

DIRECTORS' REVIEW

Dear Shareholders,

On behalf of the Board of Directors, we are pleased to present the Un-audited Condensed Interim Financial Statements of the Company for the 1st quarter ended September 30th, 2024.

Financial Performance: (LSEFSL)

The financial highlights of the Condensed Interim Financial Statements of the Company for the 1st quarter ended September 30, 2024, in comparison with the corresponding 1st quarter of the previous year are as follows:

Financial Highlights	1 st Quarter September 2024	1 st Quarter September 2023
	Rs. in '000	Rs. in '000
Revenue	15,561	12,390
Operating expenditures	(8,442)	(10,134)
Income from Associates	2,241	-
Profit/ (Loss) before Taxation	9,285	4,247
Taxation	(962)	(651)
Net Profit / (Loss) for the period	8,322	1,596
Earnings/ (Loss) Per Share (EPS)	Rs. 0.23	Rs. 0.04

The above results indicate that operations of the company have started to generate profit after overcoming initial teething problems after the merger and listing of the Company.

We are hopeful that the Company will continue with the current momentum and deliver good results in the coming quarters.



Chief Executive Officer
November 04, 2024

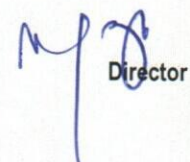
LSE FINANCIAL SERVICES LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2024 (UN-AUDITED)

	Note	September 30, 2024 <u>Un-Audited</u>	June 30, 2024 <u>Un-Audited</u>
Rupees in thousands			
ASSETS			
NON-CURRENT ASSETS			
Investment in associates	5	372,511	370,272
Long term loans to director	6	7,353	9,657
Long term deposits	7	15,009	15,009
		394,873	394,938
CURRENT ASSETS			
Financial assets	9	97,970	59,589
Receivables, advances and prepayments	8	30,354	22,792
Tax refunds due from the Government - net	10	45,516	42,050
Cash and bank balances	11	33,559	23,443
		207,400	147,873
		<u>602,273</u>	<u>542,811</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital			
Issued, subscribed and paid-up capital	12	356,776	356,776
Share premium		31,355	31,355
Revenue reserves			
Unappropriated profit		71,380	63,058
		459,511	451,189
NON-CURRENT LIABILITIES			
Long Term Finance	13	1,443	1,924
Deferred taxation		5,618	5,618
		7,061	7,542
CURRENT LIABILITIES			
Trade and other payables	14	121,688	70,068
Current Portion of long term finance		2,020	2,020
		123,708	72,088
Deposits Payable related to discontinued operations		11,992	11,992
CONTINGENCIES AND COMMITMENTS			
	15	-	-
		<u>602,273</u>	<u>542,811</u>

The annexed notes 1 to 24 form an integral part of these financial statements.


Chief Executive Officer


Chief Financial Officer


Director

LSE FINANCIAL SERVICES LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
FOR THE QUARTER ENDED SEPTEMBER 30, 2024 (UN-AUDITED)

	1st quarter ended	
	September 2024 <u>Un-Audited</u>	September 2023 <u>Un-Audited</u>
	Rupees in thousands	
REVENUE	8,901	9,223
OTHER INCOMES	6,660	3,167
	15,561	12,390
OPERATING EXPENSES		
Administrative and general expenses	(8,442)	(10,090)
Income from associates	2,241	-
OPERATING PROFIT	9,360	2,300
Finance cost	(73)	(53)
PROFIT BEFORE TAXATION	9,285	2,247
Taxation	(962)	(651)
PROFIT AFTER TAXATION	8,322	1,596
EARNINGS PER SHARE OF RS. 10 EACH - basic and diluted	0.23	0.04

The annexed notes 1 to 24 form an integral part of these financial statements.


Chief Executive Officer


Chief Financial Officer

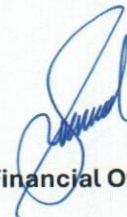

Director

LSE FINANCIAL SERVICES LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED SEPTEMBER 30, 2024 (UN-AUDITED)

	Quarter ended	
	September 30, 2024	September 30, 2023
	Un-Audited	Un-Audited
PROFIT FOR THE PERIOD	8,322	1,596
<i>Items that will never be reclassified to statement of profit or loss:</i>		
Share of other comprehensive income of associates	-	-
Revaluation surplus on property, plant and equipment net of tax - associates	-	-
Actuarial loss on employees' retirement benefits net of tax- associates	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	8,322	1,596

The annexed notes 1 to 24 form an integral part of these financial statements.


Chief Executive Officer


Chief Financial Officer


Director

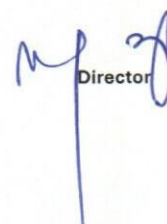
LSE FINANCIAL SERVICES LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED SEPTEMBER 30, 2024 (UN-AUDITED)

	SHARE CAPITAL		REVENUE RESERVES	TOTAL EQUITY
	Issued, subscribed and paid up capital	Share Premium	Unappropriated profit	
Rupees in thousands.....			
Balance as at June 30, 2023 - Audited	100,000	-	718	100,718
Profit for the period	-	-	1,596	1,596
Other comprehensive income - net of tax	-	-	-	-
Total comprehensive income for the period	-	-	1,596	1,596
Transactions with owner:				
Adjustments / transfers as per scheme of merger	256,776	31,355	-	288,131
Balance as at September 30, 2023 - Un-audited	356,776	31,355	2,314	390,445
Balance as at June 30, 2024 - Un-audited	356,776	31,355	63,058	451,189
Profit for the period	-	-	8,322	8,322
Other comprehensive income - net of tax	-	-	-	-
Total comprehensive income for the period	-	-	8,322	8,322
Balance as at September 30, 2024 - un-audited	356,776	31,355	71,380	459,511

The annexed notes 1 to 24 form an integral part of these financial statements.


Chief Executive Officer


Chief Financial Officer



Director

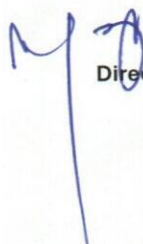
LSE FINANCIAL SERVICES LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED SEPTEMBER 30, 2024 (UN-AUDITED)

	Note	Quarter ended	
		September 30,	September 30,
		2024 Un-Audited	2023 Un-Audited
Rupees in thousands			
Cash flows from operating activities		9,285	2,247
Profit before tax			
Adjustments for non - cash and other items:			
Return on investments		(2,266)	(6,658)
Income from associates		(2,241)	-
Finance cost		73	53
Loss before working capital changes		(4,434)	(6,605)
Movement in working capital	22	39,173	(17,310)
Cash (used in) / generated from Operations		44,024	(21,668)
Finance cost paid		(73)	(75)
Income tax paid		(4,428)	(1,538)
Net cash (used in) / generated from operating activities		39,523	(23,281)
Cash flows from investing activities			
Fixed capital expenditure incurred		-	-
Proceed from disposal of property, plant and equipment		-	-
Investments made during the period		(35,243)	(103,814)
Investments matured during the period		-	-
Receipt from investment in finance lease		-	-
Long term deposits received		4,884	115,794
Profit received on saving accounts & MTS		950	3,167
Dividend received from Associates		-	-
Net cash generated from investing activities		(29,409)	15,147
Cash flows from financing activities			
Net cash (used in) / generated from financing activities		-	-
Net Increase / (decrease) in cash and cash equivalents		10,114	(8,134)
Cash and cash equivalents at the beginning of the year		23,443	51,844
Cash and cash equivalents at the end of the year	11	33,557	43,711

The annexed notes 1 to 24 form an integral part of these financial statements.


Chief Executive Officer


Chief Financial Officer


Director

LSE FINANCIAL SERVICES LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED SEPTEMBER 30, 2024

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.

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, scripts, 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.

2 BASIS OF PREPARATION

This condensed interim financial information has been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984 provisions of and directives issued under the Companies Act, 2017. Wherever the requirements of the Companies Act, 2017, differ with the requirements of IFRS, the requirements of the Companies Act, 2017 shall prevail.

This condensed interim financial information does not include all information required for annual financial statements and therefore should be read in conjunction with the annual financial statements for the year ended June 30, 2024.

The management of the Company is confident that it will be able to meet its obligations and carry on business without any curtailment based on the grounds that the Company will be able to achieve satisfactory level of profitability in the future based on the plans drawn up by the management for this purpose, which include income arising from rentals and investments.

3 ACCOUNTING POLICIES

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

4 Taxation

Income tax expense is recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial year.

	Note	September 30, 2024 Un-Audited	June 30, 2024 Un-Audited
Rupees in thousands			
5 INVESTMENT IN ASSOCIATES			
<i>Under Equity Method</i>			
LSE Capital Limited (LSECL)		153,007	152,646
Digital Custodian Company Limited (DCCL)		219,504	217,626
		<u>372,511</u>	<u>370,272</u>
6 LONG TERM LOANS TO DIRECTOR			
Loan to executive director		25,603	27,907
Less: Reduce rate discounting		(4,096)	(4,096)
		21,508	23,812
Less: current portion of loan		(14,155)	(14,155)
		<u>7,353</u>	<u>9,657</u>
7 LONG TERM DEPOSITS			
Utilities		1,224	1,224
Marginal Trading System of NCCPL		13,785	13,785
		<u>15,009</u>	<u>15,009</u>
8 RECEIVABLES, ADVANCES AND PREPAYMENTS			
<i>Receivables</i>			
Fund Management fee receivable	8.1	5,107	2,764
Receivable from associates [related parties]		5,069	185
Accrued mark-up		2,357	2,357
Dividends		686	686
<i>Unsecured - Considered good</i>			
Advances to employees - secured		940	-
Prepayments		2,040	2,645
Current portion of long term loans		14,155	14,155
		<u>30,354</u>	<u>22,792</u>
8.1 Other receivables from related parties:			
MCF Trust Fund		633	342
IPF Trust Fund		1,686	878
TCF Trust Fund		2,788	1,544
		<u>5,107</u>	<u>2,764</u>
9 FINANCIAL ASSETS			
Investment in MTS - At amortised cost	10.1	97,970	59,589
		<u>97,970</u>	<u>59,589</u>
9.1	These carry maximum mark-up up to 3 Months Kibor + 8 % p.a. The marginal trading contract period is for maximum 64 days.		
10 TAX REFUNDS DUE FROM THE GOVERNMENT - NET			
Wealth tax paid:			
- under protest		-	10,063
- with returns		-	461
		-	10,524
Less: provision for wealth tax		-	3,728
		-	6,796
Income tax deducted at source during the year		49,598	38,373
Provision of income tax for the year		(4,081)	(3,119)
		<u>45,516</u>	<u>42,050</u>
11 CASH AND BANK BALANCES			
Cash at banks on :			
-Saving accounts	11.1	33,559	23,443
11.1	These carry mark-up @ 16.00% to 20.50% p.a. (June 30, 2024: 19.50% to 20.50% p.a.).		

12 SHARE CAPITAL

Authorized share capital

Authorized share capital comprises of 52,000,000 (June 30, 2024: 52,000,000) Ordinary shares of Rs. 10 each.

Issued, subscribed and paid up capital

September/24	June/24	Note	September 30, 2024 Un-Audited	June 30, 2024 Un-Audited
(Number of shares)			Rupees in thousands	
35,677,578	35,677,578	12.1	356,776	356,776
		Ordinary shares of Rs. 10/- each issued for consideration other than cash	<u>356,776</u>	<u>356,776</u>

12.1 The company has demerged as per Lahore High Court Order dated April 26, 2023 under which share capital has been transferred to LSE Ventures Limited and 100% equivalent shares have been issued in favour of LSE Ventures Limited of the company to Rs. 100 million from effective date i.e. July

13 LONG TERM FINANCING

From banking institution - secured

	Note	September 30, 2024 Un-Audited	June 30, 2024 Un-Audited
Rupees in thousands			
Bank Al Habib Limited	13.1	3,463	3,944
Less: Current portion shown under current liabilities		<u>(2,020)</u>	<u>(2,020)</u>
		<u>1,443</u>	<u>1,924</u>

13.1 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 tenor of the facility is 5 years from the date of disbursement.

14 TRADE AND OTHER PAYABLES

	Note	September 30, 2024 Un-Audited	June 30, 2024 Un-Audited
Rupees in thousands			
Trade creditors		1,418	407
Accrued liabilities		1,951	1,975
Due to members		2,158	2,158
Defaulted members' membership sale proceeds	14.1	44,131	44,131
Advances received from members and companies		996	996
Loan for Margin Trading System		67,645	17,645
PRA Sales Tax		1,011	377
Provision for Punjab Worker Welfare Fund		2,345	2,345
Accrued mark-up		33	33
		<u>121,688</u>	<u>70,068</u>

14.1 This represents amounts realized through auctions of the defaulted members' memberships & assets. The proceeds have been retained by the Company upon direction of relevant Authorities for settlement of claims against these defaulted members.

15 Contingencies and Commitments

15.1 Contingencies

15.1.1 On April 12, 2010, the Company had filed a suit for the recovery of US Dollar 105,000 and Rs. 3,314,015 against InfoTech (Private) Limited in the Court of Senior Civil Judge Lahore, which was referred by the Court for Arbitration. Currently the matter is pending before the Arbitration Tribunal for hearing of miscellaneous applications and recording evidence of the Company. However, the Company expects a favorable outcome of the case.

15.1.2 The Income Tax Appellate Tribunal, vide its order dated June 03, 2003 and November 01, 2005 for the Assessment years 1992-93 to 2000-01 accepted the contention that the Company qualifies for exemption under section 5(1)(i)/clause 22 of the Second Schedule to the Wealth Tax Act, 1963. The Department has filed a written petition before the Lahore High Court, Lahore against the aforesaid order of the Income Tax Appellate Tribunal. The Honorable Lahore High Court decided the case in favour of the Company. However, the tax department has filed the CPLA before the Honorable Supreme Court of Pakistan.

15.2 Commitments

There is no commitment outstanding as at the reporting date (June 30, 2024: Rs. nil).

	Note	September 30,	September 30,
		2024	2023
		Un-Audited	Un-Audited
		Rupees in thousands	
16 REVENUE			
Revenue from Margin Trading System of NCCPL		2,266	3,491
Fund and operational management fee	16.1	7,899	6,824
Less: PRA sales tax		(1,264)	(1,092)
		<u>8,901</u>	<u>9,223</u>

16.1 This represents funds & operation management fee charged to Members' Contribution Fund, Investors Protection Fund and TREC Holders' Contribution fund trust for the period ended September 30, 2024. Funds & operation management fee is calculated at the rate of 2.00% on closing net assets of the funds as per management accounts.

17 OTHER INCOMES

Income from financial assets

Short term investments

Profit on saving bank accounts 950 3,167
Interest on loans 1,970 -

Income from non - financial assets

Write off of provision for wealth tax 3,728 -
Miscellaneous 12 -

6,660 3,167

18 ADMINISTRATIVE AND GENERAL EXPENSES

Salaries and benefits 18.1 2,258 7,062
Information technology related expenses - 34
Insurance - 23
Travelling and conveyance 323 702
Printing and stationery - 14
Utilities - 17
Communication and public relations 75 5
Repair and maintenance 63 163
Security expenses - 62
Legal and professional charges 1,259 199
Consultancy charges 3,893 30
MTS charges 367 1,280
Fee and subscription 36 500
Others charges 168 -

September 30, 2024 Un-Audited September 30, 2023 Un-Audited
Rupees in thousands

8,442 10,090

18.1 Salaries and benefits include Rs. 0.000 million (2021: Rs. 0.363 million) in respect of contribution to provident fund.

19 FINANCE COST

Mark-up on financing 19.1 56 37
Bank charges 17 16

73 53

19.1 This consists of interest payable to Bank Alhabib Limited against financing facility taken by company.

		September 30, 2024	September 30, 2023
		Un-Audited	Un-Audited
		Rupees in thousands	
20 TAXATION			
Current		962	652
		<u>962</u>	<u>651</u>
21 EARNINGS PER SHARE			
Basic earnings / (loss) per share			
Profit after tax attributable to ordinary shareholders	(Rupees in thousand)	8,322	1,596
Weighted average number of shares outstanding during the year	(Number of shares in thousand)	35,678	35,678
Earnings per share	(Rupees)	0.23	0.04
22 MOVEMENT IN WORKING CAPITAL			
(Increase) / decrease in current assets:			
- Receivables, advances and prepayments		(7,563)	(17,336)
Increase / (decrease) in current liabilities:			
- Trade and other payables		46,736	556
- Deposits Payable related to discontinued operations		-	(530)
		<u>46,736</u>	<u>26</u>
		<u>39,173</u>	<u>(17,310)</u>
23 AUTHORIZATION FOR ISSUE			
This condensed interim financial information was authorized to issue on <u>November, 4, 2024</u> by the Board of Directors of the company			
24 Corresponding Figures			
24.1	In order to comply with the requirements of International Accounting Standard 34 - "Interim Financial Reporting", the condensed interim balance sheet and condensed interim statement of changes in equity have been compared with the balances of annual audited financial statement of preceding financial year, whereas, the condensed interim profit and loss account, condensed interim cash flow statement have been compared with the balances of comparable period of immediately preceding financial year.		
24.2	The figures in this financial information have been rounded off to the nearest Rupees in thousands unless otherwise specified.		


Chief Executive Officer


Chief Financial Officer


Director