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**MEHMOOD IDREES**  
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CHARTERED ACCOUNTANTS

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**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** and notes to the Statement of Net Capital Balance as at 30 June, 2017 (together 'the statement').

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

We draw attention to Note 1 to the statement, which describes the basis of accounting. The statement is prepared to assist the **New Peak Securities (Private) 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 **New Peak Securities (Private) Limited**, SECP, PSX and NCCPL and should not be distributed to parties other than **New Peak Securities (Private) 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

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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.

#### **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.



BakerTilly Mehmoood Idrees Qamar  
Chartered Accountants  
Engagement Partner: Siraj Ahmad  
Place: Islamabad

Dated: 13 September, 2017

**NEW PEAK SECURITIES (PRIVATE) LIMITED**  
**CORPORATE TREC HOLDER OF PAKISTAN STOCK EXCHANGE LIMITED**  
**CALCULATION OF NET CAPITAL BALANCE FOR THE PURPOSES OF SCHEDULE II TO**  
**THE SECURITIES BROKERS REGULATIONS, 2016 AND THIRD SCHEDULE UNDER RULE 2(D) OF THE SEC RULES 1971**  
**AS AT 30 JUNE 2017**

Excess of Current Assets over Current Liabilities determined in accordance with the Schedule II to the Securities Brokers Regulations, 2016 and Third Schedule under Rule 2(d) of the Securities and Exchanges Rules 1971 and the clarifications/ guidelines issued by SECP dated 3 July 2013, 20 December 2013 and 24 July 2015 and Guide Book issued by Securities Market Division of SECP dated 8 September 2016.

| DESCRIPTION   | VALUATION BASIS  | Notes | Sub Total<br>-----Rupees-----       | Total             |
|---|--|-------|-------------------------------------|-------------------|
| <b><u>CURRENT ASSETS</u></b>  |  |       |                                     |                   |
| Cash in hand and bank balances                                      | As per book value  | 2     |                                     | 48,025,747        |
| Cash deposited as margin with National Clearing Company of Pakistan | As per book value  |       |                                     | 18,130,000        |
| Trade receivables   | As per book value<br>Less: Overdue for more than 14 days   | 3     | 23,852,867<br>(2,518,253)           | 21,334,614        |
| Investment in listed securities in the name of broker               | At market Value<br>Less: Securities not in exposure list<br><br>Less: Securities in exposure list marked to market less 15% discount | 4     | 355,550<br>-<br>355,550<br>(53,333) | 302,218           |
| Securities purchased for clients                                    | Lower of Amount Overdue by more than 14 days or value of securities in the sub account of clients                                    |       |                                     | 2,254,460         |
| Other current asset specified by the Commission                     | PSX Exposure   |       |                                     | -                 |
| <b>Total Current Assets</b>   |  |       |                                     | <b>90,047,038</b> |
| <b><u>CURRENT LIABILITIES</u></b>                                   |  |       |                                     |                   |
| Trade payables  | As per book value<br>Less: Overdue for more than 30 days   | 5     | 65,235,910<br>(22,881,450)          | 42,354,459        |
| Other payables  | As per book value  | 6     |                                     | 29,329,843        |
| <b>Total Current Liabilities</b>                                    |  |       |                                     | <b>71,684,302</b> |
| <b>Net Capital Balance as at 30 June 2017</b>                       |  |       |                                     | <b>18,362,736</b> |

The annexed notes 1 to 7 form an integral part of the statement.



Notes to the Statement of Net Capital Balance  
For the year ended 30 June 2017

# 1 STATEMENT OF COMPLIANCE

The amounts and figures reported in the statement of net capital balance ("the statement") are based on the complete set of financial statements prepared in accordance with approved accounting standards as applicable in Pakistan. Approved Accounting Standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as were notified under the repealed Companies Ordinance, 1984, provisions of or directives issued under the repealed Companies Ordinance, 1984. The statement has been prepared in accordance with Second Schedule of the Securities Brokers (Licensing and Operations) Regulations, 2016 (the Regulations) read with Third Schedule under Rule 2(d) of the Securities Exchange Commission (SEC) Rules 1971 (SEC Rules 1971) and relevant clarifications/ guidelines issued by the Securities & Exchange Commission of Pakistan (SECP).

## 2 CASH IN HAND AND BANK BALANCES

30 June 2017  
(Rupees)

|                              |                   |
|------------------------------|-------------------|
| Cash in hand                 | 87,742            |
| Bank balances pertaining to: |                   |
| Broker                       | 3,331,485         |
| Clients                      | 44,606,520        |
|                              | <u>48,025,747</u> |

## 3 TRADE RECEIVABLES

These are valued at cost less bad and doubtful trade receivables (if any) and trade receivables outstanding for more than 14 days

|   |                   |
|---|-------------------|
| Total receivable                                    | 23,852,867        |
| Less: Outstanding for more than 14 days             | (2,518,253)       |
| Balance generated within 14 days and/or not yet due | <u>21,334,614</u> |

## 4 INVESTMENT IN LISTED SECURITIES IN THE NAME OF BROKER

These represent investments in listed equity securities which are not on the default counter of the Stock Exchange are value at market rates prevailing as on 30 June 2017 less 15% discount as prescribed in Third Schedule under Rule 2(d) to the Securities and Exchange Rules, 1971 and Schedule II to the Securities Brokers

## 5 TRADE PAYABLES

This represents balances payable against trading of shares less trade payable balance overdue for more than 30 days which have been included in other liabilities.

## 6 OTHER LIABILITIES

The break up is as follows:

|                        |                   |
|------------------------|-------------------|
| Overdue trade payables | 22,881,450        |
| Other liabilities      | 6,448,393         |
|                        | <u>29,329,843</u> |



Notes to the Statement of Net Capital Balance  
For the year ended 30 June 2017

**7 DATE OF ISSUANCE**

This statement was authorized for issue on \_\_\_\_\_.



  
\_\_\_\_\_  
Chief Financial Officer



  
\_\_\_\_\_  
Chief Executive Officer