DIGITAL CUSTODIAN COMPANY

ACCOUNTS FOR THE YEAR ENDED JUNE 30, 2025

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INDEPENDENT AUDITORS' REPORT

To the members of Digital Custodian Company Limited
Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **Digital Custodian Company Limited** ("the Company"), which comprises statement of financial position as at June 30, 2025, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended and notes to the financial statements, including material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss, the statement of comprehensive income, statement of changes in equity and statement of cash flows together with the notes forming part thereof conform with the accounting and reporting Standards as applicable in Pakistan, and, give the information required by the Companies Act, 2017(XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the company's affairs as at June 30, 2025 and of the profit, the other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the 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.

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

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements:

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

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

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Muhammad Usman Shah, ACA.

Kreston Hyder Bhimji

LAHORE: September 30, 2025
UDIN: AR202510269RSdZWMeXy

KRESTON HYDER BHIMJI& CO.
CHARTERED ACCOUNTANTS

DIGITAL CUSTODIAN COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2025

	Note	June 30, 2025	June 30, 2024
		-------------Rupees-----------	
ASSETS			
NON CURRENT ASSETS			
Property and equipment	5	16,479,858	11,088,930
Intangible assets	6	388,245,188	376,629,750
Long term deposits	7	218,966	2,184,366
Investment in associates	8	226,717,859	216,651,319
		631,661,871	606,554,365
CURRENT ASSETS			
Trade receivables	9	18,470,916	12,956,652
Short term investments	10	2,717,613	270,766
Advances, deposits, prepayments and other receivables	11	6,073,717	3,064,279
Tax refunds due from the Government	12	8,606,181	6,462,142
Cash and bank balances	13	3,263,624	1,337,508
		39,132,051	24,091,347
TOTAL ASSETS		670,793,922	630,645,712
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Issued, subscribed and paid up share capital			
Authorized share capital			
60,000,000 Ordinary shares of Rs. 10 each	14	600,000,000	600,000,000
Issued, subscribed and paid up share capital	14	522,667,770	522,667,770
Capital Reserve			
Fair value reserve		8,737,608	5,980,436
Revenue reserve			
Unappropriated profit		75,432,816	71,476,579
Shareholders' equity		606,838,194	600,124,785
NON CURRENT LIABILITIES			
Lease liability	15	-	1,785,700
Deferred taxation	16	15,973,578	9,937,543
		15,973,578	11,723,243
Current portion of lease liability	15	-	4,170,119
Accrued and other liabilities	17	47,982,150	14,627,565
		47,982,150	18,797,684
CONTINGENCIES AND COMMITMENTS	18	-	-
TOTAL EQUITY AND LIABILITIES		670,793,922	630,645,712

The annexed notes from 1 to 38 form an integral of these financial statements.

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

DIGITAL CUSTODIAN COMPANY LIMITED

STATEMENT OF PROFIT OR LOSS FOR THE PERIOD ENDED JUNE 30, 2025

	Note	June 30, 2025	June 30, 2024
		-------------Rupees-----------	
Operating income	19	**127,342,008**	119,744,831
Operating and administrative expenses	20	**(117,161,293)**	(98,648,274)
Operating profit		**10,180,715**	21,096,557
Unrealized gain on re-measurement of investments classified at fair value through profit or loss	10	**5,531**	2,987
Income from associates	21	**12,827,071**	32,684,891
Other income	22	**915,206**	46,775,877
Finance cost	23	**(2,942,529)**	(2,419,764)
Profit before levy and taxation		**20,985,994**	98,140,548
Levy	24	**(10,446,982)**	(18,051,624)
Profit before taxation		**10,539,012**	80,088,924
Provision for taxation	25	**(6,582,774)**	(4,147,933)
Profit after taxation		**3,956,237**	75,940,991
Earnings per share - basic and diluted	26	**0.08**	1.45

The annexed notes from 1 to 38 form an integral of these financial statements.

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

DIGITAL CUSTODIAN COMPANY LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED JUNE 30, 2025

	Note	June 30, 2025	June 30, 2024
		------------Rupees-----------	
Profit after taxation for the year		**3,956,237**	75,940,991
Other Comprehensive income			
Items that will not be reclassified to statement of profit or loss			
Post tax share of other comprehensive income from associates	27	**3,243,731**	7,035,807
Deferred tax liability attributable to share of income from associates	16	**(486,560)**	(1,055,371)
		2,757,172	5,980,436
Total comprehensive income for the year		**6,713,408**	81,921,427

The annexed notes from 1 to 38 form an integral of these financial statements.

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

DIGITAL CUSTODIAN COMPANY LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED JUNE 30, 2025

	Share Capital	Capital Reserve		Revenue Reserve	TOTAL
		Premium on share issued	Fair value Reserve	Revenue Reserves - Unappropriated profit	
	-----Rupees-----				
Balance as at June 30, 2023	522,667,770	-	-	(133,951)	522,533,819
Total comprehensive income for the year					
Profit after tax for the year	-	-	-	75,940,991	75,940,991
Other comprehensive income, net off tax	-	-	5,980,436	-	5,980,436
	-	-	5,980,436	75,940,991	81,921,427
Realized gain recycled to statement of profit or loss on disposal of associate	-	-	-	(4,330,461)	(4,330,461)
Balance as at June 30, 2024	522,667,770	-	5,980,436	71,476,579	600,124,785
Total comprehensive income for the year					
Profit after tax for the year	-	-	-	3,956,237	3,956,237
Other comprehensive income, net off tax	-	-	2,757,172	-	2,757,172
	-	-	2,757,172	3,956,237	6,713,409
Balance as at June 30, 2025	**522,667,770**	**-**	**8,737,608**	**75,432,816**	**606,838,194**

The annexed notes from 1 to 38 form an integral of these financial statements.

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

DIGITAL CUSTODIAN COMPANY LIMITED
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2025

	Note	June 30, 2025	June 30, 2024
		-------------Rupees-----------	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before levy and taxation		**20,985,994**	98,140,548
Adjustments for non cash charges and items			
Depreciation of operating fixed assets	20	**7,140,199**	6,576,345
Gain on disposal of operating fixed assets	20 & 22	**-**	(10,000)
Gain on termination of right of use asset	22	**(276,817)**	-
Amortization of intangible assets	20	**18,314**	18,314
Bad debts written off	20	**-**	2,832,570
Impairment of trade receivables under expected credit loss	20	**376,516**	1,578,318
Dividend income	22	**(158,922)**	(48,616)
Share of profit from associates	21	**(12,827,071)**	(8,338,389)
Gain on bargain purchase		**-**	(24,346,502)
Realized gain on disposal of Modaraba certificates	22	**-**	(41,602,068)
Realized gain recycled to profit or loss on disposal of associate	22	**-**	(4,330,461)
Fair value gain on investments through profit or loss	10	**(5,531)**	(2,987)
Finance cost	23	**2,942,529**	2,419,764
Profit on saving bank accounts	22	**(479,467)**	(784,732)
Operating profit before working capital changes		**17,715,744**	32,102,104
(Increase) / decrease in current assets			
Trade receivables		**(5,890,780)**	(898,409)
Advances, deposits, prepayments and other receivables		**(1,324,038)**	10,365,423
		(7,214,818)	9,467,014
Increase / (decrease) in current liabilities			
Accrued and other liabilities		**33,354,585**	(9,760,727)
Effect on cash flows due to working capital changes		**26,139,767**	(293,713)
Cash generated from operating activities		**43,855,511**	31,808,389
Finance cost paid		**(2,942,529)**	(2,419,764)
Income tax and levy paid		**(13,624,321)**	(11,003,972)
		(16,566,849)	(13,423,736)
Net cash generated from operating activities		**27,288,661**	18,384,653
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of operating fixed assets	5.1	**(14,526,920)**	(1,475,350)
Proceeds from disposal of operating fixed assets	5.1.2	**-**	10,000
Development cost of intangible assets incurred	6.2	**(11,633,752)**	(14,615,907)
`	8.1	**(884,382)**	-
Short term investments made during the year	10	**(2,441,316)**	(41,325)
Dividend income received	22	**158,922**	48,616
Dividend income received from associates		**6,888,644**	-
Profit on saving bank accounts received	22	**479,467**	784,733
Net cash used in from investing activities		**(21,959,336)**	(15,289,233)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of liabilities against assets subject to finance lease	15	**(3,403,209)**	(3,822,781)
Net cash used in financing activities		**(3,403,209)**	(3,822,781)
Net increase / (decrease) in cash and cash equivalents		**1,926,115**	(727,361)
Cash and cash equivalents at beginning of the year	13	**1,337,508**	2,064,869
Cash and cash equivalents at end of the year	13	**3,263,623**	1,337,508

The annexed notes from 1 to 37 form an integral of these financial statements.

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

DIGITAL CUSTODIAN COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED June 30, 2025

1 THE COMPANY AND ITS OPERATIONS

Digital Custodian Company Limited ("the Company") was incorporated on February 12, 1992 under the repealed Companies Ordinance, 1984 as a private limited company. The Company converted its status from Private Limited Company to Unlisted Public Limited Company on June 19, 2009. Until 2020, the Company existed as the wholly owned entity of MCB Bank. In 2020-21, the Company was acquired by the new sponsors led by ISE REIT Management Company Limited. Subsequently, through a series of capital reorganization, the Company's majority shareholding has been concentrated in the three companies of LSE Enterprises, created out of the former Lahore Stock Exchange (LSE).

The principal objects of the Company are to act as Trustee of investment trust schemes, voluntary pension schemes, and real estate investment trust schemes, to provide custodian services and to act as transfer agent/share registrar of securities of listed and unlisted companies and mutual fund etc. The company had changed its registered office address from the Province of Sindh to the Province of Punjab. At present, the registered office of the company is located at LSE Plaza, 19-Kashmir Egerton Road, Lahore, Punjab.

The Board of the Company in its meeting dated November 30, 2024 approved the Scheme of Compromises, Arrangement and Reconstruction (the “Scheme”) in terms of the provisions of sections 279 to 283 and all other enabling provisions of the Companies Act, 2017 for which members' approval has also been obtained through EOGM dated December 28, 2024. Under the Scheme, the shares of LSE Capital Limited (LSECL) and LSE Financial Services Limited (LSEFSL) held by the Company will be distributed to the respective shareholders of the Company and LSEFSL. The share capital of the company will be restructured and the company will continue on a going concern basis after the Scheme.

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

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

These financial statements provide comparative information in respect of the previous year. In addition when there is a retrospective application of an accounting policy, a retrospective restatement, or a reclassification of items in these financial statements has been made. During the year, a restatement / reclassification has been made in these financial statements for the change in accounting policy as disclosed in Note 3.1.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except for the following items, without taking into account the effects of

Short term investments	Note - 10	(stated at fair value)
Investment in associates	Note - 8	(stated at equity method)
Trade receivables	Note - 9	(stated at carrying amount less impairment for expected credit loss)
Other financial assets	Note - 4.3	(stated at amortized cost less impairment for expected credit loss)
Accured and other liabilities	Note - 17	(stated at amortized cost)
Deferred tax liability	Note - 16	(stated as per IAS-12, "Income taxes")
Provisions	Note - 4.11	(stated as per best estimate)
Right of use asset	Note - 5	(stated at present value)
Lease liability	Note - 15	(stated at present value)

In these financial statements, accrual basis of accounting has been used except for the statement of cash flows.

2.3 Functional currency

The functional currency is the currency of the primary economic environment in which the entity operates (i.e. the environment in which it primarily generates and expends cash). In these financial statements, all the financial information is presented in Pakistani Rupee which is the company's functional currency.

2.4 Critical accounting estimates and judgments

The preparation of financial statements in conformity with accounting and reporting standards, as applicable in Pakistan, requires the use of certain critical accounting estimates. It also requires the management to exercise its judgments, make estimates and assumptions in the process of applying the company's accounting policies that affect the reported amounts of assets, liabilities, income and expenses. These estimates and related assumptions are continually evaluated and are based on historical experience and various other factors including expectations of future events that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods. The areas where judgments made in applying accounting policies and various assumptions and estimates are significant to the Company's financial statements or where judgments were exercised in application of accounting policies are as follows:

	Note
- Useful lives, residual values and patterns of economic benefits - Property & equipment and intangible assets	5 & 6
- Recoverable amount of non-financial assets and impairment	4.4
- Impairment of financial assets	4.4
- Allowance for expected credit losses	4.5
- Taxation	4.8
- Staff retirement benefits	4.9
- Valuation of investments measured at FVPL	10
- Contingent liabilities	4.10
- Provisions	4.11

2.4.1 Useful lives and residual values of Property & equipment and intangible assets

The depreciation method, useful lives and residual values of property & equipment and intangible assets are reviewed by the management, at each financial year-end and these estimates are adjusted or revised if appropriate. The effect of any adjustment to useful lives and methods of these estimates are recognized prospectively or revised as a change in accounting estimate. In making these estimates, the Company uses the technical resources available with it. Any change in the estimates in the future might affect the carrying amount of respective item of property & equipment and intangible assets, with corresponding effects on the depreciation / amortization charge and impairment, if any.

2.4.2 Recoverable amount of non financial assets and impairment

The management of the Company reviews carrying amounts of its non financial assets and cash generating units for possible impairment and makes formal estimates of recoverable amount if there is any such indication. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount.

2.4.3 Impairment of financial assets

Impairment of financial assets is assessed by reviewing their market prices and the indicators used to determine the recoverable amounts of the financial assets. Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists.

2.4.4 Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include historical collection rates and forward looking information for macro economic factors i.e. interest rates, inflation rates, unemployment rates, GDP rates etc.

2.4.5 Taxation

In making the estimates for current and deferred income taxes, the management considers current income tax law and the decisions of appellate authorities on certain cases issued in the past. These estimates also include impacts of the decisions of appellate authorities about the benefits that become recoupable upon any change in tax structure of the Company.

2.4.6 Staff retirement benefits

The company considers the salary scale of each employee eligible under the provident fund scheme and its employment status on monthly basis to ensure the adequacy of expense and related liability on account of provident fund.

2.4.7 Valuation of investments measured at FVPL

The Company has recorded its investments measured at FVPL by using quotations from Pakistan Stock Exchange. This valuation is subjective to market price fluctuation and therefore, cannot be determined with precision.

2.4.8 Contingent liabilities

The assessment of the contingencies inherently involves the exercise of significant judgment as the outcome of the future events cannot be predicted with certainty. The company, based on the availability of the latest information, estimates the value of contingent assets and liabilities which may differ on the occurrence / non-occurrence of the uncertain future events not wholly within the control of the Company.

2.4.9 Provision

Provisions are based on best estimate of the expenditure required to settle the present obligation at the reporting date, that is, the amount that the Company would rationally pay to settle the obligation at the reporting date or to transfer it to a third party.

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

3 NEW STANDARDS, INTERPRETATIONS OF AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS

3.1 Standards, interpretations of and amendments to published approved accounting standards that are effective in the current year:

There are certain amendments to the published approved accounting standards that are effective in the current year. However, these do not have any significant impact on the Company's operations and, therefore, have not been detailed in these financial statements.

	Effective date (annual periods beginning or after)
Amendments to IFRS 16 'Leases' - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with covenants	January 01, 2024
Amendments to IAS 7 'Statement of Cash Flows' - Supplier finance arrangements	January 01, 2024
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements	January 01, 2024

3.2 New accounting standards, amendments and interpretations that are not yet effective

There are certain other new and amended standards, interpretations and amendments that are mandatory for the Company's accounting periods beginning on or after January 01, 2025 but are considered not to be relevant or will not have any significant effect on the Company's operations and are, therefore, not detailed in these financial statements.

	Effective date (annual periods beginning or after)
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendments to IFRS 10 'Consoliated financial statements'	January 01, 2026
Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability	January 01, 2025
IFRS 17 Insurance Contracts	January 01, 2026
IAS 7 (Statement of Cash Flows)	January 01, 2026
IFRS 18 'Presentation and Disclosures in Financial Statements'.	January 01, 2027
IFRS 19 'Subsidiaries without Public Accountability: Disclosures'.	January 01, 2027
IFRS S1 'General Requirements for Disclosure of Sustainability-related Financial Information'.	January 01, 2027
IFRS S2 'Climate-related Disclosures'.	January 01, 2027

3.3 In addition to the above, the IASB has issued the following standards and interpretations which, as of June 30, 2025, have not been notified by the Securities and Exchange Commission of Pakistan (SECP) for local adoption. The Company will evaluate the impact of these pronouncements once they are notified for application in Pakistan.

IFRS 1 First-time Adoption of International Financial Reporting Standards
IFRIC 12 Service Concession Arrangements

4 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies adopted in the preparation of these financial statements are set out below. These policies have been applied consistently to all years presented, unless otherwise stated.

4.1 Property and equipment

Recognition and measurement

Property and equipment are stated at cost less accumulated depreciation and recognized accumulated impairment loss, if any. Cost comprises purchase price, non refundable duties and taxes after deducting trade discounts and rebates, and includes borrowing cost pertaining to erection / construction period of qualifying assets and other expenditure that is directly attributable to the acquisition of the underlying asset and is ancillary in bringing the asset to working condition as intended by the management.

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

Depreciation

Depreciation on additions is charged from the date when the assets are available for use while no depreciation is charged from the date in which the assets are disposed off. Depreciation is charged to the statement of profit or loss by applying the straight line method so as to write off the depreciable amount of an asset over its economic useful life at the rates as disclosed in Note 5 to these financial statements.

The residual values and useful lives are reviewed by the management, at each reporting date and adjusted if impact on depreciation is significant.

Residual values are determined by the management as the amount it expects it would receive currently for an item of property and equipment if it was already of the age and in the condition expected at the end of its useful life based on the prevailing market prices of similar assets already at the end of their useful lives. Useful lives are determined by the management based on the expected usage of assets, physical wear and tear, technical and commercial obsolescence, legal and similar limits on the use of the assets and other similar factors.

Impairment

Where carrying amounts exceed the respective recoverable amount, assets are written down to their recoverable amounts and the impairment loss is recognized in the statement of profit or loss. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. Where an impairment loss is recognized, the depreciation charge is adjusted in future years to allocate the asset's revised carrying amount over its estimated useful life.

De-recognition

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

4.2 Intangible assets

Recognition and measurement

An intangible asset is recognized if it is probable that the future economic benefits that are attributable to the asset will flow to the Company and that the cost of such asset can be measured reliably.

Generally, costs associated with developing or maintaining computer software programs are recognized as an expense as incurred. However, costs that are directly associated with identifiable software and have probable economic benefits exceeding one period are capitalized. Direct costs include the purchase cost of software and related overhead cost. Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and recognized accumulated impairment losses, if any, thereon. Internally generated Intangibles, excluding capitalized development costs, are not capitalized and the related expenditure is reflected in profit or loss In the period in which the expenditure is incurred.

Expenditure which enhances or extends the performance of computer software beyond its original specification and useful life is recognized as a capital improvement and added to the original cost of the software.
The useful lives of intangible assets are assessed as either finite or indefinite.

Amortization

Intangible asset with finite lives is amortized on straight-line basis over its useful economic life at the rates specified in Note 6 to these financial statements and the resulting amortization is charged to statement of profit or loss. Amortization on additions is charged for the full month in which the asset is acquired while no amortization is charged in the month of its disposal. The estimated useful life and amortization method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis, if the impact of amortization is significant.

Impairment

The carrying amount of the intangible assets with finite lives is also reviewed for impairment whenever events or changes in the circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized in the statement of profit or loss for the amount by which the asset's carrying amount exceeds its recoverable amount. Reversal of impairment losses are also recognized in the statement of profit or loss, however, it is restricted to the original cost of the asset. Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash generating unit level. The assessment of indefinite Life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from Indefinite to finite is made on a prospective basis.

De-recognition

An intangible asset is derecognized when the future economic benefits embodying in the asset will not flow to the Company and the amount cannot be measured reliably. Gain or loss arising on disposal of intangible asset is represented by the difference between the sale proceeds and the carrying amounts of the asset and is recognized as an income or expense in the statement of profit or loss.

Research and development costs for MAC and MAC 360

Research costs are expensed as Incurred. Development expenditures on an Individual project are recognized as an intangible asset when the Company can demonstrate:

• The technical feasibility of completing the intangible asset so that the asset will be available for use or sale;

- Its intention to complete and its ability and intention to use or sell the asset;
- How the asset will generate future economic benefits;
- The availability of resources to complete the asset;
- The ability to measure reliably the expenditure during development.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated impairment losses. The Company's core business is to use MAC and MAC 360 ("Software") to process data and extract various reports and analysis which makes the Software a key asset for the Company's operations. This Software is the first of its kind MERN stack software for any capital market infrastructure operator company in Pakistan for providing user friendly facilities to its customers to penetrate the market and to introduce new business segments.

Other accounting and operational software

The company made upfront payments to software developers against the acquisition of accounting and operational software for business use.
The following policies are being applied to the company's software's:

	MAC and MAC 360	**Accounting and operational software**
Useful lives	Indefinite	Finite (10 years)
Amortization method	No amortization	Amortization on straight line basis over useful life
Internally generated or acquired	Internally generated	Acquired

4.3 Financial instruments

Financial instruments are any contracts that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The financial instruments include non-derivative and derivative financial instruments. Assets or liabilities that are not contractual in nature and that are created as a result of statutory requirements imposed by the Government are not the financial instruments of the Company. Financial instruments carried on the statement of financial position include long term deposits, trade receivables, short term investments, other receivables, due from related parties, cash and bank balances, accrued & other liabilities and due to related parties etc.

(a) Financial assets

Financial assets are recognized when the Company becomes a party to the contractual provisions of the financial instrument. Regular way purchases and sales of financial assets are recognized on trade date, being the date on which the company commits to purchase or sell the asset.

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.

i- Financial assets at amortized cost

Financial assets at amortized cost are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets, impairment losses, foreign exchange gains and losses, and gain or loss arising on derecognition are recognized directly in profit or loss.

ii- Financial assets at fair value through other comprehensive income (FVOCI)

Financial assets at fair value through other comprehensive income are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognized in profit or loss.

iii- Financial assets at fair value through profit or loss (FVPL)

Assets that do not meet the criteria for amortized cost or fair value through other comprehensive income or assets that are designated at fair value through profit or loss using fair value option, are measured at fair value through profit or loss. A gain or loss on debt investment that is subsequently measured at fair value through profit or loss is recognized in profit or loss in the period in which it arises. Equity instrument financial assets are measured at fair value at and subsequent to initial recognition. Changes in fair value of these financial assets are normally recognized in profit or loss. Dividends from such investments continue to be recognized in profit or loss when the Company’s right to receive payment is established. Where an election is made to present fair value gains and losses on equity instruments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment.

Initial recognition and measurement

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

Subsequent measurement

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

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

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

Derecognition

Financial assets are derecognized when:

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

(i) the Company has transferred substantially all the risks and rewards of the asset; or
(ii) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The difference between the carrying amount and the consideration received is recognized in statement of profit or loss for all the financial assets carried at amortized cost, FVPL and FVOCI. In case of financial assets carried at FVOCI cumulative gain or loss previously recognized in OCI is reclassified to profit or loss, except for equity instruments which are recycled to retained earnings from fair value reserve within equity.

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

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

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

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

Impairment of financial assets

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

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

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

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

The Company recognizes in profit or loss, as an impairment loss (or reversal of impairment), the amount of expected credit losses (or reversal of impairment) that is required to adjust the loss allowance at the reporting date. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Reclassification

When the Company changes its business model for managing financial assets, it reclassifies all affected financial assets accordingly. The Company applies the reclassification prospectively from the reclassification date.

In case of reclassification out of the amortized cost measurement category to fair value through profit or loss measurement category, fair value of the financial asset is measured at the reclassification date. Any gain or loss arising from a difference between the previous amortized cost and fair value is recognized in profit or loss.

In case of reclassification out of fair value through profit or loss measurement category to the amortized cost measurement category, fair value of the financial asset at the reclassification date becomes its new gross carrying amount.

In case of reclassification out of fair value through other comprehensive income measurement category to the amortized cost measurement category, the financial asset is reclassified at its fair value at the reclassification date. However, the cumulative gain or loss previously recognized in other comprehensive income is removed from equity and adjusted against the fair value of the financial asset at the reclassification date. The effective interest rate and the measurement of expected credit losses are not adjusted as a result of the reclassification.

In case of reclassification out of fair value through profit or loss measurement category to the fair value through other comprehensive income measurement category, the financial asset continues to be measured at fair value.

(b) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument and include accrued and other liabilities etc.

The Company does not reclassify any of its financial liabilities.

Financial liabilities at amortized cost are initially measured at fair value less transaction costs. Financial liabilities at fair value through profit or loss are initially recognized at fair value and transaction costs are expensed in profit or loss.

Subsequent measurement

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

Derecognition

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

Offsetting of financial instruments

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

4.4 Impairment of non-financial assets

Assets that are subject to depreciation or amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment losses on property and equipment are charged to profit or loss. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Prior impairments of non-financial assets are reviewed for possible reversal at each reporting date. Where impairment loss is recognized, the depreciation / amortization charge is adjusted in future year to allocate the asset's revised carrying amount, less its residual value, over its remaining useful life.

4.5 Trade debts and other receivables

Trade and other receivables represent the Company's right and are initially recognized at an amount of consideration that is unconditional unless they contain significant financing component in which case they are recognized at fair value. The Company holds the trade debts with the objective of collecting the contractual cash flows and therefore measures the trade debts subsequently at amortized cost using the effective interest rate method. Deduction, if any, is made for doubtful receivables based on expected credit losses model. Bad debts are written off when identified. Provision for loss allowance on doubtful debts is charged to statement of profit or loss.

4.6 Right-of-use assets and their related lease liability

i Right of-use assets

The Company recognizes a right of use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is depreciated on a straight-line basis from the commencement date to the earlier of the end of its useful life or the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as property and equipment. The right-of-use asset is also reduced for impairment losses, if any, and adjusted for remeasurements of the related lease liability

ii Lease liability against right-of-use assets

The lease liabilities are initially measured as the present value of the remaining lease payments, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Bank's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise of the following:

fixed payments, including in substance fixed payments;
variable lease payments that depend on an index, or a rate, initially measured using the index or rate as at commencement date;

amount expected to be payable under a residual guarantee; and

the exercise under purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of lease unless the Company is reasonably certain not to terminate early.

The lease liability is subsequently measured at amortized cost using the effective interest rate method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase or termination option. These remeasurements of lease liabilities are recognized as adjustments to the carrying amount of related right-of-use assets after the date of initial recognition.

Each lease payment is allocated between a reduction of the liability and a finance cost. The finance cost is charged to the statement of profit or loss as markup expense over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

4.7 Accrued and other liabilities

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

4.8 Taxation - Levy and Income Tax

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

Levy

In accordance with the Income Tax Ordinance, 2001, computation of final taxes is not based on taxable income. Therefore, as per IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes issued by the ICAP, these fall within the scope of IFRIC 21 / IAS 37 and accordingly have been classified as levy in these financial statements, except for taxes on dividends on the Company's investments in subsidiaries and associates which are specifically within the scope of IAS 12 and hence these continue to be categorized as current income tax.

Current

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

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

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

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

Current tax for current and prior year, to the extent unpaid, is recognized as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognized as an asset. The Company offsets current tax assets and current tax liabilities if, and only if, it has a legally enforceable right to set off the recognized amounts and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. The management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of the assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of transaction neither affects accounting nor taxable profit or loss. Deferred tax liabilities are recognized for all taxable temporary differences. The Company recognizes deferred tax asset on all deductible temporary differences to the extent that it is probable that future taxable profits will be available against which these deductible temporary differences, unused tax losses and tax credits can be utilized. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets 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 the rates that are expected to apply to the period when the differences reverse, based on tax rates that have been enacted or substantively enacted 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. Deferred tax is charged or credited in the statement of profit or loss, except where deferred tax arises on the items credited or charged to comprehensive income or directly to the equity, in which case it is adjusted in statement of comprehensive income or statement of changes in equity.

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

4.9 Staff retirement benefits

The Company operates recognized provident fund scheme covering all its permanent employees. The employees become eligible under the scheme if they successfully receive confirmation about their permanent employment status which is usually after two to three months from the first day of their joining. Equal contributions @ 8.33% per month are made both by the Company and employees to the fund.

4.10 Contingent liabilities

These are not accounted for in the financial statements unless these are actual liabilities and are only disclosed when:

there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company; or

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

The Company has disclosed significant contingent liabilities for the pending litigations and claims against the Company based on its judgment and the advice of the legal advisors for the estimated financial outcome. The actual outcome of these litigations and claims can have an effect on the carrying amounts of the liabilities recognized at the reporting date. However, based on the best judgment of the Company and its legal advisors, the likely outcome of these litigations and claims is remote and there is no need to recognize any liability at the reporting date.

4.11 Provisions

Provisions are recognized in the statement of financial position when the Company has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are not recognized for future operating losses. If it is no longer probable that an outflow of economic resources embodying economic benefits will be required to settle the obligation, the provisions are reversed.

4.12 Investment in associates

Investments in associated companies where significant influence can be established are accounted for using the equity method. Under this method, the investments are stated at cost plus the Company's equity in undistributed earnings and losses after acquisition, less any impairment in the value of individual investment. Income on investments in associated companies is recognized using the equity method. Under this method, the Company's share of post-acquisition profit or loss of the associated companies is included in profit or loss, its share of post-acquisition other comprehensive income or loss is included in other comprehensive income and its share of post-acquisition movements in reserves is recognized in reserves. Dividend distribution by the associated companies is adjusted against the carrying amount of the investment. Unrealized gains on transactions between the Company and its associates are eliminated to the extent of the Company's interest in the associate.

4.13 Cash and bank balances

Cash and cash equivalents are carried in the statement of financial position at cost. For the purposes of statement of cash flows, cash equivalents are short term highly liquid instruments that are readily convertible to known amounts of cash, which are subject to insignificant changes in value, cash in hand, cash at bank in current & saving accounts and book overdrawn balances. In the statement of financial position, book overdrawn balances are in included in current liabilities, if any.

4.14 Revenue recognition

Revenue is recognized in accordance by applying the following steps:

i) Identifying contract with a customer
ii) Identifying performance obligation in the contract
iii) Determining transaction price of the contract
iv) Allocating transaction price to each of the separate performance obligations in the contract
v) Recognizing the revenue when (or as) the Company satisfies a performance obligation

The Company recognizes revenue as follows:

Revenue from trusteeship, custodial and other corporate services is recognized when the Company satisfies a performance obligation by rendering promised services as per respective agreements with customers.

Dividend income is recognized when the Company's right to receive dividend is established.

Profit on bank balances is accounted for on time proportion basis under the effective yield method.

Unrealized gains / (losses) arising on remeasurement of investments classified as financial assets 'at fair value through profit or loss' are recorded in the period in which these arise.

Gains and losses on sale of investments are accounted for on trade date i.e. the date on which the Company commits to purchase or sell the asset.

4.15 Fair value measurement

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

Level 1

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

Level 2

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

Level 3

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

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

4.16 Related party transactions

Transactions and contracts with the related parties are carried out at an arm's length price determined in accordance with comparable uncontrolled price method, except in rarely extreme circumstances, subject to the approval of the Board, where it is in the interests of the company to do so. Parties are said to be related if they are able to influence the operating and financial decisions of the company.

4.17 Operating Segments

Segment reporting is based on the operating (business) segments of the Company. An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to the transactions with any of the Company's other components. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Chief Executive Officer has been identified as the chief operating decision-maker that made strategic decisions and who is also responsible for allocating resources to the operating segments, assessing their performance and whose results are regularly reviewed by it based on the discrete financial information of each segment.

Segment results, assets and liabilities include items directly attributable to segment as well as those that can be allocated on a reasonable basis. Segment assets, consist primarily of Intangible assets, trade and other receivables, investments in financial assets at FVPL and investment in associates. Segment liabilities comprise of accrued & other liabilities and exclude items that are common to all operating segments.

Transactions among the business segments are recorded at arm's length prices using admissible valuation methods. Inter segment transfers are eliminated from the total, if any.

The management has determined that the Company has two major reporting segments; Income from investment in strategic portfolios and income earned from technical support and advisory services, that reflect the management structure of the company.

4.18 Dividend and transfer of reserves

Dividend and transfers among reserves declared after reporting date are treated as post statement of financial position non-adjusting events hence do not qualify for recognition in these financial statements. These transfers are, therefore, recorded in the next period's financial statements.

4.19 Share capital

Ordinary shares are classified as equity. Share capital represents the face value of shares that have been issued. Any transaction costs associated with the issuance of shares are deducted from share capital, net of any related income tax benefits, if any. Retained earnings include all current and prior period profits.

4.20 Earnings per share

The Company presents basic and diluted earnings per share (EPS). Basic EPS is calculated by dividing the profit or loss, as the case may be, attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, if any. The Company does not account for the effect of potential ordinary shares while calculating dilutive loss per share in accordance with the requirements of the IAS 33 'Earnings per Share'.

4.21 Comprehensive income

Comprehensive income is the change in equity resulting from transactions and other events, other than changes resulting from transactions with shareholders in their capacity as shareholders. Total comprehensive income comprises all components of profit or loss and other comprehensive income. Other comprehensive income comprises items of income and expense, including reclassification adjustments, that are not recognized in profit or loss as required or permitted by approved accounting standards.

		June 30, 2025	June 30, 2024
5 PROPERTY AND EQUIPMENT	Note	---Rupees---	
Operating fixed assets - tangible	5.1	**16,479,858**	11,088,930

5.1 Operating fixed assets - tangible

DESCRIPTION	COST				DEPRECIATION					NET BOOK VALUE AS AT June 30, 2025
	As at July 01, 2024	Additions	Deletions (Note 5.1.2)	As at June 30,2025	Rate %	As at July 01, 2024	Deletions / adjustments	For the year (Note 20)	As at June 30,2025	
	---Rupees---					---Rupees---				
OWNED										
Computers	7,963,819	218,382	-	8,182,201	25%	5,635,227	-	1,381,611	7,016,838	1,165,363
Furniture and fixtures	6,176,086	113,000	-	6,289,086	10%-25%	4,403,223	-	852,229	5,255,452	1,033,634
Office equipment	7,426,417	782,027	-	8,208,444	20%-33.33%	5,350,784	-	1,021,259	6,372,043	1,836,401
Vehicle	-	13,413,511	-	13,413,511	20%	-	-	969,051	969,051	12,444,460
	21,566,322	14,526,920	-	36,093,242		15,389,234	-	4,224,150	19,613,384	16,479,858
RIGHT OF USE ASSET										
Rented premises	15,655,781	-	(3,991,586)	11,664,195	16.67% - 25%	10,743,939	(1,995,793)	2,916,049	11,664,195	-
Total	**37,222,103**	**14,526,920**	**(3,991,586)**	**47,757,437**		**26,133,173**	**(1,995,793)**	**7,140,199**	**31,277,579**	**16,479,858**

DESCRIPTION	COST				DEPRECIATION					NET BOOK VALUE AS AT June 30,2024
	As at July 01, 2023	Additions	Deletions (Note 5.1.2)	As at June 30,2024	Rate %	As at July 01, 2023	Deletions / adjustments	For the year (Note 20)	As at June 30,2024	
	---Rupees---					---Rupees---				
OWNED										
Computers	7,323,219	640,600	-	7,963,819	25%	4,089,408	-	1,545,819	5,635,227	2,328,592
Furniture and fixtures	5,946,086	230,000	-	6,176,086	10%-25%	3,766,348	-	636,875	4,403,223	1,772,863
Office equipment	6,837,167	604,750	(15,500)	7,426,417	20%-33.33%	4,553,946	(15,500)	812,338	5,350,784	2,075,633
	20,106,472	1,475,350	(15,500)	21,566,322		12,409,702	(15,500)	2,995,032	15,389,234	6,177,088
RIGHT OF USE ASSET										
Rented premises	15,655,781	-	-	15,655,781	16.67% - 25%	7,162,626	-	3,581,313	10,743,939	4,911,842
Total	35,762,253	1,475,350	(15,500)	37,222,103		19,572,328	(15,500)	6,576,345	26,133,173	11,088,930

5.1.1 The depreciation charge for the year has been allocated to operating and administrative charges (Refer Note 20).

5.1.2 The particulars of operating fixed assets disposed off during the year are as follows:

Particulars	Cost	Accumulated depreciation	Net book value	Sale proceeds / related liability	Gain on disposal (Note 22)	Mode of disposal	Relationship
June 30, 2025	**3,991,586**	**1,995,793**	**1,995,793**	**2,272,610**	**276,817**	Termination of lease and adjustment against lease liability	ISE Towers REIT Management Company Limited, associated company
June 30, 2024	15,500	15,500	-	10,000	10,000		

5.1.3 The particulars of fully depreciated operating fixed assets are as follows:

Particulars	2025	2024
	'---Rupees---	
Computers	**4,656,675**	1,757,846
Furniture and fixtures	**2,794,765**	2,794,765
Office equipment	**3,811,372**	3,674,522
Total	**11,262,812**	8,227,133

6 INTANGIBLE ASSETS

	Note	MAC Software (Note 6.1)	Development cost - MAC 360 (6.1 & 6.2)	Accounting software	Operational software	Total
		2025				
		---Rupees---				
As at July 1, 2024						
Cost		361,967,362	14,615,907	143,136	40,000	376,766,405
Accumulated amortization		-	-	(111,656)	(24,999)	(136,655)
Net book value		**361,967,362**	**14,615,907**	**31,480**	**15,001**	**376,629,750**
As at June 30, 2025						
Opening net book value		361,967,362	14,615,907	31,480	15,001	376,629,750
Additions during the year	6.2	-	11,633,752	-	-	11,633,752
Charge for the year	20	-	-	(14,314)	(4,000)	(18,314)
Closing net book value		**361,967,362**	**26,249,659**	**17,166**	**11,001**	**388,245,188**
As at June 30, 2025						
Cost		361,967,362	26,249,659	143,136	40,000	388,400,157
Accumulated amortization		-	-	(125,970)	(28,999)	(154,969)
Net book value		**361,967,362**	**26,249,659**	**17,166**	**11,001**	**388,245,188**
Amortization rate per annum (%)		**-**		**10%**	**10%**	

	Note	MAC Software	Development cost - MAC 360	Accounting software	Operational software	Total
		2024				
		---Rupees---				
As at July 1, 2023						
Cost		361,967,362	-	143,136	40,000	362,150,498
Accumulated amortization		-	-	(97,342)	(20,999)	(118,341)
Net book value		361,967,362	-	45,794	19,001	362,032,157
As at June 30, 2024						
Opening net book value		361,967,362	-	45,794	19,001	362,032,157
Addition during the year		-	14,615,907	-	-	14,615,907
Charge for the year	20	-	-	(14,314)	(4,000)	(18,314)
Closing net book value		361,967,362	14,615,907	31,480	15,001	376,629,750
As at June 30, 2024						
Cost		361,967,362	14,615,907	143,136	40,000	376,766,405
Accumulated amortization		-	-	(111,656)	(24,999)	(136,655)
Net book value		361,967,362	14,615,907	31,480	15,001	376,629,750
Amortization rate per annum (%)		-		10%	10%	

6.1 MAC and MAC 360 are considered as Cash Generating Unit (CGU) of the company's operations. The Company performed its annual impairment test as of June 30, 2025, and June 30, 2024. The recoverable amount of the CGU was determined at Rs. 733.778 million as of June 30, 2025, and Rs. 1,130.403 million as of June 30, 2024, based on a value-in-use calculation. This calculation was derived from cash flow projections prepared using financial budgets approved by the Board of Directors, covering a five-year period.

A pre-tax discount rate (WACC) of 15.62% (2024: 19.22%) was applied to the projected cash flows, while cash flows beyond the five-year period were extrapolated using a 3% growth rate, consistent with the long-term average growth rate of the economy. It was concluded that the fair value less costs of disposal cannot be estimated, therefore, value in use has been compared with the carrying amount. Based on this analysis, management concluded that the recoverable amount exceeded the carrying amount of the CGU; therefore, no impairment charge has been recognized.

Key assumptions used In discounted cashflows calculations

The calculation of value In use for CGU is most sensitive to the following assumptions:

- Discount rates
- Growth rates used to extrapolate cashflows beyond the forecast period.

Discount rates

The discount rates represent the current market assessment of risks specific to the continuously evolving MERN stack software, while also reflecting the time value of money and asset-specific risks not already incorporated in the cash flow projections. The calculation of the discount rate is based on the Company's specific circumstances and is derived from its weighted average cost of capital (WACC). The WACC considers both debt and equity, with the cost of equity determined by the expected return required by investors.

Growth rates

Growth rate estimates used to extrapolate cash flows beyond the five-year forecast period are based on GDP growth rates published in the Economic Survey of

6.2 This represents the expenditure incurred during the year in connection with the development of new software MAC 360, which has been completed on March 05, 2025. The software has been developed for the purpose of trade settlement and unit management. It can be used for fund management, assembling portfolios, maintaining accounts, chart of accounts, preparation of financial statements and voucher reports, recording of financial transactions, calculation of daily Net Asset Values (NAV) of funds, preparing fund portfolio & NAV analysis reports, and configuration of user management etc. The management of the Company demonstrates that this expenditure has met the capitalization criteria for recognition as development cost in accordance with IAS 38 "Intangible Assets".

The breakup of cost incurred is as follows:

	Note	2025	2024
		-------------Rupees-----------	
Salaries and benefits			
Consultancy fees	6.2.1	3,633,752	4,615,907
		8,000,000	10,000,000
		11,633,752	14,615,907

6.2.1 These include remuneration to executives amounting to Rs. 1.134 million (2024: 1.373 million).

6.3 The amortization is allocated to operating and administrative expenses (Refer Note 20).

7 LONG TERM DEPOSITS

	Note	2025	2024
Security deposit against:			
Central Depository Company of Pakistan Limited (CDC)		200,000	200,000
Rental premises			
Yaqoob Trading Company	7.1	-	1,685,400
ISE Towers REIT Management Company Limited, associated company	7.2	-	280,000
Topline securities		18,966	18,966
		218,966	2,184,366

7.1 This security deposit paid for lease of Yaqoob Trading Company and classified as a finance lease, was reclassified as current asset on completion of the lease term during the year. It will be recoverable in the ordinary course of business.

7.2 This security deposit paid for lease of ISE Towers REIT Management Company Limited, 55 Jinnah Avenue, Blue Area, Islamabad and classified as a finance lease, was adjusted during the year against related lease liability on vacation.

8 INVESTMENT IN ASSOCIATES

	Note	2025	2024
Associated undertakings			
LSE Capital Limited		215,913,077	206,038,292
LSE Financial Services Limited		10,804,782	10,613,027
		226,717,859	216,651,319

8.1 LSE Capital Limited

	Note	2025	2024
Balance as at July 01,		206,038,292	-
Add: Acquisition of investment under merger scheme		-	120,493,862
Add: Investment acquired during the year		884,382	71,610,880
		884,382	192,104,742
Post tax share of profit for the year	21	12,315,428	6,918,925
Post tax share of other comprehensive income for the year	27	3,142,748	7,014,625
Dividend received during the year		(6,467,773)	-
		8,990,403	13,933,550
		215,913,077	206,038,292
Number of ordinary shares of Rs. 10 each		12,935,548	12,691,363
Investment as percentage of the total paid-up share capital of the LSE Capital		7.14%	7.01%

LSE Capital was incorporated in January 22, 1986 under the old name of JS Finance Limited. Later the company's name was changed to Bank Islami Modaraba Investments Limited which was again changed to Assetplex Limited. Thereafter, the company's name was changed to LSE Capital Limited during 2023. On July 01, 2023, the LSE Capital Limited entered into scheme of merger with Modaraba Al Mali and LSE Proptech Limited wherein the latter companies will be merged with and into the former company. The company also attained listing status at PSX on May 24, 2024 as a consequence of merger. The company also holds license of managing modarabas as well as to act as a consultant to the issue for the IPOs and corporate finance advisory services.

The summarized financial information in respect of LSE Capital Limited is set out below. The summarized financial information represents the amounts as shown in the associate's latest available unaudited financial statements for the year ended June 30, 2025.

	Note	**2025**	2024
		-------------Rupees-----------	
Extracts of statement of financial position			
Total assets		**3,413,159,000**	3,524,165,000
Total liabilities		**(312,294,000)**	(533,360,000)
Net assets		**3,100,865,000**	2,990,805,000
Extracts of statement of profit or loss and comprehensive income			
Profit for the year		**172,469,000**	98,759,000
Other comprehensive income for the year		**44,012,000**	100,125,000
Reconciliation of the above summarized financial information to the carrying			
Net assets of the associate		**3,100,865,000**	2,990,805,000
Proportion of the Group's ownership		**7.14%**	7.01%
Interest of company in net assets of associate		**221,422,288**	209,531,837
Other adjustments		**(5,509,210)**	(3,493,545)
Carrying amount of the Company's interest in associate		**215,913,077**	206,038,292

8.2 LSE Financial Services Limited

	Note	2025	2024
Balance as at July 01,		**10,613,027**	-
Add: Acquisition of investment under merger scheme		**-**	6,436,758
Add: Investment acquired during the year		**-**	2,735,622
		-	9,172,380
Post tax share of profit for the year	21	**511,643**	1,419,464
Post tax share of other comprehensive income for the year	27	**100,983**	21,183
Dividend received during the year		**(420,871)**	-
		191,755	1,440,647
		10,804,782	10,613,027
Number of ordinary shares of Rs. 10 each		**841,742**	**841,742**
Investment as percentage of the total paid-up share capital of the LSE Financial Services Limited		**2.36%**	2.36%

LSE Financial Services Limited (the Company) was originally incorporated with the name of Lahore Stock Exchange (Guarantee) Limited under the repealed Companies Act, 1913 (now the Companies Act, 2017) on October 08, 1970 as a Company limited by guarantee. The Company was re-registered as a pubic unlisted Company limited by shares under "Stock Exchange (Corporatization, Demutualization and Integration) Act, 2012 on August 27, 2012. Securities and Exchange Commission of Pakistan ("the Commission") vide its notification dated August 25, 2015 directed integration of the stock exchanges in the country. Consequent to the approved scheme of integration of stock exchanges, the Company ceased its stock exchange operations and was granted a license by the Commission on January 11, 2016 to operate as an investment finance services company under the name LSE Financial Services Limited. The Company was listed on Pakistan Stock Exchange Limited ("PSX) and its share started trading on May 31, 2024 consequent to the scheme of arrangement, partial merger with LSE Capital limited, through merger order of Honorable High Court dated April 03, 2024.

The summarized financial information in respect of LSE Financial Services Limited is set out below. The summarized financial information represents the amounts as shown in the associate's latest available unaudited financial statements for the year ended June 30, 2025.

	Note	**2025**	2024
		-------------Rupees-----------	
Extracts of statement of financial position			
Total assets		**494,928,746**	540,399,000
Total liabilities		**(33,066,129)**	(90,476,000)
Net assets		**461,862,617**	449,923,000
Extracts of statement of profit or loss and comprehensive income			
Profit for the year		**21,686,201**	60,176,000
Other comprehensive income for the year		**4,280,200**	898,000
Reconciliation of the above summarized financial information to the carrying			
Net assets of the associate		**461,862,617**	449,923,000
Proportion of the Group's ownership		**2.36%**	2.36%
Interest of company in net assets of associate		**10,896,737**	10,613,027
Other adjustments		**(91,955)**	-
Carrying amount of the Company's interest in associate		**10,804,782**	10,613,027

8.3 The investment in associated companies and undertakings have been made in accordance with the requirement under Companies Act, 2017.

9 TRADE RECEIVABLES - CONSIDERED GOOD AND UNSECURED

	Note	2025	2024
Balance as at June 30,		**18,470,916**	12,956,652
Considered doubtful		**1,954,834**	1,578,318
		20,425,750	14,534,970
Less: Impairment of trade receivables under expected credit loss	**9.2**	**(1,954,834)**	(1,578,318)
		18,470,916	12,956,652

These represent amount due from various parties which is mostly not yet due and not impaired. These relate to a number of independent customers and corporate parties from whom there is no recent history of default. The ageing analysis of these trade debts is as follows:

	2025	2024
Upto 1 month	**11,499,582**	9,127,657
1 to 6 months	**5,724,188**	4,838,386
More than 6 months	**3,020,980**	568,927
	20,244,750	14,534,970

9.1 These include balance receivable from the following related parties:

Associated companies

	2025	2024
LSE Financial Services Limited	**85,600**	-
LSE Ventures Limited	**155,240**	56,500
LSE Capital Limited	**133,400**	-
	374,240	56,500

These balances are past due but not impaired. The ageing analysis of these balances is as follows:

Associated companies	**0-30 days**	**31-60 days**	**60-90 days**	**90-180 days**	**181-365 days**	**Total**
June 30, 2025			*Rupees*			
LSE Capital Limited	-	-	-	16,600	116,800	**133,400**
LSE Ventures Limited	10,720	-	-	60,400	84,120	**155,240**
LSE Financial Services Limited	-	-	-	-	85,600	**85,600**
	10,720	**-**	**-**	**77,000**	**286,520**	**374,240**
June 30, 2024						
LSE Ventures Limited	-	-	56,500	-	-	56,500

The year end balance being the highest aggregate balance due from these related parties at the end of any month during the year.

	Note	**2025**	2024
		Rupees	
9.2 The reconciliation of this head of account is as follows:			
Balance as at July 01,		**1,578,318**	-
Add: Provision for the year	20	**376,516**	1,578,318
Balance as at June 30,		**1,954,834**	1,578,318

10 SHORT TERM INVESTMENTS - measured at

Fair value through profit or loss

MCB Cash Management Optimizer Fund

	2025	2024
Balance as at July 01,	**270,766**	226,454
Investment made during the year	**2,320,408**	-
Unrealized gain on re-measurement of investment at fair value	**5,531**	2,987
Dividend reinvested during the period / year, net of tax	**120,908**	41,325
Balance as at June 30,	**2,717,613**	270,766
Number of units as at June 30,	**26,563**	2,638

11 ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	Note	**2025**	2024
		Rupees	
Advances to staff - secured and considered good	11.1	**2,084,105**	1,180,797
Advance to MCB Cash Management Optimizer	11.2	**2,000,000**	-
Security deposit - rented premises		**-**	460,950
Prepayments		**304,212**	349,597
Other receivables	7.1	**1,685,400**	-
Due from related party			
LSE Capital Limited - associated company		**-**	1,072,935
		6,073,717	3,064,279

11.1 These are secured against retirement benefits - employees' provident fund. These interest free advances are given to employees in the ordinary course of business as per their employment terms and will be recovered in due course of time.

11.2 This represents an advance placed with MCB Cash Management Optimizer Fund for purchase of 19,538 units which have been fully adjusted on July 02, 2025.

	Note	2025	2024
		-------------Rupees-----------	
12 TAX REFUNDS DUE FROM THE GOVERNMENT			
Advance income tax			
Balance as at July 01,		**6,462,142**	14,726,976
Tax deducted at source		**13,624,321**	11,003,972
Provision for taxation	24 & 25	**(11,480,281)**	(19,268,806)
Balance as at June 30,		**8,606,181**	6,462,142
13 CASH AND BANK BALANCES			
Cash in hand		**76,182**	161,309
Cash at banks in:			
Saving accounts	13.1	**3,187,442**	1,176,199
		3,263,624	1,337,508

13.1 These saving bank accounts carry profit rates ranging from 9.50% to 20.59% (2024: 19.45% to 20.59%) per annum.

14 ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

14.1 Authorized share capital

June 30, 2025	June 30, 2024		June 30, 2025	June 30, 2024
Number of shares			------------- Rupees ------------	
60,000,000	60,000,000	Ordinary shares of Rs. 10 each	**600,000,000**	600,000,000

14.2 Issued, subscribed and paid up capital

June 30, 2025	June 30, 2024		June 30, 2025	June 30, 2024
Number of shares			------------- Rupees ------------	
52,266,777	52,266,777	Ordinary shares of Rs. 10 each, fully paid in cash	**522,667,770**	522,667,770

14.3 The shareholding structure of the Company is as under:

Name of shareholders	%age of shareholding	June 30, 2025	June 30, 2024
		------------- Number ------------	
InfoTech (Private) Limited	**9.00%**	**4,704,480**	4,704,480
LSE Capital Limited	**45.00%**	**23,522,397**	14,897,248
LSE Financial Services Limited	**36.00%**	**18,817,917**	18,817,917
LSE Ventures Limited	**9.99%**	**5,221,973**	5,221,973
ISE Towers REIT Management Company Limited	**0.00%**	**-**	4,704,480
Others	**0.00%**	**10**	3,920,679
	100%	**52,266,777**	52,266,777

14.4 As mentioned in Note 1, the Board of the Company in its meeting dated November 30, 2024 approved the Scheme of Compromises, Arrangement and Reconstruction (the "Scheme") in terms of the provisions of sections 279 to 283 and all other enabling provisions of the Companies Act, 2017 for which members' approval has also been obtained through EOGM dated December 28, 2024. Under the Scheme, the shares of LSE Capital Limited (LSECL) and LSE Financial Services Limited (LSEFSL) held by the Company will be distributed to the respective shareholders of the Company and LSEFSL. The share capital of the company will be restructured and the company will continue on a going concern basis after the Scheme. The revised share capital of the Company shall become PKR 400 million dividend into 40 million shares only.

	Note	June 30, 2025	June 30, 2024
		------------- Rupees ------------	
15 LEASE LIABILITY			
Balance as at July 1,		**5,955,819**	9,778,600
Accretion of finance cost	**23**	**173,738**	812,925
Less: Repayments / adjustments made during the year		**(6,129,557)**	(4,635,706)
		-	5,955,819
Less: current portion shown under current liabilities		**-**	(4,170,119)
Balance as at June 30,		**-**	1,785,700

15.1 The lease term of Yaqoob Trading Company building at Karachi was completed in May 30, 2025 including the extended period. Due to ongoing dispute between management and the landlord regarding increase in rent, the lease agreement was not renewed during the year; however, discussions are underway but the chances of renewal of lease arrangement is not certain until the terminal date. Accordingly, the rental for the remaining period has been charged as rent expense and recorded under the head "Operating and administrative expenses" (Note 20).

15.2 The lease arrangement with ISE Towers REIT Management Company Limited, an associated company, was terminated w.e.f. July 01, 2024, on the vacation of the leased premises by the Company and the related gain on termination of lease was recognized under the head "Other income" (Note 22).

15.3 Maturity analysis - contractual undiscounted cash flows

Less than one year	**-**	**4,567,209**
One to five years	**-**	**1,958,966**
Total undiscounted lease liabilities	**-**	**6,526,175**

16 DEFERRED TAXATION

Deferred tax liability in respect of taxable temporary differences

	Note		
Depreciation on Right of use asset		**-**	1,424,434
Amortization of intangible assets		**8,869,564**	4,458,875
Share of profit and other comprehensive income in associate		**8,218,854**	6,841,530
Unrealized gain on re-measurement of short term investments		**1,278**	448
		17,089,696	12,725,287
Deferred tax asset in respect of deductible temporary differences			
Depreciation on property and equipment		**(1,116,118)**	(1,060,556)
Lease liability		**-**	(1,727,188)
		(1,116,118)	(2,787,744)
Deferred tax liability as at June 30,		**15,973,578**	9,937,543
Less: Balance as at July 01,		**9,937,543**	5,951,421
Less: Deferred tax attributable to comprehensive income		**486,560**	1,055,371
Deferred tax expense charged in the statement of profit or loss	25	**5,549,475**	2,930,751

16.1 The reconciliation in this head of account is as follows:

	Balance as at July 01, 2023	Recognized in profit or loss (Note 25)	Recognized in other comprehensive income	Balance as at June 30, 2024	Recognized in profit or loss (Note 25)	Recognized in other comprehensive income	Balance as at June 30, 2025
	---Rupees---						
Depreciation on property and equipment	(900,525)	(160,031)	-	(1,060,556)	(55,562)	-	(1,116,118)
Depreciation on Right of use asset	2,463,015	(1,038,581)	-	1,424,434	(1,424,434)	-	-
Amortization of intangible assets	6,296,229	(1,837,354)	-	4,458,875	4,410,689	-	8,869,564
Share of profit and other comprehensive income in associate	883,425	4,902,734	1,055,371	6,841,530	890,764	486,560	8,218,854
Unrealized gain on re-measurement of short term investments	45,071	(44,623)	-	448	830	-	1,278
Lease liability	(2,835,794)	1,108,606	-	(1,727,188)	1,727,188	-	-
	5,951,421	2,930,751	1,055,371	**9,937,543**	**5,549,475**	**486,560**	**15,973,578**

		Note	June 30, 2025	June 30, 2024
			-------------Rupees-----------	
17	**ACCURED AND OTHER LIABILITIES**			
	Accrued liabilities	17.1	**5,614,184**	6,045,682
	Payable to SECP against annual fee		**6,382,886**	5,937,856
	Due to related party - associated undertaking			
	LSE Capital Limited	17.2	**32,596,309**	-
	LSE Financial Services Limited	17.3	**3,388,771**	2,644,027
			47,982,150	14,627,565

17.1 These include contribution to staff provident fund amounting to Rs. 441,066 (2024: Rs. 345,949) which have been deposited in the bank account of the fund after the reporting date within the stipulated period of time as laid in the Companies Act, 2017.

17.2 This represents an amount payable to the abovenamed related party as current account. It is unsecured, interest bearing and payable on demand. It carries interest @ 6 months KIBOR that amounted to Rs. 2,241,518 (2024: Nil) and is included in the balance amount payable as per the requirements of Section 199 of the Companies Act, 2017.

17.3 This represents an amount payable to the abovenamed related party as current account. It is unsecured, interest bearing and payable on demand. It carries interest @ 6 months KIBOR that amounted to Rs. 524,743 (2024: Rs. 27,599) and is included in the balance amount payable as per the requirements of Section 199 of the Companies Act, 2017.

18 CONTINGENCIES AND COMMITMENTS

18.1 Contingencies

For the tax year 2019, the Deputy Commissioner Inland Revenue (DCIR), Unit-04, Range-B, Zone-IV, CTO, Karachi, has created a tax demand amounting to Rs. 3.417 million mainly on account of non deduction of income tax at the time of making payments to various parties as required u/s 161/205 of the Income Tax Ordinance, 2001. Against this demand, the Company is in the process of filing an appeal before the competent authority. The managment and its tax advisor are of the firm view that the outcome in the prospective appeal will be decided in their favour.

18.2 Commitments

There were no capital and other commitments of the company as at the reporting date (2024: Nil).

		Note	June 30, 2025	June 30, 2024
			-------------Rupees-----------	
19	**OPERATING INCOME**			
	Trustee income	19.2	**106,916,608**	91,103,172
	Custody income	19.3	**10,181,479**	11,280,887
	D Share registry	19.4	**8,833,921**	5,340,772
	Stock pledging income	19.5	**1,220,000**	1,520,000
	Technology / Saas services	19.6	**190,000**	10,500,000
			127,342,008	119,744,831

19.1 Sindh sales tax on revenue charged during the year amounted to Rs. 19.101 million (2024: Rs. 10.948 million).

19.2 During the year, the Company provided trusteeship services to 38 mutual funds (2024: 38). The remuneration has been received from these funds at different rates in accordance with respective agreements duly executed with parties.

19.3 During the year, the Company provided custodial services to 22 (2024: 69) clients. Custodial fee has been charged as per the agreements entered into with such clients.

19.4 During the year, the Company provided share registrar services to 52 (2024: 42) clients. Fee has been charged as per agreements with such clients.

19.5 During the year, the company provided stock pledging services to 2 (2024: 3) client. Stock pledging fee has been charged as per the agreements entered into with such clients.

19.6 During the year, the Company provided cloud data development and support services to 1 (2024: 1) client. Data development and support fee has been charged as per the agreement with such client.

		Note	June 30, 2025	June 30, 2024
			-------------Rupees-----------	
20	**OPERATING AND ADMINISTRATIVE EXPENSES**			
	Salaries, allowances and benefits	20.1	**65,139,222**	57,261,468
	Directors' meeting fee	20.2	**2,350,000**	2,150,000
	Auditors' remuneration	20.3	**1,835,000**	1,610,000
	Advertisement and marketing expense		**4,501,990**	3,525,133
	Computer and technical support expenses		**3,478,869**	2,940,175
	Custody charges		**623,959**	544,665
	Utilities		**5,699,290**	3,261,591
	Entertainment		**2,824,505**	2,148,486
	Insurance		**298,667**	409,731
	Travelling and conveyance		**1,336,791**	158,030
	Postage, photocopy and telegram		**427,257**	226,590
	Rent, rates and taxes		**1,583,385**	1,189,767
	Repairs and maintenance		**2,570,478**	2,061,925
	Equity Management Fee	20.4	**7,839,990**	-
	Stationary, stamps and notary public expenses		**693,137**	792,385
	Legal, professional charges and other fees	20.5	**8,230,023**	8,702,217
	Miscellaneous expenses		**193,700**	660,564
	Bad debts written off		**-**	2,832,570
	Impairment of trade receivables under expected credit loss	9.2	**376,516**	1,578,318
	Depreciation of operating fixed assets	5.1	**7,140,199**	6,576,345
	Amortization of intangible assets	6	**18,314**	18,314
			117,161,293	98,648,274

20.1 This includes an amount of Rs. 2,550,741 (2024: Rs. 1,754,785) in respect of contribution towards staff provident fund, related party.

20.2 Meeting fee was paid to the Independent and Non-executive directors of the company for attending corporate meetings of the company at rates as approved by the Board of Directors.

20.3 Auditors' remuneration

	2025	2024
Statutory audit		
Audit fee	**1,250,000**	1,100,000
Out of pocket expenses	**125,000**	110,000
Half year review		
Review fee	**400,000**	-
Out of pocket expenses	**60,000**	-
Special audit		
Audit fee	**-**	350,000
Out of pocket expenses	**-**	50,000
	1,835,000	1,610,000

20.4 This respresents equity management fee charged by LSE Capital Limited, an associated company on account of management of payroll and provision of administrative services to the Company as per the duly executed agreement entered into between the parties.

20.5 The breakup of this head of account is as follows:

	2025	2024
Fees and subscription	**67,137**	1,138,859
Statutory fees to SECP	**6,482,886**	6,435,636
Legal and professional charges	**1,680,000**	1,127,722
	8,230,023	8,702,217

21 INCOME FROM ASSOCIATES

	Note		
Post tax share of profit / (loss) from associates			
LSE Capital Limited	8.1	**12,315,428**	6,918,925
LSE Financial Services Limited	8.2	**511,643**	1,419,464
		12,827,071	8,338,389
Gain on bargain purchase	21.1	**-**	24,346,502
		12,827,071	32,684,891

21.1 This represents the excess of Company's interest in the net assets of the associate over the original cost of investment in accordance with the requirements of International Accounting Standard-28,"Investments in Associates and Joint Ventures".

22 OTHER INCOME

	Note		
Income from financial assets			
Dividend income		**158,922**	48,616
Profit on savings bank accounts		**479,467**	784,732
Realized gain on disposal of Modaraba certificates		**-**	41,602,068
Realized gain recycled to profit or loss from comprehensive income on disposal of associate		**-**	4,330,461
Income from non-financial assets			
Gain on disposal of operating fixed assets	**5.1.2**	**-**	10,000
Gain on termination of right of use asset	**5.1.2**	**276,817**	
		915,206	46,775,877

23 FINANCE COST

	Note		
Markup on:			
Interest cost - Associated companies			
LSE Capital Limited	**17.2**	**2,241,518**	1,579,240
LSE Financial Services Limited	**17.3**	**524,743**	27,599
		2,766,260	1,606,839
Lease liability against right of use asset	**15**	**173,738**	812,925
Bank Charges		**2,530**	-
		2,942,529	2,419,764

24 LEVY

	Note		
Minimum tax on services - differential		**11,460,781**	8,914,555
Tax on dividend		**38,014**	7,292
Capital gain tax		**-**	5,200,258
Prior year adjustment		**(1,051,812)**	3,929,519
	12	**10,446,982**	18,051,624

24.1 This represents final taxes paid under sections 153(1), 150 and 37(A) of the Income Tax Ordinance, 2001, representing levy in terms of requirements of IFRIC 21and IAS 37.

25 PROVISION FOR TAXATION

	Note		
Current year - Normal tax regime			
corporate tax for the year		**-**	2,847,842
tax on dividend from associate	25.1	**1,033,299**	-
prior year adjustment		**-**	(1,630,660)
	12	**1,033,299**	1,217,182
Deferred taxation	16	**5,549,475**	2,930,751
		6,582,774	4,147,933

25.1 This represents tax on dividend income received from associated companies as disclosed in Note 8 of these financial statements that is classified as income tax as per the Circular # 4 issued by the Institute of the Chartered Accountants of Pakistan (ICAP) dated July 2024.

25.2 Relationship between tax expense and accounting profit

Accounting profit for the year before levy and taxation	**-**	**98,140,548**
Applicable tax rate	**29%**	**29%**
Tax on income	**-**	**28,460,759**
Tax effect on difference of admissible and non-admissible expenses	**-**	**(2,798,900)**
Tax effect of income related to dividend and capital gain, levy	**-**	**(22,814,017)**
Changes relating to prior year tax	**-**	**(1,630,660)**
Changes relating to deferred tax	**-**	**2,930,751**
	-	**4,147,933**

25.3 During the year, the company had carried forward losses of Rs. 3.667 million (2024: Nil), therefore no provision for current taxation under normal tax regime is applicable for the current year, however, the charge for current tax is computed on the basis of minimum tax being the higher of alternate corporate tax and normal tax, classified as levy (Note 24) as per the technical guidance issued by the ICAP dated May 2024. Accordingly, numerical reconciliation between average effective tax rate and the applicable tax rate is not applicable in the instant case.

26 EARNINGS PER SHARE - BASIC AND DILUTED

		June 30, 2025	June 30, 2024
Profit after taxation attributable to the company's owners	Rupees	**3,956,237**	75,940,991
Weighted average number of ordinary shares outstanding during the	Numbers	**52,266,777**	52,266,777
Earnings per share - basic	Rupees	**0.08**	1.45

The figure for diluted earnings per share is the same as basic earnings per share as the company has not issued any instrument which would have an impact on basic earnings per share when exercised.

27 POST TAX SHARE OF OTHER COMPREHENSIVE INCOME FROM ASSOCIATES

	Note	**June 30, 2025**	June 30, 2024
		-------------Rupees-----------	
LSE Capital Limited	8.1	**3,142,748**	7,014,625
LSE Financial Services Limited	8.2	**100,983**	21,183
		3,243,731	7,035,808

28 REMUNERATION OF CHIEF EXECUTIVE OFFICER AND EXECUTIVES

The aggregate amount charged in these financial statements for the remuneration, including all benefits, to the Chief Executive Officer, directors and executives are as follows:

	Chief Executive Officer		**Directors**		**Executives**	
	2025	2024	**2025**	2024	**2025**	2024
	-------------Rupees-----------		-------------Rupees-----------		-------------Rupees-----------	
Managerial remuneration	**362,880**	-	-	-	**4,220,580**	4,583,460
Provident fund	**36,288**	-	-	-	**422,064**	458,352
House rent allowance	**163,296**	-	-	-	**1,899,264**	2,062,560
Utilities	**37,188**	-	-	-	**422,040**	458,328
Medical	**36,288**	-	-	-	**422,064**	458,352
Bonus	**99,792**	-	-	-	**556,534**	656,326
Fuel allowance	**93,240**	-	-	-	**592,920**	686,160
	828,972	-	-	-	**8,535,466**	9,363,538
Number of persons	**1**	1	**6**	9	**3**	3

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28.1 The breakup of aggregate amount of remuneration to executives charged during the year in these financial statements is as follows:

	Executives		
	Capitalized as development cost (Note 6)	Charged to profit or loss (Note 20)	Total
	-------------Rupees-----------		
Managerial remuneration	548,116	3,672,464	4,220,580
Provident fund	54,812	367,252	422,064
House rent allowance	246,652	1,652,612	1,899,264
Utilities	54,808	367,232	422,040
Medical	54,812	367,252	422,064
Bonus	119,900	436,634	556,534
Fuel and other allowances	54,812	538,108	592,920
	1,133,912	7,401,554	8,535,466

28.2 No remuneration is paid to the Chief executive officer and executive directors of the company during the period / year. In addition to this, the use of company's maintained vehicle or benefit of any kind is not being given to any executive director of the company.

28.3 Meeting fee was paid to all the independent and non executive directors of the company in the comparative period as approved by the Directors of the company.

29 RELATED PARTY TRANSACTIONS

Related parties comprise of associated companies, directors and their close family members, major shareholders of the Company and staff provident fund. Transactions with related parties are on arm's length basis. Remuneration and benefits to executives of the Company are in accordance with the terms of the employment while contribution to the provident fund is in accordance with staff service rules. Remuneration to chief executive officer and executives is disclosed in note 28 to these financial statements. The balances with related parties are disclosed in respective notes to these financial statements. Other significant transactions carried out with related parties are as follows:

Name of the party	Relationship with the company	Basis of relationship	Nature of transaction	June 30, 2025	June 30, 2024
				-------------Rupees-----------	
Modaraba Al Mali	Associated concern	Associate of associated company	Legal & professional charges borne by the associate	-	2,420,000
			Share registrar services provided to the party	-	50,000
LSE Capital Limited	Associated company	45.00% shareholding in the company	Share registrar services provided to the party	133,400	151,624
			Repayment of balance payable to the Modaraba Al Mali taken over by the party under merger scheme	-	5,986,459
			Funds received from the party	20,695,367	-
			Expenses borne by the party on behalf of the Company	565,031	-
			Equity management fee charged by the party	9,094,393	-
			Interest charged by the party	2,241,518	1,579,240
ISE Towers REIT Management Company Limited	Ex-associated company	Company previously held a 9% shareholding in the DCCL.	Rent charged by the party	-	941,988
LSE Ventures Limited	Associated company	9.99% shareholding in the company	Share registrar services provided to the party	155,240	194,740
LSE Proptech Limited	Ex-associated company	Ex-associated company of LSE Capital Limited	Share registrar services provided to the party	-	100,000
Ensmile Limited	Ex-associated company	Ex-associated company of LSE Capital Limited	Share registrar services provided to the party	-	60,000
			Cloud data development and support services provided to the party	-	10,500,000
Metatech Trading Limited	Ex-associated company	Ex-associated company of LSE Capital Limited	Share registrar services provided to the party	-	385,000
LSE Financial Services Limited	Associated company	36% shareholding in the company	Property and equipment purchased by the party on behalf of the company	-	636,900
			Funds received from the party	2,468,728	1,979,528
			Expenses borne by the party on behalf of the Company	395,300	-
			Interest charged by the party	524,743	27,599
			Share registrar services provided to the party	85,600	-
Muhammad Nasir Mirza	Director	Key management personnel	Meeting fee paid to director	450,000	300,000
Dr. Yusuf Zafar	Director	Key management personnel	Meeting fee paid to director	100,000	100,000
Naseer Ahmad Akhtar	Director	Key management personnel	Meeting fee paid to director	-	200,000
Muhammad Iqbal	Director	Key management personnel	Meeting fee paid to director	250,000	300,000
Shoaib Mir	Director	Key management personnel	Meeting fee paid to director	350,000	200,000
Farrukh Younus Khan	Director	Key management personnel	Meeting fee paid to director	200,000	200,000
Muhammad Khalid Farooq	Director	Key management personnel	Meeting fee paid to director	350,000	200,000

Muhammad Khalid Farooq	Director	Key management personnel	Meeting fee paid to director	**350,000**	200,000
Syed Mukhtar Hussain	Director	Key management personnel	Meeting fee paid to director	**200,000**	200,000
Maleeha Humayun	Director	Key management personnel	Meeting fee paid to director	**50,000**	300,000
Aasiya Riaz	Director	Key management personnel	Meeting fee paid to director	**100,000**	150,000
Muhammad Luqman	Director	Key management personnel	Meeting fee paid to director	**100,000**	-
Shahbano Hameed	Director	Key management personnel	Meeting fee paid to director	**100,000**	-
Muhammad Anwar	Director	Key management personnel	Meeting fee paid to director	**100,000**	-

30 STAFF PROVIDENT FUND

The following information is based on un-audited financial statements of the provident fund for the year ended June 30, 2025:

	2025	2024
	-----------Rupees-----------	
Size of the fund - total assets	**10,693,399**	**7,277,728**
Cost of investments	**10,693,399**	**7,277,728**
Percentage of investments made	**100%**	**100%**
Fair value of investments	**10,693,399**	**7,277,728**

The investments of the fund are kept in saving bank accounts maintained in the name of the staff

Assets	**Percentage**		
Bank balances	100%	**10,693,399**	**7,277,728**

The above investments and placement of funds in a special bank account with JS Bank have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the related rules framed for this purpose.

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31 Financial risk management

The Board of Directors of the Company has overall responsibility for the establishment and oversight of the Company's risk management framework. The accounts department of the Company assist the Board in developing and monitoring the Company's risk management policies. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The risk management policies of the Company are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits, and focuses on actively securing the Company's short to medium-term cash flows by minimizing the exposure to financial markets.

31.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including, price risk, currency risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks 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, other price risk, interest rate risk, credit risk and liquidity risk. The Company's management oversees and monitors compliance with the Company's risk management policies, procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Directors are assisted in oversight role by the management. Management undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Board of Directors.

(a) Market risk

Market risk is the risk that changes in market prices will affect the Company's income or the value of its holdings of financial instruments. The objective of the Company's market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk. There are three types of market risks i.e. interest rate risk, currency risk and price equity risk. These are:

(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 because the company has not entered in to any transaction in foreign currency.

(ii) Other 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 the individual financial instrument or its issuer, or factors affecting all similar financial instrument traded in the market. The Company is not exposed to commodity price risk as well as market price risk as the Company has no investment in such instruments except for the investment in MCB Cash Management Optimizer Fund which is listed on PSX and has a good rating.

Sensitivity analysis for financial assets at fair value through profit or loss

As at reporting date, if fair value of equity investments increases / (decreases) by Rs. 1 with all other variables held constant, profit before tax for the year would have been higher / (lower) by Rs. 2,718 (2024: Rs. 2,638), mainly as a result of fair value fluctuation on PSX of the listed equity 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 has no long-term interest-bearing assets at reporting date. The Company's interest rate risk arises from its bank balances and advance to LSE Capital Limited. Financial instruments at variable rate expose the Company to cash flow interest rate risk. Financial instruments with fixed interest rate expose to the Company to fair value interest rate risk. At the reporting date, the interest rate profile of the Company's interest bearing financial instruments was:

		2025	2024
Financial assets	**Note**	-----------Rupees-----------	
Floating rate instruments:			
Due from LSE Capital Limited	**11**	**-**	1,072,935
Bank balances - savings accounts	**13.1**	**3,187,442**	1,176,199
		3,187,442	2,249,134
Financial liabilities			
Floating rate instruments:			
LSE Capital Limited	**17.2**	**32,596,309**	-
LSE Financial Services Limited	**17.3**	**3,388,771**	2,644,027
Net assets		**(32,797,638)**	(394,893)

There were no fixed interest rate bearing financial instruments as at the reporting date.

Cash flow sensitivity analysis for variable rate instruments

If interest rates at the year end date, fluctuates by 1% higher / lower with all other variables held constant, profit before taxation would have been (decreased) / increased by Rs. 327,976 (2024: Rs. 3,949). This analysis is prepared without taking in account taxation effect and applying +/- 1% discount factor on the outstanding balance of net assets with the assumption that the balance is outstanding throughout the year.

Interest rate risk is the risk that the value of financial instruments will fluctuate due to change in market interest rates. The effective interest / profit rates as at June 30, 2025 and June 30, 2024 for the company's financial instruments are given in the relevant notes to these financial statements.

(b) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations on a specified future date. To manage credit risk the Company maintains procedures covering the application for credit approvals, granting and renewal of counterparty limits and monitoring of exposures against these limits. As part of these processes the financial viability of all counterparties is regularly monitored and assessed by the competent authorities of the sales and recovery departments with the approval of the BOD. The Company is exposed to credit risk from its operating activities primarily for local trade receivables, advances, deposits, other receivables, balances with banks and other financial assets. Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their abilities to meet contractual obligation to be similarly effected by the changes in economic, political or other conditions. There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and / or regions. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

		2025	2024
FINANCIAL ASSETS	**Note**	-----------**Rupees**-----------	
Long term deposits	**7**	**218,966**	2,184,366
Trade receivables	**9**	**18,470,916**	12,956,652
Short term investments	**10**	**2,717,613**	270,766
Advances, deposits and other receivables	**11**	**5,769,505**	2,714,682
Bank balances	**13**	**3,187,442**	1,176,199
		30,364,442	19,302,665

The credit quality of financial assets that are neither past due not impaired can be assessed by reference to external credit ratings (if available) or to historical information about counter party default rates. Banks and financial institutions have external credit ratings determined by various credit rating agencies. Credit quality of customers and other receivables are assessed by reference to historical defaults rates and present ages. Banks and financial institutions have external credit ratings determined by various credit rating agencies as listed below:

Banks	**Rating**		**Rating agency**	**2025**	2024
	Short term	**Long Term**		-----------**Rupees**-----------	
MCB Bank Limited	A1+	AAA	PACRA	**3,117,999**	1,121,517
Habib Bank Limited	-	AA+	VIS	**69,443**	54,682
MCB Cash Management Optimizer	-	AA+ (f)	PACRA	**2,717,613**	270,766
				5,905,055	1,446,965

Exposure to credit risk - Banks

The credit risk on liquid funds is limited because the counter parties are banks with reasonably high credit ratings. Due to long standing business relationships with these counterparties and considering their strong financial footing, the management does not expect non-performance by these counterparties on their obligations to the Company. Accordingly the credit risk is minimal.

Trade receivables

Customer is counterparty to local trade receivables against the rendering of trusteeship, custodial, stock pledging and share registrar services. New customer is analyzed individually for creditworthiness before the Company's standard payment terms and conditions are offered. Credit limits are established for each client based on internal rating criteria and reviewed regularly. Outstanding customer receivables are regularly monitored by the marketing and recovery department. Due to long standing relations with the counterparty and high creditworthiness of customers which are mostly corporate parties with high financial profile / track record and good credit history, the overall credit risk of the Company is at a acceptable low level.

The ageing analysis of trade receivables of the Company as at the reporting date is as under:

	2025	2024
	-----------**Rupees**-----------	
Neither past due nor impaired		
0 to 30 days	**11,499,582**	9,127,657
Past due but not impaired		
31 to 60 days	**2,021,255**	1,129,150
61 to 90 days	**1,736,344**	1,848,371
91 to 180 days	**933,872**	488,784
181 to 365 days	**2,243,862**	362,690
More than 365 days	**36,000**	-

Past due and impaired		
31 to 60 days	**275,077**	129,777
61 to 90 days	**142,774**	699,948
91 to 180 days	**614,866**	542,357
181 to 365 days	**777,118**	206,237
More than 365 days	**145,000**	-
	20,425,750	14,534,971

Concentration of credit risks

Management believes that the unimpaired amounts that are past due more than 30 days are still collectable in full based on historical payment behavior and extensive analysis of customer credit risk. Due to the Company's long standing business relationships with these counter parties and after giving due consideration to their creditworthiness, the management does not expect non-performance by these counter parties on their obligations to the Company. Furthermore, almost all the major balances have been recovered in full subsequent to the date of statement of financial position. Accordingly, the credit risk related to trade receivables is minimal.

(c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial assets, or that such obligations will have to be settled in a manner unfavorable to the Company. 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's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation. The Company's liquidity management involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring critical liquidity ratios and maintaining debt financing plans. The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to contractual maturity dates. The amounts disclosed in the table are the contractual undiscounted cash flows:

The Company manages liquidity risk by maintaining sufficient cash. At June 30, 2025, the Company had Rs. 3.264 million (June 30, 2024: Rs. 1.338 million) of cash and bank balances. Further, the Company also has strong financial support from its shareholder companies. Based on the above, management believes the liquidity risk to be low.

Contractual maturities of financial liabilities:

	Note	Within one year	Over 1 to 5 years	More than 5 years
		------------------------Rupees------------------------		
As at June 30, 2025				
Lease liability	15	-	-	-
Accrued and other liabilities	17	47,982,150	-	-
		47,982,150	-	-
As at June 30, 2024				
Lease liability	15	4,170,119	1,785,700	-
Accrued and other liabilities	17	14,627,566	-	-
		18,797,685	1,785,700	-

31.2 Fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. Consequently, differences may arise between the carrying value and the fair value estimates.

Underlying the definition of fair value is the presumption that the company is a going concern and there is no intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

Fair value hierarchy

Judgments and estimates are made in determining the fair values of the financial instruments that are recognized and measured at fair value in these financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the following three levels. An explanation of each level follows underneath the table:

Recurring fair value measurements		Level 1	Level 2	Level 3	Total
		---------------------Rupees---------------------			
Financial asset as at June 30, 2025					
Fair value through profit or loss		2,717,613	-	-	2,717,613

Financial asset as at June 30, 2024				
Fair value through profit or loss	270,766	-	-	270,766

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available for sale securities) is based on quoted market prices at the end of the reporting date. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the financial instrument is classified under level 3. The carrying amount less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Company for similar financial instruments.

Valuation techniques used to determine fair values

Valuation technique used to value financial instruments includes the use of quoted market prices.

Recognized fair value measurements - Non-Financial Assets

There was no non-financial asset as at June 30, 2025 (June 30, 2024: Nil) for the recognized fair value measurement.

31.3 Fair values of financial assets and liabilities

The carrying values of all financial assets and liabilities reflected in these financial statements approximate their fair values.

31.4 Financial instruments by categories

	Note	Amortized cost	Investment at fair value through profit or loss	Total
As at June 30, 2025		---Rupees---		
Financial Assets as per statement of financial position				
Long term deposits	7	**218,966**	**-**	**218,966**
Trade receivables	9	**18,470,916**	**-**	**18,470,916**
Short term investments	10	**-**	**2,717,613**	**2,717,613**
Advances and other receivables	11	**5,769,505**	**-**	**5,769,505**
Cash and Bank balances	13	**1,337,508**	**-**	**1,337,508**
		25,796,895	**2,717,613**	**28,514,508**

	Note	Amortized cost	Investment at fair value through profit or loss	Total
Financial liabilities as per statement of financial position		---Rupees---		
Lease liability	15	**-**	**-**	**-**
Accrued and other liabilities	17	**47,982,150**	**-**	**47,982,150**
		47,982,150	**-**	**47,982,150**

	Note	Amortized cost	Investment at fair value through profit or loss	Total
As at June 30, 2024		---Rupees---		
Financial Assets as per statement of financial position				
Long term deposits	7	2,184,366	-	2,184,366
Trade receivables	9	12,956,652	-	12,956,652
Short term investments	10	-	270,766	270,766
Advances and other receivables	11	2,714,682	-	2,714,682
Cash and Bank balances	13	1,337,508	-	1,337,508
		19,193,208	270,766	19,463,974

		Amortized cost	Investment at fair value through profit or loss	Total
Financial liabilities as per statement of financial position		---Rupees---		

Lease liability	15	5,955,819	-	5,955,819
Accrued and other liabilities	17	14,627,566	-	14,627,566
		20,583,385	-	20,583,385

32 RECONCILIATION OF MOVEMENT OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES

	Capital		Liabilities		Total
	Share capital	Share premium	Long term	Lease liability	
	Rupees				
As at July 1, 2024	**522,667,770**	**-**	**-**	**5,955,819**	**528,623,589**
Changes from financing cash flows					
Adjustment / repayment of lease finance	**-**	**-**	**-**	**(5,955,819)**	**(5,955,819)**
Total changes from financing cash flows	**-**	**-**	**-**	**(5,955,819)**	**(5,955,819)**
Other changes	**-**	**-**	**-**	**-**	**-**
Balance as at June 30, 2025	**522,667,770**	**-**	**-**	**-**	**522,667,770**

	Capital		Liabilities		Total
	Share capital	Share premium	Long term payable against intangibles	Lease liability	
	Rupees				
As at July 1, 2023	**522,667,770**	**-**	**-**	**9,778,600**	**532,446,370**
Changes from financing cash flows					
Repayment of lease finance	**-**	**-**	**-**	**(3,822,781)**	**(3,822,781)**
Total changes from financing cash flows	**-**	**-**	**-**	**(3,822,781)**	**(3,822,781)**
Other changes	**-**	**-**	**-**	**-**	**-**
Balance as at June 30, 2024	**522,667,770**	**-**	**-**	**5,955,819**	**528,623,589**

33 CAPITAL RISK MANAGEMENT POLICIES AND PROCEDURES

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

a) to safeguard the entity's 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, while at the same time carrying risk exposure acceptable to them.

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

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

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

	2025	2024
	Rupees	
Total Debts (long term and short term)	**-**	5,955,819
Less: Cash and cash equivalents	**(3,263,624)**	(1,337,508)
Net debt	**(3,263,624)**	4,618,311
Equity	**606,838,194**	600,124,783
Total capital employed	**603,574,570**	604,743,094
Gearing ratio	**-0.54%**	0.76%

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34 OPERATING SEGMENTS

Management has determined the operating segments based on the information presented to the Chief Executive Officer of the Company for allocation of resources and assessment of performance. Reporting structure of the Company is based on this internal management reporting structure. The Company has two strategic divisions i.e. Strategic investments and technical support & advisory services, which are its reportable segments. These divisions have different operations and were managed separately because they require different strategies.

Reportable segments	Operations
Strategic Investments	Fair value gain (realized / unrealized), share of profit from associates, gain on bargain purchase, dividend income, return on loans and receivables
Technical support and advisory services	Trusteeship, custodial, stock pledging, share registrar and data development & support services

Information about reportable segments

Information related to each reportable segment is set out below. Segment profit / (loss) before levy and tax is used to measure performance because management believes that this information is the most relevant in evaluating the results of the respective segments relative to other entities that operate in the same line of business.

Segment results and assets include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

	2025		
	Strategic Investments	**Technical support and advisory services**	**Total**
	Rupees		
Segment income	**12,991,525**	**127,342,008**	**140,333,533**
Segment related Cost	**-**	**(15,087,704)**	**(15,087,704)**
Segment profit before levy and tax	**12,991,525**	**112,254,304**	**125,245,829**
Segment assets			
Investment in Associates	**226,717,859**	**-**	**226,717,859**
Intangible assets	**-**	**388,245,188**	**388,245,188**
Trade receivables	**-**	**18,470,916**	**18,470,916**
Short term investments	**2,717,613**	**-**	**2,717,613**
Musharaka finance	**-**	**-**	**-**
Segment liabilities			
Payable to SECP against annual fee	**-**	**6,482,886**	**6,482,886**

	2024		
	Strategic Investments	Technical support and advisory services	Total
	Rupees		
Segment income	78,669,023	119,744,831	198,413,854
Segment related Cost	-	(12,505,232)	(12,505,232)
Segment profit before levy and tax	78,669,023	107,239,599	185,908,622
Segment assets			
Investment in Associates	216,651,319	-	216,651,319
Intangible assets	-	376,629,750	376,629,750
Trade receivables	-	12,956,652	12,956,652
Short term investments	270,766	-	270,766
Musharaka finance	-	-	-
Segment liabilities			
Payable to SECP against annual fee	-	5,937,857	5,937,857

34.1 Reconciliations of information on reportable segments to the amounts reported in the financial statements

	Note	2025	2024
		---------------Rupees---------------	
Income			
Total income for reportable segments	34	**140,333,533**	198,413,854
Unallocated income		**756,284**	794,732
Combined income		**141,089,817**	199,208,586
Profit before levy and tax			
Segment results before levy and tax	34	**125,245,829**	185,908,622
Unallocated amounts:			
- other income	22	**756,284**	794,732
- administrative expense	20	**(102,073,589)**	(86,143,042)
- finance cost	23	**(2,942,529)**	(2,419,764)
Profit before levy and taxation		**20,985,995**	98,140,548
Assets			
Total assets for reportable segments		**636,151,576**	606,508,487
Other unallocated amounts		**34,642,346**	24,137,225
Combined total assets		**670,793,922**	630,645,712
Liabilities			
Total liabilities for reportable segments		**6,482,886**	5,937,857
Other unallocated amounts		**57,472,842**	24,583,071
Combined total liabilities		**63,955,728**	30,520,928

34.2 The sales percentage by geographic region is as follows:

	2025	2024
	%	%
Pakistan	**100.00**	100.00

34.3 There is no individual customer from whom more than 10% of total revenue is received.

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

		2025	2024
35	**NUMBER OF EMPLOYEES**		
	The number of employees during the year were as follows:		
	At year end	**50**	53
	Average during the year	**49**	45

36 CORRESPONDING FIGURES

Figures of the corresponding period have been reclassified, wherever necessary for comparison and better presentation. Major reclassifications made during the year are as follows:

From	To	30-Jun-24
Revenue Reserve	Capital Reserve	
Other comprehensive income	Other comprehensive income	5,980,436

37 AUTHORIZATION FOR ISSUE

These financial statements were approved and authorized for issue on **September 30, 2025** by the Board of Directors of the Company.

38 GENERAL

38.1 Figures of the corresponding period have been rearranged / regrouped where considered necessary to achieve better presentation and understanding. However, no material reclassification has been made during the year in the corresponding figures.

38.2 The company is not recognizing the provision for Workers' Welfare Fund (WWF) on the pretext that it does not fall under the definition of industrial establishment as defined in clause (d) of section 2 of the Workers' Welfare Fund Act, 2019 nor does it employ any worker as defined in clause (I) of section 2 of the Act and section 2 of the Punjab Industrial Relations Act, 2010. Accordingly, no provision for WWF has been incorporated in these financial statements being not applicable in the case of the company.

38.3 Figures in these financial statements have been rounded off to nearest Rupee unless otherwise stated.

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