

## INDEPENDENT AUDITORS REPORT ON STATEMENT OF NET CAPITAL BALANCE

To the Chief Executive Officer of Fikree's (Private) Limited

### Opinion

We have audited the Statement of Net Capital Balance of Fikree's (Private) Limited 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 1.2 to the statement, which describes the basis of accounting. The statement is prepared to assist the Fikree's (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 Fikree's (Private) Limited, SECP, PSX and NCCPL and should not be distributed to parties other than Fikree's (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 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.

  
Horwath Hussain Chaudhury & Co. 

Engagement partner: Najeeb Moochhala  
Karachi

Date: 14 MAR 2018

**FIKREE'S (PRIVATE) LIMITED**  
**NET CAPITAL BALANCE CERTIFICATE**  
**AS AT DECEMBER 31, 2017**

CALCULATION OF CAPITAL FOR THE PURPOSES OF  
 RULE 2(d) OF SECURITIES AND EXCHANGE RULES, 1971

	Note	2017 Rupees
<b>CURRENT ASSETS</b>		
<b>Cash in Hand and Bank Balances</b>		
Cash deposits with:		
- Pakistan Stock Exchange Limited		6,092,733
- National Clearing Company of Pakistan Limited		15,997,376
In hand		-
		22,090,109
Bank balance(s) pertaining to brokerage house	2	17,543
Bank balance(s) pertaining to clients	3	4,003,601
		4,021,144
		26,111,253
<b>Trade Receivables</b>		
Book value	4	32,490
Less: Over due for more than 14 days		-
		32,490
<b>Investments in Listed Securities in the Name of Brokerage House</b>		
Securities on the exposure list marked to market		231,094,722
Less: 15% discount		(34,664,208)
		196,430,514
<b>Securities Purchase for Clients</b>		
<b>Listed TFCs/ Corporate Bonds</b>		
Marked to market		-
Less: 10% discount		-
		-
<b>PIBs</b>		
Marked to market		-
Less: 5% discount		-
		-
<b>Treasury Bill</b>		
At market value		-
		222,574,257
<b>CURRENT LIABILITIES</b>		
<b>Trade Payables</b>		
Book value	5	4,151,358
Less: Over due for more than 30 days		-
		4,151,358
<b>Other Liabilities</b>		
	6	57,420,064
		61,571,422
Less : Amount segregated for minimum Net Capital Balance of National Commodity Exchange Limited		-
<b>NET CAPITAL BALANCE</b>		<b>161,002,835</b>



Director \_\_\_\_\_

**FIKREE'S (PRIVATE) LIMITED**  
**NET CAPITAL BALANCE CERTIFICATE**  
**AS AT DECEMBER 31, 2017**

NOTES TO CALCULATION OF CAPITAL FOR THE PURPOSES OF  
 RULE 2(d) OF SECURITIES AND EXCHANGE RULES, 1971

Note 1

**The Company and its Operations**

The Company was incorporated as a smc-private limited company under the Companies Ordinance, 1984. The Company is a corporate member of the Pakistan Stock Exchange Limited. The principal activities of the company include share brokerage, portfolio management, investment advisory and consultancy services, underwriting and other related services.

**1.2 Basis of accounting**

This statement has been prepared on historical cost basis excepts for investment in listed securities which are stated at fair value less 15% discounts

Note 2

**Bank Balance(s) pertaining to Brokerage House**

	<b>December 31, 2017</b>
	Rupees
- Bank Al Habib Limited	17,160
- Habib Metropolitan Bank Limited	383
	17,543

Note 3

**Bank Balance(s) pertaining to Clients**

	<b>December 31, 2017</b>
	Rupees
<b>Cash at bank - Clients</b>	
- Habib Metropolitan Bank Limited	4,003,601
	4,003,601

Note 4

**Trade Receivables**

	<b>December 31, 2017</b>
	Rupees
Book value	32,490
Less: Over due for more than 14 days	-
	32,490

Trade receivable aging is derived on transaction basis and not on overall basis. Further, First in First Out (FIFO) basis used reflecting position upto 14 days of the reporting date of NCB.



Note 5

**Trade Payables**

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Payables overdue by 30 days amounting to Rs. Nil are deducted from total trade payables and are included in other liabilities.

Note 6

**Other Liabilities**

	<b>December 31, 2017</b>
	Rupees
Trade payables overdue for more than 30 days	-
Running finance facility from:	
- Habib Metropolitan Bank Limited	57,420,064
Markup payable	-
Federal excise duty payable	-
Other liabilities	-
	<u>57,420,064</u>

Note 7

**General**

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Figures have been rounded off to the nearest rupee.

Note 8

**Authorization**

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These notes have been extracted by the management for the underlying record as on December 31, 2017.



Director \_\_\_\_\_