

FAIRWAY SECURITIES (PVT) LTD

FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026



INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF FAIRWAY SECURITIES (PRIVATE) LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **FAIRWAY SECURITIES (PRIVATE) LIMITED** (the Company), which comprises the statement of financial position as at June 30, 2026, and the statement of profit or loss, the statement of other comprehensive income, the statement of cash flows, the statement of changes in changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies 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 purpose 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 other comprehensive income, the statement of cash flows and the statement of changes in equity 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 loss and other 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 the 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 information included in the annual report, but those 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 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 IASs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risk 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 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.



ALAM & AULAKH Chartered Accountants

- 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 those charged with governance and the board of directors, 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 accounts 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 and other 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 accounts and returns;
- (c) investment made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- (d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on audit resulting in this independent auditor's report is Aqeel Alam, FCA.


Alam & Aulakh
CHARTERED ACCOUNTANTS



Place: Lahore
Date: October 07, 2026

UDIN: AR202610041TFr5kx7il

① Suite No. 5 & 6, Ground Floor, New 1-Campus Ross Residencia, Canal Road, Lahore

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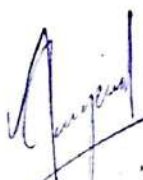
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FAIRWAY SECURITIES (PVT) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2026

	Note	2026 Rupees	2025 Rupees
ASSETS			
NON CURRENT ASSETS			
Property and equipment	4	3,185,402	3,916,730
Intangible assets	5	2,500,000	2,500,000
Long term deposits	6	710,000	770,000
		6,395,402	7,186,730
CURRENT ASSETS			
Trade debts	7	138,656,768	145,022,734
Advances, deposits and prepayments	8	3,411,633	5,718,701
Tax refund from Government	9	3,108,215	2,665,607
Short term investments	10	4,857,144	470,875
Cash and bank balances	11	43,945	210,880
		150,077,705	154,088,797
		156,473,107	161,275,527
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital	12	100,000,000	100,000,000
Accumulated loss		(82,625,930)	(78,399,309)
		17,374,070	21,600,691
NON-CURRENT LIABILITIES			
Loan from Director	15	35,200,000	-
		35,200,000	-
CURRENT LIABILITIES			
Trade and other payables	13	1,776,693	2,552,492
Accrued interest		11,915,468	11,915,468
Loan from banking company	14	90,206,876	125,206,876
Provision for taxation		-	-
		103,899,037	139,674,836
Contingencies and commitments			
	16	-	-
		-	-
		156,473,107	161,275,527

The annexed notes from 1 to 31 form an integral part of these financial statements.

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CHIEF EXECUTIVE




DIRECTOR

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

	Note	2026 Rupees	2025 Rupees
Brokerage and commission	17	11,071,284	13,641,562
Direct cost	18	(585,729)	(649,545)
		<u>10,485,555</u>	<u>12,992,017</u>
Operating expenses	19	(16,932,669)	(15,682,602)
Other expense	20	(1,655,568)	(2,844,140)
Other income	21	3,877,989	4,711,182
		<u>(14,710,248)</u>	<u>(13,815,560)</u>
LOSS FROM OPERATIONS		(4,224,693)	(823,543)
Finance cost	22	(1,928)	(1,639)
LOSS BEFORE TAXATION		(4,226,621)	(825,182)
Taxation	23	(138,391)	(170,520)
LOSS FOR THE YEAR		(4,365,012)	(995,702)
LOSS PER SHARE - BASIC AND DILUTED	24	(0.10)	(0.10)

The annexed notes from 1 to 31 form an integral part of these financial statements.

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CHIEF EXECUTIVE




DIRECTOR

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

	2026 Rupees	2025 Rupees
Loss for the year	(4,365,012)	(995,702)
Items that will not be reclassified	-	-
Items that may be reclassified subsequently to statement of profit or loss	-	-
Other comprehensive loss	-	-
Total comprehensive loss	(4,365,012)	(995,702)

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CHIEF EXECUTIVE



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DIRECTOR

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

	Paid up capital	Accumulated loss	Fair value adjustment reserve	Subtotal	Long term loan	Total
	(Rupees)					
Loss after taxation	-	(995,702)	-	(995,702)	-	(995,702)
Other comprehensive loss	-	-	-	-	-	-
Total comprehensive loss for the year	-	(995,702)	-	(995,702)	-	(995,702)
Balance as at June 30, 2025	100,000,000	(78,399,309)	-	21,600,691	-	21,600,691
Loss after taxation	-	(4,365,012)	-	(4,365,012)	-	(4,365,012)
Other comprehensive loss	-	-	-	-	-	-
Total comprehensive loss for the year	-	(4,365,012)	-	(4,365,012)	-	(4,365,012)
Balance as at June 30, 2026	100,000,000	(82,764,321)	-	17,235,679	-	17,235,679

The annexed notes from 1 to 31 form an integral part of these financial statements.


CHIEF EXECUTIVE




DIRECTOR

FAIRWAY 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/(Loss) before taxation		(4,226,621)	(825,182)
Adjustments of items not involving movements of cash:			
Depreciation	4	731,327	112,528
Unrealized (gain)/loss on short-term investments		711,228	(1,201,624)
Realized loss on sale of short-term investments		(917,470)	1,929,189
Provision for doubtful debts		1,861,810	2,116,575
Interest income		(3,704)	(20,614)
		2,383,191	2,936,055
Operating Cash Flows Before Working Capital Changes		(1,843,430)	2,110,873
(Increase) / Decrease in Working Capital			
(Increase) / decrease in current assets			
Account receivables		4,504,156	2,842,639
Trade deposits, short term prepayments and		2,307,068	(4,918,701)
Current account balance with statutory authorities			
Loan from Related Party		-	-
Increase / (decrease) in current liabilities			
Trade and other payables		(775,799)	508,948
		6,035,425	(1,567,114)
Cash Used In Operations		4,191,995	543,759
Taxes paid		(442,608)	(704,898)
		(442,608)	(704,898)
Net cash used in operations		3,749,387	(161,139)
CASH FLOWS FROM INVESTING ACTIVITIES			
Disposal of securities		(4,180,027)	3,831,150
Purchase of property, plant and equipment		-	(3,826,500)
Long term security deposit - net		60,000	(100,000)
Interest income received		3,704	20,614
Net cash generated From Investing Activities		(4,116,323)	(74,736)
CASH FLOWS FROM FINANCING ACTIVITIES			
Loan obtained from related parties		-	-
Directors' loan - subordinated		35,200,000	-
Accrued Interest		-	-
Loan from banking company		(35,000,000)	-
Net cash flows (used in)/ generated from financing activities		200,000	-
Net (Decrease)/ Increase in Cash & Cash Equivalents		(166,936)	(235,875)
Cash & Cash Equivalents at the Beginning of the Year		210,881	446,756
Cash & Cash Equivalents at the end of the Year		43,945	210,881

The annexed notes from 1 to 31 form an integral part of these financial statements.

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FAIRWAY 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 May 3, 2006 under the repealed Companies Ordinance, 1984. The company is engaged in the business of share brokerage and investment in securities. The registered office of the Company is situated at 26-K, Ground Floor Commercial, Phase-I, DHA, Lahore.

The company is holder of Trading Right Entitlement Certificate (TREC) of Pakistan Stock Exchange.

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. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standard for Small and Medium Sized Entities (IFRS for SMEs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

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

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 Method of preparation of statement of cash flows

The statement of cash flows is prepared using indirect method.

2.5 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.



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

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
- Valuation of investment in ordinary shares of LSE Financial Services Limited
- Provision for doubtful account receivables
- Estimation of provisions

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 for the month in which an asset is acquired while no depreciation is charged for the month in which an asset is disposed off. Normal repair and maintenance is charged to revenue 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 Loan from Director-Unsecured

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.

3.3 FINANCIAL ASSETS

Financial assets are classified in the following categories: Held-to-maturity, at fair value through profit or loss, available-for-sale and loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

3.3.1 Held to Maturity

The investments with fixed maturity, if any, that the company has to positive intent and ability to hold to maturity. Held to maturity investments are initially measured at fair value plus transaction costs and are subsequently stated at amortized cost using the effective interest rate method less impairment, if any. These are classified as current and non-current assets in accordance with nature of investment.



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

3.3.2 At fair value through profit or loss

Investments classified as held for trading are included in the category of financial assets at fair value through profit and loss. These are listed securities that are acquired principally for the purpose of generating a profit from short term fluctuations in price or dealer's margin.

All investments are initially recognized at cost, being the fair value of the consideration given excluding acquisition charges with the investment. After initial recognition, investments are measured at their fair values. Unrealized gains and losses on investments are recognized in profit or loss of the period.

Fair values of these securities representing listed equity and debt securities are determined by reference to stock exchange quoted market prices at the close of the business on reporting date.

3.3.3 Available-for-sale

Investments which are intended to be held for an undefined period of time but may be sold in response to the need for liquidity or changes in interest rates are classified as available-for-sale.

Subsequent to initial recognition at cost, these are premeasured at fair value. The Company uses latest stock exchange quotations to determine the fair value of its quoted investments whereas fair value of investments in un-quoted companies is determined by applying the appropriate valuation techniques. Gains or losses on available-for-sale investments are recognized directly in other comprehensive income until the investments are sold or disposed-off, or until the investments are determined to be impaired, at that time cumulative gain or loss previously recognized in other comprehensive income, is re-classified from equity to profit and loss as re-classification adjustment.

3.3.4 Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than twelve months after the reporting date, which are classified as non-current assets. Loans and receivables comprise trade debts, loans, advances, deposits, other receivable and cash and bank balances in the statement of financial position.

3.4 FINANCIAL LIABILITIES

Financial liabilities are initially measured at cost, which is the fair value, of the consideration given and subsequently carried at amortized cost using effective interest rate method.

3.5 OFF-SETTING OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

A financial asset and a financial liability is offset and the net amount is reported in the financial statements if the Company has a legally enforceable right to set-off the transaction and also intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

3.6 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.



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

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.

3.7 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.

3.8 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.

3.9 TAXATION

Current

Provision for current taxation is based on taxable income at the applicable rates of taxation after taking into account tax credits, brought forward losses, accelerated depreciation allowances and any minimum limits imposed by the taxation laws.

Deferred

Deferred tax is recognized using the liability method on all temporary differences between the carrying amounts of assets and liabilities for the financial reporting purposes and the amounts used for taxation purposes.

Deferred tax asset is recognized for all the deductible temporary differences only to the extent that it is probable that future taxable profits will be available against which the asset may be utilized. Deferred tax asset is reduced to the extent that it is no longer probable that the related tax benefit will be realized. Deferred tax liabilities are recognized for all the taxable temporary differences.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the tax rates that have been enacted or substantially enacted by the reporting date.

Deferred tax is charged or credited in the income statement, except in the case of items credited or charged to comprehensive income or equity, in which case it is included in comprehensive income or equity.

3.10 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.



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

3.11 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.

3.12 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.

3.13 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.



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

3.14 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 and loss account 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.

3.15 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 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.



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

4 PROPERTY AND EQUIPMENT

2026											
Particulars	Cost				Depreciation						W.D.V
	As at June 30, 2025	Additions	Disposal	As at June 30, 2026	Rate %	As at June 30, 2025	Transfer	Disposal	Charge for the year	As at June 30, 2026	As at June 30, 2026
	Rupees				Rupees						
OWNED											
Furniture and fittings	1,337,095	-	-	1,337,095	10	548,691	-	-	78,840	627,531	709,564
Computers	922,672	-	-	922,672	30	654,471	-	-	80,460	734,931	187,741
Office equipments	5,120,377	-	-	5,120,377	20	2,266,471	-	-	570,780	2,837,251	2,283,126
Vehicles	113,130	-	-	113,130	20	106,912	-	-	1,247	108,159	4,971
Total 2025	7,493,274	-	-	7,493,274		3,576,544	-	-	731,327	4,307,871	3,185,402

2025											
Particulars	Cost				Depreciation						W.D.V
	As at June 30, 2024	Additions	Disposal	As at June 30, 2025	Rate %	As at June 30, 2024	Transfer	Disposal	Charge for the year	As at June 30, 2025	As at June 30, 2025
	Rupees					Rupees					
OWNED											
Furniture and fittings	642,095	695,000	-	1,337,095	10	531,877	-	-	16,813.67	548,691	788,404
Computers	628,672	294,000	-	922,672	30	623,527	-	-	30,944.00	654,471	268,201
Office equipments	2,282,877	2,837,500	-	5,120,377	20	2,203,255	-	-	63,215.67	2,266,471	2,853,906
Vehicles	113,130	-	-	113,130	20	105,357	-	-	1,555	106,912	6,218
Total 2024	3,666,774	3,826,500	-	7,493,274		3,464,016	-	-	112,528	3,576,544	3,916,730



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

	Note	2026 Rupees	2025 Rupees
5 INTANGIBLE ASSETS			
Trading right entitlement certificate	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. The Trading Right entitlement certificate is pledged/mortgaged with the Pakistan Stock Exchange Limited as a collateral for running the brokerage business. It is carried at cost less impairment (2025: same).

6 LONG TERM DEPOSITS

Deposits with:

LSE Financial Services Limited
National Clearing Company of Pakistan Ltd.
Central Depository Company of Pakistan Ltd.
Security deposit against office building

300,000	360,000
100,000	100,000
100,000	100,000
210,000	210,000
<u>710,000</u>	<u>770,000</u>

7 TRADE DEBTS

Receivable from clients on account of:

Purchase of shares on behalf of clients
Less: Provision for doubtful debts

7.1

142,363,807	146,701,803
(3,978,385)	(2,116,575)
<u>138,385,421</u>	<u>144,585,229</u>
271,347	437,505
-	-
<u>138,656,768</u>	<u>145,022,734</u>

7.1 Movement is as follows

Opening balance
Less: Reversal of provision for doubtful debts
Less: Bad debt written off
Provision made during the year

(2,116,575)	-
-	-
-	-
(1,861,810)	(2,116,575)
<u>(3,978,385)</u>	<u>(2,116,575)</u>

8 ADVANCES, DEPOSITS AND PREPAYMENTS

Deposits with:

ECLEAR Exposure
Prepayments

1,700,000	4,018,701
1,711,633	1,700,000
<u>3,411,633</u>	<u>5,718,701</u>

Advance to:

Employees

-	-
<u>3,411,633</u>	<u>5,718,701</u>



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

	Note	2026 Rupees	2025 Rupees
9 TAX REFUND FROM GOVERNMENT			
Balance as at July 1,		2,665,607	2,131,229
Addition during the year		580,999	704,898
Provision for taxation		(138,391)	(170,520)
Balance as at June 30,		<u>3,108,215</u>	<u>2,665,607</u>
10 SHORT TERM INVESTMENTS			
Investment at fair value through profit or loss			
Value as at July 1,			
Short Term Investment		470,875	5,029,590
Purchase/sale-net		4,180,027	(3,831,150)
Realized Gain/(loss)		917,470	(1,929,189)
Unrealized Gain/(loss)		(711,228)	1,201,624
Value as at June 30,		<u>4,857,144</u>	<u>470,875</u>
11 CASH AND BANK BALANCES			
Cash in hand		446	9,709
Cash at banks			
Current Accounts			
Pertaining to brokerage house		3,908	72,595
Pertaining to clients		-	-
		<u>3,908</u>	<u>72,595</u>
Deposit Accounts			
Pertaining to brokerage house		-	-
Pertaining to clients	11.1	39,591	128,576
		<u>39,591</u>	<u>128,576</u>
		43,499	201,171
Cash & Bank Balance		<u>43,945</u>	<u>210,880</u>
11.1 These carry markup rates ranging from 20.50% to 20.55% (2025: 20.50% to 20.55%) per annum.			
12 SHARE CAPITAL			
Authorized			
10,000,000 (2025: 10,000,000) ordinary shares			
of Rs. 10 each		100,000,000	100,000,000
Issued, subscribed and paid up			
10,000,000 (2025: 10,000,000) ordinary shares			
of Rs. 10 each fully paid in cash		100,000,000	100,000,000
12.1 The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company. All shares rank equally with regard to the Company's residual assets.			



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

	Note	2026 Rupees	2025 Rupees
12.2 Reconciliation of number of shares outstanding			
Number of shares outstanding at the beginning of the year		10,000,000	10,000,000
Issued for cash		-	-
Issued for consideration other than cash		-	-
Number of shares outstanding at the end of the year		10,000,000	10,000,000

13 TRADE AND OTHER PAYABLES

Creditors for sale of shares on behalf of clients	-	116,654
Tax deducted at source - Payable	21,082	-
Sales tax payable	74,565	89,760
Auditors' remuneration payable	52,500	50,000
Accrued expenses	1,628,546	2,167,950
PWWF payable	-	128,127
	1,776,693	2,552,492

14 LOAN FROM BANKING COMPANY

From financial institutions

Summit Bank Limited - (secured) RF-II	14.1	83,097,998	83,097,998
Silk Bank Limited - (secured) RF-I	14.2	7,108,879	42,108,879
		90,206,876	125,206,876

14.1 This facility of Rs. 83.09 million was available to the company under the mark up arrangement from Summit Bank Limited. Rate of mark up was Three Months KIBOR plus 4% per annum. This facility remained secured by personal guarantee of directors, token registered mortgage of Rs.0.10 million and Equitable Mortgage with 30% margin on the market value of three properties which had been valued by independent valuers. The company has instituted a suit on 27-2-2019 against the Summit Bank Limited on account of illegalities and breach of contractual obligations in the Honourable Lahore Banking Court No. II for Rs. 91.970 million. The matter is pending adjudication. There is no scope of any loss to the company in the instant matter. This case is being vigorously pursued by the company through its legal counsel and there are good chances of favorable result in this case.

14.2 The Company had obtained a financing facility of Rs. 40.00 million from Silk Bank Limited under a mark-up arrangement at one-year KIBOR plus 4.5% per annum, secured against personal guarantees of the directors and mortgage of property of an associate. The outstanding amount payable under the facility as at June 30, 2026 was subsequently paid in full. Consequent upon settlement of the outstanding liability, the dispute with Silk Bank Limited and the related legal proceedings have also been amicably settled. Accordingly, no further liability or loss is expected to arise in respect of the matter.



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

	Note	2026 Rupees	2025 Rupees
15 LOAN FROM RELATED PARTIES			
Unsecured and interest free			
Loan from:			
Mr. Nadeem Javed- Chief Executive	15.1	35,200,000	-
Mrs. Shamsa Nadeem - Director	15.2	-	-
		<u>35,200,000</u>	<u>-</u>
15.1 Particulars of loan from Mr. Nadeem Javed			
Balance as at July 01,2025		-	-
Add: Loan received during the year		35,200,000	-
Less: Adjustment during the year		-	-
		35,200,000	-
Less: Repayment during the year		-	-
Balance as at June 30,2026		<u>35,200,000</u>	<u>-</u>
15.2	This represented an interest-free and unsecured loan obtained from the Chief Executive of the Company for repayment of the loan obtained from a banking company. Rs. 35 million was obtained as a long-term loan.		
16 CONTINGENCIES AND COMMITMENTS			
Contingencies and commitments as at reporting date were Rs. nil (2025: Rs. nil).			
17 BROKERAGE AND COMMISSION			
Retail Customers	17.1	12,842,689	15,824,212
Less: Sales tax		(1,771,405)	(2,182,650)
		<u>11,071,284</u>	<u>13,641,562</u>
17.1	Commission from retail customers includes the commission earned from following related parties:		
18 DIRECT COST			
Charges paid to:			
National Clearing Company of Pakistan Ltd.		98,201	2,084
Central Depository Company of Pakistan Ltd.		3,720	25,084
ECLEAR Services Limited		594,980	593,699
Pakistan Stock Exchange Ltd.		27,883	28,678
Trading Charges		(139,055)	-
		<u>585,729</u>	<u>649,545</u>



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

	Note	2026 Rupees	2025 Rupees
19 OPERATING EXPENSES			
Directors' remuneration		2,412,000	1,200,000
Staff salaries and benefits		6,347,000	4,497,400
Rent, rates and taxes		1,711,109	1,545,650
Communication expenses		-	402,900
Utility charges		593,907	394,003
Travelling and conveyance		1,859,009	-
Printing and stationery		38,020	38,020
Repair and maintenance		1,225,423	2,190,640
Vehicle running and maintenance		-	1,078,487
Legal and professional charges		150,000	2,645,790
Fee and subscription		125,790	551,625
Auditors' remuneration	19.1	102,500	80,000
Entertainment		368,491	344,121
Insurance		-	60,680
Bad debt expense		60,000	-
Depreciation	4.1	731,327	112,528
Postage and courier		33,693	21,448
Internet Charges		258,128	-
Software charges		226,710	387,504
Current Tax		138,391	-
Miscellaneous		551,171	131,806
		16,932,669	15,682,602

19.1 Auditors' remuneration

The audit fee and remuneration for other services included in the financial statements is as follows:

Audit Fee	102,500	80,000
	102,500	80,000

20 OTHER EXPENSES

Provision for doubtful debts	1,861,810	2,116,575
Realized Loss on sale of short term investment	(917,470)	1,929,189
Unrealized loss on remeasurement of short term investment	711,228	(1,201,624)
	1,655,568	2,844,140

21 OTHER INCOME

Income from financial assets

Profit on saving account	3,704	20,614
Operating charges recovered	116,654	-
Profit on exposure margin	3,757,631	4,690,568
	3,877,989	4,711,182



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

	Note	2026 Rupees	2025 Rupees
22 FINANCE COST			
Bank charges		1,928	1,639
		<u>1,928</u>	<u>1,639</u>
23 TAXATION			
Income tax:			
-Current		138,391	170,520
-Prior		-	-
-Deferred		-	-
		<u>138,391</u>	<u>170,520</u>
23.1	No numeric tax rate reconciliation is presented for the current and prior year as the company was either liable to pay tax under final tax regime or minimum tax regime under the provisions of the Income Tax Ordinance 2001.		
24 LOSS PER SHARE - BASIC AND DILUTED			
(Loss)/profit after taxation for the year-Rupees		<u>(4,365,012)</u>	<u>(995,702)</u>
Weighted average number of ordinary shares outstanding during the year -Numbers		<u>10,000,000</u>	<u>10,000,000</u>
Loss per share-Rupees		<u>(0.44)</u>	<u>(0.10)</u>
25 NUMBER OF EMPLOYEES			
		2026 (Numbers)	2025 (Numbers)
Total number of employees at the end of year		<u>12</u>	<u>11</u>
Average number of employees during the year		<u>12</u>	<u>11</u>
26 REMUNERATION TO CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES			
The aggregate amount charged in the financial statements for the year for remuneration, including certain benefits to the chief executive and directors of the company is as follows:			
		2026	2025
	No. of Persons	Managerial Remuneration	Managerial Remuneration
		Rupees	Rupees
Chief Executive	1	1,206,000	-
Director	2	2,412,000	1,200,000
Executive	-	-	-



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

Note	2026 Rupees	2025 Rupees
27 FINANCIAL INSTRUMENTS BY CATEGORY		
Financial assets and financial liabilities		
Financial assets		
Fair Value through OCI		
Long term investment	-	-
Financial Assets at amortized cost		
Long term deposits	710,000	770,000
Trade debts	138,656,768	145,022,734
Short term investments	4,857,144	470,875
Cash and bank balances	43,945	210,880
	144,267,857	146,474,489
Financial liabilities		
Financial liabilities at amortized cost		
Trade and other payables	1,776,693	2,552,492
Loan from banking company	90,206,876	125,206,876
Loan from Director	35,200,000	-
Markup on short term borrowings	11,915,468	11,915,468
	139,099,037	139,674,836

28 RELATED PARTY TRANSACTIONS

Related parties from the Company's perspective comprise of key management personnel, directors and key shareholders of the Company. Company obtained a loan of Rs 35,200,000 from Mr. Nadeem Javed- Chief Executive which have been disclosed in the Note 15.1 of company's financial statements.

29 EVENTS AFTER THE REPORTING DATE

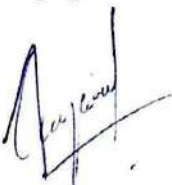
There were no events after the end of the reporting date that might need reporting in these financial statements (2025: same).

30 GENERAL

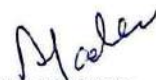
Figures have been rounded off to the nearest of rupee.

31 DATE OF AUTHORISATION FOR ISSUE

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


CHIEF EXECUTIVE




DIRECTOR