Spectrum Securities (Private) Limited

Statement of Net Capital Balance
As at December 31, 2016



## NASIR JAVAID MAQSOOD IMRAN Chartered Accountants

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The Board of Directors Spectrum Securities (Private) Limited Karachi

We have audited the accompanying Statement of Net Capital Balance of **Spectrum Securities** (**Private**) **Limited**, as at **December 31**, **2016**. 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.

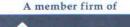
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#### Opinion

In our opinion, the financial information in the statement of Net Capital Balance **Spectrum Securities (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

The statement is prepared to assist **Spectrum Securities** (**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 **Spectrum Securities** (**Private**) **Limited** and SECP and should not be distributed to parties other than **Spectrum Securities** (**Private**) **Limited** or SECP.

Nasik Javaid Magsood Imran Chartered Accountants

MAQS

Wednesday, February 1, 2017

# Spectrum Securities (Private) Limited Statement of Net Capital Balance As at December 31,2016

	CURDENT ASSETS	Rupees	Rupees
	CURRENT ASSETS		
1	Cash and Bank Balances		
	Cash in hand	128V2 HTT	
	Bank balance pertaining to brokerage house	219,682	
	Bank balance pertaining to clients	27,213,663	
	Cash deposited as margin	715,055	
	and the same and t	37,306,395	65,454,796
2	Trade Receivable		
	From clients	10 200 270	
	Less: Overdue for more than 14 days	10,288,379	
		1,024,988	
	From National Clearing Company of Pakistan Limited	9,263,390	44.000.400
	o serverily or anistan entitled	5,116,800	14,380,190
3	Investment in Listed Securities in the Name of Broker		
	Market value	4.225.040	
	Less: 15% discount	1,335,810	9 3 9 9 7 3 5 5
		200,372	1,135,439
	ACCOMPANY DESCRIPTION OF THE PROPERTY OF		
4	Securities Purchase For Clients	725,060	725,060
		βή U	
			81,695,484
	CURRENT LIABILITIES		
5	Trade Payable		
	Book value	33,440,146	
	Less: Overdue for more than 30 days	864,284	32,575,862
6	Other Liabilities		
	Trade payable over due for more than 30 days	864,284	
X	Other liabilities	5,999,574	
		3,333,374	6,863,858
			0,000,000
		<del>17</del>	39,439,721
	<u>S</u>	S	
	Net Capital		42,255,764
		-	

CHIEF EXECUTIVE OFFICER

#### Spectrum Securities (Private) Limited Notes to the Statement of Net Capital Balance

#### STATEMENT OF COMPLIANCE

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The statement of net capital balance of the Company ("the Statement") of **Spectrum Securities (Private) Limited** ('the Company") has been prepared in accordance with the Rule 2(d) 01 and Third Schedule to the Securities and Exchange Rules, 1971 and in accordance with the clarifications / guidelines issued by Securities and Exchange Commission of Pakistan (SECP).

CASH AND BANK BALANCES	(Rupees)
These are stated at book value.	
Cash in hand	219,682
Bank balance pertaining to:	
Brokerage house	
MCB Bank Limited	985,113
Habib Metrpolitan Bank Limited	324
JS bank Limited	26,190,539
NIB Bank Limited	25,606
Askari Bank Limited	9,300
Dubai Islamic Bank Limited	2,275
Meezan bank Limited	. 505
	27,213,663
Clients	
MCB Bank Limited	15,270
JS Bank Limited	690,485
Askari Bank Limited	9,300
	715,055
Deposits against exposure	
MTS exposure margin	4,707,005
Ready Market Exposure	14,500,000
Future Market Exposure & Loss	18,099,390
IN SE	37,306,395
252	
Total Cash and Bank Balances	65,454,790

#### 2 TRADE RECEIVABLES

These are stated at book value and classifired as balance generated within 14 days and outstanding for more than 14 days

#### 3 INVESTMENT IN LISTED SECURITIES IN THE NAME OF BROKER

These includes tradeable listed securities at market value less discount at 15%

#### Spectrum Securities (Private) Limited Notes to the Statement of Net Capital Balance

#### 4 SECURITIES PURCHASED FOR CLIENTS

These amount represents to the lower of value of securities appearing in the clients respective sub account to the extent of overdue balance for more than 14 days or value of investments

#### 5 TRADE PAYABLES

These represents balance payable against trading of shares less trade payable balances overdue for more than 30 days which has been included in other liabilities

#### 6 OTHER LIABILITIES

These represents current liabilities, other than trade payable which are due within 30 days. Other liabilities are stated at book value.

#### The break up as per trial balance is as follows:

Dealer/agent payable		931,743
EOBI payable		1,820
NCSS charges		124,138
CDC charges payable		579,907
Income tax payable on salary		70,160
Income tax payable on commission		7,650
DIB car loan payable	ď.	1,219,228
Loan from director	10 20	2,500,000
Air conditioner payable		73,984
SST on brokerage services		486,867
CVT on purchases		4,077
Total		5,999,574

CHIEF EXECUTIVE OFFICER

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