



Crowe Hussain Chaudhury & Co.
(Chartered Accountants)
House no 982, Street no 21, Phase 4,
Bahria Town, Islamabad
Tel: +92 (51) 5737581-2
Fax: +92 (51) 5732505
crowehorwathpk@gmail.com
cahabib@hotmail.com
www.crowepak.com

**Review Report on Statement of Net Capital Balance
To the Chief Executive Officer of
KP Securities (Private) Limited (the Securities Broker)**

Introduction

We have reviewed the accompanying Statement of Net Capital Balance of **KP Securities (Private) Limited** (the Securities Broker) as at 31 December 2020 and notes to the Statement of Net Capital Balance (here-in-after referred to as 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 and 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 Standard 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 the 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 **KP Securities (Private) Limited** (the Securities Broker), 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.

The engagement partner on the review of statement of net capital balance of "**KP Securities (Private) Limited**" for the year ended 31 December 2020, resulting in this review report is C.A Habib.

Place: Islamabad

Date: 15 APR 2021


CROWE HUSSAIN CHAUDHURY & CO.
(CHARTERED ACCOUNTANTS)

KP SECURITIES (PRIVATE) LIMITED
STATEMENT OF NET CAPITAL BALANCE
AS AT December 31, 2020

In accordance with Regulation 6 (3) (4) of the Securities Brokers (Licensing and Operations) Regulations, 2016

Description	Note	31-Dec-20 Rupees
<u>Current Assets</u>		
Cash and Bank Balances	2	24,367
Cash margin with National Clearing Company of Pakistan Limited	3	202,000
Total Current Assets		226,367
<u>Current Liabilities</u>		
Trade payables	5	-
Other liabilities	6	499,675
Total Current Liabilities		499,675
Net Capital Balance		(273,308)

The annexed notes 1 to 7 form an integral part of this Statement.



Chief Executive



Director

KP SECURITIES (PRIVATE) LIMITED
NOTES TO THE STATEMENT OF NET CAPITAL BALANCE
AS AT December 31, 2020

1 STATEMENT OF COMPLIANCE

- 1.1 This Net Capital Balance Statement is prepared in accordance with the requirements of the Regulation 6 and the Second Schedule of the Securities Brokers (Licensing and Operations) Regulations, 2016 read with Rule 2(d) of the Securities and Exchange Commission Rules, 1971 and SECP guidelines.
- 1.2 The accounting principles and methods of computation used in the preparation of this Statement of Net Capital Balance are the prevailing accounting policies of KP Securities (private) Limited.
- 1.3 The valuation of current assets and current liabilities for the purposes of net capital balance has been determined on the basis of the following:

Description	Valuation Basis
Cash in hand or in bank	As per Book value
Cash margin with National Clearing Company of Pakistan Limited	As per Book value
Trade Receivables	Book value less those overdue for more than 14
Investment in the listed securities	Securities on the exposure list marked to market less 15% discount
Market Treasury Bills	At market value
Any other asset as may be specified by the commission	As per the valuation basis determined by the Commission
Trade Payables	Book value less overdue for more than 30 days
Other liabilities	As classified under generally accepted accounting principles

2 CASH IN HAND AND BANK BALANCES

31-Dec-20
Rupees

Cash in hand	2,793
Cash at Banks	
Client Accounts	11,215
House Accounts	10,359
	24,367

3 CASH DEPOSITED AS MARGIN WITH NCCPL

This represents cash deposited with National Clearing Company of Pakistan Limited against exposure margin deposits. Deposits held with PSX and NCCPL as basic deposits have not been included as per the clarification issued by the Securities and Exchange Commission of Pakistan (SECP).

4 TRADE RECEIVABLES

These are stated at cost less bad and doubtful debts (if any) and debts outstanding for more than 14 days.

Book Value	
Less: overdue for more than 14 days	51
	(51)
	-

KP SECURITIES (PRIVATE) LIMITED
NOTES TO THE STATEMENT OF NET CAPITAL BALANCE
AS AT December 31, 2020

5 TRADE PAYABLES

This Represent balance payable against trading of shares less trade payables overdue for more than 30 days which has been included in other liabilities.

	31-Dec-20 Rupees
Related Parties	21,502
Other Customers	3,675
	25,177
Over due more than 30 days	<u>(25,177)</u>
	<u>-</u>

6 OTHER LIABILITIES

This Represent current liabilities and trade payable which are overdue for more than 30 days. Other liabilities are stated as book value.

	Rupees
Trade payables overdue for more than 30 days	25,177
Accrued Expenses	344,176
Other payables	123,258
Provision for Taxation	7,064
	<u>499,675</u>

7 GENERAL

7.1 This statement is prepared to meet the requirements of the Securities and Exchange Commission of Pakistan, Pakistan Stock Exchange Limited, and National Clearing Company of Pakistan Limited. Therefore this statement may not be suitable for any other purpose and should not be distributed to parties other than KP securities (private) limited (the Broker), SECP, PSX and NCCPL.

7.2 DATE OF ISSUANCE

This statement is being authorized for issue on -----



Chief Executive



Director