



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, 2018 (hereinafter collectively referred to as "the statement").

In our opinion, the financial information in the statement of the Securities Broker as at December 31, 2018 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.



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 13, 2019

HORIZON SECURITIES LIMITED
CORPORATE TREC HOLDER OF PAKISTAN STOCK EXCHANGE LIMITED
STATEMENT OF NET CAPITAL BALANCE
(In accordance with Regulation 6(3)(4) of the Securities Brokers' (Licensing & Operations) Regulations, 2016)
AS AT DECEMBER 31, 2018

A. <u>Description of Current Assets</u>	Basis of Accounting	Notes	Amount (Rupees)
1 Cash in hand & cash at bank	As per book value.	2	
Cash in hand			-
Cash at bank-House account			7,576,392
Cash at bank-Client account			20,238,859
			27,815,252
2 Margin Deposits			30,338,679
3 Trade receivables	Book value less those over due for more than 14 days.		30,524,467
Less: Outstanding for more than 14 days			(20,276,285)
			10,248,182
4 Investment in listed securities in the name of company	Securities on the Exposure list to Market less 15 % discount.	3	1,521,014
5 Securities purchased for client			6,653,211
			76,576,337
B. <u>Description of Current Liabilities</u>			
1 Trade Payables	Book value less those overdue for more than 30 days.		24,285,771
Less: Overdue more than 30 days			(8,707,395)
			15,578,377
2 Other liabilities	As classified under the Generally Accepted Accounting Principles.	4	11,568,738
			27,147,115
NET CAPITAL BALANCE			49,429,222


Chief Executive




Director

HORIZON SECURITIES LIMITED
CORPORATE TREC HOLDER OF PAKISTAN STOCK EXCHANGE LIMITED
EXPLANATORY NOTES TO THE NET CAPITAL BALANCE

1 BASIS OF ACCOUNTING

This statement of Net Capital Balance has been prepared in accordance with the requirements of the Third Schedule read with rule 2(d) of the Securities and Exchange Commission (SEC) Rules 1971, clauses 6(3) and 6(4) of the Securities Brokers (Licensing and Operations) Regulations 2016, and related clarifications / guidelines issued by the Securities and Exchange Commission of Pakistan.

2 CASH IN HAND AND AT BANK

	TOTAL (Rupees)
Cash in hand	7,576,392
Bank balance(s) pertaining to Brokerage House	20,238,859
Bank balance(s) pertaining to Clients	27,815,252

Investment in Listed Securities in the name of Company		Holding as per CDC	Market Rate as at December 31, 2018	TOTAL
Security Symbol	Security Name	Position Owned	Rupees	Rupees
AGIC	ASKARI GENERAL INSURANCELIMITED	305	25.90	7,900
AHL	ARIF HABIB LIMITED	420	41.50	17,430
ARPL	ARCHROMA PAKISTAN LTD	20	510.00	10,200
ASC	ALSHAHEER CORPORATION	461	23.93	11,032
CSIL	CRESCENT STAR INSURANCE LIMITED	100,000	1.71	171,000
DAWH	DAWOOD HERCULES CORPORATION LIMITED	1,000	111.15	111,150
ENGRO	ENGRO CORPORATION LIMITED	1,000	291.08	291,080
EFOODS	ENGRO FOODS	1,000	79.72	79,720
EPCL	ENGRO POLYMER CHEMICAL LT	110	37.14	4,085
GADT	GADOON TEXTIL MILL	100	268.13	26,813
GGL	GHANI GLASS LIMITED	598	11.84	7,080
GHGL	GHANI GLASS LIMITED	25	48.45	1,211
GLAXO	GLAXOSMITHKLINE PAKISTAN LIMITED	100	112.68	11,268
GSKCH	GLAXOSMITHKLINE CONSUMER HEALTH CARE	1,030	266.39	274,382
IGIL	IGI LIFE INSURANCE LIMITED	4	47.10	188
LSEFSL	LSE FINANCIAL SERVICES LIMITED - FREEZE	337,589	-	-
IGICL	JUBILEE GENERAL INSURANCE COMPANY LTD	142	60.01	8,521
JVDC	JAVEDAN CORPORATION LIMITED	1,080	31.50	34,020
MACTER	MACTER INTERNATIONAL LIMITED	1,000	124.50	124,500
MUREB	MURREE BREWERY COMPANY L	66	813.06	53,662
MIRKS	MIRPURKHAS SUGAR MILLS	100	93.11	9,311
NPL	NISHAT POWER LIMITED	300	27.10	8,130
PKGP	PAKGEN POWER LIMITED	290	17.04	4,942
PSEL	PAKISTAN SERVICES LIMITED	200	1,060.00	212,000
REWM	RELIANCE WEAVING MILLS LIMITED	1,000	30.10	30,100
SAZEW	SAZGAR ENGINEERING WORKS LIMITED	500	228.37	114,185
SEARL	SEARLE PAKISTAN LTD	58	245.59	14,244
SHEL	SHELL PAKISTAN LIMITED	51	306.60	15,637
UNITY	UNITY FOODS LIMITED	5,000	25.73	128,650
UNIC	UNITED INSURANCE COMPANY	586	11.86	6,950
UDPL	UNITED DISTRIBUTERS PAKI	1	37.00	37
Total Value				1,789,428
Less: 15 % Discount				(268,414)
				1,521,014

4 OTHER LIABILITIES

Trade payable overdue more than 30 days	8,707,395
Accrued expenses & other payable	2,296,824
Finance lease liability	401,547
Provision for taxation	162,973
	11,568,738


Chief Executive




Director