



## INDEPENDENT AUDITORS REPORT ON STATEMENT OF NET CAPITAL BALANCE

To the Chief Executive Officer of Horizon Securities Limited

### Opinion

We have audited the Statement of Net Capital Balance of **Horizon Securities Limited** (the "Securities Broker") and notes to the Statement of Net Capital Balance as at December 31, 2017 (hereinafter collectively referred to as "the statement").

In our opinion, the financial information in the statement of the Securities Broker as at December 31, 2017 is prepared, in all material respects, in accordance with the requirements of the Second Schedule of the Securities Brokers (Licensing and Operations) Regulations, 2016 ("the Regulations") read with Rule 2(d) of the Securities Exchange Commission (SEC) Rules 1971 ("SEC Rules 1971") issued by the Securities & Exchange Commission of Pakistan ("SECP").

### 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 statement* section of our report. We are independent of the Securities Broker in accordance with the ethical requirements that are relevant to our audit of the statement in Pakistan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Emphasis of Matter - Basis of Accounting and Restriction on Distribution

The statement is prepared to assist the Securities Broker to meet the requirements of the SECP, Pakistan Stock Exchange ("PSX") and National Clearing Company of Pakistan Limited ("NCCPL"). As a result, the statement may not be suitable for any other purpose. Our report is intended solely for the Securities Broker, SECP, PSX and NCCPL, and should not be distributed to parties other than the Securities Broker, SECP, PSX or NCCPL. Our opinion is not modified in respect of this matter.

### Responsibilities of Management and Those Charged with Governance for the statement

Management is responsible for the preparation of the statement in accordance with the Regulations and SEC Rules 1971, and for such internal control as management determines is necessary to enable the preparation of the statement that is free from material misstatement, whether due to fraud or error.

Those charged with governance are responsible for overseeing the Securities Broker's financial reporting process.

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### **Auditor's Responsibilities for the Audit of the statement**

Our objectives are to obtain reasonable assurance about whether the statement is 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 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 this statement.

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

- Identify and assess the risks of material misstatement of the statement, 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 Securities Broker's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, and related disclosures made by management.

We communicate with those charged with governance 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.

**IECnet S.K.S.S.S,**

**Chartered Accountants**

Engagement partner: **Mr. Muhammad Aslam Khan.**

Lahore.

Date: March 05, 2018


**HORIZON SECURITIES LIMITED**  
**CORPORATE TREC HOLDER OF PAKISTAN STOCK EXCHANGE LIMITED**  
**CALCULATION OF NET CAPITAL BALANCE CERTIFICATE**

(FOR THE PURPOSES OF COMPUTATION OF NCBC UNDER rule 6(4) SCHEDULE II OF THE SECURITIES BROKERS  
(LICENSING AND OPERATIONS ) 2016

**AS AT DECEMBER 31, 2017**

<u>A. Description of Current Assets</u>	Basis of Accounting	Notes	Amount (Rupees)
1 Cash in hand & Cash in bank	As per book value.	2	
Cash in hand			-
Cash at bank-House Account			10,131,536
Cash at bank-Client Account			18,315,277
			<u>28,446,814</u>
2 Margin deposits			15,210,407
3 Trade receivables	Book value less those over due for		27,833,570
Less: Out standing for more than 14 days	more than 14 days.		23,283,031
			4,550,539
4 Investment in listed securities in the name of company	Securities on the Exposure List to Market less 15 % discount.	3	71,704,696
5 Securities purchase for client			9,463,663
			<u>129,376,119</u>
<b>B. Description of Current Liabilities</b>			
1 Trade payables	Book value less those overdue for		18,260,244
Less: Over due more than 30 days	more than 30 days.		6,734,052
			11,526,192
2 Other Liabilities	As classified under the generally accepted Accounting Principles.	4	52,799,411
			<u>64,325,603</u>
<b>NET CAPITAL BALANCE</b>			<u><u>65,050,516</u></u>

  
Chief Executive

  
Director



**HORIZON SECURITIES LIMITED**  
**MEMBER PAKISTAN STOCK EXCHANGE LIMITED**  
**EXPLANATORY NOTES TO THE NET CAPITAL BALANCE AS AT DECEMBER 31, 2017**

**1 BASIS OF ACCOUNTING**

This statement of Net Capital Balance has been prepared in accordance with the requirement of the Third Schedule read with rule 2 (d) of the Securities and Exchange Commission (SEC) Rules 1971 and clause 6 (4) of the Securities Brokers ( Licensing and Operations) regulations 2016 (Regulations) and the Clarifications / Guidelines in respect of the Third Schedule of the Securities and Exchange Commission (SEC) Rules 1971 issued by the Securities and Exchange Commission of Pakistan.

**2 CASH IN HAND AND AT BANK**

	TOTAL (Rupees)
Cash in hand	-
Bank balance(s) pertaining to Brokerage House	10,131,536
Bank balance(s) pertaining to Clients	18,315,277
	<b>28,446,814</b>

3 Investment in Listed Securities in the name of Company		Holding Has per CDC	Market Value as on	TOTAL
Security Symbol	Security Name	Position Owned	Rupees	Rupees
AHL	Arif Habib Limited	350	39.55	13,843
AGIC	Askari General Insurance Co.	305	25.04	7,637
ARPL	Archroma Pakistan Ltd XD	20	529	10,580
ASC	Al Shaheer Corporation Ltd	461	22.22	10,243
DAWH	Dawood Hercules Corporation	1,000	111.88	111,880
ENGRO	Engro Corporation Ltd	1,000	274.75	274,750
EFOODS	Engro Foods Ltd	1,000	80.31	80,310
EPCL	Engro Polymer & Chemicals	110	28.56	3,142
GADT	Gadoon Textile Mills Ltd	100	207.67	20,767
GGL	Ghani Gases Ltd	570	15.3	8,721
GHGL	Ghani Glass Ltd	25	64.1	1,603
GLAXO	GlaxoSmithKline Pakistan	100	167.88	16,788
GSKCH	GlaxoSmithKline Consumer	1030	324.29	334,019
IGIL	IGI Life Insurance Ltd XB	4	84.5	338
JGICL	Jubilee General Insurance Co.	142	80	11,360
JSBL	JS Bank Ltd.	10,994,500	7.52	82,678,640
JVDC	Javedan Corporation Ltd	1,000	35.75	35,750
JVDC R1	Javedan Corporation ( R )	500	0.04	20
MUREB	Murree Brewery Company XD	55	776.34	42,699
MIRKS	Mirpurkhas Sugar Mills Ltd	100	129.2	12,920
NCL	Nishat (Chunian) Ltd	6,000	45.77	274,620
NPL	Nishat Power Ltd	300	34	10,200
OLPL	Orix Leasing Pakistan Ltd	2,500	41.51	103,775
PKGP	Pakgen Power Ltd	290	22.13	6,418
PSEL	Pakistan Services Ltd	200	990	198,000
SEARL	The Searle Company Ltd.	51	314.86	16,058
SHEL	Shell (Pakistan) Ltd	51	307.18	15,666
UNIC	United Insurance Co. of Pakistan	522	15.48	8,081
UDPL	United Distributors (Pakistan)	1	49.5	50
UNITY	Unity Foods Limited	3,000	16.53	49,590
<b>Total Value</b>				<b>84,358,465</b>
Less: 15 % Discount				(12,653,770)
				<b>71,704,696</b>



HORIZON SECURITIES LIMITED  
MEMBER PAKISTAN STOCK EXCHANGE LIMITED  
EXPLANATORY NOTES TO THE NET CAPITAL BALANCE AS AT DECEMBER 31, 2017

4 OTHER LIABILITIES

Trade Payable overdue more than 30 days	6,734,052
Accrued and Other Liabilities	4,187,937
Running Finance	40,554,901
Provision for taxation	288,356
Lease finance	1,034,165
	<u>52,799,411</u>

  
Chief Executive

  
Director

