



INDEPENDENT AUDITORS REPORT ON STATEMENT OF NET CAPITAL BALANCE

To the Chief Executive of Integrated Equities Limited

Opinion

We have audited the Statement of Net Capital Balance ('the statement') of Integrated Equities Limited (the Securities Broker) as at December 31, 2017.

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 "Basis of accounting note to the statement", which describes the basis of accounting. The statement is prepared to assist the Integrated Equities Limited (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 any other purpose. Our report is intended solely for Integrated Equities Limited (the Securities Broker), SECP, PSX and NCCPL and should not be distributed to parties other than Integrated Equities Limited (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 are responsible for overseeing the Securities Broker's financial reporting process.

NSM

Offices also at:

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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.

Nasir Javaid Maqsood Imran
NASIR JAVAID MAQSOOD IMRAN
CHARTERED ACCOUNTANTS

(Muhammad Maqsood)

LAHORE.

Date: March 12 2018



INTEGRATED EQUITIES LIMITED
STATEMENT OF NET CAPITAL BALANCE
AS AT DECEMBER 31, 2017
UNDER REGULATION 6(4) AND SCHEDULE II OF THE SECURITIES BROKERS

CURRENT ASSETS

	<u>RUPEES</u>
Cash deposited as margins with Stock Exchanges and National Clearing Company of Pakistan Limited	1,000,000
Total bank balances	
Bank Balance pertaining to clients	12,904,392
Bank Balance pertaining to brokerage house	16,024,408
	28,928,800
Trade receivables	
Debtors	
Book value	523,858
Outstanding for more than 14 days	(372,858)
	151,000
	220,582
Clients Securities - against overdue balance	
	8,880,300
Receivable From NCCPL	
Investment in listed securities	
Investment regarding securities on exposure list	473,342
Less: 15% of market value	(71,001)
	402,341
	39,583,023

CURRENT LIABILITIES

	21,830,314
Trade payables within 30 days	
Other Liabilities	
Trade payables for more than 30 days	173,568
Other current liabilities	839,624
	1,013,192
	16,739,517

Net Capital Balance

Note: The Company is submitting monthly NCB statements since October 2017 to PSX by adding Bank Guarantee as margin for trading of Rs. 9,600,000 provided to NCCPL which is secured on personal assets of Sponsors of the Company. If this amount is included then the Net Capital Balance becomes PKR. 26,339,517/-

Basis of accounting note to the statement

The Net Capital Balance prepared is in conformity with the requirements of the Second Schedule of the Securities Brokers (Licensing & Operations) Regulations, 2016 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) and guidelines issued by the SECP from time to time for calculation of the Statement

Chief Executive Officer



Director