



## INDEPENDENT AUDITORS REPORT ON STATEMENT OF NET CAPITAL BALANCE

### TO THE CHIEF EXECUTIVE OFFICER OF NEW PEAK SECURITIES (PRIVATE) LIMITED

#### Opinion

We have audited the Statement of Net Capital Balance of **New Peak Securities (Private) 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



NEWPEAK SECURITIES (PRIVATE) LIMITED

CORPORATE TREC HOLDER OF PAKISTAN STOCK EXCHANGE LIMITED

CALCULATION 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. Description of Current Assets	Basis of Accounting	Notes	Amount (Rupees)
1 Cash in hand & Cash at bank	As per book value	2	
Cash in hand			1,111,647
Cash at bank-House Account			29,804,966
Cash at bank-Client Account			30,916,613
2 Margin deposits			15,900,000
3 Trade receivables	Book value less those overdue for more than 14 days		34,562,959
Less: Outstanding for more than 14 days			8,076,045
			26,486,914
4 Investment in listed securities in the name of company	Securities on the Exposure List to Market less 15 % discount	3	211,928
5 Securities purchase for client			2,262,959
			75,778,415
B. Description of Current Liabilities			
1 Trade payables	Book value less those overdue for more than 30 days		44,385,460
Less: Overdue more than 30 days			(19,688,636)
			24,696,824
2 Other liabilities	As classified under Generally Accepted Accounting Principles	4	28,927,139
			53,623,963
NET CAPITAL BALANCE			22,154,452

  
Chief Executive



  
Director

**NEWPEAK SECURITIES (PRIVATE) 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 3(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**

	<b>TOTAL (Rupees)</b>
Cash in hand	
Bank balance(s) pertaining to Brokerage House	1,311,647
Bank balance(s) pertaining to Clients	29,804,966
	<b>30,916,613</b>

Investment in Listed Securities in the name of Company		Holding as per CDC	Market Value as at June 30, 2018	TOTAL
Security Symbol	Security Name	Position Owned	Rupees	Rupees
ISETRMCL	ISE TOWERS REIT MANAGEMENT COMPANY LIMITED - FREEZE	1,213,841	-	-
ISBL	IS Bank Ltd.	25,000	7.37	184,250
PIBTCL	PAKISTAN INTERNATIONAL BULK TERMINAL LIMITED	6,009	10.83	65,077
				249,327
				(37,399)
				<b>211,928</b>

Less: Discount 15 %

**4) Accrued and other liabilities**

Trade payable overdue more than 30 days	19,688,636
Future NCSS Balance	3,530,944
Provision for taxation	1,407,506
Accrued and other payables	4,300,052
	<b>28,927,139</b>

  
 Chief Executive



  
 Director