



Data Textiles
Limited

The General Manager
Pakistan Stock Exchange Limited
Stock Exchange Building, Stock Exchange Road,
Karachi-74000

May 31, 2023/36

Subject: TRANSMISSION OF QUARTERLY & HALF YEARLY ACCOUNTS OF SURVIVING ENTITIEY (LSE VENTURES LIMITED).

Dear Sir,

This is with reference to subject cited above.

We have received the following Accounts/Financial Statements alongwith Auditor's Reports from the Surviving Entitiy i.e. LSE Ventures Limited.

1. Un-audited Financial Statement of 1st Quarter ended September 30, 2022.
2. Limited Reviewed Financial Statement of Six Month ended December 31, 2022.
3. Un-audited Financial Statement of 3rd Quarter ended March 31, 2023.
4. Audited Financial Statements as per sanctioned date i.e. April 26, 2023.

You may please inform the TRE Certificate holders of the Exchange accordingly.

For and on behalf of Data Textiles Limited


Inam Ullah
Company Secretary





Directors' Report

The Directors of LSE Ventures Limited (LVL) are pleased to present the un-audited Financial Statements of the Company for the 1st Quarter ending, September 30, 2022.

	September 2022
	Rs. In '000
Income	229
Admin Expenses	(1,565)
Finance Cost	(6)
Net Profit / (Loss) after tax	(1,342)

The shares deposit money amounting Rs. 10 million has been received from the parent company i.e. LSE Financial Services Limited into the bank account of the Company.

The Board of Directors of the Company has deliberated the intended Scheme of Restructuring and has recommended to the shareholders for their consideration and approval in the upcoming EOGM. After the approval of shareholders, the Scheme shall be filed with the Honorable Lahore High Court, Lahore for approval for the sanction.

The effective date of implementation of the Scheme is July 31st, 2022 which has been decided by the Board of Directors and the shareholders.

ACKNOWLEDGEMENTS

We place on record our gratitude to our stakeholders for their confidence reposed in us and assure them that we are committed to do our best to harness the development path of our Company.

A handwritten signature in black ink, appearing to be 'S. S. S.', is written over a light blue circular stamp.

LSE VENTURES LIMITED

STATEMENT OF FINANCIAL POSITION AS AT SEPTEMBER 30, 2022

	Note	Sep 30, 2022 Rupees in thousands
ASSETS		
Current Assets		
Bank balances	4	6,156
Short Term Investments	5	300,000
Advances & Prepayments		2,279
Accrued Income		229
Tax deducted at source		-
		308,664
EQUITY AND LIABILITIES		
Share Capital and Reserves		
Authorized share capital		
40,000,000 ordinary shares of Rs. 10 each		400,000
Issued, subscribed and paid-up share capital	6	10,000
Share deposit money	7	-
Accumulated loss		(1,337)
Total Equity		8,663
Current Liabilities		
Short term loan	8	300,000
Contingencies and Commitments		
	9	308,663

The annexed notes from 1 to 15 form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER

LSE VENTURES LIMITED

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

	Note	Period from Jul 18, 2022 to Sep 30, 2022
		Rupees in thousands
Income		229
Operating Expenses		
Administrative and general expenses	9	(1,560)
Operating Loss		<u>(1,331)</u>
Finance cost		(6)
Loss Before Taxation		<u>(1,337)</u>
Taxation		-
Net loss for the Period		<u><u>(1,337)</u></u>

The annexed notes from 1 to 15 form an integral part of these financial statements.



CHIEF EXECUTIVE OFFICER




CHIEF FINANCIAL OFFICER

LSE VENTURES LIMITED

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

	Period from Jul 18, 2022 to Sep 30, 2022
	Rupees in thousands
Net Loss for the Period	(1,337)
Other Comprehensive Income / (Loss)	
Items that may be subsequently reclassified to profit or loss	-
Items that will never be reclassified to profit or loss	-
Total Comprehensive Loss for the Period	(1,337)

The annexed notes from 1 to 15 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

LSE VENTURES LIMITED

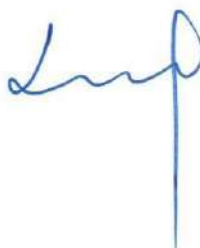
STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD FROM JULY 18, 2022 TO SEPTEMBER 30, 2022

	SHARE CAPITAL	Share Deposit Money	Unappropriat ed loss	TOTAL EQUITY
.....Rupees in Thousands				
Share money received during the period	-	10,000	-	10,000
Shares issued against share deposit money	10,000	(10,000)	-	-
Net loss for the period	-	-	(1,337)	(1,337)
Other comprehensive income / (loss) - net of tax	-	-	-	-
Total comprehensive loss for the period	-	-	(1,337)	(1,337)
Balance as at September 30, 2022	10,000	-	(1,337)	8,663

The annexed notes from 1 to 15 form an integral part of these financial statements.



CHIEF EXECUTIVE OFFICER




CHIEF FINANCIAL OFFICER

LSE VENTURES LIMITED**STATEMENT OF CASH FLOWS**

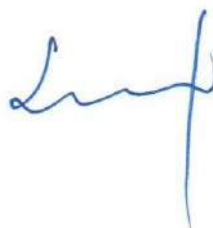
FOR THE PERIOD FROM JULY 18, 2022 TO SEPTEMBER 30, 2022

	Period from Jul 18, 2022 to Sep 30, 2022
	Rupees in thousands
Cash Generated from Operations	(1,337)
Net Cash Generated from Operating Activities	<u>(1,337)</u>
Increase / (decrease) in working capital	(302,508)
Net Cash Generated from Investing Activities	<u>(302,508)</u>
Cash flows from financing activities	
Share deposit money received	10,000
Short term loan	300,000
Net Cash Generated from Financing Activities	<u>310,000</u>
Net Increase in Cash and Cash Equivalents	<u>6,155</u>
Cash and cash equivalents at the beginning of the period	-
Cash and Cash Equivalents at the end of the period	<u><u>6,155</u></u>

The annexed notes from 1 to 15 form an integral part of these financial statements.



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER

LSE VENTURES LIMITED

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

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 as a public unlisted company limited by shares under the Companies Act, 2017. The registered office of the Company is situated at 19, Khayaban-e-Aiwan-e-Iqbal, Lahore, Pakistan.

The principal business activity 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, but in any event not to act as an Investment Company or Non-Banking Finance Company and Brokerage House and shall not invite deposits from the public.

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 of:

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

Where the provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, 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 published approved accounting standards that are effective but not relevant.

Certain standards, amendments and interpretations to IFRS are effective for accounting periods beginning on July 1, 2022 but are considered not to be relevant or to have any significant effect on the Company's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these financial statements.

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

The following standards, amendments and interpretations with respect to the approved accounting and reporting standards, as applicable in Pakistan and relevant to the Company, would be effective from the dates mentioned below against the respective standard:

Note 2, Basis of Preparation - Continued...

Standard or Interpretation	Effective Date (Period 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

The Company has assessed that the impact of these amendments is not expected to be significant.

2.3 Functional and presentation currency

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

2.4 Basis of measurement

These financial statements have been prepared following accrual basis of accounting except for cash flow statement. These financial statements are prepared under the historical cost convention without any adjustments for the effect of inflation or current values.

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 Company'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.

Revisions to accounting estimates, if any, are recognized in the period in which the estimates 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 and have been consistently applied in the preparation of these financial statements and are same as those applied in earlier periods presented, unless stated otherwise.

3.1 Taxation

Income tax comprises current and deferred tax. Income tax is recognized in 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.

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. 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.

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 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 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.

*Note 3, Significant Accounting Policies -***Off-setting**

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

3.2 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.

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.

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 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.

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.

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

e) Impairment of financial assets

The Company recognizes an allowance for expected credit losses (ECLs) for all financial assets which are measured at amortized 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 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).

Note 3, Significant Accounting Policies -

Note 3.2, Financial Instruments - Continued...

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

a) 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.

b) Subsequent measurement

The Company 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.

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 Company 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.

Equity-accounted investee

An impairment loss in respect of an equity-accounted investee is measured by comparing the recoverable amount of the investment with its carrying amount. An impairment loss is recognized in profit or loss, and is reversed if there has been a favorable change in the estimates used to determine the recoverable amount.

Impairment of non-financial assets

The assets that are subject to depreciation or amortization are assessed at each reporting date to determine whether there is any indication that the assets are impaired. If there is an indication of possible impairment, the recoverable amount of the asset is estimated and compared with its carrying amount. An impairment loss is recognized if the carrying amount of an asset exceeds its estimated recoverable amount. The impairment loss is recognized in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. The Company recognizes the reversal immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with the revaluation model. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

Note 3, Significant Accounting Policies -

3.3 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of cash flows statement, cash and cash equivalents comprise cash in hand, demand deposits, other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value and finances under mark-up arrangements. In the statement of financial position, finances under mark-up arrangements are included in current liabilities.

3.4 Trade and other payables

Liabilities for creditors and other amounts payable are carried at cost which is the fair value of the consideration to be paid in future for the goods and/or services received, whether or not billed to the Company.

3.5 Provisions

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

3.6 Related party transactions

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.

3.7 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 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 would be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

3.8 Revenue recognition

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

Revenue from advisory and consultancy

Revenue is recognized when the performance obligation is satisfied i.e. when services are provided.

Markup / interest income

Mark-up / interest income is recognized on a time proportion basis on the principal amount outstanding and at the rate applicable that takes into account the EIR method.

Other income

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

The Company does not expect to have any contracts where the period between the transfer of the promised services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

Note 4

Bank Balances

		Sep 30, 2022
	Note	Rupees in
Balance in savings account	4.1	<u>6,156</u>

4.1 These carry profit rates at 18.50% per annum.

Note 5

Short Term Investment

		Sep 30, 2022
		Rupees in
The company has made short term investment @ 6 months KIBOR Plus 300 bps		<u>300,000</u>

Note 6

Issued, subscribed and paid-up share capital

		Sep 30, 2022
		Rupees in
(Number of shares)		
<u>1,000,000</u>	Ordinary shares of Rs. 10/- each issued for consideration other than cash	6.1 <u>10,000</u>

6.1 Shares were issued on August 03, 2022 against sharedeposit money received.

Note 7

Share Deposit Money

		Sep 30, 2022
	Note	Rupees in
Share deposit money	7.1	<u>-</u>

7.1 During the period, an amount of Rs. 10,000,000 has been received from LSE Financial Services Limited as share deposit money. The shares favour of LSE FSL @ Rs. 10 each.

Note 8

Short term Loan

		Sep 30, 2022
		Rupees in
The company has taken loan from parent company i.e. LSE FSL @ 6 months KIBOR plus 300bps		<u>300,000</u>

Note 9

Contingencies and Commitments

There were no contingencies and commitments outstanding at the reporting date.

Note 9

Administrative Expenses

	Sep 30, 2022
	Rupees in thousands
Directors' Fee	550
Legal & Professional Charges	-
Fee and Subscriptions	251
Public Relations	484
Advertisement	-
Share Registrar Fee	-
Audit fee:	
-Agreed upon procedures	125
-Special audit	150
	<u>1,560</u>

Note 9

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. Company's overall risk management programme focuses on having cost efficient funding as well as to manage financial risk to minimize earning: 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 cover as currency risk, other price risk, interest rate risk, credit risk and liquidity risk.

Note 9, Financial Risk Management - Contd...

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, in price and equity price that will affect the Company's income or the value of its holdings of financial instruments. Company is not exposed to market risk as at reporting date.

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 the Company has no foreign currency receivables / payables, it is not exposed to currency risk as at reporting date.

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. As the Company is not exposed to floating interest rate risk as it does not have any significant interest bearing liabilities as at reporting date.

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 (arising from interest rate risk or currency risk), whether those changes are caused by factors specific to individual financial instrument or factors affecting all similar financial instrument traded in the market. The Company is not exposed to equity price risk as at reporting date.

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 not exposed to any credit risk as at reporting date.

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

Rating			Sep-22
Short term	Long term	Agency	
Bank Al Habib	A1+	AAA	PACRA
			Rupees in thousands
			<u>6,156</u>

Liquidity risk

Liquidity risk represents the risk that the Company will encounter difficulties in meeting obligations associated with financial liabilities. As the Company's management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities, the company is not exposed to any such risk as at reporting date.

Note 9, Financial Risk Management - Contd...

Financial instruments by categories**Financial assets as at September 30, 2022**

At fair value through profit or loss	At amortized cost	At fair value through other comprehensive income
.....Rupees in thousand.....		
-	6,156	-

Cash and bank balances

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 10

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 total borrowings 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 gearing ratio of the Company is calculated as follows:

	<u>Sep 30, 2022</u> Rupees in thousand
Total borrowings	-
Equity	8,663
Total capital employed	<u>8,663</u>
Gearing ratio	<u>0%</u>

Note 11

Transactions and Balances with Related Parties

The related parties of the Company are as follows:

Names of Related Parties	Relationship	Basis of relationship	Shareholding
Investment made in LSE Financial Ventures Limited			
LSE Financial Services Limited	Parent Company		
LSE Proptech Limited	Associate	Common Directorship	100.00%

Note 11, Transactions and Balances with Related Parties - Contd...

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 period, other than those which have been disclosed elsewhere in these financial statements, are as follows:

Names of Related Parties

**Period from
Jul 18, 2022
to Sep 30, 2022**

Rupees in thousands

LSE Financial Services Limited	Share deposit money received	10,000
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Note 12

Managerial Remuneration Of Chief Executive Officer, Directors and Executives

12.1 No remuneration was paid to the Chief Executive Officer or Directors of the Company.

12.2 An executive is defined as an employee, other than the chief executive and directors, whose basic salary exceeds Rs. 1.2 million in a financial year. There is no executive in the Company.

Note 13

Number of Employees

Sep 30, 2022

Numbers

Total number of employees as at September 30, 2022

-

Average number of employees during the period

-

Note 14

Authorization For Issue

These financial statements have been authorized for issue by the Board of Directors of the Company in its meeting held on


Dec 14, 2022.

Note 15

General

Comparative figures are re-arranged / reclassified, wherever necessary, to facilitate comparison.


CHIEF EXECUTIVE OFFICER




CHIEF FINANCIAL OFFICER

LSE VENTURES LIMITED

**FOR THE PERIOD BEGINNING FROM JULY 18, 2022 TO
DECEMBER 31, 2022 AND QUARTER ENDED DECEMBER 31, 2022**



VENTURES

Directors' Report

The Directors of LSE Ventures Limited (LVL) are pleased to present the un-audited Financial Statements of the Company for the six-months period ended, December 31, 2022.

	December 2022
	Rs. In '000
Income	30,600
Admin Expenses	(2,309)
Finance Cost	(30,006)
Net Profit / (Loss) after tax	(1,715)

The Scheme of Restructuring of LSEFSL, LPL and LVL is under consideration before the honorable Lahore High Court, Lahore accordingly, as per requirement of the Court the two Co-Chairmen appointed by the honorable Court have convened the EOGMs of the shareholders of LSEFSL, LPL and LVL and going to submit their report to the honorable Court for consideration.

Currently the Scheme of Compromises, Arrangement and Reconstruction for Demerger / split of LSE Financial Services Limited & its members has been fixed for hearing for the arguments of other relevant Govt. agencies, SECP before the Honorable, Lahore High Court and it is expected that, the honorable Court may approve the sanction the scheme before June-2023.

The extensive negotiations have been held with the market participants and major players to kick off the venture business of the Company on mutual benefits grounds.

ACKNOWLEDGEMENTS

We place on record our gratitude to our stakeholders for their confidence reposed in us and assure them that we are committed to do our best to harness the development path of our Company.

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

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **LSE VENTURES LIMITED** ("the Company") as at December 31, 2022 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the condensed interim financial statements for the period beginning from July 18, 2022 to December 31, 2022 (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for the financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

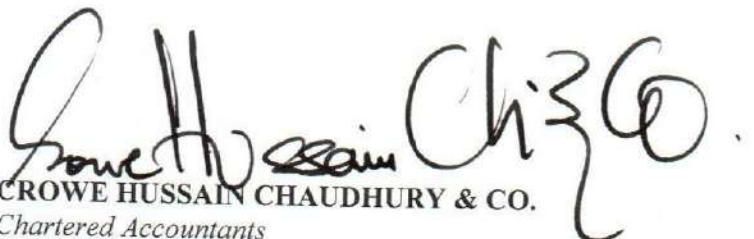
Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other Matter

The figures include in the condensed interim statement of profit or loss and the condensed interim statement of comprehensive income for the quarter ended December 31, 2022 have not been reviewed, as we are required to review only the cumulative figures for the period beginning from July 18, 2022 to December 31, 2022.

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

LAHORE
Dated: May 29, 2023
UDIN: RR202210051NH3Ad4WxM



CROWE HUSSAIN CHAUDHURY & CO.
Chartered Accountants

LSE VENTURES LIMITED

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED) AS AT DECEMBER 31, 2022

	Note	December 31, 2022 (Un-audited) Rupees in thousands
ASSETS		
Current Assets		
Loan to related party	4	280,000
Due from related parties		2,734
Tax deducted at source		87
Bank balances		5,639
		288,460
EQUITY AND LIABILITIES		
Share Capital and Reserves		
Authorized share capital		
40,000,000 ordinary shares of Rs. 10 each		400,000
Issued, subscribed and paid-up share capital		10,000
Accumulated loss		(1,715)
Total Equity		8,285
Current Liabilities		
Loan from related party	5	280,000
Audit fee payable		175
		280,175
Contingencies and Commitments	6	-
		288,460

The annexed notes 1 to 9 form an integral part of these condensed interim financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR



LSE VENTURES LIMITED**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
(UN-AUDITED)**

FOR THE PERIOD BEGINNING FROM JULY 18, 2022 TO DECEMBER 31, 2022
AND QUARTER ENDED DECEMBER 31, 2022

	Note	Period From July 18, 2022 to December 31, 2022	Quarter Ended December 31, 2022
		(Un-audited) Rupees in thousands	
Income		30,600	30,600
Operating Expenses			
Administrative and general expenses	7	<u>(2,309)</u>	<u>(973)</u>
Operating Profit		28,291	29,627
Finance cost		<u>(30,006)</u>	<u>(30,000)</u>
Loss before Taxation		(1,715)	(373)
Taxation		-	-
Net Loss for the Period		<u><u>(1,715)</u></u>	<u><u>(373)</u></u>

The annexed notes 1 to 9 form an integral part of these condensed interim financial statements.
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CHIEF EXECUTIVE OFFICER


DIRECTOR



LSE VENTURES LIMITED

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE PERIOD BEGINNING FROM JULY 18, 2022 TO DECEMBER 31, 2022 AND QUARTER ENDED DECEMBER 31, 2022

	Period From July 18, 2022 to December 31, 2022	Quarter Ended December 31, 2022
	(Un-audited)	
	Rupees in thousands	
Net Loss for the Period	(1,715)	(373)
Items that may be subsequently reclassified to profit or loss	-	-
Items that will not be reclassified to profit or loss	-	-
Total Comprehensive Loss for the Period	(1,715)	(373)

The annexed notes 1 to 9 form an integral part of these condensed interim financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR



LSE VENTURES LIMITED


**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE PERIOD BEGINNING FROM JULY 18, 2022 TO DECEMBER 31, 2022**

	Share Capital	Accumulated Loss	Total Equity
Rupees in Thousands		
Shares issued during the period	10,000	-	10,000
Net loss for the period	-	(1,715)	(1,715)
Other comprehensive income	-	-	-
Total comprehensive loss for the period	-	(1,715)	(1,715)
Balance as at December 31, 2022 (Un-audited)	10,000	(1,715)	8,285

The annexed notes 1 to 9 form an integral part of these condensed interim financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR



LSE VENTURES LIMITED

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE PERIOD BEGINNING FROM JULY 18, 2022 TO DECEMBER 31, 2022

	Period From July 18, 2022 to December 31, (Un-audited) Rupees in thousands
Cash Flows from Operating Activities	
Loss before tax	(1,715)
Adjustment for:	
- Interest income	(30,000)
- Finance cost	30,006
	(1,709)
Operating Loss before working capital changes	
Increase in current assets	
- Due from related parties	(2,734)
Increase in current liabilities	
- Audit fee payable	175
	(4,268)
Cash Used in Operating Activities	
Finance cost paid	(30,006)
Tax paid	(87)
	(34,361)
Net Cash Used in Operating Activities	
Cash Flows from Investing Activities	
Loan to related party	(300,000)
Receipt against loan to related party	20,000
Interest received	30,000
	(250,000)
Net Cash Used in Investing Activities	
Cash Flows from Financing Activities	
Shares issued during the period	10,000
Loan from related party	300,000
Repayment of loan to related party	(20,000)
	290,000
Net Cash Generated from Financing Activities	
Net Increase in Cash and Cash Equivalents	
	5,639
Cash and cash equivalents at the beginning of the period	-
Cash and Cash Equivalents at the End of the period	5,639

The annexed notes 1 to 9 form an integral part of these condensed interim financial statements.

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CHIEF EXECUTIVE OFFICER




DIRECTOR

LSE VENTURES LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE PERIOD BEGINNING FROM JULY 18, 2022 TO DECEMBER 31, 2022 AND QUARTER ENDED DECEMBER 31, 2022

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 as a public unlisted company, limited by shares under the Companies Act, 2017. The registered office of the Company is situated at 19, Khayaban-e-Aiwan-e-Iqbal, Lahore, Pakistan.

The principal business activity 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, but in any event not to act as an Investment Company or Non-Banking Finance Company and Brokerage House and shall not invite deposits from the public.

Note 2

Basis of Preparation

2.1 Statement of compliance

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

- International Accounting Standard (IAS) 34 - Interim Financial Reporting, 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 the provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.1.2 These condensed interim financial statements comprise of the condensed interim statement of financial position of the Company, as at December 31, 2022 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows together with the notes forming part thereof for the period from July 18, 2022 to December 31, 2022.

2.1.3 These condensed interim financial statements do not include all of the information required for full annual financial statements.

2.2 Functional and presentation currency

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

2.3 Basis of measurement

These financial statements have been prepared under the historical cost convention.

CM

Note 2, Basis of Preparation - Continued...

2.4 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 Company'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:

- Impairment loss of financial assets - Note 3.2.1
- Estimation of provisions and contingent liabilities - Note 3.4, 3.6 & 6
- Current income tax expense, provision for current tax and recognition of deferred tax asset / liabilities - Note 3.1

Revisions to accounting estimates, if any, are recognized in the period in which the estimates 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 Taxation

Income tax comprises current and deferred tax. Income tax is recognized in 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.

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. 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.

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 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.

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*Note 3, Significant Accounting Policies - Continued...**Note 3.1, Taxation - Continued...***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 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.

Off-setting

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

3.2 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.

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.

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 Company classifies its financial assets at amortized cost. 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.

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...

Note 3.2, Financial instruments - 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.

d) Derecognition

Financial assets are derecognized when the contractual rights to receive cash flows from assets have expired. The difference between the carrying amount and the consideration received is recognized in profit or loss.

e) Impairment of financial assets

The Company recognizes an allowance for expected credit losses (ECLs) for all financial assets which are measured at amortized 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 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 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

a) 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.

b) Subsequent measurement

The Company 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.

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 Company 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.

3.3 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of cash flows statement, cash and cash equivalents comprise saving account.

CM

Note 3, Significant Accounting Policies - Continued...

3.4 Provisions

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

3.5 Related party transactions

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.

3.6 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 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 would be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

3.7 Income

Markup / interest income

Mark-up / interest income is recognized on a time proportion basis on the principal amount outstanding and at the rate applicable that takes into account the EIR method.

CM

Note 4

Loan to related party**Unsecured**

This represents unsecured loan given to M/s Digital Custodian Company Limited (DCCL), a related party, for a period of 6 months at KIBOR + 3%.

Note 5

Loan from related party**Unsecured**

This represents unsecured loan received from M/s LSE Financial Services Limited (LSEFSL), the parent company, for a period of 6 months at KIBOR + 3%.

Note 6

Contingencies and Commitments

There were no contingencies and commitments outstanding as at the reporting date.

Note 7

Administrative Expenses

	Note	Period From July 18, 2022 to December 31, 2022	Quarter Ended December 31, 2022
		(Un-audited) Rupees in thousands	
Directors' meeting fee		850	300
Legal and professional charges		266	266
Fee and subscriptions		28	-
Public relations		483	-
Advertisement		232	232
Auditor's remuneration	7.1	450	175
		<u>2,309</u>	<u>973</u>
7.1 Auditor's remuneration:			
- Half yearly review		175	175
- Special audit		150	-
- Agreed upon procedures		125	-
		<u>450</u>	<u>175</u>

Note 8

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)	
LSE Financial Services Limited	Parent Company	Fully owned	100%
LSE Proptech Limited	Associate	Fellow Subsidiary	0%
Digital Custodian Company <i>CM</i>	Associate	Common directorship	0%

Note 8, Transactions and Balances with Related Parties - Continued...

Related parties include parent company, 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		Period From July 18, 2022 to December 31, 2022
		Rupees in thousands
LSE Financial Services Limited	Shares purchased by LSEFSL	10,000
	Reimbursement of expenses	(2,502)
	Loan received	300,000
	Interest paid	(30,000)
	Loan repaid	(20,000)
LSE Proptech Limited	Funds transferred	(232)
Digital Custodian Company Limited	Loan given	(300,000)
	Interest received on loan	30,000
	Loan repaid	20,000
Directors' meeting fee		850
Balances outstanding as at		December 31, 2022
		Rupees in thousands
Loan to related party - Digital Custodian Company Limited		280,000
Loan from related party - LSE Financial Services Limited		280,000
Due from related parties		
- LSE Financial Services Limited		2,502
- LSE Proptech Limited		232

Note 9

Date of Authorization for Issue

These condensed interim financial statements (un-audited) for the half year ended December 31, 2022 were approved and authorized for issue by the Board of Directors on May 27, 2023


CHIEF EXECUTIVE OFFICER




DIRECTOR



VENTURES

Directors' Report

The Directors of LSE Ventures Limited (LVL) are pleased to present the un-audited Financial Statements of the Company for the nine month period ended, March 31, 2023.

	March 2023
	Rs. In '000
Income	30,600
Admin Expenses	-2,656
Finance Cost	-30,006
Net Profit / (Loss) after tax	-2,062

The Scheme of Restructuring of LSEFSL, LVL and LPL is under consideration before the honorable Lahore High Court, Lahore accordingly, as per requirement of the Court the two Co-Chairmen appointed by the honorable Court have convened the EOGMs of the shareholders of LSEFSL, LVL and LPL and going to submit their report to the honorable Court for consideration.

The shareholders of the Company, in their EOGM have approved the intended Scheme of Restructuring and currently, the hearing for the Scheme of Compromises, Arrangement and Reconstruction for Demerger / split of LSE Financial Services Limited & its members has been fixed for final arguments on April 26, 2023 by the Honorable, Lahore High Court, Lahore and it is expected that, the honorable Court may approve the sanction of the scheme.

The LSE Ventures Limited has kicked off its preliminary activities, which are permissible under its Memorandum and Articles of Association.

ACKNOWLEDGEMENTS

We place on record our gratitude to our stakeholders for their confidence reposed in us and assure that we are committed to do our best to harness the development path of our Company.

LSE VENTURES LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2023

	Note	March 31, 2023 Rupees in thousands
ASSETS		
Current Assets		
Loan to related party		280,000
Bank balances	4	1,572
Short Term Investments		4,000
Due from related parties		2,279
Tax deducted at source		90
		<u>287,941</u>
EQUITY AND LIABILITIES		
Share Capital and Reserves		
Authorized share capital		
40,000,000 ordinary shares of Rs. 10 each		<u>400,000</u>
Issued, subscribed and paid-up share capital		10,000
Share deposit money		-
Accumulated loss		(2,062)
Total Equity		<u>7,938</u>
Current Liabilities		
Loan from related party		280,000
Other Payables		3
Contingencies and Commitments	6	<u>-</u> <u>287,941</u>

The annexed notes from 1 to 14 form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER




FINANCIAL OFFICER

LSE VENTURES LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE PERIOD FROM JULY 01, 2022 TO MARCH 31, 2023

Note	9 Months July - March	6 Months July - December	3 Months July - September
	Rupees in thousands		
Income	30,600	30,600	229
Operating Expenses			
Administrative and general expenses	(2,656)	(2,309)	(1,565)
Operating Loss	<u>27,944</u>	<u>28,291</u>	<u>(1,336)</u>
Finance cost	(30,006)	(30,006)	(6)
Loss Before Taxation	<u>(2,062)</u>	<u>(1,715)</u>	<u>(1,342)</u>
Taxation	-	-	-
Net loss for the Period	<u><u>(2,062)</u></u>	<u><u>(1,715)</u></u>	<u><u>(1,342)</u></u>

The annexed notes from 1 to 14 form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER

LSE VENTURES LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD FROM JULY 01, 2022 TO MARCH 31, 2023

	9 Months July - March	6 Months July - December	3 Months July - September
	Rupees in thousands		
Net Loss for the Period	(2,062)	(1,715)	(1,342)
Other Comprehensive Income / (Loss)			
Items that may be subsequently reclassified to profit or loss	-		
Items that will never be reclassified to profit or loss	-		
Total Comprehensive Loss for the Period	(2,062)	(1,715)	(1,342)

The annexed notes from 1 to 14 form an integral part of these financial statements.



CHIEF EXECUTIVE OFFICER




CHIEF FINANCIAL OFFICER

LSE VENTURES LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD FROM JULY 01, 2022 TO MARCH 31, 2023

Share Deposit Money	REVENUE RESERVES		TOTAL EQUITY
	Unappropriated Profit	Total	

..... Rupees in Thousands

-	(2,062)	(2,062)	(2,062)
-	-	-	-
-	(2,062)	(2,062)	(2,062)
10,000	-	-	10,000
10,000	(2,062)	(2,062)	7,938

Net loss for the period

Other comprehensive income / (loss) - net of tax

Total comprehensive loss for the period

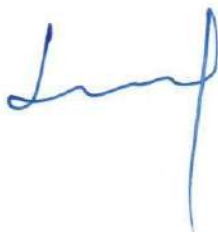
Share money received during the period

Balance as at March 31, 2023

The annexed notes from 1 to 14 form an integral part of these financial statements.



CHIEF EXECUTIVE OFFICER




CHIEF FINANCIAL OFFICER

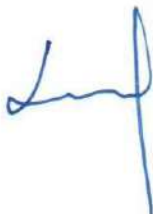
LSE VENTURES LIMITED

STATEMENT OF CASH FLOWS
FOR THE PERIOD FROM JULY 01, 2022 TO MARCH 31, 2023

	9 Months July - March
	Rupees in thousands
Cash Generated from Operations	(2,062)
Net Cash Generated from Operating Activities	<u>(2,062)</u>
Increase / (decrease) in working capital	(6,365)
Net Cash Generated from Investing Activities	<u>(6,365)</u>
Cash flows from financing activities	
Share deposit money received	10,000
Net Cash Generated from Financing Activities	<u>10,000</u>
Net Increase in Cash and Cash Equivalents	<u>1,572</u>
Cash and cash equivalents at the beginning of the period	-
Cash and Cash Equivalents at the end of the period	<u><u>1,572</u></u>

The annexed notes from 1 to 14 form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER




CHIEF FINANCIAL OFFICER

LSE VENTURES LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE PERIOD FROM JULY 01, 2022 TO MARCH 31, 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 as a public unlisted company limited by shares under the Companies Act, 2017. The registered office of the Company is situated at 19, Khayaban-e-Aiwan-e-Iqbal, Lahore, Pakistan.

The principal business activity 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, but in any event not to act as an Investment Company or Non-Banking Finance Company and Brokerage House and shall not invite deposits from the public.

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 of:

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

Where the provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, 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 published approved accounting standards that are effective but not relevant.

Certain standards, amendments and interpretations to IFRS are effective for accounting periods beginning on July 1, 2022 but are considered not to be relevant or to have any significant effect on the Company's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these financial statements.

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

The following standards, amendments and interpretations with respect to the approved accounting and reporting standards, as applicable in Pakistan and relevant to the Company, would be effective from the dates mentioned below against the respective standard:

Standard or Interpretation	Effective Date (Period beginning on or after)
IAS 1 Presentation of Financial Statements <i>[Amendments]</i>	January 1, 2023
IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors <i>[Amendments]</i>	January 1, 2023
IAS 12 Income Taxes <i>[Amendments]</i>	January 1, 2023

The Company has assessed that the impact of these amendments is not expected to be significant.

Note 2, Basis of Preparation - Continued...

2.3 Functional and presentation currency

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

2.4 Basis of measurement

These financial statements have been prepared following accrual basis of accounting except for cash flow statement. These financial statements are prepared under the historical cost convention without any adjustments for the effect of inflation or current values.

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 Company'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:

- Provision against doubtful trade and other receivables - Note 3.5
- Impairment loss of non-financial assets - Note 3.2.2
- Estimation of provisions and contingent liabilities - Note 3.7
- Current income tax expense, provision for current tax and recognition of deferred tax asset / liabilities - Note 3.1

Revisions to accounting estimates, if any, are recognized in the period in which the estimates 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 and have been consistently applied in the preparation of these financial statements and are same as those applied in earlier periods presented, unless stated otherwise.

3.1 Taxation

Income tax comprises current and deferred tax. Income tax is recognized in 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.

Note 3, Significant Accounting Policies - C

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. 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.

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 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 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.

Off-setting

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

3.2 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 - C

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.

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 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.

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.

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

e) Impairment of financial assets

The Company recognizes an allowance for expected credit losses (ECLs) for all financial assets which are measured at amortized 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 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 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

a) 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.

Note 3, Significant Accounting Policies - Ci

Note 3.2, Financial Instruments - Continued...

b) Subsequent measurement

The Company 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.

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 Company 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.

Equity-accounted investee

An impairment loss in respect of an equity-accounted investee is measured by comparing the recoverable amount of the investment with its carrying amount. An impairment loss is recognized in profit or loss, and is reversed if there has been a favorable change in the estimates used to determine the recoverable amount.

Impairment of non-financial assets

The assets that are subject to depreciation or amortization are assessed at each reporting date to determine whether there is any indication that the assets are impaired. If there is an indication of possible impairment, the recoverable amount of the asset is estimated and compared with its carrying amount. An impairment loss is recognized if the carrying amount of an asset exceeds its estimated recoverable amount. The impairment loss is recognized in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. The Company recognizes the reversal immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with the revaluation model. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

3.3 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of cash flows statement, cash and cash equivalents comprise cash in hand, demand deposits, other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value and finances under mark-up arrangements. In the statement of financial position, finances under mark-up arrangements are included in current liabilities.

3.4 Trade and other payables

Liabilities for creditors and other amounts payable are carried at cost which is the fair value of the consideration to be paid in future for the goods and/or services received, whether or not billed to the Company.

3.5 Provisions

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

Note 3, Significant Accounting Policies - C

3.6 Related party transactions

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.

3.7 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 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 would be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

3.8 Revenue recognition

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

Revenue from advisory and consultancy services

Revenue is recognized when the performance obligation is satisfied i.e. when services are provided.

Markup / interest income

Mark-up / interest income is recognized on a time proportion basis on the principal amount outstanding and at the rate applicable that takes into account the EIR method.

Other income

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

The Company does not expect to have any contracts where the period between the transfer of the promised services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

Note 4

Bank Balances

		March 31, 2023	Jul 31, 2022
	Note	Rupees in thousands	
Balance in savings account	4.1	1,572	10,000

4.1 These carry profit rates at 18.50% per annum.

Note 5

Issued, subscribed and paid-up share capital

		March 31, 2023	Jul 31, 2022
	5.1	Rupees in thousands	
(Number of shares)			
1,000,000		10,000	-
-			
Ordinary shares of Rs. 10/- each issued for consideration other than cash			

5.1 The company has issued 1 million fully paid up shares.

Share Deposit Money

		March 31, 2023	Jul 31, 2022
	Note	Rupees in thousands	
Share deposit money	6.1	-	10,000

6.1 During the period, an amount of Rs. 10,000,000 has been received from LSE Financial Services Limited as share deposit money.

Note 7

Contingencies and Commitments

There were no contingencies and commitments outstanding at the reporting date.

Note 8

Administrative Expenses

	March 31, 2023	Jul 31, 2022
	Rupees in thousands	
Directors' Fee	850	-
Legal & Professional Charges	281	-
Fee and Subscriptions	251	-
Public Relations	484	-
Advertisement	465	-
Share Registrar Fee	51	-
Audit fee:		
-Agreed upon procedures	125	75
-Special audit	150	150
	2,656	225

Note 9

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.

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. Company is not exposed to market risk as at reporting date.

Note 8, Financial Risk Management - Contd...

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 as at reporting date.

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 exposed to floating interest rate risk as it does not have any significant interest bearing liabilities as at reporting date.

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 not exposed to equity price risk as at reporting date.

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 not exposed to any credit risk as at reporting date.

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			March 31, 2023
	Short term	Long term	Agency	
Bank Al Habib	A1+	AAA	PACRA	PACRA
				Rupees in thousands
				<u>1,572</u>

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. The company is not exposed to any such risk as at reporting date.

Note 8, Financial Risk Management - Contd...

Financial instruments by categories

Financial assets as at March 31, 2023

At fair value through profit or loss	At amortized cost	At fair value through other comprehensive income
.....Rupees in thousand.....		
-	1,572	-

Cash and bank balances

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 9

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 total borrowings 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 gearing ratio of the Company is calculated as follows:

	<u>March 31, 2023</u>
	Rupees in thousand
Total borrowings	-
Equity	7,938
Total capital employed	<u>7,938</u>
Gearing ratio	<u>0%</u>

Note 10

Transactions and Balances with Related Parties

The related parties of the Company are as follows:

Names of Related Parties	Relationship	Basis of relationship	Shareholding
Investment made in LSE Financial Ventures Limited			
LSE Financial Services Limited	Parent Company	Common Directorship	100.00%
LSE PropTech Limited	Associate		
Digital Custodian Company Limited	Associate		

Note 10, Transactions and Balances with Related Parties - Contd...

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 period, other than those which have been disclosed elsewhere in these financial statements, are as follows:

Names of Related Parties		9 Months July - March
		<u>Rupees in thousands</u>
LSE Financial Services Limited	Share deposit money received	10,000
	Reimbursement of expenses	(2,502)
	Loan received	300,000
	Interest paid	(30,000)
	Loan repaid	(20,000)
LSE PropTech Limited	Funds transferred	(232)
Digital Custodian Company Limited	Loan given	(300,000)
	Interest received on loan	30,000
	Loan repaid	20,000

Note 11

Managerial Remuneration Of Chief Executive Officer, Directors and Executives

11.1 No remuneration was paid to the Chief Executive Officer or Directors of the Company.

11.2 An executive is defined as an employee, other than the chief executive and directors, whose basic salary exceeds Rs. 1.2 million in a financial year. There is no executive in the Company.

Note 12

Number of Employees

Number of Employees	March 31, 2023
	<u>Numbers</u>
Total number of employees as at Mar 31,	-
Average number of employees during the period	-

Note 13

Authorization For Issue

These financial statements have been authorized for issue by the Board of Directors of the Company in its meeting held on

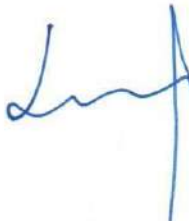
MAY 27, 2023

Note 14

General

Comparative figures are re-arranged / reclassified, wherever necessary, to facilitate comparison.


CHIEF EXECUTIVE OFFICER




CHIEF FINANCIAL OFFICER

LSE VENTURES LIMITED

AS AT APRIL 26, 2023

INDEPENDENT AUDITORS' 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 April 26, 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 period beginning from July 18, 2022 to April 26, 2023 and notes to and forming part of the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly in all material respects, the financial position of the Company as at April 26, 2023, and of its financial performance and its cash flows for the period in accordance with the applicable financial reporting framework for the purpose as stated in Note 2.1 of the financial statements.

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 *Auditors' 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.

Emphasis of Matter - Basis of Accounting

We draw attention to Note 2.1 to the annexed financial statements, which describes the basis of accounting along with purpose of preparing these financial statements. As a result, these financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the applicable financial reporting framework and for such internal control as the 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, the 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 the management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' 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 auditors' 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.

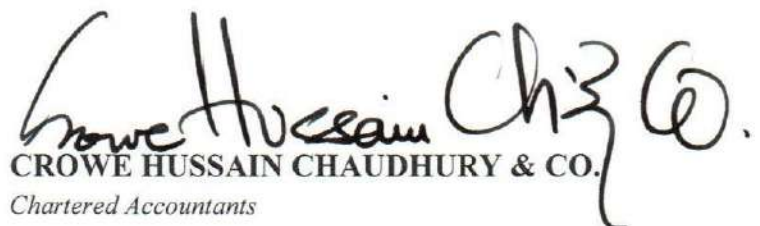
As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 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 the 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 auditors' 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.

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

Lahore
Dated: May 29, 2023


CROWE HUSSAIN CHAUDHURY & CO.
Chartered Accountants

LSE VENTURES LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT APRIL 26, 2023

	Note	April 26, 2023 Rupees in thousands
ASSETS		
Current Assets		
Short term investments	4	16,000
Due from LSE Proptech Limited		232
Tax deducted at source		87
Bank balances	5	<u>1,572</u>
		<u><u>17,891</u></u>
EQUITY AND LIABILITIES		
Share Capital and Reserves		
Authorized share capital		
40,000,000 ordinary shares of Rs. 10 each		<u>400,000</u>
Issued, subscribed and paid-up share capital		10,000
Accumulated loss		<u>(1,782)</u>
Total Equity		8,218
Current Liabilities		
Due to LSE Financial Services Limited		9,498
Audit fee payable		175
		9,673
Contingencies and Commitments	6	<u>-</u>
		<u><u>17,891</u></u>

The annexed notes from 1 to 13 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 BEGINNING FROM JULY 18, 2022 TO APRIL 26, 2023

	Note	From July 18, 2022 to April 26, 2023 Rupees in thousands
Income		30,600
Operating Expenses		
Administrative and general expenses	7	<u>(2,376)</u>
Operating Loss		28,224
Finance cost		<u>(30,006)</u>
Loss before Taxation		(1,782)
Taxation		-
Net Loss for the Period		<u><u>(1,782)</u></u>

The annexed notes from 1 to 13 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 BEGINNING FROM JULY 18, 2022 TO APRIL 26, 2023**

	From July 18, 2022 to April 26, 2023
	Rupees in thousands
Net Loss for the Period	(1,782)
Items that may be subsequently reclassified to profit or loss	-
Items that will not be reclassified to profit or loss	-
Total Comprehensive Loss for the Period	<u><u>(1,782)</u></u>

The annexed notes from 1 to 13 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 BEGINNING FROM JULY 18, 2022 TO APRIL 26, 2023

	Share Capital	Accumulated Loss	Total Equity
Rupees in Thousands		
Shares issued during the period	10,000	-	10,000
Net loss for the period	-	(1,782)	(1,782)
Other comprehensive income	-	-	-
Total comprehensive loss for the period	-	(1,782)	(1,782)
Balance as at April 26, 2023	10,000	(1,782)	8,218

The annexed notes from 1 to 13 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 BEGINNING FROM JULY 18, 2022 TO APRIL 26, 2023

**From July 18, 2022
to April 26, 2023**

Rupees in thousands

Cash Flows from Operating Activities

Loss before tax	(1,782)
Adjustment for:	
- Interest income	(30,000)
- Finance cost	30,006
	<u>30,006</u>

Operating loss before working capital changes

(1,776)

Increase in current assets	
- Due from LSE PropTech Limited	(232)
- Tax deducted at source	(87)

Increase in current liabilities	
- Audit fee payable	175
- Due to LSE Financial Services Limited	9,498
	<u>9,498</u>

Cash Generated from Operating Activities

7,578

Finance cost paid	<u>(30,006)</u>
-------------------	-----------------

Net Cash Used in Operating Activities

(22,428)

Cash Flows from Investing Activities

Investments made during the period	(16,000)
Loan given to Digital Custodian Company Limited	(300,000)
Repayment of loan	20,000
Interest received	30,000
	<u>30,000</u>

Net Cash Used in Investing Activities

(266,000)

Cash Flows From Financing Activities

Shares issued during the period	10,000
Loan received from LSE Financial Services Limited	300,000
Repayment of loan	(20,000)
	<u>(20,000)</u>

Net Cash Generated from Financing Activities

290,000

Net Increase in Cash and Cash Equivalents

1,572

Cash and cash equivalents at the beginning of the period	-
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Cash and Cash Equivalents at the End of the period

1,572

The annexed notes from 1 to 13 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 BEGINNING FROM JULY 18, 2022 TO APRIL 26, 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 as a public unlisted company, limited by shares under the Companies Act, 2017. The registered office of the Company is situated at 19, Khayaban-e-Aiwan-e-Iqbal, Lahore, Pakistan.

The principal business activity 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, but in any event not to act as an Investment Company or Non-Banking Finance Company and Brokerage House and shall not invite deposits from the public.

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. These standards include International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and Provisions and directives issued under the Companies Act, 2017. Where the provisions of and directives issued under the Companies Act, 2017 differ from the IFRS standards, the provisions of and directives issued under the Companies Act, 2017 have been followed. These financial statements have been prepared for the purpose of determining balances under restructuring scheme filed by the Company with the Lahore High Court.

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

Certain standards, amendments and interpretations to IFRS are effective for the period ended April 26, 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 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

There are certain standards, amendments and interpretations to the accounting and reporting standards which are mandatory for companies having accounting periods beginning on or after April 1, 2023 but are considered not to be relevant or to have any significant effect on the Company's operations and are, therefore, not detailed in these financial statements, except for the following:

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

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

2.3 Functional and presentation currency

These financial statements are presented in Pakistan Rupee (Rs. / Rupees) which is the Company's functional and presentation currency. Amounts presented in the financial statements 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.

Note 2, Basis of Preparation - Continued...

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 Company'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:

- Impairment loss of financial assets - Note 3.2.1
- Estimation of provisions and contingent liabilities - Note 3.4, 3.6 & 6
- Current income tax expense, provision for current tax and recognition of deferred tax asset / liabilities - Note 3.1

Revisions to accounting estimates, if any, are recognized in the period in which the estimates 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 Taxation

Income tax comprises current and deferred tax. Income tax is recognized in 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.

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. 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.

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 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 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.

Note 3, Significant Accounting Policies - Continued...

Note 3.1, Taxation - Continued...

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.

Off-setting

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

3.2 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.

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.

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 Company classifies its financial assets at amortized cost. 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.

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.

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.

d) Derecognition

Financial assets are derecognized when the contractual rights to receive cash flows from assets have expired. The difference between the carrying amount and the consideration received is recognized in profit or loss.

e) Impairment of financial assets

The Company recognizes an allowance for expected credit losses (ECLs) for all financial assets which are measured at amortized 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 EIR.

Note 3, Significant Accounting Policies - Continued...

Note 3.2, Financial instruments - Continued...

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 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

a) 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.

b) Subsequent measurement

The Company 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.

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 Company 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.

3.3 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of cash flows statement, cash and cash equivalents comprise saving account.

3.4 Provisions

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

3.5 Related party transactions

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.

3.6 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 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 would be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

3.7 Income

Markup / interest income

Mark-up / interest income is recognized on a time proportion basis on the principal amount outstanding and at the rate applicable that takes into account the EIR method.

Note 4

Short Term Investments

		April 26, 2023
		Rupees in thousands
	Note	
At cost		
SSR Picture & 5 Abbi Film Production	4.1	7,000
Berlitz Pakistan	4.2	9,000
		<u>16,000</u>

4.1 This represents a 33.33% share in an AOP "SSR Picture & 5 ABBI Film Production".

4.2 The Company holds 5700 shares in Berlitz Pakistan.

Note 5

Bank Balances

		April 26, 2023
		Rupees in thousands
	Note	
Balance in saving account	5.1	<u>1,572</u>

5.1 This yields profit of 18.5% per annum.

Note 6

Contingencies and Commitments

There were no contingencies and commitments outstanding at the reporting date.

Note 7

Administrative Expenses

**From July 18, 2022
to April 26, 2023**

Rupees in thousands

Directors' meeting fee	850
Legal and professional charges	281
Fee and subscriptions	28
Public relations	484
Advertisement	232
Share registrar fee	51
Audit fee	450
	<u>2,376</u>

Note 8

Capital Risk Management

While managing capital, the objectives of the Company are to ensure that it continues to meet the going concern assumption, enhances shareholders' wealth and meets stakeholders' expectations. The Company ensures its sustainable growth viz. maintaining optimal capital structure by exercising the option of issuing right shares for maintaining smooth capital management.

In line with others in the industry, 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 less cash and cash equivalents. Total capital is calculated as equity as shown in the balance sheet plus net debt.

As at the reporting date, the Company has not obtained any borrowings and therefore, it is not geared.

Note 9

Financial Risk Management**9.1 Financial risk factors**

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management policies focus on the unpredictability of financial markets and seek to minimize potential adverse effects on the financial performance.

Risk management is carried out 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, price risk, interest rate risk, credit risk and liquidity risk.

(a) Market risk**(i) Currency risk**

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

(ii) 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 of Rs. 16 million in respect of its investments.

(iii) Interest rate risk

This represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk amounting to Rs. 1.572 million. 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. 0.016 million, mainly as a result of yield on floating investment based financial assets.

Note 9, Financial Risk Management - Continued...

Note 9.1, Financial Risk Factors- Continued...

(b) Credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Carrying amounts of financial assets represent the maximum credit exposure. The Company is exposed to credit risk amounting to Rs. 16.232 million.

(c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company manages liquidity risk by maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. The Company is exposed of amounting to Rs. 9.673 million as liquidity risk.

9.2 Financial instruments by categories

April 26, 2023
Rupees in thousands

Bank balances

1,572

9.3 Fair values of financial assets and liabilities

Carrying values of all financial assets and liabilities reflected in these financial statements approximate to their fair values. Fair value is determined on the basis of objective evidence at each reporting date.

Note 10

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)	
LSE Financial Services Limited	Parent Company	Fully owned	100%
LSE Proptech Limited	Associate	Fellow Subsidiary	0%
Digital Custodian Company	Associate	Common directorship	0%

Related parties include parent company, 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

**From July 18,
2022 to April 26,
2023**
Rupees in thousands

LSE Financial Services Limited	Funds received	12,000
	Shares purchased by LSEFSL	10,000
	Reimbursement of expenses	(2,502)
	Loan received	300,000
	Interest paid on loan	(30,000)
	Repayment / Settlement of loan	(300,000)
LSE Proptech Limited	Funds transferred	(232)
Digital Custodian Company Limited	Loan given	(300,000)
	Interest received on loan	30,000
	Repayment / Settlement of loan	300,000

Balances outstanding as at

April 26, 2023
Rupees in thousands

Due to LSE Financial Services Limited	9,498
Due from LSE Proptech Limited	232

Note 11

Remuneration of Chief Executive Officer, Directors and Executives

- 11.1** The Company has paid meeting fees amounting to Rs. 850,000 to its Directors during the period. No other remuneration has been paid to the Chief Executive Officer or Directors of the Company during the period.
- 11.2** An Executive is defined as an employee, other than Chief executive officer and Directors, whose basic salary exceeds Rs. 1.2 million in a financial year. There is no executive on the payroll of the Company as at the reporting date.

Note 12

Number of employees

There are no employees on the payroll of the company as at the reporting date.

Note 13

Authorization For Issue

These financial statements have been authorized for issue by the Board of Directors of the Company in its meeting held on

May, 27, 2023.



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR