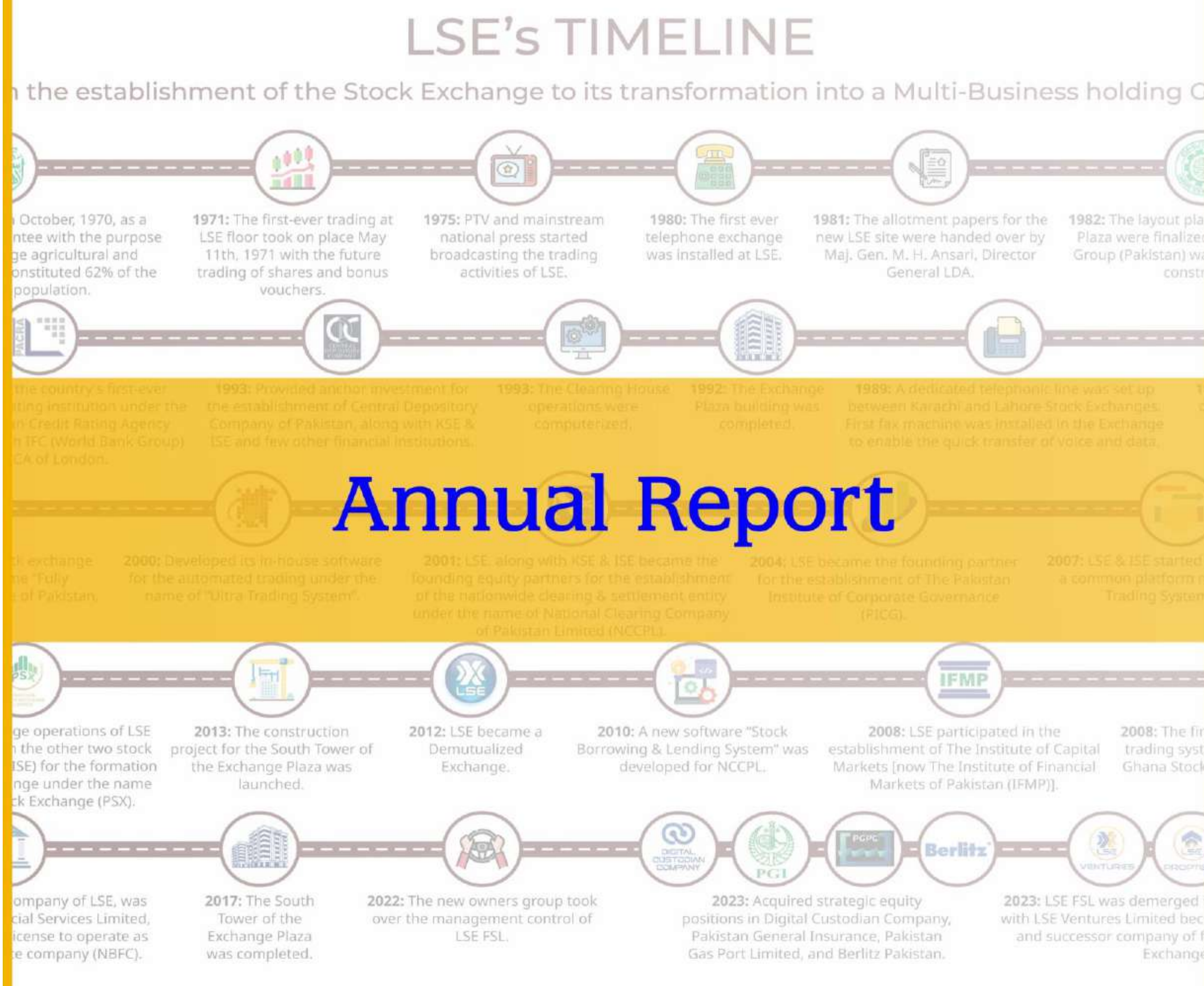

Annual Report

2023

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Vision Statement

To become a leading player in accelerating the creation of new investable assets.

Mission Statement

To source and manage portfolio companies for optimal returns to our shareholders.

Company Information

Board of Directors

1.	Mr. Muhammad Iqbal	Chairman
2.	Mr. Aftab Ahmad Ch.	Chief Executive Officer
3.	Mr. Abid Latif Khan	Non-Executive Director
4.	Ms. Minahil Ali	Non-Executive Director
5.	Mr. Shahnawaz Mahmood	Independent Director
6.	Mr. Muhammad Tabassum Munir	Independent Director
7.	Mr. Yaser Manzoor	Independent Director

Audit Committee

1.	Mr. Shahnawaz Mahmood	Chairman
2.	Ms. Minahil Ali	Member
3.	Mr. Muhammad Tabassum Munir	Member
4.	Mr. Muhammad Usman	Secretary

Human Resource and Remuneration Committee

1.	Mr. Yaser Manzoor	Chairman
2.	Mr. Abid Latif Khan	Member
3.	Mr. Muhammad Tabassum Munir	Member
4.	Mr. Muhammad Usman	Secretary

Company Secretary	Mr. Muhammad Usman
Chief Financial Officer	Mr. Rashid Matin Khan
Auditors	Crowe Hussain Chaudhry & Co. Chartered Accountant
Legal Advisor	Allied Legal Services
Share Registrar	CDC Share Registrar Services Limited CDC House, 99-B, Block B, S.M.C.H.S., Main Shahrah-e-Faisal, Karachi
Registered Office	LSE Plaza, 19 – Khayaban-e-Aiwan-e-Iqbal, Lahore

Chairman's Review

Dear Shareholders,

We welcome you to the 1st Annual General Meeting of your Company for the year ended 30th June 2023. The year was market by a shrinking economy, with multiple sectors experiencing an overall decline. Your Company had no exception and similarly faced significant challenges due to the economic slowdown. In the face of these hurdles, we remained committed to adopting our strategies to navigate the changing market conditions successfully.

LSE Ventures Limited (LSEVL) is engaged in the business of investment management in portfolio companies, pre-IPO/startups/seed capital stage, Tier 1, Tier 2, Tier 3 ventures equity investments and treasury management. LSEVL also holds strategic investments in several companies, representing diversified sectors, such as capital market infrastructure companies, financial services, commodity exchange, credit rating agency, digital technology and growth enterprises, technology and hard-core infrastructure companies.

During the year, the Company acquired the listing status at Pakistan Stock Exchange Limited. We are actively seeking out strategic partnerships and collaborations to harness synergies and unlock new opportunities for mutual growth. These alliances will enable us to broaden our portfolio, penetrate untapped markets and enhance vibrant economic ecosystem of the country. Under the depressed economic environment, the Company successfully managed, enhanced the shareholders wealth through prudent investment decisions.

It is with heartfelt appreciation that I acknowledge the exceptional contributions of our remarkable Management team. Their unwavering dedication and commitment and tireless efforts have been the cornerstone of our resilience and accomplishments as the company was got listed within a shorter period of time.

The Board has diligently performed its duties and responsibilities and has effectively guided the Company in all its strategic affairs. The Board was essential in reviewing the management performance and focusing on significant risk areas. The Board recognizes that well-defined governance practices are critical in strengthening corporate responsibility and is dedicated to achieving excellence in corporate governance practices to conserve and sustain stakeholders' value. All Directors, including the Independent Directors, actively contributed to the Board's decision-making processes.

As Chairman of your Company, I remained firmly committed to ensuring that your Company complies with all relevant codes and regulations and that our management team continues to take decisions that will create value for you in the short, medium, and long term. The Board carried out its annual self-evaluation in line with best practices of corporate governance and found its performance to be satisfactory. The focus remained on business opportunities, risk management, and providing oversight to the management. The Company has an independent Internal Audit department that follows a risk-based audit methodology. Internal Audit reports are presented to the Board Audit Committee quarterly and areas for improvement are discussed and highlighted. Your Company is continuously exploring new avenues of investments for the benefit of all the stakeholders. As always, we are dedicated to ensuring the implementation of the best policies in favour of the Company.

On behalf of the Board, I wish to acknowledge all our employee's contributions to the Company's success. I also wish to thank our outgoing directors, shareholders, business partners, and other stakeholders for their confidence and support. The Board looks forward to next year with greater confidence in meeting the challenges ahead. We place our trust in Allah Almighty for His blessings in all our future endeavors.

Muhammad Iqbal
Chairman

Directors' Report

Dear Shareholders,

The Board of Directors of LSE Ventures Limited is pleased to present its report, together with the audited financial statements and Auditors' report thereon, for the year ended June 30th, 2023.

Economic Review

During the fiscal year 2022-23, Pakistan's economy confronted various challenges, including large trade deficit, high inflation, exorbitant discount rate, steep devaluation of Pakistani Rupee, exponential rise in public & foreign debt, depleting foreign reserves, devastating floods in various parts of the country and political uncertainty. The Government was able to get support from IMF and friendly countries, which has sustained macro-economic stability to some extent.

Rising cost of production, high power and fuel prices, rising financial cost, shortage of raw material due to strict restrictions on imports, increase in various taxes and duties have restricted the business activities and growth in all the sectors of the economy.

The KSE-100 index of Pakistan Stock Exchange (PSX) opened at 41,540.8 points on 1st July 2022 and closed at 41,452.6 points on 27th June 2023, declined by 0.21%. Market capitalization of the companies listed at PSX recorded at Rs. 6,956 billion on 30th June 2022 and closed at Rs 6,369 billion on 27th June 2023, reflecting a decline of 8.43%. The current situation calls for some drastic actions and measures from the Government to restore the confidence of the investors.

Listing at PSX

During the year under review, LSE Financial Services Limited (LSEFSL) was revitalized by virtue of the scheme of compromises, arrangement and reconstruction for demerger/split of LSEFSL (the "scheme"), with the approval of the Lahore High Court, Lahore, vide Order dated April 26th, 2023. Under the scheme, the non-NBFC business and strategic investments/assets of the former entity have been transferred to LSEVL and LSE Proptech Limited (LSEPL), both of which subsequently attained the listing status by virtue of reverse merger/amalgamation with Data Textile Mills Limited (DATM), under the scheme. DATM has been dissolved by the Order of the Court, without winding up.

As per scheme, the shares already issued to members of LSEFSL have been cancelled and in return, each shareholder of LSEFSL has been given shares of LSEVL as per swap ratio of 99.862:100 and shares of LSEPL as per swap ratio of 501.62:1000. The shareholders of DATM have been allotted 25 shares of LSEVL and LSEPL against every 1,000 shares of DATM. Moreover, LSEFSL has issued 10 million new shares to LSEVL and as such LSEFSL, with a paid-up capital of Rs. 100 million, has become a wholly owned subsidiary of LSEVL (the group parent company) and LSEPL has become an associated company. After demerger/splitting, LSEFSL continue to exist as NBFC and its present capital structure and investment are in full compliance with NBFC Rules and Regulations.

As per the scheme, all the strategic, long-term and short-term investments held by LSEFSL before demerger/splitting have been transferred to LSEVL. Likewise, the Land & Building, Property, Plant & Equipment (including investment properties) have been transferred to LSEPL.

LSEVL was listed on Pakistan Stock Exchange Limited (PSX) on June 27th, 2023, where its Company Code/Security Symbol is "LSEVL". It is quoted in the "Investment Banks/Investment Companies/Securities Companies" Sector in the Daily Quotation of PSX. The Company has a rich capital base with a paid-up capital of Rs. 1.795 billion and with a free float of 65%.

LSE's Ventures

LSEVL aims at providing financing to startup as well as emerging companies, that are believed to have exceptional long-term growth potential. It also offers technical or managerial expertise to the growth enterprises at various stages of their evolution. In addition to investment capital, LSEVL often provides business planning, due diligence and mentoring services to help companies to establish themselves, and provide networking services to help them find additional capital.

Strategic Investments of LSEVL

Sr. No.	Company Name	Qty of Shares
1	Pakistan Credit Rating Agency Limited (PACRA)	2,683,044
2	Central Depository Company Limited (CDC)	35,000,000
3	National Clearing Company Private Limited (NCCPL)	23,730,462
4	Pakistan Mercantile Exchange Limited (PMEX)	2,272,727
5	Digital Custodian Company Limited (DCCL)	5,221,973
6	LSE Proptech Limited (LSEPL)	26,952,897
7	LSE Financial Service Limited (LSEFSL)	10,000,000
8	Pakistan Gasport Consortium Limited (PGPCL)	28,000,000
9	Berlitz (International Learning Center)	400,000
10	Reckitt & Benckiser Pakistan Limited	656
11	RB Hygiene Home Pakistan Limited.	176
12	First Dawood Investment Bank Ltd. (FDIBL)	3,026,500

Financial Performance

Financial Highlights	2023
	Rs. in '000
Revenue	313,516
Operating expenditures	(75,236)
Profit/ (Loss) before Taxation	**238,280**
Taxation	(16,405)
Net Profit for the period	**221,875**
Earnings Per Share (EPS) – Basic	**Rs. 1.24**
Earnings Per Share (EPS) – Diluted	**Rs. 1.35**

As per the approved scheme, the investments in the equity shares (including long term investments, investments in associated companies, short term investments) cash and bank balances, investment under margin trading system etc. have been transferred to LSEVL from LSEFSL from effective date i.e., 31stJuly 2022.

At the initial stage of establishment, the company has to face some teething problems and has to incur inevitable expenses and incorporate adjustments. As per the scheme and section 97(a) of ITO 2001 that the disposal of asset under a scheme of arrangement and reconstruction under Companies Act 2017 section 282L and 284 to 287 are tax neutral therefore, the tax deducted and deposited on the name of LSEFSL till sanctioned date i.e., 26th April 2023 have not been accounted for in LSEVL.

Proposed Final Cash Dividend

In view of profitable results of the Company, the directors have recommended a final cash dividend of Rs. 0.50 per share, i.e., @ 5%, for the year ended June 30th, 2023, for the approval of the shareholders in the AGM.

External Auditors

The present auditors, M/s. Crowe Hussain Chaudhury & Co., Chartered Accountants due to retire and being eligible, are offering themselves for reappointment, may be appointed as Auditors of your Company for another term at mutually agreed remuneration.

Internal Financial Control

The Company has completely outsourced its Internal Audit function to M/s. Kreston Hyder Bhimji & Co, Chartered Accountants. The Board has adequately ensured that the system of internal financial controls is sound in design and has been effectively implemented and monitored through outsourced Internal Auditors.

The financial statements, prepared by the management of your company, fairly present its state of affairs, the result of its operations, cash flows and changes in equity. Proper books of account have been maintained by your company. Appropriate accounting policies are consistently applied by your Company in the preparation of financial statements, and accounting estimates are based on reasonable and prudent judgment. International Accounting Standards, as applicable in Pakistan, have been followed in the preparation of these financial statements and any departure there from, if any, has been adequately disclosed. The system of Internal Control, being implemented in your Company is sound and has been effectively persisted throughout the year.

Corporate Social Responsibility & Environmental Management

The Company remained committed and engaged to undertake CSR and Environmental Management programs during the year. LSEVL focused its activities on education, health care and protection of environment programs. LSEVL endeavors to ensure that it qualifies as a responsible corporate citizen.

In compliance with section 227 of the Companies Act, 2017, the followings are hereby specifically disclosed:

a. The names of the persons who, at any time during the financial year, were directors of the Company:
b.

Sr. No.	Name of Director	Category
1	Mr. Muhammad Iqbal	Chairman/Non-Executive Director
2	Mr. Aftab Ahmad Ch.	Chief Executive Officer
3	Mr. Amir Zia*	Non-Executive Director
4	Ms. Minahil Ali	Non-Executive Director
5	Mr. Ammar ul Haq**	Non-Executive Director
6	Mr. Abid Latif Khan***	Non-Executive Director
7	Mr. Shahnawaz Mahmood	Independent Director
8	Mr. M. Tabassum Munir	Independent Director
9	Mr. Yaser Manzoor****	Independent Director

* Mr. Amir Zia resigned on 17-01-2023
** Mr. Ammar ul Haq resigned on 02-05-2023
*** Mr. Abid Latif Khan was appointed on 02-05-2023
**** Mr. Yaser Manzoor was appointed on 17-01-2023

a. The principal line of business of the Company is to invest in shares, bonds, stocks, units of mutual funds or any other securities or its related instruments, or otherwise in all types of real assets and in such manner as may from time to time be determined by the Company and to hold, or sale such real assets, shares, bonds, stocks, units of mutual funds or any other securities or its related instruments, subject to the compliance with applicable law.

This business is exposed to serval threats such as credit risk, liquidity risk, operational risk, market risk and regulatory risk, economic uncertainty etc. Furthermore, venture capital is a high-risk, high-reward type of investment, and there is no guarantee of success.

Risk Management policies and procedures adopted by the Company enable it to proactively manage uncertainty and changes in internal and external environment to limit negative impacts and capitalize on opportunities. The profitability of the Company is also influenced by the overall economic, geo-political conditions of the country, policies of the Government and the performance of associated companies as well as the capital markets.

c. At present the Chief Executive Officer is being paid the salary and such other benefits as approved by the Board under the Articles of Association and as per HR Manual of the Company. No other director is being paid any extra remuneration by the Company, except the meeting fee for attending the Board and Committee meetings. The relevant figures have been disclosed in the financial statements.

In compliance with the Regulation No. 34(2) of the with Listed Companies (Code of Corporate Governance) Regulations, 2019, the following information is provided: -

1. The total number of directors are seven (7) as per the following: -
   a. Male: 6
   b. Female: 1

2. The composition of the Board is as follows: -

i.	Independent directors:	Mr. M. Tabassum Munir Mr. Shahnawaz Mahmood Mr. Yaser Manzoor
ii.	Non-Executive directors:	Mr. Muhammad Iqbal Mr. Abid Latif Khan Ms. Minahil Ali
iii.	Executive director:	Mr. Aftab Ahmad Chaudhry
iv.	Female director:	Ms. Minahil Ali

3. Board Committees

During the year, the Board constituted following committees to assist the Board and provide recommendations on relevant functions:

Audit Committee:

1. Mr. Shahnawaz Mahmood: Chairman
2. Mr. M. Tabassum Munir: Member
3. Ms. Minahil Ali: Member

Human Resource and Remuneration Committee:

1. Mr. Yaser Manzoor: Chairman
2. Mr. Abid Latif Khan: Member
3. Mr. M. Tabassum Munir: Member

With respect to the statement of compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019, attached to this report, we are to explain that since the Company was listed at Pakistan Stock Exchange Limited in the month of June 2023, therefore the applicable and relevant requirements of Regulations 3, 6, 7, 8, 32 and 36 were complied with and the compliance of Regulations 27 and 33 can be verified in the subsequent period

Future Outlook

The Company is very vigilantly monitoring its investments in associates and other strategic investments and will always endeavor for their optimization through prudent investment decision. However, the present socio-economic environment and investment climate is quite challenging.

Aftab Ahmad Chaudhry
Chief Executive Officer

Director

Date: October 6, 2023

ڈائریکٹرز رپورٹ

محترم شیئر ہولڈرز،

LSE وینچرز لمیٹڈ کے بورڈ آف ڈائریکٹرز 30 جون 2023ء کو اختتام پذیر سال کے لئے اپنی رپورٹ بمعہ پڑتال شدہ مالیاتی اسٹیٹمنٹس اور آڈیٹرز رپورٹ ازراہ مسرت پیش کرتے ہیں۔

اقتصادی جائزہ

مالیاتی سال 2022-23ء کے دوران پاکستان کی معیشت کئی مشکلات کا شکار رہی جس میں بھاری تجارتی خسارہ، افراط زر کی بلند شرح، حد سے زیادہ ڈسکاؤنٹ ریٹ، پاکستانی روپے کی مسلسل بے قدری، ملکی و غیر ملکی قرضوں میں نمایاں اضافہ، گرتے ہوئے زرمبادلہ کے ذخائر، ملک کے کئی حصوں میں تباہ کن سیلاب اور سیاسی افراتفری شامل ہیں۔ حکومت آئی ایم ایف اور دوست ممالک سے سپورٹ حاصل کرنے میں کامیاب رہی جس سے کچھ حد تک کلی اقتصادی استحکام میں مدد ملی۔

پیداواری لاگت میں اضافہ، توانائی اور پٹرولیم مصنوعات کی بلند قیمتیں، قرضوں پر بڑھتی ہوئی لاگت، درآمدات پر سخت پابندی کے باعث خام مال کی قلت، متعدد ٹیکسوں اور ڈیوٹی میں اضافے نے کاروباری سرگرمیوں اور معیشت کے تمام شعبوں میں نمو کو محدود کر کے رکھ دیا۔

پاکستان اسٹاک ایکسچینج (PSX) کے KSE-100 انڈیکس کا یکم جولائی 2022ء کو آغاز 41.540.8 پوائنٹس پر ہوا جو 27 جون 2023ء کو 0.21% کمی کے ساتھ 41,452.6 پوائنٹس پر بند ہوا۔ 30 جون 2022ء کو PSX میں درج کمپنیوں کی سرمایہ کاری 6,956 بلین روپے رہی جو 27 جون 2023ء کو 8.43% کمی کے ساتھ 6,369 بلین روپے پر بند ہوئی۔ سرمایہ داروں کے اعتماد میں بحالی کے لئے حالیہ صورتحال کے پیش نظر حکومت نے سخت ترین اقدامات کئے۔

PSX میں لسٹنگ

زیر جائزہ سال کے دوران، سمجھوتے کی سکیم، LSEFSL کی علیحدگی کے لئے انتظامات اور تشکیل نو ("اسکیم") کے تحت لاہور ہائی کورٹ لاہور کے حکم مؤرخہ 26 اپریل 2023ء کے مطابق منظوری سے LSE فائنینشل سروسز لمیٹڈ (LSEFSL) کو نئی توانائی بخشی۔ اسکیم کے تحت، سابقہ ادارے کے نان NBFC بزنس اور اسٹریٹجک سرمایہ/اثاثہ جات کو دو حالیہ درج ذیلی کمپنیوں یعنی LSE وینچرز لمیٹڈ (LSEVL) اور LSE پروپ ٹیک لمیٹڈ (LSEPL) کو منتقل کر دیا گیا جنہوں نے بعد میں اسکیم کے تحت ڈاٹا ٹیکسٹائل ملز لمیٹڈ (DATM) کے ساتھ دوبارہ انضمام کے ذریعے لسٹنگ حیثیت حاصل کی۔ DATM کو وائنڈنگ اپ کے بغیر عدالتی حکم کے نتیجے میں تحلیل کر دیا گیا۔

اسکیم کے مطابق، LSEFSL کے اراکین کو پہلے سے جاری کردہ حصص کو منسوخ کر دیا گیا اور جواب میں LSEFSL کے ہر شیئر ہولڈر کو 99.862:100 اور 501.62:100 کے مبادلہ کے تناسب سے بالترتیب LSEVL اور LSEPL کے حصص دے دیئے گئے۔ DATM کے شیئر ہولڈرز کو DATM کے ہر 1000 حصص کے مقابلے میں LSEVL اور LSEPL کے پچیس پچیس حصص الاٹ کئے گئے۔ مزید برآں، LSEFSL نے 100 ملین روپے ادا شدہ سرمایہ حصص کے ساتھ LSEVL کو 10 ملین نئے حصص جاری کئے جو LSEVL کی کلی ملکیتی ذیلی کمپنی (گروپ کی مرکزی کمپنی) اور LSEPL ایسوسی ایٹڈ کمپنی بن گئی۔ علیحدگی کے بعد، LSEFSL بطور NBFC قائم ہے اور اس کا حالیہ سرمایہ داری ڈھانچہ اور انویسٹمنٹ NBFC قواعد و ضوابط کے عین مطابق ہیں۔

اسکیم کے مطابق علیحدگی سے قبل تمام تر اسٹریٹجک، طویل و قلیل مدتی سرمایہ کاری کو LSEVL کو منتقل کر دیا گیا۔ اسی طرح سے اراضی و عمارت، پلانٹ و ایکویپمنٹ (بشمول انویسٹمنٹ پراپرٹی) کو LSEPL کو منتقل کر دیا گیا۔

27 جون 2023ء کو LSEVL کا پاکستان اسٹاک ایکسچینج (PSX) میں اندراج ہوا جہاں اس کا کمپنی کوڈ/سکیورٹی علامت "LSEVL" ہے۔ کمپنی کو PSX کی یومیہ نرخ میں "انویسٹمنٹ فنڈز/انویسٹمنٹ کمپنی/سکیورٹیز کمپنی" کے شعبے میں رکھا گیا۔ LSEVL کا حالیہ ادا شدہ سرمایہ حصص 65% فری فلوٹ کے ساتھ 1.795 بلین روپے ہے۔

LSE کے دیچرز

LSEVL اسٹارٹ اپ اور ابھرتی ہوئی کمپنیوں کو قرض فراہم کرنے کا عزم کرتی ہے جن کی طویل مدتی نمو کے روشن امکانات ہوں۔ یہ اپنے احیاء کے کئی مراحل میں ترقی یافتہ اداروں کو تکنیکی و سرمایہ کاری تجربہ کی بھی پیشکش کرتی ہے۔ انویسٹمنٹ کیپٹل کے علاوہ، LSEVL اکثر کاروباری منصوبہ بندی اور معاونت کی خدمات بھی فراہم کرتی ہے تاکہ کمپنیوں کو اپنی بقا میں مدد مل سکے اور اضافی سرمایہ کی تلاش میں مدد کے لئے نیٹ ورکنگ سروسز فراہم کی جا سکیں۔

LSEVL کی اسٹریٹجک انویسٹمنٹس

نمبر شمار	نام کمپنی	تعداد حصص
.1	پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ (PACRA)	2,683,044
.2	سنٹرل ڈیپازیٹری کمپنی لمیٹڈ (CDC)	35,000,000
.3	نیشنل کلیئرنگ کمپنی پرائیویٹ لمیٹڈ (NCCPL)	23,730,462
.4	پاکستان مرکنٹائل ایکسچینج لمیٹڈ (PMEX)	2,272,727
.5	ڈیجیٹل کسٹوڈین کمپنی لمیٹڈ (DCCL)	5,221,973
.6	LSE پروپ ٹیک لمیٹڈ (LSEPL)	26,952,897
.7	LSE فنانشیل سروس لمیٹڈ (LSEFSL)	10,000,000
.8	پاکستان گیس پورٹ کنسورشیم لمیٹڈ (PGPCL)	28,000,000
.9	برلیو (انٹرنیشنل لرننگ سنٹر)	400,000
.10	ریکٹ اینڈ کولمین پاکستان لمیٹڈ	656
.11	RB ہائی جین ہوم پاکستان لمیٹڈ	176
.12	فرسٹ داؤد انویسٹمنٹ بینک لمیٹڈ (FDIBL)	3,026,500

مالیاتی خلاصہ

مالیاتی تفصیلات	2023ء 000' روپے میں
آمدنی	313,516
آپریٹنگ اخراجات	(75,236)
نفع/(نقصان) علاوہ ٹیکسیشن	238,280
ٹیکسیشن	(16,405)
مذکورہ مدت کے لئے خالص منافع	221,875
فی حصص آمدنی (EPS)۔ بنیادی	1.24 روپے
فی حصص آمدنی (EPS)۔ تحلیل	1.35 روپے

منظور شدہ سکیم کے تحت ایکویٹی حصص (بشمول طویل مدتی سرمایہ کاری، ایسوسی ایٹڈ کمپنی میں سرمایہ کاری، قلیل مدتی سرمایہ کاری)، کیش اور بینک بیلنس، انویسٹمنٹ بذریعہ مارجن ٹریڈنگ سسٹم وغیرہ میں سرمایہ کاری LSEVL سے LSEVSL کو مؤرخہ 31 جولائی 2022 کو منتقل کر دی گئی ہے۔

قیام کے ابتدائی مرحلہ پر، کمپنی کام شروع کرنے میں مشکلات کا شکار رہی اور اسے ناگزیر اخراجات اور کاروباری ردوبدل کو برداشت کرنا پڑا۔ اسکیم اور 2001 ITO کے سیکشن 97(a) کے تحت کمپنیز ایکٹ 2017 کے سیکشن 282L اور 284 تا 287 کے مطابق اسکیم کو مدنظر رکھتے ہوئے اثاثہ جات کی فروخت ٹیکس سے پاک ہے لہٰذا تاریخ منظوری یعنی 26 اپریل 2023ء سے LSEFSL کے نام پر ٹیکس کی کوئی وڈ ہولڈنگ کٹوتی ڈیپازٹ ہوا جسے LSEVL کے کھاتے میں نہیں ڈالا گیا۔

مجوزہ حتمی نقد منافع منقسمہ

کمپنی کے منافع بخش نتائج کی روشنی میں ڈائریکٹرز نے 30 جون 2023ء کو اختتام پذیر سال کے لئے 0.50 روپے فی حصص کے حتمی نقد منافع منقسمہ یعنی 5% کی تجویز دی جسے AGM میں شیئر ہولڈرز کے سامنے پیش کیا جائے گا۔

بیرونی آڈیٹرز

حالیہ آڈیٹرز میسرز کرو حسین چوہدری اینڈ کو، چارٹرڈ اکاؤنٹنٹس ریٹائر ہونے والے ہیں اور اہلیت کی بنا پر اپنی دوبارہ تقرری کی پیشکش کرتے ہیں۔ انہیں باہمی طے شدہ معاوضے پر اگلی مدت کے لئے آپ کی کمپنی کا آڈیٹر تعینات کیا جا سکتا ہے۔

داخلی مالیاتی کنٹرول

کمپنی نے اپنا داخلی آڈٹ فنکشن مکمل طور پر کرسٹن حیدر بھیم جی اینڈ کو، چارٹرڈ اکاؤنٹنٹس کو سونپ دیا ہے۔ بورڈ نے یقینی بنایا ہے کہ داخلی مالیاتی کنٹرول کا نظام ایک مربوط نظام ہو جس کی ٹھیکیدار آڈیٹرز کی جانب سے موثر نگرانی وقتاً فوقتاً کرایا جاتا ہے۔
آپ کی کمپنی کی انتظامیہ کی جانب سے تیار کی گئی مالیاتی اسٹیٹمنٹس اس کے کاروباری امور، آپریشنز کے نتائج، کیش فلو اور ایکویٹی میں تبدیلی کی بھرپور عکاسی کرتی ہیں۔ آپ کی کمپنی نے کھاتوں کی باقاعدہ کتابیں تیار رکھی ہیں اور اکاؤنٹنگ تخمینہ جات معقول اور جائز فیصلوں کی بنیاد پر لگائے جاتے ہیں۔ ان مالیاتی اسٹیٹمنٹس کی تیاری میں پاکستان میں رائج بین الاقوامی مالیاتی اسٹینڈرڈز کا بھرپور اطلاق کیا گیا ہے اور اس میں کسی بھی سقم کو واضح درج کیا گیا ہے۔ کمپنی میں نافذ انٹرنل کنٹرول کا نظام ایک مربوط نظام ہے جس کی سال بھر میں موثر اور لگاتار نگرانی ہوتی ہے۔

کاروباری وسماجی ذمہ داری

مذکورہ سال کے دوران کمپنی CSR اور ماحولیاتی انتظام کے پروگراموں میں بھرپور شرکت کرتی ہے اور اس کے لئے ہمیشہ سے پرعزم ہے۔ LSEVL نے تعلیم، صحت وتگہداشت اور ماحولیاتی تحفظ کے پروگراموں پر بھرپور توجہ دی ہے۔ LSEVL یہ یقینی بنانے کے لئے پرعزم ہے کہ وہ ایک ذمہ دار کاروباری شہری کی حیثیت سے اپنا کردار ادا کرتا رہے۔
کمپنیز ایکٹ 2017ء کے سیکشن 227ء کی تعمیل میں مندرجہ ذیل کا اظہار کیا گیا ہے؛

a. ڈائریکٹرز کے نام جو مالیاتی سال کے دوران کمپنی کے ڈائریکٹرز رہے؛

نمبر شمار	نام ڈائریکٹر	وجہ
1	مسٹر محمد اقبال	چیئرمین / نان ایگزیکٹو ڈائریکٹر
2	مسٹر آفتاب احمد چوہدری	چیف ایگزیکٹو آفیسر
3	مسٹر عامر ضیاء*	نان ایگزیکٹو ڈائریکٹر
4	مس منائل علی	نان ایگزیکٹو ڈائریکٹر
5	مسٹر عمار الحق**	نان ایگزیکٹو ڈائریکٹر
6	مسٹر عابد لطیف خان***	نان ایگزیکٹو ڈائریکٹر
7	مسٹر شاہنواز محمود	خود مختار ڈائریکٹر
8	مسٹر ایم تبسم محمود	خود مختار ڈائریکٹر
9	مسٹر یاسر منظور****	خود مختار ڈائریکٹر

* مسٹر عامر ضیاء 17-01-2023 کو مستعفی ہوئے۔
** مسٹر عمار الحق 02-05-2023 کو مستعفی ہوئے۔
*** مسٹر عابد لطیف خان 02-05-2023 کو ڈائریکٹر مقرر ہوئے۔
**** مسٹر یاسر منظور 17-01-2023 کو ڈائریکٹر مقرر ہوئے۔

a. کمپنی کے بنیادی کاروباری امور میں حصص، بانڈز، سٹاکس، میوچل فنڈ یونٹس اور دیگر سیکورٹیز یا ان سے متعلق انسٹرومنٹس اور علاوہ وازیں ہر قسم کے رہنل اثاثہ جات میں کمپنی کے وقتاً فوقتاً طے شدہ طریقہ کار کے مطابق سرمایہ کاری شامل ہے۔ اس میں مروجہ قوانین کی تعمیل میں رہنل اسٹیٹ، حصص، بانڈز، سٹاکس، میوچل فنڈز یونٹس یا دیگر سیکورٹیز یا متعلقہ انسٹرومنٹس کو رکھنا یا فروخت کرنا بھی شامل ہے۔

یہ کاروبار کئی خطرات یعنی کریڈٹ رسک، لیکویڈیٹی رسک، آپریشنل رسک، مارکیٹ رسک اور ریگولیٹری رسک، معاشی افراتفری وغیرہ سے دوچار ہو سکتا ہے۔ مزید برآں، وینچر کیپٹل بلند خطرہ - بلند منافع قسم کی سرمایہ کاری ہے اور اس میں کامیابی کی کوئی ضمانت نہیں ہے۔

کمپنی کی جانب سے اپنائی گئی رسک مینجمنٹ پالیسیاں اور طریقہ ہائے کار کمپنی کو بے یقینی صورت حال سے قبل از وقت نبرد آزما ہونے اور اندرونی و بیرونی ماحول میں تبدیلی لانے میں مدد کرتے ہیں تاکہ منفی اثرات کو محدود کیا جا سکے اور مواقع سے فائدہ اٹھایا جا سکے۔ کمپنی کا منافع ملک کی مجموعی معاشی اور جیو پولیٹیکل حالات، حکومتی پالیسیوں اور ایسوسی ایٹڈ کمپنیوں اور کیپٹل مارکیٹ کی کارکردگی سے مشروط ہے۔

b. فی الوقت چیف ایگزیکٹو آفیسر کو کمپنی کے آرٹیکلز آف ایسوسی ایشن اور HR مینوئل کے مطابق بورڈ کی منظوری سے تنخواہ و دیگر مراعات دی جا رہی ہیں۔ دیگر ڈائریکٹرز کو بورڈ و کمیٹی اجلاس میں شرکت کی فیس کی علاوہ کوئی منافع ادا نہیں کیا جا رہا۔ متعلقہ اعداد و شمار کا اظہار مالیاتی اسٹیٹمنٹس میں کیا گیا ہے۔

لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ضوابط 2019ء کے ضابطہ نمبر 34(2) کی تعمیل میں مندرجہ ذیل معلومات فراہم کی گئی ہیں۔

1 مندرجہ ذیل کے مطابق ڈائریکٹرز کی کل تعداد سات (7) ہے:

a.	مرد	6
b.	خاتون	1

2. بورڈ کی ترکیب

i.	خود مختار ڈائریکٹرز	مسٹر ایم تبسم منیر
		مسٹر شاہنواز محمود
		مسٹر یاسر منظور
ii.	نان ایگزیکٹو ڈائریکٹرز	مسٹر محمد اقبال
		مسٹر عابد لطیف خان
		مس منائل علی
iii.	ایگزیکٹو ڈائریکٹرز	مسٹر آفتاب احمد چوہدری
iv.	خاتون ڈائریکٹر	مس منائل علی

3. **بورڈ کمیٹیاں**

مذکورہ سال کے دوران، بورڈ نے معاونت کے لئے مندرجہ ذیل کمیٹیاں تشکیل دی ہیں جو متعلقہ امور پر سفارشات مرتب کرتی ہیں۔

آڈٹ کمیٹی

.1	مسٹر شاہنواز محمود	چیئرمین
.2	مسٹر ایم تبسم منیر	رکن
.3	مس منائل علی	رکن

ہیومن ریسورس اینڈ ریمونریشن کمیٹی

.1	مسٹر یاسر منظور	چیئرمین
.2	مسٹر عابد لطیف خان	رکن
.3	مسٹر ایم تبسم منیر	رکن

مستقبل کا منظرنامہ

کمپنی ایسوسی ایٹس اور دیگر اسٹریٹجک انویسٹمنٹس میں اپنی سرمایہ کاریوں کی انتہائی مربوط انداز میں نگرانی کی جاتی ہے اور قابل انویسٹمنٹ فیصلوں کے ذریعے ان کو نکھارنے کی جدوجہد کی جاتی ہے۔ البتہ، حالیہ سماجی و معاشی اور انویسٹمنٹ ماحول کچھ چیلنجنگ ہے۔

آفتاب احمد چوہدری
چیف ایگزیکٹو آفیسر **ڈائریکٹر**

Pattern of Shareholding

as at June 30, 2023

# Of Shareholders	Shareholding's Slab			Total Shares Held
953	1	to	100	18,722
193	101	to	500	46,761
46	501	to	1000	34,583
49	1001	to	5000	88,641
7	5001	to	10000	49,509
3	15001	to	20000	50,213
1	20001	to	25000	24,350
1	45001	to	50000	49,931
1	50001	to	55000	52,923
1	80001	to	85000	84,280
1	125001	to	130000	1,26,422
1	130001	to	135000	1,34,850
1	165001	to	170000	1,68,562
1	195001	to	200000	1,99,724
1	210001	to	215000	2,10,703
2	290001	to	295000	5,89,968
1	325001	to	330000	3,29,545
60	335001	to	340000	2,02,27,337
1	370001	to	375000	3,70,837
1	380001	to	385000	3,84,182
1	385001	to	390000	3,87,055
10	470001	to	475000	47,18,338
60	505001	to	510000	3,03,41,175
1	525001	to	530000	5,26,648
1	670001	to	675000	6,74,249
11	705001	to	710000	77,87,571
1	755001	to	760000	7,58,530
1	805001	to	810000	8,09,098
32	840001	to	845000	2,69,69,849
1	985001	to	990000	9,87,623
5	1175001	to	1180000	58,99,675
1	1180001	to	1185000	11,81,331
1	2200001	to	2205000	22,04,444
2	2995001	to	3000000	59,91,722
1	20150001	to	20155000	2,01,50,943
1	46965001	to	46970000	4,69,67,586
1455				**17,95,97,880**

LSE VENTURES LIMITED Pattern of Shareholding as at June 30, 2023			
Categories of Shareholders	**Shareholders**	**Shares Held**	**Percentage**
Directors, Chief Executive Officer and their spouse(s) and minor children			
MUHAMMAD IQBAL	1	22,04,444	1.23
AFTAB AHMAD	1	1	0.00
Shahnawaz Mahmood (022839)	1	1	0.00
Executives	1	1	0.00
Associated Companies, undertakings and related parties	2	6,71,18,529	37.37
NIT and ICP	2	870	0.00
Banks Development Financial Institutions, Non-Banking Financial Institutions	2	8,44,283	0.47
Insurance Companies	2	125	0.00
Modarabas and Mutual Funds	2	3,52,589	0.20
General Public			
a. Local	1259	1,72,67,069	9.61
b. Foreign	3	86	0.00
Foreign Companies	-	-	0.00
Others	179	9,18,09,882	51.12
Totals	**1455**	**17,95,97,880**	**100.00**

Share holders holding 10% or more	**Shares Held**	**Percentage**
MODARABA AL-MALI	4,69,67,586	26.15
HUMERA MUHAMMAD IQBAL	2,01,50,943	11.22

LSE وینچرز لمیٹڈ

شیئر ہولڈنگ کا پیٹرن

30 جون 2023 کو

کل ملکیتی حصص	شیئر ہولڈرز کی سلیب	تعداد شیئر ہولڈرز
18,722	1 تا 100	953
46,761	101 تا 500	193
34,583	501 تا 1000	46
88,641	1001 تا 5000	49
49,509	5001 تا 10000	7
50,213	15001 تا 20000	3
50,213	20001 تا 25000	1
49,931	45000 تا 50000	1
52,923	50001 تا 55000	1
84,280	80001 تا 85000	1
1,26,422	125001 تا 130000	1
1,34,850	130001 تا 135000	1
1,68,562	165001 تا 170000	1
1,99,724	195001 تا 200000	1
2,10,703	210001 تا 215000	1
5,89,968	290001 تا 29500	2
3,29,545	325001 تا 330000	1
2,02,27,337	335001 تا 340000	60
3,70,837	370001 تا 375000	1
3,84,182	380001 تا 385000	1
3,87,055	385001 تا 390000	1
47,18,338	470001 تا 475000	10
3,03,41,175	505001 تا 510000	60
5,26,648	525001 تا 530000	1
6,74,249	670001 تا 675000	1
77,87,571	705001 تا 710000	11
7,58,530	755001 تا 760000	1
8,09,098	805001 تا 810000	1
2,69,69,849	840001 تا 845000	32
9,87,623	985001 تا 990000	1
58,99,675	1175001 تا 1180000	5
11,81,331	1180001 تا 1185000	1
22,04,444	2200001 تا 2205000	1
59,91,722	2995001 تا 3000000	2
2,01,50,943	20150001 تا 20155000	1
4,69,67,586	46965001 تا 46970000	1
17,95,97,880		**1455**

LSE وینچرز لمیٹڈ

شیئر ہولڈنگ کا پیٹرن

30 جون 2023 کو

شیئر ہولڈرز کا زمرہ	شیئر ہولڈرز	ملکیتی حصص	اوسط
ڈائریکٹرز، چیف ایگزیکٹو آفیسر اور ان کے شریک حیات اور نابالغ بچے			
محمد اقبال	1	22,04,444	1.23
آفتاب احمد	1	1	0.00
خاقان احمد (022839)	1	1	0.00
ایگزیکٹوز	1	1	0.00
ایسوسی ایٹڈ کمپنیاں، انڈرٹیکنگز اور متعلقہ فریقین	2	6,71,18,529	37.37
NIT اور ICP	2	870	0.00
بینک، ڈویلپمنٹ مالیاتی ادارے، نان بینکنگ مالیاتی ادارے	2	8,44,283	0.47
انشورنس کمپنیاں	2	125	0.000
مضاربہ جات اور میوچل فنڈز	2	3,52,589	0.20
عوام الناس			
a. ملکی	1259	1,72,67,069	9.61
b. غیر ملکی	3	86	0.00
غیر ملکی کمپنیاں	-	-	0.00
دیگر	179	9,18,09,882	51.12
میزان	**1466**	**17,96,87,880**	**100.00**

10% یا زیادہ شیئر ہولڈنگ کے حامل			
مضاربہ المالی		4,69,67,586	26.15
میر محمد اقبال		2,01,50,943	11.22

Notice of the Annual General Meeting

NOTICE is hereby given that the 1st Annual General Meeting (AGM) of the Members of LSE Ventures Limited ("the Company") will be held on **Saturday, October 28th, 2023, at 12:00 p.m.**, at the Registered Office of the Company, in the Auditorium of LSE Plaza, 19-Khayaban-e-Aiwan-e-Iqbal, Lahore, and virtually through a video-link facility to transact the following business: -

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements, together with the Directors' Report, the Auditors' Report, thereon for the financial year ended June 30th, 2023.

[As required under Section 223 of the Companies Act 2017 and in terms of S.R.O No. 389(I)/2023 dated March 21, 2023, the Annual Report including Financial Statements of the Company has been transmitted to the Shareholders and uploaded on the website of the Company which can be viewed using the web-link and QR enable code provided with this notice.]

2. To consider and approve the payment of Rs. 0.50 per share (i.e., @5%) as the final cash dividend for the financial year ended June 30, 2023, as recommended by the Board of Directors of the Company.

3. To appoint the Auditors of the Company for the financial year ending June 30th, 2024 and to fix their remuneration.

SPECIAL BUSINESS:

4. To approve, as and by way of an Ordinary Resolution, the transmission of the annual balance sheet, profit & loss account, auditors report, directors report (the "Annual Audited Financial Statements") and the notice of general meetings etc. to the Company's shareholders through QR enabled code and weblink as allowed by the Securities and Exchange Commission of Pakistan via S.R.O No. 389(I)/2023 dated March 21st, 2023:

"**RESOLVED THAT** as notified by the Securities and Exchange Commission of Pakistan, via S.R.O No. 389(I)/2023, dated March 21, 2023, transmission of Annual Audited Financial Statements of the Company to the members through QR enabled code and weblink instead of transmitting the Audited Annual Financial Statements through CD/DVD/USB, be and is hereby ratified and approved for future."

5. To approve, as and by way of an Ordinary Resolution, the placement of Quarterly Accounts of the Company at its website, instead of sending the same by post to the members, as allowed by the Securities and Exchange Commission of Pakistan, via Circular No. 19 of 2004:

"**RESOLVED THAT** as had been allowed by the Securities and Exchange Commission of Pakistan, via Circular No. 19 of 2004, the placement of Quarterly Accounts of the Company at its website, instead of circulating the same by post to the members, be and is hereby approved for future."

By Order of the Board of Directors:

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Company Secretary

Lahore, Dated October 6, 2023.

Notes:

1. **CLOSURE OF SHARE TRANSFER BOOKS**
The Register of Members and the Share Transfer Books will be closed from October 22nd, 2023 to October 28th, 2023 (both days inclusive). Transfers received in order at the office of the Company's Registrar namely, CDC Share Registrar Services Limited, CDC House, 99-B, Block B, S.M.C.H.S., Main Shahra-e-Faisal, Karachi – 74400, by the close of business on October 21st, 2023, will be considered in time for the purpose of determining the entitlement for final cash dividend and to establish the right to attend and vote at the Annual General Meeting.

2. **ATTENDING AGM AND APPOINTMENT OF PROXY**
A Member entitled to attend, speak and vote at the AGM is entitled to appoint another member as his/her proxy to attend, speak and vote on his/her behalf. An instrument appointing proxy must be deposited at the registered office of the Company, at least 48 hours before the time of the meeting. Form of Proxy is attached. CDC Account Holders will further have to follow the guidelines as laid down in Circular 1 dated January 26, 2000, issued by the Securities and Exchange Commission of Pakistan.

3. **PARTICIPATION IN THE AGM VIA THE VIDEO CONFERENCING FACILITY:**
Shareholders interested in attending the meeting through video conferencing are requested to email the following information with the subject "Registration for AGM 2023" along with a valid copy of both sides of their Computerized National Identity Card (CNIC) to info@lse.com.pk. Video link and login credentials will be shared with only those members whose emails, containing all the required particulars, are received at least 48 hours before the time of AGM.

1. Folio No. / CDC Investors A/c No./ Sub-A/c No.: ________________________
2. Name of Shareholder : ________________________
3. Cell Phone Number:________________________
4. Email Address: ________________________
5. No. of Shares held: ________________________

4. **ELECTRONIC VOTING**
The members are hereby notified that pursuant to Section 143-145 of the Companies Act, 2017 and Companies (Postal Ballot) Regulations, 2018. Members will be allowed to exercise their right to vote through the electronic voting facility or voting by post for the **special business** in accordance with the requirements and subject to the conditions contained in the aforesaid Regulations. For the convenience of the Members, the ballot paper is annexed to this notice and the same is also available on the Company's website at www.lse.com.pk for download.

- **Procedure for E–Voting:**
(a) Details of the e-voting facility will be shared through an e-mail with those members of the Company who have their valid CNIC numbers, cell numbers, and e-mail addresses available in the register of members of the Company on the book closure date.
(b) The web address, and login details, will be communicated to members via email. The security codes will be communicated to members through SMS from the web portal M/s. CDC Share Registrar Services Limited (being the e-voting service provider).

(c) Identity of the Members intending to cast a vote through e-Voting shall be authenticated through electronic signature or authentication for login.
(d) E-Voting lines will start on October 25, 2023, at 9:00 a.m. and shall close on October 27, 2023, at 5:00 p.m. Members can cast their votes at any time during this period. Once the vote on a resolution is cast by a Member, he/she shall not be allowed to change it subsequently.

- **Procedure for Voting Through Postal Ballot:**
  (a) The members shall ensure that duly filled and signed ballot paper along with a copy of the Computerized National Identity Card (CNIC) should reach the Chairman of the meeting through post on the Company's registered address, 19-Khayaban-e-Aiwan-e-Iqbal, Lahore or email at info@lse.com.pk, one (1) day before the Annual General Meeting. The signature on the ballot paper shall match the signature on CNIC.

STATEMENT OF MATERIAL FACTS UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017 RELATING TO THE SPECIAL BUSINESS TO BE TRANSACTED AT THE ANNUAL GENERAL MEETING OF SHAREHOLDERS OF THE COMPANY TO BE HELD ON OCTOBER 28, 2023.

Agenda Item # 4

The Securities and Exchange Commission of Pakistan has allowed listed companies, through its S.R.O. No.389(I)/2023, dated March 21st, 2023, to circulate the annual balance sheet and profit and loss account, auditors' report and directors' report etc. ("Annual Audited Financial Statements") to their Members through QR-enabled code and weblink instead of transmitting the same through CD/DVD/USB, subject to approval of the shareholders in the general meeting. Considering the optimum use of advancements in technology and in order to avail cost effective measure, approval of members is sought as per requirement of the above SRO, for circulation/transmission of the Annual Audited Financial Statements to the members through QR-enabled code and weblink.

Agenda Item # 5

The Securities and Exchange Commission of Pakistan through Circular No. 19 of 2004 had allowed the listed companies to place the Quarterly Accounts on their website instead of transmitting the same to the shareholders by post. In order to best use of technology and save the printing and distribution cost, approval of members is sought as per requirement of the above circular, for placement of Quarterly Accounts of the Company at its website, instead of circulation/transmission of the hard copies by post.

Note: None of the Directors of the Company have any direct or indirect interest in this special business except to the extent of their respective shareholding in the Company.

Ballot paper for voting through post at the Annual General Meeting to be held on Saturday, October 28, 2023, at 11:00 a.m., at the Registered Office of the Company, in the Auditorium of LSE Plaza, 19-Khayaban-e-Aiwan-e-Iqbal, Lahore.

Contact Details of the Chairman, at which the duly filled in ballot paper may be sent:

Business Address:	The Chairman, LSE Ventures Limited, LSE Plaza, 19-Khayaban-e-Aiwan-e-Iqbal, Lahore.
Designated email address:	info@lse.com.pk

Name of shareholder/joint Shareholders	
Registered Address	
Number of shares held and folio number	
CNIC Number (copy to be attached)	

Additional Information and enclosures (In case of representative of body corporate, corporation and Federal Government.)	

I/we hereby exercise my/our vote in respect of the following resolutions through postal ballot by conveying my/our assent or dissent to the following resolution by placing tick (√) mark in the appropriate box below (delete as appropriate);

Sr. No.	Nature and Description of resolutions	No. of ordinary shares for which votes cast	I/We assent to the Resolutions (FOR)	I/We dissent to the Resolutions (AGAINST)
1	Circulation/transmission of Annual Audited Financial Statements through QR enabled Code and web-link.			
2	Placement of Quarterly Accounts of the Company at its website, instead of circulating the same by post to the members.			

____

Signature of shareholder(s)   Place: Date:

NOTES:

1. *Dully filled postal ballot should be sent to Chairman at above mentioned postal or email address.*
2. *Copy of CNIC should be enclosed with the postal ballot form.*
3. *Postal ballot forms should reach chairman of the meeting on or before October 27, 2023. Any postal ballot received after this date, will not be considered for voting.*
4. *Signature on postal ballot should match with signature on CNIC.*
5. *Incomplete, unsigned, incorrect, defaced, torn, mutilated, over written ballot paper will be rejected.*
6. *Company shall draft ballot paper whereby explicit information, terms and conditions and choice of selection is provided and ensure that no confusion arise for voters that may defeat the objective of voting.*

LSE وینچرز لمیٹڈ

اطلاع سالانہ اجلاس عام

بذریعہ ہذا مطلع کیا جاتا ہے کہ LSE وینچرز لمیٹڈ (کمپنی) کے ارکان کا پہلا سالانہ اجلاس عام (AGM)، کمپنی کے رجسٹرڈ دفتر، LSE پلازہ، 19-خیابان ایوان اقبال، لاہور میں اور ویڈیو لنک سہولت کے ذریعے بروز ہفتہ 28 اکتوبر 2023 کو دوپہر 12:00 بجے درج ذیل امور کی انجام دہی کیلئے منعقد ہوگا۔

عام امور:

1۔ 30 جون 2023 کو ختم ہونے والے سال کے لئے کمپنی کے آڈٹ شدہ مالی گوشواروں معہ ڈائریکٹرز اور آڈیٹرز کی رپورٹس کی وصولی، غور و خوض اور منظوری دینا۔
(کمپنیز ایکٹ 2017 کی دفعہ 223 کے تحت اور S.R.O No. 389(I)/2023 کی شرائط میں مطلوب کے مطابق، کمپنی کے مالی گوشواروں سمیت سالانہ رپورٹ حصص داران کو ترسیل اور کمپنی کی ویب سائٹ پر اپ لوڈ کر دی گئی ہیں جو نوٹس ہذا کے ساتھ فراہم کردہ ویب لنک اور QR ان ایبل کوڈ استعمال کرتے ہوئے ملاحظہ کی جا سکتی ہیں۔)

2۔ 30 جون 2023 کو ختم ہونے والے سال کے لئے بورڈ آف ڈائریکٹرز کی سفارشات کے مطابق حتمی نقد منافع منقسمہ 0.00 روپے فی شیئر یعنی 30.00 فیصد پر غور و خوض اور منظور کرنا۔

3۔ 30 جون 2024 کو ختم ہونے والے سال کے لئے آڈیٹرز کا تقرر اور ان کے مشاہرہ کا تعین کرنا۔

خصوصی امور:

4۔ سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی طرف سے S.R.O No. 389(I)/2023 مورخہ 21 مارچ 2023 کی رو سے دی گئی اجازت کے مطابق سالانہ بیلنس شیٹ، نفع و نقصان کا کھاتہ، آڈیٹرز کی رپورٹ اور ڈائریکٹرز کی رپورٹ ("سالانہ آڈٹ شدہ مالیاتی گوشوارے") اور عام اجلاس کے نوٹس وغیرہ کی کمپنی کے شیئر ہولڈرز کو QR ان ایبل کوڈ اور ویب لنک کے ذریعے ترسیل کی عام قرارداد کے طریقے سے منظوری دینا۔

"قرار پایا کہ جیسا کہ سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی طرف سے S.R.O No. 389(I)/2023 مورخہ 21 مارچ 2023 کی رو سے جاری کردہ کے مطابق، آڈٹ شدہ سالانہ مالیاتی گوشوارے CD/DVD/USB کے ذریعے منتقل کرنے کی بجائے مستقبل میں کمپنی کے سالانہ آڈٹ شدہ مالیاتی گوشواروں کو QR کوڈ اور ویب لنک کے ذریعے ممبران تک پہنچانے کی بذریعہ ہذا توثیق اور منظوری دی جاتی ہے۔

5۔ سرکلر نمبر 19 آف 2004 کی رو سے سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی طرف سے دی گئی اجازت کے مطابق کمپنی کے سہ ماہی اکاؤنٹس ممبران کو ڈاک کے ذریعے بھیجنے کے بجائے اپنی ویب سائٹ پر رکھنے کی ایک عام قرارداد کے طریقے سے منظوری دینا۔

"قرار پایا کہ سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی طرف سے سرکلر نمبر 19 آف 2004 کے ذریعے دی گئی اجازت کے مطابق، کمپنی کے سہ ماہی اکاؤنٹس ممبران کو ڈاک کے ذریعے منتقل کرنے کے بجائے، مستقبل میں اپنی ویب سائٹ پر رکھا جائے گا اور بذریعہ ہذا منظوری دی جاتی ہے۔

بحکم بورڈ

کمپنی سیکرٹری

لاہور۔۔۔

مورخہ 05 اکتوبر 2023ء

نوٹ:۔۔۔

1۔ حصص منتقلی کتابوں کی بندش

کمپنی کے ارکان کا رجسٹر اور حصص منتقلی کتابیں 22 اکتوبر 2023ء تا 28 اکتوبر 2023ء (بشمول ہر دو ایام) بند رہیں گی۔ منتقلیاں کمپنی کے شیئر رجسٹرار کے دفتر یعنی سی ڈی سی شیئر رجسٹرار سروسز لمیٹڈ، سی ڈی سی ہاؤس، B-99، بلاک B، S.M.C.H.S، مین شاہراہ فیصل، کراچی 74400 کے پاس 21 اکتوبر 2023ء کو کاروبار کے اختتام تک موصول ہونے والی، سالانہ اجلاس عام میں حصص داران کی شرکت اور ووٹنگ حقوق کے تعین (حتمی نقد منافع منقسمہ کے استحقاق اور قیام) کے لئے بروقت تصور ہوں گی۔

2۔ AGM میں شرکت اور پراکسی کی تقرری کے لئے

AGM میں شرکت، تقریر اور ووٹ دینے کا اہل رکن کسی دیگر رکن کو اپنی جانب سے شرکت، تقریر اور ووٹ دینے کیلئے اپنا پراکسی مقرر کر سکتا ہے۔ پراکسی تقرری کا آلہ کمپنی کے رجسٹرڈ دفتر میں اجلاس کے وقت سے کم از کم 48 گھنٹے قبل لازماً جمع کروایا جانا چاہئے۔ پراکسی فارم منسلک ہے۔ سی ڈی سی اکاؤنٹ ہولڈرز کو مزید برآں سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی طرف سے جاری کردہ سرکلر نمبر 1 مورخہ 26 جنوری 2000 میں دی گئی گائیڈ لائنز کی پیروی کرنا ہوگی۔

ویڈیو کانفرنس سہولت کے ذریعے AGM میں شرکت

ویڈیو کانفرنسنگ کے ذریعے اجلاس میں شرکت کے خواہشمند حصص داران سے درخواست ہے کہ درج ذیل معلومات بعنوان "رجسٹریشن برائے 2023 AGM" ممبر اپنے کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) کی دونوں اطراف کی کاپی کے ہمراہ info@lse.com.pk پر ای میل کریں۔ ویڈیو لنک اور لاگ ان کریڈینشلز صرف ان ارکان کے ساتھ شیئر کی جائیں گی جن کی ای میلز بشمول تمام مطلوبہ کوائف AGM کے وقت سے کم از کم 48 گھنٹے قبل وصول ہوئی ہیں۔

1۔ فولیو نمبر/سی ڈی سی انویسٹر اکاؤنٹ نمبر/ذیلی اکاؤنٹ نمبر: ----------------

2۔ حصص دار کا نام: ----------------------

3۔ سیل فون نمبر: -------------------------

4۔ ای میل ایڈریس: -----------------

5۔ ملکیتی حصص کی تعداد: ---------------

4۔ الیکٹرانک ووٹنگ

ممبران کو بذریعہ ہذا مطلع کیا جاتا ہے کہ کمپنیز ایکٹ 2017 کے سیکشن 143-145 اور کمپنیز (پوسٹل بیلٹ) ریگولیشنز 2018 کی پیروی میں ضروریات کے مطابق اور مذکورہ ضوابط میں موجود شرائط کے حوالے سے ممبران کو الیکٹرانک ووٹنگ کی سہولت کے ذریعے اپنے ووٹ کا حق استعمال کرنے یا خصوصی امور کے لیے ڈاک کے ذریعے ووٹ دینے کی اجازت ہوگی۔ اراکین کی سہولت کے لیے بیلٹ پیپر نوٹس ہذا کے ساتھ منسلک ہے اور یہ کمپنی کی ویب سائٹ www.lse.com.pk پر بھی ڈاؤن لوڈ کے لیے دستیاب ہے۔

• ای ووٹنگ کا طریقہ کار:

(a) ای ووٹنگ کی سہولت کی تفصیلات کمپنی کے ان ممبران کے ساتھ ای میل کے ذریعے شیئر کی جائیں گی جن کے درست CNIC نمبر، سیل نمبر اور ای میل ایڈریس کمپنی کے ممبران کے رجسٹر میں کاروبار بند ہونے کی تاریخ کو دستیاب ہیں۔

(b) ویب ایڈریس اور لاگ ان کی تفصیلات ای میل کے ذریعے ممبران کو بتائی جائیں گی۔ سیکیورٹی کوڈز ممبران کو سی ڈی سی شیئر رجسٹرار سروسز لمیٹڈ (ای ووٹنگ سروس فراہم کنندہ کی حیثیت سے) کے ویب پورٹل سے SMS کے ذریعے بتائے جائیں گے۔

(c) ای ووٹنگ کے ذریعے ووٹ ڈالنے کا ارادہ رکھنے والے اراکین کی شناخت الیکٹرانک دستخط یا لاگ ان کے لیے تصدیق کے ذریعے کی جائے گی۔

(d) ای ووٹنگ لائنیں 25 اکتوبر 2023 کو صبح 9:00 بجے شروع ہوں گی اور 27 اکتوبر 2023 کو شام 5:00 بجے بند ہوں گی۔ ممبران اس مدت کے دوران کسی بھی وقت اپنا ووٹ ڈال سکتے ہیں۔ ایک بار کسی رکن کی طرف سے قرارداد پر ووٹ ڈالنے کے بعد، اسے بعد میں اسے تبدیل کرنے کی اجازت نہیں ہوگی۔

• پوسٹل بیلٹ کے ذریعے ووٹ ڈالنے کا طریقہ کار:

(a) اراکین اس بات کو یقینی بنائیں گے کہ کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) کی نقل کے ہمراہ صحیح طریقے سے پُر اور دستخط شدہ بیلٹ پیپر کمپنی کے رجسٹرڈ ایڈریس 19 - خیابان - ایوان - اقبال، لاہور پر ڈاک کے ذریعے یا info@lse.com.pk پر ای میل کے ذریعے سالانہ اجلاس عام سے ایک (1) دن پہلے صدر اجلاس تک پہنچ جائیں۔ بیلٹ پیپر پر دستخط CNIC پر دستخط سے مماثل ہوں گے۔

کمپنیز ایکٹ 2017 کے سیکشن 134(3) کے تحت مادی حقائق کا بیان جو 28 اکتوبر 2023 کو منعقد ہونے والے کمپنی کے حصص داران کے سالانہ اجلاس عام میں انجام دیے جانے والے خصوصی امور سے متعلق ہے۔

ایجنڈا آئٹم نمبر 4

سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان نے اپنے S.R.O. No.389(I)/2023 مورخہ 21 مارچ 2023 کے ذریعے لسٹڈ کمپنیوں کو اجازت دی ہے کہ اجلاس عام میں شیئر ہولڈرز کی منظوری سے سالانہ بیلنس شیٹ اور نفع نقصان کے اکاؤنٹ، آڈیٹرز کی رپورٹ اور ڈائریکٹرز کی رپورٹ وغیرہ ("سالانہ آڈٹ شدہ مالیاتی گوشوارے") کو USB/DVD/CD کے ذریعے منتقل کرنے کی بجائے اپنے اراکین تک QR-ان ایبلڈ کوڈ اور ویب لنک کے ذریعے منتقل کیا جائے۔ ٹیکنالوجی میں پیشرفت کے پیش نظر اور اس کے زیادہ سے زیادہ استعمال کو مدنظر رکھتے ہوئے اور لاگت میں مؤثر اقدام سے فائدہ اٹھانے کے لیے QR-ان ایبلڈ کوڈ اور ویب لنک کے ذریعے ممبران کو سالانہ آڈٹ شدہ مالیاتی گوشواروں کی ترسیل کے لیے مذکورہ بالا SRO کی ضرورت کے مطابق اراکین کی منظوری لی جاتی ہے۔

ایجنڈا آئٹم نمبر 5

سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان نے 2004 کے سرکلر نمبر 19 کے ذریعے لسٹڈ کمپنیوں کو سالانہ اکاؤنٹس کو ڈاک کے ذریعے شیئر ہولڈرز کو منتقل کرنے کی بجائے اپنی ویب سائٹ پر رکھنے کی اجازت دی۔ ٹیکنالوجی کے بہترین استعمال اور پرنٹنگ اور ڈسٹری بیوشن کی لاگت بچانے کے لیے، مذکورہ بالا سرکلر کی ضرورت کے مطابق، کمپنی کے سالانہ اکاؤنٹس کی ہارڈ کاپیوں کی ترسیل ڈاک کے ذریعے کرنے

کے بجائے اپنی ویب سائٹ پر رکھنے کے لیے ممبران سے منظوری لی جاتی ہے۔

نوٹ: کمپنی کے کسی بھی ڈائریکٹرز کا ان خصوصی امور میں کمپنی میں ان کے متعلقہ شیئر ہولڈنگ کی حد تک کے سوائے کوئی براہ راست یا بالواسطہ دلچسپی نہیں ہے۔

LSE وینچرز لمیٹڈ

ڈاک کے ذریعے ووٹنگ کے لئے بیلٹ پیپر

کمپنی کے رجسٹرڈ دفتر LSE پلازہ کے آڈیٹوریم، 19-خیابان ایوان اقبال، لاہور میں بروز ہفتہ 28 اکتوبر 2023 کو دوپہر 12:00 بجے پر منعقد ہونے والے سالانہ اجلاس عام میں ڈاک کے ذریعے ووٹنگ کے لئے بیلٹ پیپر۔

چیئرمین کی رابطہ تفصیلات، جہاں پُر شدہ بیلٹ پیپر بھیجا جا سکتا ہے۔

کاروباری پتہ: چیئرمین، LSE وینچرز لمیٹڈ، LSE پلازہ، 19-خیابان ایوان اقبال، لاہور

ای میل ایڈریس: info@lse.com.pk

شیئر ہولڈر/مشترکہ شیئر ہولڈرز کا نام	
رجسٹرڈ ایڈریس	
ملکیتی حصص کی تعداد اور فولیو نمبر	
CNIC نمبر (کاپی منسلک ہو)	
اضافی معلومات اور منسلکات (باڈی کارپوریٹ، کارپوریشن اور وفاقی حکومت کے نمائندوں کی صورت میں)	

میں/ہم مندرجہ ذیل قراردادوں کے سلسلے میں پوسٹل بیلٹ کے ذریعے اپنا/اپنے ووٹ استعمال کرتے ہیں اور ذیل میں مناسب باکس میں ٹک (✓) کا نشان لگا کر اپنی رضامندی یا اختلاف رائے دیتے ہیں۔

نمبر شمار	قراردادوں کی نوعیت اور تفصیل	عام حصص کی تعداد جن کے لئے ووٹ ڈالا جاتا ہے	میں/ہم قراردادوں پر رضامند ہیں (FOR)	میں/ہم قراردادوں کے خلاف ہیں (AGAINST)
	سالانہ آڈٹ شدہ مالی گوشواروں کی QR اینیبل کوڈ اور ویب لنک کے ذریعے ترسیل			
	کمپنی کے سالانہ اجلاس کی اطلاع کو ڈاک کے ذریعے ترسیل کی بجائے اپنی ویب سائٹ پر پلیسمنٹ			

شیئر ہولڈرز کے دستخط: ____________ مقام: تاریخ:

نوٹس:

1. صحیح طریقے سے پُر شدہ پوسٹل بیلٹ چیئرمین کو مذکورہ بالا ڈاک یا ای میل پر بھیجا جانا چاہیے۔
2. CNIC کی کاپی پوسٹل بیلٹ فارم کے ساتھ منسلک ہونی چاہیے۔
3. پوسٹل بیلٹ فارم 27 اکتوبر 2023 کو یا اس سے پہلے صدر اجلاس تک پہنچ جانے چاہئیں۔ اس تاریخ کے بعد موصول ہونے والا کوئی بھی پوسٹل بیلٹ ووٹنگ کے لیے قبول نہیں کیا جائے گا۔
4. پوسٹل بیلٹ پر دستخط CNIC کے دستخط سے مماثل ہونا چاہیے۔
5. نامکمل، بغیر دستخط شدہ، غلط، کاٹ کر لکھا ہوا، پھٹا ہوا، مسخ شدہ، دوبارہ لکھا ہوا بیلٹ پیپر مسترد کر دیا جائے گا۔
6. کمپنی بیلٹ پیپر کا مسودہ تیار کرے گی جس میں واضح معلومات درج ہوں اور سیکشن کا مقصد فراہم کرے اور اس بات کو یقینی بنایا جائے گا کہ ووٹرز کے لیے کوئی الجھن پیدا نہ ہو جس سے ووٹنگ کے مقصد کو نقصان پہنچے۔

Form of Proxy

I/We,____, the undersigned member, being a member of **LSE Ventures Limited**, hereby appoint____________________________________, the undersigned proxy, as my proxy to vote for me and on my behalf at the AGM of the Company to be held on ___________________ and/or at any adjournment thereof.

The Member:	The Proxy:
Signature:_______________________ **Signature** over Revenue Stamp of **Rs. 50/-** _________________________ Seal/Stamp of the Company Name and Designation of the Appointer: ______________________________________ CNIC No.:____________________________ Father's name:_________________________ Address:______________________________ Date:_______________ CDC Participant ID No.:________________ CDC Account/Sub-Account No.: _________ No. of Shares held: ____________	Signature:_____________________________ Name:________________________________ CNIC No.:____________________________ Father's name:_________________________ Address:______________________________ _____________________________________ Date:_______________

Witness 1: ___________________________	Witness 2: ___________________________
Signature: ___________________________	Signature: ___________________________
Name: ___________________________	Name: ___________________________
CNIC No.:___________________________	CNIC No.:___________________________
Address: ___________________________	Address: ___________________________

Notes:

1. Proxies, in order to be effective, must be received at the Company's Registered Office not later than 48 hours before the time for holding the meeting and must be duly stamped, signed and witnessed.
2. CDC beneficial owners and Proxy Holders must bring with them their Computerize National Identity Cards (CNIC)/Passports in original to prove his/her identity and in case of Proxy, CDC beneficial owners and Proxy Holders must enclose an attested copy of their CNIC/Passport with Proxy Form.
3. In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature of the nominee (unless it has been provided earlier) should be attached with the proxy form.

E-DIVIDEND Mandate Letter

According to Section 242 of Companies Act, 2017 and Circular No. 18/2017 dated August 1, 2017, issued by Securities and Exchange Commission of Pakistan (SECP), with effect from November 1, 2017, all listed companies are to pay dividend only through electronic mode directly into the bank accounts designated by the entitled shareholders.

In view of above, Shareholder(s) are advised to provide their complete bank account/IBAN detail as per format given below required under Clause 7, 8 and 9(ii) of the Companies (Distribution of Dividends) Regulations, 2017 issued under S.R.O.1145(i)/2017 dated November 06, 2017, by SECP enabling us to comply with the above Section/Circular.

For Physical Shareholder(s)	M/s. CDC Share Registrar Services Limited, Head Office, CDC House, 99-B, Block B, S.M.C.H.S. Main Shahrah-e-Faisal, Karachi – 74400
For CDC Account Holder(s)	In case of CDC account holder / sub-account holder, please provide said details to CDC / to respective TREC Holder/Member of Stock Exchange.

E-DIVIDEND MANDATE Details:

It is requested that all my cash Dividend amounts declared by the Company may be credited into the following bank account:

Name of Shareholder		
Folio Number/CDC Account No.		of shares of **LSE Ventures Limited**
Mobile Number of Shareholder		
Title of Account		
Account Number		
IBAN Number (24 digits)		
Name of Bank		
Bank Branch & Code		
Mailing Address of Branch		
CNIC No. (attach attested copy)		
NTN (in case of corporate entity)		

It is stated that the above particulars given by me are correct and to the best of my knowledge; I shall keep the Company informed in case of any changes to the said particulars in future.

____

Shareholder's Signature

(As per specimen signature registered with the Share Registrar)

____

Date

Please Note that:

1. Please provide complete IBAN, after checking with your concerned branch to enable electronic credit directly into your bank account.
2. All Shareholders are requested to attach valid copy of their CNIC along with the Form.
3. The payment of cash dividend will be processed on the basis of IBAN alone. **LSE Ventures Limited** is entitled to rely on the IBAN information as per your instructions (provided by you).

Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019

NAME OF THE COMPANY: LSE VENTURES LIMITED
YEAR ENDED: FOR THE PERIOD FROM JUNE 27, 2023 TO JUNE 30, 2023

The Company has complied with the requirements of the Regulations in the following manner: -

1. The total number of Directors are 07 as per the following:
    a) Male: 06
    b) Female: 01

***** The Company is listed on Pakistan Stock Exchange on June 27, 2023. The Company has formalized the Board, its composition, the senior management and its committees in the initial time of 3 days before the close of financial year end. While, compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 shall be ensured in the next financial year. We present hereunder relevant information as on 30th June 2023 for the readers.

2. The composition of the Board is as follows:

CATEGORY	NAMES
Independent Directors	Mr. Muhammad Tabassum Munir Mr. Shahnawaz Mahmood Mr. Yaser Manzoor
Executive Directors	Mr. Aftab Ahmad Chaudhry
Non-Executive Directors	Mr. Muhammad Iqbal Mr. Abid Latif Khan Ms. Minahil Ali
Female Director	Ms. Minahil Ali

3. The Directors have confirmed that none of them is serving as a Director on more than seven listed companies, including this, Company.

4. The Company has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.

5. The Board has developed a vision/mission statement, overall corporate strategy, and significant policies of the Company. The Board has ensured that a complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company.

6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board / Shareholders as empowered by the relevant provisions of the Act and these Regulations.

7. The meetings of the Board were presided over by the Chairman and, in his absence, by a Director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meetings of the Board.

8. The Board has a formal policy and transparent procedures for remuneration of Directors in accordance with the Act and these Regulations.

9. Three Directors out of Seven Directors have acquired prescribed certification under Directors' Training Program. The Company shall arrange Directors' Training Program for its remaining four Directors in due course.

10. The Board has approved the appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.

11. The Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board.

12. The Board has formed committees comprising of members given below. -

a) <u>Audit Committee:</u>

Sr. No.	Name	Status
1.	Mr. Shahnawaz Mahmood	Chairman
2.	Mr. Muhammad Tabassum Munir	Member
3.	Ms. Minahil Ali	Member

b) <u>Human Resource & Remuneration Committee:</u>

Sr. No.	Name	Status
1.	Mr. Yaser Manzoor	Chairman
2.	Mr. Abid Latif Khan	Member
3.	Mr. Muhammad Tabassum Munir	Member

13. The terms of reference of the aforesaid committees have been formed, documented, and advised to the committee for compliance.

14. The frequency of meetings (quarterly / half yearly / yearly) of the committees were as per following:

   a) Audit Committee: -*

   b) Human Resource and Remuneration Committee: -*

***The Company is listed on Pakistan Stock Exchange on June 27, 2023. Therefore, compliance for the frequency of meeting shall be ensured in next financial year.**

15. The Board has set up an effective Internal Audit Function led by Head of Internal Audit (who is also an employee of the Company) and has outsourced the Internal Audit Function to M/s. Kreston Hyder Bhimji & Co. Chartered Accountants for the year ended June 30, 2023, who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.

16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the Company;

17. The Statutory Auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.

18. We e confirm that all requirements of regulations 3, 6, 7, 8, 27,32, 33 and 36 of the Regulations have been complied with. And

19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below (if applicable):

Muhammad Iqbal
Chairman

Crowe Hussain Chaudhury & Co.
25-E, Main Market, Gulberg II,
Lahore-54600, Pakistan
Main +92-42-3575 9223-5
www.crowe.pk

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF LSE VENTURES LIMITED

REVIEW REPORT ON THE STATEMENT OF COMPLIANCE CONTAINED IN LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of LSE Ventures Limited ("the Company") for the period from June 27, 2023 to June 30, 2023 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the period from June 27, 2023 to June 30, 2023.

Further, we highlight below instance of non-compliance with the requirement of the Regulations as reflected in the paragraph reference where it is stated in the Statement of Compliance:

Sr. No	Paragraph Reference	Description
1	1	The Company is listed at Pakistan Stock Exchange limited ("PSX") on June 27, 2023. The Company shall ensure compliance as required under the Listed Companies (Code of Corporate Governance) Regulations, 2019 from the next financial year.

CROWE HUSSAIN CHAUDHURY & CO.
Chartered Accountants

Lahore
Dated: October 09, 2023
UDIN: CR202310051DuYhaqsSA

Crowe

Crowe Hussain Chaudhury & Co.
25-E, Main Market, Gulberg II,
Lahore-54600, Pakistan
Main +92-42-3575 9223-5
www.crowe.pk

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF LSE VENTURES LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the annexed financial statements of **LSE VENTURES LIMITED** (the Company), which comprise the statement of financial position as at June 30, 2023 and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion, and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2023 and of the profit, its comprehensive profit, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Key Audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Crowe

Following is the key audit matter:

Key Audit Matter	How the Matter was Addressed in our Report
Scheme of Arrangement of the Companies	
Refer to note 4 of the financial statements. A scheme of arrangement was formulated pursuant to the provisions of Section 279 to 282 of the Companies Act, 2017 for the transfer and vesting of the undertaking and business of LSE Financial Services Limited on partial basis from LSE Financial Services Limited (as transferor) into LSE Ventures Limited and LSE Proptech Limited [an associated undertaking of LSE Ventures Limited] (as transferees) and for the complete transfer and vesting of the undertaking and business of Data Textiles Limited (as transferor) on full basis into LSE Ventures Limited and LSE Proptech Limited (as transferees). The aforementioned scheme was approved by Honorable Lahore High Court, Lahore under court order no. 58175/2022 dated April 26, 2023. We identified this transaction as the key audit matter due to the complexity and the materiality of this and the importance of the matter to intended users' understanding of the financial statements as a whole.	We performed the following procedures: • Obtained and reviewed the court order and related documentation of scheme of arrangement. • Discussed with the management as to how the scheme of arrangement has been complied with and books of accounts streamlined to effect the resultant transaction / balances. • Reviewed the schedule of transfer of assets and liabilities and assessed whether the transferred assets / liabilities have been incorporated appropriately in the transferee entities. • Sought legal opinion to verify that the demerger scheme has been executed in compliance with all relevant legal and regulatory requirements and the transfers of balances are made as per demerger scheme from the effective date. • Assessed the adequacy of the disclosures in the financial statements and appropriateness of management's assumptions and estimates.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Crowe

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of the Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

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

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

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

d) no Zakat was deductible at source under Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Amin Ali.

Crowe Hussain Chaudhury & Co.

CROWE HUSSAIN CHAUDHURY & CO.
Chartered Accountants

Lahore
Dated: October 06, 2023
UDIN: AR202310051IoqdHTfmk

LSE VENTURES LIMITED

STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2023

	Note	2023 Rupees in thousands
ASSETS		
Non Current Assets		
Investment in subsidiaries	5	369,529
Investment in associates	6	1,231,363
Financial assets	7	715,242
Long term deposits	8	100
		2,316,234
Current Assets		
Trade and other receivables	9	51,817
Prepayments		7,929
Advance income tax		224
Bank balances	10	83,903
		143,873
		2,460,107
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorized Share Capital		
200,000,000 ordinary shares of Rs. 10 each		2,000,000
Issued, subscribed and paid-up share capital	11	1,795,979
Capital reserves:		
- Demerger reserve		26,533
- Fair value reserve		11,883
		38,416
Revenue reserves:		
- Unappropriated profit		362,776
Total Equity		2,197,171
Non Current Liabilities		
Deferred tax liability	12	156,997
Current Liabilities		
Trade and other payables	13	47,585
Provision for taxation		9,331
Un-paid dividend		33,455
Un-claimed dividend		15,568
		105,939
Contingencies and Commitments	14	-
		2,460,107

The annexed notes from 1 to 28 form an integral part of these financial statements.

Chief Executive Officer **Chief Financial Officer** **Director**

LSE VENTURES LIMITED

STATEMENT OF PROFIT OR LOSS
FOR THE PERIOD FROM JULY 18, 2022 TO JUNE 30, 2023

	Note	For the period from July 18, 2022 to June 30, 2023
		Rupees in thou
Revenue	15	181,966
Operating Expenses		
Administrative and general expenses	16	(67,237)
Other operating expenses	17	(7,994)
Operating Profit		106,735
Finance cost - bank charges		(5)
Share of profit of associates		131,550
Profit before Taxation		238,280
Taxation	18	(16,405)
Net Profit for the Period		221,875
Earnings Per Share - Basic and Diluted	19	1.35

The annexed notes from 1 to 28 form an integral part of these financial statements.

Chief Executive Officer | **Chief Financial Officer** | **Director**

LSE VENTURES LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD FROM JULY 18, 2022 TO JUNE 30, 2023

	For the period from July 18, 2022 to June 30, 2023
	Rupees in thousands
Net Profit for the Period	221,875
Other Comprehensive Income	
Items that may be subsequently reclassified to profit or loss	-
Items that may not be reclassified to profit or loss:	
Share in OCI of associate - net of tax	(20)
Less: deferred tax	6
Fair value gain on investments (under FV through OCI)	16,736
Less: deferred tax	(4,853)
	11,868
Total Comprehensive Income for the Period	233,743

The annexed notes from 1 to 28 form an integral part of these financial statements.

Chief Executive Officer **Chief Financial Officer** **Director**

LSE VENTURES LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD FROM JULY 18, 2022 TO JUNE 30, 2023

	Share Capital	Surplus on Revaluation of Property and Equipment	Capital Reserves		Revenue Reserve	Total	Total Equity
			Fair Value Reserve	Demerger Reserve	Unappropriated Profit		
	.... Rupees in Thousands						
Net profit for the period	-	-	-	-	221,875	221,875	221,875
Other comprehensive income - net of tax	-	-	11,883	-	(14)	(14)	11,868
Total comprehensive income for the period	-	-	11,883	-	221,861	221,861	233,743
Transfer of revaluation surplus of associate to retained earnings	-		-	-	67,164	-	67,164
Fresh issuance of share capital	10,000	-	-	-	-	-	10,000
Charge of expenses incurred on listing of company	-	-	-	-	(43,190)	(43,190)	(43,190)
Balance as at June 30, 2023 before demerger adjustments	10,000	-	11,883	-	245,834	178,670	267,717
<u>Adjustments / Transfers as per Scheme of Demerger</u>							
Transfer of retained earnings as per demerger scheme to:	-	-	-	-	116,942	116,942	116,942
Demerger reserve	(26,533)	-	-	26,533	-	26,533	-
Issuance of subsidiary share capital							
LSE Financial Services Limited	100,000	-	-	-	-	-	100,000
LSE Proptech Limited	269,529	-	-	-	-	-	269,529
	369,529	-	-	-	-	-	369,529
Transfer of share capital from LSE Financial Services Limited	1,442,983	-	-	-	-	-	1,442,983
Balance as at June 30, 2023	1,795,979	-	11,883	26,533	362,776	322,145	2,197,171

The annexed notes from 1 to 28 form an integral part of these financial statements.

Chief Executive Officer **Chief Financial Officer** **Director**

LSE VENTURES LIMITED

STATEMENT OF CASH FLOWS
FOR THE PERIOD FROM JULY 18, 2022 TO JUNE 30, 2023

	Note	For the period from July 18, 2022 to June 30, 2023
		Rupees in tl
Cash Used in Operations	20	(92,501)
Finance cost paid		(5)
Income tax paid		(224)
Net Cash Used in Operating Activities		(92,730)
Cash Flows from Investing Activities		
Investment in MTS		(316,526)
Investment iin unlisted securities		(27,041)
Interest beaing Loan to associate		(14,420)
Sale Proceed from disposal of listed securities		70,000
Dividend Received		42,720
Long term Deposits		(100)
Net Cash Used in Investing Activities		(245,367)
Cash Flows from Financing Activities		
Receipt from right issue of shares		10,000
Funds Received under Demerger Scheme from LSE FSL		412,000
Net Cash Generated from Financing Activities		422,000
Net Increase in Cash and Cash Equivalents		83,903
Cash and cash equivalents at the beginning of the period		-
		83,903

The annexed notes from 1 to 28 form an integral part of these financial statements.

Chief Executive Officer	**Chief Financial Officer**	**Director**

LSE VENTURES LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM JULY 18, 2022 TO JUNE 30, 2023

Note 1
Legal Status and its Nature of Business

1.1 Legal status and operations

LSE Ventures Limited (the Company) was registered on July 18, 2022 under the Companies Act, 2017 (XIX of 2017) as a public unlisted company limited by shares. In June 2023, the Company obtained the listing status under the symbol "LSEVL" at Pakistan Stock Exchange as a result of demerger scheme approved on April 26, 2023 by the Honorable Lahore High Court, accomplished through a reverse merger with Data Textiles Limited.

The Company is domiciled in Pakistan and the principal line of business of the Company is to invest in shares, bonds, stocks, units of mutual funds or any other securities or its related instruments or otherwise in all types of real assets and in such manner as may from time to time be determined by the Company and to hold, or sale such real assets, shares, bonds, stocks, units of mutual funds or any other securities or its related instruments, subject to the compliance with applicable laws.

The geographical location and address of the Company is as under:

Business Unit	**Geographical Location**
Head office / Registered Office	19, Khayaban-e-Aiwan-e-Iqbal, Lahore, Pakistan.

Note 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:

- International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- 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, 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 to the extent of following:

Investment in associates	Note - 6	(stated under equity method - fair value through other comprehensive income)
Financial assets	Note - 7	(stated at amortised cost and fair value)

2.3 Presentation and functional currency

These financial statements are prepared and presented in Pak Rupees (Rs.) which is the Company's functional and presentation currency. All the figures have been rounded off to the nearest thousand of Rupees, 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 policies and reported amounts of assets, liabilities, income and expenses. These estimates and related assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources.

These estimates and related assumptions are reviewed on an ongoing basis. Accounting estimates are revised in the period in which such revisions are made. Significant management estimates in these financial statements relate primarily to:

- Impairment loss of non-financial assets - Note 3.2.1.5
- Estimation of provisions and contingent liabilities - Note 3.4, 3.8 & 14
- Fair value of equity shares - Note 3.1 & 6
- Estimation of Current income tax expense, provision for current tax and recognition of deferred tax - Note 3.5, 12 & 18

However, the management believes that the change in outcome of estimates would not have a material effect on the amounts disclosed in these financial statements.

Note 2, Basis of Preparation - Continued…

2.5 Changes in accounting standards, interpretations and pronouncements

2.5.1 Standards, interpretations and amendments to approved accounting standards that are effective in the current year

The following standards, amendments and interpretations are effective for the year ended June 30, 2023. These standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

Standard or Interpretation	**Effective Date - Annual** Beginning on or After
IAS 37 Provisions, Contingent Liabilities and Contingent Assets (Amendments)	January 1, 2022
IAS 16 Property, Plant and Equipment (Amendments)	January 1, 2022
Annual Improvements to IFRS Standards 2018–2020	January 1, 2022

2.5.2 Standards, interpretation and amendments to approved accounting standards that are not yet effective

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, interpretations and the amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

Standard or Interpretation	**Effective Date - Annual** Beginning on or After
IAS 1 Presentation of Financial Statements (Amendments)	January 1, 2023
IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (Amendments)	January 1, 2023
IAS 12 Income Taxes (Amendments)	January 1, 2023
IAS 12 Deferred tax related to assets and liabilities arising from a single transaction — (Amendments)	January 1, 2023
IAS 1 Classification of liabilities as current or non-current — (Amendments)	January 1, 2024
IAS 7 'Statement of Cash Flows' and 'IFRS 7 'Financial instruments disclosures' - Supplier Finance Arrangements (Ammendments)	January 1, 2024

The Company is in process to assess the impact of these amendments.

Note 3
Significant Accounting Policies

Significant accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied, unless otherwise stated.

3.1 Investments accounted for using the equity method

Associates are all entities over which the Company has significant influence but not control or joint control. This is generally the case where the Company holds between 20% and 50% of voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost. Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Company's share of the post-acquisition profits or losses of the investee in profit or loss, and the Company's share of movements in other comprehensive income of the investee in other comprehensive income.

Dividends received or receivable from associates are recognised as a reduction in the carrying amount of investment. When the Company's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, the Company does not recognise further losses, unless it has incurred obligations or made payments on behalf of the investee company. Unrealised gains on transactions between the Company and its associates are eliminated to the extent of the Company's interest in the entity. Unrealised losses are also eliminated unless the transaction provides evidence of impairment of the asset transferred.

3.2 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Note 3, Significant Accounting Policies - Continued…

3.2.1 Financial assets

All financial assets are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. Regular purchases and sales of financial assets are recognized and derecognized, as applicable, using trade-date accounting or settlement date accounting.

3.2.1.1 Classification

Financial assets are classified in either of the three categories: at amortized cost, at fair value through other comprehensive income and at fair value through profit or loss. Currently, the Company classifies its financial assets at amortized cost and fair value through profit or loss. This classification is based on the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. The management determines the classification of its financial assets at the time of initial recognition.

3.2.1.2 Initial recognition and measurement

Except for trade receivables, financial assets are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognized at fair value and transaction costs are expensed in the profit and loss. Trade receivables are initially measured at the transaction price if these do not contain a significant financing component in accordance with IFRS 15.

3.2.1.3 Subsequent measurement

Financial assets carried at amortized cost are subsequently measured using the effective interest method. The amortized cost is reduced by impairment losses, if any. Interest income, foreign exchange gains and losses and impairment are recognized in the statement of profit or loss.

Financial assets measured at fair value through profit or loss are subsequently measured at fair value prevailing at the reporting date. The difference in fair value and dividend arising on equity is charged to the profit or loss.

Financial assets at fair value through other comprehensive income are marked to market using the closing market rates and are carried in the statement of financial position at fair value. Net gains and losses arising on changes in fair values of these financial assets are recognized in other comprehensive income. Interest calculated using the effective interest rate method is credited to the statement of profit or loss. Dividends on equity instruments are credited to the statement of profit or loss when the Company's right to receive payments is established.

3.2.1.4 Derecognition

Financial assets are derecognized when:

- the contractual rights to receive cash flows from the assets have expired; or

- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

a) the Company has transferred substantially all the risks and rewards of the asset; or

b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The difference between the carrying amount and the consideration received is recognized in profit or loss.

If the Company transfers a financial asset in a transfer that qualifies for derecognition in its entirety and retains the right to service the financial asset for a fee, it recognizes either a servicing asset or a servicing liability for that servicing contract.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Company also recognizes an associated liability which cannot be offset with the related asset. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

If the Company's continuing involvement is in only a part of a financial asset, the Company allocates the previous carrying amount of the financial asset between the part it continues to recognize under continuing involvement, and the part it no longer recognizes on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognized and the consideration received for the part no longer recognized is recognized in profit or loss.

Note 3, Significant Accounting Policies - Continued…

3.2.1.5 Impairment of financial assets

The Company recognizes an allowance for expected credit losses (ECLs) for all financial assets which are measured at amortised cost. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward looking factors specific to the debtors and the economic environment.

3.2.2 Financial liabilities

3.2.2.1 Initial recognition and measurement

Financial liabilities are initially classified at amortized cost. Such liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument and include trade and other payables, loans or borrowings and accrued mark up etc.

The Company does not reclassify any of its financial liabilities.

Financial liabilities are initially recognized at fair value minus transaction costs for all financial liabilities not carried at fair value through profit or loss. Financial liabilities carried at fair value through profit or loss are initially recognized at fair value and transaction costs are credited in the profit and loss.

3.2.2.2 Subsequent measurement

The Company measures its financial liabilities subsequently at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss. Difference between carrying amount and consideration paid is recognized in the statement of profit or loss when the liabilities are derecognized.

3.2.2.3 Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective of carrying amounts is recognized in the profit or loss. The difference between the carrying amount of a financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

3.2.3 Offsetting of financial assets and liabilities

Financial assets and liabilities are offset and net amount is reported in the financial statements only when there is a legally enforceable right to set off the recognized amount and the Company intends either to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

3.3 Trade and other receivables

A receivable represents the Company's right to an amount of consideration that is unconditional. Trade receivables are carried at original invoice amount less expected credit loss based on a review of all outstanding amounts at the year end. Bad debts are written off when identified. Provision for loss allowance on doubtful debts is charged to statement of profit or loss directly.

Note 3, Significant Accounting Policies - Continued…

3.4 Provisions

A provision is recognized in the statement of financial position when the Company has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are not recognised for future operating losses.

3.5 Taxation

Income tax comprises current and deferred tax. Income tax is recognized in the statement of profit or loss except to the extent that relates to items recognized directly in equity or other comprehensive income, in which case it is recognized in equity or other comprehensive income.

3.5.1 Current

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting date.

The charge for current tax is higher of corporate tax (higher of tax based on taxable income and minimum tax) and alternative corporate tax. However, in case of loss for the year, income tax expense is recognized as minimum tax liability on turnover of the Company in accordance with the provisions of the Income Tax Ordinance, 2001. Super tax, if applicable, on the Company is calculated as per applicable tax rates as per Income Tax Ordinance, 2001.

Corporate tax is based on taxable income for the year determined in accordance with the prevailing laws of taxation. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year if enacted after taking into account tax credits, rebates and exemptions, if any. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

Alternative corporate tax is calculated at 17% of accounting profit, after taking into account the required adjustments.

Current tax for current and prior periods, to the extent unpaid, is recognized as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognized as an asset.

The Company offsets current tax assets and current tax liabilities if, and only if, it has a legally enforceable right to set off the recognized amounts and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

The management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

3.5.2 Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary timing differences arising from the difference between the carrying amount of the assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of transaction neither affects accounting nor taxable profit or loss.

Deferred tax liabilities are recognized for all major taxable temporary differences.

Deferred tax assets are recognized for all major deductible temporary differences to the extent that it is probable that taxable profit will be available against which deductible temporary differences, unused tax losses and tax credits can be utilized.

The carrying amount of deferred tax asset is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilized.

Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent of probable future taxable profit available that will allow deferred tax asset to be recovered.

Deferred tax is calculated at rates that are expected to apply to the period when the differences reverse based on the tax rates and tax laws that have been enacted or have been notified for subsequent enactment by the reporting date.

When different tax rates apply to different levels of taxable income, deferred tax assets and liabilities are measured using the average rates that are expected to apply to the taxable profit (tax loss) of the periods in which temporary differences are expected to reverse.

The Company offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Note 3, Significant Accounting Policies - Continued…

3.6 Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash at banks which are free of encumbrances.

3.7 Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within short period. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

3.8 Contingent liabilities

A contingent liability is disclosed when there is a possible obligation that arises from past events and 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.

A contingent liability is also disclosed when there is present 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.

3.9 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability at the measurement date in an orderly transaction between market participants in the principal, or in its absence, the most advantageous market to which the Company has access at that date. There are three levels which are as under:

Level 1

The Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2

When there is no quoted price in an active market, the Company determines transaction price by applying valuation techniques. The chosen valuation technique incorporates all the factors that market participants would take into account in pricing a transaction. The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price i.e. the fair value of the consideration given or received.

Level 3

If the Company determines that the fair value at initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, the instrument is initially measured at fair value, adjusted to defer the difference between the fair value at initial recognition and the transaction price. Subsequently, that difference is credited or charged to the profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is supported wholly by observable market data or the transaction is closed out.

The Company's policy is to recognize transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

3.10 Impairment of non-financial assets

Assets that are subject to depreciation or amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment losses on fixed assets that offset available revaluation surplus are charged against this surplus, all other impairment losses are charged to profit or loss. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Prior impairments of non-financial assets are reviewed for possible reversal at each reporting date. Where impairment loss is recognized, the depreciation / amortization charge is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value, over its remaining useful life. Any reversal of impairment loss of a revalued asset shall be treated as a revaluation increase.

Note 3, Significant Accounting Policies - Continued…

3.11 Revenue recognition

The Company recognises revenue as follows:

Return on MTS investments and fixed income securities

Return on MTS investments and fixed income securities is recognized on a time proportionate basis over the term of the investments that takes into account the EIR method.

Dividend income

Dividend income is recognized in profit or loss on accrual basis in case of cumulative preference shares and at the time dividend is declared in case of ordinary shares.

3.12 Related party transactions

Related parties comprise the parent Company, associated companies / undertakings, directors of the Company and their close relatives and key management personnel of the Company. Transactions in relation to revenue, purchases and services with related parties are made at arm's length prices determined in accordance with the Company's policy except for the allocation of expenses such as utilities, rental and common overheads shared with related parties, which are on actual basis.

Transactions with related parties are based on the transfer pricing policy that all transactions between the Company and its related parties are at arm's length prices using the comparable uncontrolled price method except in circumstances where it is in the interest of the Company to not to do so.

3.13 Dividend distributions

Dividends to shareholders of the Company and appropriations other than statutory appropriations are recognized as a liability in the period in which these are approved.

3.14 Operating Segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the board of directors that made strategic decisions. The management has determined that the Company has a single reporting segment, as board of directors use the Company's operations as one reportable segment.

3.15 Earnings per Share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit after tax 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 after tax attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for the effects of all dilutive potential ordinary shares, if any.

Note 4
Rearrangement Scheme

LSE Financial Services Limited (LSEFSL or the Company) filed the restructuring scheme with Lahore High Court which was approved through Court order number 58175/2022. Following entities were merged / demerged / amalgamated under the scheme of arrangement (the Scheme):

Part - 1: Demerger of LSE Fianncial Services Limited

i. LSE Financial Services Limited; Transferor (LSE FSL, the Company)
ii. LSE Ventures Limited; Transferee (LVL, a subsidiary company)
iii. LSE Proptech Limited; Transferee (LPL, a subsidiary company)
iv. LSE Financial Services Limited (as residual); Transferee (LSE FSL, the Company)

Part - 2: Merger of Data Textiles Limited

i. Data Textiles Limited; Transferor (DATM)
ii. LSE Ventures Limited; Transferee (LVL)
iii. LSE Proptech Limited; Transferee (LPL)

In pursuant to this scheme, following objectives shall be derived from this scheme:

a. As per scheme, undertakings, assets, businesses and investments of LSE FSL shall be transferred to LVL.
b. Shareholders of LSE FSL shall surrender their shares to LVL;
c. LVL shall issue their shares to shareholders of LSE FSL in the ratio of 99.862:100, as mentioned in the Scheme;
d. Assets and liabilities of DATM shall be merged into assets and liabilities of LVL;
e. LVL shall issue shares to shareholders of DATM in the ratio as mentioned in the Scheme;
f. Upon merger, LVL shall obtain listing status and DATM will be dissolved under the order of Honorable Lahore High Court, Lahore (the Court) without winding up.

LSE FSL presented and obtained the approval of the Board of Directors and shareholders in their meetings held on July 20, 2022 and August 26, 2022 and filed said petition under sections 279, 280, 282 read with 285 (8) of the Companies Act, 2017. The Court approved this Schemes vide order dated April 26, 2023.

In consequence of this scheme:

(i) All suits, appeals, arbitrations, governmental investigations and other legal proceedings instituted by or against LSE FSL in respect of the undertaking and business and pending before any court, tribunal, regulatory body or any other authority shall be treated as suits, appeals and legal proceedings by or against LVL and may be continued, prosecuted and enforced by or against LVL accordingly.

(ii) Specified employees of LSE FSL and DATM (if any) on the effective date shall become the employees of LVL on the basis that their services have not been interrupted by the transfer and vesting of undertaking and business of LSE FSL (and of DATM) into LVL under this Scheme and on the same remuneration and other conditions of service, rights, privileges as to the provident fund, gratuity, if any, and other matters as had been applicable to them, before the effective date.

(iii) The capital reserves, revenue reserves, revaluation surpluses and accumulated profits and losses of LSE FSL as at the day preceding the effective date and immediately preceding the sanction date respectively, shall constitute and be treated as reserves of a corresponding nature in LVL and shall be accounted for on that basis in the books of accounts of LVL.

(iv) The shares of LVL and LPL held by LSE FSL shall stand cancelled. The authorised share capital of LVL shall be Rs. 2,000,000,000 divided into 200,000,000 ordinary shares of Rs. 10 each whereas the paid up capital shall be Rs. 1,795,978,800 divided into 179,597,880 ordinary shares of Rs. 10 each.

(v) LSE FSL shall become the wholly owned subsidiary of LVL.

(vi) The designated immovable and movable assets, liabilities, revaluations reserves, capital and revenue reserves as shown below shall be transferred to LVL from LSE FSL.

(vii) All the immovable assets and properties and other rights, connections of DATM shall stand transferred in the name of LVL as shown below.

LSE Financial Services Limited	Before Merger	Transfer to		Merger Adjustments		After Merger
	LSE FSL	LPL	LVL	LSE FSL	DATM	LSE FSL
	Rupees in thousands					
Property and equipment	1,285,028	(1,285,028)	-	-	-	-
Investment property	378,432	(378,432)	-	-	-	-
Investment in subsidiaries	60,000	-	-	(60,000)	-	-
Investment accounted for using the equity method	1,203,015	-	(1,203,015)	-	-	-
Net investment in finance lease	4,214	(4,214)	-	-	-	-
Long term deposits	3,974	-	-	-	-	3,974
Inventory	2,991	(2,991)	-	-	-	-
Trade and other receivables	40,985	(9,273)	(28,798)	-	-	2,914
Advances and prepayments	36,131	(21,940)	(4,191)	-	-	10,000
Short term investment	890,226	-	(373,779)	(477,225)	(39,222)	-
Refund due from Government	42,777	-	-	-	-	42,777
Cash and bank balances	51,087	(10,000)	(412,000)	477,225	-	106,312
Long term financing	(6,253)	-	-	-	-	(6,253)
Deposits against vehicles	(5,153)	5,153	-	-	-	-
Deferred tax liability	(148,437)	3,422	145,075	-	-	60
Trade and other payables	(174,070)	48,498	80,812	-	-	(44,760)
Receivable from / payable to group companies	9,642	4,000	(9,498)	-	(4,144)	-
Unpaid dividend	(33,455)	-	33,455	-	-	-
Unclaimed dividend	(15,568)	-	15,568	-	-	-
Liabilities related to discontinued operations	(14,433)	-	-	-	-	(14,433)
Share capital	(1,795,979)	824,374	1,442,983	(472,282)	(99,096)	(100,000)
Unappropriated profit	(946,385)	155,016	116,942	532,282	142,463	317
Profit for the period	(86,290)	(43,902)	129,283	-	-	(908)
Revaluation surplus on property and equipment	(773,244)	706,080	67,164	-	-	-
Building reserve fund	(9,236)	9,236	-	-	-	-
	-	-	-	-	-	-

DATA TEXTILES LIMITED	Before Merger	Transfer to		Merger Effect	After Merger
	DATM	LPL	LVL	DATM	DATM
	Rupees in thousands				
Property and Equipment	128	(128)	-	-	-
Refund due from Government	1,721	(1,721)	-	-	-
Cash and bank balances	45	(45)	-	-	-
Long term finance	(39,222)	-	-	39,222	-
Trade and other payables	(23,019)	23,019	-	-	-
Payable to LSE Financial Services Limited	(4,144)	-	-	4,144	-
Share capital	(99,096)	-	-	99,096	-
Accumulated loss	163,587	(21,124)	-	(142,463)	-
	-	-	-	-	-

LSE Ventures Limited	Before Merger	Transfer from		Merger	After Merger	June 30, 2023
	LVL	LSE FSL	DATM	Adjustment	LVL	LVL
	Rupees in thousands					
Investment accounted for using the equity method	-	1,203,015	-	-	1,203,015	1,231,363
Investment in subsidiaries - LPL	-	-	-	269,529	269,529	269,529
Investment in subsidiaries - LSE FSL	-	-	-	100,000	100,000	100,000
Long term deposits	-	-	-	-	-	100
Trade and other receivables	-	28,798	-	-	28,798	51,817
Advances and prepayments	(9,266)	4,191	-	-	(5,075)	7,929
Short term investment	16,000	373,779	-	-	389,779	715,242
Refund due from Government	90	-	-	-	90	224
Cash and bank balances	1,572	412,000	-	-	413,573	83,903
Deferred tax liability	-	(145,075)	-	-	(145,075)	(156,997)
Trade and other payables	(178)	(80,812)	-	-	(80,990)	(56,916)
Receivable from / payable to group companies	-	9,498	-	-	9,498	-
Unpaid dividend	-	(33,455)	-	-	(33,455)	(33,455)
Unclaimed dividend	-	(15,568)	-	-	(15,568)	(15,568)
Share capital	(10,000)	(1,416,450)	-	(369,529)	(1,795,979)	(1,795,979)
Unappropriated profit	(0)	(116,942)	-	-	(116,942)	(362,776)
Profit for the period	1,782	(129,283)	-	-	(127,502)	-
Fair value reserve	-	-	-	-	-	(11,883)
Revaluation surplus on property and equipment	-	(67,164)	-	-	(67,164)	-
Demerger reserve	-	(26,533)	-	-	(26,533)	(26,533)
	-	-	-	-	-	-

Note 5
Investment in Subsidiaries

	Note	2023 Rupees in thousands
LSE Financial Services Limited	5.1	100,000
LSE Proptech Limited	5.2	269,529
		369,529

5.1 This represented 10,000,000 shares of Rs. 10 each acquired in LSE Financial Services Limited representing 100% ownership. These share have been issued through order of the Honorable Lahore High Court dated April 26, 2023.

5.2 This represented 26,952,897 shares of Rs. 10 each acquired in LSE Proptech Limited representing 29.90% ownership. These share have been issued through order of the Honorable Lahore High Court dated April 26, 2023.

Note 6
Investments in Associates

	2023 Rupees in thousands
Under Equity Method	
The Pakistan Credit Rating Agency Limited (PACRA)	67,224
Under Fair value through OCI	
Central Depository Company of Pakistan Limited (CDC)	659,183
National Clearing Company of Pakistan Limited (NCCPL)	504,956
	1,231,363

6.1

	2023			
	PACRA	**CDC**	**NCCPL**	**Total**
	------------------------- Rupees in thousands -------------------------			
Transfer from LSE Financial Services Limited	52,439	599,420	516,386	1,168,245
Equity adjustment	(5,735)	34,893	(4,782)	24,376
Share of profit	36,639	60,437	34,474	131,550
Dividend received	(16,099)	(47,957)	(45,468)	(109,524)
Share in OCI	(20)	-	-	(20)
Fair value gain - OCI	-	12,390	4,346	16,736
Closing balance	67,224	659,183	504,956	1,231,363
No. of shares held	2,683,044	35,000,000	23,730,462	
Shareholding in %age	36.00%	10.00%	23.53%	

6.2 These are locally incorporated companies. The country of incorporation / registration of these companies is also their principal place of business. The Company has significant influence on associates due to its representation on the Board of Directors of investees and consequently investment in PACRA has been treated as associates according to the requirements of IAS 28 'Investment in Associates' and investment in CDC and NCCPL has been recognised at fair value through other comprehensive income. The shares of these associates are not listed on stock exchange, hence published price quotes are not available. Shares of all the associated companies have a face value of Rs. 10 each.

6.3 The investments in associated companies have been made in accordance with the requirements of the Companies Act, 2017.

6.4 The following table summarises the financial information of associates as included in their respective audited financial statements. The table also reconciles the summarised financial information to the carrying amount of the Company's interest in associates.

	2023		
	PACRA	**CDC**	**NCCPL**
	--------------- Rupees in thousands ---------------		
Current assets	315,710	5,820,229	16,374,396
Non-current assets	113,038	2,105,099	559,380
Current liabilities	(233,859)	(940,031)	(14,745,050)
Non-current liabilities	(8,157)	(393,462)	(42,720)
Net assets of the associate	186,732	6,591,834	2,146,006
Proportion of the Group's ownership interest	36.00%	10.00%	23.53%
Carrying amount of the Group's interest	67,224	659,183	504,956
Cost of Investment	5,400	10,000	164,414

Note 6, Investments in associates - Contd…..

6.8 Reconciliation of transfer as per demerger as per note 4

	PACRA	CDC	NCCPL	Total
Transfer as per Note 4 as on April 26, 2023	55,612	646,793	500,610	1,203,015
Equity adjustment	5,735	(34,893)	4,782	(24,376)
Share of profit	(24,993)	(67,631)	(41,294)	(133,918)
Dividend received	16,099	47,957	45,468	109,524
Share of OCI of associate	(4,843)	-	-	(4,843)
Balance as at July 31, 2022	47,610	592,226	509,566	1,149,402
Income retained by LSE FSL	4,829	7,194	6,820	18,843
Balance as at July 31, 2022	52,439	599,420	516,386	1,168,245

Note 7
Financial Assets

	Note	2023 Rupees in thousands
At amortised cost		
Investment in Margin Trading System of NCCPL via LSE FSL	7.1	316,526
Pakistan GasPort Consortium Limited (PGPC) - Preference shares	7.2	280,000
International Learning Centre (Private) Limited (Berlitz)	7.3	9,000
Investment in SSR Pictures & 5Abbi Films	7.4	17,794
LSE Capital Limited formerly Assetplex Limited [related party]	7.5	14,420
Fair value through profit or loss		
Unlisted - at fair value		
Pakistan Mercantile Exchange Limited (PMEX)	7.6	22,170
Digital Clearing Company Limited (DCCL) [related party]	7.7	54,167
Reckitt Benckiser Pakistan Limited	7.8	490
RB Hyginene Home Pakistan Limited	7.8	428
First Dawood Investment Bank Limited (FDIBL)	7.9	247
		715,242

7.1 Investment on margin Trading Systen of NCCPL via LSE FSL is an undisclosed market of financees and financiers with a participation ratio of 85 to 15 carrying markup of KIBOR with spread of maximum upto 8%. The Company has invested the amount through LSE Financial Services Limited MTS platfrom and receives markup income net of 2% service charges and MTS charges.

7.2 This represents Companys hold of 28 million preference shares in Pakistan GasPort Consortium Limited (PGPC) which are non-voting, privately placed, unlisted, callable, puttable, cumulative and floating rate preference shares with a par value of Rs. 10 each. These preference shares offer dividend at six months KIBOR plus 5.5% per annum every 6 months.

7.3 The Company has obtained 5,700 shares of International Learning Centre (Private) Limited for Rs. 9 million during the year which represents 5.00% ownership.

7.4 This represents the Company's share of 33.33% of partnership in AOP with Mr. Ifthikhar Thakur and Mr. Muhammad Safdar Malik under the name of SSR Pictures & 5Abbi Films which is established for the purpose of production of movies in Pakistan. Profits / loss will be shared by the partners after project is finalised and audited accordingly.

7.5 This represents loan given to LSE Capital Limited formerly Assetplex Limited [a related party]. This amount has been given as advance and carries markup at 3 months KIBOR + spread of 3%.

7.6 The Company holds 2,272,727 equity shares of Pakistan Mercantile Exchange Limited which represents 7.25% ownership.

7.7 The Company holds 5,221,973 equity shares of Digital Clearing Company Limited (a related party due to common directorship), which is public unlisted entity. Orignially 1,110,000 shares were acquired at Rs. 54.05 but DCCL issued 4,111,973 bonus shares during the period, bringing the total number of shares held to 5,221,973. There was no change in the shareholding percentage of 9.99%.

7.8 The Company holds 656 shares in Reckitt Benckiser Pakistan Limited and 176 share of RB Hyginene Home Pakistan Limited.

7.9 This represents investment in 149,000 shares of First Dawood Investment Bank Limited amounting to Rs. 247,000 representing nominal share of 0.1% of the share capital of the company.

Note 8
Long Term Deposits

	Note	2023 Rupees in thousands
Deposit with Central Depository Company Limited	8.1	100

8.1 This amount has been deposited with Central Depository Company Limited for share registrar services.

Note 9
Trade and Other Recievables - Considered good

	Note	2023 Rupees in thousands
Accrued dividend income on preference shares of PGPC		31,265
Receivable from related party	9.1	20,551
		51,817

9.1 This represents receivable from LSE Financial Services Limited against the MTS investment made by the Company.

9.1.1 Age analysis of trade receivables from related parties

Description	Year End	Past due				
		0-30 Days	31-60 Days	61-90 Days	91-365 Days	Above 365 days
		Rupees in thousands				
LSE Financial Services Limited	2023	20,551	-	-	-	-

Note 10
Bank Balances

	Note	2023 Rupees in thousands
Cash at banks in saving accounts	11.1	83,903

10.1 These carry mark-up @ 12.25% to 20.50% p.a.

Note 11
Issued, Subscribed and Paid-up Share Capital

2023 Number of shares		2023 Rupees in thousands
1,000,000	Ordinary shares of Rs. 10 each issued for cash	10,000
(1,000,000)	Ordinary shares of Rs. 10 each cancelled as per demerger scheme	(10,000)
179,597,880	Ordinary shares of Rs. 10 each issued other than in cash	1,795,979
179,597,880		1,795,979

11.1 As the result of demerger scheme, 100% shares of LSE FSL have been transferred to the Company and the previous share capital of the Company has been cancelled.

Note 11, Issued, Subscribed and Paid-up Share Capital - Continued...

11.2 The shareholders are entitled to receive all distributions including dividends and other entitlements in the form of bonus and right shares as and when declared by the Company. All shares carry one vote per share without restriction.

11.3 Reconciliation of changes in number of shares is as follows:

	2023
	Number of shares
Opening balance	-
Shares issued during the period	180,597,880
Shares cancelled during the period	(1,000,000)
Closing balance	179,597,880

Note 12
Deferred Tax Liability

	Note	**2023** Rupees in thousands
Deferred tax liability	12.1	156,997

12.1 **Breakup of Deferred tax Liability**

Taxable Temporary Differences	
Investment in Associates	157,732
Deductible Temporary Differences	
Financial assets	(735)
	156,997

12.2 Deferred tax assets / liabilities on temporary differences are measured at effective rate of 29%.

12.3 **Reconciliation of deferred tax liabilities / (assets) - Net**

Opening balance	-
Transferred from LSE FSL as per demerger scheme	145,075
Deferred tax effect charged to profit or loss	7,074
Deferred tax effect charged to other comprehensive income	4,848
Closing balance	156,997

Note 13
Trade and Other Payables

	Note	**2023** Rupees in thousands
Deferred income from LSE Capital Limited [related party]		616
Auditors' remuneration		683
Punjab Workers' Welfare Fund payable	13.1	17,649
Payable to related party - unsecured	13.2	28,637
		47,585

13.1 Punjab Workers' Welfare Fund payable

Transferred from LSE FSL	12,405
Provision during the period	5,244
Less: paid during the period	-
Closing balance	17,649

13.2 This represents payable to LSE Proptech Limited and LSE Financial Services Limited amounting to Rs. 27.11 million and Rs. 1.53 million respectively, against the expenses paid on behalf of Company.

Note 14
Contingencies and Commitments

14.1 **Contingencies**

There is no contingencies existing as at the reporting date.

14.2 **Commitments**

There is no commitment outstanding as at the reporting date.

Note 15
Revenue

	For the period from July 18, 2022 to June 30, 2023
	Rupees in thousands
Revenue from Margin Trading System of NCCPL via LSE FSL	56,429
Cash and cash equivalents - profit on saving bank accounts	1,514
Market Treasury Bills (T-Bills)	5,453
Return on investment through LSE Capital Limted	55,368
Realized fair value gain on investments - PKGI	31,930
Dividend income on PGPC - preference shares	31,273
	181,966

Note 16
Administrative and General Expenses

	Note	For the period from July 18, 2022 to June 30, 2023
		Rupees in thousands
Salaries and benefits	16.1	36,973
Information technology related expenses		1,477
Travelling and conveyance		870
Printing and stationery		325
Utilities		1,664
Repairs and maintenance		5,947
Security expenses		2,274
Communication and public relations		5,043
Legal and professional charges		5,555
Marginal Trading System charges		2,653
Fees and subscription		201
Rent, rates and taxes		351
Auditors' remuneration	16.2	1,323
Board meetings fee		1,550
Miscellaneous		1,030
		67,237

16.1 Salaries and benefits include Rs. 1.897 million in respect of contribution to provident fund.

16.2 Auditors' remuneration

Annual audit fee	683
Other assurance services	341
Half yearly review	184
Certifications for regulatory purposes	37
Agreed upon procedures	79
	1,323

Note 17
Other Operating Expenses

	For the period from July 18, 2022 to June 30, 2023
	Rupees in thousands
Unrealized fair value loss on unlisted securities	2,750
Punjab Workers' Welfare Fund	5,244
	7,994

Note 18
Taxation

	For the period from July 18, 2022 to June 30, 2023
	Rupees in thousands
Current tax	9,331
Deferred tax	7,074
	16,405

18.1 Reconciliation of tax charge for the period

Profit before taxation	238,280
Tax @ 29% on profit before taxation	69,101
Tax effect of add backs / allowed deductions	(59,770)
	9,331

18.2 The current tax expense for the year is calculated using corporation tax rate of 29%. Deferred tax assets and liabilities on temporary differences are measured at effective rate of 29%.

Note 19
Earnings per Share - Basic and Diluted

	For the period from July 18, 2022 to June 30, 2023
Net profit for the year attributable to ordinary shareholders (Rupees in thousands)	221,875
Weighted average number of ordinary shares (Number of shares in thousands) - basic and diluted	164,727,923
Earnings per share - Basic (Rupees)	1.35

Note 20
Cash Generated from Operations

	For the period from July 18, 2022 to June 30, 2023
	Rupees in thousands
Profit before tax	238,280
Adjustments	
Share of profit of associates	(131,550)
Return on investments	(182,774)
Unrealized fair value loss on investment - net	2,750
Employees' welfare fund	5,244
Finance cost	5
Loss before working capital changes	(306,325)
(Increase) / decrease in current assets:	
- Trade and other receivables	8,254
- Advances, deposits and prepayments	(3,738)
	4,516
Increase / (decrease) in current liabilities:	
- Trade and other payables	(28,973)
Cash Used in Operations	(92,501)

Note 21
Financial Risk Management

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on having cost efficient funding as well as to manage financial risk to minimize earnings volatility and provide maximum return to shareholders.

Risk management is carried by the Board of Directors (the Board). The Board provides principles for overall risk management as well as policies covering specific areas such as currency risk, other price risk, interest rate risk, credit risk and liquidity risk.

21.1 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument may fluctuate because of changes in foreign currency, interest rate, commodity price and equity price that will affect the Company's income or the value of its holdings of financial instruments.

Currency risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. As there are no foreign currency receivables / payables of the Company, it is not exposed to currency risk.

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. The Company is not significantly exposed to floating interest rate risk as it does not have any significant interest bearing liabilities. However, the Company has fixed and variable interest based investments. These investments are classified as short term and long term considering relative sensitivity of interest rates and management's intention. Other assets and liabilities of the Company do not expose the Company to interest rate risk substantially.

T-Bills are Government backed securities with guaranteed return. The maximum maturity profile of investment in T - bills is upto one eighty two days and of investment in MTS is upto sixty four days. T-Bills are fixed interest based investments. Therefore, changes in interest rates shall not affect the cash flows of the Company. The interest rate profile of the Company's interest-bearing financial instruments as at the reporting date is as follows:

	2023
	Rupees in thousands
Floating rate instruments	
Financial assets	
Bank balances	83,903

Cash flow sensitivity analysis for variable rate instruments

As at reporting date, if interest rates get 1% higher / lower with all other variables held constant, profit before tax for the year would have been higher / lower by Rs. 0.084 million, mainly as a result of yield on floating investment based financial assets.

Price risk

Price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to individual financial instrument or its issuer or factors affecting all similar financial instrument traded in the market. The Company is exposed to equity price risk in respect of certain investments amounting to Rs. 77.502 million.

A change of 1% in the value of investments at fair value through profit or loss would have increased / decreased profitability of the Company by Rs. 0.775 million on the basis that all other variables remain constant.

Note 21, Financial Risk Management - Contd…

21.2 Credit risk

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

The management assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. The utilization of credit limits is regularly monitored. For banks and financial institutions, only independently rated parties with a strong credit rating are accepted.

The Company monitors the credit quality of its financial assets with reference to historical performance of such assets and available external credit ratings, if any. As at the reporting date, the maximum exposure to credit risk is equal to the carrying amount of the financial assets as detailed below:

		2023
	Note	Rupees in thousands
Financial assets	7	715,242
Trade and other receivables	9	51,817
Bank balances	10	83,903
		850,962

The Company’s exposure to credit risk is influenced mainly by the individual characteristics of each customer such as repayment behavior, credit loss history and available securities etc. The management also considers other relevant factors that may influence the credit risk of its customer base, including the default risk associated with the customer. Majority of the Company’s customers have been transacting with the Company for over five years, and only trivial customers’ balances have been written off. In monitoring customer credit risk, customers are individually assessed according to their trading history and repayment behavior with the Company.

The risk management committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment terms are offered.

The Company establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables.

Note 21, Financial Risk Management - Continued…

The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are operated in largely independent markets. The credit risk on liquid funds is limited because the counter parties are only banks (with reasonably high credit ratings).

The credit quality of bank balances that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rate:

	Rating			2023
	Short term	Long term	Agency	Rupees in thousands
Bank Al-Habib Limited	A1+	AAA	PACRA	83,903
				83,903

21.3 Liquidity risk

Liquidity risk represents the risk that the Company will encounter difficulties in meeting obligations associated with financial liabilities. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities. Due to dynamic nature of the business, the Company maintains flexibility in funding by maintaining committed credit lines available. The Company's liquidity management involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring critical liquidity ratios and maintaining debt financing plans. The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to contractual maturity dates. The amounts disclosed in the table are the contractual undiscounted cash flows:

Description	Carrying Amount	Contractual cash flows	Within 1 year	1-2 Years	2-5 Years
	---------------------------Rupees in thousand---------------------------				
Contractual maturities of financial liabilities as at June 30, 2023:					
Trade and other payables	47,585	47,585	47,585	-	-
Contractual maturities of financial liabilities as at June 30, 2022:					
Trade and other payables	-	-	-	-	-

The contractual cash flows relating to the above financial liabilities have been determined on the basis of interest rates / mark up rates effective as at the reporting date. The rates of interest / mark up have been disclosed in relevant notes to these financial statements, where applicable

21.4 Financial instruments by categories

Financial assets as at June 30, 2023

	Fair value through profit or loss	At amortized cost	At fair value through other comprehensive income	Total
	--------------Rupees in thousand--------------			
Investments in associates	-	-	1,164,139	1,164,139
Financial assets	77,502	637,740	-	715,242
Trade and other receivables	-	51,817	-	51,817
Cash and bank balances	-	83,903	-	83,903
	77,502	773,459	1,164,139	2,015,101

	2023
Financial liabilities at amortized cost	Rupees in thousands
Trade and other payables	29,320

21.5 Fair value of financial instruments

Fair value is an amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently, differences may arise between the carrying value and the fair value estimates.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the reporting date. Fair value is determined on the basis of objective evidence at each reporting date. The management believes that the fair values of financial assets and financial liabilities approximate to their carrying amounts largely due to the short-term maturities of these instruments.

Note 22
Capital Risk Management

The Board's policy is to maintain an efficient capital base so as to maintain investor, creditor and market confidence and to sustain the future development of its business. The Board of Directors monitors the return on capital employed, which the Company defines as operating income divided by total capital employed. The Board of Directors also monitors the level of dividends to shareholders.

The Company's objectives when managing capital are:

a) to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and

b) to provide an adequate return to shareholders.

The Company manages the capital structure in the context of economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may, for example, adjust the amount of dividends paid to shareholders, issue new shares, if possible, selling surplus property and equipment without affecting the optimal operating level and regulating its dividend payout thus maintaining smooth capital management.

In line with the industry norms, the Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including current and non current) less cash and cash equivalents. Total capital is calculated as equity, as shown in the statement of financial position, plus net debt.

The gearing ratio of the Company is not calculated as the Company is not geared.

Note 23
Segment Reporting

23.1 Revenue from investments represents 100% of total revenue of the Company. Therefore, there is one reportable segment as per IFRS-8.

23.2 The sales percentage by geographic region is as follows:

	2023
	%
Pakistan	100.00

23.3 Major investments in MTS account for 31% of total revenue for the year. Revenue from MTS investment amount to Rs. 56.428 million.

23.4 All non-current assets of the Company as at reporting date are located in Pakistan.

Note 24
Transactions and Balances with Related Parties

The related parties of the Company are as follows:

Names of Related Parties	**Relationship**	**Basis of relationship / (percentage shareholding or common directorship)**	
The related parties of the Company are as follows:			
Investment made by:			
Modaraba Al Mali managed by LSE Capital Limited	Associate	Shareholding	26.00%
Investment made in:			
LSE Financial Services Limited	Subsidiary Company	Shareholding	100.00%
LSE Proptech Limited	Subsidiary Company	Shareholding	29.90%
National Clearing Company of Pakistan Limited	Associate	Shareholding	23.53%
Central Depository Company of Pakistan Limited	Associate	Shareholding	10.00%
Pakistan Credit Rating Agency Limited	Associate	Shareholding	36.00%
Digital Custodian Company Limited	Common Directorship	Common Directorship	9.99%
Directors:			
Mr. Muhammad Iqbal	Chairman/Independent Director	Director	1.22%
Mr. Aftab Ahmad	Chief Executive Officer	Director	0.00%
Mr. Abid Latif Khan	Non-Executive Director	Director	0.00%
Ms. Minahil Ali	Non-Executive Director	Director	0.00%
Mr. Shahnawaz Mahmood	Non-Executive Director	Director	0.00%
Mr. Tabassum Munir	Independent Director	Director	0.00%
Mr. Yasir Manzoor	Independent Director	Director	0.00%

Related parties include associated entities, directors and their close family members and other key management personnel. Balances with related parties are disclosed in respective notes. Details of transactions with related parties during the year, other than those which have been disclosed elsewhere in these financial statements, are as follows:

Names of Related Parties		**2023** Rupees in thousands
National Clearing Company of Pakistan Limited	Dividend received	45,468
	Trading charges paid	(2,653)
Central Depository Company of Pakistan Limited	Dividend received	47,957
	Deposit paid for share registrar services	(100)
Pakistan Credit Rating Agency Limited	Dividend received	16,099
LSE Proptech Limited	Shares purchased by the Company	(269,529)
	Reimbersement of expenses	(26,769)
Modaraba Al Mali		
	Reimbursement of facilities - receipts	(93)
	Loan - Principal	(300,000)
	Interest received	55,368
	Repayment of principal	20,000
	Preference shares purchased - settled	280,000
LSE Financial Services Limited	Shares issued	(100,000)
	Investment in MTS - Prinicpal	(316,526)
	Investment in MTS - markup accrued	20,551
	Expenses paid on behalf of Company	(1,529)
LSE Capital Limited	Loan given	(14,420)
	Markup accrued	384

Balances outstanding as at June 30,	
Investment in subsidiaries	
- LSE Financial Services Limited	100,000
- LSE Proptech Limited	269,529
Investments in associates	
- National Clearing Company of Pakistan Limited	504,956
- Central Depository Company of Pakistan Limited	659,183
- Pakistan Credit Rating Agency Limited	67,224
Short Term Investments	
- Digital Clearing Company Limited	54,167
- SSR Pictures & Abbi Films	17,794
Trade and other Payables	
- Due to LSE Proptech Limited	(27,108)
- Due to LSE Financial Services Limited	(1,529)
- Deferred income from LSE Capital	(616)
Loan	
- LSE Capital Limited	14,420
Receivables	
- Due from LSE Financial Services Limited	20,551

Note 25
Remuneration of Chief Executive Officer, Directors and Executives

The aggregate amounts charged in these financial statements for the period for remuneration, including benefits to chief executive, directors and executives of the Company are as follows:

	Chief Executive Officer	Directors	Executives	Total
	2023	2023	2023	2023
	---------------------------- Rupees in thousands ----------------------------			
Managerial remuneration	11,194	-	1,980	13,174
Company's contribution to the provident fund trust	1,018	-	165	1,183
Housing and utilities	5,597	-	990	6,587
Meeting fees	-	1,550	-	1,550
Others	6,163	-	1,205	7,368
	23,972	1,550	4,340	29,862
Number of persons	1	7	1	9

25.1 Chief Executive is provided with the Company's maintained vehicle.

25.2 An Executive is defined as an employee, other than the chief executive officer and directors, whose basic salary exceeds Rs. 1.2 million in a financial year.

Note 26
Number of Employees

	2023
Total number of employees at the period end	8
Average number of employees during the period ended	4

Note 27
Authorization For Issue

These financial statements have been authorized for issue by the Board of Directors of the Company in its meeting held on October 06, 2023.

Note 28
General

28.1 All the figures have been rounded off to the nearest thousand of Rupees, unless otherwise stated.

28.2 Since the Company was incorporated on July 18, 2022, there are no comparative figures.

Chief Executive Officer **Chief Financial Officer** **Director**

Directors' Report on Consolidated Financial Statements

The Directors of LSE Ventures Limited (LSEVL) are pleased to present their report together with audited consolidated financial statements of LSEVL and its Subsidiary Companies for the year ended June 30, 2023.

The consolidated results comprise of financial statements of LSEVL (the Holding/Parent Company) and its wholly-owned subsidiary LSE Financial Services Limited (LSEFSL) and subsidiary Company LSE Proptech Limited (LSEPL). The Holding/Parent Company has annexed its consolidated financial statements along with its separate financial statements, in accordance with the requirement of International Accounting Standard 27 (Separate Financial Statements) and International Financial Reporting Standard 10 (Consolidated Financial Statements). The Directors' Report on Audited Unconsolidated Financial Statements, giving a commentary on the performance of LSEVL for the year ended June 30, 2023 has been presented separately.

Segment Results for the year ended June 30, 2023

	Building Management facility	Equity & debt instrument investment	Fund management	Total
	Rupees in Thousand			
Revenue	95,558	349,721	23,684	468,963
Segment results	6,354	282,723	13,643	302,720
Other operating expenses				(53,128)
Finance costs				(312)
Other income				26,576
Profit before taxation				275,856
Taxation				(58,403)
				217,454
Other Comprehensive Income				(14)
Charge to Retained earnings				**217,440**

Attributable to:	
Equity holders of the Parent Company	223,679
Non-controlling interest	(6,239)
	217,440

The Internal control structure of the group is the same as that of Holding Company which is also covered in Directors' Report on Audited Unconsolidated Financial Statements. Appropriations of profit as well as risk and uncertainties relating to the Holding Company have been disclosed in the Directors' Report on Audited Unconsolidated Financial Statements whereas no major risk and uncertainty has been identified relating to LSEFSL and LSEPL. Details relating to Directors of Holding Company have been mentioned in the Directors' Report on Audited Unconsolidated Financial Statements and the names of the Directors in office at any time during the year of the subsidiary companies are as follows:

LSE Financial Services Limited:

Sr. No.	Name of Director	Category
1	Mr. Zahid Latif Khan	Chairman/Independent Director
2	Mr. Amir Zia*	Chief Executive Officer
3	Mr. Ghulam Mustafa*	Chief Executive Officer
4	Mr. Aftab Ahmad Ch.	Executive Director
5	Mr. Ammar ul Haq	Non-Executive Director
6	Mr. Asif Baig Mirza	Non-Executive Director
7	Mr. Khalid Waheed	Non-Executive Director
8	Mr. Muhammad Iqbal	Non-Executive Director
9	Mr. Salman Majeed	Non-Executive Director
10	Syed Muhammad Talib Rizvi**	Non-Executive Director
11	Ms. Huma Ejaz	Independent Director
12	Mr. Rizwan Ejaz	Independent Director
13	Mr. Shahnawaz Mahmood	Independent Director

* Mr. Amir Zia resigned on 11-01-2023 and subsequently Mr. Ghulam Mustafa was appointed as CEO on 21-06-2023

** Syed Muhammad Talib Rizvi was appointed on 25-02-2023 against the vacant seat

LSE Proptech Limited

Sr. No.	Name of Director	Category
1	Mr. Habib ur Rehman Gilani	Chairman/Independent Director
2	Mr. Imran Amjad Khan*	Chief Executive Officer
3	Mr. Ghulam Mustafa**	**Chief Executive Officer/Non-Executive Director**
4	Mr. Aftab Ahmad Ch. ***	**Chief Executive Officer/Non-Executive Director**
5	Mr. Asif Baig Mirza****	Non-Executive Director
6	Mr. Khalid Waheed	Non-Executive Director
7	Ms. Maleeha Humayun Bangash	Non-Executive Director
8	Mr. Rizwan Ejaz*****	Independent Director
9	Mr. Kashif Shabbir	Independent Director

* Mr. Imran Amjad Khan resigned on 12-12-2022

** Mr. Ghulam Mustafa was appointed as CEO on 13-12-2022 and afterwards become a non-Executive Director on 02-05-2023

*** Mr. Aftab Ahmad Ch. was appointed as Non-Executive Director on 18-08-2022. Then he was appointed as CEO on 02-05-2023

**** Mr. Asif Baig Mirza resigned on 02-05-2023

***** Mr. Rizwan Ejaz was appointed on 02-05-2023

Pattern of shareholding related to Holding Company has been disclosed in the Directors' Report on Audited unconsolidated financial statements. LSEFSL is wholly owned subsidiary of LSEVL and the pattern of shareholding of LSEPL are given with this report.

For and on behalf of Board of Directors:

Aftab Ahmad Chaudhry
Chief Executive Officer

Director

Date: October 6, 2023

-

Pattern of Shareholding

LSE Proptech Limited

as at June 30, 2023

# Of Shareholders	Shareholding's Slab			Total Shares Held
938	1	to	100	18,280
174	101	to	500	45,942
50	501	to	1000	40,311
90	1001	to	5000	2,21,462
25	5001	to	10000	1,65,659
9	10001	to	15000	1,08,675
11	15001	to	20000	1,97,474
4	20001	to	25000	92,125
5	25001	to	30000	1,46,553
4	30001	to	35000	1,33,000
3	35001	to	40000	1,15,500
1	40001	to	45000	44,331
5	45001	to	50000	2,43,286
1	55001	to	60000	59,107
1	65001	to	70000	70,000
2	70001	to	75000	1,43,918
1	85001	to	90000	90,000
1	90001	to	95000	91,900
2	100001	to	105000	2,06,876
59	115001	to	120000	69,73,434
2	120001	to	125000	2,48,500
1	125001	to	130000	1,29,500
1	130001	to	135000	1,34,716
2	135001	to	140000	2,73,723
9	165001	to	170000	14,89,010
58	175001	to	180000	1,02,84,691
1	180001	to	185000	1,84,672
1	220001	to	225000	2,20,535
2	235001	to	240000	4,73,965
10	245001	to	250000	24,82,500
1	265001	to	270000	2,65,983
1	280001	to	285000	2,80,501
1	290001	to	295000	2,93,426
27	295001	to	300000	79,79,470
1	345001	to	350000	3,46,315
1	360001	to	365000	3,63,750

5	410001	to	415000	20,69,244
1	770001	to	775000	7,73,000
2	1050001	to	1055000	21,01,030
1	7065001	to	7070000	70,66,036
1	16465001	to	16470000	1,64,69,434
1	26950001	to	26955000	2,69,52,897
1516				**9,00,90,731**

LSE PROPTECH LIMITED
Pattern of Shareholding
as at June 30, 2023

Categories of Shareholders	Shareholders	Shares Held	Percentage
Directors, Chief Executive Officer and their spouse(s) and minor children			
KHALID WAHEED	1	350	0.00
Associated Companies, undertakings and related parties	2	4,34,22,331	48.20
NIT and ICP	2	870	0.00
Banks Development Financial Institutions, Non-Banking Financial Institutions	2	2,97,008	0.33
Insurance Companies	2	125	0.00
Modarabas and Mutual Funds	2	1,33,679	0.15
General Public			
a. Local	1326	1,56,85,715	17.41
b. Foreign	2	49	0.00
Foreign Companies	-	-	0.00
Others	177	3,05,50,604	33.91
Totals	**1516**	**9,00,90,731**	**100.00**

Share holders holding 10% or more	Shares Held	Percentage
LSE VENTURES LIMITED	2,69,52,897	29.92
MODARABA AL-MALI	1,64,69,434	18.28

Crowe Hussain Chaudhury & Co.
25-E, Main Market, Gulberg II,
Lahore-54600, Pakistan
Main +92-42-3575 9223-5
www.crowe.pk

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF LSE VENTURES LIMITED

REPORT ON THE AUDIT OF CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the annexed consolidated financial statements of **LSE VENTURES LIMITED** and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at June 30, 2023 and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the period from July 18, 2022 to June 30, 2023, and notes to the 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 June 30, 2023, and of its consolidated financial performance and its consolidated cash flows for the period from July 18, 2022 to June 30, 2023 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 Consolidated 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 the 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.

Key Audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the key audit matter:

Key Audit Matter	How the Matter was Addressed in our Report
Scheme of Arrangement of the Group	
Refer to note 4 of the consolidated financial statements. A scheme of arrangement was formulated pursuant to the provisions of Section 279 to 282 of the Companies Act, 2017 for the transfer and vesting of the undertaking and business of LSE Financial Services Limited (the transferor), partially, into LSE Ventures Limited and LSE Proptech Limited (the transferees) and for the complete transfer and vesting of the undertaking and business of Data Textiles Limited (the transferor) on full basis into LSE Ventures Limited and LSE Proptech Limited (the transferees).	We performed the following procedures: • Obtained and reviewed the court order and related documentation of scheme of arrangement. • Discussed with the management as to how the Scheme of Arrangement has been complied with and books of accounts streamlined to effect the resultant transaction / balances. • Reviewed the schedule of transfer of assets and liabilities and assessed whether the transferred assets / liabilities have been incorporated appropriately in the transferee entities.

Key Audit Matter	How the Matter was Addressed in our Report
As a result of the Scheme of Arrangement and other agreements, as fully disclosed in Note 1, LSE Ventures Limited became parent and LSE Proptech Limited and LSE Financial Services Limited became subsidiaries. The aforementioned scheme was approved by Honorable Lahore High Court, Lahore under court order no. 58175/2022 dated April 26, 2023. We identified this transaction as the key audit matter due to its complexity and materiality and the importance of this transaction to intended users' understanding of the financial statements as a whole.	• Sought legal opinion to verify that the Scheme of Arrangement has been executed in compliance with all relevant legal and regulatory requirements and the transfers of balances are made as per the Scheme of Arrangement from the effective date. • Assessed the adequacy of the disclosures in the financial statements and appropriateness of management's assumptions and estimates.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and the Board of Directors for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting and reporting standards as applicable in Pakistan and Companies Act, 2017 and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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 Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 consolidated financial statements.

Crowe

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 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 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 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 consolidated financial statements, including the disclosures, and whether the 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 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.

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

From the matters communicated to the Board of Directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Amin Ali.

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CROWE HUSSAIN CHAUDHURY & CO.
Chartered Accountants

Lahore
Dated: October 26, 2023
UDIN: AR202310051jtVBeJRLK

LSE VENTURES LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2023

	Note	2023 Rupees in thousands
ASSETS		
Non Current Assets		
Property and equipment	5	1,301,828
Investment property	6	378,431
Investment in associates	7	1,231,363
Net investment in finance lease	8	4,276
Long term deposits	9	25,184
		2,941,082
Current Assets		
Inventories		2,923
Financial assets	10	762,364
Trade and other receivables	11	55,609
Advances and prepayments	12	12,397
Tax refunds due from the Government - net	13	37,497
Cash and bank balances	14	179,264
		1,050,054
		3,991,136
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorized Share Capital		
200,000,000 ordinary shares of Rs. 10 each		2,000,000
Issued, subscribed and paid-up share capital	15	1,795,979
Capital Reserves		
- Surplus on revaluation of property and equipment	16	211,219
Revenue reserves:		
- Building reserve fund	17	3,016
- Unappropriated profit		413,584
		416,600
Equity Attributable to the Owners of the Group		2,423,798
Non-controlling interest	18	1,222,731
		3,646,529
Non Current Liabilities		
Long term financing	19	3,848
Other liabilities		5,643
Deferred tax	20	151,116
		160,607
Current Liabilities		
Trade and other payables	21	118,981
Current portion of long term financing	19	1,924
Unpaid dividend		33,455
Unclaimed dividend		15,568
		169,928
Deposits payable related to discontinued operations	22	14,073
Contingencies and Commitments	23	-
		3,991,136

The annexed notes from 1 to 40 form an integral part of these consolidated financial statements.

CHIEF EXECUTIVE OFFICER **CHIEF FINANCIAL OFFICER** **DIRECTOR**

LSE VENTURES LIMITED

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE PERIOD FROM JULY 18, 2022 TO JUNE 30, 2023

	Note	2023 Rupees in thousands
Revenue	24	297,585
Operating Expenses		
Administrative and general expenses	25	(205,508)
Other operating expenses	26	(13,863)
Operating Profit		78,213
Finance cost	27	(312)
Other Income	28	30,826
Share of profit of associates	7	167,129
Profit before Taxation		275,857
Taxation	29	(58,403)
Net Profit for the Period		217,454
Attributable to:		
Equity holders of the Parent		223,693
Non-controlling interest		(6,239)
		217,454
Earnings Per Share - Basic and Diluted	30	1.32

The annexed notes from 1 to 40 form an integral part of these consolidated financial statements.

CHIEF EXECUTIVE OFFICER **CHIEF FINANCIAL OFFICER** **DIRECTOR**

LSE VENTURES LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD FROM JULY 18, 2022 TO JUNE 30, 2023

	2023
	Rupees in thousands
Net Profit for the Period	217,454
Other Comprehensive Income	
Items that may be subsequently reclassified to profit or loss	-
Items that may not be reclassified to profit or loss:	
Share in other comprehensive income of associate	(20)
Less: Deferred tax	6
	(14)
Total Comprehensive Income for the Period	217,440
Attributable to:	
Equity holders of the Parent Company	223,679
Non-controlling interest	(6,239)
	217,440

The annexed notes from 1 to 40 form an integral part of these consolidated financial statements.

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CHIEF EXECUTIVE OFFICER **CHIEF FINANCIAL OFFICER** **DIRECTOR**

LSE VENTURES LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD FROM JULY 18, 2022 TO JUNE 30, 2023

	Share Capital	Capital Reserves	Revenue Reserves		Total Equity Attributable to the Owners of the Group	Non - Controlling Interest (NCI)	Total
		Surplus on Revaluation of Property and Equipment	Building Reserve	Unappropriated Profit			
	Rupees in thousands						
Fresh issuance of share capital during the period	10,000	-	-	-	10,000		10,000
Share capital cancelled due to Scheme of Arrangement	(10,000)	-	-	-	(10,000)		(10,000)
Pre-acquisition profit for the period	-	-	-	8,434	8,434	(6)	8,428
Share capital / reserves transferred under Scheme of Arrangement	1,795,979	278,406	2,763	162,994	2,240,142	1,241,366	3,481,507
Net profit for the period	-	-	-	223,693	223,693	(6,239)	217,454
Other comprehensive income - net of tax	-	-	-	(14)	(14)	-	(14)
Total comprehensive income for the period	-	-	-	223,679	223,679	(6,239)	217,440
Demerger adjustments	-	(67,164)	-	18,454	(48,710)	(12,929)	(61,639)
Amount collected from building occupants for fixed assets replacement fund	-	-	253	-	253	593	846
Transferred to retained earnings on account of incremental depreciation - net of tax	-	(23)	-	23	-	(53)	(53)
Balance as at June 30, 2023	1,795,979	211,219	3,016	413,584	2,423,798	1,222,731	3,646,529

The annexed notes from 1 to 40 form an integral part of these consolidated financial statements.

CHIEF EXECUTIVE OFFICER **CHIEF FINANCIAL OFFICER** **DIRECTOR**

LSE VENTURES LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD FROM JULY 18, 2022 TO JUNE 30, 2023

	Note	2023 Rupees in thousands
Cash Used in Operations	31	(72,191)
Finance cost paid		(380)
Income tax paid		(46,421)
Net Cash Used in Operating Activities		(118,992)
Cash Flows from Investing Activities		
Operating fixed assets purchased		(17,133)
Aditions in capital work in progress		(20,852)
Investments made during the period		(721,387)
Investments matured during the period		992,654
Proceeds from disposal of property and equipment		759
Net investment in finance lease - rentals		344
Long term deposits paid		(21,210)
Net Cash Generated from Investing Activities		213,174
Cash Flows from Financing Activities		
Long term financing paid		(2,022)
Funds received under the Scheme of Arrangement		82,112
Building reserve		4,992
Net Cash Generated from Financing Activities		85,082
Net Increase in Cash and Cash Equivalents		179,264
Cash and cash equivalents at the beginning of the period		-
Cash and Cash Equivalents at the end of the Period		179,264

The annexed notes from 1 to 40 form an integral part of these consolidated financial statements.

CHIEF EXECUTIVE OFFICER	**CHIEF FINANCIAL OFFICER**	**DIRECTOR**

LSE VENTURES LIMITED

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD FROM JULY 18, 2022 TO JUNE 30, 2023

Note 1
The Group and its Operations

		Note	Holding Percentage
1.1	The group comprises of:		
	Holding Company		
	LSE Ventures Limited (LVL)	1.2	
	Subsidiary Companies		
	- LSE Financial Services Limited	1.3	100%
	- LSE Proptech Limited	1.4	29.92%
	Associated Companies		
	- The Pakistan Credit Rating Agency Limited (PACRA)		36.00%
	- Central Depository Company of Pakistan Limited (CDC)		10.00%
	- National Clearing Company of Pakistan Limited (NCCPL)		23.53%

1.2 LSE Ventures Limited (LVL)

LSE Ventures Limited ("LVL") was registered on July 18, 2022 under the Companies Act, 2017 (XIX of 2017) as a public unlisted company limited by shares. In June 2023, LVL obtained the listing status under the symbol "LSEVL" at Pakistan Stock Exchange as a result of Scheme of Arrangement approved on April 26, 2023 by the Honorable Lahore High Court.

LVL is domiciled in Pakistan and its principal line of business is to invest in shares, bonds, stocks, units of mutual funds or any other securities or its related instruments or otherwise in all types of real assets and in such manner as may from time to time be determined by the Company and to hold, or sale such real assets, shares, bonds, stocks, units of mutual funds or any other securities or its related instruments, subject to the compliance with applicable laws.

The geographical location and address of the Company is as under:

Business Unit	**Geographical Location**
Head office / Registered Office	19, Khayaban-e-Aiwan-e-Iqbal, Lahore, Pakistan.

1.3 LSE Financial Services Limited

LSE Financial Services Limited ("LSE") was originally incorporated with the name of Lahore Stock Exchange (Guarantee) Limited under the Companies Act, 1913 (now the Companies Act, 2017) on October 05, 1970 as a Company limited by guarantee. LSE was re-registered as a public Company limited by shares under "Stock Exchange (Corporatization, Demutualization and Integration) Act, 2012 on August 27, 2012. The registered office of LSE is situated at 19, Khayaban-e-Aiwan-e-Iqbal, Lahore, Pakistan. Securities and Exchange Commission of Pakistan ("the Commission") vide its notification dated August 25, 2015 directed integration of the stock exchanges in the country. Consequent to the approved scheme of integration of stock exchanges, LSE ceased its stock exchange operations and was granted a license by the Commission on January 11, 2016 to operate as an investment finance services company under the name LSE Financial Services Limited.

Prior to cessation of the stock exchange operations, LSE was engaged in listing, conducting, regulating and controlling the trade or business of buying, selling and dealing in shares, scrips, participation term certificates, modaraba certificates, pre-organization certificates and securities, stocks, bonds, debentures, debenture stocks, Government papers, loans and any other instruments and securities of like nature including but not limited to special national fund bonds and documents of a similar nature issued by the Government of Pakistan or any institution or agency authorized by it.

1.4 LSE Proptech Limited

LSE Proptech Limited ("LPL") was registered on May 11, 2022 under the Companies Act, 2017 (XIX of 2017) as a public unlisted company limited by shares. In May 2023, LPL obtained the listing status under the symbol "LSEPL" at Pakistan Stock Exchange as a result of Scheme of Arrangement approved on April 26, 2023 by the Honorable Lahore High Court.

LPL is domiciled in Pakistan and the principal line of business is to develop, import, construct and maintain software tailored for efficient real estate management and to provide online / e-commerce marketplace, networked warehouses, maintenance, safety, smart architectural, security and assurance solutions as well as eco-systems for the Internet of Things (IoT) for buildings, shared grids and data centers, and insulated construction methodologies, and to provide digital platform for information, analytics, data for real estate management and to buy, sell, export, import of software, hardware and establishment of incidental infrastructural facilities, subject to requisite permissions from relevant authorities.

LSE Ventures Limited along with directors (directly and indirectly) more than 50% of the shareholding of the entity.

Note 1, The Group and its Operations - Continued…

1.5 ***Basis of consolidation and equity accounting***

These consolidated financial statements comprise the financial statements of the Holding Company, its subsidiary companies and its associates as at June 30, 2023. These consolidated financial statements have been prepared from the information available in the separate audited financial statements of the Holding Company, the subsidiaries and associates for the year ended June 30, 2023.

LSE Ventures Limited (LVL), LSE Capital Limited (previously AssetPlex Modaraba Management Limited), Modaraba Management Company of Modaraba Al-Mali and the Iqbal Group (represented by Ms. Humaira Iqbal) hold 56.04% shares of LSE Proptech Limited (LPL). Subsequent to the Scheme of Arrangement approved by the Honorable Lahore High Court dated April 26, 2023, LVL, LSE Capital Limited and the Iqbal Group (represented by Ms. Humaira Iqbal) entered into a shareholders' agreement dated April 27, 2023 to control the composition of LPL's Board of Directors for its current three-year term ending on August 26, 2025. Owing to the control exercised by LVL along with LSE Capital Limited and the Iqbal Group, LPL is considered as a subsidiary of LVL and hence these consolidated financial statements for the year ended June 30, 2023 are prepared accordingly. Currently 4 out of 7 directors in LPL are also the directors of LSEFSL, which is a 100% owned subsidiary of LVL.

1.6 ***Subsidiaries***

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group 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 to direct the activities of the entity. The subsidiaries are fully consolidated from the date of acquisition, being the date on which the Holding Company obtains control, and continue to be consolidated until the date that such control ceases.

The financial statements of the subsidiary companies have been consolidated on a line-by-line basis and the carrying values of the investments held by the Holding Company have been eliminated against the shareholders' equity in the subsidiary companies. The financial statements of the subsidiaries are prepared for the same reporting year as of the Holding Company, using consistent accounting policies.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. Any goodwill that arises is tested annually for impairment.

1.7 ***Non - Controlling Interest***

Non-controlling interest is that part of net results of operations and of net assets of the subsidiaries which are not owned by the Group either directly or indirectly. Non-controlling interest is presented as a separate item in the consolidated financial statements. The Group applies a policy of treating transactions with non-controlling interests as transactions with parties external to the Group. Non-controlling interest is measured at proportionate share of identifiable net assets at the time of acquisition.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transaction.

1.8 ***Loss of control***

On the loss of control, the Group derecognizes 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 recognized in consolidated statement of profit or loss. In addition, any amounts previously recognised in other comprehensive income in respect of that subsidiary are reclassified to the consolidated statement of profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently that retained interest is accounted for as an equity-accounted investee, joint venture or under IFRS - 9, depending on the level of influence retained.

1.9 ***Associates***

Associates are all entities over which the Group has significant influence but not control. This is generally the case where the Group holds between 20% to 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the Group's share of the profit or loss of the associate after the date of acquisition.

Note 1, The Group and its Operations - Continued…

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognized in other comprehensive income is reclassified to statement of profit or loss account where appropriate.

The Group's share of its associates post acquisition profits or losses is recognized in the consolidated statement of profit or loss and its share in post-acquisition movements in other comprehensive income is recognized in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. The Group's share of its associates post acquisition changes in net assets are recognized directly in equity with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in associates equals or exceeds its interest in the associate including any other unsecured receivables, the Group does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associates.

Unrealized gains arising from transactions between the Group and its associates are eliminated against investment to the extent of the Group's interest in the associates. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Associates, which the Group intends to dispose off within twelve months of the reporting date are not accounted for under the equity method and are shown under non-current assets held for sale at the lower of carrying amount and fair value less cost to sell.

Dilution gains and losses arising in investments in associates are recognized in the consolidated statement of profit or loss.

At each reporting date, the Group reviews the carrying amounts of its investments in associates to assess whether there is any indication that such investments have suffered an impairment loss. If any such indication exists, the recoverable amount is estimated in order to determine the extent of the impairment loss, if any. Impairment losses are recognized as expense.

Note 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:

- International Financial Reporting Standards (IFRS), 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, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Standards, interpretations and amendments to published approved accounting standards

2.2.1 Standards, interpretations and amendments to approved accounting standards which became effective during the period

The following standards, amendments and interpretations to IFRS are effective for the year ended June 30, 2023. These standards, amendments and interpretations are either not relevant to the Group's operations or are not expected to have significant impact on the Group's financial statements other than certain additional disclosures;

Standard or Interpretation	**Effective Date - Annual Periods** Beginning on or After
IAS 37 Provisions, Contingent Liabilities and Contingent Assets [Amendments]	January 1, 2022
IAS 16 Property, Plant and Equipment [Amendments]	January 1, 2022
Annual Improvements to IFRS Standards 2018–2020	January 1, 2022

2.2.2 Standards, interpretation and amendments to approved accounting standards that are not yet effective

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, interpretations and the amendments are either not relevant to the Group's operations or are not expected to have significant impact on the Group's financial statements other than certain additional disclosures.

Note 2, Basis of Preparation - Continued…

Standard or Interpretation	**Effective Date - Annual Periods** Beginning on or After
IAS 1 Presentation of Financial Statements (Amendments)	January 1, 2023
IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (Amendments)	January 1, 2023
IAS 12 Income Taxes (Amendments)	January 1, 2023
IAS 1 Classification of liabilities as current or non-current — (Amendments)	January 1, 2024
IAS 12 Deferred tax related to assets and liabilities arising from a single transaction — (Amendments)	January 1, 2023
IAS 7 Statement of Cash Flows' and 'IFRS 7 'Financial instruments disclosures - Supplier Finance Arrangements (Ammendments)	January 1, 2024

The Group is in process to assess the impact of these amendments.

2.3 Presentation and functional currency

These financial statements are prepared and presented in Pak Rupees (Rs.) which is the Group's functional and presentation currency. All the figures have been rounded off to the nearest thousand of Rupees, unless otherwise stated.

2.4 Basis of measurement

These financial statements have been prepared under the historical cost convention except to the extent of the following:

Certain property and equipment	Note 5	Stated at revalued amount
Investment property	Note 6	Stated at revalued amount
Investments in associates	Note 7	Stated under the equity method
Net investment in finance lease	Note 8	Stated at amortised cost

2.5 Use of estimates and judgments

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

- Useful lives, residual values and depreciation method of property and equipment - Note 3.1 & 5
- Fair value of investment property - Note 3.4 & 6
- Provision against doubtful trade and other receivables - Note 3.7 & 11
- Impairment loss of non-financial assets - Note 3.8.1 & 27
- Estimation of provisions and contingent liabilities - Note 3.14, 3.16 & 23
- Estimation of Current income tax expense, provision for current tax and recognition of deferred tax asset / liabilities - Note 3.2, 13, 20 & 29

Revisions to accounting estimates (if any) are recognized in the period in which the estimate are 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.

Note 3
Significant Accounting Policies

The significant accounting policies adopted in the preparation of these financial statements are set out below:

3.1 Property and equipment

Property and equipment, except freehold land and building on freehold land, are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Freehold land and building on freehold land is stated at revalued amount, being the fair value at the date of their revaluation, less subsequent accumulated impairment losses, if any.

Cost of property and equipment consists of historical cost, borrowing cost pertaining to the construction and erection period and directly attributable costs of bringing the assets to their working condition.

Note 3, Significant Accounting Policies - Continued…

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and cost of the item can be measured reliably. All other day to day maintenance and normal repairs are charged to profit or loss as and when incurred. Gains or losses on disposal of property and equipment are included in profit or loss.

Depreciation on property and equipment, except land, is charged to statement of profit or loss on the reducing balance method so as to write off the depreciable amount of an asset over its economic useful life using the annual rates mentioned in note 5.1. Depreciation on additions is charged from the month in which the asset is available for use, whereas no depreciation is charged on assets disposed off during the month.

The Group assesses at each reporting date whether there is any indication that property and equipment are impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying amounts exceed the respective recoverable amount, assets are written down to their recoverable amounts and the impairment loss is recognized in the profit or loss. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. Where an impairment loss is recognized, the depreciation charge is adjusted in future years to allocate the asset's revised carrying amount over its estimated useful life.

An item of property and equipment is de-recognized upon disposal or when no future economic benefits are expected from its use. Disposal of an asset is recognized when significant risk and rewards, incidental to the ownership of an asset, have been transferred to the buyer. The gain or loss on disposal or retirement of property and equipment is represented by the difference between the sale proceeds and the carrying amount of the property and equipment and is recognized as an income or expense in the year of disposal in statement of profit or loss. In case of sale or retirement of a revalued property, the attributable revaluation surplus remaining in the surplus on revaluation is transferred directly to retained earnings.

Capital work-in-progress is stated at cost less any identified impairment loss. All expenditure connected with specific assets incurred during installation and construction period are carried under capital work in progress. Cost may also include borrowing costs, if any. These are transferred to operating fixed assets as and when these are available for use.

Freehold land and buildings on freehold land are revalued every three to five years. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset. Additions, subsequent to revaluation, are stated at cost less accumulated depreciation and any identified impairment loss.

Any revaluation increase arising on the revaluation of land and buildings on freehold land is recognized in other comprehensive income and presented as a separate component of equity as "Surplus on revaluation of property and equipment", except to the extent that it reverses a revaluation decrease for the same asset previously recognized in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. Any decrease in carrying amount arising on the revaluation of land and building on freehold land is charged to profit or loss to the extent that it exceeds the balance, if any, held in the surplus on revaluation of property and equipment relating to a previous revaluation of that asset.

Each year, the incremental depreciation and its related deferred taxation, the difference between depreciation based on revalued carrying amount of the asset and depreciation based on the asset's original cost, is transferred from surplus on revaluation of property and equipment to retained earnings. All transfers from surplus on revaluation of property and equipment are net of applicable deferred taxation. Upon disposal, any revaluation surplus relating to the particular asset being sold is transferred to retained earnings.

The depreciation method and useful lives of property and equipment are reviewed by the management, at each financial year-end and these estimates are adjusted or revised if appropriate. The effect of any adjustment to useful lives and methods of these estimates are recognized prospectively or revised as a change in accounting estimate.

3.2 Taxation

Income tax comprises current and deferred tax. Income tax is recognized in the statement of profit or loss except to the extent that relates to items recognized directly in equity or other comprehensive income, in which case it is recognized in equity or other comprehensive income.

Current

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting date.

The charge for current tax is higher of corporate tax (higher of tax based on taxable income and minimum tax) and alternative corporate tax. However, in case of loss for the year, income tax expense is recognized as minimum tax liability on turnover of the Group in accordance with the provisions of the Income Tax Ordinance, 2001. Super tax, if applicable, on the Group is calculated as per applicable tax rates as per Income Tax Ordinance, 2001.

Note 3, Significant Accounting Policies - Continued…

Corporate tax is based on taxable income for the year determined in accordance with the prevailing laws of taxation. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year if enacted after taking into account tax credits, rebates and exemptions, if any. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

Alternative corporate tax is calculated at 17% of accounting profit, after taking into account the required adjustments.

Current tax for current and prior periods, to the extent unpaid, is recognized as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognized as an asset.

The Group offsets current tax assets and current tax liabilities if, and only if, it has a legally enforceable right to set off the recognized amounts and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

The management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary timing differences arising from the difference between the carrying amount of the assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of transaction neither affects accounting nor taxable profit or loss.

Deferred tax liabilities are recognized for all major taxable temporary differences.

Deferred tax assets are recognized for all major deductible temporary differences to the extent that it is probable that taxable profit will be available against which deductible temporary differences, unused tax losses and tax credits can be utilized.

The carrying amount of deferred tax asset is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilized.

Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent of probable future taxable profit available that will allow deferred tax asset to be recovered.

Deferred tax is calculated at rates that are expected to apply to the period when the differences reverse based on the tax rates and tax laws that have been enacted or have been notified for subsequent enactment by the reporting date.

When different tax rates apply to different levels of taxable income, deferred tax assets and liabilities are measured using the average rates that are expected to apply to the taxable profit (tax loss) of the periods in which temporary differences are expected to reverse.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

3.3 Net investment in finance lease

Leases in which the Group transfers substantially all the risks and rewards incidental to the ownership of an asset to the lessees are classified as finance leases. A receivable is recognized at an amount equal to the present value of the minimum lease payments, which are included in the financial statements as "net investment in finance leases".

3.4 Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, including property under construction for such purposes, is measured initially at its cost, including transaction costs.

Any other investment property (whose fair value cannot be measured reliably) is measured at cost less accumulated depreciation and impairment loss, if any. The fair value of investment property is determined at each reporting date using current market prices for comparable real estate, adjusted for any differences in nature, location and condition by an independent valuer.

Note 3, Significant Accounting Policies - Continued…

The effect of any changes in estimate is accounted for on a prospective basis. Further, determining adjustments for any differences in nature, location and condition of the investment property involves significant adjustment. Fair value gain / loss is recognised in profit and loss.

3.5 Investments accounted for using the equity method

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost. Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income.

Dividends received or receivable from associates are recognised as a reduction in the carrying amount of investment. When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the investee Group. Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the entity. Unrealised losses are also eliminated unless the transaction provides evidence of impairment of the asset transferred.

The Group's interest in equity-accounted investees represents interest in associates. Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. Interests in associates are accounted for using the equity method. These are initially recognized at cost, which includes transaction costs. Subsequent to initial recognition, the financial statements include the Group's share of the profit or loss and OCI of equity-accounted investees, until the date on which significant influence ceases.

3.6 Inventory

Inventory represents usable stores and spares and are valued principally on First in First Out Basis (FIFO) at lower of cost and net realizable value except for items in transit, while items considered obsolete if any are carried at nil value. Items in transit are valued at cost comprising invoice value plus other charges paid thereon. Provision is made for obsolete and slow moving stores and spares based on management estimate, while items considered obsolete are carried at nil value.

3.7 Trade and other receivables

Measurement

Trade receivables are recognized and carried at original invoice value less an allowance for impairment. Bad debts are written off when identified.

Impairment

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

3.8 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

3.8.1 Financial assets

All financial assets are recognized at the time when the Group becomes a party to the contractual provisions of the instrument.

a) Classification

Financial assets are classified in either of the three categories: at amortized cost, at fair value through other comprehensive income and at fair value through profit or loss. Currently, the Group classifies its financial assets at amortized cost fair value through profit or loss and fair value through other comprehensive income. This classification is based on the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. The management determines the classification of its financial assets at the time of initial recognition.

b) Initial recognition and measurement

All financial assets are initially measured at fair value plus transaction costs that are directly attributable to its acquisition except for trade receivable that are initially measured at the transaction price.

Note 3, Significant Accounting Policies - Continued…

c) Subsequent measurement

Financial assets measured at amortized cost are subsequently measured using the effective interest rate method (EIR). The amortized cost is reduced by impairment losses, if any. Interest income and impairment are recognized in profit or loss.

Financial assets measured at fair value through profit or loss are subsequently measured at fair value prevailing at the reporting date. The difference arising is charged to profit or loss.

d) Derecognition

Financial assets are derecognized when:

- the contractual rights to receive cash flows from the assets have expired; or

- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

a) the Group has transferred substantially all the risks and rewards of the asset; or

b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The difference between the carrying amount and the consideration received is recognized in profit or loss.

If the Group transfers a financial asset in a transfer that qualifies for derecognition in its entirety and retains the right to service the financial asset for a fee, it recognizes either a servicing asset or a servicing liability for that servicing contract.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Group also recognizes an associated liability which cannot be offset with the related asset. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

If the Group's continuing involvement is in only a part of a financial asset, the Group allocates the previous carrying amount of the financial asset between the part it continues to recognize under continuing involvement, and the part it no longer recognizes on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognized and the consideration received for the part no longer recognized is recognized in profit or loss.

e) Impairment of financial assets

The Group recognizes an allowance for expected credit losses (ECLs) for all financial assets which are measured at amortised cost. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original EIR.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For the credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward looking factors specific to the debtors and the economic environment.

3.8.2 Financial liabilities

3.8.2.1 *Initial recognition and measurement*

Financial liabilities are initially classified at amortized cost. Such liabilities are recognized at the time when the Group becomes a party to the contractual provisions of the instrument and include trade and other payables, loans or borrowings and accrued mark up etc.

Note 3, Significant Accounting Policies - Continued…

The Group does not reclassify any of its financial liabilities.

Financial liabilities are initially recognized at fair value minus transaction costs for all financial liabilities not carried at fair value through profit or loss. Financial liabilities carried at fair value through profit or loss are initially recognized at fair value and transaction costs are credited in the profit and loss.

3.8.2.2 ***Subsequent measurement***

The Group measures its financial liabilities subsequently at amortized cost using the EIR method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in profit or loss. Difference between the carrying amount and consideration paid is recognized in profit or loss when the liabilities are derecognized.

3.8.2.3 ***Derecognition***

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective of carrying amounts is recognized in the profit or loss. The difference between the carrying amount of a financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

3.8.2.4 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 statement of financial position if the Group has a legally enforceable right to offset the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

3.9 Impairment of non-financial assets

Assets that are subject to depreciation or amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment losses on fixed assets that offset available revaluation surplus are charged against this surplus, all other impairment losses are charged to profit or loss. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Prior impairments of non-financial assets are reviewed for possible reversal at each reporting date. Where impairment loss is recognized, the depreciation / amortization charge is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value, over its remaining useful life. Any reversal of impairment loss of a revalued asset shall be treated as a revaluation increase.

3.10 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability at the measurement date in an orderly transaction between market participants in the principal, or in its absence, the most advantageous market to which the Group has access at that date. There are three levels which are as under:

Level 1

The Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2

When there is no quoted price in an active market, the Group determines transaction price by applying valuation techniques. The chosen valuation technique incorporates all the factors that market participants would take into account in pricing a transaction. The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price i.e. the fair value of the consideration given or received.

Note 3, Significant Accounting Policies - Continued…

Level 3

If the Group determines that the fair value at initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, the instrument is initially measured at fair value, adjusted to defer the difference between the fair value at initial recognition and the transaction price. Subsequently, that difference is credited or charged to the profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is supported wholly by observable market data or the transaction is closed out.

The Group's policy is to recognize transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

3.11 Long term deposits

Deposits are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in non-current assets for having maturities greater than 12 months after the reporting date. Initially they are recognized at fair value and subsequently stated at amortized cost.

3.12 Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash at banks which are free of encumbrances.

3.13 Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within short period. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

3.14 Provisions

A provision is recognized in the statement of financial position when the Group has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are not recognised for future operating losses.

3.15 Related party transactions

Related parties comprise the Group, associated companies / undertakings, directors of the Group and their close relatives and key management personnel of the Group. Transactions in relation to revenue, purchases and services with related parties are made at arm's length prices determined in accordance with the Group's policy except for the allocation of expenses such as utilities, rental and common overheads shared with related parties, which are on actual basis.

Transactions with related parties are based on the transfer pricing policy that all transactions between the Group and its related parties are at arm's length prices using the comparable uncontrolled price method except in circumstances where it is in the interest of the Group to not to do so.

3.16 Contingent liabilities

A Contingent liability is disclosed when there is a possible obligation that arises from past events and whose existence is confirmed only by the occurrence or non-occurrence of one or more uncertain future events not entirely within the control of the Group.

A contingent liability is also disclosed when there is present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits would be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

3.17 Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue as follow:

Room maintenance services / Software services

Revenue is recognised when the Group has a right to invoice. Customers are invoiced on a monthly basis and consideration is payable within 10 days from the invoice date.

Note 3, Significant Accounting Policies - Continued…

Funds management fee

Income from trusts operations is recognized on the basis of average monthly net asset value of the funds.

Finance lease income

The Group follows the 'financing method' in accounting for recognition of finance lease. The total unearned finance income i.e. the excess of minimum lease payments over the cost of the leased asset is deferred and then amortized over the term of the lease, so as to produce a systematic return on the net investment in finance leases.

Return on MTS investments and fixed income securities

Return on MTS investments and fixed income securities is recognized on a time proportionate basis over the term of the investments that takes into account the EIR method.

Rental income

Rental income from investment property is recognized in profit or loss on a straight-line basis over the lease term.

Dividend income

Dividend income is recognized in profit or loss on accrual basis in case of cumulative preference shares and at the time dividend is declared in case of ordinary shares.

Other income

Other income, if any, is recognized on accrual basis.

3.18 Dividend

Dividend distribution and appropriations other than statutory appropriations are recorded in the period in which they are approved.

3.19 Operating Segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the board of directors that made strategic decisions. The management has determined that the Group has a single reporting segment, as board of directors use the Group's operations as one reportable segment.

3.20 Earnings per share (EPS)

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

Note 4
Restructuring Scheme

LSE Financial Services Limited (LSEFSL or the Company) filed the restructuring scheme with Lahore High Court which was approved through Court order number 58175/2022. Following entities were merged / demerged / amalgamated under the Scheme of Arrangement (the Scheme):

Part - 1: Demerger of LSE Financial Services Limited
i. LSE Financial Services Limited; Transferor (LSE FSL, the Company)
ii. LSE Ventures Limited; Transferee (LVL, a subsidiary company)
iii. LSE Proptech Limited; Transferee (LPL, a subsidiary company)
iv. LSE Financial Services Limited (as residual); Transferee (LSE FSL, the Company)

Part - 2: Merger of Data Textiles Limited
i. Data Textiles Limited; Transferor (DATM)
ii. LSE Ventures Limited; Transferee (LVL)
iii. LSE Proptech Limited; Transferee (LPL)

Pursuant to this Scheme, the following objectives shall be derived from this scheme:

a. As per the Scheme; undertakings, assets, businesses and investments of LSE FSL shall be transferred to LVL and LPL.
b. Shareholders of LSEFSL shall surrender their shares to LVL;
c. LVL and LPL shall issue their shares to shareholders of LSE FSL in the ratio of 99.862:100 and 501.62:1000 respectively, as mentioned in the scheme;
d. All assets and liabilities of DATM shall be merged into assets and liabilities of LPL;
e. LVL and LPL shall issue shares to the shareholders of DATM in the ratio as mentioned in the scheme;
f. Upon merger, LVL and LPL shall obtain listing status and DATM will be dissolved under the order of Honorable Lahore High Court, Lahore (the Court) without winding up.

LSE FSL presented and obtained the approval of the Board of Directors and shareholders in their meetings held on July 20, 2022 and August 26, 2022 and filed said petition under sections 279, 280, 282 read with 285 (8) of the Companies Act, 2017. The Court approved this schemes vide order dated April 26, 2023 (the sanction date). However, as per Court order the Scheme is effective from July 31, 2023.

In consequence of this scheme:

(i) All suits, appeals, arbitrations, governmental investigations and other legal proceedings instituted by or against LSE FSL in respect of any transferred assets and undertakings and pending before any court, tribunal, regulatory body or any other authority shall be treated as suits, appeals and legal proceedings by or against the transferee to whom the relevant assets and undertakings have been transferred under this scheme and may be continued, prosecuted and enforced by or against the transferee accordingly.

(ii) All taxes on income, including but not limited to, advance tax and withholding taxes, collected/deducted from the effective date till the sanction date in respect of any transferred assets and undertakings shall, and be deemed to, be to the benefit and credit of LSE FSL and shall not be transferred.

(iii) The capital reserves, revenue reserves, revaluation surpluses and accumulated profits and losses of LSE FSL as at the day preceding the effective date and immediately preceding the sanction date respectively, shall constitute and be treated as reserves of a corresponding nature of the transferee and shall be accounted for on that basis in the books of account of the transferee.

(iv) The shares of LVL and LPL held by LSE FSL shall stand cancelled. The authorized share capital of LSE FSL shall stand reduced to Rs. 520 million divided into 52 million ordinary shares of Rs. 10 each whereas the paid up capital shall be Rs. 100 million divided into 10 million ordinary shares of Rs. 10 each wholly owned by LVL.

(v) LSEFSL shall continue to run as a NBFC and validly hold its license to to provide investment finance services.

(vi) The designated immovable and movable assets, liabilities, revaluations reserves, capital and revenue reserves as shown below shall be transferred to LPL and LVL from LSE FSL.

(vii) All the immovable assets and properties and other rights, connections of DATM shall stand transferred in the name of LPL and LVL.

LSE Financial Services Limited	**Before Merger April 26, 2023**	**Transfer to**		**Merger Adjustments**		**After Merger April 26, 2023**
	LSE FSL	**LPL**	**LVL**	**LSE FSL**	**DATM**	**LSEFSL**
	---------- Rupees in thousands ----------					
Property and equipment	1,285,028	1,285,028	-	-	-	-
Investment property	378,432	378,432	-	-	-	-
Investment in subsidiaries	60,000	-	-	60,000	-	-
Investment accounted for using the equity method	1,203,015	-	1,203,015	-	-	-
Net investment in finance lease	4,214	4,214	-	-	-	-
Long term deposits	3,974	-	-	-	-	3,974
Inventory	2,991	2,991	-	-	-	-
Trade and other receivables	890,226	9,273	28,798	-	-	852,156
Advances and prepayments	40,985	21,940	4,191	-	-	14,854
Short term investment	36,131	-	373,779	477,225	39,222	(854,095)
Refund due from Government	42,777	-	-	-	-	42,777
Cash and bank balances including MTS	51,087	10,000	412,000	(477,225)	-	106,312
Long term financing	(6,253)	-	-	-	-	(6,253)
Deposits against vehicles	(5,153)	(5,153)	-	-	-	-
Deferred tax liability	(148,437)	(3,422)	(145,075)	-	-	60
Trade and other payables	(174,070)	(48,498)	(80,812)	-	-	(44,760)
Receivable from / payable to group companies	9,642	(4,000)	9,498	-	4,144	-
Unpaid dividend	(33,455)	-	(33,455)	-	-	-
Unclaimed dividend	(15,568)	-	(15,568)	-	-	-
Liabilities related to discontinued operations	(14,433)	-	-	-	-	(14,433)
Share capital	(1,795,979)	(824,374)	(1,442,983)	472,282	99,096	(100,000)
Unappropriated profit	(946,385)	(155,016)	(116,942)	(532,282)	(142,463)	317
Profit for the period	(86,290)	43,902	(129,283)	-	-	(908)
Revaluation surplus on property and equipment	(773,244)	(706,080)	(67,164)	-	-	(0)
Building reserve fund	(9,236)	(9,236)	-	-	-	-
	-	-	-	-	-	-

Note 4, Rearrangement Scheme - Continued…

LSE Proptech Limited

	Before Merger	Transfer from		Merger Adjustment	After Merger April 26, 2023
	LPL	LSE FSL	DATM		LPL
	------------------------------- Rupees in thousands -------------------------------				
Property and equipment	3,253	1,285,028	128	-	1,288,410
Investment property	-	378,432	-	-	378,432
Net investment in finance lease	-	4,214	-	-	4,214
Long term deposits	-	-	-	-	-
Inventory	-	2,991	-	-	2,991
Trade and other receivables	-	9,273	-	-	9,273
Advances and prepayments	3,768	21,940	-	-	25,708
Short term investment	43,350	-	-	-	43,350
Refund due from Government	(181)	-	1,721	-	1,540
Cash and bank balances including MTS	1,963	10,000	45	-	12,008
Deposits against vehicles	-	(5,153)	-	-	(5,153)
Deferred tax (asset) / liability	-	(3,422)	-	-	(3,422)
Trade and other payables	(172)	(48,498)	(23,019)	-	(71,688)
Receivable from / payable to group companies	-	(4,000)	-	-	(4,000)
Share capital	(50,000)	(850,907)	-	-	(900,907)
Unappropriated profit	-	(155,016)	21,124	-	(133,892)
Profit for the period	(1,980)	43,902	-	-	41,922
Revaluation surplus on property and equipment	-	(706,080)	-	-	(706,080)
Building reserve fund	-	(9,236)	-	-	(9,236)
Goodwill arising on demerger	-	26,533	-	-	26,533
	-	-	-	-	-

LSE Ventures Limited	Before Merger	Transfer from		Merger Adjustment	After Merger April 26, 2023
	LVL	LSE FSL	DATM		LVL
	------------------------------- Rupees in thousands -------------------------------				
Investment in subsidiaries - LPL	-	-	-	269,529	269,529
Investment in subsidiaries - LSE FSL	-	-	-	100,000	100,000
Investment accounted for using the equity method	-	1,203,015	-	-	1,203,015
Long term deposits	-	-	-	-	-
Trade and other receivables	-	28,798	-	-	28,798
Advances and prepayments	(9,266)	4,191	-	-	(5,075)
Short term investment	16,000	373,779	-	-	389,779
Refund due from Government	90	-	-	-	90
Cash and bank balances	1,572	412,000	-	-	413,573
Share capital	(10,000)	(1,416,450)	-	(369,529)	(1,795,979)
Unappropriated profit	(0)	(116,942)	-	-	(116,942)
Profit for the period	1,782	(129,283)	-	-	(127,502)
Fair value reserve	-	-	-	-	-
Revaluation surplus on property and equipment	-	(67,164)	-	-	(67,164)
Demerger reserve	-	(26,533)	-	-	(26,533)
Deferred tax liability	-	(145,075)	-	-	(145,075)
Trade and other payables	(178)	(80,812)	-	-	(80,990)
Receivable from / payable to group companies	-	9,498	-	-	9,498
Unpaid dividend	-	(33,455)	-	-	(33,455)
Unclaimed dividend	-	(15,568)	-	-	(15,568)
	-	-	-	-	-

DATA TEXTILES LIMITED

	Before Merger	Transfer to		Merger Effect	After Merger April 26, 2023
	DATM	LPL	LVL	DATM	DATM
	------------------------------- Rupees in thousands -------------------------------				
Property and equipment	128	(128)	-	-	-
Refund due from Government	1,721	(1,721)	-	-	-
Cash and bank balances	45	(45)	-	-	-
Long term financing	(39,222)	-	-	39,222	-
Trade and other payables	(23,019)	23,019	-	-	-
Payable to LSE Financial Services Limited	(4,144)	-	-	4,144	-
Share capital	(99,096)	-	-	99,096	-
Unappropriated loss	163,587	(21,124)	-	(142,463)	-
	-	-	-	-	-

Note 5
Property and Equipment

	Note	2023 Rupees in thousands
Operating fixed assets	5.1	1,280,976
Capital work-in-progress		20,852
		1,301,828

Note 5.1
Operating Fixed Assets

Particulars	Cost / Revalued Amounts					Accumulated Depreciation							Written Down Value as at June 30, 2023
	Balance as at July 01, 2022	Transferred under Scheme of Arrangement August 01, 2022	Additions	Disposals	Balance as at June 30, 2023	Rate	Balance as at July 01, 2022	Transferred under Scheme of Arrangement August 01, 2022	Charge for the year	Disposals	Balance as at June 30, 2023		
	Rupees in thousands					%	Rupees in thousands						
Owned assets													
Land freehold	-	1,059,660	-	-	1,059,660	-	-	-	-	-	-		1,059,660
Buildings on freehold land	-	122,386	5,245	-	127,631	5%	-	16,017	5,028	-	21,045		106,586
Computer and accessories	-	34,946	2,046	(4,186)	32,806	30%	-	30,143	1,658	(4,103)	27,698		5,108
Furniture and fixture	-	15,279	2,121	(147)	17,253	10%	-	8,508	798	(84)	9,223		8,031
Office equipment	-	6,631	-	-	6,631	20%	-	6,417	35	-	6,452		179
Electric fittings and appliances	-	136,923	3,978	(1,860)	139,041	20%	-	84,755	9,714	(1,474)	92,996		46,045
Vehicles	-	21,521	20,705	(334)	41,892	20%	-	2,140	6,486	(94)	8,533		33,359
Elevator	-	19,969	-	-	19,969	20%	-	14,317	936	-	15,253		4,716
Generators	-	34,206	-	-	34,206	10%	-	19,356	1,369	-	20,725		13,481
Arms and security equipment	-	6,210	505	-	6,715	10%	-	2,531	374	-	2,905		3,811
Library books	-	318	-	-	318	25%	-	318	-	-	318		-
Leasehold improvements	-	5,697	-	-	5,697	20%	-	5,697	-	-	5,697		-
	-	1,463,746	34,600	(6,528)	1,491,819		-	190,199	26,398	(5,754)	210,843		1,280,976

Measurement of fair values

The Group obtains an independent valuation for its freehold land and building (classified as property and equipment) every three to five years. The valuation is conducted by an independent valuer who is approved by Pakistan Banks' Association (PBA). Latest revaluation was carried out on June 30, 2019.

Valuation techniques

Freehold land

The valuer determined the fair value of freehold land based on the market comparable approach that reflects transaction prices for similar properties in the area. The key observable inputs under this approach are the price per square feet from current year sales of comparable lots of land in the area (location and size). Different valuation methods and exercises were adopted according to experience, location and other usage of freehold land. Valuer had also considered other relevant factors as well.

Building on freehold land

The valuer used a cost approach (i.e. current replacement values) for building on freehold land to arrive at the fair value. Construction specifications were noted for each building and structure and new construction rates were applied according to construction specifications for current replacement values. After determining current replacement values, depreciation was calculated to determine the current assessed market value.

The effect of changes in the observable inputs used in the valuations cannot be determined with certainty; consequently, a qualitative disclosure of sensitivity has not been presented in these financial statements.

Note 5, Property and Equipment - Continued…

5.2 Particulars of immovable property (i.e. land and building) in the name of Group are as follows:

Location / Address	Total Area (Sq. ft.)	Covered Area (Sq. ft.)
19, Khayaban-e-Aiwan-e-Iqbal, Lahore, Pakistan.	44,213	North Tower: 96,540 Sqft South Tower : 50,132 Sqft

5.3 No disposals were made during the year having individual book value exceeding Rs. 500,000 or more.

5.4 Had the revaluation of these assets not been made, the carrying value of these assets as at the reporting date would have been as under:

	2023
	Rupees in thousands
Freehold land	362,013
Building on freehold land	91,447
	453,460

5.5 Property and equipment contains fully depreciated assets, having cost of Rs. 6.015 million that are still in use as at the reporting date.

5.6 Forced sale value and assessed value of these fixed assets as at the date of revaluation (i.e. June 30, 2019) was as under:

	Forced sale	Assessed sale
	------------- Rupees in thousands -------------	
Freehold land	900,711	1,059,660
Building on freehold land	90,598	106,586
	991,309	1,166,246

Note 6
Investment Property

	2023
	Rupees in thousands
Carrying value - (At Fair Value)	378,431

6.1 The fair value of investment property is determined at the end of each year by independent suitably qualified valuer. The fair value of the investment property as at June 30, 2023 was performed by an independent valuer.

The fair value was determined based on the market comparable approach that reflects recent transaction prices for similar properties/capitalization of net income method, where the market rentals of all lettable units of properties are assessed by reference to the rentals achieved in the lettable units as well as other lettings of similar properties in the neighborhood. The capitalization rate adopted is made by reference to the yield rates observed by the valuers for similar properties in the locality and adjusted based on the valuers' knowledge of the factors specific to the respective properties.

There has been no change to the valuation technique during the year. In estimating the fair value of the properties, the highest and best use of the properties is their current use.

There are no level 1 and level 3 assets or any transfers between levels 1, 2 and 3 during the year.

Property Type	Location	Area	Independent Valuer	Fair Value	Forced Sale Value
				--------- Rupees in thousands ---------	
Building on land	Lahore	25,018 square feet	M/s Unicorn International Surveyors	378,431	321,660

Note 7
Investments in Associates

	2023
	Rupees in thousands
Under Equity Method	
The Pakistan Credit Rating Agency Limited (PACRA)	67,224
Central Depository Company of Pakistan Limited (CDC)	659,183
National Clearing Company of Pakistan Limited (NCCPL)	504,956
	1,231,363

7.1

	2023			
	PACRA	**CDC**	**NCCPL**	**Total**
	------------------------- Rupees in thousands -------------------------			
Transferred under Scheme of Arrangement	47,610	592,226	509,566	1,149,402
Equity adjustment	(5,735)	34,893	(4,782)	24,376
Share of profit for the period	41,468	80,021	45,640	167,129
Dividend received during the year	(16,099)	(47,957)	(45,468)	(109,524)
Share in OCI	(20)	-	-	(20)
Closing balance	67,224	659,183	504,956	1,231,363
Shareholding in %age	36.00%	10.00%	23.53%	
Number of shares	2,683,044	35,000,000	23,730,462	

7.2 These are locally incorporated companies. The country of incorporation / registration of these companies is also their principal place of business. The Group has significant influence on associates due to its representation on the Board of Directors of investees and consequently, they have been treated as associates according to the requirements of IAS 28 'Investment in Associates'. Investments in these associates have been accounted for under the equity method. The shares of these associates are not listed on stock exchange, hence published price quotes are not available. Shares of all the associated companies have a face value of Rs. 10 each.

7.3 The investments in associated companies have been made in accordance with the requirements of the Companies Act, 2017.

7.4 The Group has recognized its share of profit and other comprehensive income during the period which are based on audited financial statements of respective associated company.

7.5 During the period, CDC issued 5 million ordinary shares as bonus shares (20%) to the Group.

7.6 The following table summarises the financial information of associates as included in their respective audited financial statements. The table also reconciles the summarised financial information to the carrying amount of the Group’s interest in associates.

	2023		
	PACRA	**CDC**	**NCCPL**
	--------------- Rupees in thousands ---------------		
Current assets	315,710	5,820,229	16,374,396
Non-current assets	113,038	2,105,099	559,380
Current liabilities	(233,859)	(940,031)	(14,745,050)
Non-current liabilities	(8,157)	(393,462)	(42,720)
Net assets of the associate	186,732	6,591,834	2,146,006
Proportion of the Group’s ownership interest	36.00%	10.00%	23.53%
Carrying amount of the Group’s interest	67,224	659,183	504,956
Cost of Investment	5,400	10,000	164,414

Note 8
Net Investment in Finance Lease

	2023
	Rupees in thousands
Transferred under Scheme of Arrangement	4,309
Add: Finance income for the period	311
Less: Rental received during the period	(344)
Closing balance	4,276

8.1 The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

Upto one year	344
Two to five years	1,375
Above five years	26,070
	27,789
Less: Discounting	(23,513)
Closing balance	4,276

8.2 The Group has entered into lease arrangements for lease of office spaces i.e. 106,199 square feet in North and South Towers for a lease period of upto 99 years. Interest rate implicit @ 8% in the lease is used as a discount factor to determine the present value of minimum lease payments.

Note 9
Long Term Deposits

		2023
	Note	Rupees in thousands
Utilities		1,224
Security deposit - MTS Trading System		23,785
Deposits with Central Depository Company Limited	9.1	175
		25,184

9.1 This amount has been deposited with Central Depository Company Limited for share registrar services.

Note 10
Short Term Investments

	Note	2023 Rupees in thousands
At amortised cost		
Investment in Margin Trading System of NCCPL	10.1	363,648
Pakistan GasPort Consortium Limited (PGPC) - Preference shares	10.2	280,000
International Learning Centre (Private) Limited (Berlitz)	10.3	9,000
Investment in SSR Pictures & 5Abbi Films	10.4	17,794
Fair value through profit or loss		
Pakistan Mercantile Exchange Limited (PMEX)	10.5	22,170
Digital Clearing Company Limited (DCCL) [related party]	10.6	54,167
Reckitt Benckiser Pakistan Limited	10.7	490
RB Hyginene Home Pakistan Limited	10.7	428
First Dawood Investment Bank Limited (FDIBL)	10.8	247
LSE Capital Limited (formerly Assetplex Limited) [related party]	10.9	14,420
		762,364

10.1 Investment on margin Trading Systen of NCCPL is an undisclosed market of financees and financiers with a participation ratio of 85 to 15 carrying markup of KIBOR with spread of maximum upto 8%.

10.2 This represents the Group holding of 28 million preference shares in Pakistan GasPort Consortium Limited (PGPC) which are non-voting, privately placed, unlisted, callable, puttable, cumulative and floating rate preference shares with a par value of Rs. 10 each. These preference shares offer dividend at six months KIBOR plus 5.5% per annum every 6 months.

10.3 The Group has obtained 5,700 shares of International Learning Centre (Private) Limited for Rs. 9 million during the period which represents 5.00% ownership.

10.4 This represents the Group's share of 33.33% of partnership in AOP with Mr. Ifthikhar Thakur and Mr. Muhammad Safdar Malik under the name of SSR Pictures & 5Abbi Films which is established for the purpose of production of movies in Pakistan. Profits / loss will be shared by the partners after project is finalised and audited accordingly.

10.5 The Group holds 2,272,727 equity shares of Pakistan Mercantile Exchange Limited which represents 7.25% ownership.

10.6 The Group holds 5,221,973 equity shares of Digital Clearing Company Limited, a related party due to common directorship, which is public unlisted entity. Orignially 1,110,000 shares were acquired at Rs. 54.05 but DCCL issued 4,111,973 bonus shares during the period, bringing the total number of shares held to 5,221,973. There was no change in the shareholding percentage of 9.99%.

10.7 The Group holds 656 shares in Reckitt Benckiser Pakistan Limited and 176 shares of RB Hyginene Home Pakistan Limited.

10.8 This represents investment in 149,000 shares of First Dawood Investment Bank Limited amounting to Rs. 247,000 representing nominal share of 0.1% of the share capital of the company.

10.9 This represents loan given to LSE Capital Limited (formerly Assetplex Limited), a related party. This amount has been given as advance and carries markup at 3 months KIBOR + spread of 3%.

Note 11
Trade and Other Recievables - Considered good

	Note	2023 Rupees in thousands
Receivables from ex-members	11.1	6,800
Other receivables:		
- From related parties	11.2	3,482
- Accrued mark-up		39,392
- Tenant	11.3	5,249
- Dividend	11.4	686
		55,609

11.1 Receivables from ex-members

Considered good		6,800
Considered doubtful		19,962
		26,762
Less: Allowance for impairment	11.1.1	(19,962)
		6,800

11.1.1 Allowance for impairment

Transferred under Scheme of Arrangement	16,347
Impairment loss recognised	3,615
Closing balance	19,962

11.1.2 Age analysis of trade receivables from ex-members

Description	**Year End**	**Past due**					**Total Gross**
		0-30 Days	31-60 Days	61-90 Days	91-365 Days	Above 365 days	
		Rupees in thousands					
Ex- members	2023	3,946	1,932	921	5,382	14,580	26,762

11.2 Other receivables from related parties

	2023 Rupees in thousands
MCF Trust Fund	297
IPF Trust Fund	903
TCF Trust Fund	1,342
Modaraba Al Mali	940
	3,482

11.2.1 Age analysis of trade receivables from related parties

Description	**Year End**	**Past due**					**Total Gross**
		0-30 Days	31-60 Days	61-90 Days	91-365 Days	Above 365 days	
		Rupees in thousands					
Related parties	2023	3,482	-	-	-	-	5,505

11.2.1 This represents unsecured receivable in respect of fund management services. The maximum aggregate amount outstanding at any time during the year from MCF Trust Fund, IPF Trust Fund and TCF Trust Fund was Rs. 0.381 million, Rs. 0.952 million and Rs. 1.582 million respectively at the end of a month.

Note 11, Trade and Other Recievables - Considered good - continued…

11.3 Other receivables from tenants

	2023 Rupees in thousands
Considered good	7,272
Considered doubtful	1,460
	8,732
Less: Allowance for impairment	(1,460)
	7,272

11.3.1 Age analysis of other receivables from tenants:

Description	Year End	Past due					Total Gross
		0-30 Days	31-60 Days	61-90 Days	91-365 Days	Above 365 days	
		Rupees in thousands					
Tenants	2023	3,118	536	136	972	487	5,249

11.4 This represents dividend receivable against the investment in RB Hygiene Home Pakistan Limited and Reckitt Benckiser Pakistan Limited.

Note 12
Advances and Prepayments

	Note	2023 Rupees in thousands
Unsecured - Considered good		
Advances to employees against expenses		100
Advances to employees against salaries		66
Advances to employees against vehicles		33
Prepayments	12.1	12,198
		12,397

12.1 This includes amount paid to insurance companies pertaining to insurance facility for employees. This also includes annual fee paid to NBFI & Modaraba Association of Pakistan.

12.2 Advances to employees do not include any amount given to directors or executives of the Group.

Note 13
Tax Refunds Due from the Government - Net

	2023
	Rupees in thousands
Income tax	37,497

13.1 Income tax

	2023
Wealth tax paid:	
- under protest	10,063
- with returns	461
	10,524
Less: Provision for wealth tax	(3,728)
	6,796
Income tax deducted at source - net	79,533
Less: Provision of income tax for the period	(48,832)
	37,497

Note 14
Cash and Bank Balances

	Note	2023 Rupees in thousands
Cash in hand		100
Cash at banks in saving accounts	14.1	179,164
		179,264

14.1 These carry mark-up @ 12.25% to 18.50% p.a.

14.2 The above figures of cash and bank balances reconcile to the amount of cash and cash equivalents shown in the statement of cash flows.

Note 15
Issued, Subscribed and Paid-up Share Capital

2023 Number of shares		2023 Rupees in thousands
1,000,000	Ordinary shares of Rs. 10 each issued for cash	10,000
(1,000,000)	Ordinary shares of Rs. 10 each cancelled as per Scheme of Arrangement	(10,000)
179,597,880	Ordinary shares of Rs. 10 each issued other than in cash	1,795,979
179,597,880		1,795,979

15.1 As a result of Scheme of Arrangement, 100% shares of LSE Financial Services Limited have been transferred to LSE Ventures Limited (Holding Company) and the previous share capital of the Holding Company has been cancelled.

15.2 The shareholders are entitled to receive all distributions including dividends and other entitlements in the form of bonus and right shares as and when declared by the Group. All shares carry one vote per share without restriction.

15.3 Reconciliation of changes in number of shares is as follows

	2023 Number of shares
Opening balance	-
Shares issued during the period	180,597,880
Share cancelled duriing the year	(1,000,000)
Closing balance	179,597,880

Note 16
Surplus on Revaluation of Property and Equipment

	2023
	Rupees in thousands
Transfer Under Scheme of Arrangement	706,080
Transferred to retained earnings in respect of net incremental depreciation - net of deferred tax	(76)
	706,004
Less: Share of NCI	(494,785)
	211,219

16.1 The surplus on revaluation of property and equipment is not available for distribution to the shareholders in accordance with section 241 of the Companies Act, 2017.

16.2 The revaluation surplus represents net cumulative increase in the carrying amount as a result of revaluation of property and equipment.

Note 17
Building Reserve Fund

This reserve was created for replacement of fixed assets. The Group Companies and all other leaseholders of LSE Plaza contribute their respective shares in fund.

Note 18
Non Controlling Interest

	2023
	Rupees in thousands

The following table summarizes the information relating to the Group's subsidiary (LPL) that has Non Controlling Interest (NCI):

Non current assets	1,711,144
Current assets	91,350
Non-current liabilities	(7,046)
Current liabilities	(50,746)
Net assets	1,744,702
NCI Percentage	70.08%
Net assets attributable to NCI	1,222,731

	For the period from August 01, 2022 to June 30, 2023
	Rupees in thousands
Revenue - net	95,731
Loss after taxation	(8,902)
Other comprehensive income	-
Total comprehensive income	(8,902)
NCI Percentage	70.08%
Total comprehensive loss allocated to NCI	(6,239)

	2023
	Rupees in thousands
Net cash flows generated from operating activities	2,666
Net cash flows used in investing activities	(19,996)
Net cash flows generated from financing activities	60,846
Net increase in cash and cash equivalents	43,517

Note 19
Long Term Financing

	2023
	Rupees in thousands
Bank Al Habib Limited	5,772
Less: Current portion shown under current liabilities	(1,924)
	3,848

19.1 The long term financing facility has been obtained from Bank Al Habib Limited. This represents utilised portion of financing out of total sanctioned limit of Rs. 9.621 million, for purchase and installation of 100 KW On-Grid Solar System under the State Bank of Pakistan financing scheme for Renewable Energy Category-II. It carries mark-up at 4% per annum, payable quarterly. The bank has marked lien over PLS accounts for Rs. 7.55 million. The tenor of the facility is 5 years from the date of disbursement.

Note 20
Deferred Tax - Net

	Note	2023
		Rupees in thousands
Deferred tax liability	20.1	151,116

20.1 Breakup of deferred tax liability

Taxable temporary differences	
Accelerated tax depreciation	2,561
Surplus on property and equipment	3,391
Net investment in finance lease	1,240
Investment in associates	157,732
Deductible temporary differences	
Loss allowance on receivables	(5,789)
Uabsorbed tax depreciation	(7,284)
Financial assets	(735)
	151,116

20.2 Deferred tax assets / liabilities on temporary differences are measured at effective rate of 29%.

20.3 Reconciliation of deferred tax liabilities - Net

Transferred under demerger scheme	140,128
Deferred tax effect charged to profit or loss	10,995
Deferred tax effect charged to other comprehensive income	(6)
Closing balance	151,116

20.4 Since the Company was incorporated on July 18, 2022, the analysis of change in deferred tax needs not be presented.

Note 21
Trade and Other Payables

	Note	2023
		Rupees in thousands
Trade creditors		23,529
Accrued liabilities		13,146
Due to members		2,158
Advance rent received from tenants		6,876
Defaulted members' membership sale proceeds	21.1	44,131
Advances received from ex-members and companies		6,544
Retention money		1,196
Punjab Workers Welfare Fund payable	21.2	19,994
Sales tax payable		1,365
Accrued mark-up		42
		118,981

21.1 This represents amounts realized through auctions of the defaulted members' memberships and have been retained by the Group for settlement of claims against these members.

21.2 Punjab Workers Welfare Fund

Transferred under Scheme of arrangement	12,405
Provision during the period	7,589
Payments made during the period	-
Closing Balance	19,994

Note 22
Deposits Payable Related to Discontinued Operations

These deposits have not been kept in a separate bank account and have been utilized by the Group in the ordinary course of its business.

Note 23
Contingencies and Commitments

23.1 Contingencies

23.1.1 On April 12, 2010, the Group had filed a suit for the recovery of US Dollar 105,000 and Rs. 3,314,015 against a vendor in the Court of Senior Civil Judge Lahore, which was referred by the Court for Arbitration. Currently the matter is pending before the Arbitration Tribunal for hearing of miscellaneous applications and recording evidence of the Group. However, the Group expects a favourable outcome of the case.

23.1.2 After the integration of all the three Stock Exchanges in Pakistan vide Order No. 1 of 2016 dated January 11, 2016 issued by the Commission, all the pending 33 cases related to Brokers and TREC Holders of erstwhile Lahore Stock Exchange Limited were referred to the Funds Committee (constituted by the Commission under the Stock Exchanges (Corporatization, Demutualization and Integration) Regulations, 2012 for follow up and disposals of cases. These cases have been taken up by the Funds Committee and have been reported to the Commission through quarterly reports. Accordingly, the relevant contingent liability was also transferred to relevant MCF, IPF and TCF Trusts to the tune of Rs. 1.324 billion.

23.1.3 The Income Tax Appellate Tribunal, vide its order dated June 03, 2003 and November 01, 2005 for the Assessment years 1992-93 to 2000-01 accepted the contention that the Group qualifies for exemption under section 5(1)(i)/clause 22 of the Second Schedule to the Wealth Tax Act, 1963. The Department has filed a written petition before the Lahore High Court, Lahore against the aforesaid order of the Income Tax Appellate Tribunal. However, the Honorable Lahore High Court decided the case in favour of the Group. Now, the tax department has filed the Civil Petition for Leave to Appeal (CPLA) before the Honorable Supreme Court of Pakistan.

23.1.4 Certain employees had been reinstated and arrears / back benefits were paid in accordance with Labour Court Order, dated August 13, 2020. However, these employees filed fresh petitions for determination and recovery back of benefits from the Group. Under the circumstances, the Group incorporated a certain provision in the financial statements up to June 30, 2022. However, the Group expects a favourable outcome of the case.

23.2 Commitments

There is no commitment outstanding as at the reporting date.

Note 24
Revenue

The Group generates revenue primarily from investment in finance services i.e. margin trading system of NCCPL. Other sources of revenue include rental income from investment properties; rendering of room maintenance services to tenants; software services; and fund management fee etc.

	Note	For the period from July 18, 2022 to June 30, 2023 Rupees in thousands
Revenue from Margin Trading System of NCCPL		67,281
Investment properties - rental income		57,085
Return on investment through LSE Capital Limted		55,368
Realized fair value gain on investments - PKGI		31,930
Dividend income on PGPC - preference shares		31,273
		118,571
Other revenues - inclusive of PRA sales tax		
Room maintenance services		34,006
Fund and operational management fee	24.1	23,684
Software services		4,991
		62,681
Less: sales tax	24.2	(8,033)
		54,648
		297,585

24.1 This represents fund and operational management fee charged to MCF, IPF and TCF trusts. Fund management and operational fee is calculated at 2% on closing net assets of the fund as per un-audited accounts of the respective fund as at June 30, 2023.

24.2 The aggregate sales tax amounting to Rs. 8.033 million is charged on room maintenance services and software income.

Note 25
Administrative and General Expenses

	Note	For the period from July 18, 2022 to June 30, 2023 Rupees in thousands
Salaries and benefits	25.1	90,920
Information technology related expenses		4,504
Insurance		1,128
Travelling and conveyance		10,406
Printing and stationery		1,412
Utilities		5,236
Repairs and maintenance		16,231
Security expenses		6,881
Communication and public relations		11,189
Legal and professional charges		11,353
Margin Trading System charges		3,459
Fees and subscription		1,237
Rent, rates and taxes		1,293
Auditors' remuneration	26.2	3,243
Board meetings fee expenses		7,443
Others		3,128
Depreciation		26,445
		205,508

25.1 Salaries and benefits include Rs. 4.147 million in respect of contribution to provident fund.

25.2 Auditors' remuneration

Annual audit fee	1,699
Other assurance services	878
Half yearly review fee	479
Certifications for regulatory purposes	111
Agreed upon procedures	76
	3,243

Note 26
Other Operating Expenses

	For the period from July 18, 2022 to June 30, 2023
	Rupees in thousands
Punjab Workers' Welfare Fund	7,483
Diminution in the value of investment	2,750
Loss on disposal of property, plant and equipment	15
Impairment loss on trade and other receivables - net	3,615
	13,863

Note 27
Finance Cost

	For the period from July 18, 2022 to June 30, 2023
	Rupees in thousands
Mark-up on long term financing	218
Bank charges	94
	312

Note 28
Other Income

	For the period from July 18, 2022 to June 30, 2023
	Rupees in thousands
Income from financial assets	
At amortized cost / under effective interest method	
Cash and cash equivalents - profit on saving bank accounts	16,402
Dividend Income	807
Market Treasury Bills (T-Bills)	5,355
	22,563
Loans and receivables	
Finance income on net investment in finance lease	311
Income from non - financial assets	
Advertisement income / parking charges & Misc.	7,952
	30,826

Note 29
Taxation

	Note	For the period from July 18, 2022 to June 30, 2023
		Rupees in thousands
Current		45,459
Prior year		1,949
Deferred	29.2	10,995
		58,403

29.1 Income tax return has been filed with the income tax authorities upto and including tax year 2022 under the provisions of the Income Tax Ordinance, 2001.

29.2 Numerical reconciliation between average effective tax rate and the applicable tax rate is not practicable due to application of normal income rate tax and minimum tax rate on services under section 153 (1) (b) of the Income Tax Ordinance, 2001.

Note 30
Earnings per Share - Basic and Diluted

	For the period from July 18, 2022 to June 30, 2023
Net profit for the year attributable to ordinary shareholders (Rupees in thousands)	217,454
Weighted average number of ordinary shares (Number of shares in thousands)	164,728
Earnings per share - Basic and diluted (Rupees)	1.32

30.1 There is no dilutive effect on the basic earnings per share of the Group as the Group has no such commitments that would result in dilution of earnings of the Group.

Note 31
Cash Generated from Operations

	For the period from July 18, 2022 to June 30, 2023
	Rupees in thousands
Profit before tax	275,857
Adjustments	
Depreciation	26,398
Finance income on net investment in finance lease	(311)
Lease rentals	(57,085)
Share of profit of associates	(167,129)
Return on investments	(185,852)
Unrealized fair value loss on investment - net	2,750
Punjab Workers Welfare Fund	7,483
Finance cost	312
Loss on disposal of property and equipment	15
Impairment loss on trade and other receivables - net	3,615
Loss before working capital changes	(369,804)
(Increase) / decrease in current assets:	
- Inventories	(68)
- Trade and other receivables	(59,192)
- Advances, deposits and prepayments	(26,808)
	(86,069)
Increase / (decrease) in current liabilities:	
- Trade and other payables	43,765
- Other liabilities - deposits from employees	430
- Advance rent received from tenants	63,630
	107,825
Cash Used in Operations	(72,191)

Note 32
Financial Risk Management

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on having cost efficient funding as well as to manage financial risk to minimize earnings volatility and provide maximum return to shareholders.

Risk management is carried by the Board of Directors (the Board). The Board provides principles for overall risk management as well as policies covering specific areas such as currency risk, other price risk, interest rate risk, credit risk and liquidity risk.

32.1 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument may fluctuate because of changes in foreign currency, interest rate, commodity price and equity price that will affect the Group's income or the value of its holdings of financial instruments.

Currency risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. As there are no foreign currency receivables / payables of the Group, it is not exposed to currency risk.

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. The Group is not significantly exposed to floating interest rate risk as it does not have any significant interest bearing liabilities. However, the Group has fixed and variable interest based investments. These investments are classified as short term and long term considering relative sensitivity of interest rates and management's intention. Other assets and liabilities of the Group do not expose the Group to interest rate risk substantially.

T-Bills are Government backed securities with guaranteed return. The maximum maturity profile of investment in T - bills is upto one eighty two days and of investment in MTS is upto sixty four days. T-Bills are fixed interest based investments. Therefore, changes in interest rates shall not affect the cash flows of the Group. The interest rate profile of the Group’s interest-bearing financial instruments as at the reporting date is as follows:

	2023
	Rupees in thousands
Floating rate instruments	
Financial assets	
Margin Trading System (MTS)	363,648
Bank balances	179,164
Fixed rate instruments	
Financial assets	
Net investment in finance lease	4,276
Financial liabilities	
Long term financing	5,772

Cash flow sensitivity analysis for variable rate instruments

As at reporting date, if interest rates get 1% higher / lower with all other variables held constant, profit before tax for the year would have been higher / lower by Rs. 5.370 million mainly as a result of yield on floating investment based financial assets.

Price risk

Price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to individual financial instrument or its issuer or factors affecting all similar financial instrument traded in the market. The Group is exposed to equity price risk in respect of certain investments amounting to Rs. 77.502 million.

A change of 1% in the value of investments at fair value through profit or loss would have increased / decreased profitability of the Group by Rs. 0.775 million on the basis that all other variables remain constant.

Note 32, Financial Risk Management - Continued…

32.2 Credit risk

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

The management assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. The utilization of credit limits is regularly monitored. For banks and financial institutions, only independently rated parties with a strong credit rating are accepted.

The Group monitors the credit quality of its financial assets with reference to historical performance of such assets and available external credit ratings, if any. As at the reporting date, the maximum exposure to credit risk is equal to the carrying amount of the financial assets as detailed below:

	Note	2023 Rupees in thousands
Financial assets	10	762,364
Trade and other receivables	11	55,609
Bank balances	14	179,164
		997,137

The aging of trade debts and related impairment loss as at the reporting date is presented in note 11.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer such as repayment behavior, credit loss history and available securities etc. The management also considers other relevant factors that may influence the credit risk of its customer base, including the default risk associated with the customer. Majority of the Group's customers have been transacting with the Group for over five years, and only trivial customers' balances have been written off. In monitoring customer credit risk, customers are individually assessed according to their trading history and repayment behavior with the Group.

The risk management committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment terms are offered.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables.

The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are operated in largely independent markets. The credit risk on liquid funds is limited because the counter parties are either banks (with reasonably high credit ratings) and trade receivables for which the exposure is spread over a large number of counter parties.

The credit quality of bank balances that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rate:

	Rating			2023
	Short term	Long term	Agency	Rupees in thousands
Allied Bank Limited	A1+	AAA	PACRA	7
Bank Alfalah Limited	A1+	AA+	PACRA	4,275
Bank Al-Habib Limited	A1+	AAA	PACRA	139,310
Habib Bank Limited	A-1+	AAA	VIS	28,537
MCB Bank Limited	A1+	AAA	PACRA	6,925
National Bank of Pakistan	A1+	AAA	PACRA	58
Summit Bank Limited	A3	BBB-	VIS	52
				179,164

32.3 Liquidity risk

Liquidity risk represents the risk that the Group will encounter difficulties in meeting obligations associated with financial liabilities. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities. Due to dynamic nature of the business, the Group maintains flexibility in funding by maintaining committed credit lines available. The Group's liquidity management involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring critical liquidity ratios and maintaining debt financing plans. The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to contractual maturity dates. The amounts disclosed in the table are the contractual undiscounted cash flows:

Description	Carrying Amount	Contractual cash flows	Within 1 year	1-2 Years	2-5 Years	5 - 10 years
	---------- Rupees in thousands ----------					
Contractual maturities of financial liabilities as at June 30, 2023:						
Long term financing	5,772	6,692	2,145	2,069	2,478	-
Trade and other payables	37,913	37,913	37,913	-	-	-
	43,685	44,604	40,058	2,069	2,478	-

Note 32, Financial Risk Management - Continued…

The contractual cash flows relating to the above financial liabilities have been determined on the basis of interest rates / mark up rates effective as at the reporting date. The rates of interest / mark up have been disclosed in relevant notes to these financial statements, where applicable

32.4 Financial instruments by categories

Financial assets as at June 30, 2023

	Fair value through profit or loss	At amortized cost	At fair value through other comprehensive income	Total
	------------------------ Rupees in thousands ------------------------			
Investments in associates	-	1,231,363	-	1,231,363
Net investment in finance lease	-	4,276	-	4,276
Trade and other receivables	-	55,609	-	55,609
Financial assets	77,502	684,862	-	762,364
Cash and bank balances	-	179,264	-	179,264
	77,502	2,208,191	-	2,285,693

Financial liabilities at amortized cost	**2023** Rupees in thousands
Long term financing	5,772
Trade and other payable	37,913
	43,685

32.5 Fair value of financial instruments

Fair value is an amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently, differences may arise between the carrying value and the fair value estimates.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the reporting date. Fair value is determined on the basis of objective evidence at each reporting date. The management believes that the fair values of financial assets and financial liabilities approximate to their carrying amounts largely due to the short-term maturities of these instruments.

Note 33
Capital Risk Management

The Board’s policy is to maintain an efficient capital base so as to maintain investor, creditor and market confidence and to sustain the future development of its business. The Board of Directors monitors the return on capital employed, which the Group defines as operating income divided by total capital employed. The Board of Directors also monitors the level of dividends to shareholders.

The Group's objectives when managing capital are:

a) to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and

b) to provide an adequate return to shareholders.

The Group manages the capital structure in the context of economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may, for example, adjust the amount of dividends paid to shareholders, issue new shares, if possible, selling surplus property and equipment without affecting the optimal operating level and regulating its dividend payout thus maintaining smooth capital management.

In line with the industry norms, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including current and non current) less cash and cash equivalents. Total capital is calculated as equity, as shown in the consolidated statement of financial position, plus net debt.

As the cash and bank balances exceed the total debt of the Group, the Group is not geared so the gearing ratio is not calculated.

Note 34
Segment Reporting

34.1 A business segment is a group of assets and operations engaged in providing products that are subject to risks and returns that are different from those of other business segments. The management has determined its operating segments based on the information that is presented to the Chief Executive Officer for allocation of resources and assessments of performance. Based on internal management reporting structure and products produced and sold, the Group is organized into three operating segments.

The Chief Executive Officer of the Group monitors the operating results of its business units separately for the purpose of making decision about resource allocation and performance assessment. Segment performance is generally evaluated based on certain key performance indicators including business volume, gross profit, profit from operations, reduction in operating cost and free cash flows.

Segment assets include all operating assets used by a segment and consist principally of receivables, inventories and property and equipment, net of impairment and provisions but do not include deferred tax. Segment liabilities include all operating liabilities and consist principally of trade and bills payable.

Basis for segmentation

The Group has the following three strategic divisions, which are its reportable segments. These divisions offer different products and services, and are managed separately because they require different technology and marketing strategies.The following summary describes the operations of each reportable segment.

Reportable segments	Operations
Building management facility	Rental income from tenants and building maintneance
Equity & debt instrument investment	Associate & dividend income from equity investment. Return from MTS investment and treasury bills
Fund management	Fund management of regulatory funds (investor protection, members contribution and TREC holders' contribution funds

The pricing for inter-segment transactions in determined on an arm's length basis.

34.2 Segment analysis

The segment information for the reportable segments for the period ended June 30, 2023 is as follows.

	Building management facility	Equity & debt instrument investment	Fund management	Total
	---------------------- Rupees in thousands ----------------------			
Segment Results for the year ended June 30, 2023				
Revenue	95,558	349,721	23,684	468,963
Segment results	6,354	282,723	13,643	302,720
Other operating expenses				(53,127)
Finance costs				(312)
Other income				26,576
Profit before taxation				275,857

34.3 Entity-wide disclosures regarding reportable segments are as follows:

Information about geographical areas

- All non-current assets of the Group are located in Pakistan as at the reporting date.
- Revenue from export sales is Nil.

Note 35
Transactions and Balances with Related Parties

The related parties of the Group are as follows:

Names of Related Parties	Relationship	Basis of relationship / (percentage shareholding or common directorship)	
Investment made by:			
Modaraba Al Mali managed by LSE Capital Ltd.	Associate through Holding company	Shareholding	26.00%
Investment made in:			
LSE Financial Services Limited	Subsidiary Company	Shareholding	100.00%
LSE Proptech Limited	Subsidiary Company	Shareholding	29.90%
National Clearing Company of Pakistan Limited	Associate	Shareholding	23.53%
Central Depository Company of Pakistan Limited	Associate	Shareholding	10.00%
Pakistan Credit Rating Agency Limited	Associate	Shareholding	36.00%
Directors:			
Mr. Muhammad Iqbal	Chairman/Independent Director	Director	1.22%
Mr. Aftab Ahmad	Chief Executive Officer	Director	0.00%
Mr. Abid Latif Khan	Non-Executive Director	Director	0.00%
Ms. Minahil Ali	Non-Executive Director	Director	0.00%
Mr. Shahnawaz Mahmood	Non-Executive Director	Director	0.00%
Mr. Tabassum Munir	Independent Director	Director	0.00%
Mr. Yasir Manzoor	Independent Director	Director	0.00%
Mr. Zahid Latif Khan	Chairman/Independent Director	Director	0.00%
Mr. Amir Zia	Ex. Chief Executive Officer	Director	0.00%
Mr. Ghulam Mustafa	Chief Executive Officer	Director	0.00%
Mr. Ammar ul Haq	Non-Executive Director	Director	0.00%
Mr. Asif Baig Mirza	Non-Executive Director	Director	0.00%
Ms. Huma Ejaz	Independent Director	Director	0.00%
Mr. Khalid Waheed	Non-Executive Director	Director	0.00%
Mr. Iqbal Usman	Non-Executive Director	Director	0.00%
Mr. Rizwan Ejaz	Independent Director	Director	0.00%
Mr. Salman Majeed	Non-Executive Director	Director	0.00%
Mr. Talib Rizvi	Non-Executive Director	Director	0.00%
Mr. Habib Ur Rehman Gilani	Chairman/Independent Director	Common directorship	
Ms. Maleeha Humayun Bangash	Non-Executive Director	Common directorship	
Mr. Khashif Shabbir	Independent Director	Common directorship	
MCF Trust Fund	Associate	Trusts managed by LSE	
IPF Trust Fund	Associate		
TCF Trust Fund	Associate		
Lahore Stock Exchange Limited - Employees' Provident Fund Trust	Post employment benefit		

Related parties include associated entities, directors and their close family members and other key management personnel. Balances with related parties are disclosed in respective notes. Details of transactions with related parties during the year, other than those which have been disclosed elsewhere in these financial statements, are as follows:

Names of Related Parties	Nature of Transaction	2023
		Rupees in thousands
National Clearing Company of Pakistan Limited	Dividend received	45,468
	Annual fee paid	(250)
	Bills receivable - billing	2,567
	Reimbursement of facilities - receipts	2,328
	Deposit Paid for MTS	(20,000)
	Trading charges paid	(2,653)
Central Depositary Company of Pakistan Limited	Dividend received	47,957
	Bills Receivable - billing	4,281
	Reimbursement of facilities - receipts	4,182
	Deposit paid for share registrar services	(175)
Pakistan Credit Rating Agency Limited	Dividend received	16,099

Note 35, Transactions With Related Parties - Continued…

Names of Related Parties		2023 Rupees in thousands
Modaraba Al Mali	Preference shares purchased / settled	280,000
	Expenses paid on behalf of company	(940)
	Reimbursement of facilities - receipts	93
	Loan - Principal	(314,420)
	Interest received	55,368
	Repayment of principal	20,000
	Mark up accrued	384
MCF Trust Fund	Fund and operational management fee received	2,401
IPF Trust Fund	Fund and operational management fee received	7,055
TCF Trust Fund	Fund and operational management fee received	10,064
Employees' Provident Fund Trust	Contribution for the year	437

Balances outstanding as at,	June 30, 2023 Rupees in thousands
Investment in associates	
- National Clearing Company of Pakistan Limited	504,956
- Central Depositary Company of Pakistan Limited	659,183
- Pakistan Credit Rating Agency Limited	67,224
Trade and Other Recievables - Considered good	
- MCF Trust Fund	297
- IPF Trust Fund	903
- TCF Trust Fund	1,342
- Modaraba Al Mali	940
Short Term Investments	
- Digital Clearing Company Limited	54,167
- SSR Pictures & 5Abbi Films	17,794
- LSE Capital Limited	14,420
Trade and other Payables	
- Deferred income from LSE Capital	616

Note 36
Remuneration of Chief Executive Officer, Directors and Executives

The aggregate amounts charged in these financial statements for the year for remuneration, including benefits to chief executive, directors and executive of the Group are as follows:

	Chief Executive Officer	Directors	Executives	Total
	2023			
	Rupees in thousands			
Managerial remuneration	21,947	-	4,920	26,867
Group's contribution to the provident fund trust	1,995	-	432	2,427
Housing and utilities	10,973	-	2,460	13,433
Meeting fees	-	7,968	-	7,968
Others	11,668	1,350	2,025	15,042
	46,583	9,317	9,837	65,737
Number of persons	3	18	3	24

36.1 Chief Executive is provided with the Group's maintained vehicle.

36.2 An executive is defined as an employee, other than the chief executive officer and directors, whose basic salary exceeds Rs. 1.2 million in a financial year.

Note 37
Staff Strength

	2023
Total number of employees at the period end	72
Average number of employees during the period	59

Note 38
Provident Fund Trust - Related Party

All investments out of provident fund have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the conditions specified thereunder.

Note 39
Authorization For Issue

These financial statements have been authorized for issue by the Board of Directors of the Group in its meeting held on OCTOBER 06, 2023.

Note 40
General

40.1 All the figures have been rounded off to the nearest thousand of Rupees, unless otherwise stated.

40.2 Since the Company was incorporated on July 18, 2022, there are no comparative figures.

CHIEF EXECUTIVE OFFICER **CHIEF FINANCIAL OFFICER** **DIRECTOR**