



MGM SECURITIES (Pvt.) LTD.

Trading Right Entitlement Certificate (TREC) Holder
Pakistan Stock Exchange Limited

DIRECTORS' REPORT

On behalf of the Board of Directors of **MGM Securities (Private) Limited** (the "Company"), I am pleased to present the Directors' Report together with the audited financial statements and the Auditor's Report for the financial year ended **June 30, 2026**.

FINANCIAL PERFORMANCE

The Company continued to demonstrate steady financial performance during the year under review and achieved a significant improvement in profitability.

For the year ended June 30, 2026, the Company recorded a **net profit of Rs. 22,858,667**, compared with a net profit of **Rs. 15,701,991** for the preceding financial year. The improved financial performance reflects the Company's resilience and ability to effectively respond to the evolving business environment. The results were supported by continued focus on operational efficiency, process optimization, prudent financial management, and effective utilization of available resources.

ECONOMIC OUTLOOK

The management recognizes that the broader economic environment continues to present various challenges, including inflationary pressures, currency depreciation, political uncertainty, and volatility in macroeconomic conditions. These factors may have an impact on customer demand, investor sentiment, and overall business activity. Despite these challenges, the Company remains committed to maintaining sound financial and operational practices and to responding effectively to changing market conditions.

FUTURE OUTLOOK

Looking ahead, the Company remains cautiously optimistic about its future prospects. The continued focus on economic reforms, together with the dedication and professionalism of the Company's management and employees, is expected to support the Company in navigating the prevailing challenges.

The Company will continue to focus on operational excellence, regulatory compliance, customer service, risk management, and sustainable business practices in order to strengthen its position and maintain stable growth in the coming financial year.

PROFIT APPROPRIATION

During the financial year ended **June 30, 2026**, the Company did not declare or distribute any profit or dividend to its shareholders. The profit for the year has been retained by the Company to strengthen its financial position and to support its ongoing operations and future business requirements.

ACKNOWLEDGEMENT

The Board of Directors would like to express its sincere appreciation to the Company's executives and staff for their continued commitment, hard work, and dedication in ensuring the smooth and efficient management of the Company's affairs.

The Board also appreciates the continued support and confidence of the Company's shareholders and other stakeholders.

On behalf of the Board


Ghulam Mohi Ud Din
Chief Executive Officer

Dated : 29.09.26



HEAD OFFICE:

Room No. G-10 Ground Floor,
LSE Plaza,
19-Khyaban-e-Aiwan-e-Iqbal,
Lahore-54000, Pakistan.
Tel: 042-36279181-36279182,
36280761
mgmsecurities@yahoo.com
www.mgm-lse.com

FAISALABAD

Room No. 522, 5th Floor,
State Life Building,
Liaquat Bazar, Faisalabad.
Phone: 041-2601994-7

MGM SECURITIES (PVT) LTD
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

Independent Auditor's Report to the Members of MGM Securities (Pvt.) Limited
Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **MGM Securities (Pvt.) Limited (the Company)**, which comprise the statement of financial position as at June 30, 2026, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2026 and of the profit, total comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the Directors' Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business;
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980); and
- e) the company was in compliance with the relevant requirements of Securities Brokers (Licensing and Operations) Regulations, 2016 as at the date on which the statement of financial position was prepared.

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



CHARTERED ACCOUNTANTS

Lahore

29 SEP 2026

UDIN:

AR2026100827QkaqZ0Cw

MGM SECURITIES (PVT) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2026

	Note	2026 Rupees	2025 Rupees
ASSETS			
NON CURRENT ASSETS			
Property and equipment	4	10,887,170	11,906,771
Intangible assets	5	2,500,000	2,500,000
Long term investments	6	22,731,930	11,164,079
Long term deposits	7	81,000	81,000
		<u>36,200,100</u>	<u>25,651,850</u>
CURRENT ASSETS			
Loans and advances	8	144,000	149,500
Short term investment	9	-	-
Trade deposits, short term prepayments and current account balance with statutory authorities	10	67,330,762	51,186,485
Tax deducted at source/advance income tax	11	867,245	1,201,441
Cash and bank balances	12	21,657,892	25,179,931
		<u>89,999,899</u>	<u>77,717,357</u>
		<u>126,199,999</u>	<u>103,369,207</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital	13	50,000,000	50,000,000
Un-appropriated profit		<u>71,556,865</u>	<u>48,698,198</u>
		121,556,865	98,698,198
NON CURRENT LIABILITIES			
Deferred taxation	14	<u>1,472,473</u>	<u>1,308,056</u>
		1,472,473	1,308,056
CURRENT LIABILITIES			
Deposits, accrued liabilities and advances	15	<u>228,800</u>	<u>804,757</u>
Trade and other payables	16	<u>2,941,860</u>	<u>2,558,196</u>
Provision for taxation	17	<u>-</u>	<u>-</u>
		3,170,660	3,362,953
CONTINGENCIES AND COMMITMENTS			
	18	-	-
		<u>126,199,999</u>	<u>103,369,207</u>

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

CHIEF EXECUTIVE



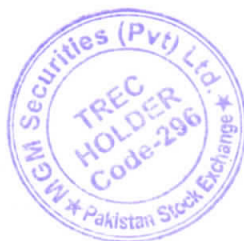
DIRECTOR

MGM SECURITIES (PVT) LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2026

	Note	2026 Rupees	2025 Rupees
Operating revenue	19	38,953,625	30,115,185
Capital gain on investment in listed securities		766,114	-
		<u>39,719,739</u>	<u>30,115,185</u>
Direct costs	20	<u>(7,858,750)</u>	<u>(6,259,585)</u>
		31,860,989	23,855,600
Operating expenses	21	(24,830,065)	(23,421,915)
Other operating expenses	22	(557,062)	(401,717)
Other income	23	21,383,213	20,067,612
		<u>(4,003,914)</u>	<u>(3,756,020)</u>
PROFIT FROM OPERATIONS		27,857,075	20,099,580
Finance cost	24	<u>(3,965)</u>	<u>(3,706)</u>
PROFIT BEFORE LEVIES AND INCOME TAX		27,853,110	20,095,874
Levies	25	<u>(126,422)</u>	<u>(144,819)</u>
PROFIT BEFORE INCOME TAX		<u>27,726,688</u>	<u>19,951,056</u>
Income tax	26	<u>(4,868,021)</u>	<u>(4,249,080)</u>
PROFIT FOR THE YEAR		<u><u>22,858,667</u></u>	<u><u>15,701,976</u></u>
EARNINGS PER SHARE - BASIC AND DILUTED	27	<u><u>45.72</u></u>	<u><u>31.40</u></u>

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

CHIEF EXECUTIVE



DIRECTOR

MGM SECURITIES (PVT) LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2026

	2026 Rupees	2025 Rupees
Profit for the year	22,858,667	15,701,976
Items that will not be reclassified subsequently to profit and loss	-	-
Items that may be reclassified subsequently to profit and loss	-	-
Other comprehensive income for the year	-	-
Total comprehensive income for the year	22,858,667	15,701,976

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

CHIEF EXECUTIVE



DIRECTOR

MGM SECURITIES (PVT) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2026

	Paid up capital	Un- appropriated profit	Total
	----- (R u p e e s) -----		
Balance as at June 30, 2024	50,000,000	36,996,222	86,996,222
Dividend paid		(4,000,000)	(4,000,000)
Profit after taxation	-	15,701,976	15,701,976
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	15,701,976	15,701,976
Balance as at June 30, 2025	50,000,000	48,698,198	98,698,198
Profit after taxation	-	22,858,667	22,858,667
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	22,858,667	22,858,667
Balance as at June 30, 2026	50,000,000	71,556,865	121,556,865

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

CHIEF EXECUTIVE



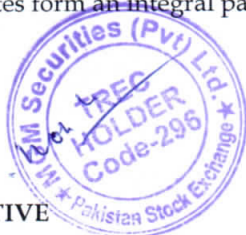
DIRECTOR

MGM SECURITIES (PVT) LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2026

	Note	2026 Rupees	2025 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before levies and income tax		27,853,110	20,095,874
Adjustments of items not involving movements of cash:			
Depreciation	4	1,019,601	1,126,277
Gain on remeasurement of investment	23	(10,808,952)	(5,552,604)
Capital gain on sale of investments		(766,114)	-
Dividend income	23	(842,810)	(965,457)
Interest income	23	(9,034,291)	(12,911,551)
		<u>(20,432,566)</u>	<u>(18,303,335)</u>
Operating cash flows before working capital changes		7,420,544	1,792,539
(Increase) / decrease in working capital			
(Increase) / decrease in current assets			
Loans and advances		5,500	1,438,000
Trade deposits and short term prepayments		(16,144,277)	(29,388,579)
Increase / (decrease) in current liabilities			
Deposits, accrued liabilities and advances		(575,957)	525,802
Trade and other payables		383,664	705,830
		<u>(16,331,070)</u>	<u>(26,718,947)</u>
Cash used in operations		(8,910,526)	(24,926,408)
Taxes paid		(4,495,829)	(3,458,565)
Dividend received		842,810	965,457
Interest received		9,034,291	12,911,551
		<u>5,381,272</u>	<u>10,418,443</u>
Net cash used in operating activities		<u>(3,529,254)</u>	<u>(14,507,965)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		-	(71,000)
Acquisition of investment at fair value		(1,331,899)	-
Proceeds from sale of investment at fair value		1,339,114	-
Net cash generated from / (used in) investing activities		7,215	(71,000)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		-	(4,000,000)
Net cash used in financing activities		-	(4,000,000)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(3,522,039)	(18,578,965)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		25,179,931	43,758,896
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	A	<u>21,657,892</u>	<u>25,179,931</u>
A - Cash and Cash Equivalents			
Cash and bank balances	12	<u>21,657,892</u>	<u>25,179,931</u>

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

CHIEF EXECUTIVE



DIRECTOR

MGM SECURITIES (PVT) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

1 COMPANY AND ITS OPERATION

- 1.1** The company was incorporated as Private Limited Company on October 27, 2003 under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017). The company is engaged in the business of share brokerage and investment in securities. The company is holder of Trading Right Entitlement Certificate (TREC) [Trading Only] of Pakistan Stock Exchange.

The geographical location and address of the company's business units are as follows:

Head Office:

Room No. G-10, Ground Floor, Lahore Stock Exchange Building, 19-Khyayaban-e-Aiwan-e-Iqbal, Lahore.

Faisalabad Office:

Room No 522, 5th floor, State Life Building, Liaquat Bazar, Faisalabad.

2 BASIS OF PREPARATION

2.1 STATEMENT OF COMPLIANCE

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

- IFRS for SMEs Accounting Standard issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and

- Provisions of, directives and notifications issued under the Companies Act, 2017.

Where provisions of, directives and notifications issued under the Companies Act, 2017 differ from the IFRS for SMEs Accounting Standard, the provisions of, directives and notifications issued under the Companies Act, 2017 have been followed.

However, for improved presentation and disclosure of intangible assets, the Company has elected to apply the recognition, measurement and disclosure requirements of IAS 38 - Intangible Assets in place of the corresponding requirements of Section 18 of IFRS for SMEs. Except for this, these financial statements have been prepared in accordance with IFRS for SMEs as notified under the Companies Act, 2017.

2.2 BASIS OF MEASUREMENT

These financial statements have been prepared under the historical cost convention except as disclosed in the accounting policy notes.

2.3 FUNCTIONAL AND PRESENTATION CURRENCY

The financial statements are presented in Pakistani Rupee, which is the company's functional and presentation currency.

2.4 JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

Judgments and estimates made by management that may have a significant risk of material adjustments to the financial statements in subsequent years are as follows:

- Useful lives, residual values and depreciation method of property and equipment
- Useful lives, residual values and amortization method of intangible assets
- Impairment loss of non- financial assets other than inventories
- Provision for doubtful account receivables
- Estimation of provisions
- Estimation of contingent liabilities
- Current income tax expense, provision for current tax and recognition of deferred tax asset

3 MATERIAL ACCOUNTING POLICY INFORMATION

3.1 PROPERTY AND EQUIPMENT

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses (if any).

Depreciation is charged on reducing balance method at the rates mentioned in the relevant notes to the financial statements. Depreciation on additions is charged from day in which an asset is ready to use. Normal repair and maintenance is charged to profit or loss as and when incurred, while major renewals and replacements are capitalized. The useful lives, residual values and depreciation method are reviewed on a regular basis. The effect of any changes in estimate is accounted for on a prospective basis.

Gain or loss on disposal of property and equipment, if any is taken to profit or loss.

3.2 INTANGIBLE ASSETS

Intangible assets with finite useful life are stated at cost less amortization and impairment, if any. The carrying amount is reviewed at each reporting date to assess whether it is in excess of its recoverable amount, and where carrying value exceeds estimated recoverable amount, it is written down to estimated recoverable amount. The useful lives, residual values and amortization method are reviewed on a regular basis. The effect of any changes in estimate accounted for on a prospective basis.

3.2.1 Membership card and offices

This is stated at cost less impairment, if any. The carrying amount is reviewed at each reporting date to assess whether it is in excess of its recoverable amount, and where the carrying value exceeds estimated recoverable amount, it is written down to its estimated recoverable amount.

3.2.2 Computer Software

Expenditure incurred to acquire identifiable computer software and having probable economic benefits exceeding the cost beyond one year, is recognized as an intangible asset. Such expenditure includes the purchase cost of software (license fee) and related overhead cost.

Costs associated with maintaining computer software programs are recognized as an expense when incurred.

Costs which enhance or extend the performance of computer software beyond its original specification and useful life is recognized as capital improvement and added to the original cost of the software.

Computer software and license costs are stated at cost less accumulated amortization and any identified impairment loss and amortized through reducing balance method.

Amortization is charged when asset is available for use until asset is disposed off.

3.3 METHOD OF PREPARATION OF CASH FLOW STATEMENT

The cash flow statement is prepared using indirect method.

3.4 FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Financial assets and financial liabilities are initially measured at its fair value, which is normally the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are subsequently measured at fair value through profit or loss) and subsequently at amortised cost less impairment, except for investments that are publicly traded or whose fair value can otherwise be measured reliably without undue cost or effort. Such investments are measured at fair value with changes in fair value recognised in profit or loss.

Financial assets are derecognized when rights to cash flows from financial assets are settled or expired. Financial liabilities are derecognized when these are extinguished.

Financial assets and financial liabilities are off-set and the net amount is reported in the statement of financial position if the company has a legally enforceable right to set-off the recognized amounts and intends either to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

3.5 TRADE DEBTS AND OTHER RECEIVABLES

Trade and other receivables are recognised and carried at transaction price less an allowance for impairment.

A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is recognised in the statement of profit or loss. Bad debts are written-off in the statement of profit or loss on identification.



The allowance for doubtful debts of the Company is based on the ageing analysis and management's continuous evaluation of the recoverability of the outstanding receivables. In assessing the ultimate realisation of these receivables, management considers, among other factors, the creditworthiness and the past collection history of each customer.

3.6 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise of cash balances and call deposits. For the purpose of statement of cash flows; cash and cash equivalents comprise cash in hand, bank balances and running finances.

3.7 BORROWINGS

Loans are measured at amortised cost using the effective interest method. Interest expense is recognised on the basis of the effective interest method and is included in finance costs.

In case the loan is interest-free or carries interest below the prevalent market rate, it is initially recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. The difference between the discounted present value and actual receipt is recognised as finance income. Subsequently, the interest-free loan is measured at amortized cost, using the effective Interest rate method, this involves unwinding of discount, such that at the repayment date, the carrying value of obligation equals the amount to be repaid. The unwinding of discount is included in finance costs in the statement of profit or loss.

3.8 TRADE AND OTHER PAYABLES

Trade and other payables are recognised initially at cost, which is the fair value of the consideration to be paid, in the future for goods and services received and subsequently measured at amortized cost.

3.9 PROVISIONS

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value using a pre-tax discount rate. The unwinding of the discount is recognised as finance cost in the statement of profit or loss.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

As the actual outflows can differ from estimates made for provisions due to changes in laws, regulations, public expectations, technology, prices and conditions, and can take place many years in the future, the carrying amounts of provisions are reviewed at each reporting date and adjusted to take account of such changes. Any adjustments to the amount of previously recognised provision is recognised in the statement of profit or loss unless the provision was originally recognised as part of cost of an asset.

3.10 CONTINGENT LIABILITIES

A contingent liability is disclosed when the Company has a possible obligation as a result of past events, whose existence will be confirmed only by the occurrence or non-occurrence, of one or more uncertain future events not wholly within the control of the Company; or the Company has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

3.11 FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION

Transactions denominated in foreign currencies are translated to Pakistan Rupees at the exchanges rate ruling at the date of transaction.

Monetary assets and liabilities in foreign currencies at reporting date are translated into Pakistan Rupees at exchange rates ruling on that date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.



3.12 IMPAIRMENT OF NON-FINANCIAL ASSETS

The assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. If there is an indication of possible impairment, the recoverable amount of the asset is estimated and compared with its carrying amount.

An impairment loss is recognized if the carrying amount of an asset exceeds its estimated recoverable amount. The impairment loss is recognised in the statement of profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

An impairment loss is reversed only to the extent that the asset carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. The Company recognises the reversal immediately in the statement of profit or loss, unless the asset is carried at a revalued amount in accordance with the revaluation model. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

3.13 REVENUE RECOGNITION

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable, net of any direct expenses and sales tax. Revenue is recognized on the following basis:

- Brokerage, consultancy and advisory fee, commission etc. are recognized as and when such services are provided, and thereby the performance obligations are satisfied.
- Profit on saving accounts, profit on exposure deposits and markup on marginal financing is recognized at effective yield on time proportion basis.
- Gains/(losses) arising on sale of investments are included in the profit or loss in the period in which they arise.
- Dividend income is recorded when the right to receive the dividend is established.
- Unrealised gains / (losses) arising on revaluation of securities classified as 'fair value through other comprehensive income' are included in other comprehensive income in the period in which they arise.
- Unrealised gains / (losses) arising on revaluation of securities classified as 'fair value through profit or loss' are included in profit or loss in the period in which they arise.
- Other revenues are recorded, as and when due, on accrual basis.

3.14 DIVIDEND INCOME

Dividend income is recognised when the Company's right to receive payment have been established and is recognized in profit or loss and included in other income.

3.15 BASIC AND DILUTED EARNINGS PER SHARE

The Company presents basic and diluted earnings per share (EPS) for its shareholders. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, if any.

3.16 RELATED PARTY TRANSACTIONS

Transactions and contracts with the related parties are carried out at an arm's length price determined in accordance with comparable uncontrolled price method except permitted by the regulatory authorities or reason disclosed in relevant note to the financial statements, if any. Transactions with related parties have been disclosed in the relevant notes to the financial statements.

3.17 TRADE DATE ACCOUNTING

All "regular way" purchases and sales of financial assets are recognized on the trade date, i.e. the date on which the Company commits to purchase or sell an asset. Regular way purchases or sales of financial assets are those, the contract for which requires delivery of assets within the time frame generally established by regulation or convention in the market.



3.18 TAXATION

Current

The charge for current taxation is based on the taxable income for the year, determined in accordance with the prevailing law for taxation on income, using prevailing tax rates after taking into account tax credits and rebates available, if any. Current tax assets and tax liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability.

Deferred

Deferred tax is recognised using liability method, providing for temporary difference between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using the tax rates enacted or substantively enacted at the reporting date.

The Company recognises a deferred tax asset to the extent that it is probable that taxable profits for the foreseeable future will be available against which the assets can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Levies

Tax charged under Income Tax Ordinance, 2001 which is not based on taxable income or any amount paid / payable in excess of the calculation based on taxable income or any minimum tax which is not adjustable against future income tax liability is classified as levy in the statement of profit or loss and other comprehensive income.



4 PROPERTY AND EQUIPMENT

Particulars	Cost			Rate %	Depreciation			W.D.V As at June 30, 2026
	As at June 30, 2025	Additions	Deletion		As at June 30, 2025	Charge for the year	Adjustment	

----- R u p e e s -----

----- R u p e e s -----

OWNED								
Furniture and fittings	1,028,586	-	-	10%	926,126	10,246	-	936,372
Office equipment	650,150	-	-	10%	342,115	30,804	-	372,919
Computers	837,600	-	-	30%	705,154	39,734	-	744,888
Building	11,500,000	-	-	5%	7,548,678	197,566	-	7,746,244
Vehicles	10,408,632	-	-	10%	2,996,124	741,251	-	3,737,375
	24,424,968	-	-		12,518,197	1,019,601	-	13,537,798
								10,887,170

4.1 PROPERTY AND EQUIPMENT

Particulars	Cost			Rate %	Depreciation			W.D.V As at June 30, 2025
	As at June 30, 2024	Additions	Deletion		As at June 30, 2024	Charge for the year	Adjustment	

----- R u p e e s -----

----- R u p e e s -----

OWNED								
Furniture and fittings	1,028,586	-	-	10%	914,741	11,385	-	926,126
Office equipment	579,150	71,000	-	10%	315,561	26,554	-	342,115
Computers	837,600	-	-	30%	648,392	56,762	-	705,154
Building	11,500,000	-	-	5%	7,340,714	207,964	-	7,548,678
Vehicles	10,408,632	-	-	10%	2,172,512	823,612	-	2,996,124
	24,353,968	71,000	-		11,391,920	1,126,277	-	12,518,197
								11,906,771

4.2 Allocation of Depreciation:

Note	2026 Rupees	2025 Rupees
Operating expenses	21	1,019,601
		1,126,277



	Note	2026 Rupees	2025 Rupees
5 INTANGIBLE ASSETS			
Trading right entitlement certificate (TREC)	5.1	2,500,000	2,500,000
		<u>2,500,000</u>	<u>2,500,000</u>
5.1 This represents Trading Right Entitlement Certificate (TREC) received from the Pakistan Stock Exchange Limited without any additional payment, in lieu of TREC issued by the Lahore Stock Exchange Limited, surrendered on, January 10, 2016 on the consequence of Scheme(s) of Integration approved by the Securities and Exchange Commission of Pakistan vide Order No. 01/2016 dated January 11, 2016 under regulation 6 (8) of the Stock Exchange (Corporatization, Demutualization and Integration) Regulations, 2012. This is carried at cost less accumulated impairment.			
	Note	2026 Rupees	2025 Rupees
6 LONG TERM INVESTMENTS			
Quoted Investments			
At fair value through profit or loss			
Cost	6.1	1,437,349	678,450
Fair value adjustment	6.2	21,294,581	10,485,629
		<u>22,731,930</u>	<u>11,164,079</u>
6.1 Movement in cost of investment			
Opening balance		678,450	678,450
Addition during the year		758,899	-
		<u>1,437,349</u>	<u>678,450</u>
6.2 Movement in fair value adjustment reserve			
Opening balance		10,485,629	4,933,025
Movement during the year		10,808,952	5,552,604
		<u>21,294,581</u>	<u>10,485,629</u>
The breakup of respective holding is as below:			
	Total No. of shares	Total Rupees	Pledge Rupees
LSE Capital Limited	507,634	2,857,979	-
LSE Venture Limited	1,785,620	19,873,951	-
	<u>2,293,254</u>	<u>22,731,930</u>	
	Note	2026 Rupees	2025 Rupees
7 LONG TERM DEPOSITS			
Deposits with/against:			
Rental property		81,000	81,000
		<u>81,000</u>	<u>81,000</u>
	Note	2026 Rupees	2025 Rupees
8 LOANS AND ADVANCES			
Advances to: (Interest free and un-secured but considered good)			
Employees		144,000	149,500
		<u>144,000</u>	<u>149,500</u>

9	SHORT TERM INVESTMENTS	Note	2026	2025
			Rupees	Rupees
	Quoted Investments			
	At fair value through profit or loss			
	Cost	9.1	-	-
	Fair value adjustment		-	-
			<u>-</u>	<u>-</u>
9.1	Movement in cost of investment			
	Opening balance		-	-
	Addition during the year		573,000	-
	Deletion during the year		(573,000)	-
			<u>-</u>	<u>-</u>
10	TRADE DEPOSITS, SHORT TERM PREPAYMENTS AND CURRENT ACCOUNT BALANCE WITH STATUTORY AUTHORITIES	Note	2026	2025
			Rupees	Rupees
	Deposits with:			
	E Clear Services Limited	10.1	67,330,762	51,186,485
			<u>67,330,762</u>	<u>51,186,485</u>
10.1	This carries profit ranging from 10% to 15%.			
11	TAX DEDUCTED AT SOURCE/ADVANCE INCOME TAX			
	Opening balance		1,201,441	1,857,696
	Prior year adjustment		802,955	346,701
	Income tax/levies deducted during the year		3,806,509	3,111,865
	Adjustment made during the year against income taxes and levies	17	(4,943,660)	(4,114,820)
			<u>867,245</u>	<u>1,201,441</u>
12	CASH AND BANK BALANCES			
	These were held as under:			
	Cash in hand		14,415	14,211
	Cash at bank:			
	In current accounts			
	Pertaining to brokerage house		21,326,282	17,262,741
	Pertaining to clients		262,033	342,162
			<u>21,588,315</u>	<u>17,604,903</u>
	In saving accounts			
	Pertaining to brokerage house	12.1	55,162	7,560,817
			<u>21,657,892</u>	<u>25,179,931</u>
12.1	This carries profit ranging from 8% to 12%.			

	Note	2026 Rupees	2025 Rupees
13 SHARE CAPITAL			
Authorized			
600,000 (2025: 600,000) ordinary shares of Rs.100 each	13.1	<u>60,000,000</u>	<u>60,000,000</u>
Issued, subscribed and paid up			
500,000 (2025: 500,000) ordinary shares of Rs.100 each issued paid in cash		<u>50,000,000</u>	<u>50,000,000</u>

13.1 Pattern of Shareholding:

	% age of Shares Held		Number of Shares Held	
	2026	2025	2026	2025
Individuals				
Chief Executive				
Mian Ghulam Mohiuddin	59.46%	59.46%	297,297	297,297
Directors				
Zia Mohiuddin	1.08%	1.08%	5,406	5,406
Hassan Iqbal	38.38%	38.38%	191,891	191,891
Shareholder				
Ms. Nagina Akhter	1.08%	1.08%	5,406	5,406
	<u>100%</u>	<u>100%</u>	<u>500,000</u>	<u>500,000</u>

13.2 There is no variation in voting rights of the shareholders.

	Note	2026 Rupees	2025 Rupees
14 DEFERRED TAXATION			
Deferred credits/ (debits) arising due to:			
Accelerated tax depreciation		1,032,198	989,440
Unrealized gain on long term investment		1,064,729	786,422
Punjab worker's welfare fund payable		(434,144)	(277,496)
Brought forward losses		<u>(190,310)</u>	<u>(190,310)</u>
		<u>1,472,473</u>	<u>1,308,056</u>
Balance as at July 01,		1,308,056	1,028,978
Add: Charged during the year		<u>164,417</u>	<u>279,078</u>
		<u>1,472,473</u>	<u>1,308,056</u>

14.1 Depreciation losses with no limit to expire are follows:

	Rupees
Accounting year to which depreciation loss relates	
2023	656,241

	Note	2026 Rupees	2025 Rupees
15 DEPOSITS, ACCRUED LIABILITIES AND ADVANCES			
Accrued expenses		<u>228,800</u>	<u>804,757</u>
16 TRADE AND OTHER PAYABLES			
Creditors for sale of shares on behalf of clients		1,015,173	1,114,976
Sales tax payable		365,472	449,842
Punjab worker's welfare fund payable		1,531,730	974,668
Tax deducted at source payable		<u>29,486</u>	<u>18,710</u>
		<u>2,941,860</u>	<u>2,558,196</u>

	Note	2026 Rupees	2025 Rupees
17	PROVISION FOR TAXATION		
Opening balance		-	-
Provision for the year in respect of income taxes and levies	26.1	4,943,660	4,114,820
Adjustment made during the year	11	(4,943,660)	(4,114,820)
		<u>-</u>	<u>-</u>

18 CONTINGENCIES AND COMMITMENTS

18.1 Contingencies

18.1.1 The company received notice from Federal Board of Revenue dated June 27, 2022 in which penalty has been imposed of Rs. 710,000 for the tax year 2021 due to non-compliance of Common Reporting Standard of the Income Tax Rules, 2002. The company has filed a writ petition dated October 26, 2022 before the Lahore High Court, against the aforesaid notice. The Lahore High Court, vide disposed off the matter with the directions to the respective officer to reconsider the matter with no coercive measures shall be adopted for the recovery of penalties till the determination of the obligations of the petitioners. The Deputy Commissioner Inland Revenue vide its decision dated May 22, 2026, disposed of the matter in favour of the Company and held that the Company, being a Trading Only Broker, does not qualify as a Reporting Financial Institution under Rule 78B of the Income Tax Rules, 2002 and, accordingly, is not required to comply with the reporting requirements under section 165B of the Income Tax Ordinance, 2001. Accordingly, the matter has been finally disposed off in favour of the Company and the case stands closed with no further liability arising therefrom.

18.1.2 The company received a notice from Federal Board of Revenue dated March 25, 2025 in which a penalty amounting Rs. 534,000 has been imposed for the tax year 2024 due to non-compliance of Common Reporting Standard of the Income Tax Rules, 2002. The company has submitted detailed reply vide letter dated April 17, 2025. The Deputy Commissioner Inland Revenue vide its decision dated May 22, 2026, disposed off the matter in favour of the Company and held that the Company, being a Trading Only Broker, does not qualify as a Reporting Financial Institution under Rule 78B of the Income Tax Rules, 2002 and, accordingly, is not required to comply with the reporting requirements under section 165B of the Income Tax Ordinance, 2001. Accordingly, the matter has been finally disposed off in favour of the Company and the case stands closed with no further liability arising therefrom.

18.1.3 The Company has a pending appeal dated May 12, 2026 before the Commissioner Inland Revenue (Appeals) for Tax Year 2020 in respect of rejection of refund adjustment amounting Rs. 1,312,185 against the Order issued by the Additional Commissioner Inland Revenue dated May 05, 2026 creating a demand amounting Rs.1,312,185. The hearing of the appeal does not yet been fixed. Based on the opinion of the Company's tax advisor, the company has a strong legal footing and the likelihood of an unfavorable outcome is remote and, accordingly, no provision has been recognized in the financial statements.

18.1.4 The Trustees of LSE MCF Trust and LSE TCF Trust have given guarantee amounting Rs. Nil to Pakistan Stock Exchange (PSX) on behalf of the company for meeting the Base Minimum Capital requirements.

18.2 Commitments

18.2.1 Commitments in respect of capital expenditures as at June 30, 2026 were amounting Rs. nil (2025: Rs. nil).

18.2.2 Future lease payments in respect of rental office building are as follow:

	2026 Rupees	2025 Rupees
Not later than one year	465,625	397,925
Later than one year and not later than five years	286,825	707,351

The aforesaid lease arrangement includes the following significant terms:

- Rent is subject to an increase of 10% at each renewal period.
- The lease term may be mutually extended if both parties agree at the expiry of the lease.

			2026 Rupees	2025 Rupees
19	OPERATING REVENUE			
	Brokerage income		45,183,591	34,933,632
	Less: Sales tax		<u>(6,229,966)</u>	<u>(4,818,447)</u>
			<u>38,953,625</u>	<u>30,115,185</u>
20	DIRECT COSTS			
	Charges paid to/against:			
	Pakistan Stock Exchange Limited		1,063,138	957,428
	Central Depository Company of Pakistan Ltd.		6,048	11,634
	Commission paid		4,309,968	2,519,645
	National Clearing Company of Pakistan Ltd.		98,217	782,173
	Eclear Service charges		<u>2,381,379</u>	<u>1,988,705</u>
			<u>7,858,750</u>	<u>6,259,585</u>
		Note	2026 Rupees	2025 Rupees
21	OPERATING EXPENSES			
	Directors' remuneration		11,352,000	11,352,000
	Staff salaries and benefits		8,309,821	7,354,597
	Rent, rates and taxes	21.1	459,485	410,914
	Communication and postage		188,487	191,316
	Electricity charges		334,152	378,037
	Printing and stationery		33,360	30,410
	Repair and maintenance		884,234	1,224,379
	Legal and professional charges	21.2	245,000	191,000
	Fee and subscription		121,715	137,100
	Charity and donantion		105,700	85,435
	Entertainment		533,068	407,124
	Depreciation	4	1,019,601	1,126,277
	Miscellaneous		431,561	128,496
	Vehicle running and maintenance		<u>811,880</u>	<u>404,830</u>
			<u>24,830,065</u>	<u>23,421,915</u>
21.1	This includes operating lease payments amounting Rs. 409,088.			
21.2	Auditor's remuneration			
	This includes statutory audit fee as detailed below:			
	Amin, Mudassar & Co.			
	Chartered Accountants			
	Statutory audit fee		135,000	130,000
			<u>135,000</u>	<u>130,000</u>
22	OTHER OPERATING EXPENSES			
	Punjab workers' welfare fund		557,062	401,717
			<u>557,062</u>	<u>401,717</u>
23	OTHER INCOME			
	Income from financial assets			
	Dividend income		842,810	965,457
	Interest income		9,034,291	12,911,551
	Unrealized gain on long term investments		10,808,952	5,552,604
			20,686,053	19,429,612
	Income from non financial assets			
	Account maintenance and custody fee		697,160	638,000
			<u>21,383,213</u>	<u>20,067,612</u>

	Note	2026 Rupees	2025 Rupees
24	FINANCE COST		
	Bank charges	3,965	3,706
		<u>3,965</u>	<u>3,706</u>
25	LEVIES		
	Final tax	126,422	144,819
		<u>126,422</u>	<u>144,819</u>

25.1 This represents portion of final taxes paid under the provision of Income Tax Ordinance, 2001, representing levies in the financial statements.

	2026 Rupees	2025 Rupees
26	TAXATION	
	Income tax:	
	- Current	4,817,239
	- Prior	(113,635)
	- Deferred	164,417
		<u>4,868,021</u>
		<u>4,249,080</u>

26.1 Bifurcation/reconciliation between current tax charged under applicable income tax law and its categorization as 'Income Tax' and 'Levies' is as follows:

	Note	2026 Rupees	2025 Rupees
Classified as:			
Income tax	26	4,817,239	3,970,002
Levies	25	<u>126,422</u>	<u>144,819</u>
		4,943,660	4,114,820
Prior		(113,635)	-
Deferred tax		<u>164,417</u>	<u>279,078</u>
		<u>4,994,442</u>	<u>4,393,898</u>

26.2 Reconciliation between tax expense (inculding levies) and accounting profit

	Note	2026 Rupees	2025 Rupees
Profit before taxation and levies		<u>27,853,110</u>	<u>20,095,874</u>
Tax at applicable rate		8,077,402	5,827,804
Tax effect of income under final tax regime		(3,292,718)	(1,701,490)
Tax on income under final tax regime		240,622	144,819
Tax effect of non-deductible expenses		472,278	457,773
Tax effect of deductible expenses		(332,960)	(398,998)
Adjustment of taxable losses		(190,310)	(190,310)
Adjustment of tax credits		(30,653)	(24,776)
Prior tax		(113,635)	-
Deferred taxation		<u>164,417</u>	<u>279,078</u>
		<u>4,994,442</u>	<u>4,393,899</u>

27	EARNINGS PER SHARE - BASIC AND DILUTED	2026 Rupees	2025 Rupees															
	Profit for the year-Rupees	22,858,667	15,701,976															
	Weighted Average Number of ordinary shares outstanding during the year-Numbers	500,000	500,000															
	Earnings per share-Rupees	45.72	31.40															
28	NUMBER OF EMPLOYEES	2026 (Number)	2025 (Number)															
	Total number of employees at the end of year	11	12															
	Average number of employees during the year	12	13															
29	REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES																	
	The aggregate amount charged in the financial statements for the year for remuneration to the chief executive, directors and executives of the company is as follows:																	
		<table><tr><th colspan="3">2026</th></tr><tr><th>Chief Executive</th><th>Directors</th><th>Executives</th></tr><tr><td colspan="3">----- R u p e e s -----</td></tr><tr><td>Managerial remuneration</td><td>4,765,000</td><td>6,587,000</td></tr><tr><td>Number of persons</td><td>1</td><td>2</td></tr></table>		2026			Chief Executive	Directors	Executives	----- R u p e e s -----			Managerial remuneration	4,765,000	6,587,000	Number of persons	1	2
2026																		
Chief Executive	Directors	Executives																
----- R u p e e s -----																		
Managerial remuneration	4,765,000	6,587,000																
Number of persons	1	2																
		<table><tr><th colspan="3">2025</th></tr><tr><th>Chief Executive</th><th>Directors</th><th>Executives</th></tr><tr><td colspan="3">----- R u p e e s -----</td></tr><tr><td>Managerial remuneration</td><td>4,765,000</td><td>6,587,000</td></tr><tr><td>Number of persons</td><td>1</td><td>2</td></tr></table>		2025			Chief Executive	Directors	Executives	----- R u p e e s -----			Managerial remuneration	4,765,000	6,587,000	Number of persons	1	2
2025																		
Chief Executive	Directors	Executives																
----- R u p e e s -----																		
Managerial remuneration	4,765,000	6,587,000																
Number of persons	1	2																
		2026 Rupees	2025 Rupees															
30	FINANCIAL INSTRUMENTS BY CATEGORY																	
	Financial assets and financial liabilities																	
	Fair value through profit or loss																	
	Long term investment	22,731,930	11,164,079															
	At ammortized cost																	
	Loans and advances	-	-															
	Trade deposits and short term prepayment	67,330,762	51,186,485															
	Cash and bank balances	21,657,892	25,179,931															
		88,988,654	76,366,416															
	Financial liabilities																	
	At amortized cost																	
	Deposits, accrued liabilities and advances	228,800	804,757															
	Trade and other payables	1,015,173	1,114,976															
		1,243,973	1,919,733															

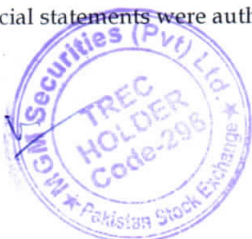
31 GENERAL

Figures have been rounded off to the nearest of rupee.

32 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorized for issue on 29 SEP 2026 the Board of Directors of the Company.

CHIEF EXECUTIVE



DIRECTOR