

LA MERCANCIA (PRIVATE) LIMITED
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

INDEPENDENT AUDITORS' REPORT

To the members of La Mercancia (Private) Limited Report on the Audit of the Financial Statements

Opinion

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

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

Emphasis of Matter

We draw attention to Note 2.1 to the financial statements which describe the Going Concern assumption of the Company. Our opinion is not qualified in respect of this matter.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017), and for such internal control as management determines is necessary

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to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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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 and 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 Nadeem Safdar.

Nadeem Safdar & Co.
Chartered Accountants
Place: Islamabad
Date: 13 NOV 2023
UDIN: AR202310594gmKJrdWIR

LA MERCANCIA (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2023

	Note	2023 (Rupees)	2022 (Rupees)
Assets			
Non-current assets			
Property, plant and equipment	4	20,030,000	20,030,000
Long term deposits	5	3,000,000	3,000,000
		23,030,000	23,030,000
Current assets			
Trade and other receivables	6	64,538	125,129
Cash and bank balances	7	136,604	21,948
		201,142	147,077
		23,231,142	23,177,077
Share capital and reserves			
Share capital	8	22,500,000	22,500,000
Issued, subscribed and paid up capital			
Revenue reserve			
Un-appropriated loss		(2,417,989)	(2,439,487)
Revaluation reserve		700,000	700,000
		20,782,011	20,760,513
Non current liabilities			
Long term payables	9	2,300,000	2,300,000
		2,300,000	2,300,000
Current liabilities			
Accrued expenses	10	126,500	115,000
Current tax liability	11	22,631	1,564
		149,131	116,564
Contingencies and commitments			
	12		
		23,231,142	23,177,077

The annexed notes, from 1 to 21, form an integral part of these financial statements.

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CHIEF EXECUTIVE


DIRECTOR


LA MERCANCIA (PRIVATE) LIMITED
STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 (Rupees)	2022 (Rupees)
Other income	13	1,810,502	125,129
Administrative expenses	14	(1,766,060)	(312,827)
Finance charges		-	(35)
Profit / (loss) before taxation		44,442	(187,733)
Provision for taxation	15	(22,944)	(1,564)
		21,498	(189,297)
Other comprehensive income		-	-
Total comprehensive income / (loss) for the year		21,498	(189,297)

The annexed notes, from 1 to 21, form an integral part of these financial statements.

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CHIEF EXECUTIVE


DIRECTOR

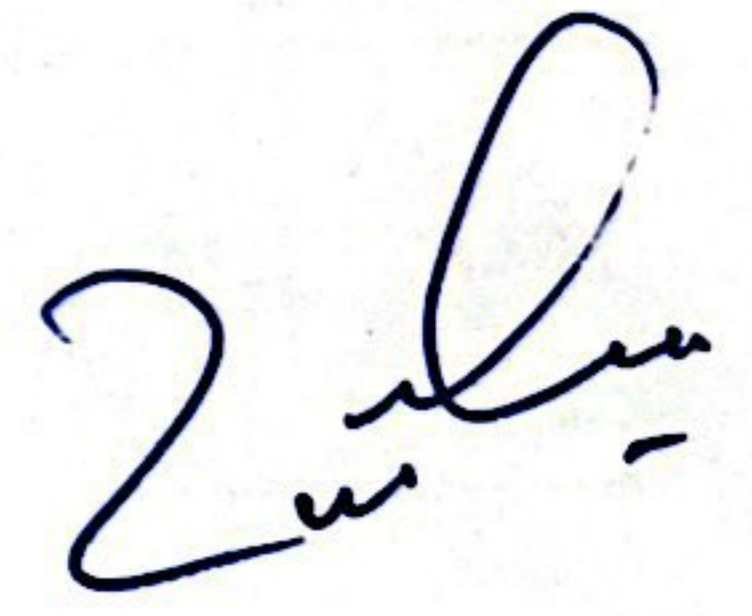
**LA MERCANCIA (PRIVATE) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2023**

	Share Capital	Revaluation Reserve	Revenue Reserve	Total
	Issued, subscribed and paid up capital		Unappropriated profit	
	Ordinary shares			
	(Rupees)			
Balance as at July 1, 2021	22,500,000	700,000	(2,250,190)	20,949,810
(Loss) for the year	-	-	(189,297)	(189,297)
Other comprehensive income	-	-	-	-
Total comprehensive (loss) for the year	-	-	(189,297)	(189,297)
Balance as at June 30, 2022	22,500,000	700,000	(2,439,487)	20,760,513
Balance as at July 1, 2022	22,500,000	700,000	(2,439,487)	20,760,513
Profit for the year	-	-	21,498	21,498
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	-	21,498	21,498
Balance as at June 30, 2023	22,500,000	700,000	(2,417,989)	20,782,011

The annexed notes, from 1 to 21, form an integral part of these financial statements.

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CHIEF EXECUTIVE


DIRECTOR

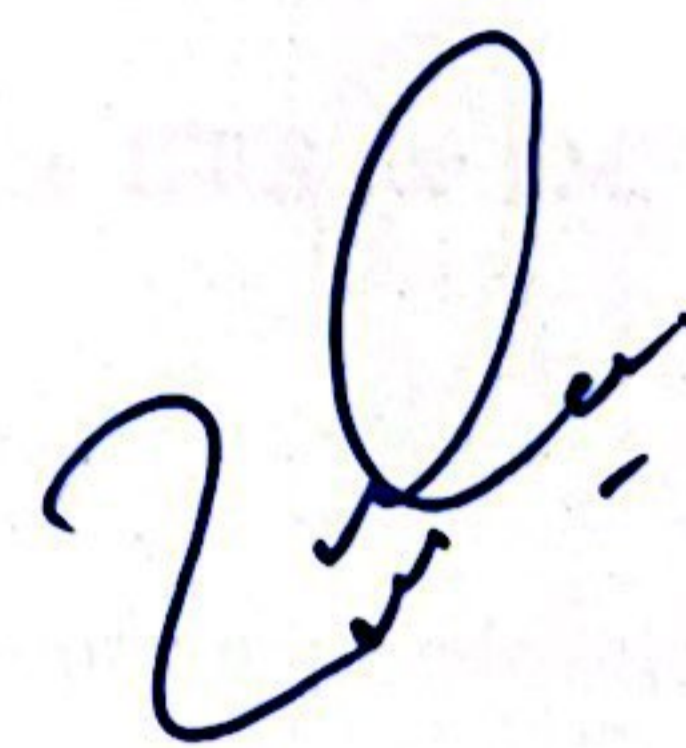
**LA MERCANCIA (PRIVATE) LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023**

	Note	2023 (Rupees)	2022 (Rupees)
Cash flows from operating activities			
Profit / (loss) for the year before tax		44,442	(187,733)
<i>Adjustment for non-cash items:</i>			
Finance cost		-	35
Depreciation		-	8,213
		<u>44,442</u>	<u>(179,485)</u>
Changes in working capital:			
<i>(Increase)/decrease in current assets:</i>			
Trade and other receivable		60,591	(125,129)
<i>Increase/(decrease) in current liabilities:</i>			
Accrued expenses		11,500	104,614
Cash generated from / (used in) operations		<u>116,533</u>	<u>(200,000)</u>
Tax paid		<u>(1,877)</u>	<u>(35)</u>
Net cash inflow/(outflow) from operating activities		<u>114,656</u>	<u>(200,035)</u>
Cash flows from financing activities			
Due to directors		-	200,000
Net cash inflow from financing activities		<u>-</u>	<u>200,000</u>
Net increase/ (decrease) in cash and cash equivalents		114,656	(35)
Cash and cash equivalents at beginning of the year		<u>21,948</u>	<u>21,983</u>
Cash and cash equivalents at end of the year	7	<u>136,604</u>	<u>21,948</u>

The annexed notes, from 1 to 21, form an integral part of these financial statements.

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CHIEF EXECUTIVE


DIRECTOR

**LA MERCANCIA (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

1 CORPORATE AND GENERAL INFORMATION

1.1 Legal status and operations

LA MERCANCIA (Private) Limited (the Company) was incorporated in Pakistan as a private limited Company on March 07, 2012 under the Companies Ordinance, 1984 (Repealed with the enactment of the Companies Act, 2017 on May 30, 2017).

The Company is engaged in the business of trading in commodities under license from Pakistan Mercantile Exchange Limited.

The registered office of the company is situated at Office No 2, Mezzanine 79-E, Al Rehman Chamber, Fazl e Haq Road, Blue Area Islamabad.

1.2 Summary of significant events and transactions in the current reporting period

The Company's financial position and performance was particularly affected by the following events and transactions during the reporting period:

-The Company has obtained approval for license as Futures Brokers under Futures Brokers (Licensing and Operations) Regulations, 2018 from SECP. The License is valid for one year till February 15, 2024.

- During the year, the company has earned revenue/commission of Rs. 1,810,502/-

2 BASIS OF PREPARATION

2.1 Going concern assumption

The directors prepared the financial statement on the going concern basis after assessing the principal risk and considering the likelihood of success in raising the funds. However, due to the risk that finance is not obtained for the operations, the directors considers there to be significant doubt upon the ability of the company to continue as a going concern in the upcoming years.

2.2 Statement of compliance

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

- International Financial Reporting Standard for the Small and Medium Sized Entities (IFRS for SMEs) issued by the International Accounting Standards Board (IASB) as notified under the companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

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

2.3 Basis of measurement

These financial statements have been prepared under the historical cost convention, except for certain items as disclosed in the relevant accounting policies below.

2.4 Functional and presentation currency

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

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LA MERCANCIA (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

2.5 Key judgments and estimates

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

- Useful lives, residual values and depreciation method of property, plant and equipment -Note 3.1 & 4
- Provision for doubtful trade receivables – Note 3.3 & 5
- Estimation of contingent liabilities - Note 3.9 & 10
- Current income tax expense, provision for current tax and recognition of deferred tax asset (for carried forward tax losses) Note 3.6 & 13

The revisions to accounting estimates (if any) are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

3.1 Property, plant and equipment

Initial recognition

All items of property, plant and equipment are initially recorded at cost.

Subsequent Measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment loss (if any).

Depreciation

Depreciation is charged so as to write off the cost of assets over their estimated useful lives, using the straight-line method. Depreciation on property, plant and equipment is charged when the asset is available for use.

The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term.

Disposal

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognized as other income in the statement of comprehensive income.

Judgment and estimates

The useful lives, residual values and depreciation method are reviewed on a regular basis. The effect of any changes in estimate is accounted for on a prospective basis.

3.2 Method of preparation of cash flow statement

The cash flow statement is prepared using indirect method.

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**LA MERCANCIA (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

3.3 Trade and other receivables

Measurement

Trade and other receivables are recognized and carried at transaction price less an allowance for impairment.

Impairment

A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is recognized in the statement of comprehensive income. Bad debts are written-off in the statement of comprehensive income on identification.

Judgments and estimates

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

3.4 Impairment of financial assets other than trade receivables

The financial assets other than those that are carried at fair value are assessed at each reporting date to determine whether there is any objective evidence of their impairment. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, and that loss event(s) had an impact on the estimated future cash flows of that asset that can be estimated reliably.

The impairment loss is recognized immediately in the statement of comprehensive income and the carrying amount of the related financial asset is reduced accordingly. An impairment loss is reversed only if the reversal can be related objectively to an event occurring after the impairment loss was recognized.

3.5 Trade and other payables

Trade payables are obligations under normal short-term credit terms. These are measured at the undiscounted amount of cash to be paid.

3.6 Income tax

Income tax comprises of current tax and deferred tax.

Income tax expense is recognized in the statement of comprehensive income except to the extent that it relates to items recognized in other comprehensive income or directly in equity (if any), in which case the tax amounts are recognized directly in other comprehensive income or equity.

Current tax

Current tax is the expected tax payable on the taxable income for the period; calculated using rates enacted or substantively enacted by the end of the reporting period. The calculation of current tax takes into account tax credit and tax rebates, if any, and is inclusive of any adjustment to income tax payable or recoverable in respect of previous periods.

Deferred tax

A deferred tax liability is recognized for all temporary differences that are expected to increase taxable profit in the future. Deferred tax assets are recognized for all temporary differences that are expected to reduce taxable profit in the future, and the carry forward of unused tax losses.

The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities using the tax rates enacted at the balance sheet date.

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**LA MERCANCIA (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

Judgment and estimates

Significant judgment is required in determining the income tax expenses and corresponding provision for tax. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business.

Further, the carrying amount of deferred tax assets is reviewed at each reporting date and is adjusted to reflect the current assessment of future taxable profits. If required, carrying amount of deferred tax asset is reduced to the extent that it is no longer probable that sufficient taxable profits to allow the benefit of part or all of that recognized deferred tax asset to be utilized. Any such reduction shall be reversed to the extent that it becomes probable that sufficient taxable profit will be available.

3.7 Off-setting

Deferred tax assets and liabilities are offset if there is a legally enforceable right to set off current tax assets against current tax liabilities, and they relate to income taxes levied by the same tax authority.

3.8 Provisions

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

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

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

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

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

3.9 Contingent liabilities

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

3.10 Off-setting of financial assets and liabilities

Financial assets and financial liabilities are off-set and the net amount is reported in the statement of financial position if the Company has a legally enforceable right to set-off the recognized amounts and intends either to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

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LA MERCANCIA (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

3.11 Revenue recognition

Revenue is recognized to the extent the Company has delivered goods or rendered services under an agreement, the amount of revenue can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the Company.

Revenue is measured at the fair value of the consideration received or receivable, exclusive of sales tax and trade discounts.

Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have been transferred to the buyer. This is usually at the point that the customer has signed for the delivery of the goods.

Rendering of services

Revenue from rendering of services is recognised in proportion to the stage of completion of transaction at the reporting date. The stage of completion is based on the survey of the work performed.

3.12 Related party transaction

All transactions involving related parties arising in the normal course of business are conducted at arm's length at normal commercial rates on the same terms and conditions as third party transactions using valuation modes, as admissible, except in extremely rare circumstances where, subject to the approval of the Board of Directors, it is in the interest of the Company to do so.

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LA MERCANCIA (PRIVATE) LIMITED
Notes to the Financial Statements
For the year ended 30 June 2023

4 Property, plant and equipment

	Land	Furniture and fixtures	Office equipment	Computers and accessories	Other fixed assets	Total
	(Rupees)					
Cost	20,030,000	75,200	71,500	25,400	82,130	20,284,230
Accumulated depreciation		(75,200)	(71,500)	(25,400)	(82,130)	(254,230)
Carrying amount as at 01 July 2022	20,030,000	-	-	-	-	20,030,000
Depreciation charge for the year	-	-	-	-	-	-
Carrying amount as at 30 June 2023	20,030,000	-	-	-	-	20,030,000

The carrying amount as at 30 June 2023 is aggregate of:

Cost	20,030,000	75,200	71,500	25,400	82,130	20,284,230
Accumulated depreciation	-	(75,200)	(71,500)	(25,400)	(82,130)	(254,230)
Carrying amount as at 30 June 2023	20,030,000	-	-	-	-	20,030,000
Rate of depreciation per annum (%)	15	15	30	10		

4.1 In April 2013, the Company purchased plot No. 250 measuring (30X60), Street No. 230, Jinnah Garden, Islamabad, for Rs. 10,000,000/- and Apartment No. 208 B, Awami II Khalid Block, Bahria Town Phase VIII, Rawalpindi for Rs. 10,030,000/-. With the approval of Board through Board resolution dated April 05, 2013 both the properties were purchased in the name of Director/Chief Executive Mr. Muhammad Irfan, in a fiduciary position.

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LA MERCANCIA (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 (Rupees)	2022 (Rupees)
5 Long term deposits			
Membership deposits		2,500,000	2,500,000
Security deposits with PMEX		500,000	500,000
		<u>3,000,000</u>	<u>3,000,000</u>
6 Trade and other receivables			
Receivables from PMEX		64,538	125,129
		<u>64,538</u>	<u>125,129</u>
7 Bank balance			
Cash at bank:			
Pak Rupee - current account		25,104	21,948
Cash in hand		111,500	-
		<u>136,604</u>	<u>21,948</u>

8 Issued, subscribed and paid up capital

8.1 Authorized share capital

Authorized share capital comprises of 2,270,000 (2022: 2,270,000) Ordinary shares of Rs. 10/- each.

8.1.1 All ordinary share holders have same rights regarding voting, board election, right of first refusal and block voting.

	2023 (Rupees)	2022 (Rupees)
8.2 Issued, subscribed and paid-up capital		
Issued, subscribed and paid up capital comprise of:		
2,250,000 ordinary shares (2,250,000 : 10 ordinary shares) of Rs. 10/- each	22,500,000	22,500,000
	<u>22,500,000</u>	<u>22,500,000</u>

8.2.1 The breakup of ordinary share capital is as follows:

	2023 (Numbers)	2022 (Numbers)	2023 Rupees	2022 Rupees
Ordinary shares of Rs. 10/- each paid in cash	2,250,000	2,250,000	22,500,000	22,500,000
	<u>2,250,000</u>	<u>2,250,000</u>	<u>22,500,000</u>	<u>22,500,000</u>

8.2.2 Reconciliation of number of shares outstanding

	2023	2022
Ordinary shares		
Number of shares outstanding at the beginning of the year	2,250,000	2,250,000
Issued for cash	-	-
Issued for consideration other than cash	-	-
Number of shares outstanding at the end of the year	<u>2,250,000</u>	<u>2,250,000</u>

9 Long term payables

Due to Directors;

Muhammad Irfan	1,150,000	1,150,000
Maqsood Sultan	1,150,000	1,150,000
	<u>2,300,000</u>	<u>2,300,000</u>

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9.1 These are unsecured and interest free loans. Repayments terms have not been decided so far, however, the Directors and members of the Company have confirmed that the repayment will not be demanded within twelve months from the statement financial position date.

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LA MERCANCIA (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

10	Accrued expenses	Note	2023 (Rupees)	2022 (Rupees)
	Audit fee payable		115,000	115,000
	Withholding income tax payable		11,500	-
			<u>126,500</u>	<u>115,000</u>
11	Current tax liability			
	Opening balance		1,564	-
	Less: Income tax paid/deducted during the year		(1,564)	-
	Add: provision for the year	15	22,631	1,564
	Balance at end of year		<u>22,631</u>	<u>1,564</u>
12	Contingencies and commitments			
	There is no contingency and commitment as at statement of financial position date (2022 : Nil).			
13	Other income			
	Commission		1,810,502	125,129
			<u>1,810,502</u>	<u>125,129</u>
14	Administrative expenses			
	Staff salaries		744,000	-
	Communication expense		126,033	-
	Office rent		480,000	-
	Printing and stationery		26,550	-
	Fee and subscription		-	100,000
	Professional fee		-	75,000
	Auditor's remuneration:	14.1	115,000	115,000
	Repair and maintenance		46,820	-
	Vehicle running and maintenance		132,000	-
	Depreciation	4	-	8,213
	Entertainment		87,220	11,100
	Miscellaneous		8,437	3,514
			<u>1,766,060</u>	<u>312,827</u>
14.1	Auditor's remuneration:			
	Audit fee		100,000	100,000
	Services tax		15,000	15,000
			<u>115,000</u>	<u>115,000</u>
15	Income tax expense			
	Current tax	15.1	22,631	1,564
	Prior year		313	-
			<u>22,944</u>	<u>1,564</u>

15.1 Current tax provision has been made under section 113 of the Income Tax Ordinance, 2001.

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LA MERCANCIA (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

16 Financial instruments

	Fair value through Profit or loss		Amortization cost		Total	
	2023	2022	2023	2022	2023	2022
.....(Rupees).....						
Financial assets						
Long term deposits	-	-	3,000,000	3,000,000	3,000,000	3,000,000
Trade and other receivables	-	-	64,538	125,129	64,538	125,129
Bank balances	-	-	136,604	21,948	136,604	21,948
	-	-	<u>3,201,142</u>	<u>3,147,077</u>	<u>3,201,142</u>	<u>3,147,077</u>
Financial liabilities						
Long term payables	-	-	2,300,000	2,300,000	2,300,000	2,300,000
Accrued expenses	-	-	126,500	115,000	126,500	115,000
	-	-	<u>2,426,500</u>	<u>2,415,000</u>	<u>2,426,500</u>	<u>2,415,000</u>

17 Related party transactions

Related parties comprise subsidiaries, associated companies, companies where directors also hold directorship, retirement benefits and key management personnel. The year end balance with related party is mentioned in note 9 to the financial statements. Significant transactions with related parties during the year are as follows:

Name of the related party	Relationship and percentage of shareholding	Transactions during the year	2023 (Rupees)	2022 (Rupees)
Muhammad Irfan	Director	Expenses made on behalf of company	-	100,000
Maqsood Sultan	Director	Expenses made on behalf of company	-	100,000

Outstanding balances of related parties as at June 30, 2022 are included in note 9.

18 Remuneration of Chief Executive, Directors and Executives

No amounts have been charged in these financial statements in respect of remuneration of Chief Executive Officer, directors and executives.

	2023 (Number)	2022 (Number)
19 Number of employees		
Total number of employees at the year end	2	-
Average number of employee during the year	2	-

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**LA MERCANCIA (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

20 General

20.1 Subsequent events

There is no any subsequent event after the reporting date which may affect the going concern of the Company.

21 Authorization for issue

These financial statements were approved by the Company's board of directors and authorized for issue on _____

NSW 13 NOV 2023



CHIEF EXECUTIVE OFFICER



DIRECTOR