



LSE Financial Services Ltd.

Directors' Review

Dear Shareholders,

The Board of Directors is pleased to present its review along with the unaudited accounts of your Company for the 1st quarter period ended September 30, 2019:

Financial Highlights	Sep-19 Rs. In 000's	Sep-18 Rs. in 000's
Revenue	41,233	39,691
Share of profit of Associates-net of tax	27,530	31,925
Total Revenue	68,763	71,616
Expenditure	(26,655)	(24,414)
Profit before Taxation	42,108	47,202
Taxation	11,192	11,593
Net Profit for the period	30,915	35,609
Earnings Per Share (EPS)	Rs. 0.24	Rs. 0.28

PERFORMANCE REVIEW

During the 1st quarter ended on September 30, 2019, LSEFSL earned total revenue of Rs 68.763 million including share of profit of Associates, as compared to Rs. 71.616 million last year's comparative period, i.e., a decrease of 2.853 million or 3.983%. 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. 26.655 million, i.e., up by Rs. 2.241 million or 9.179% from last year's comparative period. The Company accounted for provision of Rs. 2.1 million relating to supply of utilities and service maintenance charges. Expenses relating to Margin Trading System, Legal & professional, Utilities and property taxes are also showing increasing trend. The Company earned a profit before taxation of Rs. 42.108 million for the period under review, which is low by Rs. 5.094 million or 10.792%, as compared to corresponding period. Furthermore, profit after tax is low by Rs. 4.694 million or 13.182% from last year's comparative period and has reached Rs. 30.915 million.

Earnings per Share- (Basic & Diluted) for the period ended September 30, 2019 was recorded as Rs. 0.24 per share against Rs. 0.28 per share last year, which is down by Rs. 0.04 or 14.28%. Further, the net asset value of the share is Rs. 22.94/-

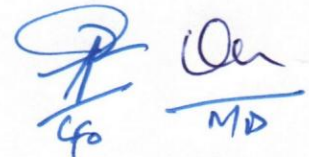
During the year, JCR-VIS Credit Rating Company Ltd. has reaffirmed the entity ratings at 'A/A-1' to LSEFSL. Outlook on the assigned ratings is 'Stable'.

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

Chief Executive/Managing Director

Director

LSE FINANCIAL SERVICES LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2019 (UN-AUDITED)



	September 30, 2019	June 30, 2019
Note	Un-Audited	Audited
(Rupees in '000s).....	
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	5 1,277,398	1,282,831
Investment property - at fair value	383,805	383,805
Investment in associates	6 899,789	885,674
Net investment in finance lease	7 3,690	3,690
Long term investment	8 45,309	-
Long term deposits	9 1,762	1,762
	2,611,753	2,557,762
CURRENT ASSETS		
Stores and spares	1,353	924
Trade and other receivables	10 19,937	15,146
Advances and prepayments	11 4,407	2,343
Short term investments	12 458,579	440,110
Advance income tax	13 36,191	33,451
Cash and bank balances	14 64,772	106,814
	585,239	598,788
	3,196,992	3,156,550
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Share capital		
Issued, subscribed and paid-up capital	1,282,842	1,282,842
Capital reserves		
Revaluation surplus on property, plant and equipment	778,049	779,597
Deficit on revaluation of investments	(9,010)	(9,010)
	769,039	770,587
Revenue reserves		
Unappropriated profit	890,604	858,141
	2,942,485	2,911,570
NON-CURRENT LIABILITIES		
Deferred taxation	16 103,666	97,470
	103,666	97,470
CURRENT LIABILITIES		
Trade and other payables	17 118,113	116,416
Unpaid dividend	27,523	27,523
Unclaimed dividend	5,205	3,571
	150,841	147,510
CONTINGENCIES AND COMMITMENTS		
	3,196,992	3,156,550

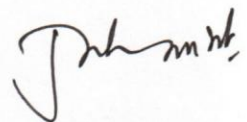
The annexed notes 1 to 29 form an integral part of these financial statements.



Managing Director



Chief Financial Officer



Director

LSE FINANCIAL SERVICES LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
FOR THE QUARTER ENDED SEPTEMBER 30, 2019 (UN-AUDITED)

	Note	Quarter ended	
		September 30, 2019 Un-Audited (Rupees in '000s)	September 30, 2018 Un-Audited
CONTINUING OPERATIONS			
REVENUE			
Income from margin trading system	18	13,519	8,837
Rental income	19	11,214	13,390
Other income	20	16,500	17,464
		<u>41,233</u>	<u>39,691</u>
OPERATING EXPENSES			
Administrative and general expenses	21	(26,644)	(22,451)
OPERATING PROFIT			
Finance cost		(11)	(1,963)
Share of profit of associates - net of tax	6	27,530	31,925
PROFIT BEFORE TAXATION			
Taxation	23	(11,192)	(11,593)
		<u>30,915</u>	<u>35,609</u>
EARNINGS PER SHARE OF RS. 10 EACH - basic and diluted			
	24	<u>0.24</u>	<u>0.28</u>

The annexed notes 1 to 29 form an integral part of these financial statements.


Managing Director


Chief Financial Officer


Director

LSE FINANCIAL SERVICES LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED SEPTEMBER 30, 2019 (UN-AUDITED)

	Quarter ended	
	September 30, 2019 Un-Audited (Rupees in '000s)	September 30, 2018 Un-Audited (Rupees in '000s)
<u>Note</u>		
PROFIT FOR THE YEAR	30,915	35,609
Other comprehensive income / (loss)		
<i>Items that are or may be subsequently reclassified to statement of profit or loss:</i>		
Share of the comprehensive Profit / loss from associates in respect of revaluation on available-for-sale investments	-	(24)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	30,915	35,585

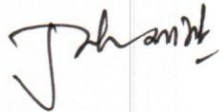
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Managing Director



Chief Financial Officer



Director

LSE FINANCIAL SERVICES LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED SEPTEMBER 30, 2019 (UN-AUDITED)

	SHARE CAPITAL	CAPITAL RESERVES		REVENUE RESERVES	TOTAL EQUITY
	Issued, subscribed and paid up capital - ordinary shares	Revaluation surplus on Property, Plant and Equipment	Deficit on revaluation of investments -	Unappropriated profit	
(Rupees in '000s).....				
Balance as at June 30, 2018- restated	1,282,842	777,143	(9,070)	765,020	2,815,935
Profit for the year	-	-	-	35,609	35,609
Other comprehensive loss - net of tax	-	-	-	-	-
Total comprehensive income for the period		-	-	35,609	35,609
Balance as at Sep 30, 2018 (Un-Audited)	1,282,842	777,143	(9,070)	800,629	2,851,544
Profit for the year	-	-	-	123,131	123,131
Other comprehensive income / (loss) - net of tax	-	4,026	60	(3,049)	1,037
Total comprehensive income for the year		4,026	60	120,082	124,168
Transferred to unappropriated profit on account of incremental	-	(1,572)	-	1,572	-
Transaction with owners: Cash dividend paid (Rs. 0.50 per share) for the year ended June 30, 2016	-	-	-	(64,142)	(64,142)
Balance as at June 30, 2019	1,282,842	779,597	(9,010)	858,141	2,911,570
Profit for the year	-	-	-	30,915	30,915
Other comprehensive loss - net of tax	-	-	-	-	-
Total comprehensive income for the period		-	-	30,915	30,915
Transferred to unappropriated profit on account of incremental	-	(1,548)	-	1,548	-
Balance as at Sep 30, 2019 (Un-Audited)	1,282,842	778,049	(9,010)	890,604	2,942,485

The annexed notes 1 to 29 form an integral part of these financial statements.

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Managing Director

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Chief Financial Officer

Jhant

Director

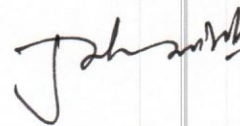
LSE FINANCIAL SERVICES LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED SEPTEMBER 30, 2018 (UN-AUDITED)

	Note	Quarter ended	
		September 30, 2019 Un-Audited (Rupees in '000s)	September 30, 2018 Un-Audited (Rupees in '000s)
Cash flows from operating activities			
Profit before tax		42,108	47,202
Adjustments for non - cash and other items:			
Depreciation		5,574	6,622
Share of profit of associates		(27,530)	(31,925)
Return on investments		(18,053)	(12,720)
Lease rentals		(11,214)	(13,390)
Employees welfare fund		-	20
Provision against doubtful trade and other receivables		2,166	-
Finance cost		11	1,963
Loss before working capital changes		(49,047)	(49,430)
Movement in working capital	25	(10,352)	(5,460)
(Payments) / receipts in respect of:		(17,291)	(7,688)
Movement in ex - members and tenants' deposits - net		15,578	15,717
Net cash generated from operations		(1,714)	8,029
Employees welfare fund		-	(40)
Earned leaves paid		(226)	-
Finance cost paid		(11)	(3,349)
Withholding tax deducted		(7,737)	(5,530)
Net cash generated from operating activities		(9,688)	(890)
Cash flows from investing activities			
Fixed capital expenditure incurred		(141)	(602)
Short term investment (T-bills and TDR's)		(48,771)	(29,502)
Short term investment (MTS)		30,301	(17,038)
Long term investment made during the year (PIBs)		(45,309)	-
Profit received on saving bank accounts and term deposits		16,516	10,360
Dividend received from Associates		13,415	6,708
Net cash used in investing activities		(33,989)	(30,074)
Cash flows from financing activities			
Un claimed Dividend (paid) / Receipt		1,634	2,469
Net cash used in financing activities		1,634	2,469
Net decrease in cash and cash equivalents		(42,042)	(28,495)
Cash and cash equivalents at the beginning of the year		106,814	52,578
Cash and cash equivalents at the end of the year	14	64,772	24,084

The annexed notes 1 to 29 form an integral part of these financial statements.


Managing Director


Chief Financial Officer


Director

LSE FINANCIAL SERVICES LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED SEPTEMBER 30, 2019

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, 2019.

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 adopted in the preparation of these financial statements are set out below. 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.

5 Property, plant and equipment

	September 30, 2019 <u>Un-Audited</u>	Jun 30, 2019 <u>Audited</u>
	(Rupees in '000s)	
Property, plant and equipment	1,251,059	1,256,579
Capital work-in-progress	26,340	26,252
	<u>1,277,398</u>	<u>1,282,831</u>

5.1 OPERATING FIXED ASSETS - TANGIBLE

	COST / REVALUED AMOUNT						ACCUMULATED DEPRECIATION						Book Value as at 30-09-2019	
	Balance as at 01-07-2019	Additions	Deletions	Revaluation surplus	Transfer from CWIP	Depreciation adjustment	Balance as at 30-09-2019	Rate	Balance as at 01-07-2019	For the Year	Deletions	Depreciation adjustment		Balance as at 30-09-2019
	Owned assets													
Land freehold	1,059,660	-	-	-	-	-	1,059,660	-	-	-	-	-	-	1,059,660
Building on freehold land	95,139	-	-	-	-	-	95,139	5%	-	1,138	-	-	1,138	94,001
Computer and accessories	50,955	-	-	-	-	-	50,955	30%	48,450	131	-	-	48,581	2,374
Furniture and fixture	13,961	-	-	-	-	-	13,961	10%	8,435	138	-	-	8,573	5,388
Office equipment	7,399	-	-	-	-	-	7,399	20%	6,723	80	-	-	6,803	596
Electric fittings and appliances	109,156	54	-	-	-	-	109,210	20%	49,246	2,966	-	-	52,212	56,998
Vehicles	3,345	-	-	-	-	-	3,345	20%	2,045	69	-	-	2,114	1,231
Elevator	19,285	-	-	-	-	-	19,285	20%	9,082	510	-	-	9,592	9,693
Generator	33,960	-	-	-	-	-	33,960	10%	13,683	507	-	-	14,190	19,770
Arms and security equipments	3,581	-	-	-	-	-	3,581	10%	2,202	34	-	-	2,236	1,345
Library books	318	-	-	-	-	-	318	25%	314	0	-	-	314	4
Leasehold improvements	5,697	-	-	-	-	-	5,697	20%	5,697	-	-	-	5,697	-
<i>Rupees in '000s - 2019</i>	1,402,456	54	-	-	-	-	1,402,510		145,877	5,574	-	-	151,451	1,251,059

	COST / REVALUED AMOUNT						ACCUMULATED DEPRECIATION						Book Value as at 30-06-2019	
	Balance as at 01-07-2018	Additions	Deletions	Revaluation surplus	Transfer from CWIP	Depreciation adjustment	Balance as at 30-06-2019	Rate	Balance as at 01-07-2018	For the Year	Deletions	Depreciation adjustment		Balance as at 30-06-2019
	Owned Assets													
Land freehold	1,058,590	-	-	1,070	-	-	1,059,660	-	-	-	-	-	-	1,059,660
Building on freehold land	101,659	-	-	4,164	-	(10,684)	95,139	5%	5,896	4,788	-	(10,684)	-	95,139
Computer and accessories	50,934	88	(67)	-	-	-	50,955	30%	47,457	1,052	(59)	-	48,450	2,505
Furniture and fixture	13,961	-	-	-	-	-	13,961	10%	7,821	614	-	-	8,435	5,526
Office equipment	7,374	25	-	-	-	-	7,399	20%	6,557	166	-	-	6,723	676
Electric fittings and appliances	108,081	209	(167)	-	1,033	-	109,156	20%	34,669	14,723	(146)	-	49,246	59,910
Vehicles	4,217	-	(872)	-	-	-	3,345	20%	2,457	339	(751)	-	2,045	1,300
Elevator	19,010	275	-	-	-	-	19,285	20%	7,060	2,022	-	-	9,082	10,203
Generator	33,960	-	-	-	-	-	33,960	10%	11,430	2,253	-	-	13,683	20,277
Arms and security equipments	3,581	-	-	-	-	-	3,581	10%	2,049	153	-	-	2,202	1,379
Library books	318	-	-	-	-	-	318	25%	312	2	-	-	314	4
Leasehold improvements	5,697	-	-	-	-	-	5,697	20%	5,697	-	-	-	5,697	-
<i>Rupees in '000s - 2019</i>	1,407,382	597	(1,106)	5,234	1,033	(10,684)	1,402,456		131,405	26,113	(956)	(10,684)	145,877	1,256,579

6 INVESTMENT IN ASSOCIATES - <i>under equity method of accounting</i>	Note	September 30,	Jun 30,
		2019	2019
		Un-Audited	Audited
		(Rupees in '000s)	
The Pakistan Credit Rating Agency Limited (PACRA)		65,459	75,335
Central Depository Company of Pakistan Limited (CDC)		471,626	457,834
National Clearing Company of Pakistan Limited (NCCPL)		362,704	352,505
		<u>899,789</u>	<u>885,674</u>

Reconciliation of changes in carrying value of Investment in associates

	Sep-19			
	The Pakistan Credit Rating Agency Limited (PACRA)	Central Depository Company of Pakistan Limited (CDC)	National Clearing Company of Pakistan Limited (NCCPL)	Total
(Rupees in '000s).....			
Opening balance	75,335	457,834	352,505	885,674
Share of profit for the year	3,539	13,792	10,199	27,530
Gain / (deficit) on revaluation of associates' available for sale investments	-	-	-	-
Actuarial loss on employees' gratuity fund	-	-	-	-
Dividend received during the year	(13,415)	-	-	(13,415)
Closing balance	<u>65,459</u>	<u>471,626</u>	<u>362,704</u>	<u>899,789</u>
Shareholding in %age	<u>36%</u>	<u>10%</u>	<u>24%</u>	

	Jun-19			
	The Pakistan Credit Rating Agency Limited (PACRA)	Central Depository Company of Pakistan Limited (CDC)	National Clearing Company of Pakistan Limited (NCCPL)	Total
(Rupees in '000s).....			
Opening balance	66,643	412,927	307,067	786,637
Share of profit for the year	22,107	61,632	47,615	131,354
Unrealized gain on investments classified as available for sale	-	60	-	60
Actuarial loss on employees' gratuity fund	-	(872)	(2,177)	(3,049)
Dividend received during the year	(13,415)	(15,913)	-	(29,328)
Surplus on revaluation of property and equipment of associated company (impact of correction of error note)	-	-	-	-
Closing balance	<u>75,335</u>	<u>457,834</u>	<u>352,505</u>	<u>885,674</u>
Shareholding in %age	<u>36%</u>	<u>10%</u>	<u>24%</u>	

7 NET INVESTMENT IN FINANCE LEASE

Opening balance		3,690	3,986
Add: New lease during the year		-	-
Less: Rental received during the year		-	(296)
		<u>3,690</u>	<u>3,690</u>

8 LONG TERM INVESTMENT

Pakistan investment bond		<u>45,309</u>	-
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Long term investment includes Pakistan investment bond i.e. government securities starts from September 19, 2019 and matured after 3 years dated September 19, 2022 @ 9% p.a. interest payable half yearly.

9 LONG TERM DEPOSITS

	9.1	<u>1,762</u>	<u>1,762</u>
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9.1 These represents security deposits given to companies against provision of utilities and services

	<u>Note</u>	September 30, 2019 <u>Un-Audited</u> (Rupees in '000s)	Jun 30, 2019 <u>Audited</u>
10 TRADE AND OTHER RECEIVABLES - considered good			
Trade receivables	10.1	5,730	4,829
Other receivables			
<i>From related parties - secured</i>	10.2	2,104	2,228
<i>Accrued mark-up</i>		4,331	2,793
<i>Others</i>	10.3	7,773	5,296
		<u>19,937</u>	<u>15,146</u>
10.1 Trade receivables from ex - members / TREC holders			
Considered good		5,730	4,829
Considered doubtful		12,475	10,309
Less: Provision against doubtful receivables	10.1.1	(12,475)	(10,309)
		<u>5,730</u>	<u>4,829</u>
10.1.1 Movement for the year			
Opening balance		10,309	9,099
Provision for the year		2,166	1,210
Closing balance		<u>12,475</u>	<u>10,309</u>
10.2 Other receivables from related parties:			
MCF Trust Fund		195	199
IPF Trust Fund		573	595
TCF Trust Fund		892	990
National Clearing Company of Pakistan Limited		289	289
Central Depository Company of Pakistan Limited		156	156
		<u>2,104</u>	<u>2,228</u>
10.2.1 This represents receivable in respect of fund management services. There is no security for these receivables. The maximum aggregate amount outstanding at any time during the year from MCF Trust Fund, IPF Trust Fund and TCF Trust Fund was Rs. 0.459 million, Rs. 0.542 million and Rs. 0.780 million respectively at the end of a month.			
	<u>Note</u>	September 30, 2019 <u>Un-Audited</u> (Rupees in '000s)	June 30, 2019 <u>Audited</u>
10.3 Others:			
-Considered good		7,773	5,296
-Considered doubtful		2,179	2,179
		<u>9,952</u>	<u>7,475</u>
Less: provision against doubtful receivables		2,179	2,178
		<u>7,773</u>	<u>5,297</u>
11 ADVANCES AND PREPAYMENTS			
<i>Considered good</i>			
Advances to employees - secured		717	433
Prepaid expenses		3,666	1,886
Due from others		24	24
		<u>4,407</u>	<u>2,343</u>
12 SHORT TERM INVESTMENTS - held to maturity			
Investment in MTS	12.1	366,308	396,609
Government treasury bills	12.2	73,339	24,569
Held for trading			
Equity shares of Pakistan Mercantile Exchange Limited (PMEX)		18,932	18,932
Equity shares of Institute of Financial Market of Pakistan		-	-
		<u>458,579</u>	<u>440,110</u>
12.1 These carry average mark-up up to 14.40 p.a. The marginal trading contract period is for maximum 60 days.			
12.2 This represents investment in treasury bills of three months carried mark-up @ 12.65% p.a. (2018: @ 6.70% p.a.). A T-bill of Rs. 25 million has been lien marked against Bank Guarantee issued in favour of NCCPL as margin exposure for Margin Trading System. The said bank guarantee has been issued by MCB bank Limited.			

	Note	September 30,	June 30,
		2019	2019
		Un-Audited	Audited
		(Rupees in '000s)	
13 TAX REFUND DUE FROM GOVERNMENT			
Wealth tax paid:			
- under protest		10,063	10,063
- with returns		461	461
		10,524	10,524
Less: provision for wealth tax		3,728	3,728
		6,796	6,796
Income tax deducted at source during the year		34,076	50,232
Provision of income tax for the year		(4,997)	(23,577)
Sales tax withheld against input/ (output)		315	-
		36,191	33,451

13.1 The Income Tax Appellate Tribunal, vide its order dated June 03, 2003, for the Assessment years 1992-93 and 1994-95 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.

13.2 The Department has filed a writ petition before the Lahore High Court, Lahore against the aforesaid order of the Income Tax Appellate Tribunal. The petition is pending adjudication.

14 CASH AND BANK BALANCES

Cash in hand		100	100
Cash at banks on :			
-Current accounts		151	149
-Saving accounts	14.1	64,521	106,565
		64,672	106,714
		64,772	106,814

14.1 These carry mark-up @ 10 % p.a.

15 SHARE CAPITAL

Authorized share capital

Authorized share capital comprises of 200,000,000 (2017: 200,000,000) Ordinary shares of Rs. 10 each.

Issued, subscribed and paid up capital

	2019	2018			
(Number of shares)					
128,284,200	128,284,200	Ordinary shares of Rs. 10/- each issued for consideration other than cash	15.1	1,282,842	1,282,842

15.1 On August 15, 2012, in accordance with the requirements of the Stock Exchanges (Corporatization, Demutualization and Integration) Act, 2012 ("The Act"),

15.2 No associated undertaking holds any share in the Company.

	Note	September 30,	Jun 30,
		2019	2019
		Un-Audited	Audited
		(Rupees in '000s)	
16 DEFERRED TAXATION	16.1	103,666	97,470

The deferred tax assets and the deferred tax liabilities relate to income tax in the same jurisdiction, and the law allows net settlement.

17 TRADE AND OTHER PAYABLES

Trade creditors		15,893	18,774
Accrued liabilities		10,188	10,188
Due to members		2,158	2,158
Advance rent received from tenants		14,566	10,202
Defaulted members' membership sale proceeds	17.1	52,571	52,571
Advances received from members and companies		2,186	1,941
Retention money		2,783	2,783
Payables related to discontinued operations		17,768	17,798
		118,113	116,416

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

		September 30, 2019 <u>Un-Audited</u> (Rupees in '000s)	September 30, 2018 <u>Un-Audited</u>
18	REVENUE (MTS)	18.1	13,519
			8,837

18.1 This represents income earned on investment made in Marginal Trading System (MTS) of National Clearing Company of Pakistan Limited (NCCPL)

		September 30, 2017 <u>Un-Audited</u>	September 30, 2017 <u>Un-Audited</u>
19	RENTAL INCOME		
	Tenants	11,214	12,786
	Associated undertakings	-	604
		<u>11,214</u>	<u>13,390</u>

20 OTHER INCOME

Income from financial assets

Short term investments

Profit on saving bank accounts
Government securities
Treasury bills

2,304	770
150	338
2,081	2,775
<u>4,535</u>	<u>3,883</u>

Income from non - financial assets

Fund management fee
Room maintenance fee
Software revenue
Miscellaneous

20.1

4,250	4,130
5,402	5,354
750	754
1,563	3,343
<u>11,965</u>	<u>13,581</u>
<u>16,500</u>	<u>17,464</u>

20.1 This represents fund management & operational fee charged to Members' Contribution Fund, Investors Protection Fund and TREC Holders' Contribution fund trust for the year ended June 30, 2019. Fund management & operational fee is calculated at the rate of 2.00% on closing net assets of the fund as per management accounts.

		September 30, 2019 <u>Un-Audited</u>	September 30, 2018 <u>Un-Audited</u>
(Rupees in '000s)			
21 ADMINISTRATIVE AND GENERAL EXPENSES			
Salaries and benefits	21.1	6,935	6,635
Information technology related expenses		393	390
Insurance		313	345
Travelling and conveyance		491	348
Printing and stationery		120	128
Utilities		1,816	1,770
Communication and public relations		569	396
Repair and maintenance		1,989	1,732
Legal and professional charges		149	67
Consultancy charges		604	470
MTS charges		928	1,055
Fee and subscription		243	176
Rent, rates and taxes		539	112
Security expenses		1,315	1,433
Marketing and advertisement		12	12
Auditors' remuneration		113	103
Board meetings fee expenses		2,200	600
Provision against doubtful trade and other receivables		2,166	-
Others		175	58
Depreciation		5,574	6,622
Amortization		-	-
		<u>26,644</u>	<u>22,451</u>
21.1	Salaries and benefits include Rs. 0.261 million (2018: Rs. 0.230 million) in respect of contribution to provident fund - a related party.		
22 FINANCE COST			
Mark-up on financing	22.1	-	1,941
Bank charges		11	23
		<u>11</u>	<u>1,964</u>
22.1	This includes amount of interest payable to BAHIL against financing facility taken by company.		
23 TAXATION		September 30, 2019	September 30, 2018
Current		4,997	4,510
Deferred		6,196	7,083
		<u>11,192</u>	<u>11,593</u>
24 EARNINGS PER SHARE		September 30, 2019 <u>Un-Audited</u>	September 30, 2018 <u>Un-Audited</u>
Basic earnings / (loss) per share			
Profit after tax from continuing operations attributable to ordinary shareholders	(Rupees in thousand)	30,915	35,609
Weighted average number of shares outstanding during the year	(Number of shares in thousand)	<u>128,284</u>	<u>128,284</u>
Earnings per share from continuing operations	(Rupees)	<u>0.24</u>	<u>0.28</u>
25 MOVEMENT IN WORKING CAPITAL		September 30, 2019 <u>Un-Audited</u>	June 30, 2019 <u>Audited</u>
.....(Rupees in '000s).....			
(Increase) / decrease in current assets:			
- Stores and spares		(429)	114
- Trade and other receivables		(5,419)	14,436
- Advances and prepayments		(2,064)	(427)
		(7,913)	14,123
Increase / (decrease) in current liabilities:			
- Trade and other payables		(2,440)	(22,916)
		<u>(10,352)</u>	<u>(8,793)</u>

26 TRANSACTION WITH RELATED PARTY

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 year are as under:

Name of Related Party	Relationship and percentage	Transactions during the year	Sep	Sep
			2019	2018
			(Rupees in '000s)	
National Clearing Company of Pakistan	23.53%	Rental income	-	604
		Rent received	-	604
		Provision of facilities	466	434
		Reimbursement of facilities	793	257
Central Depository Company of Pakistan	10%	Provision of facilities	950	821
		Reimbursement of facilities	1,171	386
		Dividend received	13,415	6,708
Pakistan Credit Rating Agency Limited	36%	Contribution for the year	261	230
Lahore Stock Exchange Limited - Employees'	Trust	Fund management fee	195	307
MCF Trust Fund	Associate	Fund management fee	573	984
IPF Trust Fund	Associate	Fund management fee	892	1,464
TCF Trust Fund	Associate	Fund management fee	378	361
Directors	Non-Executive	Utilities	1,496	480
Directors	Non-Executive	Meeting Fees	45	-
Directors	Chairman	Travelling		

27 Corresponding Figures

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

28 General

The figures in this financial information have been rounded off to the nearest thousand Rupee unless otherwise stated.

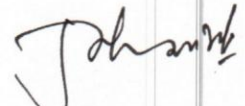
NON ADJUSTING EVENTS AFTER THE BALANCE SHEET DATE

The Board of Directors of the Company in its meeting held on Sep 25, 2019 has proposed a final cash dividend of Rs. 0.80/- or 8% per share for the year ended June 30, 2019 (2018: Rs. 0.50 per share), for approval of the members in the Annual General Meeting.

29 This condensed interim financial information was authorized to issue on 03 Dec 2019 by the Board of Directors of the company


Managing Director


Chief Financial Officer


Director