HORIZON SECURITIES LIMITED

Audited Financial Statements

Year Ended on June 30, 2026

HORIZON SECURITES LIMITED

Directors' Report

On behalf of the Board of Directors of Horizon Securities Limited, we are pleased to present the Audited Annual Financial Statements of your Company for the year ended on June 30, 2026, together with auditor's report thereon.

Economic Review

During FY 2026 economy delivered a broadly encouraging performance despite geopolitical constraints. The real economy showed broad-based strength across nearly every major indicator tracked. GDP grew 3.7% YoY for the year, while Large Scale Manufacturing (LSM) expanded 5.8% YoY over.

On the external front, the current account recorded a modest full-year deficit of USD 139mn, a manageable outcome given that the widening was largely driven by an 8% YoY rise in imports on the back of rising demand. Exports remained broadly steady with services exports delivering strong growth of 19% YoY to USD 10,034mn. Remittances rose 9% YoY to USD 41,585mn, providing further cushion to the external position, while net FDI added USD 1,637mn to the capital account over the year.

The rupee demonstrated notable stability through FY26, closing Jun-26 at PKR 279.0/USD, essentially flat on a YoY basis. This helped anchor inflation expectations even as headline inflation averaged 7.0% for the year (versus 4.6% in FY25) amid oil-price-driven spike to 11.1% YoY in Jun-26.

The State Bank maintained a broadly measured policy stance throughout the year, including a rate cut in Dec'25 followed by a calibrated hike in May'26, closing FY26 at 11.5%. With the currency holding firm, SBP retains room to guide the inflation trajectory back toward target of 5-7% in FY27.

Pakistan's continued engagement with the IMF also remained positive during the year, with a staff-level agreement reached in Mar'26 on the third EFF review and second RSF review, paving the way for disbursements of ~USD 1.21bn.

Looking ahead, policy support is expected to remain broadly intact into FY27, with the SBP projecting GDP growth to improve slightly to 3.5–4.5% range and the current account deficit to stay contained within 0–1% of GDP, aided by remittances rising further to over USD 44bn. External debt servicing is also set to ease, from USD 26.5bn in FY26 to USD 21.5bn in FY27, with a sizeable portion already rolled over or slated for refinancing, easing near-term repayment pressure. The FY26 budget's broadly neutral-to-positive stance, alongside continued IMF engagement, should further support this trajectory. The outlook remains sensitive to geopolitical developments with SBP's projections built on an oil price assumption of above USD 80/bbl

Equity Market Review

The KSE-100 Index delivered a robust performance in FY26, surging 43.5% in PKR terms and 46.4% in USD terms to close at 180,302 points, up from 125,627 at the end of FY25.

Much of this rally was driven by decent corporate earnings growth (8.8% in 9MFY26), improved liquidity on the back of stronger macro indicators, and improving investor participation throughout the year. Performance did moderate somewhat in the latter part of the year, weighed down by escalating US-Iran tensions and elevated oil prices, though the index still ended the year firmly higher. Even so, the KSE-100 remained the standout performer across asset classes in FY26, returning 43.5% and outpacing Gold (13.9%), PIBs (12.2%), T-Bills (11.6%), Bank Deposits (8.8%), and the USD/PKR (2.0%). The IPO market also gained further traction in FY26, with PSX approving 13 IPOs, of which 11 have been listed, raising a cumulative ~PKR 20bn, with listed activity spanning a diverse set of sectors.

Average daily trading volume for the year stood at 912mn shares, up 44.1% YoY, while average traded value climbed 50.8% YoY to USD 151.95mn. By value, Banks (USD 25mn), E&Ps (USD 17mn), and Cement (USD 16mn) saw the highest activity, followed by Technology and OGMCs (USD 11mn each), while the top sector gainers by price were Automobile Parts (+278%), Woollen (+158%), Fertilizer (+103%), Synthetic (+88%) and Tobacco (+70%).

Foreigners were net sellers of USD 851mn in FY26, with outflows led by Cement (USD 308.7mn), Food (USD 190.9mn) and Banks (USD 143.9mn). Locally, Companies (USD 2,016mn) and Individuals (USD 329mn) were net buyers, while Banks/DFIs (USD 1,004mn), Insurance (USD 253mn) and Funds (USD 195mn) were net sellers.

Company's Financial Overview

Following are the comparative financial results for the year **2026** and 2025.

	2026	**2025**
	Rs.	Rs.
Gross Revenue	**22,559,278**	33,295,932
Profit/(Loss) before tax	**(17,159,225)**	213, 656
Profit (Loss) after tax	**(17,190,369**)	(3,517,220)
Total Equity	**158,147,522**	163,314,824
(Loss) per share	**(1.23)**	(0.25)

During the year ended on June 30, 2026, the Company's performance was affected by the geographical warlike situation in the last quarter of year. The revenues decreased to Rs. 22,559,278/- (2025: Rs 33,295,932). This decrease in revenue was mainly due to drop in brokerage commission, along with decrease in markup from exposure deposits and dividend income. On other hand there was a healthy increase in other incomes which jumped up to Rs. 10,678,620/- (2025: Rs. (6,583,317). Resultantly the bottom line of Statement of Profit or Loss was a Loss of Rs 17,190,369/- (2025: Loss Rs 3,517,220) with a Loss per share of Rs. 1.23 as compared to Loss of Rs. 0.25 per share of last year. However the gain on the Long-Term Investment was Rs. 12,023,066/- (2025: Gain Rs. 6,385,489) routed through the Other Comprehensive Income that resulted in increase in Total Equity of the shareholders. As the geographical tension is going to decreased and economics condition of the country is improving the Management is confident to regain the momentum of growth in Total Equity in coming years.

Keeping in view the funds requirement of the Company, the Board of Directors has decided not to declare any dividend or bonus and not to approve any appropriation for reserve.

Corporate and Financial Reporting Framework

The directors are pleased to report that:

- During the year the election of the Board of directors was held and following directors were re-elected for a period of three years.

    - Dr. Zafar Iqbal
    - Mr. Afraz Zafar
    - Mrs. Abida Zafar

- Risks are innate in the financial services business and include elements such as liquidity, market, credit, operational, legal, regulatory, and reputational risks. HSL risk management governance starts at the Board, which plays an integral role in reviewing and approving risk management policies and practices. Accordingly, the Management, with the approval of the Board, has implemented comprehensive risk management processes through which it monitors, evaluates and manages the risks that are assumed in conducting the activities. A rigorous framework of limits is applied to control risk across multiple transactions, products, businesses, and markets in which the Company carries out transactions. This includes setting credit and market risk limits at a variety of levels and monitoring these limits on a regular basis.
- The Directors and Chief Executive did not draw any salary/benefit from the Company except the waiver of brokerage Commission on shares transactions.
- During the year there have been no change in the nature of the business of the Company
- The auditor's report does not contain any reservation, observation, qualification or any adverse remarks.
- The pattern of shareholding as on June 30, 2026, is attached.
- The loss per share is Rs. 1.23 as compared to loss of Rs. 0.25 per share of last year
- The Company incurred a loss of Rs. 17,190,369/- in year 2025-26 (explained above) but the future prospects of your Company are very encouraging on account of the Management's efforts to yield better volumes from its existing clientele as well as prospective, by expanding and growing relationships with them through the Company's premium suite of services. The Management is buoyant that the

Company's business will demonstrate lucrative results, as the economy and the market are improving.

- The company has not made or is likely to be made any default in the payments of its debts or obligations.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- There have been no material changes since June 30, 2026, and the company has not entered into any commitment, which would affect its financial position at the date.
- The financial statements prepared by the management of the Company present its state of affairs fairly, the results of its operations, cash flows and changes in equity.
- Proper books of accounts have been maintained.
- Appropriate accounting policies have been consistently applied in the preparation of financial statements and the accounting estimates are based on reasonable and prudent judgment.
- International Financial Reporting Standards, as applicable in Pakistan, have been followed in the preparation of financial statements.
- There are no doubts upon the Company's ability to continue as going concern.
- There is no material statutory payment outstanding on account of taxes, duties, levies and charges.

Auditors

The present auditor will retire at the conclusion of Annual General Meeting and have offered their services for the year ending on June 30, 2027. The Board has recommended the re-appointment of Nasir Javaid Maqsood Imaran, Chartered Accountants, as auditors of the Company for the year ending on June 30, 2027, at a fee to be mutually agreed.

Acknowledgement

We are grateful to the Company's stakeholders for their long-lasting confidence and support. We also record our appreciation and thanks to our Bankers, Securities and Exchange Commission of Pakistan, Central Depository Company of Pakistan, National Clearing Company of Pakistan Limited and the Management of Pakistan Stock Exchange Limited for their continued support and guidance for the growth of Company.

Dr. Zafar Iqbal
(Chairman & CEO)

Afraz Zafar
(Director)

Place: Lahore
Date: Oct 07, 2026

HORIZON SECURITIES LTD.

TRE CERTIFICATE HOLDER: Pakistan Stock Exchange Limited

STATEMENT OF COMPLIANCE
WITH THE CORPORATE GOVERNANCE CODE FOR THE SECURITIES BROKER
FOR THE YEAR ENDED ON JUNE 30, 2026

This statement is being presented to certify the compliance with the Corporate Governance Code for Securities Broker ("Code") contained in annexure D of the Securities Broker (Licensing and Operations) Regulations, 2016 for the purpose of establishing a framework of good governance, whereby a securities broker is managed in compliance with the best practices of corporate governance. We hereby confirm that during the year ended on June 30, 2026 the Company has made the compliance of all material principles contained in the Code

Dr. Zafar Iqbal
(Chairman & CEO)

Afraz Zafar
(Director)

Place: Lahore
Date: Oct 07, 2026

HORIZON SECURITIES LTD.

TRE CERTIFICATE HOLDER: Pakistan Stock Exchange Limited

STATEMENT BY THE CHIEF EXECUTIVE OFFICER

I, Dr. Zafar Iqbal, Chief Executive Officer of the Horizon Securities Limited, hereby certify that there were no transactions entered into by the Horizon Securities Limited during the year ended on June 30, 2026 which were fraudulent, illegal or in violation of any securities market laws

Dr. Zafar Iqbal
Chairman & CEO

Place: Lahore
Date: Oct 07, 2026

NASIR JAVAID MAQSOOD IMRAN
Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

To the members of HORIZON SECURITIES LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **HORIZON SECURITIES 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 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 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, 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 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, 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 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 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 audjt 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 is 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) The Company was in compliance with the requirements of section 78 of the Securities Act, 2015 and/or Section 62 of the Futures Market Act, 2016 and the relevant requirements of Securities Brokers (Licensing and Operations Regulations), 2016 as at the date on which the statement of financial position was prepared.

d) Investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

e) No zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Imran Ul Haq.

Nasir Javaid Maqsood Imran
Chartered Accountants

Place: Islamabad
Date: 07 October, 2026

UDIN: AR202610163YI7zmdcP9

HORIZON SECURITIES LIMITED

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2026

	Note	30-Jun-26	30-Jun-25
		Rupees	*Rupees*
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	5	***4,855,245***	5,854,468
Right-of-use assets	6	***59,223,466***	78,684,400
Intangible assets	7	***2,500,000***	2,500,000
Long term investments	8	***21,618,908***	11,164,068
Long term deposits	9	***11,700,000***	13,000,000
		99,897,619	111,202,935
CURRENT ASSETS			
Trade receivables	11	7,588,823	15,676,867
Short term deposits	12	9,310,198	16,469,902
Advances, prepayments and other receivables	13	4,418,532	2,137,942
Short term investments	14	1,144,973	781,586
Loan to director	15	46,900,000	67,200,000
Advance income tax / income tax refundable		4,303,996	4,273,100
Cash and bank balances	16	50,878,261	49,670,657
		124,544,782	156,210,055
CURRENT LIABILTIES			
Trade and other payables	17	(19,293,499)	(26,361,137)
Income tax payable		(541,436)	(3,285,159)
Current portion of non-current liabilities	18	(12,448,497)	(14,627,059)
		(32,283,432)	(44,273,355)
NET CURRENT ASSETS		92,261,350	111,936,700
NON-CURRENT LIABILITIES			
Lease liabilities	18	(32,951,879)	(45,618,906)
Security Deposit Payable		-	(11,550,000)
Defered tax liability		(1,059,567)	(2,655,905)
		(34,011,446)	(59,824,811)
NET ASSETS		158,147,522	163,314,824
REPRESENTED BY:			
SHARE CAPITAL			
Authorized share capital	19	***200,000,000***	200,000,000
Issued share capital	20	***139,650,000***	139,650,000
Capital reserve		***14,227,097***	2,204,031
Retained earnings		***4,270,425***	21,460,793
TOTAL EQUITY		158,147,522	163,314,824
CONTINGENCIES AND COMMITMENTS	21		
TOTAL EQUITY		158,147,522	163,314,824

The annexed notes 1 to 42 form an integral part of these financial statements.

Director

Chief Executive

HORIZON SECURITIES LIMITED

STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED 30 JUNE 2026

	Note	30-Jun-26	30-Jun-25
		Rupees	*Rupees*
Brokerage and commission		**20,524,351**	**29,083,605**
Dividend income		**855,004**	996,201
Interest on exposure deposits		**1,179,923**	3,216,125
Net revenue		**22,559,278**	33,295,932
Administrative expenses	*23*	**(47,076,546)**	(34,693,086)
		(24,517,267)	(1,397,154)
Changes in fair value of financial assets at fair value through profit or loss	*14*	**1,082,387**	153,044
		(23,434,880)	(1,244,110)
Finance cost	*24*	**(6,652,765)**	(4,814,455)
Other income/(Expenses)	*25*	**10,678,620**	6,583,317
Profit/(loss) before statutory levies and taxation		**(19,409,026)**	524,752
Provision for statutory levies	*26*	**2,249,801**	**(311,096)**
Profit before taxation		**(17,159,225)**	**213,656**
Provision for income taxes	*27*	**(31,144)**	(3,730,876)
Profit/(loss) after taxation		**(17,190,369)**	(3,517,220)

The annexed notes 1 to 42 form an integral part of these financial statements.

Director **Chief Executive**

HORIZON SECURITIES LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2026

	Note	30-Jun-26	30-Jun-25
		Rupees	*Rupees*
Items that will not be reclassified to profit or loss			
Financial assets at fair value through OCI	8	10,454,840	5,552,599
Related taxation		1,568,226	832,890
		12,023,066	6,385,489
Items that may be reclassified subsequently to profit or loss		-	-
Other comprehensive loss		12,023,066	6,385,489
Profit/(loss) after taxation		(17,190,369)	(3,517,220)
Total comprehensive income/(loss)		(5,167,302)	2,868,269

The annexed notes 1 to 42 form an integral part of these financial statements.

Director

Chief Executive

HORIZON SECURITIES LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2026

	Share capital	Capital reserves		
	Issued share capital	Reserve for financial assets measured at FVTOCI	Retained earnings	Total equity
	Rupees	Rupees	*Rupees*	*Rupees*
Balance as at 01 July 2024	139,650,000	(4,181,458)	24,978,013	160,446,555
Comprehensive income				
Loss after taxation	-	-	(3,517,220)	(3,517,220)
Other comprehensive loss	-	6,385,489	-	6,385,489
Total comprehensive loss	-	6,385,489	(3,517,220)	2,868,269
Other transactions				
Transfer from reserve for financial assets at FVTOCI on derecognition	-	-	-	-
Related taxation	-	-	-	-
	-	-	-	-
Transactions with owners	-	-	-	-
Balance as at 30 June 2025	139,650,000	2,204,031	21,460,793	163,314,824
Balance as at 01 July 2025	**139,650,000**	**2,204,031**	**21,460,793**	**163,314,824**
Comprehensive income				
Profit after taxation	-	-	(17,190,369)	(17,190,369)
Other comprehensive loss	-	12,023,066	-	12,023,066
Total comprehensive income	-	**12,023,066**	**(17,190,369)**	**(5,167,302)**
Other transactions				
Transfer from reserve for financial assets at FVTOCI on derecognition	-	-	-	-
Related taxation	-	-	-	-
	-	-	-	-
Transactions with owners	-	-	-	-
Balance as at 30 June 2026	**139,650,000**	**14,227,097**	**4,270,425**	**158,147,522**

The annexed notes 1 to 42 form an integral part of these financial statements.

Director

Chief Executive

HORIZON SECURITIES LIMITED

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2026

	Note	30-Jun-26	30-Jun-25
		Rupees	*Rupees*
CASH FLOW FROM OPERATING ACTIVITIES			
Cash generated from operations	*28*	**20,983,689**	25,517,123
Payments for:			
Interest on lease liabilities		**(6,482,136)**	(4,650,957)
Taxes under Income tax ordinance, 2001		-	-
Net cash generated from/(used in) operating activities		**14,501,553**	20,866,166
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of short term investments		-	-
Proceeds from disposal of short term investments		**839,870**	-
Dividend received		**855,004**	996,201
Purchase of property and equipment		-	(3,095,078)
Rental received		**10,298,630**	4,291,096
Dividend reinvested		**(4,595)**	(6,409)
Lease rental received		-	-
Proceeds from disposal of property and equipment		-	2,200,000
(Increase)/Decrease in long term deposit		**1,300,000**	(4,050,000)
Net cash (used in)/generated from investing activities		**13,288,910**	335,811
CASH FLOW FROM FINANCING ACTIVITIES			
Security Deposit Payable		**(11,550,000)**	11,550,000
Payment of lease liabilities		**(15,032,859)**	(23,017,978)
Net cash used in financing activities		**(26,582,859)**	(11,467,978)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**1,207,603**	9,733,998
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		**49,670,657**	39,936,659
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	*29*	**50,878,261**	49,670,657

The annexed notes 1 to 42 form an integral part of these financial statements.

Director

Chief Executive

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026

1 LEGAL STATUS AND OPERATIONS

Horizon Securities Limited ['the Company'], was incorporated in Pakistan on 08 January 2007 as a Single Member Company under the repealed Companies Ordinance, 1984. The Company was incorporated pursuant to the corporatization policy of the Securities and Exchange Commission of Pakistan ['SECP'] to enable the individual members of stock exchanges to transfer their membership along with all entitlements related thereto to a corporate entity. The status of the Company was first converted into a Private Limited Company with effect from 27 May 2011 and subsequently a Public Limited Company with effect from 27 June 2011. The principal activity of the Company is to carry on the business of stock brokerage and investments. The registered office of the Company is situated at 2nd Floor, Plaza 79-A, Bankers Cooperative Housing Society, Lahore, Pakistan.

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 Standards ['IFRS'] issued by the International Accounting Standards Board ['IASB'] as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards ['IFRS'] issued by Institute of Chartered Accountants of Pakistan 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 and IFAS, 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 on the historical cost basis except for the following items, which are measured on an alternative basis as at the reporting date.

Items	Measurement basis
Financial liabilities	Amortized cost
Financial assets	Fair value/amortized cost

2.3 Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions and judgments are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which forms the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Subsequently, actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

2.3.1 Critical accounting judgements

Judgments made by management in the application of accounting and reporting standards that have significant effect on the financial statements and estimates with a risk of material adjustment in subsequent years are as follows:

(a) Business model assessment (see note 32.1)

The Company classifies its financial assets on the basis of the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. The Company determines the business model at a level that reflects how financial assets are managed to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed. The Company monitors financial assets measured at amortized cost or fair value that are derecognized prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets. No such changes were required during the year.

*(b) **Significant increase in credit risk (see note 33.1.1)***

As explained in note 33.1, expected credit losses ['ECL'] are measured, based on the Company's risk grading framework, as an allowance equal to 12-month/lifetime ECL for 'performing' assets, or lifetime ECL for assets categorized as 'doubtful' or 'in default'. An asset is categorized as 'doubtful' when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Company takes into account qualitative and quantitative reasonable and supportable forward-looking information.

2.3.2 Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are as follows:

*(a) **Calculation of impairment allowance for expected credit losses on financial assets (see note 33.1.3)***

The Company recognizes a loss allowance for expected credit losses on financial assets carried at amortized cost on date of initial recognition. The amount of expected credit losses is updated on each reporting date to reflect the changes in credit risk since initial recognition of the respective financial asset. Estimating expected credit losses and changes there in requires taking into account qualitative and quantitative forward looking information. When measuring expected credit losses on financial assets the Company uses reasonable and supportable forward looking information as well as historical data to calculate the difference between the contractual cash flows due and those that the Company would expect to receive, taking into account cash flows from collateral and integral credit enhancements, if any. Probability of default constitutes a key input in measuring expected credit losses. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions. If the ECL rates on financial assets carried at amortized cost were higher (lower) by 10%, the loss allowance on those assets would have been higher (lower) by Rs. 13.518 million (30-Jun-25: 16.681 million).

*(b) **Provisions for levies and income taxes under Income Tax Ordinance, 2001 (see note 26 and 27)***

The Company takes into account the current income tax law and decisions taken by appellate and other relevant legal forums while estimating its provisions for income taxes, levies and tax contingencies under the Income Tax Ordinance, 2001 ['the Ordinance'].

The provision for levies and current tax under the Ordinance are estimated at Rs. 482,181 (30-Jun-25: Rs. 311,096) and Rs. (30-Jun-25: Rs. 242,081) respectively. The management believes that the provision for current tax and levies made in the financial statements is sufficient to discharge related liabilities under the Ordinance.

*(c) **Deferred tax assets on unused tax losses and credits (see note 26.4)***

Deferred tax assets are recognized for unused tax losses and credits to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

2.4 Functional currency

These financial statements have been prepared in Pak Rupees which is the Company's functional currency. The amounts reported in these financial statements have been rounded to the nearest Rupees unless specified otherwise.

2.5 Date of authorization for issue

These financial statements were authorized for issue on 07 October 2026 by the Board of Directors of the Company.

3 NEW AND REVISED STANDARDS, INTERPRETATIONS AND AMENDMENTS EFFECTIVE DURING THE YEAR.

There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for the Company's annual accounting period which began on July 01, 2025. However, these do not have any significant impact on the Company's financial statements.
The standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company are as under:

IAS 7	Statement of Cash Flows (Amendments)	January 1, 2026
IAS 21	The effects of changes in foreign exchange rates (Amendments)	January 1, 2027
IAS 28	Investments in Associates and Joint Ventures (Amendments)	January 1, 2027
IFRS 7	Financial Instruments: Disclosures (Amendments)	January 1, 2026

IFRS 9	Financial Instruments (Amendments)	January 1, 2026
IFRS 10	Consolidated Financial Statements (Amendments)	January 1, 2026
IFRS 17	Insurance Contracts (Amendments)	January 1, 2027
IFRS 18	Presentation and Disclosure in Financial Statements	January 1, 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	January 1, 2027

Other than the aforesaid standards, interpretations and amendments, International Accounting Standards Board (IASB) has also issued the following standards and interpretation, which have not been notified locally or declared exempt by the Securities and Exchange Commission of Pakistan (SECP) as at June 30, 2026;

IFRS 1	First-time Adoption of International Financial Reporting Standards
IFRS 20	Regulatory Assets and Regulatory Liabilities
IFRIC 12	Service Concession Arrangements

4 MATERIAL ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

4.1 Financial instruments

4.1.1 Recognition

A financial instrument is recognized when the Company becomes a party to the contractual provisions of the instrument.

4.1.2 Classification

The Company classifies its financial assets on the basis of the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. Financial liabilities are classified in accordance with the substance of contractual provisions. The Company determines the classification of its financial instruments at initial recognition as follows:

*(a) **Financial assets at amortized cost***

These are financial assets held within a business model whose objective is to hold financial assets in order to collect contractual cashflows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

*(b) **Financial assets at fair value through other comprehensive income***

These are :

(i) financial assets held within a business model whose objective is achieved by both collecting contractual cashflows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding; and

(ii) investments in equity instruments, that are not held for trading nor contingent consideration recognized by the Company as acquirer in a business combination, for which the Company makes an irrevocable election at initial recognition to present changes in fair value on subsequent measurement in other comprehensive income.

*(c) **Financial assets at fair value through profit or loss***

These are financial assets which have not been classified as 'financial assets at amortized cost' or as 'financial assets at fair value through other comprehensive income', are mandatorily measured at fair value through profit or loss or for which the Company makes an irrevocable election at initial recognition to designate as 'financial asset at fair value through profit or loss' if doing so eliminates or significantly reduces a measurement or recognition inconsistency.

*(d) **Financial liabilities at amortized cost***

These are financial liabilities which are not derivates, financial guarantee contracts, commitments to provide loans at below-market interest rate, contingent consideration payable to an acquirer in a business combination or financial liabilities that arise when transfer of a financial asset does not qualify for derecognition.

*(e) **Financial liabilities at fair value through profit or loss***

These are financial liabilities which have not been classified as 'financial liabilities at amortized cost' or for which the Company makes an irrevocable election at initial recognition to designate as 'financial liabilities at fair value through profit or loss' if doing so eliminates or significantly reduces a measurement or recognition inconsistency.

4.1.3 Measurement

The particular measurement methods adopted are disclosed in individual policy statements associated with each financial instrument.

4.1.4 Derecognition

A financial asset is derecognized when the Company's contractual rights to the cash flows from the financial assets expire or when the Company transfers the financial asset to another party without retaining control of substantially all risks and rewards of the financial asset. A financial liability is derecognized when the Company's obligations specified in the contract expire or a discharged or cancelled.

4.1.5 Off-setting

A financial asset and financial liability is offset and the net amount reported in the statement of financial position if the Company has legally enforceable right to set-off the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

4.1.6 Regular way purchases or sales of financial assets

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place. Regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

4.2 Property and equipment

Property and equipment assets held for use in the supply of services or for administrative purposes, are stated in the statement of financial position at their cost less accumulated depreciation and accumulated impairment losses, except for freehold land, which is not depreciated.

Assets in the course of construction for supply or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognized impairment loss. Cost includes the cost of material, labour and appropriate overheads directly relating to the construction, erection and installation of the asset and, for qualifying assets, borrowing costs capitalized in accordance with the Company's accounting policy. Depreciation of these assets, determined on the same basis as other assets of the same class, commences when the assets are ready for their intended use.

Depreciation is recognized in statement of income and expenditure, using rates specified in note 5, so as to write off the cost of assets (other than freehold land and assets under construction) over their useful lives, using the reducing balance method, with the exception of right-of-use assets, for which the lease does not transfer ownership of the underlying asset to the Company at the end of lease term, which are depreciated over the shorter of lease term and useful lives of the underlying assets, using straight line method. Depreciation commences from the month in which the item is ready for intended use and is discontinued from the month in which the asset is disposed or classified as held for disposal.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

A property and equipment asset is derecognized upon disposal or when no future economic benefits are expected to arise from its continued use. The gain or loss arising on the disposal or retirement of such assets is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in statement of income and expenditure.

4.3 Leases as 'lessee'

The Company assesses whether a contract is or contains a lease, at inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identifiable asset for a period of time in exchange for consideration. The Company recognizes a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for the short-term leases and leases of low value assets. For these leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

A right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

Subsequent to initial recognition, a right-of-use asset is measured at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation is recognized using straight-line method over the shorter of lease term and useful life of the right-of-use asset, unless the lease transfers ownership of the underlying asset to the Company by the end of lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case, the right-of-use asset is depreciated over the useful life of the underlying asset, which is determined on the same basis as those of operating fixed assets. In addition, the right-of-use asset is adjusted for certain remeasurements of the related lease liability.

Lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate. Lease payments included in measurement of lease liability comprise:

- Fixed lease payments, including in-substance fixed payments, less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

Subsequent to initial recognition, lease liability is measured at amortized cost using effective interest method whereby the carrying amount of lease liability is increased to reflect the interest thereon and decreased to reflect lease payments made. Interest is recognized in profit or loss.

Lease liability is remeasured whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate, unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used; or
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the related right-of-use asset, except where the carrying amount of right-of-use asset is reduced to zero. In that case, any adjustment exceeding the carrying amount of the right-of use asset is recognized in profit or loss.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognized as an expense in the period in which the event or condition that triggers those payments occurs.

4.4 Intangible assets

Intangible assets with finite useful lives that are acquired separately or in a business combination are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized in statement of income and expenditure, over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately or in a business combination are carried at cost less accumulated impairment losses.

4.5 Investments in listed equity securities

Investments in listed equity securities are classified as 'financial assets at fair value through profit or loss ['FVTPL'], unless the Company makes an irrevocable election at initial recognition, for a particular investment, to present subsequent changes in fair value in other comprehensive income in which case these are classified as 'financial assets at fair value through other comprehensive income ['FVTOCI']. On initial recognition, these are measured at fair value as on the date of acquisition. Subsequent to initial recognition, these are measured at fair value. Changes in fair value are recognized in profit or loss except where the Company has made an irrevocable election at initial recognition to present these changes in other comprehensive income. Cumulative gains and losses from changes in fair value recognized in other comprehensive income are transferred to retained earnings on derecognition. Dividend income is recognized in profit or loss when right to receive payment is established.

4.6 Investments in mutual funds

Investments in mutual funds are classified as 'financial assets at fair value through profit or loss'. On initial recognition, these are measured at fair value on the date of acquisition. Subsequent to initial recognition, these are measured at fair value. Changes in fair value are recognized in profit or loss. Gains and losses on de-recognition are recognized in profit or loss. Dividend income is recognized in profit or loss when right to receive payment is established.

4.7 Trade and other receivables

4.7.1 Financial assets

These are classified as 'financial assets at amortized cost'. On initial recognition, these are measured at fair value at the date of transaction, plus attributable transaction costs, except for trade receivables that do not have a significant financing component, which are measured at undiscounted invoice price. Subsequent to initial recognition, these are measured at amortized cost using the effective interest method, with interest recognized in profit or loss.

4.7.2 Non-financial assets

These, on initial recognition and subsequently, are measured at cost.

4.8 Cash and cash equivalents

Cash and cash equivalents for the purpose of cash flow statement comprise cash in hand and in current accounts with various banks after deducting balances under lien, if any. Cash and cash equivalents are carried at cost.

4.9 Trade and other payables

4.9.1 Financial liabilities

These are classified as 'financial liabilities at amortized cost'. On initial recognition, these are measured at fair value at the date the liability is incurred, less attributable transaction costs. Subsequent to initial recognition, these are measured at amortized cost using the effective interest method, with interest recognized in profit or loss.

4.9.2 Non-financial liabilities

These, on initial recognition and subsequently, are measured at cost.

4.10 Provisions and contingencies

Provisions are recognized when the Company has a legal and constructive obligation as a result of past events and it is probable that outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. The amount recognized as provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risk and uncertainties surrounding the obligation. Where a provision is measured using cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. Where outflow of resources embodying economic benefits is not probable, or where a reliable estimate of the amount of obligation cannot be made, a contingent liability is disclosed, unless the possibility of outflow is remote.

4.11 Ordinary share capital

Ordinary share capital is recognized as equity. Incremental costs directly attributable to the issue of ordinary shares are recognized in profit or loss.

4.12 **Contracts with Customers**

4.12.1 **Revenue**

Revenue is measured based on the consideration specified in a contract with a customer. The Company recognizes revenue from a contract with customer when the Company satisfies an obligation specified in that contract. The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

Source of revenue	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition policies
Brokerage income	Performance obligations are satisfied when trades are executed by or on behalf of customer. Payments are typically due on settlement.	Revenue is recognized at a point in time when trades are executed by or on behalf of customers.
Return on margin financing/trading	Performance obligations are satisfied over time as credit is utilized by customer. Payments are typically due on settlement.	Revenue is recognized over time as credit is utilized by customer.

4.12.2 **Contract assets**

Contract assets represent work performed up to the reporting date which has not been invoiced to customers because the related performance obligations remain partially unsatisfied as at the reporting date.

4.12.3 **Contract liabilities**

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration from the customer. A contract liability is recognized at earlier of when the payment is made or the payment is due if a customer pays consideration before the Company transfers goods or services to the customer.

4.13 **Short-term employee benefits**

The Company recognizes the undiscounted amount of short term employee benefits to be paid in exchange for services rendered by employees as a liability after deducting amount already paid and as an expense in profit or loss unless it is included in the cost of inventories or property, plant and equipment as permitted or required by the approved accounting and reporting standards as applicable in Pakistan. If the amount paid exceeds the undiscounted amount of benefits, the excess is recognized as an asset to the extent that the prepayment would lead to a reduction in future payments or cash refund.

4.14 **Short-term leases**

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of twelve months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognized as expense on a straight-line basis over the lease term.

4.15 **Impairment**

4.15.1 **Financial assets**

The Company recognizes a loss allowance for expected credit losses on financial assets carried at amortized cost on date of initial recognition. The amount of expected credit losses is updated on each reporting date to reflect the changes in credit risk since initial recognition of the respective financial asset.

Impairment is recognized at an amount equal to lifetime expected credit losses for financial assets for which credit risk has increased significantly since initial recognition. For financial assets for which credit risk is low, impairment is recognized at an amount equal to twelve months' expected credit losses, with the exception of trade receivables, for which the Company recognizes lifetime expected credit losses estimated using internal credit risk grading based on the Company's historical credit loss experience, adjusted for securities value and an assessment for the current conditions at the reporting date, including time value of money where appropriate.

All impairment losses are recognized in profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. An impairment loss is reversed only to the extent that the financial asset's carrying amount after the reversal does not exceed the carrying amount that would have been determined, net of amortization, if no impairment loss had been recognized.

The Company writes off a financial asset when there is information indicating that the counter-party is in severe financial condition and there is no realistic prospect of recovery. Any recoveries made post write-off are recognized in profit or loss.

4.15.2 Non-financial assets

The carrying amount of the Company's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present values using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash generating unit.

An impairment loss is recognized if the carrying amount of the asset or its cash generating unit exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of cash generating units are allocated to reduce the carrying amounts of the assets in a unit on a pro rata basis. Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used in determine the recoverable amount. An impairment loss is reversed only to that extent that the asset's carrying amount after the reversal does not exceed the carrying amount that would have been determined, net of depreciation and amortization, if no impairment loss had been recognized.

4.16 Income tax

Income tax expense comprises current tax and deferred tax. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in other comprehensive income, in which case it is recognized in other comprehensive income.

4.16.1 Current taxation

Current tax is the amount of tax payable on taxable income for the year, using tax rates enacted or substantively enacted by the reporting date, and any adjustment to the tax payable in respect of previous years. Provision for current tax is based on current rates of taxation in Pakistan after taking into account tax credits, rebates and exemptions available, if any. The amount of unpaid income tax in respect of the current or prior periods is recognized as a liability. Any excess paid over what is due in respect of the current or prior periods is recognized as an asset.

4.162 Levy

The amount of minimum taxes over and above tax chargeable on profits and final tax chargeable under the provisions of Income Tax Ordinance, 2001 are recognized as levy.

4.16.3 Deferred taxation

Deferred tax is accounted for by providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes. Deferred tax is measured at rates that are expected to be applied to the temporary differences when they reverse, based on laws that have been enacted or substantively enacted by the reporting date. A deferred tax liability is recognized for all taxable temporary differences. A deferred tax asset is recognized for deductible temporary differences to the extent that future taxable profits will be available against which temporary differences can be utilized.

4.17 Comprehensive income

Comprehensive income is the change in equity resulting from transactions and other events, other than changes resulting from transactions with shareholders in their capacity as shareholders. Total comprehensive income comprises all components of profit or loss and other comprehensive income ['OCI']. OCI comprises items of income and expense, including reclassification adjustments, that are not recognized in profit or loss as required or permitted by accounting and reporting standards as applicable in Pakistan, and is presented in 'statement of comprehensive income'.

4.18 Fair value measurements

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

A number of the Company's accounting policies and disclosures require the measurement of fair values.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price - i.e. the fair value of the consideration given or received. If the Company determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognized in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

When one is available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis..

If there is no quoted price in an active market, then the Company uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Company measures assets and long positions at a bid price and liabilities and short positions at an ask price.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- *Level 1:* quoted prices (unadjusted) in active markets for identical assets or liabilities.
- *Level 2:* inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- *Level 3:* inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

		Note	30-Jun-26	30-Jun-25
			Rupees	*Rupees*
7	**INTANGIBLE ASSETS**			
	Gross carrying amount	7.1	**5,000,000**	5,000,000
	Accumulated impairment		**(2,500,000)**	(2,500,000)
			2,500,000	2,500,000

7.1 This represents Trading Rights Entitlement Certificate ['TREC'] received from Lahore Stock Exchange Limited, now Pakistan Stock Exchange Limited ['PSX'] in accordance with the requirements of the Stock Exchange (Corporation, Demutualization and Integration) Act, 2012.

HORIZON SECURITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026

5 PROPERTY AND EQUIPMENT

	30-Jun-26											
	COST					DEPRECIATION						Net book value as at 30-Jun-26 Rupees
	As at 01-Jul-25 Rupees	Additions Rupees	Disposals Rupees	Transfers Rupees	As at 30-Jun-26 Rupees	Rate %	As at 01-Jul-25 Rupees	For the year Rupees	Adjustment Rupees		As at 30-Jun-26 Rupees	
Furniture and fixtures	953,599				953,599	10	780,777	17,282			798,059	155,540
Office equipment	1,860,956				1,860,956	10	1,233,787	62,717			1,296,504	564,452
Electric installations and equipment	1,515,457				1,515,457	10	500,184	101,527			601,711	913,746
Computer	2,230,308				2,230,308	30	2,131,740	29,570			2,161,310	68,998
Vehicles	7,537,064				7,537,064	20	3,596,428	788,127			4,384,555	3,152,509
	14,097,384	-	-	-	14,097,384	80	8,242,916	999,223	-	-	9,242,139	4,855,245

	30-Jun-25											
	COST					DEPRECIATION						Net book value as at 30-Jun-25 Rupees
	As at 01-Jul-24 Rupees	Additions Rupees	Disposals Rupees	Transfers Rupees	As at 30-Jun-25 Rupees	Rate %	As at 01-Jul-24 Rupees	For the year Rupees	Adjustment Rupees		As at 30-Jun-25 Rupees	
Furniture and fixtures	953,599	-	-	-	953,599	10	761,575	19,202	-		780,777	172,822
Office equipment	1,860,956	-	-	-	1,860,956	10	1,164,101	69,686	-		1,233,787	627,169
Electric installations and equipment	508,917	1,006,540	-	-	1,515,457	10	387,376	112,808	-		500,184	1,015,273
Computer	2,230,308	-	-	-	2,230,308	30	2,089,497	42,243	-		2,131,740	98,568
Vehicles	7,537,064	-	(6,567,000)	6,567,000	7,537,064	20	2,611,269	1,227,245	4,146,141	(4,388,227)	3,596,428	3,940,636
	13,090,844	1,006,540	(6,567,000)	6,567,000	14,097,384		7,013,818	1,471,184	4,146,141	(4,388,227)	8,242,916	5,854,468

5.1 Details of Disposal of Property Plant and Equipment

Asset	Cost	Carrying amount	Sale Price	Gain /Loss	Particular of buyers	Relationship
Toyota Revo	6,567,000	2,178,773	2,200,000	21,227	-	Director /Chief Executive

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026

6 RIGHT-OF-USE ASSETS

30-06-2026

	COST					DEPRECIATION					
	As at 01-Jul-25 Rupees	Additions Rupees	Adjustment Rupees	Transfers Rupees	As at 30-Jun-26 Rupees	Rate %	As at 01-Jul-25 Rupees	For the year Rupees	Adjustment Rupees	As at 30-Jun-26 Rupees	Net book value as at 30-Jun-26 Rupees
Vehicles	97,304,669				97,304,669	20	18,620,269	19,460,934		38,081,203	59,223,466
Office premises	4,334,640				4,334,640	20	4,334,640	-		4,334,640	-
	101,639,309	-	-	-	101,639,309	40	22,954,909	19,460,934	-	42,415,843	59,223,466

30-06-2025

	COST					DEPRECIATION					
	As at 01-Jul-24 Rupees	Additions Rupees	Adjustment Rupees	Transfers Rupees	As at 30-Jun-25 Rupees	Rate %	As at 01-Jul-24 Rupees	For the year Rupees	Adjustment Rupees	As at 30-Jun-25 Rupees	Net book value as at 30-Jun-25 Rupees
Vehicles	26,783,131	77,088,538	-	(6,567,000)	97,304,669	20	13,580,336	9,186,074	(4,146,141)	18,620,269	78,684,400
Office premises	4,334,640	-	-	-	4,334,640	20	4,334,640	-	-	4,334,640	-
	31,117,771	77,088,538	-	(6,567,000)	101,639,309		17,914,976	9,186,074	(4,146,141)	22,954,909	78,684,400

8 LONG TERM INVESTMENTS

These represent investments in listed equity securities which have been designated as 'financial assets at fair value through other comprehensive income'. These investments are not held for trading. Instead, they are held for strategic purposes for an indefinite period. Accordingly, the Company has elected to designate these investments as at fair value through other comprehensive income as the management believes that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Company's strategy of holding these investments and realizing their performance potential in the long run. The detail of costs of acquisition and fair values as at the reporting date for each individual investment are as follows:

	Note	30-Jun-26	30-Jun-25
		Rupees	*Rupees*
LSE Ventures Limited			
1,685,618 (30-Jun-25: 842,809) ordinary shares of Rs. 10 each			
Market value: Rs.11.13 (30-Jun-25: Rs.11.50) per share			
Cost of investment	*8.1*	**7,585,281**	7,585,281
Changes in fair value		**11,175,647**	2,107,023
		18,760,928	9,692,304
LSE Capital Limited			
507,634 (30-Jun-25: 245,294) ordinary shares of Rs. 10 each			
Market value: Rs. 5.63 (30-Jun-25: Rs. 6) per share 3			
Cost of investment	*8.2*	**2,207,646**	2,207,646
Changes in fair value		**650,333**	(735,882)
		2,857,979	1,471,764
		21,618,908	11,164,068

8.1 Following the de-merger of LSE Financial Services Limited into two companies, namely LSE Proptech Limited and LSE Ventures Limited and the Company received 295,536 of LSE Proptech Limited and 842,809 shares of LSE Ventures Limited in accordance with the de-merger scheme, against 843,975 ordinary shares of LSE Financial Services Limited. LSE Proptech Limited was merged into LSE Capital Limited during the year (see note 8.2).

8.2 Last year, LSE Proptech Limited was merged into LSE Capital Limited. The Company received Nil (2025: 245,294) shares of LSE Capital Limited under the scheme against 295,535 ordinary shares of LSE Proptech Limited.

	Note	30-Jun-26	30-Jun-25
		Rupees	*Rupees*
9 LONG TERM DEPOSITS			
Central Depository Company of Pakistan Limited	*9.1*	**100,000**	100,000
National Clearing Company of Pakistan Limited	*9.1*	**1,400,000**	1,400,000
Pakistan Stock Exchange Limited	*9.1*	**20,000**	1,320,000
Other deposits	*9.2*	**180,000**	180,000
Lease Security Deposits		**10,000,000**	10,000,000
		11,700,000	13,000,000

9.1 These represent security deposits placed with various regulatory authorities. These are classified as 'financial assets at amortized cost' under IFRS 9 which are required to be carried at amortized cost. However, these, being held for an indefinite period with no fixed maturity date, are carried at cost as their amortized cost is impracticable to determine.

9.2 These represents security deposits for rented office premises. These are classified as 'financial assets at amortized cost' under IFRS 9 which are required to be carried at amortized cost. However, these have been carried at historical cost as the difference between historical cost and amortized cost is considered immaterial.

10 Deferred Tax (liability)/Asset

The deferred tax assets and the deferred tax liabilities relate to income tax in the same jurisdiction, and the law allows net settlement. Therefore, they have been offset in the statement of financial position as follows:

	2026	2025
Analysis of change in deferred tax		
Property, Plant & Equipment	(313,664)	(568,366)
Revaluations of financial assets to FVTOCI	1,568,226	832,890
Provision for Expected credit loss	(1,618,068)	(1,155,426)
Revaluations of equity instruments to FVTPL	(313,892)	(44,383)
Right of use	(17,174,805)	(22,818,476)
Lease liability	13,166,109	17,471,330
Unused Tax losses	-	-
Minimum Tax credit carried forward	3,626,527	3,626,527
	(1,059,567)	(2,655,905)

	Opening	Statement of profit or loss	Statement of changes in equity	Statement of comprehensive income	Closing
Property, Plant & Equipment	-	(313,664.10)			(313,664.10)
Revaluations of financial assets to FVTOCI	-			1,568,226.04	1,568,226.04
Provision for Expected credit loss	-	(1,618,068.04)			(1,618,068.04)
Revaluations of equity instruments to FVTPL	-	(313,892.23)			(313,892.23)
Right of use	-	(17,174,805.10)			(17,174,805.10)
Lease liability	-	13,166,109.18			13,166,109.18
Unused Tax losses	-	-			-
Minimum Tax credit carried forward	-	3,626,527.00			3,626,527.00
	-	(2,627,793.29)	-	1,568,226.04	(1,059,567.25)

11 TRADE RECEIVABLES

Gross amount due	*11.2*	**13,168,368**	19,661,095
Impairment allowance for expected credit losses	*11.3*	**(5,579,545)**	(3,984,228)
		7,588,823	15,676,867

11.1 Securities pertaining to the clients held in sub-accounts of the Company comprise 14,145,407 shares (30-Jun-25: 21,423,915 shares) valued at Rs. 340.69 million (30-Jun-25: Rs. 341.72 million). 102,000 shares (30-Jun-25: 362,550 shares) valued at Rs. 3.58 million (30-Jun-25: Rs. 12.17) are pledged with NCCPL against margin exposure.

11.2 These include Rs. 5,893,368 (30-Jun-25: Rs. 12,360,790) receivable from related parties against trading of shares carried out by them. The ageing of receivables from related parties is as follows:

	Note	30-Jun-26	30-Jun-25
		Rupees	*Rupees*
Due by less than 5 days		**96,426**	7,300,305
Due by more than 5 days		**13,071,942**	12,360,790
		13,168,368	19,661,095

11.3 Impairment allowance for expected credit loss

As at beginning of the year		**3,984,228**	5,872,379
Recognized during the year	*33.1.6*	**1,595,317**	-
Reversed during the year	*33.1.6*	-	-
Reversal of Provision	*33.1.6*	-	(1,888,151)
As at end of the year		**5,579,545**	3,984,228

12 SHORT TERM DEPOSITS

	Note	30-Jun-26	30-Jun-25
		Rupees	*Rupees*
NCCPL Exposure margin		**6,800,000**	14,735,275
NCCPL MTS Margins		**2,510,198**	1,734,627
		9,310,198	16,469,902

These represents deposits and margin with Pakistan Stock Exchange Limited and National Clearing Company of Pakistan Limited.

13 ADVANCES, PREPAYMENTS AND OTHER RECEIVABLES

Advances to employees	**3,220,000**	813,000
Prepaid Insurance	**1,198,532**	1,324,942
	4,418,532	2,137,942

14 SHORT TERM INVESTMENTS

This represents investment in listed equity securities held for trading and mandatorily classified as "financial assets at fair value through profit or loss". Particulars of investments are as follows:

	Note	30-Jun-26	30-Jun-25
		Rupees	*Rupees*
Investments in listed equity securities	*14.1*	**1,073,331**	716,415
Investments in mutual funds	*14.2*	**71,642**	65,171
		1,144,973	781,586

14.1 Investments in listed equity securities

	30-Jun-26		30-Jun-25	
	Carrying value	**Fair value**	Carrying value	Fair value
	Rupees	***Rupees***	*Rupees*	*Rupees*
Engro Holdings Limited (formerly known as Dawood Hercules Corporation Limited) 3,244 (30-Jun-25: 3,244) ordinary shares of Rs. 10 each Market value: Rs. 182.56 (30-Jun-25: Rs. 160.93) per share	**160,930**	**933,364**	160,930	592,225
DH Partners Limited Nil (30-Jun-25: 1000) ordinary shares of Rs. 10 each Market value: Rs. 36.90 (30-Jun-25: Rs. Nil) per share	-	-	-	36,920
Dawood Lawrancepur Limited 470 (30-Jun-25: Nil) ordinary shares of Rs. 10 each Market value: Rs. 36.90 (30-Jun-25: Rs. Nil) per share	-	**25,977**		
FrieslandCampina Engro Pakistan Limited 1,000 (30-Jun-25: 1,000) ordinary shares of Rs. 10 each Market value: Rs. 113.99 (30-Jun-25: Rs. 87.27) per share	**87,270**	**113,990**	70,020	87,270
	248,200	**1,073,331**	230,950	716,415

14.2 Investments in mutual funds

MCB Cash Management Optimizer 637.0186 (30-Jun-25: 637.0186) units Market value: Rs. 102.3070 (30-Jun-25: Rs. 102.3070) per unit	**65,171**	**71,642**	64,882	65,171
	65,171	**71,642**	64,882	65,171

15 LOAN TO DIRECTOR

This represents amount transferred from advances against purchase of shares given to a directors of the Company in previous years following the Board of Directors' decision to revoke the purchase agreement and treat the amount of advance as a loan recoverable from that director. The loan is interest free and recoverable on demand.

		30-Jun-26	30-Jun-25
		Rupees	*Rupees*
16	**CASH AND BANK BALANCES**		
	Cash in hand	**6,681**	4,085
	Cash at banks - current accounts - *local currency*		
	Proprietary accounts	**36,032,762**	26,177,936
	Client accounts	**14,838,817**	23,488,637
		50,871,580	49,666,573
		50,878,261	49,670,657

		Note	30-Jun-26	30-Jun-25
			Rupees	*Rupees*
17	**TRADE AND OTHER PAYABLES**			
	Trade creditors		**15,042,505**	23,453,411
	Accrued liabilities		**3,458,670**	1,410,178
	Punjab sales tax payable		**143,442**	307,952
	Statutory levies payable		**-**	-
	Withholding tax payable		**247,636**	44,861
	Advance Lease rentals		**-**	1,144,735
	Other payable		**401,246**	-
			19,293,499	26,361,137
17.1	**Statutory levies payable**			
	Levies under Income Tax Ordinance, 2001		**-**	-
			-	-

18	**LEASE LIABILITIES**			
	Present value of minimum lease payments	*18.1 & 18.2*	**45,400,376**	60,245,965
	Current portion presented under current liabilities	*18.1 & 18.2*	**(12,448,497)**	(14,627,059)
			32,951,879	45,618,906

18.1 These represent liabilities against right-of-use assets comprising vehicles and office premises.

Vehicle leases are priced at six months KIBOR plus 6% (30-Jun-25: six months KIBOR plus 6%) per annum. Lease rentals are payable monthly over a tenor of 5 years. The Company also has the option to acquire these vehicles at the end of their respective lease terms by adjusting the deposit amount against the residual value of the vehicles and intends to exercise the option. Under the terms of agreement, taxes, repairs, replacements and insurance costs in respect of these vehicles are borne by the Company.

Company obtained leased facility from Bank of Punjab priced at one year KIBOR plus 5% per annum. Lease rentals are payable monthly over a tenor of 4 years. The Company also has the option to acquire these vehicles at the end of their respective lease terms by adjusting the deposit amount against the residual value of the vehicles and intends to exercise the option. Under the terms of agreement, taxes, repairs, replacements and insurance costs in respect of these vehicles are borne by the Company.

Company obtained leased facility from Bank Al Habib priced at six months KIBOR plus 2% per annum. Lease rentals are payable monthly over a tenor of 4 years. The Company also has the option to acquire these vehicles at the end of their respective lease terms by adjusting the deposit amount against the residual value of the vehicles and intends to exercise the option. Under the terms of agreement, taxes, repairs, replacements and insurance costs in respect of these vehicles are borne by the Company.

18.2 The amount of future payments under the lease arrangements and the period in which these payments will become due are as follows:

	30-Jun-26	30-Jun-25
	Rupees	*Rupees*
Not later than one year	**17,479,895**	22,420,056
Later than one year but not later than five years	**36,231,918**	55,288,625
Total future minimum lease payments	**53,711,813**	77,708,681
Finance charge allocated to future periods	**(8,311,437)**	(17,462,733)
Present value of future minimum lease payments	**45,400,376**	60,245,948
Not later than one year	**(12,448,497)**	(14,627,059)
Later than one year but not later than five years	**32,951,879**	45,618,889

19 **AUTHORIZED SHARE CAPITAL**

30-Jun-26	30-Jun-25		30-Jun-26	30-Jun-25
No. of shares	*No. of shares*		*Rupees*	*Rupees*
20,000,000	20,000,000	Ordinary shares of Rs. 10 each	**200,000,000**	200,000,000
20,000,000	20,000,000		**200,000,000**	200,000,000

20 **ISSUED SHARE CAPITAL**

30-Jun-26	30-Jun-25		30-Jun-26	30-Jun-25
No. of shares	*No. of shares*		*Rupees*	*Rupees*
		Ordinary shares of Rs. 10 each		
9,965,000	9,965,000	Issued for cash	**99,650,000**	99,650,000
4,000,000	4,000,000	Issued for other than cash	**40,000,000**	40,000,000
13,965,000	13,965,000		**139,650,000**	139,650,000

21 **CONTINGENCIES AND COMMITMENTS**

There are no known contingencies and commitments as at the reporting date.

22 **BROKERAGE AND COMMISSION**

Gross Revenue	**23,808,247**	33,736,982
Sales Tax	**(3,283,896)**	(4,653,377)
	20,524,351	29,083,605

	Note	30-Jun-26	30-Jun-25
23 **ADMINISTRATIVE EXPENSES**		*Rupees*	*Rupees*
Salaries and benefits		**15,902,694**	11,796,418
Psx,cdc and other charges		**1,165,948**	1,272,843
Rent		**1,743,610**	1,585,100
Printing and stationery		**99,540**	127,052
Postage and courier		**118,469**	71,847
Repair and maintenance		**847,893**	866,213
Fee and subscription		**1,437,384**	1,188,045
Legal and professional		**100,000**	100,000
Traveling and conveyance		**52,030**	2,693,570
Entertainment		**1,177,041**	1,135,580
Insurance		**1,717,751**	1,081,831
Communication		**562,837**	534,273
Electricity		**1,021,215**	1,003,177
Auditor's remuneration	*23.1*	**664,000**	577,500
Depreciation on property and equipment	*5*	**999,223**	1,471,184
Depreciation on right-of-use assets	*6*	**19,460,934**	9,186,074
Other Expenses		**5,976**	3,379
		47,076,546	34,693,086

23.1 Auditor's remuneration

Annual statutory audit	**288,000**	250,000
Certifications	**348,000**	302,500
Out of pocket expenses	**28,000**	25,000
	664,000	577,500

24 FINANCE COST

Interest on lease liabilities	**6,482,136**	4,650,957
Bank charges	**170,629**	163,498
	6,652,765	4,814,455

25 OTHER INCOME/(EXPENSES)

Gain on disposal of property and equipment	**-**	21,227
Miscellaneous	**1,975,306**	2,270,994
Impairment allowance for expected credit losses	**(1,595,317)**	-
Rental income	**10,298,630**	4,291,096
	10,678,620	**6,583,317**

26 PROVISION FOR STATUTORY LEVIES

Levies under Income Tax Ordinance, 2001		
for current year	**482,181**	311,096
for prior years	**(2,731,982)**	-
	(2,249,801)	311,096

26.1 Provision for statutory levies under the Income Tax Ordinance, 2001 ['the Ordinance'] has been made under section 113 and 150 (30-Jun-24: section 113C and 150) of the Ordinance.

27 PROVISION FOR INCOME TAXES

Current taxation			
for current year	*27.1*	**-**	242,081
for prior years		**59,255**	-
Deferred Tax		**(28,111)**	3,488,795
		31,144	3,730,876

27.1 Provision for current tax has been made under section 18 (30-Jun-25: section 18 and 35A) of the Income Tax Ordinance, 2001 ['the Ordinance'], accordingly no numerical reconciliation has been presented. Estimated liability payable with return of income to be filed under section 114 of the Ordinance, subject to adjustment of taxes and levies paid/deducted in advance and available refunds, comprises the follows:

	Note	30-Jun-26	30-Jun-25
		Rupees	*Rupees*
Statutory levies	26	**482,181**	311,096
Current taxation	27	**-**	242,081
		482,181	553,177

27.2 The income tax assessments of the Company up to and including tax year 2025 have been completed by the concerned income tax authorities or are deemed to have been so completed under the provisions of section 120 of the Ordinance.

27.3 There is no requirement of tax reconcillation as tax liability has been booked u/s 150 and 113 (2025:150 and 113C) in both years

27.4 **Unused tax credits**

Expiring in tax year	30-Jun-26	30-Jun-25
	Rupees	*Rupees*
2025	-	-
2026	**201,129**	201,129
2027	**494,132**	494,132
2030	**534,123**	534,123
2031	**1,856,327**	1,856,327
2034	**540,816**	540,816
	3,626,527	3,626,527

	30-Jun-26	30-Jun-25
	Rupees	*Rupees*
28 CASH GENERATED FROM OPERATIONS		
Profit/(loss) before taxation	**(17,159,225)**	213,656
Adjustments for non-cash and other items		
Interest on lease liabilities	**6,482,136**	4,650,957
Impairment allowance for expected credit losses	**1,595,317**	(1,881,151)
Changes in fair value of financial assets at fair value through profit or loss	**(356,916)**	(153,044)
Dividend income	**(855,004)**	(996,201)
Depreciation on property and equipment	**999,223**	1,471,184
Depreciation on right-of-use assets	**19,460,934**	9,186,074
Loss/(gain) on disposal of Right of use	**-**	(800,000)
Realised (gain)/Loss on sahe of wirte shares	**(725,471)**	-
Loss/(gain) on disposal of PPE	**-**	(21,227)
Lease finance income	**(10,298,630)**	(4,291,096)
Levies under Income Tax Ordinance, 2001	**(2,731,982)**	311,096
	13,569,607	7,476,591
	(3,589,618)	7,690,248
Changes in working capital		
Trade receivables	**6,492,727**	26,416,195
Short term deposits	**7,159,704**	3,342,543
Advances, prepayments and other receivables	**(2,280,590)**	(736,764)
Advance tax	**(30,896)**	-
Loan to Director	**20,300,000**	-
Trade and other payables	**(7,067,638)**	(11,195,099)
	24,573,307	17,826,875
Cash generated from operations	**20,983,689**	25,517,123
29 CASH AND CASH EQUIVALENTS		
Cash and bank balances	**50,878,261**	49,670,657
	50,878,261	49,670,657

30 CHANGES FROM FINANCING CASH FLOWS

	30-Jun-26 Lease liabilities *Rupees*	30-Jun-25 Lease liabilities *Rupees*
As at beginning of the year	**60,245,965**	9,063,943
New leaserecognized during year	**-**	58,484,379
Interest on lease liabilities	**6,482,136**	4,650,957
Payment of lease liabilities	**(15,032,859)**	(11,953,314)
As at end of the year	**51,695,242**	60,245,965

31 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Related parties from the Company's perspective comprise Key Management Personnel [KMPs] and their family members. KPMs are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, and includes the Chief Executive and Directors of the Company. The details of Company's related parties, with whom the Company had transactions during the year or has balances outstanding as at the reporting date are as follows:

Name of related party	**Nature of transaction**	**Relationship**	**Amount**

Name of related party	**Nature and basis of relationship**	**Aggregate %age of shareholding in the Company**
Zafar Iqbal	Key Management Personnel [Chief Executive]	99.99%
Afraz Zafar	Key Management Personnel [Director]	0.004%
Abida Zafar	Key Management Personnel [Director]	0.004%

Balances with related parties are as follows:

		30-Jun-26 *Rupees*	30-Jun-25 *Rupees*
31.1	**Balances with related parties**		
Nature of relationship	**Nature of balances**		
Key Management Personnel	Advance	**-**	-
	Loan receivable	**46,900,000**	46,900,000
	Trade creditors	**109,745**	540
	Trade receivables	**324,852**	8,592,554
Family members of KMP	Trade receivables	**5,568,515**	11,068,541
	Trade creditors	**138,102**	247,767

32 FINANCIAL INSTRUMENTS

The carrying amounts of the Company's financial instruments by class and category are as follows:

		Note	30-Jun-26	30-Jun-25
			Rupees	*Rupees*
32.1	**Financial assets**			
	Cash in hand		**6,681**	4,085
	Financial assets at amortized cost			
	Long term deposits	*9*	**11,700,000**	13,000,000
	Trade receivables	*11*	**7,588,823**	15,676,867
	Short term deposits	*12*	**9,310,198**	16,469,902
	Advances to employees	*13*	**3,220,000**	813,000
	Advance against purchase of shares	*13*	**-**	-
	Loan to director	*15*	**46,900,000**	67,200,000
	Cash at banks	*16*	**50,878,261**	49,670,657
			129,597,282	162,830,427
	Financial assets designated as fair value through OCI			
	Long term investments	*8*	**21,618,908**	11,164,068
	Financial assets at fair value through profit or loss			
	Investments in listed equity securities	*14*	**1,073,331**	716,415
	Investments in mutual funds	*14*	**71,642**	65,171
			1,144,973	781,586
			152,367,843	174,780,165

		Note	30-Jun-26	30-Jun-25
			Rupees	*Rupees*
32.2	**Financial liabilities**			
	Financial liabilities at amortized cost			
	Trade creditors	*17*	**15,042,505**	23,453,411
	Accrued liabilities	*17*	**3,458,670**	1,410,178
	Lease liabilities	*18*	**45,400,376**	60,245,965
			63,901,551	85,109,554

33 FINANCIAL RISK EXPOSURE AND MANAGEMENT

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including currency risk, interest rate risk and price risk). These risks affect revenues, expenses and assets and liabilities of the Company.

The Board of Directors has the overall responsibility for establishment and oversight of risk management framework. The Board of Directors has developed a risk policy that sets out fundamentals of risk management framework. The risk policy focuses on unpredictability of financial markets, the Company's exposure to risk of adverse effects thereof and objectives, policies and processes for measuring and managing such risks. The management team of the Company is responsible for administering and monitoring the financial and operational financial risk management throughout the company in accordance with the risk management framework.

The Company's exposure to financial risks, the way these risks affect the financial position and performance, and forecast transactions of the Company and the manner in which such risks are managed is as follows:

33.1 Credit risk

Credit risk is the risk of financial loss to the Company, if the counterparty to a financial instrument fails to meet its obligations.

33.1.1 Credit risk management practices

In order to minimize credit risk, the Company has adopted a policy of only dealing with creditworthy counterparties and limiting significant exposure to any single counterparty. The Company only transacts with counterparties that have reasonably high external credit ratings. Where an external rating is not available, the Company uses an internal credit risk grading mechanism. Particularly for customers, a dedicated team responsible for the determination of credit limits uses a credit scoring system to assess the potential as well as existing customers' credit quality and assigns or updates credit limits accordingly. The ageing profile of customers and individually significant balances, along with collection activities are reviewed on a regular basis. High risk customers are identified and restrictions are placed on future trading.

The Company reviews the recoverable amount of each financial asset on an individual basis at each reporting date to ensure that adequate loss allowance is made in accordance with the assessment of credit risk for each financial asset.

The Company considers a financial asset to have low credit risk when the asset has reasonably high external credit rating or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has no past due amounts or otherwise there is no significant increase in credit risk if the amounts are past due in the normal course of business based on history with the counterparty

In assessing whether the credit risk on a financial asset has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial asset at the reporting date with the risk of a default occurring on the financial asset at the date of initial recognition. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Irrespective of the outcome of the above assessment, the Company presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 5 days past due, unless the Company has reasonable and supportable information that demonstrates otherwise. This is usually the case with various customers of the Company where the Company has long standing business relationship with these customers and any amounts that are past due by more than 5 days in the normal course of business are considered 'performing' based on history with the customers. Therefore despite the foregoing, the Company considers some past due trade receivables to have low credit risk where the debtor has a good history of meeting its contractual cash flow obligations and is expected to maintain the same in future.

The Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk.

The Company considers 'default' to have occurred when the financial asset is credit-impaired. A financial asset is considered to be credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred.

The Company writes off a financial asset when there is information indicating that the counter-party is in severe financial condition and there is no realistic prospect of recovery.

The Company's credit risk grading framework comprises the following categories:

Category	Description	Basis for recognizing ECL
Performing	The counterparty has low credit risk	Trade receivables: Lifetime ECL Other assets: 12-month ECL
Doubtful	Credit risk has increased significantly since initial recognition	Lifetime ECL
In default	There is evidence indicating the assets is credit-impaired	Lifetime ECL
Write-off	There is no realistic prospect of recovery	Amount is written-off

33.1.2 Exposure to credit risk

Credit risk principally arises from debt instruments held by the Company as at the reporting date. The maximum exposure to credit risk as at the reporting date is as follows:

	Notes	**30-Jun-26**	30-Jun-25
		Rupees	*Rupees*
Financial assets at amortized cost			
Long term deposits	*9*	**11,700,000**	13,000,000
Trade receivables	*11*	**13,168,368**	19,661,095
Short term deposits	*12*	**9,310,198**	16,469,902
Advances to employees	*13*	**3,220,000**	813,000
Loan to director	*15*	**46,900,000**	67,200,000
Cash at banks	*16*	**50,878,261**	49,670,657
		135,176,827	166,814,655

33.1.3 **Credit quality and impairment**

Credit quality of financial assets is assessed by reference to external credit ratings, where available, or to internal credit risk grading. The credit quality of the Company's financial assets exposed to credit risk is as follows:

	Note	External credit rating	Internal credit risk grading	12-month or life-time ECL	Gross carrying amount	Loss allowance
					Rupees	*Rupees*
Long term deposits	9	N/A	N/A	12-month ECL	**11,700,000**	13,000,000
Trade receivables	11	N/A	Performing	Lifetime ECL	**13,168,368**	19,661,095
Short term deposits	12	N/A	Performing	12-month ECL	**9,310,198**	16,469,902
Advances to employees	13	N/A	Performing	12-month ECL	**3,220,000**	813,000
Loan to director	13	N/A	Performing	12-month ECL	**-**	-
Cash at banks	16	A2- - A1+	N/A	12-month ECL	**50,878,261**	49,670,657
					88,276,827	99,614,654

(a) Long term deposits

These represent security deposits for rented office premises. No credit risk has been associated with these financial assets and accordingly no loss allowance has been made.

(b) Trade receivables

For trade receivables, the Company has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL. The Company determines the expected credit losses on trade receivables by using internal credit risk gradings. As at the reporting date, all trade receivables are considered 'performing' including those past due for which no loss allowance has been made, as there is no significant increase in credit risk in respect of these receivables since initial recognition. The ageing analysis of trade receivables as at the reporting date is as follows:

	30-Jun-26		30-Jun-25	
	Gross carrying amount	Accumulated Impairment	Gross carrying amount	Accumulated Impairment
	Rupees	*Rupees*	*Rupees*	*Rupees*
Due by less than 5 days	**96,426**	**-**	1,517,356	-
Due by more than 5 days	**13,071,942**	**5,579,545**	18,143,739	3,984,228
	13,168,368	**5,579,545**	19,661,095	3,984,228

(c) Advances to employees

Advances to employees have been given against future salaries. No credit risk has been associated with these financial assets and accordingly no loss allowance has been made.

(d) Short term deposits

These deposits are placed with Pakistan Stock Exchange Limited and National Clearing Company of Pakistan Limited in accordance with the applicable regulations. No credit risk has been associated with these financial assets and accordingly no loss allowance has been made.

(e) Loan to director

The loan recoverable from the director of a Company. Considering the financial strength of the Director, no credit risk has been associated with the financial asset and accordingly no loss allowance has been made.

(f) Cash at banks

The bankers of the Company have reasonably high credit ratings as determined by various independent credit rating agencies. Due to long standing business relationships with these counterparties and considering their strong financial standing, management does not expect any credit loss. No credit risk has been associated with these financial assets and accordingly no loss allowance has been made.

33.1.4 Concentrations of credit risk

The Company's maximum exposure to credit risk, as at the reporting date, by type of counterparty is as follows:

	30-Jun-26	30-Jun-25
	Rupees	*Rupees*
Customers	**13,168,368**	19,661,095
Director	**46,900,000**	67,200,000
Regulatory authorities and others	**24,230,198**	30,282,902
Banking companies and financial institutions	**50,878,261**	49,670,657
	135,176,827	166,814,654

The Company's Five (30-Jun-25: Three) significant customer accounts for Rs. 7.300 million (30-Jun-25: Rs. 12.402 million) of trade receivables as at the reporting date, apart from which, exposure to any single customer does not exceed 10% (30-Jun-25: 10%) of trade receivables as at the reporting date. This significant customer has long standing business relationships with the Company and has a good payment record and accordingly non-performance by this customers is not expected. Management believes that trade receivables that are past due and for which no impairment allowance has been made, are collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk.

33.1.5 Collateral held

The Company does not hold any collateral to secure its financial assets with the exception of trade receivables amounting to Rs. 7.10 million (30-Jun-25: Rs. 11.164 million) respectively, which are secured through equity securities.

33.1.6 Changes in impairment allowance for expected credit losses

The changes in impairment allowance for expected credit losses are as follows:

	Note	30-Jun-26	30-Jun-25
		Rupees	*Rupees*
As at beginning of the year		**3,984,228**	5,872,379
Impairment loss for expected credit losses			
- recognized during the year	*11.3*	**1,595,317**	-
- reversed during the year	*11.3*	**-**	(1,888,151)
Net change in impairment allowance		**1,595,317**	(1,888,151)
Reversal of Provision	*11.3*	**-**	-
As at end of the year		**5,579,545**	3,984,228

33.2 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

33.2.1 Liquidity risk management

The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company monitors cash flow requirements and produces cash flow projections for the short and long term. Typically, the Company ensures that it has sufficient cash on demand to meet expected operational cash flows, including servicing of financial obligations. This includes maintenance of balance sheet liquidity ratios, debtors and creditors concentration both in terms of overall funding mix and avoidance of undue reliance on large individual customer.

33.2.2 Exposure to liquidity risk

The following presents the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The analysis have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay and includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the reporting date.

	30-Jun-26				
	Carrying amount *Rupees*	**Contractual cash flows** *Rupees*	**One year or less** *Rupees*	**One to five years** *Rupees*	**More than five years** *Rupees*
Trade creditors	**15,042,505**	**15,042,505**	**15,042,505**	-	-
Accrued liabilities	**3,458,670**	**3,458,670**	**3,458,670**	-	-
Lease liabilities	**45,400,376**	**45,400,376**	**17,479,895**	**27,920,481**	-
	63,901,551	**63,901,551**	**35,981,070**	**27,920,481**	-

	30-Jun-25				
	Carrying amount *Rupees*	Contractual cash flows *Rupees*	One year or less *Rupees*	One to five years *Rupees*	More than five years *Rupees*
Trade creditors	23,453,411	23,453,411	23,453,411	-	-
Accrued liabilities	1,410,178	1,410,178	1,410,178	-	-
Lease liabilities	60,245,965	60,245,965	22,420,056	37,825,909	-
	85,109,554	85,109,554	47,283,645	37,825,909	-

33.3 Market risk

33.3.1 Currency risk

Currency risk is the risk that fair values or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises from transactions and resulting balances that are denominated in a currency other than functional currency. The Company is not exposed to currency risk.

33.3.2 Interest rate risk

Interest rate risk is the risk that fair values or future cash flows of a financial instrument will fluctuate because of changes in interest rates.

(a) Interest rate risk management

The Company manages interest rate risk by analyzing its interest rate exposure on a dynamic basis. Cash flow interest rate risk is managed by simulating various scenarios taking into consideration refinancing, renewal of existing positions and alternative financing. Based on these scenarios, the Company calculates impact on profit after taxation and equity of defined interest rate shift, mostly 100 basis points.

(b) Interest bearing financial instruments

The effective interest rates for interest bearing financial instruments are mentioned in relevant notes to the financial statements. The Company's interest bearing financial instruments as at the reporting date are as follows:

	30-Jun-26 *Rupees*	30-Jun-25 *Rupees*
Fixed rate instruments	-	-
Variable rate instruments		
Financial assets	-	-
Financial liabilities	**45,400,376**	60,245,965

(c) Fair value sensitivity analysis for fixed rate instruments

The Company does not account for its fixed rate instruments at fair value

(d) Cash flow sensitivity analysis for variable rate instruments

An increase of 100 basis points in interest rates as at the reporting date would have decreased profit for the year and equity as at the reporting date by Rs. 454,004 (30-Jun-25: Rs. 602,460). A decrease of 100 basis points would have had an equal but opposite effect on profit and equity. The analysis assumes that all other variables, in particular foreign exchange rates, remain constant and ignores the impact, if any, on provision for taxation for the year.

33.3.3 **Other price risk**

Other price risk represents the risk that the fair value or future cash flows of financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk or currency risk, whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments. The Company is exposed to price risk in respect of its investments in equity securities.

(a) Equity price risk management

The Company manages equity price risk by investing a diversified portfolio of securities to reduce the risk of loss from volatility in equity price of an individual security.

(b) Sensitivity analysis

A one percent appreciation in prices of equity securities as at reporting date would have increased profit for the year by Rs. 227,639 (30-Jun-25: Rs. 119,457). A one percent diminution in prices of equity securities as at the reporting date would have had equal but opposite effect on profit and equity. The analysis assumes that all other variables remain constant and ignores the impact, if any, on provision for taxation for the year.

34 **CAPITAL MANAGEMENT**

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital. The Company has minimal reliance on external borrowings as it seeks to enjoy the advantages and security afforded by a sound capital position. The Company monitors capital based on the minimum capital/net-worth requirements of Regulation 6 of Securities Brokers (Licensing and Operations) Regulations 2016 for maintaining Net Capital Balance, Liquid Capital and Net-Worth/Capital Adequacy as prescribed. There was no change in the Company's approach to capital management during the year.

HORIZON SECURITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
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35 LIQUID CAPITAL

The Company's liquid capital as on 30 June 2026 under Schedule III to the Securities Brokers (Licensing and Operations) Regulations, 2016 read with Regulation 6 thereof is as follows:

SR.	HEAD OF ACCOUNT	GROSS VALUE *Rupees*	HAIR CUT/ADJUSTMENTS AMOUNT *Rupees*	HAIR CUT/ADJUSTMENTS BASIS	ADJUSTED VALUE *Rupees*
1	ASSETS				
1.1	Property and equipment	64,078,711	64,078,711	Balance Sheet Value net of depreciation	-
1.2	Intangible assets	2,500,000	2,500,000	Balance Sheet Value net of amortization	-
1.3	Investment in Government securities	-	-	Balance Sheet Value	-
1.4	Investment in debt securities	-	-	If listed than i. 5% of the balance sheet value in the case of tenure up to 1 year	-
		-	-	ii. 7.5% of the balance sheet value, in the case of tenure from 1-3 years	-
		-	-	iii. 10% of the balance sheet value, in the case of tenure of more than 3 years.	-
		-	-	If unlisted than i. 10% of the balance sheet value in the case of tenure up to 1 year	-
		-	-	ii. 12.5% of the balance sheet value, in the case of tenure from 1-3 years	-
		-	-	iii. 15% of the balance sheet value, in the case of tenure of more than 3 years.	-
1.5	Investment in equity securities	22,692,238	21,780,427	i. If listed 15% or VaR of each security on the cutoff date as computed by the clearing house for respective security whichever is higher. Provided that if any of these securities are pledged with the securities exchange for maintaining Base Minimum Capital Requirement, 100% haircut on the value of eligible securities to the extent of minimum required value of Base Minimum Capital.	911,811
		71,642	71,642	ii. If unlisted, 100% of carrying value	-
1.6	Investment in subsidiaries			100% of net value	
1.7	Investment in associated companies/undertakings	-	-	i. If listed 20% or VaR of each securities as computed by the Securities Exchange for respective securities whichever is higher	-
		-	-	ii. If unlisted, 100% of net value	-
1.8	Statutory or regulatory deposits/basic deposits with exchanges, clearing houses, central depository or any other entity.	1,520,000	1,520,000	100% of net value, however, any excess amount of cash deposited with securities exchange to comply with requirements of Base minimum capital, may be taken in the calculation of LC	-
1.9	Margin deposits with exchange and clearing house	9,310,198	-	Nil	9,310,198
1.10	Deposits with authorized intermediary against borrowed securities under SLB	-	-	Nil	-
1.11	Other deposits and prepayments	1,198,532	1,198,532	100% of carrying value	-
1.12	Accrued interest, profit or mark-up on amounts placed with financial institutions or debt securities etc.	-	-	Nil 100% in respect of markup accrued on loans to directors, subsidiaries and other related parties	-
1.13	Dividends receivable	-	-	Nil	-
1.14	Amount receivable against REPO financing	-	-	Amount paid as purchaser under the REPO agreement. Securities purchased under repo arrangement shall not be included in the investments	-

HORIZON SECURITIES LIMITED

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SR.	HEAD OF ACCOUNT	GROSS VALUE *Rupees*	HAIR CUT/ADJUSTMENTS AMOUNT *Rupees*	HAIR CUT/ADJUSTMENTS BASIS	ADJUSTED VALUE *Rupees*
1.15	Advances and Receivables other than trade receivables	-	-	1. No Haircut may be applied on the short term loan to employees provided these loans are secured and due for repayment within 12 months	-
		4,303,996	3,762,560	2. No Haircut may be applied to the advance tax to the extent it is netted with provision of taxation	541,436
		50,120,000	50,120,000	3. In all other cases, 100% of net value	-
1.16	Receivables from clearing house or securities exchange(s)	-		100% value of claims other than those on account of entitlements against trading of securities in all markets including MtM gains	-
1.17	Receivables from customers	-	-	i. In case receivables are against margin financing, the aggregate of (i) value of securities held in the blocked account after applying VAR based Haircut, (ii) cash deposited as collateral by the financee (iii) market value of any securities deposited as collateral after applying VaR based haircut	-
		-	-	ii. In case receivables are against margin trading,5% of the net balance sheet value	-
				iii. In case receivables are against securities borrowings under SLB, the amount paid to NCCPL as collateral upon entering into contract	
		-	-	iv. In case of other trade receivables not more than 5 days overdue, 0% of the net balance sheet value	-
		7,177,975	5,579,545	v. In case of other trade receivables are overdue, or 5 days or more, the aggregate of (i) the market value of securities purchased for customers and held in sub-accounts after applying VAR based haircuts, (ii) cash deposited as collateral by the respective customer and (iii) the market value of securities held as collateral after applying VaR based haircuts	1,598,430
		5,893,368	5,893,368	vi. In the case of amount of receivable form related parties values determined after applying applicable haircuts on underlying securities readily available in respective CDS account of the related party in the following manner.	-
				a Up to 30 days, values determined after applying VaR based haircuts;	
				b. Above 30 days but upto 90 days, values determined after applying 50% or VaR based haircuts whichever is higher;	
				a. Up to 30 days, values determined after applying VaR based haircuts;	
1.18	Cash and bank Balances				
	Bank balance				
	i. Proprietary accounts	36,032,762	-	NIL	36,032,762
	ii. Customer accounts	14,838,817	-		14,838,817
	iii. Cash in hand	6,681	-		6,681
1.19	Subscription money against investment in IPO/ offer for sale (asset)	-	-	i. No haircut may be applied in respect of amount paid as subscription money provided that shares have not been allotted or are not included in the investments of securities broker.	-

HORIZON SECURITIES LIMITED

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SR.	HEAD OF ACCOUNT	GROSS VALUE *Rupees*	HAIR CUT/ADJUSTMENTS AMOUNT *Rupees*	HAIR CUT/ADJUSTMENTS BASIS	ADJUSTED VALUE *Rupees*
			-	ii. In case of investments in IPO where shares have been allotted but not yet credited in CDS account, 25% haircuts will be applicable on the value of such securities.	-
			-	iii. In case of subscription in right shares where the shares have not yet been credited in CDS account, 15% or VaR based haircut whichever is higher, will be applied on Right shares.	-
	Total Assets	**219,744,920**	**156,504,784**		**63,240,136**
2	**LIABILITIES**				
2.1	Trade payables				
	i. Payable to exchanges and clearing house	322,564	-	Nil	322,564
	ii. Payable against leveraged market	-	-	Nil	-
	iii. Payable to customers	14,719,941	-	Nil	14,719,941
2.2	Current Liabilities				
	i. Statutory and regulatory dues	391,078	-	Nil	391,078
	ii. Accruals and other payables	3,859,916	-	Nil	3,859,916
	iii. Short-term borrowings	-	-	Nil	-
	iv. current portion of subordinated loans	-	-	Nil	-
	v. Current portion of long-term liabilities	12,448,497	-	Nil	12,448,497
	vi. Deferred liabilities	-	-	Nil	-
	vii. Provision for Taxation	541,436	-	Nil	541,436
	viii. other liabilities as per accounting principles and included in the financial statements	-	-	Nil	-
2.3	Non-current liabilities				
	i. long term financing	32,951,879	32,951,879	1. 100% haircut may be allowed against long term portion of financing obtained from a financial institution including amount due against finance leases.	-
	ii. staff retirement benefits	-	-		-
	iii. other liabilities as per accounting principles and included in the financial statements	1,059,567	-	2. Nil in all other cases	1,059,567
2.4	Subordinated loans	-	-	100% of Subordinated loans which fulfill the conditions specified by SECP are allowed to be deducted	-
2.5	Advance against shares for increase in capital of securities brokers	-	-	100% Haircut may be allowed in respect of advance against shares if (a) The existing authorized share capital allows the proposed enhanced share capital (b) Board of Directors of the company has approved the increase in capital (c) Relevant Regulatory approvals have been obtained (d) There is no unreasonable delay in issue of shares against advance and all regulatory requirements relating to the increase in paid up capital have been completed (e) Auditor is satisfied that such advance is against the increase of	-
	Total Liabilities	**66,294,878**	**32,951,879**		**33,342,999**

HORIZON SECURITIES LIMITED

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SR.	HEAD OF ACCOUNT	GROSS VALUE *Rupees*	HAIR CUT/ADJUSTMENTS		ADJUSTED VALUE *Rupees*
			AMOUNT *Rupees*	BASIS	
3	**RANKING LIABILITIES**				
3.1	Concentration in margin financing	-	-	The amount calculated 150 on client-to-client basis by which any amount receivable from any of the financees exceed 10% of the aggregate of amounts receivable from total finances Provided that above prescribed adjustments shall not be applicable where the aggregate amount of receivable against margin financing does not exceed Rs. 5 million. Note: Only amount exceeding by 10% of each financee from aggregate amount shall be included in the ranking liabilities.	-
3.2	Concentration in securities lending and borrowing	-	-	The amount by which the aggregate of (i) amount deposited by the borrower with NCCPL, (ii) cash margins paid and (iii) the market value of securities pledged as margins exceed the 110% of the market value of shares borrowed. Note: Only amount exceeding by 110% of each borrower from market value of shares borrowed shall be included in the ranking liabilities.	-
3.3	Net underwriting Commitments	-	-	(a) **In the case of rights issue:** if the market value of securities is less than or equal to the subscription price, the aggregate of (i) the 50% of Haircut multiplied by the underwriting commitments and (ii) the value by which the underwriting commitment exceeds the market price of the securities. In the case of rights issue where the market price of securities is greater than the subscription price, 5% of the Haircut multiplied by the net underwriting commitment	-
		-	-	(b) **In any other case:** 12.5% of the net underwriting commitments	-
3.4	Negative equity of subsidiary	-	-	The amount by which the total assets of the subsidiary (excluding any amount due from the subsidiary) exceed the total liabilities of the subsidiary	-
3.5	Foreign exchange agreements and foreign currency positions	-	-	5% of the net position in foreign currency. Net position in foreign currency means the difference of total assets denominated in foreign currency less total liabilities denominated in foreign currency	-
3.6	Amount payable under REPO	-	-	Carrying value	-
3.7	Repo adjustment	-	-	In the case of financier/ purchaser the total amount receivable under Repo less the 110% of the market value of underlying securities. In the case of financee/ seller the market value of underlying securities after applying haircut less the total amount received, less value of any securities deposited as collateral by the purchaser after applying haircut less any cash deposited by the	-
3.8	Concentrated proprietary positions	-	-	If the market value of any security is between 25% and 51% of the total proprietary positions then 5% of the value of such security. If the market value of a security exceeds 51% of the proprietary position, then 10% of the value of such security	59,223

3.9	Opening Positions in futures and options	-	-	i. In case of customer positions, the total margin requirements in respect of open positions less the amount of cash deposited by the customer and the value of securities held as collateral/ pledged with securities exchange after applying VaR haircuts ii. In case of proprietary positions, the total margin requirements in respect of open positions to the extent not already met	-
3.10	Short sell positions	-	-	i. In case of customer positions, The market value of shares sold short in ready market on behalf of customers after increasing the same with the VaR based haircuts less the cash deposited by the customer as collateral and the value of securities held as collateral after applying VAR based Haircuts ii. In case of proprietary positions, the market value of shares sold short in ready market and not yet settled increased by the amount of VAR based haircut less the value of securities pledged as collateral after applying haircuts	-
	Total Ranking Liabilities	-	-		**59,223**

SUMMARY			
Total Assets	**219,744,920**		**63,240,136**
Less: Total Liabilities	**66,294,878**		**33,342,999**
Less: Total Ranking Liabilities	-		**59,223**
Liquid Capital	**153,450,042**		**29,837,915**

35.1 NET WORTH/CAPITAL ADEQUACY

The Company's net worth as on 30 June 2026 under Regulation 6 of the Securities Brokers (Licensing and Operations) Regulations, 2016 and capital adequacy level as required by Central Depository Company of Pakistan Limited is as follows:

	Rupees
Total assets	**224,442,400**
Total liabilities	**(66,294,878)**
Less: Revaluation reserves	**158,147,522**
Net worth/capital adequacy level	-
	158,147,522

35.1.1 While determining the value of the total assets of the TREC Holder, notional value of the TRE certificate held by the Company as at year ended 30 June 2026 as determined by Pakistan Stock Exchange has been considered.

36 FAIR VALUE MEASUREMENTS

The Company measures some of its financial assets at fair value. Fair value measurements are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements and has the following levels.

36.1 Financial instruments measured at fair value

36.1.1 Recurring fair value measurements

Financial instruments	Hierarchy	Valuation techniques/Key inputs	30-Jun-26	30-Jun-25
			Rupees	*Rupees*
Long term investments	Level 1	Quoted prices in an active market	**21,618,908**	11,164,068
Short term Investments	Level 1	Quoted prices in an active market	**1,144,973**	781,586

36.1.2 Non-recurring fair value measurements

There are no non-recurring fair value measurements as at the reporting date.

36.2 Financial instruments not measured at fair value

The management considers the carrying amount of all financial instruments not measured at fair value to approximate their carrying values.

36.3 Assets and liabilities other than financial instruments.

None of the assets and liabilities other than financial instruments are measured at fair value.

37 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The chief executive and directors do not draw any remuneration from the Company. Further, there are no executives employed by the Company as at the reporting date.

38 ASSETS PLEDGED AS SECURITY

Securities valued at Rs. 25.125 million (30-Jun-25: Rs. 11.164 million) are pledged with National Clearing Company of Pakistan Limited and Pakistan Stock Exchange as base minimum capital and exposure margin.

39 NUMBER OF EMPLOYEES

	2,026	2,025
Total number of employees	14	14
Average number of employees	14	14

40 SHAREHOLDING ABOVE FIVE (5) PERCENT

	30-Jun-26		30-Jun-25	
	Rupees	*% age*	*Rupees*	*% age*
Dr. Zafar Iqbal	139,640,000	99.99%	139,640,000	99.99%

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FOR THE YEAR ENDED 30 JUNE 2026

41 EVENTS AFTER THE REPORTING PERIOD

There are no significant events after the reporting period which may require adjustment and/or disclosure in these financial statements.

42 GENERAL

Comparative figures have been rearranged and reclassified, where necessary, for the purpose of comparison. However, there were no significant reclassifications during the year.

Director

Chief Executive

HORIZON SECURITIES LTD.

TRE CERTIFICATE HOLDER: Pakistan Stock Exchange Limited

Pattern of Shareholding as on June 30, 2026

CATEGORIES OF SHAREHOLDERS			SHAREHOLDERS	SHARES HELD	PERCENTAGE
Name	**CNIC No.**	**Categories**			
Mr. Zafar Iqbal	3610316645337	Chief Executive Officer	Substantial Shareholder	13,964,000	99.9928%
Mr. Afraz Zafar	3610356731111	Director	Minor Shareholder	500	0.0036%
Mrs. Abida Zafar	3610315541216	Director	Minor Shareholder	500	0.0036%
Associated companies, undertakings and related parties			Not Applicable	Nil	Nil
Executives					
Public Sector Companies and Corporations			Not Applicable	Nil	Nil
Banks, Development Finance Institutions, Non-Banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pension Funds			Not Applicable	Nil	Nil
Others		Not Applicable	Not Applicable	Nil	Nil
Total				**13,965,000**	**100.00%**

Shareholders holding 5% or more (Substantial Shareholders)

Name	Shares held	Percentage
Mr. Zafar Iqbal	13,964,000	99.9928%

Company Secretary / CFO Officer

Chief Executive

Friday July 17, 2026

REGISTERED OFFICE: 2nd Floor, Plaza 79-A, Banker Cooperative Housing Society Lahore
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