



REANDA

Reanda Haroon Zakaria & Company

Chartered Accountants



**INDEPENDENT AUDITORS REPORT ON
REVISED STATEMENT OF NET CAPITAL BALANCE**

To the Chief Executive Officer of M/s. Icon Capital Management (Private) Limited

Opinion

We have audited the "Revised Statement of Net Capital Balance" of M/s. Icon Capital Management (Private) Limited and notes to the Statement of Net Capital Balance as at June 30, 2018 (together 'the statement').

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

We draw attention to Note 1 to the statement, which describes the basis of accounting. The statement is prepared to assist the M/s. Icon Capital Management (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 M/s. Icon Capital Management (Private) Limited, SECP, PSX and NCCPL and should not be distributed to parties other than M/s. Icon Capital Management (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.

The engagement partner on the audit resulting in this independent auditor's report is Muhammad Yameen.



Reanda Haroon Zakaria & Co
Reanda Haroon Zakaria & Company
Chartered Accountants

Place: Karachi

Dated: September 13, 2018

ICON CAPITAL MANAGEMENT (PVT) LIMITED
CALCULATION OF NET CAPITAL BALANCE
AS AT JUNE 30, 2018

	<i>Note</i>	<i>Rupees</i>
<u>CURRENT ASSETS</u>		
Cash and cash equivalent		
Cash in hand		880
Cash at bank - pertaining to brokerage house		1,005,433
- pertaining to clients		15,859,069
	2	16,864,502
		16,865,382
Margin deposited with NCCPL	3	5,603,000
Trade receivables		
Book value		5,524,042
Less: Over due for more than 14 days	4	(2,373,124)
		3,150,918
Investment in listed securities		
Securities on the exposure list marked to market		1,430,806
Less: 15% discount	5	(214,621)
		1,216,185
Securities held on behalf of client where payment has not been received in 14 days		2,164,078
Total current assets		28,999,563
<u>CURRENT LIABILITIES</u>		
<u>Trade payable</u>		
Book values		16,045,671
Less: Over due for more than 30 days		(7,634,445)
		8,411,226
Other liabilities		8,446,853
Total current liabilities	6	16,858,079
Less: Amount segregated for minimum net capital balance of Pakistan mercantile exchange limited	7	(2,500,000)
NET CAPITAL BALANCE		9,641,484



ICON CAPITAL MANAGEMENT (PVT)LIMITED
NOTES TO THE NET CAPITAL BALANCE
AS AT JUNE 30, 2017

1 BASIS OF ACCOUNTING

This net capital balance have been prepared under the historical cost convention. Further, accrual basis of accounting is followed.

2 CASH AT BANK

This represents the balance in client account and balance in house account

3 This represents Margin deposits with NCCPL

Rupees

Exposure deposit

5,603,000

4 TRADE RECEIVABLES

This represents receivable from clients and NCCPL against trade in market.

Trade receivable

3,472,547

Receivable from NCCPL-others

2,051,495

5,524,042

5 INVESTMENT IN LISTED SECURITIES

This represents the investment made by the company

6 OTHER LIABILITIES

Other liabilities include :

Accrued liabilities

588,663

Short term borrowing

158,385

Sales tax payable

65,360

Trade payables which are over due for more than 30 days

7,634,445

8,446,853

7 DEPOSITS WITH PAKISTAN MERCANTILE EXCHANGE LIMITED

This represents the minimum NCB for PMEX suggested by client.

