

SPECTRUM SECURITIES LIMITED

STATEMENT OF NET CAPITAL BALANCE
AS AT DECEMBER 31, 2021



**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, 2021** 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:

18 FEB 2022

Offices also at:

LAHORE: 3RD FLOOR, PACE TOWER, PLOT NO. 27, BLOCK-H, GULBERG 2, LAHORE.
Tel: +92(0)42-35754821-22 E-mail: nasirgulzar@njmi.net

ISLAMABAD: OFFICE # 17, 2ND FLOOR, HILL VIEW PLAZA, ABOVE FRESCO SWEETS,
BLUE AREA JINNAH AVENUE, ISLAMABAD.
Tel: + 92 (51) 2228138 Fax: + 92 (51) 2228130 E-mail: islamabad@njmi.net

SPECTRUM SECURITIES LIMITED
STATEMENT OF NET CAPITAL BALANCE
AS AT DECEMBER 31, 2021

DESCRIPTION	VALUATION BASIS	Note	Sub Total	Total (Rupees)
<u>Current Assets</u>				
Bank balances and cash deposit	As per book value	2		205,851,537
Trade Receivables	Book Value	3	32,866,073	
	Less: Overdue for more than fourteen days		26,344,757	6,521,316
Investments in listed securities in the name of broker	Securities on the exposure list marked to market less 15% discount	4	10,512,016 1,576,802	8,935,213
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		19,912,965
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			-
TOTAL ASSETS				241,221,031
<u>Current Liabilities</u>				
Trade payables	Book Value		86,622,278	
	Less: Overdue for more than 30 days	6	25,337,976	61,284,302
Other liabilities	As classified under the generally accepted accounting principles	7		68,541,057
				129,825,359
NET CAPITAL BALANCE				111,395,672

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

53,109

Bank balance pertaining to:

Brokerage house

MCB Bank Limited

128,657

JS Bank Limited

3,340,396

Dubai Islamic Bank Pakistan Limited

43,300

Meezan Bank Limited

1,283

Askari Bank Limited

10,300

Habib bBank Limited

1,595

3,525,531

Clients

MCB Bank Limited

210,912

JS Bank Limited

350,488

Askari Bank Limited

10,300

Meezan Bank Limited

461

Habib Bank Limited

69,246

641,407

Deposits against exposure

Ready market

136,000,000

Future market and loss

56,029,190

GEM exposure

102,300

MTS exposure margin

9,500,000

201,631,490

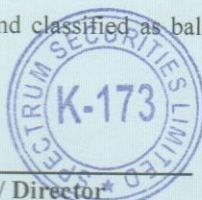
Total Cash and Bank Balances

205,851,537

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
Dealer payable
Accrued expenses
SST payable
Short term loan
Tax withheld
Payable to clearing house
Other liabilities

25,337,976
5,736,694
591,900
789,919
30,000,000
288,535
5,039,108
756,925

68,541,057

TOTAL

68,541,057



Chief Executive Officer / Director

