

MGM SECURITIES (PVT) LIMITED

Half Year Financial Statement (Un-Audited)

For the Period Ended 31 December 2024

MGM SECURITIES (PVT) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2024

	Note	2024 Rupees
ASSETS		
NON CURRENT ASSETS		
Property and equipment	4	12,353,492
Intangible assets	5	2,500,000
Long term investments	6	5,611,475
Long term deposits	7	431,000
		<u>20,895,967</u>
CURRENT ASSETS		
Trade debts	8	-
Loans and advances	9	1,455,500
Trade deposits, short term prepayments and current account balance with statutory authorities	10	34,384,042
Tax deducted at source/advance income tax	11	3,862,209
Cash and bank balances	12	44,827,942
		<u>84,529,693</u>
		<u><u>105,425,660</u></u>
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Share capital	13	50,000,000
Un-appropriated profit		51,781,710
		<u>101,781,710</u>
NON CURRENT LIABILITIES		
Deferred taxation	14	1,028,978
		<u>1,028,978</u>
CURRENT LIABILITIES		
Deposits, accrued liabilities and advances	15	185,402
Trade and other payables	16	2,429,570
Provision for taxation	17	-
		<u>2,614,972</u>
CONTINGENCIES AND COMMITMENTS		
	18	-
		<u><u>105,425,660</u></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 PERIOD ENDED DECEMBER 31, 2024**

	Note	2024 Rupees
Operating revenue	19	16,369,130
Direct costs	20	<u>(2,957,885)</u>
		13,411,245
Operating expenses	21	<u>(8,096,522)</u>
Other operating expenses	22	-
Other income	23	<u>9,472,019</u>
		<u>1,375,497</u>
PROFIT FROM OPERATIONS		14,786,742
Finance cost	24	<u>(1,254)</u>
PROFIT BEFORE LEVIES AND INCOME TAX		14,785,488
Levies	25	-
PROFIT BEFORE LEVIES AND INCOME TAX		<u>14,785,488</u>
Income tax	26	-
PROFIT FOR THE YEAR		<u><u>14,785,488</u></u>
EARNINGS PER SHARE - BASIC AND DILUTED	27	<u><u>29.57</u></u>

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


CHIEF EXECUTIVE




DIRECTOR

4 PROPERTY AND EQUIPMENT

Particulars	Cost				Accumulated Depreciation					W.D.V
	As at June 30, 2024	Additions	Adjustment	As at June 30, 2024	Rate %	As at June 30, 2023	Charge for the year	Adjustment	As at Dec 31, 2024	As at Dec 31, 2024
	————— R u p e e s —————					————— R u p e e s —————				
OWNED										
Furniture and fittings	1,028,586	-	-	1,028,586	10%	914,741	5,693	-	920,434	108,152
Office equipment	579,150		-	579,150	10%	315,561	29,485	-	345,046	234,104
Computers	837,600		-	837,600	30%	648,392	57,590	-	705,982	131,618
Building	11,500,000	-	-	11,500,000	5%	7,340,714	103,982	-	7,444,696	4,055,304
Vehicles	10,408,632		-	10,408,632	10%	2,172,512	411,806	-	2,584,318	7,824,314
	24,353,968	-	-	24,353,968		11,391,920	608,555	-	12,000,476	12,353,492

	Note	2024 Rupees
5 INTANGIBLE ASSETS		
Trading right entitlement certificate (TREC)	5.1	2,500,000
		<u>2,500,000</u>

5.1 This represents Trading Right Entitlement Certificate (TREC) received from the Pakistan Stock Exchange Limited additional payment, in lieu of TREC issued by the Lahore Stock Exchange Limited, surrendered on, January 01/2016 consequence of Scheme(s) of Integration approved by the Securities and Exchange Commission of Pakistan on 01/2016 dated January 11, 2016 under regulation 6 (8) of the Stock Exchange (Corporatization, Demut Integration) Regulations, 2012. This is carried at cost less accumulated impairment.

	Note	2024 Rupees
6 LONG TERM INVESTMENTS		
Quoted Investments		
At fair value through profit or loss		
Cost	6.1	678,450
Fair value adjustment		4,933,025
		<u>5,611,475</u>

6.1 During the year, the company has received shares of LSE Capital Limited (LSECL) against shares of Limited (LSEPL) under the scheme of arrangement as sanctioned by the Lahore High Court vide its order 3, 2024 and as per swap ratio disclosed in the aforesaid scheme, the shareholders of LSEPL have been share of LSECL against each 1 share of LSEPL. The breakup of respective holding is as below:

	Total No. of shares	Total Rupees	Pledge Rupees
LSE Capital Limited	245,294	765,317	-
LSE Venture Limited	842,810	4,846,158	-
	<u>1,088,104</u>	<u>5,611,475</u>	<u>-</u>

	Note	2024 Rupees
6.2 Movement in fair value adjustment reserve		
Opening balance		8,328,363
Movement during the year		<u>(3,395,338)</u>
Closing balance		<u>4,933,025</u>

7 LONG TERM DEPOSITS

Deposits with/against:

National Clearing Company of Pakistan Limited	-
Pakistan Stock Exchange for BMC	-
LSE Proptech Limited	-
Rental property	431,000
	<u>431,000</u>

8 TRADE DEBTS	Note	2024 Rupees	
Receivable from clients on account of:			
Purchase of shares on behalf of clients		-	-
Related parties	8.2	-	

		-
		2024
		Rupees
Less: Provision for doubtful debts	8.1	-
		-
National Clearing Company of Pakistan Ltd.		-
		-
		<u>-</u>
		<u>-</u>
		2024
	Note	Rupees
9 LOANS AND ADVANCES		
Advances to: (Interest free and un-secured but considered good)		
Employees		256,500
Director - Syed Hassan Iqbal	9.1	1,199,000
		<u>1,455,500</u>
		<u>1,455,500</u>
9.1 Advances to Director - Mr.Syed Hassan Iqbal		
Balance as at July 01,		1,280,000
Disbursed during the year		-
Recovered during the year		(81,000)
		<u>1,199,000</u>
		<u>1,199,000</u>
9.2 Particulars of advance to director:		
	Name	Basis of relationship
		Maximum aggregate amount
		Rupees
	Syed Hassan Iqbal	Director
		1,199,000
9.3	This represents short term advance obtained by the director of the company. As per terms of repayment of the recoverable on demand of the company and it would be settled in next 12 months in cash. This is outstanding 12 months.	
		2024
	Note	Rupees
10 TRADE DEPOSITS, SHORT TERM PREPAYMENTS AND CURRENT ACCOUNT BALANCE WITH STATUTORY AUTHORITIES		
Deposits with:		
National Clearing Company of Pakistan Ltd		-
Eclear services Limited	10.1	34,384,042
		<u>34,384,042</u>
		<u>34,384,042</u>
10.1	This carries profit ranging from 10% to 15%.	

11 TAX DEDUCTED AT SOURCE/ADVANCE INCOME TAX

Opening balance		3,862,209
Deducted during the year		
Income taxes		-
Levies		-
		-
Adjustment made during the year		
Income taxes		
Levies		
	17	-
		<u>3,862,209</u>

12 CASH AND BANK BALANCES

These were held as under:

Cash in hand		12,148
Cash at bank:		
in current accounts		
Pertaining to brokerage house		32,536,961
Pertaining to clients		383,142
		32,920,103
in saving accounts		
Pertaining to brokerage house		11,895,690
		<u>44,827,942</u>

13 SHARE CAPITAL

Authorized

600,000 (2023: 600,000) ordinary shares of Rs.100 each

13.1 60,000,000

Issued, subscribed and paid up

500,000 (2023: 500,000) ordinary shares of Rs.100 each issued paid in cash

50,000,000

13.1 Pattern of Shareholding:

	% age of Shares Held		Number of Shares H
	2,024	2023	2024
Individuals			
Chief Executive			
Mian Ghulam Mohiuddin	59%	59%	297,297
Directors			
Zia Mohiuddin	1%	1%	5,406
Syed Hassan Iqbal	38%	38%	191,891
Shareholder			
Mrs. Nagina Akhter	1%	1%	5,406
	<u>100%</u>	<u>100%</u>	<u>500,000</u>

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

	Note	2024 Rupees
14 DEFERRED TAXATION		
Deferred credits/(debits) arising due to:		
Accelerated tax depreciation		776,345
Unrealized gain on long term investment		493,302
Provision for doubtful debts		-
Punjab worker's welfare fund payable		(161,364)
Minimum tax		-
Brought forward losses		(190,310)
Deferred tax asset not recognised		-
		<u>917,973</u>
Balance as at July 01,		2,697,817
Add: (Reversal)/charged during the year		<u>(1,668,839)</u>
		<u>1,028,978</u>

14.3 Depreciation losses with no limit to expire are follows:

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

	Note	2024 Rupees
15 DEPOSITS, ACCRUED LIABILITIES AND ADVANCES		
Audit Fee Payable, SWF		<u>185,402</u>
16 TRADE AND OTHER PAYABLES		
Creditors for sale of shares on behalf of clients	16.1	1,171,025
Sales tax payable		685,594
Punjab worker's welfare fund payable		<u>572,951</u>
		<u>2,429,570</u>

16.1 Creditors for sale of shares on behalf of clients include the following amount due to related parties:

Name	Basis of relationship	2024 Rupees
Zia Mohiuddin	Director	<u>-</u>
	Note	2024 Rupees

17 PROVISION FOR TAXATION

Opening balance		-
Provision for the year in respect of income taxes and levies	26.1	-
Adjustment made during the year	11	<u>-</u>
		<u>-</u>

18 CONTINGENCIES AND COMMITMENTS

18.1 Contingencies

18.1.1 The company has received notice from Federal Board of Revenue dated June 27, 2022 in which penalty has been Rs. 710,000 for the tax year 2021 due to non-compliance of Common Reporting Standard of the Income Tax Rules. The company has filed a writ petition dated October 26, 2022 before the Lahore High Court, Lahore against the aforesaid notice which is pending for decision. The tax advisor of the company is of the opinion that the company has a good chance and there is likelihood that the same will be decided in the favour of the company.

18.1.2 The Trustees of LSE MCF Trust and LSE TCF Trust have given guarantee amounting Rs. 8 million 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, 2024 were amounting Rs. nil (2023: Rs. nil).

	Note	2024 Rupees
19 OPERATING REVENUE		
Brokerage income		16,369,130
Less: Sales tax		-
		<u>16,369,130</u>
20 DIRECT COSTS		
Charges paid to/against:		
Pakistan Stock Exchange Limited		517,534
Central Depository Company of Pakistan Ltd.		-
Commission Paid		1,100,871
National Clearing Company of Pakistan Ltd.		1,339,480
		<u>2,957,885</u>
21 OPERATING EXPENSES		
Directors' remuneration		2,676,000
Staff salaries and benefits		3,225,564
Rent, rates and taxes		173,640
Communication and postage		83,101
Electricity charges		201,158
Printing and stationery		26,110
Repair and maintenance		148,140
Legal and professional charges	21.1	37,000
Fee and subscription		422,242
Insurance		-
Charity and donation		26,975
Entertainment		208,019
Depreciation	4	608,555
Others		45,375
Vehicle running and maintenance		214,643
		<u>8,096,522</u>

21.1 Auditor's remuneration

This includes statutory audit fee and other certification charges as detailed below:

2024

		2024
		Rupees
22	OTHER OPERATING EXPENSES	
	Unrealized loss on long term investment	-
	Provision for doubtful debts	-
	Punjab workers' welfare fund	-
		-
23	OTHER INCOME	
	Income from financial assets	
	Dividend income	-
	Interest income and other	9,472,019
	Unrealized gain on long term investments	-
	Reversal of povision for doubtful debt	-
		9,472,019
		9,472,019
		2024
		Rupees
24	FINANCE COST	
	Mark-up and finance charges	-
	Bank charges	1,254
		1,254

Note

2024
Rupees

25 LEVIES

Minimum tax
Final tax

-

-

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

2024
Rupees

26 TAXATION

Income tax:
- Current
- Deferred

-

-

26.1 Reconciliation between current tax charged under applicable income tax law and its categorization as 'Incc 'Levies' is as follows:

Classified as:	Note	2024 Rupees
Income tax	26	-
Levies	25	-
		<hr/>
Deferred tax		-
		<hr/>
		<hr/> <hr/>

2024
Rupees

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

Profit before taxation and levies		<u>14,785,488</u>
Tax at applicable rate		
Tax effect of income under final tax regime		
Tax on income under final tax regime		
Tax effect of non-deductible expenses		
Tax effect of deductible expenses		
Adjustment of taxable losses		
Adjustment of tax credits		
Deferred taxation		-
Total Of Levies and Income Tax	26.1	<hr/> <hr/>

2024
Rupees

30 FINANCIAL INSTRUMENTS BY CATEGORY

Financial assets and financial liabilities

Fair value through profit or loss

Long term investment 5,611,475

At ammortized cost

Long term deposits 431,000

Trade debts -

Loans and advances 1,199,000

Trade deposits and short term prepayment 34,384,042

Cash and bank balances 44,827,942

80,841,984

Financial liabilities

At amortized cost

Deposits, accrued liabilities and advances 185,402

Trade and other payables 2,429,570

2,614,972

31 CORRESPONDING FIGURES

The corresponding figures have been rearranged and reclassified, wherever considered necessary, for th comparison and better presentation. However,there is no major reclassification to report except the following:

Reclassification from Statement of Financial
Position

Trade deposits, short term prepayments and
current account balances with statutory
authorities

Tax deducted at source/advance income tax

Reclassification from Statement of Financial
Position

Tax deducted at
source/advance income tax

32 GENERAL

Figures have been rounded off to the nearest of rupee.

33 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorized for issue on _____ by the Board of Directors of the Company