

## **INDEPENDENT AUDITORS REPORT ON STATEMENT OF NET CAPITAL BALANCE OF THE SECURITIES BROKERS / BROKERAGE HOUSE**

### **TO THE BOARD OF DIRECTORS OF M/S. ICON CAPITAL MANAGEMENT (PRIVATE) LIMITED**

We have audited the accompanying Statement of Net Capital Balance of **M/S. ICON CAPITAL MANAGEMENT (PRIVATE) LIMITED** as at December 31, 2016 ("the statement"). The statement has been prepared by management based on the requirements of the Third Schedule read with Rule 2(d) of the Securities Exchange Commission (SEC) Rules 1971 and the Securities Brokers (licensing and Operations) Regulations 2016 (Regulations).

#### **Management's Responsibility for the Statement**

Management is responsible for the preparation of the statement in accordance with SEC Rules 1971 and Regulations, 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.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the statement based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the statement is free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the statement 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the statement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **Opinion**

In our opinion, the financial information in the statement of Net Capital Balance of **M/S. ICON CAPITAL MANAGEMENT (PRIVATE) LIMITED** as at December 31, 2016 is prepared, in all material respects, in accordance with SEC Rules 1971 and Regulations.

**Basis of Accounting and Restriction on Distribution**

Without modifying our opinion, we draw attention to Note 1 to the statement, which describes the basis of accounting. The statement is prepared to assist **M/S. ICON CAPITAL MANAGEMENT (PRIVATE) LIMITED** to meet the requirements of SECP in accordance with the SEC Rules 1971 and Regulations. As a result, the statement may not be suitable for another purpose. Our report is intended solely for **M/S. ICON CAPITAL MANAGEMENT (PRIVATE) LIMITED** and SECP and should not be distributed to parties other than **M/S. ICON CAPITAL MANAGEMENT (PRIVATE) LIMITED** or SECP.

*Haroon Zakaria & Co.*  
Haroon Zakaria & Company  
Chartered Accountants



Place: Karachi  
Dated: 15 MAR 2017

**ICON CAPITAL MANAGEMENT (PRIVATE) LIMITED**  
**CALCULATION OF NET CAPITAL BALANCE**  
**AS AT DECEMBER 31, 2016**

	<i>Note</i>	<i>Rupees</i>
<b><u>CURRENT ASSETS</u></b>		
Cash in hand		640
Cash at bank		4,251,192
Balance pertaining to brokerage house		4,637,321
Balance pertaining to clients		8,888,513
		<u>8,889,153</u>
Margin deposit - with NCCPL	2	1,959,000
<b>Trade Receivables</b>		
Book Value		10,474,181
Less: Over due for more than 14 days	3	(5,571,649)
		<u>4,902,532</u>
<b>Investment in listed securities</b>		
Securities on the exposure list marked to market		2,474,616
Less: 15% discount		(371,192)
		<u>2,103,424</u>
Securities held on behalf of client where payment has not been received in 14 days	4	396,247
<b>Total Current Assets</b>		<u>18,250,356</u>
<b><u>CURRENT LIABILITIES</u></b>		
Trade Payables		
Less: Over due for more than 30 days	5	4,637,321
		(803,352)
		<u>3,833,969</u>
Other liabilities	6	1,128,735
<b>Total Current Liabilities</b>		<u>4,962,704</u>
Less: Amount segregated for minimum net capital balance of pakistan mercantile exchange limited		(2,500,000)
<b>NET CAPITAL BALANCE</b>		<u>10,787,652</u>

*S. M. Iqbal*  
**CHIEF EXECUTIVE**



**ICON CAPITAL MANAGEMENT (PRIVATE) LIMITED**  
**NOTES TO THE NET CAPITAL BALANCE**  
**AS AT DECEMBER 31, 2016**

**I BASIS OF ACCOUNTING**

This net capital balance have been prepared under the historical cost convention. Further, accrual basis of accounting is followed except for investment in listed securities are carried at market value.

	<i>Rupees</i>
2 This represents Margin deposits with NCCPL:	
Exposure deposit	<u>1,959,060</u>
3 This represents receivable from clients and NCCPL against trade in market.	
Trade receivable	9,168,532
Receivable from NCCPL	<u>1,305,649</u>
	<u>10,474,181</u>
4 This represents securities held on behalf of client where payments is overdue for more than 14 days.	
5 This represents payable to clients against trades executed in the market.	

**6 OTHER LIABILITIES** *Rupees*

Salary tax payables	11,416
Accrued liabilities	244,271
Fed and withholding tax payable	69,696
Trade payables which are over due for more than 30 days	<u>803,352</u>
	<u>1,128,735</u>

*S. Anil*  
 CHIEF EXECUTIVE

