

**SPECTRUM SECURITIES LIMITED**

**STATEMENT OF NET CAPITAL BALANCE**  
**AS AT DECEMBER 31, 2020**



**Review Report on Statement of Net Capital Balance  
To the Chief Executive Officer of Spectrum Securities Limited**

**Introduction**

We have reviewed the accompanying Statement of Net Capital Balance of **Spectrum Securities Limited** as at **December 31, 2020** and notes to the Statement of Net Capital Balance (here-in-after referred to as the 'the statement'). Management is responsible for the preparation of the statement in accordance with the requirements of the Second Schedule of the Securities Brokers (Licensing and Operations) Regulations, 2016 (the Regulations) issued by the Securities & Exchange Commission of Pakistan (SECP). Our responsibility is to express a conclusion on the statement based on our review.

**Scope of Review**

We conducted our review in accordance with International Standards on Review Engagements 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' which applies to review of historical financial information performed by the independent auditor of the Securities Broker. A review of historical financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying statement is not prepared, in all material respects, in accordance with the requirements of Second Schedule of the Regulations.

**Other Matter – Restriction on Distribution and Use**

Our report is intended solely for **Spectrum Securities Limited**, SECP, Pakistan Stock Exchange and National Clearing Company of Pakistan Limited and should not be distributed to any other parties. Our conclusion is not modified in respect of this matter.

  
Engagement Partner  
Mohammad Javid Qasim

Karachi

Dated: **23 FEB 2021**

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A member firm of



**SPECTRUM SECURITIES LIMITED**  
**STATEMENT OF NET CAPITAL BALANCE**  
**AS AT DECEMBER 31, 2020**

DESCRIPTION	VALUATION BASIS	Note	Sub Total	Total (Rupees)
<b>Current Assets</b>				
Bank balances and cash deposit	As per book value	2		132,908,174
Trade Receivables	Book Value	3	57,596,099	
	<b>Less:</b> Overdue for more than fourteen days		29,348,420	
			28,247,679	
	From margin financing		7,901,702	
	From clearing house		4,025,103	40,174,484
Investments in listed securities in the name of broker	Securities on the exposure list marked to market less 15% discount	4	5,005,140	4,254,369
			750,771	
Securities purchased for clients	Securities purchased for the client and held by the broker where the payment has not been received within fourteen days	5		24,447,307
Listed TFCs / Corporate Bonds of not less than BBB grade assigned by a credit rating company in Pakistan.	Marked to Market less 10% discount			-
FIBs	Marked to Market less 5% discount			-
Treasury Bill	At market value			-
Any other current asset specified by the Commission	As per the valuation basis determined by the Commission			-
<b>TOTAL ASSETS</b>				<b>201,784,334</b>
<b>Current Liabilities</b>				
Trade payables	Book Value		76,570,896	
	<b>Less:</b> Overdue for more than 30 days	6	18,286,273	58,284,623
Other liabilities	As classified under the generally accepted accounting principles	7		47,459,139
				<b>105,743,762</b>
<b>NET CAPITAL BALANCE</b>				<b>96,040,572</b>

The annexed notes 1 to 7 form an integral part of the statement.



Chief Executive Officer / Director



**SPECTRUM SECURITIES LIMITED**  
**NOTES TO THE STATEMENT OF NET CAPITAL BALANCE**

**1 STATEMENT OF COMPLIANCE**

The statement of net capital balance of the Company ("the Statement") has been prepared in accordance with the requirements as contained in the Schedule II of the Securities Brokers (Licensing and Operations) Regulations, 2016 and the guidebook issued by Securities and Exchange Commission of Pakistan (SECP) vide its letter dated September 08, 2016.

The statement is prepared specifically to meet the above mentioned requirements and for submission to the Pakistan Stock Exchange, National Clearing Company of Pakistan Limited and the Securities and Exchange Commission of Pakistan. As a result, the statement may not be suitable for another purpose.

**2 BANK BALANCES AND CASH DEPOSITS**

(Rupees)

These are stated at book value.

**Cash in hand** 33,035

**Bank balance pertaining to:**

*Brokerage house*

MCB Bank Limited	628,657
JS Bank Limited	6,572,258
Dubai Islamic Bank Pakistan Limited	43,200
Meezan Bank Limited	1,183
Askari Bank Limited	10,200
	<b>7,255,498</b>

*Clients*

MCB Bank Limited	172,526
JS Bank Limited	446,095
Askari Bank Limited	10,200
Meezan Bank Limited	700
	<b>629,521</b>

**Deposits against exposure**

Ready market	63,500,000
Future market and loss	42,990,120
MTS exposure margin	18,500,000
	<b>124,990,120</b>

**Total Cash and Bank Balances**

**132,908,174**

**3 TRADE RECEIVABLES**

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





Chief Executive Officer / Director



**SPECTRUM SECURITIES LIMITED**  
**NOTES TO THE STATEMENT OF NET CAPITAL BALANCE**

**4 INVESTMENT IN LISTED SECURITIES IN THE NAME OF BROKER**

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

**5 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.

**6 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.

**7 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:*

Trade payables overdue for more than 30 days	18,286,273
Dealer payable	3,265,569
Accrued expenses	1,497,406
SST payable	2,125,556
Short term loan	22,000,000
Tax withheld	66,572
Other liabilities	217,764
	<b>47,459,139</b>
<b>TOTAL</b>	<b><u>47,459,139</u></b>



Chief Executive Officer / Director

