

**LSE FINANCIAL SERVICES  
LIMITED**

**FOR THE PERIOD ENDED DECEMBER 31, 2022**

**INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS  
OF  
LSE FINANCIAL SERVICES LIMITED**

**Introduction**

We have reviewed the accompanying condensed interim statement of financial position of **LSE FINANCIAL SERVICES LIMITED** ("the Company") as at December 31, 2022 and the related condensed interim statement of profit or loss account, 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-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these 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 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 interim financial statements consists of making inquiries, primarily of persons responsible for the 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**

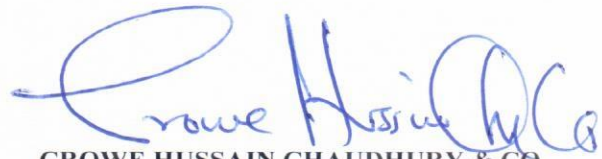
Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

**Other Matter**

The figures include in the condensed interim statement of profit or loss account and the condensed interim statement of comprehensive income for the quarters ended December 31, 2022 and 2021 have not been reviewed, as we are required to review only the cumulative figures for the six-month period ended December 31, 2022.

The engagement partner on the audit resulting in this independent auditor's report is Amin Ali.

LAHORE  
Dated: April 19, 2023  
UDIN: RR202210051sPhg3R4aj



**CROWE HUSSAIN CHAUDHURY & CO.**  
*Chartered Accountants*

# LSE FINANCIAL SERVICES LIMITED

## CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2022 (UN-AUDITED)

		December 31, 2022	June 30, 2022
	Note	(Un-audited)	(Audited)
Rupees in thousand			
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	5	1,295,286	1,278,432
Intangible assets - capital work in progress		331	331
Investment property		378,431	378,431
Investment in subsidiaries		60,000	-
Investments accounted for using the equity method	6	1,207,179	1,146,981
Net investment in finance lease		4,101	4,280
Loan to subsidiary	7	280,000	-
Long term deposits		3,974	3,974
		3,229,302	2,812,429
<b>Current Assets</b>			
Stores and spares		1,905	1,314
Trade and other receivables	8	12,241	15,431
Advances and prepayments	9	57,019	7,529
Short term investments	10	461,768	895,157
Tax refunds due from Government - net		50,961	41,886
Cash and bank balances		111,405	94,891
		695,299	1,056,208
		<u>3,924,601</u>	<u>3,868,637</u>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
<b>Authorized share capital</b>			
200,000,000 (June 30, 2022: 200,000,000) ordinary shares of Rs. 10 each		<u>2,000,000</u>	<u>2,000,000</u>
Issued, subscribed and paid-up share capital		1,795,979	1,795,979
Revaluation surplus on property, plant and equipment		773,485	774,569
Building reserve fund	11	7,032	3,829
Un-appropriated profits		1,015,890	917,101
		1,022,922	920,930
<b>Total equity</b>		<u>3,592,386</u>	<u>3,491,478</u>
<b>Non-Current Liabilities</b>			
Long term financing	12	4,908	5,870
Deposits against vehicles		5,323	-
Deferred tax		142,104	148,497
		152,335	154,367
<b>Current Liabilities</b>			
Trade and other payables		113,633	103,300
Current portion of long term finance	12	1,924	1,924
Unpaid dividend		34,303	93,202
Unclaimed dividend		15,887	10,233
		165,747	208,659
Liabilities related to discontinued operations		14,133	14,133
<b>CONTINGENCIES AND COMMITMENTS</b>	13	-	-
		<u>3,924,601</u>	<u>3,868,637</u>

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.

  
Chief Executive Officer

  
Chief Financial Officer

  
Director



## LSE FINANCIAL SERVICES LIMITED

### CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS ACCOUNT (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2022

	Note	Half Year Ended December 31,		Quarter Ended December 31,	
		2022	2021	2022	2021
		-----(Un-audited)----		-----(Un-audited)----	
		Rupees in thousand		Rupees in thousand	
<b>Revenue</b>	14	85,183	68,702	43,390	34,645
<b>Other Income</b>		36,395	7,574	13,668	3,556
<b>Operating Expenses</b>					
Administrative and general expenses		(115,034)	(58,618)	(50,711)	(31,871)
Other operating expenses		(23,126)	-	(23,004)	-
<b>Operating Profit</b>		(16,582)	17,658	(16,657)	6,330
Finance cost		(177)	(225)	(97)	(130)
Share of profit of associates accounted for using the equity method - net of tax		96,196	113,174	69,800	52,252
<b>Profit before Taxation</b>		79,437	130,607	53,045	58,452
Taxation	15	(2,030)	(25,331)	(17,378)	(13,516)
<b>Profit after Taxation</b>		<u>77,407</u>	<u>105,276</u>	<u>35,668</u>	<u>44,936</u>
<b>Earnings Per Share (basic and diluted)</b>		<u>0.43</u>	<u>0.82</u>	<u>0.20</u>	<u>0.35</u>

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.

CUK

  
Chief Executive Officer

  
Chief Financial Officer

  
Director

## LSE FINANCIAL SERVICES LIMITED

### CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2022

	Half Year Ended December 31,		Quarter Ended December 31,	
	2022	2021	2022	2021
	----- (Un-audited) -----		----- (Un-audited) -----	
	Rupees in thousand		Rupees in thousand	
<b>Profit for the Period</b>	77,407	105,276	35,668	44,936
<b>Other comprehensive income</b>				
Items that may be classified to profit and loss account	-	-	-	-
Items that may not be classified to profit and loss account				
Profit adjustment				
Revaluation surplus of associates	4,833	-	4,833	-
Actuarial loss of associates	(8,119)	-	(8,119)	-
	(3,286)	-	(3,286)	-
<b>Total Comprehensive Income for the Period</b>	<u>74,121</u>	<u>105,276</u>	<u>29,096</u>	<u>44,936</u>

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.

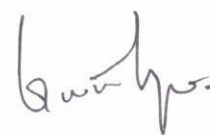
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**Chief Executive Officer**



**Chief Financial Officer**



**Director**

## LSE FINANCIAL SERVICES LIMITED

### CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2022

	Share Capital	Surplus on Revaluation of Property, Plant and Equipment	REVENUE RESERVES		Total Equity
			Building Reserve	Unappropriated Profit	
	Rupees in thousand				
<b>Balance as at June 30, 2021 (Audited)</b>	1,282,842	776,228	1,425	1,060,658	3,121,153
Profit for the period	-	-	-	105,276	105,276
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	105,276	105,276
Transfer from revenue reserve to capital reserve	-	-	467	(467)	-
Transfer to retained earnings on account of incremental depreciation	-	(822)	-	822	-
Cash dividend (Rs. 0.90 per share) for the year ended June 30, 2021	-	-	-	(115,456)	(115,456)
<b>Balance as at December 31, 2021 (Un-audited)</b>	<u>1,282,842</u>	<u>775,406</u>	<u>1,892</u>	<u>1,050,833</u>	<u>3,110,973</u>
<b>Balance as at June 30, 2022 (Audited)</b>	1,795,979	774,569	3,829	917,101	3,491,478
Profit for the period	-	-	-	77,407	77,407
Other comprehensive income for the period	-	-	-	(3,286)	(3,286)
Total comprehensive income for the period	-	-	-	74,121	74,121
Associate equity adjustment	-	-	-	24,376	24,376
Transfer to retained earnings on account of incremental depreciation	-	(1,084)	-	1,084	-
Transfer to building reserve	-	-	3,203	(792)	2,411
<b>Balance as at December 31, 2022 (Un-audited)</b>	<u>1,795,979</u>	<u>773,485</u>	<u>7,032</u>	<u>1,015,890</u>	<u>3,592,386</u>

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.



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, 2022

	Half Year Ended December 31,	
	2022	2021
	-----(Un-audited)----	
	Rupees in thousand	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	79,437	130,607
<b>Adjustments for:</b>		
- Depreciation	13,837	11,080
- Share of profit of associates	(96,196)	(113,174)
- Return on investments	(30,792)	(27,000)
- Finance income on net investment in finance lease	(171)	(172)
- Lease rentals	-	(23,342)
- Gain on disposal of property, plant and equipment	(83)	(157)
- Employees' welfare fund	1,354	62
- Unrealized fair value loss on investment	21,773	-
- Provision	-	370
- Impairment loss on trade and other receivables - net	-	680
- Finance cost	177	225
	(90,102)	(151,428)
<b>Operating loss before working capital changes</b>	(10,666)	(20,821)
(Increase) / decrease in current assets:		
- Stores and spares	(591)	325
- Trade and other receivables	2,376	(535)
- Advances and prepayments	(49,490)	(1,447)
Increase / (decrease) in current liabilities:		
- Advance rent received from tenants	1,283	25,580
- Deposits payable related to discontinued operations	(0)	(2,235)
- Trade and other payables	7,730	(1,381)
<b>Net Cash (Used in) / generated from Changes in Working Capital</b>	(38,692)	20,307
<b>Cash Used in Operations</b>	(49,358)	(514)
Employees' welfare fund paid	-	(62)
Earned leaves paid	-	(455)
Finance cost paid	(212)	(219)
Income tax paid	(17,496)	(20,588)
<b>Net Cash Used in Operating Activities</b>	(67,065)	(21,838)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets under own use	(19,103)	(924)
Additions in capital work in progress	(12,014)	-
Proceeds from disposal of property, plant and equipment	510	158
Net investment in finance lease - rentals	350	172
Investments made during the period	(2,865,588)	-
Investments matured during the period-net	2,984,729	19,251
Short term investment (T-bills) invested	(24,570)	-
Short term investment (T-bills) matured	267,044	-
Building reserve fund	2,411	-
Deposits against vehicles	5,323	-
Profit received on savings bank accounts	31,606	26,662
Loan to subsidiary	(280,000)	-
Investment in subsidiary	(10,000)	-
Dividend received	57,089	102,398
<b>Net Cash Generated from Investing Activities</b>	137,786	147,717
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend paid	(53,245)	(115,041)
Long term financing repaid	(962)	(866)
Long term financing obtained	-	1,924
<b>Net Cash Used in Financing Activities</b>	(54,207)	(113,983)
<b>Net Increase in Cash and Cash Equivalents</b>	16,514	11,896
Cash and cash equivalents at the beginning of the period	94,891	79,824
<b>Cash and Cash Equivalents at the End of the Period</b>	111,405	91,720

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.

CM

  
Chief Executive Officer

  
Chief Financial Officer

  
Director

## LSE FINANCIAL SERVICES LIMITED

### NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2022

Note 1

#### **Corporate and General Information**

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##### **1.1 Legal status and operations**

LSE Financial Services Limited, the erstwhile Lahore Stock Exchange Limited, ("the Company"), was incorporated on October 05, 1970 as a Company limited by Guarantee under the repealed Companies Act, 1913 (now the Companies Act, 2017). 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. The Securities and Exchange Commission of Pakistan ("the Commission") directed integration of the stock exchanges in the country vide its notification dated August 25, 2015. Pursuant 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.

##### **1.2 Discontinued Operations**

On August 25, 2015, the Company entered into a Memorandum of Understanding (MoU) with Karachi Stock Exchange Limited and Islamabad Stock Exchange Limited with the objective to form an integrated stock exchange under the name of Pakistan Stock Exchange Limited (PSX) for development of capital markets of Pakistan. Pursuant to the MoU, the Board of Directors of the Company approved a scheme of integration on September 23, 2015. The scheme was approved by the members of the Company in extraordinary general meeting held on October 28, 2015 for submission to the Commission. As per the MoU and the proposed scheme of integration, only stock exchange operations were merged into the Pakistan Stock Exchange Limited and the Trading Rights Entitlement Certificate (TREC) Holders of the Lahore Stock Exchange had become TREC Holders of PSX under the scheme of integration. The Commission approved the application of the Company to change its name from Lahore Stock Exchange Limited to 'LSE Financial Services Limited' and Company ceased to exist as stock exchange. Company was granted license to carry out Investment Finance Services as a NBFC on January 11, 2016.

**1.3** 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 December 21, 2021.

**1.4** The Company has obtained sufficient insurance coverage against losses that may be incurred as a result of employees' fraud or gross negligence.

Note 2

#### **Basis of Preparation**

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##### **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;



## Note 2, Basis of Preparation - Cont ...

## Note 2.1, Statement of Compliance - Cont ...

- Provisions of and directives issued under the Companies Act, 2017, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

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.

- 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, 2022.

## Note 3

**Significant Accounting Policies**

The significant 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, 2022.

## Note 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, 2022. The only exceptions are the estimate of income tax liabilities which is determined in the condensed interim financial statements using the estimated average annual effective income tax rate applied to the pre-tax income of the interim period.

## Note 5

**Property and Equipment**

	Note	December 31, 2022 (Un-audited)	June 30, 2022 (Audited)
Rupees in thousand			
Operating fixed assets	5.1	1,290,449	1,272,737
Capital work-in-progress	5.2	4,837	5,695
<b>5.1 Operating fixed assets</b>		<u>1,295,286</u>	<u>1,278,432</u>
Opening written down value		1,272,737	1,265,905
Additions during the period / year		31,975	32,467
Disposals during the period / year		(427)	(2,455)
		<u>1,304,285</u>	<u>1,295,917</u>
Depreciation charge for the period / year		(13,837)	(23,180)
<b>5.2 Capital work in progress</b>		<u>1,290,449</u>	<u>1,272,737</u>
Opening balance		5,695	801
Additions during the period / year		12,014	4,894
		17,709	5,695
Transferred to property and equipment		(12,872)	-
<b>5.2</b>		<u>4,837</u>	<u>5,695</u>

## Note 6

## Investments Accounted For Using Equity Method

	Note	December 31, 2022 (Un-audited)	June 30, 2022 (Audited)
Rupees in thousand			
<b>Investments in associated companies:</b>			
The Pakistan Credit Rating Agency Limited (PACRA)		52,483	60,689
Central Depository Company of Pakistan Limited (CDC)		646,543	584,521
National Clearing Company of Pakistan Limited (NCCPL)		508,152	501,771
	6.4	<u>1,207,179</u>	<u>1,146,981</u>

## 6.1 Reconciliation of changes in carrying value of investment in associates

	December 31, 2022			
	The Pakistan Credit Rating Agency Limited (PACRA)	Central Depository Company of Pakistan Limited (CDC)	National Clearing Company of Pakistan Limited (NCCPL)	Total
-----Rupees in thousand-----				
Opening balance	60,689	584,521	501,771	1,146,981
Equity adjustment	(5,735)	34,892	(4,782)	24,376
Share of profit for the period	16,913	46,929	32,354	96,196
Dividend received during the period	(16,098)	(19,800)	(21,191)	(57,089)
Share of other comprehensive income of associate	(3,286)	-	-	(3,286)
Closing balance	<u>52,483</u>	<u>646,543</u>	<u>508,152</u>	<u>1,207,179</u>
Number of shares	<u>2,683,042</u>	<u>30,000,000</u>	<u>23,730,462</u>	
Shareholding in %age	<u>36%</u>	<u>10%</u>	<u>23.53%</u>	
Net Assets as at Dec 31, 2022 (un-audited) - (Rupees in '000')	<u>145,787</u>	<u>6,465,435</u>	<u>2,159,589</u>	
	June 30, 2022			
	The Pakistan Credit Rating Agency Limited (PACRA)	Central Depository Company of Pakistan Limited (CDC)	National Clearing Company of Pakistan Limited (NCCPL)	Total
-----Rupees in thousand-----				
Opening balance	51,323	546,217	518,065	1,115,605
Share of profit for the year	32,932	84,054	85,035	202,021
Fair value gain	5,947	-	-	5,947
Dividend received during the year	(29,513)	(45,750)	(101,329)	(176,592)
Closing balance	<u>60,689</u>	<u>584,521</u>	<u>501,771</u>	<u>1,146,981</u>
Number of shares	<u>2,683,042</u>	<u>30,000,000</u>	<u>23,730,462</u>	
Shareholding in %age	<u>36%</u>	<u>10%</u>	<u>23.53%</u>	
Net Assets as at June 30, 2022 (Audited) - (Rupees in '000')	<u>52,483</u>	<u>6,465,435</u>	<u>2,159,589</u>	

6.2 These are locally incorporated companies. The country of incorporation / registration of these companies is also their principal place of business. The Company has significant influence on associates due to its representation on the Board of Directors of investees and consequently, they have been treated as associates according to the requirements of IAS 28 'Investment in Associates'. Therefore, investments in these associates have been accounted for under the equity method. The shares of these associates are not listed on stock exchange, hence published price quotes are not available. Shares of all the associated companies have a face value of Rs. 10 each.

6.3 The investments in associated companies have been made in accordance with the requirements of the Companies Act, 2017.

6.4 The value of investments in the associates is based on the share of the company in net assets of the investee companies as reflected by the reviewed condensed interim financial statements of CDC & NCCPL and unaudited / unreviewed condensed interim financial statements of PACRA as at December 31, 2022 (June 30, 2022: unaudited).



Note 7

**Loan to Subsidiary**

		<b>December 31, 2022</b>	<b>June 30, 2022</b>
	Note	<b>(Un-audited)</b>	<b>(Audited)</b>
Rupees in thousand			
Loan to LSE Ventures Limited	7.1	<u>280,000</u>	<u>-</u>

**7.1** This includes loan to LSE Ventures Limited for a period of 6 months at KIBOR+ 3% through a structured arrangement, which means hypothecation/charge/escro arrangement, will be created over the assets of wholly owned subsidiary to secure the Company's finances.

Note 8

**Trade and Other Receivables - Considered Good**

		<b>December 31, 2022</b>	<b>June 30, 2022</b>
		<b>(Un-audited)</b>	<b>(Audited)</b>
Rupees in thousand			
Due from ex members		3,389	4,015
Other receivables:			
- From related parties - secured		2,074	2,007
- Accrued mark-up		4,933	5,746
- Tenants		<u>1,846</u>	<u>3,663</u>
		<u>12,241</u>	<u>15,431</u>

Note 9

**Advances and Prepayments**

		<b>December 31, 2022</b>	<b>June 30, 2022</b>
		<b>(Un-audited)</b>	<b>(Audited)</b>
Rupees in thousand			
Advances to employees against expenses		100	104
Advances to employees against salaries		92	223
Advances to Employees - house rent		1,890	-
Advances to Employees against vehicles		460	-
Prepayments	9.1	<u>54,477</u>	<u>7,202</u>
		<u>57,019</u>	<u>7,529</u>

**9.1** This includes amount paid to Data Textiles Limited as a shell Company after approval of the Board of Directors in their meeting held on July 20, 2022. The Board of Directors approved a draft scheme for amalgamation / merger of Data Textiles Limited (and its members) with new incorporated LSE Ventures Limited (and its members) and LSE PropTech Limited (and its members) in terms of the provisions of section 279 to 282 and all other enabling provisions of Companies Act, 2017. The amalgamation/merger scheme has been submitted to Lahore High Court for its approval.

Note 10

**Short Term Investments**

		<b>December 31, 2022</b>	<b>June 30, 2022</b>
	Note	<b>(Un-audited)</b>	<b>(Audited)</b>
Rupees in thousand			
<b>At amortised cost</b>			
Investment in Margin Trading System of NCCPL	10.1	325,847	444,989
Government treasury bills	10.2	24,570	267,044

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## Note 10, Short Term Investments - Continued...

Fair value through profit or loss		December 31, 2022 (Un-audited)	June 30, Jul-05 (Audited)
<i>Listed - at market value</i>			
Pakistan General Insurance Company Limited (PKG I)	10.3	31,347	53,120
<i>Unlisted - at cost</i>			
Pakistan Mercantile Exchange Limited (PMEX)	10.4	19,086	19,086
Digital Clearing Company Limited (DCCL) [related party]	10.5	60,000	60,000
Investments in unlisted securities	10.6	918	918
Investment in LSE Proptech Limited	10.7	-	50,000
		<u>461,768</u>	<u>897,179</u>

- 10.1** Investment in margin Trading System of NCCPL is an undisclosed market of financees and financiers with a participation ratio of 85 to 15 carrying markup of KIBOR with spread of maximum upto 8% (June 30, 2022: 8%).
- 10.2** This represents investment in treasury bills having maturity upto six months carrying mark-up at 15.75% p.a. (June 30, 2022: 14.75% p.a.).
- 10.3** The Company has acquired 4,860,000 equity shares of Pakistan General Insurance Limited (PKG I), representing 10.47% equity, a Company listed on Pakistan Stock Exchange.
- 10.4** The Company holds 2,272,727 equity shares of Pakistan Mercantile Exchange Limited.
- 10.5** The Company has acquired 1,110,000 equity shares of Digital Clearing Company Limited (a related party), which is public unlisted entity representing 9.10% equity. These shares were acquired at Rs. 54.05 per share.
- 10.6** The Company holds 656 shares in Reckitt Benckiser Pakistan Limited and 176 share of RB Hyginene Home Pakistan Limited. Value of these shares cannot be determined with certainty (June 30, 2022: same).
- 10.7** This represented subscription money paid for LSE Proptech Limited (wholly owned subsidiary) which is transferred to investment in subsidiary after issuance of shares.

## Note 11

**Building Reserve Fund**

This reserve was created with the allocation of Rs 0.50 million to meet capital expenditures on the buildings of the Company. Later, it was resolved that 2% of the rental income shall be allocated to this fund on annual basis. The management of the Company has decided that all the tenants, including the Company and all other leaseholders, of LSE plaza shall contribute @ Rs. 4 per square feet on monthly basis effective from April 20, 2022. This fund will be used for replacement of fixed assets of the Company.

	December 31, 2022 (Un-audited)	June 30, 2022 (Audited)
	Rupees in thousand	
Opening balance	3,829	3,829
Additions during the period / year	3,203	-
Closing balance	<u>7,032</u>	<u>3,829</u>

## Note 12

**Long Term Financing**

	December 31, 2022	June 30, 2022
	Rupees in thousands	
<b>From banking companies - secured</b>		
Opening balance	7,794	7,696
Add: Addition during the period	-	1,924
	7,794	9,620
Less: Payments	(962)	(1,826)
Less: Current portion shown under current liabilities	(1,924)	(1,924)
Closing balance	4,908	5,870

**12.1** The long term financing facility has been obtained from Bank Al Habib Limited. This represents utilised portion of financing out of total sanctioned limit of Rs. 9.61 million, for 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 4% per annum, payable quarterly. The bank has marked lien over PLS accounts for Rs. 8.6 million. The tenor of the facility is 5 years from the date of disbursement.

## Note 13

**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, 2022.

**Commitments**

Commitments for capital expenditure pertaining to ERP software outstanding as at the reporting date were Rs. 0.770 million (June 30, 2022: Rs. 0.770 million).

## Note 14

**Revenue**

	Half Year Ended December 31,		Quarter Ended December 31,	
	2022	2021	2022	2021
	----- (Un-audited) -----		----- (Un-audited) -----	
	Rupees in thousand		Rupees in thousand	
Revenue from Margin Trading System of NCCPL	30,104	23,363	14,877	12,149
<b>Revenue from contracts with customers - net</b>				
- Room maintenance services	12,061	10,918	7,034	5,479
- Fund and operational management fee	10,140	9,416	5,205	4,763
- Software services	2,326	1,663	1,146	804
	24,527	21,997	13,385	11,046
Rental income from investment properties	30,552	23,342	15,129	11,450
<b>Total revenue</b>	85,183	68,702	43,391	34,645

## Note 15

**Taxation**

	Half Year Ended December 31,		Quarter Ended December 31,	
	2022	2021	2022	2021
	----- (Un-audited) -----		----- (Un-audited) -----	
	Rupees in thousand		Rupees in thousand	
Current	10,802	22,275	7,429	18,340
Prior	(2,382)	(4,335)	(2,382)	(4,335)
Deferred	(6,391)	7,391	12,330	(488)
	2,030	25,331	17,378	13,517



Note 16

**Transactions with Related Parties**

Related parties comprise associated companies / undertakings, companies where directors also hold directorship, retirement benefits fund and key management personnel. Balances with related parties are disclosed in respective notes to these financial statements, whereas significant transactions with these related parties during the period are as under:

Name of related parties	Relationship percentage shareholding	Transactions during the period	Half Year Ended December 31,	
			2022	2021
			----- <b>(Un-audited)</b> ----- Rupees in thousand	
<b>Transactions during the period</b>				
National Clearing Company of Pakistan Limited	Associate	Annual fee paid	-	250
		Provision of facilities - billings	1,426	1,103
		Reimbursement of facilities - receipt	1,426	1,259
		Dividend received	21,191	65,733
Central Depository Company of Pakistan Limited	Associate	Provision of facilities - billings	2,891	2,253
		Reimbursement of facilities - receipt	2,874	1,988
		Dividend received	19,800	23,250
Pakistan Credit Rating Agency Limited	Associate	Dividend received	16,098	13,415
Chief Executive Officer & ED	Key management personnel	Managerial remuneration	8,688	1,500
		Company's contribution to the provident fund trust	978	150
		Housing and utilities allowances - Advance	5,647	750
		Others - Advance	8,503	415
Directors	Non-Executive	Utilities on account of business offices	1,923	869
		Dividend paid to directors	175	1
		Dividend paid to directors' company	2,109	2,363
		Meeting fees paid	2,900	2,880
Lahore Stock Exchange Limited - Employees' Provident Fund Trust	Trust	Contribution for the period	1,184	773
MCF Trust Fund	Associate	Fund and operational management fee	1,187	1,095
		Fund and operational management fee received	944	1,112
IPF Trust Fund	Associate	Fund and operational management fee	3,434	3,224
		Fund and operational management fee received	2,728	3,274
TCF Trust Fund	Associate	Fund and operational management fee	5,519	5,096
		Fund and operational management fee received	4,394	5,101
<b>Balance outstanding as at</b>			<b>December 31,</b>	<b>June 30,</b>
			<b>2022</b>	<b>2022</b>
			Rupees in thousand	
Due from related parties:				
		MCF Trust Fund	244	231
		IPF Trust Fund	706	690
		TCF Trust Fund	1,125	1,086
		Receivable from Directors	14,150	1,165



Note 17

**Corresponding Figures**

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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, 2022 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, 2021.

Note 18

**General**

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

**18.2** These condensed interim financial statements were approved by the Board of Directors of the Company to issue on

CHC  
17 APR 2023  
  
**Chief Executive Officer**

  
**Chief Financial Officer**

  
**Director**