



LSE FINANCE

LSE FINANCIAL SERVICES LIMITED

Half Yearly Report

For the period ended December 31, 2024.

COMPANY INFORMATION

Board of Directors

1. Mr. Habib Ur Rehman Gillani	Non-Executive Director/Chairman
2. Mr. Aftab Ahmad Ch.	Non-Executive Director
3. Mr. Amir Zia	Non-Executive Director
4. Mr. Muhammad Iqbal	Non-Executive Director
5. Ms. Aasiya Riaz	Non-Executive Director
6. Syed Jawwad Ahmad	Non-Executive Director
7. Syed Muhammad Talib Rizvi	Non-Executive Director
8. Mr. Amjad Ali Khan Khattak	Independent Director
9. Mr. Sohail Ahmed Awan	Independent Director
10. Mr. Sani e Mehmood	Independent Director
11. Ms. Huma Ejaz	Independent Director

Audit Committee

1. Ms. Huma Ejaz	Chairperson
2. Mr. Amir Zia	Member
3. Mr. Muhammad Iqbal	Member

Human Resource and Remuneration Committee

1. Mr. Sohail Ahmed Awan	Chairman
2. Mr. Aftab Ahmad Ch.,	Member
3. Syed Jawwad Ahmad	Member

Company Secretary

Mr. Inam Ullah

Chief Financial Officer

Mr. Sarmad Raheel

Auditors

Kreston Hyder Bhimji & Co. Chartered Accountant

Legal Advisor

Sayeed, Hafeez & Mirza Advocates

Share Registrar

CDC Share Registrar Services Limited
CDC House, 99-B, Block B, S.M.C.H.S.,
Main Shahra-e-Faisal, Karachi-74400.

Bankers

MCB Bank Limited
Bank Al Habib Limited
Habib Bank Limited
Bank Al Falah Limited

Registered Office

LSE Plaza, 19-Khayaban-e- Aiwan-e-Iqbal,
Lahore.

DIRECTORS' REVIEW REPORT

Dear Shareholders,

On behalf of the Board of Directors, we are pleased to present the Company's Condensed Interim Financial Statements for the half-year period ending December 31st, 2024, as reviewed.

During the period under consideration, the economic activities in Pakistan gained some recovery while showing some improvement due to the impact of fiscal measures taken by the government. Business confidence will also improve with credit rating upgrades, reduced political uncertainty, and fiscal tightening measures, such as the devolvement of constitutionally mandated expenditures to the provinces.

The Company underwent significant changes during this period. Shareholders approved surrendering the NBFS license and changing the company's primary business from NBFS to an investment company during a meeting on November 27, 2024.

The Board of Directors later approved a Scheme of Compromises, arrangement, and reconstruction ("The Scheme") with Digital Custodian Company Limited and its members on November 30, 2024. This scheme was filed with the Lahore High Court through a Court Order (C.O. No. 75382/2024).

To finalize these changes, shareholders unanimously approved ("the Scheme") during an Extraordinary General Meeting on December 28, 2024. This meeting was presided over by two court-appointed chairmen, ensuring the legitimacy and transparency of the process.

Financial Performance

The financial highlights of the half yearly reviewed Condensed Interim Financial Statements of the Company for the period ended December 31st, 2024, in comparison with the corresponding period of the previous year are as follows:

Financial Highlights	Dec-2024	Dec-2023
	Rupees in "000"	
Revenue	15,931	28,815
Other Income	12,070	10,390
Income from Associates	6,542	-
Operating expenditures	(20,440)	(27,867)
Profit/ (Loss) before Taxation	14,103	11,338
Taxation	(3,850)	(4,442)
Net Profit / (Loss) for the period	10,253	6,895
Earnings/ (Loss) Per Share (EPS)	0.29	0.15

Based on the results of the half year and the previous financial year, we remain optimistic that the Company will sustain its momentum and continue delivering strong results in the upcoming years.

The Company is carefully monitoring its investments in associates and other strategic assets, always striving for optimal outcomes through prudent decision-making. However, the current socio-economic and investment climate presents significant challenges.



Chief Executive



Director

February 25, 2025

ڈائریکٹرز کی جائزہ رپورٹ

محترم شیئرز ہولڈرز،

بورڈ آف ڈائریکٹرز کی جانب سے، 31 دسمبر 2024 کو ختم ہونے والی ششماہی مدت کے لیے کمپنی کے کنڈینسڈ عبوری مالیاتی گوشواروں کو پیش کرتے ہوئے خوشی ہو رہی ہے، جیسا کہ جائزہ لیا گیا ہے۔

زیر غور مدت کے دوران، پاکستان میں معاشی سرگرمیوں نے کچھ بحالی حاصل کی جبکہ حکومت کے مالیاتی اقدامات کے اثرات کی وجہ سے کچھ بہتری دکھائی دی۔ کریڈٹ ریٹنگ اپ گریڈ، سیاسی غیر یقینی صورتحال میں کمی، اور مالیاتی سختی کے اقدامات، جیسے آئینی طور پر لازمی اخراجات صوبوں کو منتقل کرنے سے کاروباری اعتماد میں بھی بہتری آئے گی۔

اس عرصے کے دوران کمپنی میں نمایاں تبدیلیاں آئیں۔ حصص یافتگان نے 27 نومبر 2024 کو ایک میٹنگ کے دوران NBFS لائسنس کے حوالے کرنے اور کمپنی کے بنیادی کاروبار کو NBFS سے ایک سرمایہ کاری کمپنی میں تبدیل کرنے کی منظوری دی۔

بورڈ آف ڈائریکٹرز نے بعد میں 30 نومبر 2024 کو ڈیجیٹل کسٹومرز کی کمپنی لمیٹڈ اور اس کے ممبران کے ساتھ سمجھوتہ، انتظام اور تعمیر نو کی اسکیم ("اسکیم") کی منظوری دی۔ یہ اسکیم عدالتی حکم (سی او نمبر 2024/75382) کے ذریعے لاہور ہائی کورٹ میں دائر کی گئی۔

ان تبدیلیوں کو حتمی شکل دینے کے لیے، حصص یافتگان نے 28 دسمبر 2024 کو ایک غیر معمولی جزل میٹنگ کے دوران متفقہ طور پر ("اسکیم") کی منظوری دی۔ اس میٹنگ کی صدارت عدالت کے مقرر کردہ دو چیئرمینوں نے کی، جس نے عمل کی قانونی حیثیت اور شفافیت کو یقینی بنایا۔

مالی کارکردگی

گزشتہ سال کی اسی مدت کے مقابلے میں 31 دسمبر 2024 کو ختم ہونے والی مدت کے لیے کمپنی کے ششماہی پر نظر ثانی شدہ کنڈینسڈ عبوری مالیاتی بیانات کی مالی جھلکیاں حسب ذیل ہیں:

Dec-2023	Dec-2024	مالیاتی جھلکیاں
Rupees in "000"		
28,815	15,931	آمدنی
10,390	12,070	دوسری آمدنی
-	6,542	ایسوسی ایٹس سے آمدنی
(27,867)	(20,440)	آپریٹنگ اخراجات
11,338	14,103	ٹیکس سے پہلے منافع / (نقصان)
(4,442)	(3,850)	ٹیکس لگانا
6,895	10,253	مدت کے لیے خالص منافع / (نقصان)
0.15	0.29	آمدنی / (نقصان) فی شیئر (EPS)

ششماہی اور پچھلے مالی سال کے نتائج کی بنیاد پر، ہم پر امید ہیں کہ کمپنی اپنی رفتار کو برقرار رکھے گی اور آنے والے سالوں میں مضبوط نتائج کی فراہمی جاری رکھے گی۔

کمپنی ایسوسی ایٹس اور دیگر اسٹریٹیجک اثاثوں میں اپنی سرمایہ کاری کی احتیاط سے نگرانی کر رہی ہے، ہمیشہ دانشمندانہ فیصلہ سازی کے ذریعے بہترین نتائج کے لیے کوشاں ہے۔ تاہم، موجودہ سماجی، اقتصادی اور سرمایہ کاری کا ماحول ہم چیلنجز پیش کرتا ہے۔

-sd-

ڈائریکٹر

-sd-

چیف ایگزیکٹو

فروری 25، 2025

INDEPENDENT AUDITORS' REVIEW REPORT TO THE MEMBERS OF LSE FINANCIAL SERVICES LIMITED
REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **Messrs. LSE Financial Services Limited (the "Company")** as at December 31, 2024, and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows, and notes to the condensed interim financial statements for the six months period then ended (here-in-after referred to as the "condensed interim financial statements"). Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

Scope of Review

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

Conclusion

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

Other matters

The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the quarter ended December 31, 2024 have not been reviewed and we do not express a conclusion on them.

The condensed interim financial statements for the half year ended December 31, 2023 are unreviewed, whereas, the financial statements of the Company for the year ended June 30, 2024 were audited by another firm of chartered accountants who expressed an unmodified opinion on those financial statements dated November 04, 2024.

The engagement partner on the review resulting in this independent review report is Muhammad Yousof, ACA.

25 FEB 2025

Lahore:
UDIN: RR2024101414VdiSn0YD


KRESTON HYDER BHIMJI & CO.
CHARTERED ACCOUNTANTS

LSE FINANCIAL SERVICES LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2024 (UN-AUDITED)

	Note	December 31, 2024 (Un-audited)	June 30, 2024 (Audited)
(Rupees in thousand)			
ASSETS			
Non-Current Assets			
Income in associates - under equity method	5	375,068	371,900
Loans to director	7	9,657	9,657
Long term deposits		15,009	15,009
		399,734	396,566
Current Assets			
Financial Assets	6	-	59,589
Receivables, advances and prepayments	8	42,107	22,768
Income tax refunds due from Government - net		44,291	42,049
Cash and bank balances		37,213	23,443
		123,611	147,849
		523,345	544,415
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
111,900,000 (June 30, 2024: 111,900,000) ordinary shares of Rs. 10 each		1,119,000	1,119,000
Share capital			
Issued, subscribed and paid-up share capital		356,776	356,776
Capital reserves			
Share premium		31,355	31,355
Fair value reserve - Capital		1,381	-
Revenue reserves			
Un-appropriated profits		58,178	65,605
Total equity		447,690	453,736
Non-Current Liabilities			
Long term financing	9	1,924	1,924
Deferred tax liability		5,834	4,858
		7,758	6,782
Current Liabilities			
Trade and other payables	10	52,197	69,885
Current portion of long term financing	9	1,058	2,020
Unpaid dividend		2,680	-
		55,935	71,905
Deposits payable related to discontinued operations		11,962	11,992
CONTINGENCIES AND COMMITMENTS			
	11	-	-
		523,345	544,415

The annexed notes 1 to 19 form an integral part of these condensed interim financial statements.

Lahore:

 Chief Executive Officer

 Financial Officer

 Director

LSE FINANCIAL SERVICES LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2024

	Notes	Half Year Ended December 31,		Quarter Ended December 31,	
		2024	2023 (Restated)	2024	2023 (Restated)
		----(Un-audited)----		----(Un-audited)----	
		Rupees in thousand		Rupees in thousand	
Revenue	12	15,931	28,815	7,030	19,592
Other Income		12,070	10,390	5,410	7,223
Operating Expenses					
Administrative and general expenses		(20,321)	(27,756)	(11,879)	(17,666)
Operating Profit		<u>7,680</u>	<u>11,449</u>	<u>561</u>	<u>9,149</u>
Finance cost		(119)	(111)	(46)	(58)
Share of profit of associates accounted for using the equity method - net of tax		6,542	-	4,304	-
Profit before Taxation and levy		<u>14,103</u>	<u>11,338</u>	<u>4,819</u>	<u>9,091</u>
Levy	13	(2,316)	(1,927)	(1,354)	(1,276)
Profit before Taxation		<u>11,787</u>	<u>9,411</u>	<u>3,465</u>	<u>7,815</u>
Taxation	14	(1,534)	(2,515)	(1,534)	(2,515)
Profit after Taxation		<u>10,253</u>	<u>6,896</u>	<u>1,931</u>	<u>5,300</u>
Earnings Per Share (basic and diluted)	15	<u>0.29</u>	<u>0.15</u>	<u>0.05</u>	<u>0.15</u>

The annexed notes 1 to 19 form an integral part of these condensed interim financial statements.

Lahore:  Chief Executive Officer

 Chief Financial Officer

 Director

LSE FINANCIAL SERVICES LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2024

	Half Year Ended December 31,		Quarter Ended December 31,	
	2024	2023	2024	2023
	----- (Un-audited) -----		----- (Un-audited) -----	
	Rupees in thousand		Rupees in thousand	
Profit for the Period	10,253	6,896	1,931	5,300
Other comprehensive income				
Items that may be classified to profit or loss	-	-	-	-
Items that may not be classified to profit or loss	-	-	-	-
Share of other comprehensive income from associate	1,625	-	1,625	-
Less: Deferred tax	(244)	-	(244)	-
	1,381	-	1,381	-
Total Comprehensive Income for the Period	11,634	6,896	3,312	5,300

The annexed notes 1 to 19 form an integral part of these condensed interim financial statements.

Lahore:


 Chief Executive Officer


 Chief Financial Officer


 Director

LSE FINANCIAL SERVICES LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2024

	Share Capital	Share Premium	Fair value reserve - Capital	Unappropriated Profit - revenue	Total Equity
Rupees in thousand					
Balance as at June 30, 2023 - Audited	100,000	-	-	718	100,718
Profit for the period	-	-	-	6,896	6,896
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-	-	-	6,896	6,896
Transactions with owner:					
Adjustments / Transfers as per Scheme of Demerger	256,776	31,355	-	-	288,131
Balance as at December 31, 2023 (Un-audited)	<u>356,776</u>	<u>31,355</u>	<u>-</u>	<u>7,614</u>	<u>395,745</u>
Balance as at June 30, 2024 (Audited)	356,776	31,355	-	65,605	453,736
Profit for the period	-	-	-	10,253	10,253
Other comprehensive income	-	-	1,381	-	1,381
Total comprehensive income for the period	-	-	1,381	10,253	11,634
Transactions with owner:					
Cash dividends of Rs. 0.50 per share for the year ended June 30, 2024 (Final)	-	-	-	(17,680)	(17,680)
Balance as at December 31, 2024 (Un-audited)	<u>356,776</u>	<u>31,355</u>	<u>1,381</u>	<u>58,178</u>	<u>447,690</u>

The annexed notes 1 to 19 form an integral part of these condensed interim financial statements.

Lahore:  Chief Executive Officer

 Chief Financial Officer

 Director

LSE FINANCIAL SERVICES LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2024

Half Year Ended December 31,	
2024	2023 (Restated)

----- (Un-audited) -----
Rupees in thousand

CASH FLOWS FROM OPERATING ACTIVITIES

Profit before taxation	11,787	9,411
Adjustments for:		
Return on bank deposits	(6,329)	(26,262)
Levy	2,316	1,927
Share of profit of associates accounted for using the equity method - net of tax	(6,542)	-
Unwinding of discounting	(1,250)	-
Finance cost	119	111
	(11,686)	(24,224)
Operating profit / (loss) before working capital changes	101	(14,813)
(Increase) / decrease in current assets:		
Trade and other receivables	(26,049)	6,572
Advances and prepayments	-	(18,882)
Increase / (decrease) in current liabilities:		
Trade and other payables	(43)	(6,778)
Deposits payable related to discontinued operations	(30)	(530)
Net Cash Used in Changes in Working Capital	(26,122)	(19,618)
Cash Used in Operations	(26,021)	(34,431)
Finance cost paid	(119)	(153)
Income tax paid	(5,360)	(3,333)
Net Cash Used in Operating Activities	(31,500)	(37,917)
CASH FLOWS FROM INVESTING ACTIVITIES		
Investments made during the period	(984,296)	(4,814,379)
Investments matured during the period	1,043,885	4,759,538
Loan to director	5,760	-
Dividend received from associates	5,000	-
Profit received on savings bank accounts	8,528	6,729
Net Cash Generated from / (Used in) Investing Activities	78,877	(48,112)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(15,000)	-
Repayment of long term financing	(962)	-
Loan from Associated companies for investment in MTS	(17,645)	56,300
Deposit for MTS margin from associated company	-	20,000
Principal repayment to Financial institution of lease	-	(962)
Transfer under demerger	-	-
Net Cash (Used in) / Generated from Financing Activities	(33,607)	75,338
Net Increase / decrease in Cash and Cash Equivalents	13,770	(10,691)
Cash and cash equivalents at the beginning of the period	23,443	51,844
Cash and cash equivalents at the end of the period	37,213	41,153

The annexed notes 1 to 19 form an integral part of these condensed interim financial statements.

Lahore:  Chief Executive Officer

 Chief Financial Officer

10430
 Director

LSE FINANCIAL SERVICES LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2024

1 Corporate and General Information

1.1 Legal status and operations

LSE Financial Services Limited ("the Company") was originally incorporated with the name of Lahore Stock Exchange (Guarantee) Limited under the Companies Act, 1913 (now the Companies Act, 2017) on October 05, 1970 as a Company limited by guarantee. The Company was re-registered as a public Company limited by shares under "Stock Exchange (Corporatization, Demutualization and Integration) Act, 2012 on August 27, 2012. The registered office of the Company is situated at 19, Khayaban-e-Aiwan-e-Iqbal, Lahore, Pakistan. Securities and Exchange Commission of Pakistan ("the Commission") vide its notification dated August 25, 2015 directed integration of the stock exchanges in the country. Consequent to the approved scheme of integration of stock exchanges, the Company ceased its stock exchange operations and was granted a license by the Commission on January 11, 2016 to operate as an investment finance services company under the name LSE Financial Services Limited. The Company was listed on Pakistan Stock Exchange Limited ("PSX") and its share started trading on May 31, 2024 consequent to the scheme of arrangement partial merger with LSE Capital Limited, through Merger Order of Honorable High Court dated April 03, 2024.

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

The Head office / Registered Office of the Company is located at 19, Khayaban-e-Aiwan-e-Iqbal, Lahore, Pakistan.

The JCR-VIS Credit Rating Company Limited reaffirmed long term and short term credit ratings of the Company as "A" and "A-1" respectively with stable outlook on March 08, 2024.

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

2 Basis of Preparation

2.1 Statement of Compliance

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

- International Accounting Standard (IAS) 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017; 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).

Where the provisions of and directives issued under the Companies Act, 2017, 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.

- 2.2** These condensed interim financial statements have been reviewed by the external auditors of the Company and should be read in conjunction with audited annual financial statements of the Company for the year ended June 30, 2024.

14/3/24

3 Material Accounting Policy Information

The material accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are consistent with those applied in the preparation of audited annual financial statements for the year ended June 30, 2024.

- 3.1 During the year ended June 30, 2024, the Institute of Chartered Accountants of Pakistan (ICAP) has withdrawn Technical Release 27 'IAS 12, Income Taxes (Revised 2012)' and issued 'IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes' (the Guidance). In accordance with the Guidance, during the year ended June 30, 2024, the Company has changed its accounting policy to recognise minimum and final taxes as 'Levy' under 'IAS 37 Provisions, Contingent Liabilities and Contingent Assets' which were previously being recognised as 'Income tax'.

The corresponding figures of condensed interim statement of profit or loss and condensed interim statement of cashflows has been restated under the above guidance, the effect of this restatement is explained in Notes 13 and 14.

3.2 Change in accounting standards, interpretations and amendments to published accounting and reporting standards

a) Amendments to published accounting & reporting standards which became effective during the period:

There were certain amendments to accounting and reporting standards which became mandatory for the Company during the period. However, the amendments did not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these condensed interim financial statements.

b) Amendments to published accounting and reporting standards that are not yet effective:

There are certain amendments to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after January 1, 2025. However, these will not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these condensed interim financial statements.

4 Critical Accounting Estimates And Judgments

When preparing the condensed interim financial statements, management undertakes a number of judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgments, estimates and assumptions made by management, and will seldom equal the estimated results. The judgments, estimates and assumptions applied in the condensed interim financial statements, including the key sources of estimation uncertainty, were the same as those applied in the Company's last audited annual financial statements for the year ended June 30, 2024. The only exceptions are the estimate of income tax liabilities which is determined in these condensed interim financial statements using the estimated average annual effective income tax rate applied to the pre-tax income of the interim period.

16/3/24

5 Investments in Associates

	Note	December 31, 2024	June 30, 2024
		Un-audited	Audited
Rupees in thousands			
Under Equity Method			
LSE Capital Limited (LSECL)		164,391	161,010
Digital Custodian Company Limited (DCCL)		210,677	210,890
	5.1	<u>375,068</u>	<u>371,900</u>

5.1 LSE Capital Limited

LSE Capital Limited ("LSECL") (formerly Bank Islami Modaraba Investments Limited) was incorporated in Pakistan on January 22, 1986, as an unlisted public limited company under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017). Subsequently, it was registered as a Modaraba Company with the Registrar of Modaraba Companies and Modarabas, under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980. The registered office of the Company is situated at LSE Plaza, Khayaban-e-Aiwan-Iqbal Road Lahore.

Digital Custodian Company Limited

Digital Custodian Company Limited ("DCCL") was incorporated on February 12, 1992 under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017) as a private limited company. The status of the Company was converted from private limited company to unlisted public limited company on June 19, 2009. The registered office of the company is located at Office # 08, 5th floor, LSE Plaza, Aiwan-e-Iqbal Road, Lahore, Punjab.

Reconciliation of changes in carrying value of investments in associates:

	December 31, 2024		
	LSECL	DCCL	Total
----- Rupees in thousands -----			
Balance as at July 01, 2024	161,010	210,890	371,900
Share of total income / (loss)	7,274	(731)	6,543
Share of total comprehensive income / (loss)	1,107	518	1,625
Dividend received during the period	(5,000)	-	(5,000)
Balance as at December 31, 2024	<u>164,391</u>	<u>210,677</u>	<u>375,068</u>
No. of shares held	<u>10,000,000</u>	<u>18,817,917</u>	
Shareholding in %age	<u>5.52%</u>	<u>36.00%</u>	
	June 30, 2024		
	LSECL	DCCL	Total
----- Rupees in thousands -----			
Balance reclassified from investment in subsidiaries / financial asset	100,000	188,131	288,131
Gain / (loss) on initial recognition of investment	52,629	(1,578)	51,051
	152,629	186,553	339,182
Share of total income / (loss)	4,124	24,337	28,461
Share of total comprehensive income / (loss)	4,185	-	4,185
Share in changes in equity of associate	72	-	72
Balance as at June 30, 2024	<u>161,010</u>	<u>210,890</u>	<u>371,900</u>
No. of shares held	<u>10,000,000</u>	<u>18,817,917</u>	
Shareholding in %age	<u>5.52%</u>	<u>36.00%</u>	

5.2 For the purposes of applying the equity method of accounting, the condensed interim financial statements of LSE Capital Limited for the period ended December 31, 2024 have been used. As of reporting date, the fair value of LSE Capital Limited was Rs. 64.5 million (2024: Rs. 31.2 million) based on the quoted market price available on the Pakistan Stock Exchange, which is a level 1 input in terms of IFRS 13.

The LSECL is accounted for using equity method in these condensed interim financial statements. The Company has significant influence on LSE Capital Limited due to its representation on the Board of Directors of investee and consequently the investment has been treated as investment in associates in accordance with the requirements of IAS 28 'Investment in Associates'.

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6 Financial Assets

		December 31, 2024 (Un-audited)	June 30, 2024 (Audited)
	Note	Rupees in thousand	
<i>At amortized cost</i>			
Investment in Margin Trading System of NCCPL	6.1	-	59,589

- 6.1** Investment in Margin Trading System of NCCPL is an undisclosed market of finances and financiers with a participation ratio of 85 to 15 carrying mark-up of KIBOR with spread of maximum upto 8% (June 30, 2024: 8%).

7 Loan to Director

		December 31, 2024 (Un-audited)	June 30, 2024 (Audited)
	Note	Rupees in thousands	
Loan to director	6.1	19,302	23,812
Less: current portion of loan		(9,645)	(14,155)
		<u>9,657</u>	<u>9,657</u>

7.1 Movement in loan to Director

Opening balance	23,812	-
Disbursements	-	35,616
Less: Discounting of loan	-	(5,624)
	23,812	29,992
Unwinding of discounting	1,250	1,529
Receipts	(5,760)	(7,709)
Closing balance	<u>19,302</u>	<u>23,812</u>

- 7.1.1** This represents loan provided to the Executive Director Mr. Aftab Ahmed of the Company as per Company's policy. The loan provided is secured against pledged shares of Mr. Aftab Ahmed. This is repayable in 5 years and carries mark-up @ 12% per annum. The effective interest is 21.97% per annum.

8 Receivables, advances and prepayments

		December 31, 2024 (Un-audited)	June 30, 2024 (Audited)
	Note	Rupees in thousand	
Receivables		5,324	2,739
Due from related party	8.1	23,274	185
Accrued profit		158	2,357
Dividend receivable		686	687
Advance to a related party		3,020	2,645
Current portion of loan to director	7	9,645	14,155
		<u>42,107</u>	<u>22,768</u>

- 8.1** This represents balances receivable from LSE Capital Limited (LSECL) as per approved running finance agreement between the associated companies. The amount carries mark-up @ 6 Months KIBOR + 1% as approved in the AGM of the companies.

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9 Long term financing	Note	December 31, 2024	June 30, 2024
		(Un-audited)	(Audited)
		Rupees in thousand	
Bank Al Habib Limited		2,982	3,944
Less: Current portion		1,058	2,020
		<u>1,924</u>	<u>1,924</u>

9.1 The long term financing facility has been obtained from Bank Al Habib Limited for the purchase and installation of 100 KW On-Grid Solar System under the State Bank of Pakistan financing scheme for Renewable Energy Category-II. It carries mark-up at SBP rate of 2% with spread of 2% per annum, payable quarterly. The bank has marked lien over PLS accounts for Rs. 3.94 million. The tenure of the facility is 5 years from the date of disbursement.

10 Trade and other payables	Note	December 31, 2024	June 30, 2024
		Un-audited	Audited
		Rupees in thousand	
Trade creditors		435	407
Accrued liabilities		1,558	1,793
Due to ex - members and companies		2,158	2,158
Defaulted members' membership sale proceeds		44,131	44,131
Advances received from ex - members and companies		996	996
Loan from associated companies for MTS investment [related party]		-	17,645
Punjab Workers Welfare Fund payable		2,345	2,345
Sales tax payable		541	377
Accrued mark-up		33	33
		<u>52,197</u>	<u>69,885</u>

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11 Contingencies and Commitments

Contingencies

There are no significant changes in the status of contingencies as reported in the audited annual financial statements of the company for the year ended June 30, 2024. Except,

The Company has not provided for the provision against Punjab Workers Welfare Fund (WWF) amounting to Rs. 1.717 million (2024: Rs. 1.515 million) in these condensed interim financial statements on the ground that in accordance with the provisions of Punjab Workers Welfare Fund Act, 2019, the business activities of the Company does not fall in the definition of establishment as defined in the Act and the Company has not employed any workers who are entitled for availing any benefits of WWF. The Company has also taken up the case with The Punjab Revenue Authority (PRA).

Commitments

There are no significant changes in the status of Commitments as reported in the audited annual financial statements of the company for the year ended June 30, 2024.

12 Revenue

	Half Year Ended December 31,		Quarter Ended December 31,	
	2024	2023	2024	2023
	(Un-audited)		(Un-audited)	
	Rupees in thousand		Rupees in thousand	
Revenue from Margin Trading System of NCCPL	2,250	16,828	-	13,337
Fund Management Fee	16,287	14,270	8,372	7,446
Less: PRA Sales tax	(2,606)	(2,283)	(1,342)	(1,191)
	13,681	11,987	7,030	6,255
Total revenue	15,931	28,815	7,030	19,592

13 Levy

Final	-	-	-	-
Minimum	2,316	1,927	1,354	1,276
	2,316	1,927	1,354	1,276

14 Taxation

Current	750	-	750	-
Prior	52	1,152	52	1,152
Deferred	732	1,363	732	1,363
	1,534	2,515	1,534	2,515

15 Earnings Per Share

Basic earnings per share

Profit after tax	10,252,744	6,895,794	1,931,005	5,300,216
Weighted average number of shares outstanding during the period	35,677,578	47,506,644	35,677,578	35,677,578
Earnings per share (Rupees) - Basic and diluted	0.29	0.15	0.05	0.15

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16 Transactions with Related Parties

Related parties comprise associated companies / undertakings, companies where directors also hold directorship, retirement benefits fund and key management personnel. Significant balances and transactions with these related parties during the period are as under:

Name of related parties	Basis of relationship	Transactions during the period	December 31, 2024	December 31, 2023
			----- (Un-audited) ----- Rupees in thousand	
Transactions during the period				
LSE Ventures Limited	Holdina Company	Investment in MTS - Prinicpal	-	27,186
		Investment in MTS - Prinicpal		
		Deposit for MTS investment	-	20,000
		Investment in MTS - return paid	-	(60,648)
		Investment in MTS - return accrued	-	(6,256)
		Advance / deposit transfer / sold to the company	-	(11,239)
		Investment transfer / sold to the company	-	(17,794)
		Expenses paid on behalf of Company	-	(2,474)
LSE Capital Limited	Associate	Investment in MTS - Prinicpal	183,821	31,320
		Investment in MTS - Prinicpal repayment	(201,466)	-
		Investment in MTS - markup accrued	(4,783)	(634)
		Equity management fee payable	(3,568)	-
		Markup on intercompany balance	230	
		Expenses paid on behalf of Company		4,237
		Dividend Received	5,000	-
Digital Custodian Company Limited	Associate	Payment on behalf of company	(3,020)	
LSE - Employees' Provident Fund Trust	Employee benefits Trust	Contribution for the period	(169)	698
Directors	Directors	Meeting fees paid	(950)	2,600
Balance outstanding as at			December 31, 2024	June 30, 2023
			Un-audited	Audited
			Rupees in thousand	
Receivables, advances and prepayments				
Members Contribution fund	Other receivables due from related parties		662	342
Investor Protection fund	Other receivables due from related parties		1,716	878
Trading Right Entitlement	Other receivables due from related parties		2,971	1,544
Trade and other payables				
LSE Capital Limited	Loan from associated companies for MTS investment		-	17,645
	Receivable from related party		23,274	185

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17 Corresponding Figures

In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', corresponding figures in the condensed interim statement of financial position comprise of balances as per the audited annual financial statements of the Company for year ended June 30, 2024 and the corresponding figures in the condensed interim statement of profit or loss, condensed interim statement comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity comprise of balances of comparable period as per the condensed interim financial statements of the Company for the half year ended December 31, 2023.

The corresponding figures for the half year ended December 31, 2023 in these condensed interim financial statements are un-reviewed.

18 Authorization of Financial Statements

These condensed interim financial statements (un-audited) are approved and authorized for issuance on February 25, 2025 by the Board of Directors of the Company.

19 General

The figures in these condensed interim financial statements have been rounded off to the nearest thousand Rupee unless otherwise stated.

Lahore:


Chief Executive Officer


Chief Financial Officer


Director

16/3/25



LSE FINANCE