



## INDEPENDENT AUDITOR'S REPORT ON STATEMENT OF NET CAPITAL BALANCE

To the Chief Executive Officer of AKY Securities (Private) Limited

### Opinion

We have audited the Statement of Net Capital Balance of **AKY Securities (Private) Limited** (the 'Securities Broker') and notes to the Statement of Net Capital Balance as at December 31, 2017 (together 'the statement').

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

Karachi.  
Dated:

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**Rahman Sarfaraz Rahim Iqbal Rafiq**  
Chartered Accountants  
Engagement Partner: Muhammad Rafiq Dosani

**AKY SECURITIES (PRIVATE) LIMITED**  
**STATEMENT OF NET CAPITAL BALANCE**  
**AS AT DECEMBER 31, 2017**

Excess of Current Assets over Current Liabilities determined in accordance with the Third Schedule of Securities and Exchange Rules, 1971 read with the SECP guidelines

DESCRIPTION	VALUATION	RUPEES
<b><u>CURRENT ASSETS</u></b>		
Cash and Bank Balances	As per Book Value	48,999,055
Trade Receivables	Book Value less overdue for more than 14 days	11,370,711
Investment in listed securities in the name of broker	Securities marked to market less 15% discount	41,456,819
Securities purchased for client	Securities purchased for the client and held by the member where the payment has not been received within 14 days.	1,553,501
Listed TFCs/Corporate Bonds of not less than BBB grade assigned by a credit rating company in Pakistan	Marked to market less 10% discount.	-
PIBs	Marked to market less 5% discount.	-
Treasury Bill	At market value	-
		<b><u>103,380,086</u></b>
<b><u>CURRENT LIABILITIES</u></b>		
Trade Payables	Book value less overdue for more than 30 days	1,309,710
Other Liabilities	As per Book values	4,280,041
		<b><u>5,589,751</u></b>
<b>NET CAPITAL BALANCE AS AT JUNE 30, 2017</b>		<b><u>97,790,335</u></b>

**NOTE**

The financial information has been prepared in conformity with the accounting policies of AKY Securities (Private) Limited, provisions of Securities and Exchange Rules, 1971, the Securities Brokers (licensing and Operations) Regulations 2016 and the guidelines issued by the Securities and Exchange Commission of Pakistan.



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**CHIEF EXECUTIVE OFFICER**

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**DIRECTOR**



AKY SECURITIES (PRIVATE) LIMITED  
 STATEMENT OF NET CAPITAL BALANCE AS AT DECEMBER 31, 2017  
*Excess of Current Assets over Current Liabilities determined in accordance with the  
 Third Schedule of Securities and Exchange Rules, 1971 read with the SECP guidelines*

Notes to the statement

	<u>Rupees</u>
<b>1 Cash and bank balances</b>	
Cash in hand	-
Deposit against Exposure and Losses	750,000
Bank balance pertaining to clients	1,538,431
Bank balance pertaining to brokerage house	46,710,624
	<u>48,999,055</u>
<b>2 Trade receivables</b>	
Book value	7,754,440
Less: overdue for more than 14 days	(1,558,367)
	6,196,073
Balance against unsettled trade	686,370
Receivable from PSX	4,488,268
	<u>11,370,711</u>
<b>3 Investment in Listed Securities in the name of broker</b>	
Securities marked to market	48,772,728
Less 15%	(7,315,909)
	<u>41,456,819</u>
<b>4 Securities purchased for client</b>	
Overdue balance for more than 14 days	1,558,367
Lower of overdue balance and securities held against such balance	<u>1,553,501</u>
<b>5 Trade payables</b>	
Book value	1,538,433
Less: overdue for more than 30 days	(228,723)
	<u>1,309,710</u>
<b>6 Other liabilities</b>	
Creditors overdue for more than 30 days	228,723
Accrued Liabilities and Other Payables	4,051,318
	<u>4,280,041</u>

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 CHIEF EXECUTIVE OFFICER



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 DIRECTOR