



## 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 June 30, 2019 (hereinafter collectively referred to as "the statement").

In our opinion, the financial information in the statement of the Securities Broker as at June 30, 2019 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.

A MEMBER OF IECnet, A NETWORK OF INDEPENDENT ACCOUNTING FIRMS

11 HAPPY HOME 38/A MAIN GULBERG, SALMAN AHMAD ROAD, LAHORE, Pakistan.  
Tel: +92(0)42-35776691-5, Fax: +92(0)42-35776695, Email: info@iecnet.com.pk, URL: www.iecnet.com.pk  
Other Offices: Karachi – Peshawar – Islamabad



## 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**

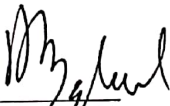
Engagement partner: **Mr. Muhammad Aslam Khan.**

Lahore.

Date: September 12, 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 JUNE 30, 2019**

<u>A Description of Current Assets</u>	<u>Basis of Accounting</u>	<u>Notes</u>	<u>Amount (Rupees)</u>
1 Cash in hand & Cash at bank	As per book value.	2	
Cash in hand			21,556,002
Cash at bank-House account			19,372,602
Cash at bank-Client account			40,928,604
2 Margin Deposits			10,888,956
3 Trade receivables	Book value less those overdue for more than 14 days.		250,383,016
Less: Outstanding for more than 14 days			(26,106,449)
			224,276,567
4 Investment in listed securities in the name of company	Securities on the Exposure list to Market less 15 % discount.	3	831,795
5 Securities purchased for client			5,820,589
			<u>282,746,512</u>
<b>B Description of Current Liabilities</b>			
1 Trade Payables	Book value less those overdue for more than 30 days.		241,780,657
Less: Overdue more than 30 days			(11,771,190)
			230,009,467
2 Other liabilities	As classified under the Generally Accepted Accounting Principles.	4	15,127,467
			<u>245,136,934</u>
<b>NET CAPITAL BALANCE</b>			<u><u>37,609,578</u></u>

  
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	-
Bank balance(s) pertaining to Brokerage House	21,556,002
Bank balance(s) pertaining to Clients	19,372,642
	<u>40,928,604</u>


Investment in Listed Securities in the name of Company		Holding as per CDC	Market Rate as at June 30, 2019	TOTAL
Security Symbol	Security Name	Position Owned	Rupees	Rupees
AGIC	ASKARI GENERAL INSURANCELIMITED	305	20.5	6,253
AHL	ARIF HABIB LIMITED	420	31.63	13,285
ARPL	ARCHROMA PAKISTAN LTD	20	475.15	9,503
ASC	ALSHAHEER CORPORATION	461	12.6	5,809
CSIL	CRESCENT STAR INSURANCE LIMITED	100,000	1.22	122,000
DAWH	DAWOOD HERCULES CORPORATION LIMITED	1,000	111.24	111,240
ENGRO	ENGRO CORPORATION LIMITED	1,100	265.6	292,160
EFOODS	ENGRO FOODS	1,000	58.33	58,330
EPCL	ENGRO POLYMER CHEMICAL LT	110	26.96	2,966
GADT	GADOON TEXTIL MILL	100	138.34	13,834
GGL	GHANI GASES LIMITED	98	7.64	749
GHGL	GHANI GLASS LIMITED	25	43.95	1,099
GLAXO	GLAXOSMITHKLINE PAKISTAN LIMITED	100	95.33	9,533
GSKCH	GLAXO HEALTH CARE	30	193	5,790
IGIL	IGI LIFE INSURANCE LIMITED	4	34.53	138
JGICL	JUBILEE GENERAL INSURANCE COMPANY LTD	142	45	6,390
JVDC	JAVEDAN CORPORATION LIMITED	80	32.01	2,561
MIRKS	MIRPURKHAS SUGAR MILLS	100	70	7,000
MUREB	MURREE BREWERY COMPANY L	66	763.64	50,400
NPL	NISHAT POWER LIMITED	300	27.54	8,262
PKGP	PAKGEN POWER LIMITED	290	14.18	4,112
PSEL	PAKISTAN SERVICES LIMITED	200	1020	204,000
REWM	RELIANCE WEAVING MILLS LIMITED	1,000	24.49	24,490
SEARL	SEARLE PAKISTAN LTD	58	146.56	8,500
SHEL	SHELL PAKISTAN LIMITED	51	182.46	9,305
UDPL	UNITED DISTRIBUTERS PAKI	1	29.94	30
UNIC	THE UNITED INSURANCE COMPANY OF PAKISTAN LIMITED	98	8.62	845
<b>Total Value</b>				978,583
<b>Less: 15 % Discount</b>				<u>(146,787)</u>
				831,795

**4 OTHER LIABILITIES**

Trade payable overdue more than 30 days	11,771,190
Accrued and other liabilities	2,859,756
Income Tax (Deducted) Payable	10,686
Provision for Tax	358,069
Punjab Sales Tax Payable & CVT	127,766
	<u>15,127,467</u>

  
 Chief Executive



  
 Director