILUTED EARNINGS PER SHARE

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

3.18 RELATED PARTY TRANSACTIONS

Transactions and contracts with the related parties are carried out at an arm's length price determined in accordance with comparable uncontrolled price method except permitted by the regulatory authorities or reason disclosed in relevant note to the financial statements, if any. Transactions with related parties have been disclosed in the relevant notes to the financial statements.

3.19 TRADE DATE ACCOUNTING

All "regular way" purchases and sales of financial assets are recognized on the trade date, i.e. the date on which the Company commits to purchase or sell an asset. Regular way purchases or sales of financial assets are those, the contract for which requires delivery of assets within the time frame generally established by regulation or convention in the market.

4 PROPERTY AND EQUIPMENT

Particulars	Cost			As at Dec 30, 2023	Rate %	Depreciation			Book value As at Dec 30, 2023	
	As at June 30, 2023	Additions	(Deletions)			As at June 30, 2023	Charge for the year	Adjustment		As at Dec 30, 2023
-----Rupees-----Rupees-----										
OWNED										
Computers	699,222	117,643	-	816,865	30%	552,304	44,886	-	597,190	219,675
Furniture and fixtures	1,530,190	-	-	1,530,190	20%	947,078	58,311	-	1,005,389	524,801
Office equipment	2,113,456	100,000	-	2,213,456	15%	1,344,242	66,088	-	1,410,330	803,126
Electric equipment	861,951	177,669	-	1,039,620	15%	288,720	45,020	-	333,740	705,880
Vehicles	1,821,443	-	-	1,821,443	20%	1,566,787	25,466	-	1,592,253	229,190
	7,026,262	395,312	-	7,421,574		4,699,131	239,771	-	4,938,902	2,482,672

4.1 PROPERTY AND EQUIPMENT

Particulars	Cost			As at June 30, 2023	Rate %	Depreciation			Book value	
	As at June 30, 2022	Additions	(Deletions)			As at June 30, 2022	Charge for the year	Adjustment	As at June 30, 2023	As at June 30, 2023
-----Rupees-----Rupees-----										
OWNED										
Computers	699,222	-	-	699,222	30%	489,339	62,965	-	552,304	146,918
Furniture and fixtures	1,530,190	-	-	1,530,190	20%	801,300	145,778	-	947,078	583,112
Office equipment	2,113,456	-	-	2,113,456	15%	1,208,498	135,744	-	1,344,242	769,214
Electric equipment	861,951	-	-	861,951	15%	187,561	101,159	-	288,720	573,231
Vehicles	1,821,443	-	-	1,821,443	20%	1,503,123	63,664	-	1,566,787	254,656
	7,026,262	-	-	7,026,262		4,189,821	509,310	-	4,699,131	2,327,131

4.2 Allocation of depreciation

Note	2023	2022
Operating expenses	26	239,771
		509,310

		Dec 2023	June 2023
	Note	Rupees	Rupees
5 INTANGIBLE ASSETS			
Trading right entitlement certificate (TREC)	5.1	2,500,000	2,500,000
Membership of Pakistan Merchantile Exchange Limited		2,635,035	2,125,035
		<u>5,135,035</u>	<u>4,625,035</u>

- 5.1** This represents Trading Right Entitlement Certificate (TREC) received from the Pakistan Stock Exchange Limited without any additional payment, in lieu of TREC issued by the Lahore Stock Exchange Limited, surrendered on, January 10, 2016 on the consequence of Scheme(s) of Integration approved by the Securities and Exchange Commission of Pakistan vide Order No. 01/2016 dated January 11, 2016 under regulation 6 (8) of the Stock Exchange (Corporatization, Demutualization and Integration) Regulations, 2012. This is carried at cost less impairment.

		Dec 2023	June 2023
	Note	Rupees	Rupees
6 LONG TERM INVESTMENT			
Quoted - Shares of LSE Ventures Limited and LSE Proptech Limited			
(Previously un-quoted shares of LSE Financial Services Limited)			
Investment at fair value through profit or loss			
Cost		3,916,044	3,916,044
Fair value adjustment during the year		1,171,040	5,090,769
	6.1	<u>5,087,084</u>	<u>9,006,813</u>

- 6.1** During the year, the company has received following shares of LSE Proptech Limited and LSE Venture Limited against shares of LSE Financial Services Limited under the scheme of compromises, arrangements and reconstruction as envisaged under the provisions of the Companies Act, 2017. Due to change in investments from un-quoted to quoted shares, the company has reclassified these investments from available for sale to fair value through profit or loss and respective accumulated reserve has been charged to profit or loss.

	No. of shares	Value Rupees	Pledge Rupees	Pledged with
LSE Proptech Limited	295,535	1,421,523	1,421,523	Pakistan Stock Exchange for MFC
LSE Venture Limited	842,810	7,585,290	7,585,290	
	<u>1,138,345</u>	<u>9,006,813</u>	<u>9,006,813</u>	

		Dec 2023	June 2023
	Note	Rupees	Rupees
7 LONG TERM DEPOSITS			
Deposits with:			
National Clearing Company of Pakistan Ltd.		1,400,000	1,400,000
Pakistan Stock Exchange - BMC		3,600,000	-
Central Depository Company Limited		100,000	100,000
		<u>5,100,000</u>	<u>1,500,000</u>

		Dec 2023	June 2023
	Note	Rupees	Rupees

8 TRADE DEBTS

Receivable from clients on account of:

Considered good

Purchase of shares on behalf of clients		48,127,878	86,839,925
Less: Balances written off		-	(24,097)
		<u>48,127,878</u>	<u>86,815,828</u>
Receivable from related party	8.1	<u>41,603,902</u>	<u>40,017,712</u>
		<u>89,731,780</u>	<u>126,833,540</u>
Receivable from National Clearing Company of Pakistan Limited		<u>16,735,232</u>	<u>-</u>
		<u>106,467,012</u>	<u>126,833,540</u>

8.1 Receivable from related party comprises of the following:

Name	Basis of relationship	Pattern of shareholding	Maximum aggregate amount Rupees	Dec 2023 Rupees	June 2023 Rupees
Talat Baig	Relative of Director	-	5,496,911	601	601
Rimal Saqib	Shareholder	13.06%	52,317,188	-	-
Rimal Saqib	Shareholder	13.06%	20,567,356	-	-
Aamir Baig	Director	0.01%	3,813,894	3,813,894	3,813,894
Aamir Baig	Director	0.01%	3,023,668	3,023,668	3,023,668
Saima Naeem	Relative of Director	-	4,993,825	2,251,226	2,251,226
Saima Naeem	Relative of Director	-	400	400	400
Saima Naeem	Relative of Director	-	2,192,393	2,192,066	2,192,066
Saima Naeem	Relative of Director	-	21,640,960	21,522,262	21,522,262
Ahmed Naeem	Director	0.01%	7,213,595	7,213,595	7,213,595
Shaharyar Saqib	Shareholder	0.02%	82,435	-	-
				<u>40,017,712</u>	<u>40,017,712</u>

8.2 Receivable from related parties are secured against the long term loans obtained from the related parties as referred to note no 19.3 to the financial statements.

8.3 Ageing analysis of the amounts due from related parties as follows:

	Upto 1 months	1 to 6 months	More than 6 months	As at June 30, 2023
	-----Rupees-----			
Talat Baig	601	-	-	601
Aamir Baig	-	3,023,668	-	3,023,668
Aamir Baig	3,813,894	-	-	3,813,894
Saima Naeem	2,251,226	-	-	2,251,226
Saima Naeem	2,192,066	-	-	2,192,066
Saima Naeem	21,522,262	-	-	21,522,262
Saima Naeem	400	-	-	400
Ahmed Naeem	7,213,595	-	-	7,213,595
	<u>36,994,044</u>	<u>3,023,668</u>	<u>-</u>	<u>40,017,712</u>

		Dec 2023	June 2023
8.4 Movement is as follows	Note	Rupees	Rupees
Opening balance		-	-
Provision made during the year		24,097	24,097
Balances written off		-	(24,097)
Reversal for provision for doubtful debts		-	-
		<u>24,097</u>	<u>-</u>

9 RECEIVABLE AGAINST MARGIN FINANCING

Margin financing facility is provided to clients on markup basis ranging from 22.00% to 30.00% (2023: 22.00% to 30.00%) per annum.

10 RECEIVABLE UNDER MARGIN TRADING SYSTEM

Margin trading facility is provided to clients on markup basis ranging from 22.00% to 30.00% per annum.

		Dec 2023	June 2023
11 LOANS AND ADVANCES	Note	Rupees	Rupees
Advances to: (unsecured and interest free)			
Employees		162,738	603,627
Supplier		-	-
Director	11.1	1,000,000	1,500,000
Loan to: (unsecured and interest bearing)			
Employee		-	-
		<u>1,162,738</u>	<u>2,103,627</u>
		Dec 2023	June 2023

	Note	Rupees	Rupees
11.1 Advance to director			
Balance as at July 01,		700,000	3,500,000
Received during the year		700,000	700,000
Repayments made during the year		(2,700,000)	(2,700,000)
		<u>(1,300,000)</u>	<u>1,500,000</u>

11.2 Advance to director comprises of the following:

Name	Basis of relationship	Maximum aggregate amount Rupees	Dec 2023 Rupees	June 2023 Rupees
Ahmad Naeem	Director	3,500,000	(1,300,000)	1,500,000

11.3 Aging analysis of loan to Director

	Upto 1 months	1 to 6 months	More than 6 months	As at June 30, 2023
	-----Rupees-----			
Loan to Mr. Ahmad Nadeem	1,500,000	-	-	1,500,000

11.4 This advance is recoverable on demand and will be settled in next twelve months.

12 ACCRUED INTEREST

This interest accrued on loan to director of the company Mr. Aamir Baig amounting Rs.1,837,288 (2023: Rs.1,837,288).

12.1 Accrued interest comprises of the following:

Name	Basis of relationship	Maximum aggregate amount Rupees	Dec 2023 Rupees	June 2023 Rupees
Loan to Mr. Aamir Baig (ageing: more than one year)	Director	1,837,288	1,837,288	1,837,288

13 INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Note	Dec 2023 Rupees	June 2023 Rupees
Cost		50,022	67,185
Loss on re-measurement of investment		<u>21,683</u>	<u>(17,163)</u>
	13.1	<u>71,705</u>	<u>50,022</u>

13.1 This includes shares having carrying value of Rs.nil (2023: Rs. nil) pledged with financial institutions and shares amounting Rs.nil (2023: Rs.nil) pledged with National Clearing Company of Pakistan Limited for exposure margins.

		Dec 2023 Rupees	June 2023 Rupees
14	TRADE DEPOSITS, SHORT TERM PREPAYMENTS AND CURRENT ACCOUNT BALANCE WITH STATUTORY AUTHORITIES		
	Deposits with:		
	National Clearing Company of Pakistan Ltd.	90,328,000	14,653,000
	Exposure against GEM	30,000	-
	Sales tax refundable	-	-
	Tax deducted at source	4,594,905	10,269,591
		<u>94,952,905</u>	<u>24,922,591</u>

14.1 This represents deposit with National Clearing Company of Pakistan Limited against exposure margin in respect of trade in future and ready market. These deposits carry profit at rates ranging from 15% to 18% (2022: 12% to 15%) per annum.

		Dec 2023 Rupees	June 2023 Rupees
15	CASH AND BANK BALANCES		
	These were held as under:		
	In hand	754,293	504,167
	At banks - in current accounts		
	Pertaining to brokerage house	8,613,821	613,890
	At banks - in saving accounts		
	Pertaining to brokerage house	3,005,503	3,166,572
	Pertaining to clients	65,264,892	19,252,020
		<u>68,270,395</u>	<u>22,418,592</u>
		<u>77,638,509</u>	<u>23,536,650</u>

15.1 This includes separate saving account having balance amounting Rs. 2,555,649 (2023: Rs.2,555,649) in respect of employees' provident fund payable in compliance with the requirements of section 218 of the Companies Act, 2017.

		Dec 2023 Rupees	June 2023 Rupees
16	SHARE CAPITAL		
	Authorized		
	10,000,000 (2023: 10,000,000) ordinary shares of Rs.10 each	<u>100,000,000</u>	<u>100,000,000</u>
	Issued, subscribed and paid up		
	5,100,000 (2023: 5,100,000) ordinary shares of Rs.10 each fully paid in cash	<u>51,000,000</u>	<u>51,000,000</u>

16.1 Pattern of Shareholding:

	% of shares held		Number of shares held	
	2023	2023	2023	2023
Individuals				
Chief Executive				
Ahmed Nadeem	66.95%	66.95%	3,414,500	3,414,500
Directors				
Aamir Baig	0.01%	0.01%	500	500
Ahmed Naeem	0.01%	0.01%	500	500
Shareholders				
Tania Nadeem	19.95%	19.95%	1,017,500	1,017,500
Rimal Saqib	13.06%	13.06%	666,000	666,000
Shaharyar Saqib	0.02%	0.02%	1,000	1,000
	100%	100%	5,100,000	5,100,000

	Note	Dec 2023 Rupees	June 2023 Rupees
17 FAIR VALUE ADJUSTMENT RESERVE			
Fair value adjustment reserve		-	-

17.1 This represented accumulated gain on long term investments and it has be reclassified to profit or loss.

	Note	Dec 2023 Rupees	June 2023 Rupees
18 DEFERRED LIABILITIES			
Deferred Taxation			
Deferred credits/(debits) arising due to:			
Accelerated tax depreciation		(26,616)	(14,940)
Gain on long term investment		146,380	636,346
Brought forward losses		1,797,031	(3,137,741)
Loss on short term investment - net		3,253	(2,574)
Capital losses on short term investment		(6,956)	(6,956)
Minimum tax		(3,095,466)	(2,835,640)
Alternative corporate taxes		(842,738)	(842,738)
Deferred tax asset not recognized		2,025,112	6,204,243
		-	-
Balance as at July 01,		-	3,507,927
Add: (Reversal)/charge for the year in profit or loss		-	(2,031,604)
Add: Reversal for the year in OCI		-	(1,476,323)
		-	-

18.1 At the year end, net deductible temporary differences, taxable losses and tax credits resulted in a net deferred tax asset of Rs. 6.20 million (2022: Rs 4.73 million). However, deferred tax asset has not been recognized in these financial statements being prudent. Management is of the view that recognition of deferred tax asset shall be reassessed as at June 30, 2024.

18.2 Minimum taxes would expire as follows:

Accounting year to which minimum tax relates	Rupees	Accounting year in which minimum tax will expire
2021	1,777,043	2026
2022	714,299	2027
2023	1,797,031	2026

18.3 Alternative corporate taxes would expire as follows:

Accounting year to which alternative corporate taxes relates	Rupees	Accounting year in which credit will expire
2020	842,738	2030

18.4 Business losses would expire are as follows:

Accounting year to which business loss relates	Rupees	Accounting year in which business loss will expire
2019	167,795	2025
2022	3,915,790	2028
2023	(11,237,646)	2029

18.5 Depreciation losses with no limit to expire are as follows:

Accounting year to which depreciation loss relates	Rupees
2022	409,037
2023	548,366

18.6 Capital losses would expire are as follows:

Accounting year to which capital loss relates			Rupees	Accounting year in which capital loss will expire
	2021		45,693	2024
	2022		680	2025
			Dec 2023	June 2023
		Note	Rupees	Rupees
19	LONG TERM LOANS FROM RELATED PARTIES			
Name of the party	Basis of relationship			
Mr. Amir Baig	Director	19.1 & 19.2 & 19.3	41,500,000	21,500,000
Mrs. Rimal Saqib	Shareholder	19.2	70,500,000	65,000,000
Mr. Ahmad Naeem	Director	19.2 & 19.3	14,000,000	14,000,000
Mr. Ahmad Nadeem	Chief Executive	19.2	50,000,000	50,000,000
			<u>176,000,000</u>	<u>150,500,000</u>
19.1	Loan from Mr. Aamir Baig			
Balance as at July 01,			21,500,000	30,000,000
Recieved during the year			-	-
Repayments made during the year			-	(8,500,000)
			<u>21,500,000</u>	<u>21,500,000</u>
19.2	These represent long term loans obtained from the related parties. These are payable at the discretion of the company.			
19.3	These loans are also subordinated to receivables from related parties as referred to note no 8.2 to the financial statements. Repayment of these loans is subjected to settlement of outstanding balances of receivables as referred to above mentioned note.			
			Dec 2023	June 2023
		Note	Rupees	Rupees
20	DEPOSITS, ACCRUED LIABILITIES AND ADVANCES			
Accrued expenses			<u>8,681,537</u>	<u>1,477,010</u>

21 TRADE AND OTHER PAYABLES

Creditors for sale of shares on behalf of clients	21.1 & 21.2	89,152,920	14,998,834
Payable to National Clearing Company of Pakistan Limited		-	447,640
Tax deducted at source payable		1,110,078	52,972
Punjab workers welfare fund payable		105,292	105,292
Sales tax payable		5,372,055	3,295,625
Other payables		722,114	235,521
		<u>96,462,458</u>	<u>19,135,884</u>

21.1 The total value of securities pertaining to clients, employees and directors/sponsors are amounting Rs. 286.41 million, Rs. 3.19 million and Rs. 2.51 million respectively held in sub-accounts of the company. No client security is pledged with the financial institutions except with National Clearing Company of Pakistan Ltd. amounting Rs. 0.59 million for exposure margin.

21.2 Creditors for sale of shares on behalf of clients include the following amount due to related parties:

Name of related party	Basis of relationship	Dec 2023 Rupees	June 2023 Rupees
Mr. Ahmad Naeem	Director	922	922
Rimal Saqib	Shareholder	1,021,188	1,021,188
Mr. Ahmad Nadeem	Chief Executive	6,730,677	6,730,677
		<u>7,752,787</u>	<u>7,752,787</u>

22 PROVIDENT FUND PAYABLE

Provident fund payable	22.1	<u>520,931</u>	<u>2,555,649</u>
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22.1 This includes balance payable to Mr. Ahmed Naeem-director of the company amounting Rs.2,373,419 (2022: Rs. 3,732,232).

23 CONTINGENCIES AND COMMITMENTS

23.1 Contingencies

23.1.1 A complain was filed with SECP in 2018 by one of account holder Mr. Naeem Tahir Sheikh, claiming charging of excess commission, misappropriation of funds and incorrect calculation of margin and financial charges by the company. Appellate Panel of Arbitrators vide its order dated June 27, 2019 has given its verdict against the company to pay amounting Rs.1,053,000 to the said account holder. The Company had approached the learned Civil Court and challenged the arbitration award of the Appellate Panel of Arbitrators of the PSX. Thereafter, the learned civil court had restrained the Pakistan Stock Exchange Ltd. and its Regulatory Affairs Department from adopting any coercive measure without adopting the due course of law vide its order dated July 17, 2019 against the said Arbitration award of the Appellate Panel (the Impugned Award). During the year, the company has made out of court settlement against consideration amounting Rs.500,000 against which provision had already been made in previous year financial statements and the application for setting aside order has been dismissed.

23.1.2 The Trustees of LSE MCF Trust and LSE TCF Trust have given guarantee amounting Rs. 9.11 million to Pakistan Stock Exchange (PSX) on behalf of the company to meet the Base Minimum Capital requirements.

23.2 Commitments

Commitments as at reporting date were Rs. nil (2022: Rs. nil).

		Dec 2023	June 2023
	Note	Rupees	Rupees
24 BROKERAGE AND COMMISSION			
Brokerage and commission		16,451,258	16,451,258
Less: Sales tax		(2,270,070)	(2,270,070)
		<u>32,522,015</u>	<u>14,181,188</u>
25 DIRECT COST			
Charges paid to /against:			
Central Depository Company		730,152	422,685
Pakistan Stock Exchange Limited charges		936,644	581,390
National Clearing Company of Pakistan Limited		336,511	381,954
Commission paid		<u>13,308,320</u>	<u>2,360,748</u>
		<u>15,311,628</u>	<u>3,746,777</u>
		Dec 2023	June 2023
	Note	Rupees	Rupees
26 OPERATING EXPENSES			
Directors' remuneration	26.1	-	2,276,508
Staff salaries and benefits	26.2	12,390,117	19,979,933
Rent, rates and taxes		785,670	1,641,340
Communication		377,490	684,794
Postage and courier		19,261	25,433
Legal and professional	26.3	648,357	681,680
Fee and subscription		94,500	71,025
Printing and stationery		56,715	92,054
Repair and maintenance		231,068	287,567
Vehicle running and maintenance		-	-
Software maintenance		-	84,000
Traveling and conveyance		4,900,729	2,302,122
Entertainment		808,831	693,448
Utilities		841,637	1,801,272
Depreciation	4	239,771	509,309
Miscellaneous		<u>1,111,944</u>	<u>466,725</u>
		<u>22,506,090</u>	<u>31,597,210</u>

26.1 This includes provident fund expense amounting Rs. 62,534.

26.2 This includes provident fund expense amounting Rs. 375,012.

26.3 Auditors' remuneration

The audit fee and remuneration for other services included in the financial statements is as follows:

		Dec 2023	June 2023
	Note	Rupees	Rupees
Amin, Mudassar & Co.			
Chartered Accountants			
Statutory audit		230,000	230,000
Certification fee		132,930	132,930
		<u>362,930</u>	<u>362,930</u>
		Dec 2023	June 2023
	Note	Rupees	Rupees
27 OTHER OPERATING EXPENSES			
Balances written off		-	524,097
Loss on remeasurement of investment at fair value		3,922,348	17,163
		<u>3,922,348</u>	<u>541,260</u>
28 OTHER INCOME			
Income from financial assets			
Dividend income		-	743,539
Profit on savings account		4,802,298	6,214,187
Interest on loan to staff		-	66,091
Interest income		-	1,765,465
Unrealized gain on investment at fair value		21,683	-
Unrealized gain on long term investments		-	5,090,769
Margin trading income		2,622,880	619,887
Marginal finance income		2,161,341	2,635,464
		9,608,203	17,135,402
		Dec 2023	June 2023
	Note	Rupees	Rupees
Income from assets other than financial assets			
Other charges recovered from clients	28.1	6,221,402	2,061,597
Balance written back		-	565,885
Reversal of provision of doubtful debts		-	-
		<u>6,221,402</u>	<u>2,627,482</u>
		<u>15,829,605</u>	<u>19,762,884</u>
28.1	This represents charges recovered from clients amounting Rs. 2,391,453 net of sales tax amounting Rs. 329,856.		
		Dec 2023	June 2023
	Note	Rupees	Rupees
29 FINANCE COST			
Bank and other charges		14,343	53,168
		<u>14,343</u>	<u>53,168</u>

30 TAXATION

Income tax:

Current:

For the year

- 454,950

Prior year

- -

Deferred

- (52,018)

- 402,932

30.1 Income tax assessment of the Company have been finalized up to tax year 2022 on the basis of returns filed as the company did not receive any correspondence in this respect from the FBR.

30.2 No numeric tax rate reconciliation was presented in the financial statements for the current and prior year as the company was either liable to pay tax under final tax regime or minimum tax u/s 113 of Income Tax Ordinance 2001.

31 EARNINGS PER SHARE - BASIC AND DILUTED

Dec
2023

June
2023

Loss for the year - Rupees

6,597,211 (2,395,515)

Weighted average number of ordinary shares
outstanding during the year - Numbers

5,100,000 5,100,000

Earnings per share - Rupees

1.29 (0.47)

32 NUMBER OF EMPLOYEES

Dec
2023

June
2023

(N u m b e r)

Total number of employees at the end of the year

17 17

Average number of employees at the year end

19 19

33 REMUNERATION TO CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amount charged in the financial statements for the year for remuneration, including certain benefits to the chief executive, directors and executives of the company is as follows:

	Dec 2023	June 2023
Remuneration of Chief Executive	Rupees	Rupees
Gross remuneration	-	-
Provident fund contribution	-	-
	-	-
Number of persons	1	1
Remuneration of Director		
Gross remuneration	2,213,974	2,213,974
Provident fund contribution	62,534	62,534
	2,276,508	2,276,508
Number of persons	2	2

Remuneration of Executives

Gross remuneration	10,857,250	10,857,250
Provident fund contribution	240,012	240,012
	<u>11,097,262</u>	<u>11,097,262</u>
Number of persons	<u>7</u>	<u>8</u>
	Dec	June
	2023	2023
	Rupees	Rupees

34 FINANCIAL INSTRUMENTS BY CATEGORY**Financial assets and financial liabilities****Financial assets****At fair value through profit or loss**

Short term investment	71,705	50,022
Long term investment	5,087,084	9,006,813
	<u>5,158,789</u>	<u>9,056,835</u>

Available for sale

Long term investment	-	0
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Loans and receivables

Long term deposits	5,100,000	1,500,000
Trade debts	106,467,012	126,833,540
Receivable against margin financing	35,480,422	7,863,736
Receivable under margin trading system	580,252	16,795,597
Loans and advances	1,162,738	2,103,627
Accrued interest	1,837,288	1,837,288
Trade deposits	90,328,000	14,653,000
Cash and bank balances	77,638,509	23,536,650
	<u>318,594,222</u>	<u>195,123,438</u>

Financial liabilities**At amortized cost**

Deposits, accrued liabilities and advances	8,681,537	1,477,010
Trade and other payables	89,875,034	15,681,995
Provident fund payable	520,931	2,555,649
	<u>99,077,502</u>	<u>19,714,654</u>

35 CORRESPONDING FIGURES

The corresponding figures have been rearranged and reclassified, wherever considered necessary for the purposes of comparison and better presentation. There are no major reclassification to report.

36 PROVIDENT FUND NOTE

36 GENERAL

Figures have been rounded off to the nearest of rupee.

37 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorized for issue on _____ by the Board of Directors of the company.

CHIEF EXECUTIVE

DIRECTOR