



**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBER OF GOLDFIN LIMITED
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENT**

Opinion

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

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

We understand that there will be no other information accompanying the financial statement. Accordingly, we do not have any obligation to report on such information.

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 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 the 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 and other 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 Bushra Sana ACA.

Date: 3rd October, 2023
UDIN: AR202310278UHPTja9Wf

Rafiq Hussain & Co.
Rafiq Hussain & Co.
Chartered Accountants
Lahore

GOLDFIN LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2023

ASSETS	Note	2023 Rupees	2022 Rupees
NON CURRENT ASSETS			
Property and equipment	4	9,609,883	3,386,888
Intangible asset	5	403,214	628,477
Long term deposits	7	440,000	200,000
Deferred tax asset	8	7,004,744	-
		<u>17,457,841</u>	<u>4,215,365</u>
CURRENT ASSETS			
Receivable against loans-net of provision	9	54,965,000	38,470,000
Advances, deposits and other receivables	10	52,513,844	3,643,536
Prepayments	11	1,147,926	-
Short-term investment	12	40,000,000	10,000,000
Accrued profit on investments and deposits	13	2,608,834	506,849
Tax refund due from the government	14	1,558,931	365,318
Cash and bank balances	15	42,071,136	4,647,153
		<u>194,865,672</u>	<u>57,632,856</u>
TOTAL ASSETS		<u><u>212,323,513</u></u>	<u><u>61,848,221</u></u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized capital	16	<u>1,000,000</u>	<u>1,000,000</u>
Issued, subscribed and paid-up capital	17	137,250	110,180
Share premium	18	226,228,959	31,409,495
Revenue reserves	SOCE	(17,372,832)	(15,226,112)
		<u>208,993,377</u>	<u>16,293,563</u>
SHARE DEPOSIT MONEY	19	-	35,001,006
CURRENT LIABILITIES			
Running finance facility	20	-	8,482,547
Trade and other payables	21	2,718,841	1,804,298
Markup accrued		-	219,838
Provision for taxation	22	611,295	46,969
		<u>3,330,136</u>	<u>10,553,652</u>
CONTINGENCIES AND COMMITMENTS	23	-	-
TOTAL EQUITY AND LIABILITIES		<u><u>212,323,513</u></u>	<u><u>61,848,221</u></u>

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

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Tauq Mithor
CHIEF EXECUTIVE


DIRECTOR

GOLDFIN LIMITED
STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 Rupees	2022 Rupees
INCOME			
Markup income	24	13,095,150	3,413,603
Service income	25	2,264,218	378,872
Profit on savings accounts	26	2,489,590	11,077
Profit on term deposit receipts	27	2,326,644	752,697
Other income	28	973,213	-
		21,148,815	4,556,249
EXPENSES			
Operating expenses	29	(28,057,835)	(14,969,707)
Finance charges	30	(1,631,150)	(707,160)
		(29,688,984)	(15,676,867)
Operating loss before taxation		(8,540,169)	(11,120,618)
Taxation-net	31	6,393,449	(46,969)
Net loss after taxation		(2,146,720)	(11,167,587)
Other comprehensive income..			
Items that may be reclassified subsequently to profit or loss		-	-
Items that will not be reclassified subsequently		-	-
		-	-
Total comprehensive income		(2,146,720)	(11,167,587)
Earnings/(Loss) per share - basic and diluted	32	(172.05)	(1,066.77)

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

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Tariq Mohor
CHIEF EXECUTIVE

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DIRECTOR

GOLDFIN LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2023

PARTICULARS	Issued subscribed and paid-up capital	Capital Reserves-Share premium	Revenue Reserves- Accumulated profit/(loss)	Total
-----Rupees-----				
Balance as at June 30, 2021	100,000	-	(4,058,525)	(3,958,525)
Issue of share capital	10,180	31,409,495	-	31,419,675
Loss for the year	-	-	(11,167,587)	(11,167,587)
Other comprehensive income	-	-	-	-
	10,180	31,409,495	(11,167,587)	20,252,088
Balance as at June 30, 2022	<u>110,180</u>	<u>31,409,495</u>	<u>(15,226,112)</u>	<u>16,293,563</u>
Balance as at July 01, 2022	110,180	31,409,495	(15,226,112)	16,293,563
Issue of share capital	27,070	194,819,464	-	194,846,534
Loss for the year	-	-	(2,146,720)	(2,146,720)
Other comprehensive income	-	-	-	-
	27,070	194,819,464	(2,146,720)	192,699,814
Balance as at June 30, 2023	<u><u>137,250</u></u>	<u><u>226,228,959</u></u>	<u><u>(17,372,832)</u></u>	<u><u>208,993,377</u></u>

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

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Tanig Mithal
CHIEF EXECUTIVE

[Signature]
DIRECTOR

GOLDFIN LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023

PARTICULARS	Note	2023 Rupees	2022 Rupees
CASH FLOW FROM OPERATING ACTIVITIES			
Loss before taxation		(8,540,169)	(11,120,618)
Adjustments for non cash items:			
Finance cost	30	1,533,961	707,160
Profit on term deposit receipt	27	(2,326,644)	(752,697)
Profit on saving account	26	(2,489,590)	-
Depreciation on property and equipment	29	1,137,945	960,716
Amortization on intangible assets	29	225,263	47,312
Gain on exchange rate difference	28	(973,213)	-
Cash flow before changes in working capital		(11,432,447)	(10,158,126)
Working capital changes:			
Increase/(decrease) in current assets:			
Receivables against loans - net of provision	9	(16,495,000)	(38,470,000)
Advances, deposits and other receivables	10	(50,238,634)	(3,911,555)
		(66,733,634)	(42,381,555)
Increase/(decrease) in current liabilities:			
Trade and other payables	21	1,478,869	259,519
Accrued markup		(219,838)	-
Finance cost paid		(1,631,150)	(556,903)
Taxes paid		(514,106)	(37,220)
Net cash generated from operating activities		(79,052,307)	(52,874,285)
CASH FLOWS FROM INVESTING ACTIVITIES			
Property and equipment	4	(7,360,940)	(320,573)
Long term deposits	7	(240,000)	-
Short-term investments	12	(30,000,000)	-
Accrued profit received on short-term investments		2,714,249	245,848
NET CASH USED IN INVESTING ACTIVITIES		(34,886,691)	(74,725)
CASH FLOWS FROM FINANCING ACTIVITIES			
Running finance facility received / (paid)	20	(8,482,547)	5,913,702
Proceeds from issuance of shares		159,845,528	31,419,675
Increase / (decrease) in share deposit money	19	-	19,830,325
NET CASH FLOWS FROM FINANCING ACTIVITIES		151,362,981	57,163,702
Net (decrease) / increase in cash and cash equivalents		37,423,983	4,214,692
Cash and cash equivalents at the start of the year		4,647,153	432,461
CASH AND CASH EQUIVALENTS AT END OF YEAR	36	42,071,136	4,647,153

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


Tanig MTHW
CHIEF EXECUTIVE


DIRECTOR

GOLDFIN LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

1 CORPORATE AND GENERAL INFORMATION

1.1 LEGAL STATUS AND OPERATIONS

GoldFin Limited (GoldFin) is a licensed Non-Banking Finance Company (NBFC) for the Investment Finance Services. It was incorporated in Pakistan on 17 February 2020 as a Private Limited Company under Companies Act, 2017. It was converted into Public Limited Company on July 06, 2022 in compliance with the precedent condition to form a NBFC. Later, it was granted the NBFC license by SECP on 09 June 2023 for the Investment Finance Services.

Presently, GoldFin's principal line of business consists of gold backed loans (GBL). It serves as a premier platform that facilitates banks /FIs to offer GBL products to their customers in partnership / collaboration with GoldFin. At the same time GoldFin has its own organic business to offer GBL. With progress in business; GoldFin intends to enlarge the scope of its products suite.

The Registered office of the Company is situated at 264, Street 16, Sector AA, DHA, Phase 4, Lahore. The operational Head Office of the Company is situated at 280 Khursheed Plaza, Maulana Shaukat Ali Road , Kot Lakhpat. Lahore.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

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

- Provisions of and directives issued under the Companies Act 2017; and

- Provisions of the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), and Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations); and

- Where the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules and the NBFC Regulations differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, the NBFC Rules, and the NBFC Regulations have been followed.

3 NEW AND AMENDED STANDARDS AND INTERPRETATIONS BECOME EFFECTIVE

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

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GOLDFIN LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

	(Annual periods beginning on or after)
Amendment to IFRS 16 'Leases' - Covid-19 related rent concessions extended beyond 30 June 2021	01 April 2021
Amendments to IFRS 3 'Business Combinations' - Reference to the conceptual framework	01 January 2022
Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before intended use	01 January 2022
Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts — cost of fulfilling a contract	01 January 2022
Annual Improvements to IFRS Standards 2018-2020 Cycle (related to IFRS 9, IFRS 16 and IAS 41)	01 January 2022

3.1 STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS THAT ARE NOT YET EFFECTIVE

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

Standard or Interpretation	Effective Date (Annual periods beginning on or after)
IAS 1 – Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of accounting policies.	01 January 2023
IAS 1 – Amendments to IAS 1 'Presentation of Financial Statements' - Classification liabilities as current or non-current.	01 January 2024
IAS 8 – Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of accounting estimates.	01 January 2023
IFRS 16 – Amendments to IFRS 16 'Leases' - clarification on how seller-lessee subsequently measures sale and leaseback transactions.	01 January 2024
IAS 12 – Amendments to 'IAS 12 Income Taxes' - deferred tax related to assets and liabilities arising from a single transaction.	01 January 2023
IFRS 10 and IAS 28 – Amendments to IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture.	Deferred indefinitely
IFRS 3 – Amendments to 'IAS 12 Income Taxes' -International Tax Reform — Pillar Two Model Rules	01 January 2023

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GOLDFIN LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

IFRS 4	– Insurance Contracts – Extension of the Temporary Exemption from Applying IFRS 9 (Amended)	01 January 2023
IFRS 9	– Financial Instruments – Annual Improvements to IFRS Standards 2020–2021 (Amended).	01 January 2023

3.1.1 Other than the aforesaid amendments, the IASB has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

IFRS 1	– First Time Adoption of International Financial Reporting Standards
IFRS 17	– Insurance Contracts

The Company expects that the adoption of the above standard will have no material effect on the Company's financial statements in the initial period of application.

3.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared under the historical cost convention except as otherwise stated in the respective policies / notes. These financial statements have been prepared under accrual basis of accounting except for cash flow information.

3.3 BASIS OF MEASUREMENT

The preparation of financial statements in conformity with approved accounting standards, which requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and related assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. The estimates and related assumptions are reviewed on an ongoing basis. Accounting estimates are revised in the period in which such revisions are made and in any future periods affected.

Significant areas requiring the use of management estimates in these financial statements relate to the useful life of depreciable assets, provision for doubtful receivables. However, assumptions and judgments made by management in the application of accounting policies that have significant effect on the financial statements are not expected to result in material adjustment to the carrying amounts of assets and liabilities in the next year.

Judgment made by management in the application of approved standards that have significant effect on the financial statements and estimates with a risk of material adjustment as highlighted and applied in the subsequent policy notes.

3.4 PROPERTY & EQUIPMENT

3.4.1 OWNED

All the Property, Plant and Equipment have been valued at cost less accumulated depreciation and accumulated impairment losses (if any), Capital Work In Progress which are stated at cost. Cost includes purchase price and all incidental expenses incurred up to the date of the asset is available for use. The Capital Work In Progress is transferred to fixed assets as and when assets are available for intended use. All expenses including borrowing costs, if any, as per IAS-23, will be capitalized at the time when these assets will be available for utilization.

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GOLDFIN LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Depreciation on property, plant and equipment is charged as an expense on straight line over its estimated useful life so as to write off the historical cost of an asset at the life specified. Depreciation on additions is charged on the basis of number of months commencing from the month at which assets becomes available for use, while on disposals, depreciation is charged up to the month of deletion. The assets' residual values and useful lives are reviewed at each financial year end and adjusted if the impact on depreciation is significant.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are charged as an expense during the period in which they are incurred.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and carrying amount of the asset) is included in the other income / expense in the year the asset is derecognized.

3.5 CAPITAL WORK IN PROGRESS

This represents cost / expenditures, if any, incurred on non-current assets during the installation / erection period. These are transferred to property and equipment as and when the assets are available for use.

3.6 INTANGIBLE ASSETS

Intangible assets, which are non-monetary assets without physical form, are recognized at cost, which comprise purchase price, non-refundable purchase taxes and other directly attributable expenditures relating to their implementation and customization. After initial recognition, an intangible asset is carried at cost less accumulated amortization and impairment losses, if any. Intangible assets are amortized on straight line basis over its estimated useful life over which economic benefits are expected to flow to the Company. Full amortization is charged during the year when the asset is available for use and no amortization is charged in the year of disposal.

3.7 IMPAIRMENT OF ASSETS

An assessment is made at each statement of financial position date to determine whether there is any indication of impairment or reversal of previous impairment, including items of property, plant and equipment and intangible assets. In the event that an asset's carrying amount exceeds its recoverable amount, the carrying amount is reduced to recoverable amount and an impairment loss is recognized in the statement of income and expenditure. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount, however not to an amount higher than the carrying amount that would have been determined (net of amortization or depreciation), had no impairment losses been recognized for the asset in prior years.

3.8 LONG TERM DEPOSITS

Long term deposits are stated at cost and are refundable or adjustable on maturity to the organization.

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GOLDFIN LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

3.9 TRADE AND OTHER RECEIVABLES

The Trade and other receivables are carried at original invoice or consideration amount of goods or services supplied less any provision or impairment loss based on a review of all outstanding amounts at year end.

3.10 PROVISION OF PAR (IMPAIRMENT OF LOAN PORTFOLIO)

NBFC and Notified Entities regulations, 2008 ('Regulations') requires the entity to classify its assets in a time based criteria and recognize impairment for non performing loans in accordance with Regulations 25 & 25A.

Specific provision - Regulation 25

Status	Loan in Arcars	Provision %
OAEM	30 days to 59 days	0%
Substandard	60 days to 89 days	25%
Doubtful	90 days to 179 days	50%
Bad	180 days or more	100%

General provision

The Company, in light of the regulation has assessed not to maintain the general provisions in respect of loan portfolio because of the highly liquid collateral maintained by the Company in the form of gold.

3.11 FINANCIAL INSTRUMENTS

All the financial assets and liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. Any gain or loss on the recognition and derecognition of the financial assets and liabilities are included in the income currently. Financial assets and liabilities are offset and the net amount is reported in the financial statements where there is a legally enforceable right to set-off the recognized amounts and the Company intends to either settle on a net basis, or to realize the asset and settle the liability simultaneously.

3.11.1 Financial Assets

a) Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at fair value through Profit or loss and other comprehensive income. The classification of financial asset at initial recognition depends on the financial assets contractual cash flows characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financial component or for which the Company has applied the practical expedient, the Company initially measures financial asset at its fair value plus, in case of financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under IFRS 15.

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GOLDFIN LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI. It needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. The Company's business model for managing financial asset refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets or both. Purchases or sales of the financial assets that require delivery of assets within a time frame established by regulation or convention in a market place (regular way trades) are recognized on the trade date, i.e. the date that the Company commits to purchase or sell the assets.

b) Subsequent measurement

For purposes of subsequent measurement financial assets are classified in two categories:

- i) Financial assets at amortized cost (debt instruments).**
- ii) Financial assets at fair value through profit or loss**

Financial assets at amortised cost (debt instruments)

This category is the most relevant to the Company. The Company measures financial assets at amortized cost if both of the following conditions are met:

The financial asset is held within a business model with the objective 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 financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Company's financial assets at amortised cost includes trade and other receivables.

c) Derecognition

A financial asset (or where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either,
 - a) The Company has transferred substantially all the risks and rewards of the asset, or
 - b) The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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GOLDFIN LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

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 recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

3.11.2 Financial liabilities

a) Initial recognition and measurement

Financial Liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables.

All financial liabilities are recognized initially at fair value and in the case of loans and borrowings and payables, net of directly attributable transaction costs.

b) Subsequent measurement

Financial Liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial Liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedge instruments.

Gains or losses on liabilities held for trading are recognized in statement of profit or loss. Financial Liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition and only if the criteria in IFRS 9 are satisfied. The Company has not designated any financial liability as at fair value through profit or loss.

c) Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The differences in the respective carrying amounts is recognized in the statement of profit or loss and other comprehensive income.

3.11.3 Off-setting of financial assets and financial liabilities

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

3.12 SHORT TERM INVESTMENTS

Investments classified as held to maturity are recognized initially at fair value, plus attributable transaction costs. Subsequent to initial recognition, these are measured at amortised cost using the effective interest method.

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GOLDFIN LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

3.13 CONTINGENCY AND COMMITMENTS

The Company reviews the status of all pending litigations and claims against the Company. Based on judgment and advice of legal advisors for the estimated financial outcome and accordingly appropriate disclosures or provisions are made. The actual outcome of these liabilities and claims can have effects on the carrying amounts of liabilities recognized in these financial statements.

3.14 EARNING PER SHARE

Basic EPS is calculated by dividing the profit and loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by adjusting basic EPS by the weighted average number of ordinary shares that would be issued on conversion of all dilutive potential ordinary shares into ordinary shares and post-tax effect of changes in profit and loss attributable to ordinary shareholders of the Company that would result from conversion of all dilutive potential ordinary shares into ordinary shares.

3.15 CASH & CASH EQUIVALENTS

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of statement of cash flows, cash and cash equivalents comprise cash in hand, cash with banks on current and savings accounts, revolving fund as imprest account.

3.16 TRADE & OTHER PAYABLES

Liabilities for payables are initially recognized at fair value which is normally the transaction cost.

3.17 REVENUE RECOGNITION

- a) Return on finances provided, placements and government securities are recognized on accrual basis.
- b) Income from Processing of loan is charged to the customers to cover up the expenses of customers on boarding, verification and loan processing.
- c) Service income is realized for the Collateral Management Services provided to the business partners.
- d) Capital gains or losses arising on sale of investments are taken to income in the period in which they arise.
- e) Reversal of provision is recognized as per requirement of NBFC regulation.
- f) Income on bank deposits are recognized on accrual basis.

3.18 TAXATION

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

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GOLDFIN LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

a) Current taxation

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. The management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. The tax charge also includes adjustments, where necessary, relating to prior years which arise from assessments finalized during the year.

b) Deferred tax

Deferred tax is accounted for using the statement of financial position liability method in respect of all temporary differences arising from differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax base used in the computation of the taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profit shall be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized. Income subject to final tax regime is also considered in accordance with the requirements of Technical Release-27 of Institute of Chartered Accountants of Pakistan.

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

3.19 RELATED PARTY TRANSACTIONS

All transactions with related parties are made at arm's length prices determined in accordance with comparable uncontrolled price method. Parties are said to be related if they are able to influence the operating and financial decisions of the Company and vice versa.

The related parties and associated undertakings comprise associated companies, companies in which directors are interested, staff retirement funds, directors and key management personnel.

3.20 SHARE CAPITAL AND PREMIUM

Ordinary shares are classified as equity and are recognized at their face value. Excess of amounts received and face value of shares issued to be classified as share premium in statement of financial position.

3.21 FOREIGN CURRENCY TRANSLATION

Foreign currency transactions are converted into rupees at the rates of exchange approximating to those ruling at the date of transaction. Monetary assets and liabilities in foreign currencies have been translated into rupees at the rates of exchange approximating those ruling at the statement of financial position date except for liabilities covered under forward exchange contracts which are translated at the contracted rates. Exchange gains or losses are included in income of the period in which they arise.

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GOLDFIN LIMITED
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FOR THE YEAR ENDED JUNE 30, 2023

4 PROPERTY AND EQUIPMENT

Operating fixed assets-tangible	PARTICULARS					Total
	Computers and Printers	Office Improvements	Furniture and fixtures	Equipments		
-----Rupees-----						
At 30 June 2022						
Cost	469,450	1,094,093	1,463,687	1,184,235		4,211,465
Accumulated depreciation	(26,081)	(50,339)	(69,131)	(38,882)		(184,433)
Net book value	443,369	1,043,754	1,394,556	1,145,353		4,027,032
Additions	176,600	-	112,173	31,800		320,573
Transfers from movement in office work during the year (Note 6)	-	-	-	-		-
Disposals / transfers	-	-	-	-		-
Cost	-	-	-	-		-
Adjustment for depreciation	-	-	-	-		-
Net book value	(195,694)	(218,819)	(305,260)	(240,944)		(960,717)
Depreciation charge for the year	424,275	824,935	1,201,469	936,209		3,386,888
Net book value as at 30 June 2022	287,000	165,623	3,025	1,403,200		1,858,848
Additions	-	2,482,609	3,019,483	-		5,502,092
Transfers from movement in office work during the year (Note 6)	-	-	-	-		-
Disposals / transfers	-	-	-	-		-
Cost	-	-	-	-		-
Depreciation	-	-	-	-		-
Net book value	(237,072)	(263,246)	(371,030)	(266,597)		(1,137,945)
Depreciation charge for the year	474,203	3,209,921	3,852,947	2,072,812		9,609,883
Net book value as at 30 June 2023	933,050	3,742,325	4,598,368	2,619,235		11,892,978
Cost	(458,847)	(532,404)	(745,421)	(546,423)		(2,283,095)
Accumulated depreciation	474,203	3,209,921	3,852,947	2,072,812		9,609,883
Net book value as at 30 June 2023						

Useful life in years 2022

Useful life in years 2023

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 Rupees	2022 Rupees
5 INTANGIBLE ASSET			
Net carrying value basis:			
Opening net book value		628,477	675,789
Additions		-	-
Amortization charge for the year		(225,263)	(47,312)
Net book value		<u>403,214</u>	<u>628,477</u>
Gross carrying value basis:			
Cost		675,789	675,789
Accumulated amortization		(272,575)	(47,312)
Net book value		<u>403,214</u>	<u>628,477</u>
Useful life in years		<u>3</u>	<u>3</u>

5.1 This represents software used by internal management and is being amortized over it's useful life.

6 Movements in office work

Opening Balance		-	-
Addition during the year		5,591,330	-
Transferred to operating fixed assets	6.1	(5,502,092)	-
Expensed out during the year		(17,391)	-
Transferred to advance against expenses		(71,847)	-
		<u>-</u>	<u>-</u>
6.1 Transferred to operating fixed assets represented by:			
Office Improvements		2,482,609	-
Furniture and fixtures		3,019,483	-
		<u>5,502,092</u>	<u>-</u>

7 LONG TERM DEPOSITS

Opening balance		200,000	200,000
Addition during the year		240,000	-
Closing balance		<u>440,000</u>	<u>200,000</u>

7.1 This includes long term security deposit for the Head Office building situated at 280, Khursheed Plaza, Maulana Shaukat Ali Road, Kotlakhpat, Lahore.

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8 DEFERRED TAX ASSET	Note	2023 Rupees	2022 Rupees
Deferred tax comprises of the following:			
Deferred tax asset on taxable temporary differences			
Property and equipment		(128,423)	-
Intangible assets		(25,803)	-
		<u>(154,226)</u>	<u>-</u>
Deferred tax asset on deductible temporary differences			
Business loss		7,112,001	-
Minimum Tax - 2022		46,969	-
		<u>7,158,970</u>	<u>-</u>
Deferred tax asset as at 30 June 2023		<u><u>7,004,744</u></u>	<u><u>-</u></u>

- 8.1 The Company has an aggregate amount of deferred tax assets of Rs. 7.004 million (2022: Rs. Nil million) which represents management's best estimate of the probable benefits expected to be realized in future years in the form of reduced tax liability as the Company would be able to set off the profits earned in those years against taxable temporary differences relating to prior years. The Company has prepared financial projections for future taxable profits, to assess the recoverability of deferred tax assets. The projections involve certain key management assumptions underlying the estimation of future taxable profits. The determination of future taxable profits is most sensitive to certain key assumptions such as raise of deposits, growth in customer base, investment returns, potential provision against assets, interest rates and expected recoveries of classified loans. Any significant change in such assumptions may have an effect on the recoverability of the deferred tax assets. The management believes that it is probable that the Company will be able to achieve the profits and consequently, the deferred tax asset will be fully realized in future.

9 RECEIVABLE AGAINST LOANS-NET OF PROVISION	Note	2023 Rupees	2022 Rupees
Micro credit (Secured)	9.1	<u><u>54,965,000</u></u>	<u><u>38,470,000</u></u>
9.1 Opening balance		38,470,000	-
Add: Disbursement during the year		63,210,000	42,190,000
Less: Repayments received during the year		(46,715,000)	(3,720,000)
Closing balance		<u><u>54,965,000</u></u>	<u><u>38,470,000</u></u>

9.2 MICRO-CREDIT RECEIVABLES

	2023		2022	
	Number	Rupees	Number	Rupees
Performing	283	54,965,000	244	38,470,000
Non-performing	-	-	-	-
	<u><u>283</u></u>	<u><u>54,965,000</u></u>	<u><u>244</u></u>	<u><u>38,470,000</u></u>

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Classification	Over due by	2023		
		Amount	Provisioning required	
		Rupees	% age	Rupees
OAEM	30 days or more	-	-	-
Sub-standard	60 days or more	-	25%	-
Doubtful	90 days or more	-	50%	-
Bad	180 days or more	-	100%	-
		-		-

9.3 Micro-credit receivables and service charges receivable

The Company's main measure of credit delinquency is an aged portfolio-at-risk ratio. Loans are separated into classes depending on the number of days they are over-due. For each such class of loan, the outstanding principal balance of such loan is divided by the outstanding principal balance of the gross loan portfolio. The aging analysis of the Company's micro-credit portfolio is as follows:

	2023		2022	
	Rupees	%age	Rupees	%age
Not yet due	54,965,000	100%	38,470,000	100%
Overdue by 60 days or more	-	0%	-	-
Overdue by 90 days or more	-	0%	-	-
Overdue by 180 days or more	-	0%	-	-
	54,965,000	100%	38,470,000	100%

10 ADVANCES, DEPOSITS AND OTHER RECEIVABLES	Note	2023	2022
		Rupees	Rupees
Advances to employees - considered good		335,737	16,000
Advances to Tez-Financials	10.1	38,185,000	-
Accrued markup on loans receivables		6,901,472	3,592,880
Other receivables	10.2	7,091,635	34,656
		52,513,844	3,643,536

10.1 This represents short term loan to Tez-financials services limited (a NBFC) through an agreement for a period of one year ("Term"), extendable for another year subject to mutual consent.

10.2 This includes short term receivables of Rs. **5,691,078** (Nil: 2022) from Golfin Pte. Ltd. Rs. **1,328,710** (34,656/- 2022) from different companies on account of formal service agreements and Rs. **71,847** (Nil: 2022) on account of advance against expenses.

11 PREPAYMENTS

Prepaid insurance	1,147,926	-
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GOLDFIN LIMITED
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FOR THE YEAR ENDED JUNE 30, 2023

12	SHORT TERM INVESTMENTS	Note	2023 Rupees	2022 Rupees
	Investment in term deposits receipts (TDR)		<u>40,000,000</u>	<u>10,000,000</u>
12.1	These represent short term deposits for tenure of 3 months and encashable/renewable at maturity carrying profit rate upto 21.5% (2022: 9.25%) per annum.			
13	ACCRUED PROFIT ON INVESTMENTS AND DEPOSITS			
	Accrued profit on investment		1,908,493	506,849
	Accrued profit on deposits		<u>700,341</u>	<u>-</u>
			<u>2,608,834</u>	<u>506,849</u>
14	TAX REFUND DUE FROM THE GOVERNMENT			
	Advance income tax	14.1	592,848	97,299
	Advance sales tax		<u>966,083</u>	<u>268,019</u>
			<u>1,558,931</u>	<u>365,318</u>
14.1	Advance Income tax			
	Opening balance		97,299	60,079
	Prior period adjustment		<u>30,750</u>	<u>-</u>
	Total		128,049	60,079
	Add: Advance tax deducted at source		511,768	37,220
	Less: Advance tax adjusted against tax liability		<u>(46,969)</u>	<u>-</u>
			<u>592,848</u>	<u>97,299</u>
15	CASH AND BANK BALANCES			
	Cash in hand		-	3,109
	Cash at bank - current accounts		6,942,856	1,600,832
	Cash at bank - savings accounts	15.1	<u>35,128,281</u>	<u>3,043,212</u>
			<u>42,071,136</u>	<u>4,647,153</u>
15.1	The savings accounts exhibits the rate of return upto 21.5% (2022: 9.25%).			
16	AUTHORIZED CAPITAL			
	100,000 (2022: 100,000) ordinary shares of Rs. 10/- each		<u>1,000,000</u>	<u>1,000,000</u>
17	ISSUED, SUBSCRIBED AND PAID-UP CAPITAL			
	13,725 ordinary shares (2022: 11,018 ordinary shares) of Rs. 10/- each fully paid in cash.			

All the shares are equivalent with respect to their residual rights to receive dividend, voting rights, board selection, rights of first refusal and block voting. Reconciliation of share capital at beginning and end of the year is as follows:

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17.1 CAPITAL

	As at 30 June			
	2023	2022	2023	2022
	No. of shares	No. of shares	Rupees	Rupees
Opening balance	11,018	10,000	110,180	100,000
Subscribed during the year	2,707	1,018	27,070	10,180
Closing balance	<u>13,725</u>	<u>11,018</u>	<u>137,250</u>	<u>110,180</u>

17.2 During the year the sponsors subscribed for 2,707 ordinary shares (2022: 1,018 ordinary shares). The pattern of shareholding of the Company as at 30 June 2023 is as follows:

	As at 30 June			
	2023	2022	2023	2022
	No. of shares	No. of shares	Rupees	Rupees
PATTERN OF SHAREHOLDING				
Planet N (Private) Limited	-	3,881	-	38,810
Mr. Tariq Mohar	1	3,673	10	36,730
Mr. Tariq Anwar	1	3,463	10	34,630
Syed Nadeem Hussain	-	1	-	10
GoldFin Pte. Ltd	17.3 <u>13,723</u>	-	<u>137,230</u>	-
	<u>13,725</u>	<u>11,018</u>	<u>137,250</u>	<u>110,180</u>

17.3 Goldfin Pte. Ltd. (HoldCo) is the Holding Company of GoldFin Limited and the shares have been transferred to GoldFin Pte. Ltd. in accordance with the shareholders' agreements with the GoldFin Pte. Ltd.

18 SHARE PREMIUM

The breakup of the premium received on ordinary shares is as follows:

	As at 30 June			
	2023	2022	2023	2022
	No. of shares	No. of shares	Rupees	Rupees
Planet N (Private) Limited	-	548	-	16,908,058
Mr. Tariq Mohar	-	340	-	10,490,401
Mr. Tariq Anwar	-	130	-	4,011,036
GoldFin Pte. Ltd.	<u>3,725</u>	-	<u>226,228,959</u>	-
	<u>3,725</u>	<u>1,018</u>	<u>226,228,959</u>	<u>31,409,495</u>

19 SHARE DEPOSIT MONEY

Mr. Tariq Mohar	-	35,001,006
	-	<u>35,001,006</u>

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The Company had received advance against issuance of shares from shareholders of the Company which has been adjusted against shares in capital of the Company. During the year previous period balances have been adjusted against the issuance of shares of the Company. The advances were unsecured, interest free and without any other obligation on the part of the Company.

20	RUNNING FINANCE FACILITY	Note	2023 Rupees	2022 Rupees
	From Banking Company	20.1	<u>-</u>	<u>8,482,547</u>
20.1	These represent credit facilities availed from Banking Company to meet running expenses of the Company under the maximum aggregate credit limit of Rs. 8.5 million (2022: Rs. 8.5 million). These carry markup payable quarterly Deposit rate + 1.5% p.a. (2022: Deposit rate + 1.5% p.a.). These are secured against lien over deposit in shape of TDR and/or in current account in the name of the Company and letter of lien & set off along with the debit authority. The facility has expired on 30 November 30 2022 and was renewable on expiry, However, it was not renewed and fully settled.			
21	TRADE AND OTHER PAYABLE	Note	2023 Rupees	2022 Rupees
	Accrued and other payables		778,037	1,792,128
	Withholding tax payable		557	12,170
	Contractual liabilities		<u>1,940,247</u>	<u>822,201</u>
			<u>2,718,841</u>	<u>1,804,298</u>
22	PROVISION FOR TAXATION			
	Provision for the year		<u>611,295</u>	<u>46,969</u>
23	CONTINGENCIES AND COMMITMENTS			
	The Company has no contingency and commitments as at 30 June 2023. (2022: nil).			
24	MARKUP INCOME			
	Markup income		<u>13,095,150</u>	<u>3,413,603</u>
25	SERVICE INCOME			
	Processing fees		975,725	343,922
	Service income from partnership loans		<u>1,288,493</u>	<u>34,950</u>
			<u>2,264,218</u>	<u>378,872</u>
26	PROFIT ON SAVINGS ACCOUNTS			
	Profit on saving account		<u>2,489,590</u>	<u>11,077</u>
26.1	This represents profit on saving accounts maintained with banking companies, the rate of return was upto 21.5% (2022 : 9.25%).			

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GOLDFIN LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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	Note	2023 Rupees	2022 Rupees
27 PROFIT ON SHORT TERM INVESTMENTS			
Profit on short term investments		<u>2,326,644</u>	<u>752,697</u>
28 OTHER INCOME			
Gain on exchange rate difference	28.1	<u>973,213</u>	<u>-</u>
28.1	This represents gain on the translation of receivables and payables in foreign currency at the closing exchange rate.		
29 OPERATING EXPENSES			
Salaries and allowances		15,708,977	7,565,874
Conveyance and travelling		98,158	204,495
Postage and courier		53,455	-
Rent, rates and taxes		2,465,110	1,229,000
Utility expenses		912,531	581,579
Advertisement and promotion		817,600	242,297
IT and website expenses		482,646	442,319
Legal and professional charges		1,417,343	138,606
Collateral insurance expense		1,105,729	1,265,129
Platform fee expense		141,894	521,352
Shroff fee		189,618	-
Repair and maintenance		257,990	71,346
Printing and stationery		372,937	83,570
Zakat deducted by bank		-	259,842
Audit fee	29.1	200,000	100,000
Security expense		1,810,316	1,056,430
Depreciation expenses		1,137,945	960,716
Amortization expense		225,263	47,312
Other general expenses		660,322	199,840
		<u>28,057,835</u>	<u>14,969,707</u>
29.1 Auditors' remuneration			
Annual audit fee		<u>200,000</u>	<u>100,000</u>
30 FINANCIAL CHARGES			
Markup on borrowings from banks		398,263	649,506
Markup on borrowings from associates		1,135,698	-
Bank charges		97,189	57,654
		<u>1,631,150</u>	<u>707,160</u>

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31 TAXATION-NET	Note	2023 Rupees	2022 Rupees
Taxation			
-Current year	31	(611,295)	(46,969)
-Prior year		-	-
Deferred tax			
-Deferred tax income		7,004,744	-
		<u>6,393,449</u>	<u>(46,969)</u>

31.1 Income tax return has been filed to the income tax authorities up to and including tax year 2022 under the provisions of the Income Tax Ordinance, 2001.

31.2 Provision for current year income tax represents fixed tax on bank deposits and minimum tax on turnover under section 113 of the Income Tax Ordinance, 2001 respectively, therefore, there is no relation between aggregate tax expense and accounting profit/(loss). Accordingly, no numerical reconciliation has been presented.

32 LOSS PER SHARE - BASIC & DILUTED	Note	2023 Rupees	2022 Rupees
Loss after taxation attributable to ordinary shareholders		(2,146,720)	(11,167,587)
Weighted average number of ordinary shares outstanding during the year	32.1	12,477	10,469
Loss per share		<u>(172.05)</u>	<u>(1,066.77)</u>

32.1 Earning/(Loss) per share

Loss per share has been computed by dividing Loss after taxation for the year by the weighted average number of shares outstanding during the year.

32.2 Diluted earnings/(loss) per share

The Company has not issued any instruments carrying options which would have an impact on earning/(loss) per share when exercised.

33 FINANCIAL INSTRUMENTS

The detail of financial instruments of the Company are as follows;

	MATURITY UPTO ONE YEAR		MATURITY AFTER ONE YEAR	
	2023 Rupees	2022 Rupees	2023 Rupees	2022 Rupees
FINANCIAL ASSETS				
Receivable against loans	54,965,000	38,470,000	-	-
Advances, deposits and other receivables	52,513,844	3,643,536	-	-
Prepayments	1,147,926	-	-	-
Short-term investment	40,000,000	10,000,000	-	-
Accrued profit on investments and receivables	2,608,834	506,849	-	-
Due from government authorities	1,558,931	365,318	-	-
Cash and bank balances	42,071,136	4,647,153	-	-
	<u>194,865,672</u>	<u>57,632,856</u>	<u>-</u>	<u>-</u>

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GOLDFIN LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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	MATURITY UPTO ONE YEAR		MATURITY AFTER ONE YEAR	
	2023	2022	2023	2022
	Rupees	Rupees	Rupees	Rupees
FINANCIAL LIABILITIES				
Running finance facility	-	8,482,547	-	-
Trade and other payables	2,718,841	1,804,298	-	-
Markup accrued	-	219,838	-	-
	<u>2,718,841</u>	<u>10,506,683</u>	<u>-</u>	<u>-</u>

33.1 Financial Instruments and Financial risk management

The Company's activities are exposed to a variety of financial risks namely credit risk, interest rate risk, foreign exchange risk and liquidity risk. Overall, risks arising from the Company's financial instruments are limited. Risk management is carried out by the Board of Directors (the Board). The Board provides for overall risk management, as well as policies covering specific areas in the following manner:

33.2 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The management attempts to control credit risk through monitoring credit exposures, limiting transactions with specific counterparties, and continuous assessing of the credit worthiness of counterparties.

The management monitors and limits bank's exposure to credit risk through monitoring of client's credit exposure, reviews and conservative estimates of allowance for expected credit losses on doubtful receivables, if any, and through the prudent use of collateral policy.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Note	2023 Rupees	2022 Rupees
Accrued markup on loans receivables	10	6,901,472	3,592,880
Other receivables	10	7,091,635	34,656
Short-term investment	12	40,000,000	10,000,000
Accrued profit on investments and deposits	13	2,608,834	506,849
Cash and bank balances	15	42,071,136	4,647,153

Credit quality of financial assets

Credit quality of financial assets is assessed by reference to external credit ratings, where available, or to historical information about counterparty default rates. All counterparties, with the exception of customers, have external credit ratings determined by various credit rating agencies. Credit quality of customers is assessed by reference to historical defaults rates and present ages.

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Long term and short term finances

The Company's receivables comprise receivables from corporate and individual customers. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer such as repayment behavior, credit loss history and available securities etc. The management also considers other relevant factors that may influence the credit risk of its customer base, including the default risk associated with the customer. The Company manages its credit risk inter alia by setting out credit limit in relation to individual customers, by obtaining securities against borrowers in shape of gold collateral and/or by providing impairment allowance against receivable balances.

33.3 Interest Rate Risk

Interest rate risk arises from the possibility that changes in interest rates will effect the value of financial instruments. The Company has no long-term interest-bearing assets. The Company's interest rate risk arises from short term borrowings.

At the balance sheet date the interest rate profile of the Company's interest bearing financial instruments was:

	Note	2023 Rupees	2022 Rupees
Floating rate instruments :			
Financial assets			
Bank balances - deposit accounts		35,128,281	3,043,212
Short term investments		40,000,000	10,000,000

Fair value sensitivity analysis for fixed rate instruments

loss. Therefore, a change in interest rate at the balance sheet date would not affect profit or loss of the Company.

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 after taxation for the year would have been Rupees 0.75 million higher (2022: 0.13 million) respectively. This analysis is prepared assuming the amounts of floating rate instruments outstanding at balance sheet dates were outstanding for the whole year.

33.4 Exchange

Foreign exchange risk arises mainly where the receivables and payables exist due to transactions with foreign undertakings. The Company is subject to foreign exchange risk against receivables as receivables from Goldfin Pte. Ltd. are made on advance payments.

33.5 Equity price risk

Equity price risk represents the risk that the fair value of equity investments will fluctuate because of changes in levels of indices, 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 currently not exposed to equity price risk.

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33.6 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.

33.7 Liquidity Risk

Liquidity risk is the risk that an enterprise will encounter difficulties in raising funds to meet commitments associated with financial instruments. Prudent liquidity risk management implies maintaining sufficient cash and bank balances and availability of funding through an adequate amount of committed credit facilities.

Financial liabilities in accordance with their contractual maturities are presented below:

	2023		
	Carrying Rupees	Contractual cash Rupees	Less than 1 year Rupees
Running finance facility	-	-	-
Trade and other payables	2,718,841	2,718,841	2,718,841
Markup accrued	-	-	-
	<u>2,718,841</u>	<u>2,718,841</u>	<u>2,718,841</u>
	2022		
	Carrying Rupees	Contractual cash Rupees	Less than 1 year Rupees
Running finance facility	8,482,547	8,482,547	8,482,547
Trade and other payables	1,804,298	1,804,298	1,804,298
Markup accrued	219,838	219,838	219,838
	<u>10,506,683</u>	<u>10,506,683</u>	<u>10,506,683</u>

33.8 Capital Risk Management

The Company's prime objectives when managing capital is to safeguard its ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain a strong capital base to support the sustained development of its business. The capital structure of the Company is mainly equity based with minimal level of financing. In order to maintain or adjust the capital structure, the Company may adjust the amount paid to shareholders, issue new shares or sell assets to reduce debts. The gearing ratio as at years ended June 30, 2023 and June 30, 2022 are as follows:-

	2023	2022
	Rupees	Rupees
Net debt / (surplus)	-	-
Total Equity	<u>208,993,377</u>	<u>16,293,563</u>
Total Capital	<u>208,993,377</u>	<u>16,293,563</u>
Gearing Ratio	<u>0%</u>	<u>0%</u>

33.9 Fair Value of Financial Instruments

The Carrying amounts of financial assets and financial liabilities approximate their fair values.

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34 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amount charged in these financial statements for remuneration, including certain benefits to the chief executive officer, executive and non executive directors of the Company, are as follows:

	Chief Executive Officer		Executive Directors		Non Executive Directors		TOTAL	
	2023	2022	2023	2022	2023	2022	2023	2022
Basic salary	1,050,000	-	2,835,000	1,092,000	-	-	3,885,000	1,092,000
House rent allowance	225,000	-	607,500	234,000	-	-	832,500	234,000
Medical Allowance	75,000	-	202,500	78,000	-	-	277,500	78,000
Utilities	150,000	-	405,000	156,000	-	-	555,000	156,000
Incentive	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Total	1,500,000	-	4,050,000	1,560,000	-	-	5,550,000	1,560,000
Number of persons	1	1	1	1	2	1		

35 RELATED PARTY TRANSACTIONS

Related parties comprise of major shareholders, associated companies, directors, key management personnel and their close relatives and entities where they can substantially influence the decisions of that related entity. The account balances due to/from related parties are appropriately disclosed in note 35.1 and remuneration to key management personnel is disclosed in note 34. The company in normal course of business carries out transactions with various related parties. Detail of the transactions with related parties, other than those which have been specifically disclosed elsewhere in these financial statements are as follows:

35.1 Transactions during the year

Transactions with related parties and associated undertakings other than remuneration and benefits to key management personnel under the term of employment are as follows:

Nature of Transaction	As of 30 June 2023				
	HoldCo	Associate	Key Management Personnel		
	GoldFin Pte. Ltd.	Planet N (Private) Limited	Mr. Tariq Mohar	Mr. Tariq Anwar	Syed Nadeem Hussain
	----- (Rupees) -----				
Share Capital					
Opening	-	38,810	36,730	34,630	10
Subscribed for new shares	12,400	-	-	-	-
Shares transferred to Goldfin Pte. Ltd.	124,830	(38,810)	-	(34,620)	(10)
Balance as at 30 June 2023	137,230	-	36,730	10	-

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GOLDFIN LIMITED
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Nature of Transaction	As of 30 June 2023				
	HoldCo	Associate	Key Management Personnel		
	GoldFin Pte. Ltd.	Planet N (Private) Limited	Mr. Tariq Mohar	Mr. Tariq Anwar	Syed Nadeem Hussain

(Rupees)

Share Premium Account

Opening	-	16,908,058	10,490,401	4,011,036	-
Premium on subscription of shares	141,487,600	-	53,331,864	-	-
Premium on transfer of shares	84,741,359	(16,908,058)	(63,822,265)	(4,011,036)	-
Balance as at 30 June 2023	226,228,959	-	-	-	-

Nature of Transaction	As of 30 June 2023				
	HoldCo	Associate	Key Management Personnel		
	GoldFin Pte. Ltd.	Planet N (Private) Limited	Mr. Tariq Mohar	Mr. Tariq Anwar	Syed Nadeem Hussain

(Rupees)

Share Deposit Money

Opening	-	-	35,001,006	-	-
New receipts	141,500,000	-	18,370,000	-	-
Subscription of	(141,500,000)	-	(53,346,533)	-	-
Surplus amount returned	-	-	(24,473)	-	-
Balance as at 30 June 2023	-	-	-	-	-

Nature of Transaction	As of 30 June 2023				
	HoldCo	Associate	Key Management Personnel		
	GoldFin Pte. Ltd.	Planet N (Private) Limited	Mr. Tariq Mohar	Mr. Tariq Anwar	Syed Nadeem Hussain

(Rupees)

Opening	-	-	-	-	-
Loan received during the year	-	18,000,000	9,000,000	12,000	-
Markup on borrowing	-	1,135,698	-	-	-
Repayment of principle and markup	-	(19,135,698)	(9,000,000)	(12,000)	-
Balance as at 30 June 2023	-	-	-	-	-

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The percentage of shareholding of the related parties at year end is as follows:

Name	Relationship	Basis of Relationship	% of Shareholding
GoldFin Pte. Ltd.	Holding Company	Shareholding	99.985%
Mr. Tariq Mohar	Executive Director	Shareholding	0.007%
Mr. Tariq Anwar	Executive Director	Shareholding	0.007%
			100%

36 CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the statement of cash flows comprise of the following :

	Note	2023 Rupees	2022 Rupees
Cash and bank balances	15	42,071,136	4,647,153
		2023	2022

37 NUMBER OF EMPLOYEES

Number of employees at the end of the year	18	14
Average number of employees during the year	15	12

38 CORRESPONDING FIGURES

Corresponding figures have been re-arranged and re-classified wherever necessary, for the purpose of better comparison. However, no material re-arrangement / re-classification has been made in these financial statements.

39 DATE OF AUTHORIZATION OF ISSUE

The financial statements were authorized for issue by the Board on 3.10.2023.

40 GENERAL

Figures have been rounded off to the nearest rupee.

Tariq Mohar
CHIEF EXECUTIVE

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[Signature]
DIRECTOR