

MGM SECURITIES (PVT) LIMITED

Quarterly Financial Statements

For the Period Ended 30 September 2024

MGM SECURITIES (PVT) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2024

	Note	2024 Rupees
ASSETS		
NON CURRENT ASSETS		
Property and equipment	4	12,616,210
Intangible assets	5	2,500,000
Long term investments	6	5,611,475
Long term deposits	7	431,000
		<u>21,158,685</u>
CURRENT ASSETS		
Trade debts	8	-
Loans and advances	9	1,482,500
Trade deposits, short term prepayments and current account balance with statutory authorities	10	21,005,618
Tax deducted at source/advance income tax	11	2,659,687
Cash and bank balances	12	49,847,073
		<u>74,994,878</u>
		<u><u>96,153,563</u></u>
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Share capital	13	50,000,000
Un-appropriated profit		42,905,905
		<u>92,905,905</u>
NON CURRENT LIABILITIES		
Deferred taxation	14	1,028,978
		<u>1,028,978</u>
CURRENT LIABILITIES		
Deposits, accrued liabilities and advances	15	227,787
Trade and other payables	16	1,990,893
Provision for taxation	17	-
		<u>2,218,680</u>
CONTINGENCIES AND COMMITMENTS		
	18	-
		<u><u>96,153,563</u></u>

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

CHIEF EXECUTIVE

MGM SECURITIES (PVT) LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED SEPT 30, 2024

	Note	2024 Rupees
Operating revenue	19	6,208,447
Direct costs	20	<u>(1,226,797)</u>
		4,981,650
Operating expenses	21	<u>(4,044,108)</u>
Other operating expenses	22	-
Other income	23	<u>4,972,720</u>
		<u>928,612</u>
PROFIT FROM OPERATIONS		5,910,262
Finance cost	24	<u>(579)</u>
PROFIT BEFORE LEVIES AND INCOME TAX		5,909,683
Levies	25	-
PROFIT BEFORE LEVIES AND INCOME TAX		<u>5,909,683</u>
Income tax	26	-
PROFIT FOR THE YEAR		<u><u>5,909,683</u></u>
EARNINGS PER SHARE - BASIC AND DILUTED	27	<u><u>11.82</u></u>

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

CHIEF EXECUTIVE

4 PROPERTY AND EQUIPMENT

Particulars	Cost			Accumulated Depreciation				W.D.V As at Sept. 30, 2024		
	As at June 30, 2024	Additions	Adjustment	As at June 30, 2024	Rate %	As at June 30, 2023	Charge for 3 Months		Adjustment	As at Sept. 30, 2024
OWNED										
	----- R u p e e s -----			----- R u p e e s -----						
Furniture and fittings	1,028,586	-	-	1,028,586	10%	914,741	2,846	-	917,587	110,999
Office equipment	579,150	-	-	579,150	10%	315,561	27,922	-	343,483	235,667
Computers	837,600	-	-	837,600	30%	648,392	57,176	-	705,568	132,032
Building	11,500,000	-	-	11,500,000	5%	7,340,714	51,991	-	7,392,705	4,107,295
Vehicles	10,408,632	-	-	10,408,632	10%	2,172,512	205,903	-	2,378,415	8,030,217
	24,353,968	-	-	24,353,968		11,391,920	345,838	-	11,737,758	12,616,210

	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 as an additional payment, in lieu of TREC issued by the Lahore Stock Exchange Limited, surrendered on, January 11, 2016 as a consequence of Scheme(s) of Integration approved by the Securities and Exchange Commission of Pakistan on January 11, 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	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 LSEPL Limited (LSEPL) under the scheme of arrangement as sanctioned by the Lahore High Court vide its order dated March 3, 2024 and as per swap ratio disclosed in the aforesaid scheme, the shareholders of LSEPL have been issued 1 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		(3,395,338)
Closing balance		<u>4,933,025</u>

	Note	2024 Rupees
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>

		2024	
	Note	Rupees	
8 TRADE DEBTS			
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.		-
		-
		2024
	Note	Rupees
9 LOANS AND ADVANCES		
Advances to: (Interest free and un-secured but considered good)		
Employees		283,500
Director - Syed Hassan Iqbal	9.1	1,199,000
		<u>1,482,500</u>
		<u>1,482,500</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	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 for 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	21,005,618
		<u>21,005,618</u>
		<u>21,005,618</u>
10.1	This carries profit ranging from 10% to 15%.	

11 TAX DEDUCTED AT SOURCE/ADVANCE INCOME TAX

Opening balance	2,659,687
Deducted during the year	
Income taxes	-
Levies	-
	-
Adjustment made during the year	
Income taxes	
Levies	
	-
	<u>2,659,687</u>

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12 CASH AND BANK BALANCES

These were held as under:

Cash in hand	16,375
Cash at bank:	
in current accounts	
Pertaining to brokerage house	39,442,446
Pertaining to clients	386,362
	<u>39,828,808</u>
in saving accounts	
Pertaining to brokerage house	<u>10,001,890</u>
	<u>49,847,073</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		842,668
Unrealized gain on long term investment		493,302
Provision for doubtful debts		-
Punjab worker's welfare fund payable		(159,909)
Minimum tax		-
Brought forward losses		(190,310)
Deferred tax asset not recognised		-
		<u>985,751</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>227,787</u>
16 TRADE AND OTHER PAYABLES		
Creditors for sale of shares on behalf of clients	16.1	1,179,425
Sales tax payable		238,517
Punjab worker's welfare fund payable		<u>572,951</u>
		<u>1,990,893</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 case 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		6,208,447
Less: Sales tax		-
		<u>6,208,447</u>
20 DIRECT COSTS		
Charges paid to/against:		
Pakistan Stock Exchange Limited		189,072
Central Depository Company of Pakistan Ltd.		-
Commission Paid		906,056
National Clearing Company of Pakistan Ltd.		131,669
		<u>1,226,797</u>
21 OPERATING EXPENSES		
Directors' remuneration		1,338,000
Staff salaries and benefits		1,641,268
Rent, rates and taxes		86,820
Communication and postage		28,209
Electricity charges		110,886
Printing and stationery		16,040
Repair and maintenance		64,645
Legal and professional charges	21.1	7,000
Fee and subscription		157,531
Insurance		-
Charity and donation		20,025
Entertainment		111,079
Depreciation	4	345,838
Others		25,030
Vehicle running and maintenance		91,737
		<u>4,044,108</u>

21.1 Auditor's remuneration

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

2024

Amin, Mudassar & Co.
Chartered Accountants

Statutory audit
Certification fee

Note

Rupees

-

	-
	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	4,972,720
Unrealized gain on long term investments	-
Reversal of povision for doubtful debt	-
	4,972,720
	2024
	Rupees
24 FINANCE COST	
Mark-up and finance charges	-
Bank charges	579
	579

Note

	2024
	Rupees
25 LEVIES	
Minimum tax	-
Final tax	-
	<u> </u>
	<u> </u>
	-
	<u> </u>
	<u> </u>
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	-
	<u> </u>
	<u> </u>
	-
	<u> </u>
	<u> </u>

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

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

	2024
	Rupees
26.2 Reconciliation between tax expense (including levies) and accounting profit	
Profit before taxation and levies	<u> </u>
	<u> </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 <u> </u>
	<u> </u>
	-
	<u> </u>
	<u> </u>

26.3 No numeric tax rate reconciliation is presented for the previous year as the company was either liable to pay tax regime or minimum tax u/s 113 of Income Tax Ordinance, 2001.

27 EARNINGS PER SHARE - BASIC AND DILUTED

	2024
	Rupees
Profit for the year-Rupees	<u>5,909,683</u>
Weighted Average Number of ordinary shares outstanding during the year-Numbers	<u>500,000</u>
Earnings per share-Rupees	<u>11.82</u>

28 NUMBER OF EMPLOYEES

	2024
	(Number)
Total number of employees at the end of year	<u>14</u>
Average number of employees during the year	<u>14</u>

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 executives of the company is as follows:

	2024	
	Chief Executive	Directors
	----- R u p e e s -----	
Managerial remuneration	3,058,100	6,493,900
Number of persons	1	2
	2023	
	Chief Executive	Directors
	----- R u p e e s -----	
Managerial remuneration	2,629,804	3,422,196
Number of persons	1	2

	2024 Rupees
30 FINANCIAL INSTRUMENTS BY CATEGORY	
Financial assets and financial liabilities	
Fair value through profit or loss	
Long term investment	<u>5,611,475</u>
At ammortized cost	
Long term deposits	431,000
Trade debts	-
Loans and advances	1,199,000
Trade deposits and short term prepayment	21,005,618
Cash and bank balances	<u>49,847,073</u>
	<u>72,482,691</u>
Financial liabilities	
At amortized cost	
Deposits, accrued liabilities and advances	227,787
Trade and other payables	<u>1,990,893</u>
	<u>2,218,680</u>

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

CHIEF EXECUTIVE

DIRECTOR