

TOPLINE SECURITIES LIMITED

STATEMENT OF NET CAPITAL BALANCE

FOR THE YEAR ENDED JUNE 30, 2018



Independent Auditors Report on Statement of Net Capital Balance

The Chief Executive Officer

Topline Securities Limited
Karachi

Opinion

We have audited the Statement of Net Capital Balance of **Topline Securities Limited** and notes to the Statement of Net Capital Balance as at June 30, 2018.

In our opinion, the financial information in the statement of the Securities Broker as at **June 30, 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 **Topline Securities Limited** 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 another purpose. Our report is intended solely for **Topline Securities Limited** SECP, PSX, and NCCPL and should not be distributed to parties other than **Topline Securities Limited** or the 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 the 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 is 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 risks 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.

Naveed Zafar Ashfaq Jaffery & Co.
NAVEED ZAFAR ASHFAQ JAFFERY & CO.
Chartered Accountants
Engagement Partner - Tanveer Afzal Khan



Dated: **13 SEP 2018**
Karachi:

TOPLINE SECURITIES LIMITED
NET CAPITAL BALANCE AS AT JUNE 30, 2018

(Excess of Current Assets over Current Liabilities as determined in accordance with the Schedule II of the Securities Brokers
(Licensing and Operations) Regulations, 2016)

DESCRIPTION	VALUATION BASIS	VALUE
CURRENT ASSETS		
(Amount in Rupees)		
Cash in hand	As per book value	3,665
Cash at bank:		
- Pertaining to brokerage house	As per book value	256,388,151
- Pertaining to clients	As per book value	151,488,652
Deposits against exposure with Pakistan Stock Exchnage	As per book value	227,491,255
Total bank balances	As per book value	635,371,723
Trade Receivable		
	Book Value	147,378,424
	Less: overdue for more than 14 days	(10,491,403)
		136,887,021
Investment in Listed Securities in the name of broker		
	Market value	90,408,716
	Less: 15% discount	(13,561,307)
		76,847,409
Securities purchased for client	Securities purchased for the client and held by the member where the payment has not been received within 14 days.	3,589,946
Listed Term Finance Certificates/Corporate Bonds (Not less than BBB grade)	Market value	-
	Less: 10% discount	-
Federal Investment Bonds	Market value	-
	Less: 5% discount	-
Treasury bills	Market value	-
Total Current Assets		852,696,099
CURRENT LIABILITIES		
Trade Payable	Book value	149,671,706
	Less: Overdue for more than 30 days	(50,532,910)
		99,138,796
Other liabilities	As classified under the generally accepted accounting principles.	134,332,659
Trade payables overdue by 30 days		50,532,910
		284,004,365
NET CAPITAL AS AT JUNE 30, 2018		568,691,734

CHIEF EXECUTIVE



DIRECTOR

