



LSE Financial Services Ltd.

Directors' Review Report

Dear Shareholders,

The Board of Directors is pleased to present its report along with the unaudited accounts of your Company for the half year ended December 31, 2017:

Financial Highlights	Dec-2017 Rs. in '000'	Dec-2016 Rs. in '000'
Revenue	70,239	60,878
Share of profit of Associates-net of tax	67,923	60,633
Expenditure	(50,386)	(34,466)
Profit before Taxation	87,776	87,045
Taxation	49,801	22,434
Net Profit for the period	37,975	64,611
Earnings Per Share (EPS)	RS. 0.30	Rs. 0.50

PERFORMANCE REVIEW

During the half year ended on December 31, 2017, LSEFSL earned total revenue of Rs 138.162 million including share of profit of Associates, as compared to Rs. 121.511 million last year's comparative period, i.e., an increase of 16.651 million or 14%. The revenue was generated from rent, profit from bank deposits, investments, income from MTS, share of profits from the Associated Companies and other income. The administrative expenses were Rs. 50.306 million, i.e., up by Rs. 15.921 million or 46% from last year's comparative period, primarily due to increase in depreciation expense of Rs. 10.2 million and finance cost of Rs. 3.35 million after capitalization of South Tower. The Company earned a profit before taxation of Rs. 87.776 million for the period under review, which is up by Rs. 0.731 million or 1%, as compared to the corresponding period. Furthermore, profit after tax is Rs. 37.975 million down by Rs. 26.636 million or 41% from last year's comparative period

Earnings per Share (EPS) - (Basic & Diluted) for the half year ended December 31, 2017 was recorded as Rs. 0.30 per share against Rs. 0.50 per share of last year's comparative period, down by Rs. 0.20 or 40%.

During the year, JCR-VIS Credit Rating Company Ltd. has assigned initial entity ratings of 'A/A-2' to LSEFSL. Outlook on the assigned ratings is 'Stable'.

For and on behalf of the Governing Board of Directors of LSEFSL,

Chief Executive/Managing Director

Director

LSE Financial Services Limited

CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE HALF YEAR ENDED DECEMBER 31, 2017

**AUDITORS' REPORT TO THE MEMBERS ON REVIEW OF
CONDENSED INTERIM FINANCIAL INFORMATION**

Introduction

We have reviewed the accompanying condensed interim balance sheet of **LSE Financial Services Limited ("the Company")** as at December 31, 2017, and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity together with the notes forming part thereof for the half year then ended (here-in-after referred to as the "condensed interim financial information"). Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information 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 information 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 condensed interim financial information as of and for the half year ended December 31, 2017 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Other matters

The figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarter ended December 31, 2017 have not been reviewed and we do not express a conclusion on them.

Lahore:

19 MAR 2018


KRESTON HYDER BHIMJI & CO.
CHARTERED ACCOUNTANTS
Engagement Partner - Shabir Ahmad, FCA



LSE FINANCIAL SERVICES LIMITED
CONDENSED INTERIM BALANCE SHEET AS AT DECEMBER 31, 2017

	December 31, 2017		June 30, 2017		Note
	Unaudited	Audited	Unaudited	Audited	
EQUITY AND LIABILITIES					
SHARE CAPITAL AND RESERVES					
Authorized share capital 200,000,000 (June 30, 2017: 200,000,000) ordinary shares of Rs. 10 each	2,000,000	2,000,000	2,000,000	2,000,000	
Issued, subscribed and paid up capital 128,284,200 (June 30, 2017: 128,284,200) ordinary shares of Rs 10 each	1,282,842	1,282,842	1,282,842	1,282,842	
Loss on revaluation of available for sale investments - net	(11,489)	(11,464)	(11,464)	(11,464)	
Unappropriated profit	276,695	301,060	301,060	301,060	
Surplus on revaluation of fixed assets account	1,548,048	1,572,438	1,572,438	1,572,438	
	771,562	773,364	773,364	773,364	
NON-CURRENT LIABILITIES					
Long term liabilities	373,423	281,319	281,319	281,319	6
Long term finances	182,143	200,000	200,000	200,000	7
Deferred taxation	106,167	76,876	76,876	76,876	
	661,733	558,195	558,195	558,195	
CURRENT LIABILITIES					
Trade and other payables	124,718	114,843	114,843	114,843	8
Current portion of long term liabilities	30,278	15,424	15,424	15,424	
	154,996	130,267	130,267	130,267	
Liabilities against discontinued operations	18,172	19,731	19,731	19,731	17
CONTINGENCIES AND COMMITMENTS					
	3,154,511	3,053,996	3,053,996	3,053,996	9
ASSETS					
NON CURRENT ASSETS					
Property and equipment	1,716,308	1,715,205	1,715,205	1,715,205	10
Intangible assets	22	145	145	145	
Long term investments	754,006	712,457	712,457	712,457	11
Long term deposits	1,762	1,762	1,762	1,762	
	2,472,098	2,429,569	2,429,569	2,429,569	
CURRENT ASSETS					
Stores	628	668	668	668	12
Short term investments	555,086	475,367	475,367	475,367	13
Trade receivables	13,391	13,867	13,867	13,867	14
Loans and advances	10,582	14,325	14,325	14,325	15
Short term deposits	11,765	10,414	10,414	10,414	
Other receivables	10,089	11,809	11,809	11,809	
Tax refunds due from the Government	33,033	41,032	41,032	41,032	
Cash and bank balances	47,839	56,945	56,945	56,945	16
	682,413	624,427	624,427	624,427	
3,154,511					
3,053,996					

The annexed notes 1 to 24 form an integral part of this condensed interim financial information.

Lahore

Managing Director

Yasir Malik

Chief Financial Officer

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Director

S. Q. I. I.

15.08.17

3,154,511

3,053,996

LSE FINANCIAL SERVICES LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT FOR THE HALF YEAR ENDED DECEMBER 31, 2017 (UNAUDITED)


	Note	For the quarter ended		For the half year ended	
		December 31, 2017 (Rupees in thousands)	December 31, 2016	December 31, 2017 (Rupees in thousands)	December 31, 2016
CONTINUING OPERATIONS :					
INCOME					
Rental income		14,235	12,421	27,862	26,007
Profit on PLS bank accounts		784	1,188	1,483	3,083
Software revenue		1,224	332	2,591	608
Return on investments	18	8,338	6,727	16,670	14,828
Other income		13,570	7,709	21,633	16,352
		38,151	28,377	70,239	60,878
OPERATING EXPENSES					
Administrative expenses		(27,789)	(15,838)	(46,140)	(33,430)
Other charges		(284)	(335)	(838)	(934)
OPERATING PROFIT		10,078	12,204	23,261	26,514
Finance cost		(3,378)	(87)	(3,408)	(102)
Share of profit of associates - net of tax	11	31,013	34,506	67,923	60,633
PROFIT BEFORE TAXATION		37,713	46,623	87,776	87,045
Taxation					
- Current		15,197	8,226	20,510	13,428
- Deferred		23,540	5,802	29,291	9,006
		38,737	14,028	49,801	22,434
PROFIT / (LOSS) AFTER TAXATION		(1,024)	32,595	37,975	64,611
DISCONTINUING OPERATIONS:					
Loss for the period from discontinued operations	17	-	(539)	-	(539)
PROFIT / (LOSS) AFTER TAXATION		(1,024)	32,056	37,975	64,072
Earnings / (loss) per share-basic and diluted					
Continued operations	Rupees	(0.01)	0.25	0.30	0.50
Discontinued operations	Rupees	-	(0.0042)	-	(0.0042)
	Rupees	(0.01)	0.25	0.30	0.50

The annexed notes 1 to 24 form an integral part of this condensed interim financial information.

Lahore


 Managing Director


 Chief Financial Officer


 Director

LSE FINANCIAL SERVICES LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED DECEMBER 31, 2017 (UNAUDITED)

	For the quarter ended		For the half year ended	
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
	(Rupees in thousands)		(Rupees in thousands)	
Profit / (loss) for the period	(1,024)	32,056	37,975	64,072
Other comprehensive income / (loss)				
<i>Items that may be reclassified to profit or loss account subsequently</i>				
Share of other comprehensive income of equity method investments in respect of loss on revaluation of 'available for sale' investments - net of tax	(25)	(509)	(25)	(509)
Total comprehensive income / (loss)	<u>(1,049)</u>	<u>31,547</u>	<u>37,950</u>	<u>63,563</u>
<i>Attributable to:</i>				
Continued operations	(1,049)	32,086	37,950	63,563
Discontinued operations	-	(539)	-	(539)
	<u>(1,049)</u>	<u>31,547</u>	<u>37,950</u>	<u>63,024</u>

The annexed notes 1 to 24 form an integral part of this condensed interim financial information.

Lahore


 Farid Habib
 Managing Director


 Chief Financial Officer


 Director

15.08.17

LSE FINANCIAL SERVICES LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT FOR THE HALF YEAR ENDED DECEMBER 31, 2017 (UNAUDITED)

	December 31, 2017	December 31, 2016
Note	(Rupees in thousand)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	87,776	86,506
Adjustments for non cash expenses and other items:		
Depreciation	16,894	7,576
Amortization of intangibles	123	158
Share of profit of associates	(67,923)	(60,633)
Return on bank deposits and investments	(18,153)	(17,911)
Lease rentals	(27,862)	(26,007)
Gain on disposal of operating fixed assets	(23)	539
Employee welfare fund	74	-
Finance cost	3,408	102
Loss before working capital changes	(5,686)	(9,670)
Increase / (decrease) in working capital	8,983	(40,046)
	21	(49,716)
Receipts in respect of:		
Movement in advances against South Tower	92,225	-
Movement in advances for lease of building rooms	24,673	34,152
Retention money	68	2,965
	116,966	37,117
Cash generated from / (used in) operations	120,263	(12,599)
Employees' welfare fund paid	(74)	(38)
Leave fare assistance paid	-	(94)
Finance cost paid	(3,408)	(102)
Income tax paid	(12,511)	(15,726)
Net cash generated from / (used in) operating activities	104,270	(28,559)
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(18,634)	(56,604)
Proceeds from disposal of operating fixed assets	656	2,717
Movement in short term investment	(79,719)	67,928
Dividend received	26,349	32,593
Profit received on bank deposits and short term investment	18,316	16,820
Net cash (used in) / generated from investing activities	(53,032)	63,454
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(60,344)	(59,332)
Net cash used in financing activities	(60,344)	(59,332)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(9,106)	(24,437)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	56,945	86,851
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	47,839	62,414
	16	

The annexed notes 1 to 24 form an integral part of this condensed interim financial information.

Lahore

Yasir Malik
Managing Director

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Chief Financial Officer

15/03/17
S. I. I. I.
Director

LSE FINANCIAL SERVICES LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED DECEMBER 31, 2017 (UNAUDITED)

Share capital Available for sale' Un-appropriated Total
investments profit
.....(Rupees in thousands).....

Balance as at June 30, 2016	1,282,842	(8,453)	212,856	1,487,245
Profit for the period	-	-	64,072	64,072
Other comprehensive loss	-	(509)	-	(509)
Total comprehensive income / (loss) for the period	-	(509)	64,072	63,563
Surplus transferred to unappropriated profit on account of: Incremental depreciation for the period - net of deferred tax	-	-	1,774	1,774
Cash dividend paid (Rs. 0.50 per share) for the year ended June 30, 2016	-	-	(64,142)	(64,142)
Balance as at December 31, 2016	<u>1,282,842</u>	<u>(8,962)</u>	<u>214,560</u>	<u>1,488,440</u>
Profit for the period	-	-	85,314	85,314
Other comprehensive income	-	(2,502)	-	(2,502)
Total comprehensive income / (loss) for the period	-	(2,502)	85,314	82,812
Surplus transferred to unappropriated profit on account of: Incremental depreciation for the period - net of deferred tax	-	-	1,186	1,186
Balance as at June 30, 2017	<u>1,282,842</u>	<u>(11,464)</u>	<u>301,060</u>	<u>1,572,438</u>
Profit for the period	-	-	37,975	37,975
Other comprehensive income	-	(25)	-	(25)
Total comprehensive income for the period	-	(25)	37,975	37,950
Surplus transferred to accumulated profit on account of: Incremental depreciation for the period - net of deferred tax	-	-	1,802	1,802
Cash dividend paid (Rs. 0.50 per share) for the year ended June 30, 2017	-	-	(64,142)	(64,142)
Balance as at December 31, 2017	<u>1,282,842</u>	<u>(11,489)</u>	<u>276,695</u>	<u>1,548,048</u>

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The annexed notes 1 to 24 form an integral part of this condensed interim financial information.

Lahore

Yasir Malik
Managing Director

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Chief Financial Officer

Q. I. I. I.
Director

LSE FINANCIAL SERVICES LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE HALF YEAR ENDED DECEMBER 31, 2017 (UNAUDITED)

1 LEGAL STATUS AND NATURE OF BUSINESS

Lahore Stock Exchange Limited ("the Company") was incorporated 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 a Non-Banking Finance Company (NBFC) 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 for interim financial reporting. As per the requirements of circular No. CLD/CCD/PR(11)/2017 dated July 20, 2017 and circular No. 23 of 2017 dated October 4, 2017 issued by the Securities & Exchange Commission of Pakistan (SECP), the Company has prepared this condensed interim financial information in accordance with the provisions of the repealed Companies Ordinance, 1984 (the Ordinance). Accordingly, approved accounting standards for interim financial reporting comprise of International Accounting Standard 34, 'Interim Financial Reporting' and provisions of and directives issued under the Ordinance. In case requirements differ, the provisions of or directives issued under the Ordinance prevail.

This condensed interim financial information do not include all the information and disclosures required in the annual audited financial statements and should be read in conjunction with the Company's annual audited financial statements for the year ended June 30, 2017. The figures included in the condensed interim profit and loss account for the quarters ended December 31, 2017 and 2016 and in the notes forming part thereof have not been reviewed by the auditors of the Company, as they have reviewed the accumulated figures for the half years ended December 31, 2017 and

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted for the preparation of this condensed interim financial information are the same as those applied in the preparation of preceding annual financial statements of the company except as follows:

3.1 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.

4 CHANGE IN ACCOUNTING STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS

a) Amendments to published approved accounting standards which are effective during the half year ended December 31, 2017

There are certain amendments to approved accounting standards which are mandatory for the Company's annual accounting period which began on July 1, 2017. However, these do not have any significant impact on the Company's financial reporting and, therefore, have not been detailed in this condensed interim financial information.

b) Standards and amendments to published approved accounting standards that are not yet effective

There are certain new standards and amendments to the approved accounting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 1, 2018. However, these amendments will not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in this condensed interim financial information. During the current period the SECP has adopted IFRS 9 'Financial Instruments' and IFRS 15 'Revenue from Customers', the impacts of which on the Company's future financial statements are being assessed. Further, certain new standards are yet to be adopted by the Securities and Exchange Commission of Pakistan.

In addition to the foregoing, the Companies Act, 2017 which is not effective on this condensed interim financial information has added certain disclosure requirements which will be applicable in the future.

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of condensed interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts. Actual results may differ from these judgements, estimates and assumptions. However, the management believes that the change in outcome of judgements, estimates and assumptions would not have a material impact on the amounts disclosed in this condensed interim financial information.

Judgements and estimates made by the management in the preparation of condensed interim financial information are the same as those applied in the Company's annual audited financial statements for the year ended June 30, 2017.

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	December 31, 2017 Unaudited	June 30, 2017 Audited
(Rupees in thousand)		
6 LONG TERM LIABILITIES		
Advances for lease of building rooms	16,575	16,684
Advances against South Tower	347,880	255,655
Security deposits	2,030	2,110
Retention money	6,938	6,870
	<u>373,423</u>	<u>281,319</u>
7 LONG TERM FINANCES		
Long term loans from financial institutions	200,000	200,000
Less: current portion transferred to current liabilities	(17,857)	-
	<u>182,143</u>	<u>200,000</u>
8 TRADE AND OTHER PAYABLES		
Accrued Liabilities	29,722	20,177
Accrued interest	5,008	6,902
Due to ex - members	2,601	2,601
Defaulted ex - members' membership sale proceeds	51,120	51,120
Advances received from ex - members and companies	1,828	2,092
Retention money	7,426	8,736
Unclaimed dividend	27,013	23,215
	<u>124,718</u>	<u>114,843</u>

8.1 This represents amounts realized through auctions of the defaulted ex - members' memberships and have been retained by the Company for settlement of claims against these members.

9 CONTINGENCIES AND COMMITMENTS

9.1 Contingencies

There are no significant changes in the status of contingencies as reported in the annual financial statements of the company for the year ended June 30, 2017.

9.2 Commitments

Commitments for capital expenditure outstanding at December 31, 2017 were Rs. 66.999 million (June 30, 2017: Rs. 91.177 million).

10 PROPERTY AND EQUIPMENT

Property and equipment	10.1	1,700,421	1,233,517
Capital work-in-progress	10.2	15,887	481,688
		<u>1,716,308</u>	<u>1,715,205</u>
10.1 Property and equipment			
Opening Net Book Value (NBV)		1,233,517	1,244,395
Add: Additions during the period / year	10.1.1	375	4,472
Add: Transfers during the period / year	10.2	484,055	-
		<u>1,717,947</u>	<u>1,248,867</u>
Less: Disposals during the period / year (WDV)		632	96
Less: Depreciation charged during the period / year		16,894	15,254
		<u>17,526</u>	<u>15,350</u>
		<u>1,700,421</u>	<u>1,233,517</u>

10.1.1 The following additions / disposals were made during the period in operating fixed assets:

	Transfer Cost	Additions Cost	Disposals Cost
Building	373,141	-	-
Electric fittings and appliances	97,485	34	1,393
Elevators	13,429	-	-
Office equipment	-	34	-
Generators	-	307	1,097
Arms and security equipments	-	-	343
Furniture and fixture	-	-	37
Computer and accessories	-	-	16,300
	<u>484,055</u>	<u>375</u>	<u>19,170</u>

10.2 Capital work-in-progress

Opening Balance	Additions	Transfer to operating fixed	Closing Balance
----- (Rupees in '000s) -----			
478,721	15,983	(484,055)	10,649
2,967	2,271	-	5,238
<u>481,688</u>	<u>18,254</u>	<u>(484,055)</u>	<u>15,887</u>

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31-Dec-17 30-Jun-17
(Rupees in thousand)

754,006 712,457

11 Long term investments

Equity-accounted investees - unquoted

11.1 Equity-accounted investees - unquoted

Name of associated companies

	31-Dec-17 (Percentage of holding)	30-Jun-17 (Number of shares)	31-Dec-17 (Rupees in thousand)	30-Jun-17 (Rupees in thousand)
The Pakistan Credit Rating Agency Limited (PACRA)	36.00	2,683,044	49,334	50,296
Central Depository Company of Pakistan Limited (CDC)	10.00	10,608,998	361,201	340,824
National Clearing Company of Pakistan Limited (NCCPL)	23.53	11,865,231	343,471	321,336
Pakistan Mercantile Exchange Limited (PMEX)	7.25	2,272,727	-	-
			<u>754,006</u>	<u>712,457</u>

11.1.1 Shares of all associated companies have a face value of Rs. 10 each.

11.1.2 The investments stand at nil value in PMEX because the accumulated share of loss of these associated companies exceeds the cost of investment.

11.1.3 CDC issued 609,000 bonus shares for the year ended June 30, 2017.

11.1.4 Movement in carrying amount of equity-accounted investees

	Opening balance	Transfer from revaluation reserve to retained earnings	Share of income - net of tax	Change in other comprehensive income	Revaluation reserve	Dividend received	Closing balance
The Pakistan Credit Rating Agency Limited (PACRA)							
- For the period ended Sep 30, 2017	50,296	-	7,087	-	-	(8,049)	49,334
- For the year ended June 30, 2017	46,408	-	11,847	91	-	(8,049)	50,296
Central Depository Company of Pakistan Limited (CDC)							
- For the period ended Sep 30, 2017	340,824	573	38,667	10	(573)	(18,300)	361,201
- For the year ended June 30, 2017	283,535	1,113	60,872	(1,582)	(1,113)	(2,000)	340,824
National Clearing Company of Pakistan Limited (NCCPL)							
- For the period ended Sep 30, 2017	321,336	-	22,169	(36)	-	-	343,471
- For the year ended June 30, 2017	270,222	-	75,177	(1,519)	-	(22,544)	321,336
Total	<u>712,457</u>	<u>573</u>	<u>67,923</u>	<u>(25)</u>	<u>(573)</u>	<u>(26,349)</u>	<u>754,006</u>
- as on December 31, 2017	<u>600,165</u>	<u>1,113</u>	<u>147,896</u>	<u>(3,011)</u>	<u>(1,113)</u>	<u>(32,593)</u>	<u>712,457</u>

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	December 31, 2017 Unaudited (Rupees in thousand)	June 30, 2017 Audited
12 SHORT TERM INVESTMENTS - held to maturity		
Government treasury bills	264,096	234,497
Term deposit receipts	-	50,000
Investments under Margin Trading System in NCCPL	290,990	190,870
	<u>555,086</u>	<u>475,367</u>
13 TRADE RECEIVABLES - SECURED AND CONSIDERED GOOD		
Fund management fee	13,391	13,867
14 LOANS AND ADVANCES - CONSIDERED GOOD		
Due from associated undertakings	776	776
Due from ex - members	9,379	10,304
Due from others	24	2,741
Advances to employees	403	504
	<u>10,582</u>	<u>14,325</u>
15 OTHER RECEIVABLES		
Accrued interest	5,399	5,562
Others	4,690	6,247
	<u>10,089</u>	<u>11,809</u>
	December 31, 2017 Unaudited	December 31, 2016 Unaudited
	(Rupees in thousand)	
16 CASH AND BANK BALANCES		
Cash-in-hand	100	100
Cash at banks in:		
- Current accounts	154	154
- Saving accounts	47,585	56,691
	<u>47,739</u>	<u>56,845</u>
	<u>47,839</u>	<u>56,945</u>

16.1 This amount includes an amount of Rs. 30 million marked as lien with Bank Alhabib Limited as per terms of loan agreement facility of Rs. 100 million.

17 DISCONTINUED OPERATIONS

Company entered into a Memorandum of Understanding (MoU) on August 25, 2015 with Karachi Stock Exchange Limited and Islamabad Stock Exchange Limited with the objective to form an integrated stock exchange for development of capital market of Pakistan under the name of Pakistan Stock Exchange Limited (PSX). 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.

Consequent to the discontinued stock exchange operations of the Company, the relevant assets and liabilities relating to such operations have been classified as discontinued operations in accordance with IFRS 5 - 'Non current assets held for sale and discontinued operations and have been disclosed to these condensed interim financial information, and the profit and loss account and respective notes have been represented accordingly.

B. O. B.

17.1 Loss from discontinued operations for the period:

	December 31, 2017 Unaudited (Rupees in thousand)	December 31, 2016 Unaudited (Rupees in thousand)
Loss on disposal of assets	-	(539)

17.2 Liabilities of discontinued operations of the company are as follows:

	December 31, 2017 Unaudited (Rupees in thousand)	June 30, 2017 Audited (Rupees in thousand)
Trade and other payables	18,172	19,731

17.3 Net cash flows relating to the discontinued operations for the period:

	December 31, 2017 Unaudited (Rupees in thousand)	December 31, 2016 Unaudited (Rupees in thousand)
Cash used in operating activities	(1,559)	(4,880)

18 RETURN ON INVESTMENTS

	For the quarter ended		For the half year ended	
	December 31, 2017 (Rupees in thousands)	December 31, 2016 (Rupees in thousands)	December 31, 2017 (Rupees in thousands)	December 31, 2016 (Rupees in thousands)
Treasury bills	3,492	3,508	7,003	7,200
Term deposits certificates	723	2,628	1,441	7,037
Return on investments under Margin Trading System - NCCPL	4,123	591	8,226	591
	<u>8,338</u>	<u>6,727</u>	<u>16,670</u>	<u>14,828</u>

19 EARNING PER SHARE

		For the quarter ended		For the half year ended	
		December 31, 2017 (Rupees in thousands)	December 31, 2016 (Rupees in thousands)	December 31, 2017 (Rupees in thousands)	December 31, 2016 (Rupees in thousands)
Basic earnings per share					
Profit after tax from continuing operations	Rupees in thousand	(1,024)	32,595	37,975	64,611
Loss from discontinued operations	Rupees in thousand	-	(539)	-	(539)
Weighted average number of shares	Numbers in thousand	<u>128,284</u>	<u>128,284</u>	<u>128,284</u>	<u>128,284</u>
Earnings per share from continuing operations	Rupees	(0.0080)	0.2541	0.2960	0.5037
Loss per share from discontinued operations	Rupees	-	(0.0042)	-	(0.0042)
	Rupees	<u>(0.0080)</u>	<u>0.2499</u>	<u>0.2960</u>	<u>0.4995</u>
Diluted earnings per share					

Diluted earnings per share has not been presented as the Company does not have any convertible instruments in issue as at December 31, 2017 and December 31, 2016 which would have any effect on the earnings per share.

20 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

The Company's financial risk management objectives and policies are consistent with those disclosed in the Company's annual audited financial statements for the year ended June 30, 2017.

15.02

	Note	December 31,	December 31,
		2017	2016
		Unaudited	Unaudited
		(Rupees in thousand)	
21 MOVEMENT IN WORKING CAPITAL			
(Increase) / decrease in current assets:			
Stores		40	1,386
Loans and advances		3,743	2,701
Trade receivables		476	(7,510)
Other receivables		1,557	8,698
Short term prepayments		(1,351)	(27,633)
		<u>4,465</u>	<u>(22,358)</u>
Decrease in current liabilities - trade and other payables		<u>4,518</u>	<u>(17,688)</u>
Increase in working capital		<u>8,983</u>	<u>(40,046)</u>

22 RELATED PARTY TRANSACTIONS

The related parties comprise of associates, companies with common directorship, Employees retirement benefit plan, directors and key management personnel of the Company. The company in the normal course of business carries out transactions with various related parties. Following are the details of transaction with related parties during the half year ended December 31, 2017 and December 31, 2016.

Transactions with related parties

	Half year ended December 31, 2017			Half year ended December 31, 2016		
	National Clearing Company of Pakistan Limited	Central Depository Company of Pakistan Limited	Pakistan Credit Rating Agency	National Clearing Company of Pakistan Limited	Central Depository Company of Pakistan Limited	Pakistan Credit Rating Agency
Associated undertakings						
Nature of transactions						
Reimbursement of expenses	-	-	-	47	43	-
Security deposits against rental premises	-	-	-	333	312	-
Rental income	1,174	494	-	1,049	455	-
Dividend income	-	18,300	8,049	22,544	4,000	8,049
Provision of facilities	349	525	-	456	209	-
Leased deposit received for South Tower	-	93,105	-	-	-	-
Security deposits against investment in NCCPL under Margin Trading System	-	-	-	250	-	-
Advance against exposure of investment	-	-	-	4,500	-	-
Return on investment in NCCPL under MTS	8,226	-	-	591	-	-
Annual fee	250	-	-	250	-	-
Other charges	1,026	-	-	32	-	-
Name and relationship				Half year ended December 31, 2017		Half year ended December 31, 2016
Associates						
MCF Trust Fund			Fund management fee	907		974
IPF Trust Fund			Fund management fee	2,883		2,233
TCF Trust Fund			Fund management fee	4,291		4,510
Directors			Board meeting fee	1,125		1,505
			Dividend paid	0.15		0.15
Key management personnel			CEO and Executives remuneration	5,773		5,132
Employees retirement benefit plan - Employees' Provident Fund			Contribution to the fund	467		498

15.02

Closing balances with related parties:

Associates

	December 31, 2017		June 30, 2017	
	(Unaudited)		(Audited)	
	(Rupees in thousand)		(Rupees in thousand)	
	National Clearing Company of Pakistan Limited	Central Depository Company of Pakistan Limited	National Clearing Company of Pakistan Limited	Central Depository Company of Pakistan Limited
Rent receivable	806	186	(368)	(69)
Security deposits against rental premises	333	312	333	312
Advances to NCCPL under MTS	9,931	-	9,500	-
			<u>December 31, 2017</u>	<u>June 30, 2017</u>
			(Unaudited)	(Audited)
			(Rupees in thousand)	
Fund management fee				
MCF Trust Fund			1,386	1,768
IPF Trust Fund			3,772	5,461
TCF Trust Fund			5,290	10,645

23 AUTHORIZATION FOR ISSUE

This condensed financial information has been authorized for issue by the Board of Directors of the Company in its meeting held on 19 MARCH 2018

24 GENERAL

24.1 Figures of the corresponding period have been re-arranged and regrouped to represent better / true presentation and to facilitate appropriate comparison. Major reclassification made in the corresponding figures for better presentation are as under:

	2017 (Rupees in thousands)	Reclassification	
		From	To
Income	7,200	Profit on term deposits and investments	Return on investments - treasury bills
Income	7,037	Profit on term deposits and investments	Return on investments - term deposits
Income	591	Income from Margin Trading System	Return on investments - Margin Trading System
Advances to suppliers	896	Advances and prepayments	Advances against civil works
Civil work in progress	29,946	Borrowing cost	Civil work

24.2 Figures in this condensed interim financial information have been rounded off to the nearest Rupees in thousands unless other-wise specified.

Lahore

Yasir Malik
Managing Director

ceft
Chief Financial Officer

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S. I. I. I.
Director