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SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

OMB APPROVAL	
OMB Number:	3235-0123
Expires:	February 28, 2010
Estimated average burden hours per response.....	12.00

**ANNUAL AUDITED REPORT  
FORM X-17A-5  
PART III**

SEC FILE NUMBER
8-28301

FACING PAGE

**Information Required of Brokers and Dealers Pursuant to Section 17 of the  
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder**

REPORT FOR THE PERIOD BEGINNING 01/01/08 AND ENDING 12/31/08  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: KENSINGTON CAPITAL CORP

OFFICIAL USE ONLY
FIRM I.D. NO.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

4910 13TH AVENUE

(No. and Street)

BROOKLYN

(City)

NY

(State)

11219

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

JACOB EILENBERG

718-436-2111

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*

RISCHALL, NEIL D.

(Name - if individual, state last, first, middle name)

2294 NOSTRAND AVE SUITE 1003, BROOKLYN NY

(Address)

(City)

(State)

11210

(Zip Code)

CHECK ONE:

- Certified Public Accountant
- Public Accountant
- Accountant not resident in United States or any of its possessions.

**FOR OFFICIAL USE ONLY**

\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

SEC 1410 (06-02)

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

OATH OR AFFIRMATION

I, JACOB ELENBERG, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of KENSINGTON CAPITAL CORP, as of DECEMBER 31, 2008, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

N/A

*Tammy G. Newman*

TAMMY G. NEWMAN  
Notary Public, State of New York  
No. 24-4779838  
Qualified in Kings County  
Commission Expires 4/30/11

*Jacob Elenberg*

Signature

*FIN OPR + PRM*

Title

Notary Public

This report \*\* contains (check all applicable boxes):

- (a) Facing Page.
- (b) Statement of Financial Condition.
- (c) Statement of Income (Loss).
- (d) Statement of Changes in Financial Condition.
- (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- (g) Computation of Net Capital.
- (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- (l) An Oath or Affirmation.
- (m) A copy of the SIPC Supplemental Report.
- (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

\*\*For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

**KENSINGTON CAPITAL CORP.**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2008**

**Neil D. Rischall CPA**  
Certified Public Accountant  
2294 Nostrand Avenue Suite 1003  
Brooklyn, New York 11210  
Phone (718) 692-0510 Fax (718) 732-4504  
Email : CPA@post.com

INDEPENDENT AUDITOR'S REPORT

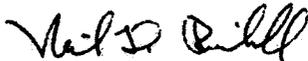
To the Stockholders  
**KENSINGTON CAPITAL CORP.**  
Brooklyn, New York

I have audited the accompanying statement of financial condition of KENSINGTON CAPITAL CORP., a New York corporation as of December 31, 2008 and the related statements of income, retained earnings and cash flows for the year then ended that you are filing pursuant to Rule 17a-5 under the Securities Exchange Act of 1934 and Regulation 1.16 under the Commodity Exchange Act. These financial statements are the responsibility of the Company's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of KENSINGTON CAPITAL CORP., as of December 31, 2008 and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

NEIL D. RISCHALL,  
Certified Public Accountant



Brooklyn, NY  
February 12, 2009

KENSINGTON CAPITAL CORP.  
Statement of Financial Condition  
December 31, 2008

ASSETS

Cash	\$ 108,255
Due from Broker	142,122
Money Market Account	91,988
Prepaid expenses & Other Receivables	27,136
Securities - Long	50,525
Furniture, Fixtures and Equipment, at cost, less accumulated depreciation of \$ 42,573	2,782
<b>TOTAL ASSETS</b>	<b><u>\$ 422,808</u></b>

LIABILITIES AND STOCKHOLDERS EQUITY

Accrued expenses and Payroll Taxes	\$ 91,244
Accrued Salaries	40,838
<b>Total Liabilities</b>	<b><u>132,082</u></b>
Stockholders' Equity	
Common Stock - no par value; authorized, issued and outstanding, 200 shares	40,000
Additional Paid-in Capital	271,738
Retained Earnings	(21,012)
<b>Total Stockholder's Equity</b>	<b><u>290,726</u></b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS EQUITY</b>	<b><u>\$ 422,808</u></b>

See Accountants' Report and Notes to Financial Statements

KENSINGTON CAPITAL CORP.  
 Statements of Income (Loss)  
 For the Year Ended December 31, 2008

INCOME

Commission Revenue	\$	955,925
Gain on Securities Trading (Note 9)		(83,153)
Interest and Dividend Income		1,830

Total Income		874,602
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OPERATING EXPENSES

Salaries - Officers		246,600
Salaries - Other		227,222
Fees		139,077
Insurance		58,468
Auto Expense		44,987
Payroll Tax & Preparation		37,750
Dues & Subscriptions		35,546
Rent		27,100
Donations		23,380
Legal & Professional Fees		21,941
Utilities		20,682
Office		19,967
Advertising and Promotions		18,076
Equipment		4,254
Travel		3,727
Repairs & Maintenance		1,631
Gift		1,575
Depreciation		1,533
Postage & Delivery		1,320
Supplies		719
Interest and Bank Charges		551
Printing		465
Total Operating Expenses		936,571

Operating Loss		(61,969)
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Provision for Income Taxes		(225)
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Net Loss		\$ (62,194)
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KENSINGTON CAPITAL CORP.  
Statements of Changes in Stockholders Equity  
For the Year Ended December 31, 2008

	Common Stock	Additional Paid in Capital	Retained Earnings	Total
Beginning of Year	\$ 40,000	271,738	41,182	352,920
Net Loss			(62,194)	(62,194)
End of Year	\$ 40,000	271,738	(21,012)	290,726

KENSINGTON CAPITAL CORP.  
Statements of Changes in Financial Condition  
For the Year Ended December 31, 2008

Cash flows from operating activities

Net Loss	<u>\$ (62,194)</u>
Adjustments to reconcile net income to net cash provided by operating activities	
Depreciation	1,533
Securities	352,536
Due to/from Broker	(353,729)
Prepaid Expenses	5,000
Accrued Expenses & Payroll Taxes	66,690
Accrued Salaries	12,394
Total adjustments	<u>22,230</u>
Cash flows from financing activities	
Distributions to Shareholders	-
Net cash used by financing activities	<u>-</u>
Net decrease in cash and equivalents	22,230
Cash and equivalents, beginning	<u>86,025</u>
Cash and equivalents, beginning	<u><u>\$ 108,255</u></u>

KENSINGTON CAPITAL CORP.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Description of Business

KENSINGTON CAPITAL CORP. (the Company) was organized and commenced operations in June 1982. The Company is a non-clearing broker-dealer and is exempt from provisions of Rule 15c3-3 because all customers' accounts are carried by a clearing broker, on a fully disclosed basis. For financial statement and income tax purposes the Company records income and expenses using the accrual basis of accounting.

Cash and Cash Equivalents:

The Company considers all highly liquid investments with maturities of three months or less at the time of the purchase to be cash equivalents.

Property, Plant and Equipment

Property, plant and equipment are stated at cost. Depreciation is computed on the straight-line method (half-year convention) or modified accelerated cost recovery method over the estimated useful lives. The estimated useful lives of property and equipment are from 3 to 5 years. Expenditures for maintenance and repairs are charged against operations. Renewals and betterments that materially extend the life of the assets are capitalized.

Depreciation:

Depreciation is computed for both financial reporting purposes and federal income tax purposes using the straight-line method or modified accelerated cost recovery method. The effect of this departure from a generally accepted depreciation method has been determined to have no material effect on the financial statements.

Advertising

Advertising costs are expensed as incurred. Advertising expense was \$18,076 for the year ended December 31, 2008.

Provision for Bad Debts

The Company uses the direct write off method for reporting its bad debts.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. On an ongoing basis, management reviews its estimates based on currently available information. Changes in facts and circumstances may result in revised estimates.

See Accountants' Report.

KENSINGTON CAPITAL CORP.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Concentration of Credit Risk

The Company's financial instruments that are exposed to concentrations of credit risk consist primarily of cash and trade accounts receivable. The Company places its cash and temporary cash investments with high credit quality institutions. Such investments at times may exceed the federal depository insurance limits.

NOTE 2- DUE FROM BROKER

The Company's securities transactions are cleared through Southwest Securities, and all the Company's trading accounts and customer's accounts are carried by Southwest Securities. Southwest Securities remits to the Company all profit on the Company's trading accounts and all commissions due net of clearance charges, trading errors and miscellaneous related charges, at the end of the month.

NOTE 3 - SECURITIES

Securities consist of marketable equity securities at quoted market values.

NOTE 4 - SECURITIES SOLD - NOT YET PURCHASED

Securities Sold-Not Yet Purchased consist of marketable equity securities at quoted market values.

NOTE 5 - FIXED ASSETS

Property, plant and equipment are stated at cost. Expenditures for maintenance and repairs are charged against operations. Renewals and betterments that materially extend the life of the assets are capitalized.

At December 31, 2008, property, plant and equipment are summarized by major classifications as follows:

	<u>Cost</u>	<u>Depreciation</u>	<u>Value</u>
Furniture & Fixtures	\$ 23,980	\$ 23,980	\$ -0-
Computer Equipment	18,555	16,073	2,482
Automobile	<u>2,500</u>	<u>2,500</u>	<u>-0-</u>
Total	\$ <u>45,355</u>	\$ <u>42,553</u>	\$ <u>2,482</u>

Depreciation expense for the year ended December 31, 2008 was \$1,533.

See Accountants' Report.

KENSINGTON CAPITAL CORP.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2007

NOTE 6 - PROFIT ON TRADING

This amount includes unrealized gains (losses) on securities, as follows:

Securities	\$ 46,568
Securities Sold Not Yet Purchased (Short Sales)	0

NOTE 7 - INCOME TAXES

The Company has elected, by unanimous consent of its shareholders to be taxed under the provisions of sub-Chapter S of the Internal Revenue Code. Accordingly, no provisions or liability for Federal income taxes is reflected in the accompanying statements. Instead, the shareholders are liable for individual income taxes on their respective share of the Company's taxable income.

Provision for income taxes consists of the following:

New York State Corporation Tax	\$ 100
New York City Corporation Tax	<u>125</u>
Total	\$ 225

NOTE 8 - INTERNAL CONTROL

No material inadequacies were found to exist.

NOTE 9 - NET CAPITAL

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (Rule 15c3-1), which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1 (and the rule of the "applicable" exchange also provides that equity capital may not be withdrawn or cash dividends paid if the resulting net capital ratio would exceed 10 to 1). The following data has been excerpted from the Company's Focus Report for the year ended:

Net Capital	\$247,264
Required Net Capital	\$100,000
Excess Net Capital	\$147,264
Ratio of Aggregate Indebtedness to Net Capital	53

See Accountants' Report.

KENSINGTON CAPITAL CORP.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2007

NOTE 9 - NET CAPITAL (Continued)

The Company is also subject to the Regulation 1.17 under the Commodity Futures Trading Commission (CFTC) which requires that the Company maintain a minimum net capital, as defined, in the amount of \$50,000.

At December 31, 2008, the Company's net capital was \$197,264 in excess of the CFTC's minimum requirement.

NOTE 10 - DISTRIBUTIONS TO SHAREHOLDERS

In accordance with the loan agreements and shareholders' employment agreement, the shareholders are entitled to receive corporation distributions or shareholder/officer bonuses equal to the additional individual income taxes incurred for their proportionate share of the Company's taxable income.

During the twelve (12) months ended December 31, 2008 the Company made no distributions to its' shareholders from retained earnings.

See Accountants' Report.

**KENSINGTON CAPITAL CORP.**  
**KENSINGTON CAPITAL CORP.**  
**RECONCILIATION BETWEEN UNAUDITED AND AUDITED FOCUS REPORTS**  
**DECEMBER 31, 2008**

There were no material differences between audited and unaudited focus reports.

**Neil D. Rischall CPA**  
Certified Public Accountant  
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**Brooklyn, New York 11210**  
**Phone (718) 692-0510 Fax (718) 732-4504**  
**Email : CPA@post.com**

To the Stockholders  
KENSINGTON CAPITAL CORP.  
Brooklyn, New York

February 12, 2009

I have examined the accompanying financial statements of KENSINGTON CAPITAL CORP. for the year ended December 31, 2008, and have issued my report thereon dated February 12, 2009. As part of my examination, I made a study and evaluation of the Companies system of internal accounting control to the extent I considered necessary to evaluate the system as required by generally accepted auditing standards. The purpose of my study and evaluation, which included obtaining an understanding of the accounting system, was to determine the nature, timing and extent of the auditing procedures necessary for expressing an opinion on the financial statements.

I also made a study of the practices and procedures followed by the Company under Rule 1 7a-5(g)( 1) and the procedures for determining compliance with the exemptive provisions of Rule 15c3-3. I did not review the practices and procedures followed by the Company in making the quarterly securities examinations, counts, verifications and comparisons, and the recordation of differences required by Rule 17a-13 or in complying with the requirements for prompt payment for securities under Section 8 of Regulation T of the Board of Governor of the Federal Reserve System because the Company does not carry security accounts for customers or perform custodial functions relating to customer securities.

The management of the Company is responsible for establishing and maintaining a system of internal accounting control and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgements by management are required to assess the expected benefits and related costs of control procedures and of the practices and procedures referred to in the preceding paragraph and to assess whether those practices and procedures can be expected to achieve the Commission's above-mentioned objectives. The objectives of a system and the practices and procedures are to provide management with reasonable, but not absolute, assurance that assets for which the Company has responsibility are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Rule 1 7a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

**Neil D. Rischall CPA**  
Certified Public Accountant  
**2294 Nostrand Ave Suite 1003**  
**Brooklyn, New York 11210**  
**Phone (718) 692-0510 Fax (718) 732-4504**  
**Email CPA@post.com**

To the Stockholders  
KENSINGTON CAPITAL CORP.

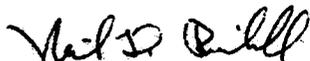
Because of inherent limitations in any internal accounting control procedures or the practices and procedures referred to above, errors or irregularities may, nevertheless, occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the degree of compliance with them may deteriorate.

My study and evaluation made for the limited purpose described in the first paragraph would not necessarily disclose all material weaknesses in the system. Accordingly, I do not express an opinion on the system of internal accounting control of KENSINGTON CAPITAL CORP. taken as a whole. However, my study and evaluation disclosed no condition that we believed to be a material weakness.

I understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the Commission to be adequate for its purposes in accordance with the Securities Exchange Act of 1934 and related regulations, and regulation 1.16 under the Commodity Exchange Act and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and on our study, I believe that the Company's practices and procedures were adequate at December 31, 2008 to meet the Commission's objectives.

This report is intended solely for the use of management, the Securities and Exchange Commission and the New York Stock Exchange and should not be used for any other purpose.

NEIL D. RISCHALL,  
Certified Public Accountant



Brooklyn, NY  
February 12, 2009

**Neil D. Rischall CPA**  
Certified Public Accountant  
**2294 Nostrand Avenue Suite 1003**  
**Brooklyn, New York 11210**  
**Phone (718) 692-0510 Fax (718) 732-4504**  
**Email : CPA@post.com**

February 12, 2009

To the Stockholders  
Kensington Capital Corp.  
4910 13 Avenue  
Brooklyn, N.Y. 11219

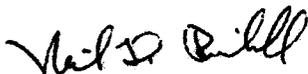
Gentlemen:

I have examined the accompanying Financial Statements (Focus Report) (Form X-17A-5) of Kensington Capital Corp. as of December 31, 2008.

In connection therewith, I have reviewed the system of internal control, including the procedure for safe-guarding securities. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as I considered necessary in the circumstances, and I have observed the audit requirements prescribed by the Securities and Exchange Commission with respect to such examination.

In my opinion, the accompanying Financial Statements (focus report) (Form X-17A-5) present fairly the financial position of Kensington Capital Corp. as of December 31, 2008 in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year, and in the form required by the Securities and Exchange Commission.

NEIL D. RISCHALL,  
Certified Public Accountant



Brooklyn, NY  
February 12, 2009