

*First Quarter Report*  
*September 30, 2011*  
*(Un-Audited)*

**TSBL**

**Trust Securities & Brokerage Limited**

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## COMPANY INFORMATION

### Board of Directors

Mr. Naveed Gilani	Chairman
Mr. Abdul Basit	Chief Executive
Mrs. Neena Jaffar	Director
Mr. Syed Javed Hussain	Director
Mr. Abdul Basit Pracha Asi Nizami	Director
Mr. Syed Mahmood Ali	Director
Mr. Mohammed Talha Qureshi (Nominee of Emirates Investment Group LLC)	Director

### Audit Committee

Mr. Naveed Gilani	Chairman
Mr. Syed Javed Hussain	Member
Mr. Mohammad Talha Qureshi	Member

### Company Secretary

Ms. Nadia Haider

### Auditors

Haroon Zakaria & Company  
Chartered Accountants

### Legal Advisor

Mr. Abdul Majid  
Advocate

### Bankers

Bank Alfalah Limited  
MCB Bank Limited  
Habib Metropolitan Bank Limited  
Al Baraka Bank (Pakistan) Limited

### Registered Office

3rd Floor, Associated House, Building # 1& 2,  
7-Kashmir Road, Lahore-Pakistan.  
Telephone : (042) 3637 3041-43  
Fax : (042) 3637 3040

### Lahore Stock Exchange Office

Room # 607, Lahore Stock Exchange Building,  
19-Khayaban-e-Aiwan-e-Iqbal, Lahore - Pakistan.  
Telephone : (042) 3637 4710, 3630 0181

**Website:** [www.trustsecu.com](http://www.trustsecu.com) **E-mail:** [info@trustsecu.com](mailto:info@trustsecu.com) & [tsbl@brain.net.pk](mailto:tsbl@brain.net.pk)

**DIRECTORS' REPORT****Dear Shareholders**

The Directors of your company are pleased to present the first quarter un-audited condensed interim financial statements for the period ended September 30, 2011.

**Market Review**

The benchmark KSE-100 index declined by 734.06 points (5.87 percent) during the first quarter (July-September) of 2011 and closes at 11,761.97 points. Trading volumes remained extremely low during the period as the average daily volume fell to 59 million shares. Selling was seen both from local and foreign fronts. Foreign investors withdrew \$46 million from the equity market during this quarter.

The gloom at the bourse for the most part was owing to S&P downgrading of US debt rating, the strained US-Pak relationship due to the former accusing Pakistan of having links with the banned Haqqani network, deteriorating law and order situation in Karachi and the subsequent tension on the political front.

While the strong fundamentals remain intact, concerns over US-Pak relationship and global economic outlook are likely to influence market sentiments, going forward.

**Financial Results**

The summarized financial results are as follows:

	<b>Quarter ended September 30, 2011</b>
	<b>Rupees</b>
Operating revenue	361,995
Gain on sale of securities	132,300
	<u>494,295</u>
Operating and administrative expenses	<u>(1,656,963)</u>
Finance cost	(2,110)
	<u>(1,659,073)</u>
<b>Operating loss</b>	<b>(1,164,778)</b>
Other operating income	49,273
<b>Loss before taxation</b>	<b>(1,115,505)</b>
Taxation	(20,000)
<b>Loss after taxation</b>	<b>(1,135,505)</b>
<b>Loss per share- basic and diluted</b>	<b>(0.11)</b>

During the quarter under review, the company recorded revenue of Rs.543,568 as compared to Rs.426,161 in the corresponding period of the last year. On the expenditure side, the operating expenses were Rs.1,656,963 in comparison to Rs.1,792,928 in the pervious period. The company reported a net loss of Rs. 1,135,505 for the quarter ended September 30, 2011.

In the end, the Board would like to place on record its appreciation to our valued clients, Securities and Exchange Commission of Pakistan, Karachi and Lahore Stock Exchanges for their continued guidance.

**On behalf of the Board of Directors**

**Lahore: October 26, 2011**

**ABDUL BASIT  
CHIEF EXECUTIVE**

# Trust Securities & Brokerage Limited

# TSBL

## CONDENSED INTERIM BALANCE SHEET (UN-AUDITED) AS AT SEPTEMBER 30, 2011

	Note	(Un-audited) September 30, 2011	(Audited) June 30, 2011
		----- Rupees -----	
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property and equipment	5	2,314,268	2,420,960
Intangibles		4,262,600	4,262,600
Long term investments	6	128,696	122,487
Long term deposits		1,088,649	1,088,649
		<b>7,794,213</b>	<b>7,894,696</b>
<b>Current Assets</b>			
Short term investments	7	7,260,580	7,366,080
Trade debts	8	44,314,458	43,155,521
Advances		377,500	377,500
Trade deposits & short term prepayments		116,617	31,511
Other receivable		102,651	104,846
Cash and bank balances		4,453,463	6,034,848
		<b>56,625,269</b>	<b>57,070,306</b>
<b>Total Assets</b>		<b>64,419,482</b>	<b>64,965,002</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Share Capital and Reserves</b>			
<b>Authorized Capital</b>			
10,000,000 ordinary shares of Rs.10 each		100,000,000	100,000,000
Issued, subscribed and paid-up capital		100,000,000	100,000,000
<b>Reserves</b>			
General Reserve		3,500,000	3,500,000
Capital Reserve		24,912	16,171
Accumulated losses		(52,847,624)	(51,712,119)
		<b>(49,322,712)</b>	<b>(48,195,948)</b>
<b>Shareholders' Equity</b>		<b>50,677,288</b>	<b>51,804,052</b>
<b>Non-Current Liabilities</b>			
Retirement benefits		1,999,004	1,999,004
<b>Current Liabilities</b>			
Trade and other payables		11,148,998	10,564,303
Provision for taxation - net		594,192	597,643
		<b>11,743,190</b>	<b>11,161,946</b>
<b>Commitments</b>	9		
<b>Total Equity and Liabilities</b>		<b>64,419,482</b>	<b>64,965,002</b>

The annexed notes form an integral part of these financial statements.

\_\_\_\_\_  
Chief Executive

\_\_\_\_\_  
Director

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)**  
**FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2011**

	<i>(Un-audited)</i> <i>Quarter ended</i> <i>September 30,</i> <i>2011</i>	<i>(Un-audited)</i> <i>Quarter ended</i> <i>September 30,</i> <i>2010</i>
	----- Rupees -----	
Operating revenue	361,995	201,623
Gain on sale of securities	132,300	15,156
	<u>494,295</u>	<u>216,779</u>
Operating and administrative expenses	<u>(1,656,963)</u>	<u>(1,792,928)</u>
Finance cost	<u>(2,110)</u>	<u>(5,366)</u>
	<u>(1,659,073)</u>	<u>(1,798,294)</u>
<b>Operating loss</b>	<b>(1,164,778)</b>	<b>(1,581,515)</b>
Other operating income	49,273	209,382
<b>Loss before taxation</b>	<b>(1,115,505)</b>	<b>(1,372,133)</b>
Taxation	(20,000)	(15,000)
<b>Loss after taxation</b>	<b>(1,135,505)</b>	<b>(1,387,133)</b>
<b>Loss per share - basic and diluted</b>	<b>(0.11)</b>	<b>(0.14)</b>

The annexed notes form an integral part of these financial statements.

\_\_\_\_\_  
Chief Executive

\_\_\_\_\_  
Director

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**  
**FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2011**

	<i>(Un-audited)</i> <i>Quarter ended</i> <i>September 30,</i> <i>2011</i>	<i>(Un-audited)</i> <i>Quarter ended</i> <i>September 30,</i> <i>2010</i>
	----- Rupees -----	
Loss for the first quarter	(1,135,505)	(1,387,133)
<b>Other comprehensive income for the first quarter</b>		
<b>Available-for-sale financial assets</b>		
Gain / (loss) arising due to remeasurement	8,741	(3,411)
<b>Total comprehensive loss for the first quarter</b>	<u>(1,126,764)</u>	<u>(1,390,544)</u>

The annexed notes form an integral part of these financial statements.

\_\_\_\_\_  
Chief Executive

\_\_\_\_\_  
Director



**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)  
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2011**

	<i>(Un-audited) Quarter ended September 30, 2011</i>	<i>(Un-audited) Quarter ended September 30, 2010</i>
	----- Rupees -----	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Loss after taxation	(1,135,505)	(1,387,133)
<b>Adjustment for non-cash charges and other items</b>		
Depreciation	97,917	124,083
Profit on saving account	(94,773)	(209,382)
Impairment loss on AFS investments	2,532	-
Provision for doubtful receivables	(209,784)	-
Financial charges	2,110	5,366
Loss on disposal of fixed assets	4,776	-
Provision for taxation	20,000	-
Gain on sale of investments	(132,300)	(15,156)
Unrealised loss on remeasurement of investments	45,500	-
	(264,023)	(95,089)
	(1,399,528)	(1,482,222)
<b>Changes in Working Capital :</b>		
<b>(Increase) / decrease in current assets</b>		
Trade debts	(949,153)	(301,983)
Advances	-	1,000
Trade deposits & short term prepayments	(85,106)	(94,260)
Other receivable	-	16,348
<b>Increase / (decrease) in current liabilities</b>		
Trade and other payables	584,695	(2,378,108)
	(449,564)	(2,757,003)
<b>Cash used in operations</b>	(1,849,092)	(4,239,225)
Finance cost paid	(2,110)	(5,366)
Taxes paid	(23,451)	(20,099)
Long term deposits - net	-	(148,000)
	(25,561)	(173,465)
<b>Net cash used in operating activities</b>	(1,874,653)	(4,412,690)

	<i>(Un-audited)</i> <i>Quarter ended</i> <i>September 30,</i> <i>2011</i>	<i>(Un-audited)</i> <i>Quarter ended</i> <i>September 30,</i> <i>2010</i>
	----- Rupees -----	
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of Property & Equipment	4,000	-
Proceeds from sale of investments	192,300	15,156
Profit received on saving account	96,968	209,382
<b>Net cash generated from investing activities</b>	<u>293,268</u>	<u>224,538</u>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of lease obligation	-	(46,955)
<b>Net cash used in financing activities</b>	<u>-</u>	<u>(46,955)</u>
<b>Net decrease in cash and cash equivalents (A+B+C)</b>	<b>(1,581,385)</b>	<b>(4,235,107)</b>
Cash and cash equivalents at the beginning of the period	<u>6,034,848</u>	<u>12,353,377</u>
<b>Cash and cash equivalents at the end of the period</b>	<u>4,453,463</u>	<u>8,118,270</u>

The annexed notes form an integral part of these financial statements.

\_\_\_\_\_  
Chief Executive

\_\_\_\_\_  
Director

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**  
**FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2011**

	Reserves					Shareholders' Equity	
	Share Capital	Capital		Revenue			Grand Total
		Fair Value Reserve	General Reserve	Accumulated Losses	Sub Total		
<b>Balance as at June 30, 2010</b>	100,000,000	-	3,500,000	(41,074,759)	(37,574,759)	62,425,241	
<b>Total comprehensive loss for the first quarter</b>							
Loss for the first quarter ended September 30, 2010	-	-	-	(1,387,133)	(1,387,133)	(1,387,133)	
<b>Other Comprehensive Income / (loss)</b>							
Loss arises due to remeasurement of investments	-	(3,411)	-	-	-	(3,411)	
<b>Total comprehensive loss for the first quarter ended September 30, 2010</b>							
<b>Balance as at September 30, 2010</b>	100,000,000	(3,411)	3,500,000	(42,461,892)	(38,965,303)	61,034,697	
<b>Balance as at June 30, 2011</b>							
<b>Total comprehensive loss for the first quarter</b>							
Loss for the first quarter ended September 30, 2011	100,000,000	16,171	3,500,000	(51,712,119)	(48,212,119)	51,804,052	
<b>Other Comprehensive Income / (loss)</b>							
Gain arises due to remeasurement of investments	-	-	-	(1,135,505)	(1,135,505)	(1,135,505)	
<b>Total comprehensive loss for the first quarter ended September 30, 2011</b>							
<b>Balance as at September 30, 2011</b>	100,000,000	24,912	3,500,000	(52,847,624)	(49,322,712)	50,677,288	

The annexed notes form an integral part of these financial statements.

**Chief Executive**

**Director**

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2011**

**1 LEGAL STATUS AND NATURE OF BUSINESS**

Trust Securities And Brokerage Limited (the Company) was incorporated in Pakistan on October 19, 1993 as a public limited company under the Companies Ordinance, 1984 (The Ordinance). The Company is listed on Karachi and Lahore Stock Exchanges in Pakistan. The Company is a Corporate Member of Lahore Stock Exchange (Guarantee) Limited. The Company is principally engaged in shares brokerage, consultancy and underwriting services. The registered office of the Company is situated at 3rd Floor, Associated House, Building # 1 & 2, 7 – Kashmir Road, Lahore.

**2 BASIS OF PREPARATION****2.1 Statement of Compliance**

These interim condensed financial statements are unaudited and are being submitted to the shareholders in accordance with the requirements of Section 245 of the Companies Ordinance, 1984 and International Accounting Standard (IAS) 34 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the financial statements of the Company for the year ended June 30, 2011.

**2.2 Functional and Presentation Currency**

These condensed interim financial statements have been presented in Pakistan Rupees, which is the functional currency of the Company.

**3 SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies applied and the methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in preparation of the annual audited financial statements of the Company for the year ended June 30, 2011.

Certain standards, amendments and interpretations to the approved accounting standards are effective for accounting periods beginning on or after July 1, 2010 but are considered not be relevant or have any significant effect on the Company's operation and are therefore not detailed in these condensed interim financial statements.

**4 ESTIMATES**

The preparation of condensed interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. The significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended June 30, 2011.

	Note	(Un-audited)	(Audited)
		September 30, 2011	June 30, 2011
----- Rupees -----			
<b>5 PROPERTY AND EQUIPMENTS</b>			
Opening written down value		2,420,960	2,936,789
Total additions during the period	5.1	-	11,750
Total disposals during the period	5.1	(10,835)	(75,849)
Depreciation charged for the period		(97,917)	(493,488)
Depreciation charged on disposal		2,059	41,758
<b>Closing written down value</b>		<b>2,314,268</b>	<b>2,420,960</b>

5.1 The additions and disposals were made during the period are given below:-

	(Un-audited)		(Audited)	
	September 30, 2011		June 30, 2011	
	Additions	Disposals	Additions	Disposals
----- Rupees -----				
Computers	-	-	5,750	(31,600)
Furniture and fittings	-	-	-	(12,000)
Office equipments	-	(10,835)	6,000	(32,249)
	-	(10,835)	11,750	(75,849)

## 6 LONG TERM INVESTMENTS

Available for sale - In Shares of quoted companies

September 30, 2011	June 30, 2011	Name of securities	(Un-audited)	(Audited)
			September 30, 2011	June 30, 2011
----- Rupees -----				
<b>Number of Shares</b>				
43,705	43,705	Standard Chartered Leasing Ltd.	118,004	109,263
36,168	36,168	Invest Capital Investment Bank Ltd.	9,042	11,574
5,000	5,000	Sunshine Cotton Mills Ltd.	1,650	1,650
<b>Grand Total</b>			<b>128,696</b>	<b>122,487</b>

**7 SHORT TERM INVESTMENTS***- At fair value through profit or loss*

September 30, 2011	June 30, 2011	Name of securities	(Un-audited)	(Audited)
			September 30, 2011	June 30, 2011
Number of Shares			----- Rupees -----	

*- In shares of unquoted company - Related party*

545,000	550,000	Takaful Pakistan Limited	6,540,000	6,600,000
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*- In shares of quoted company*

12,000	12,000	Nishat Mills Limited	577,080	604,080
25,000	25,000	Jahangir Siddiqui & Company Limited	143,500	162,000
			720,580	766,080
			7,260,580	7,366,080

Note

(Un-audited) September 30, 2011	(Audited) June 30, 2011
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----- Rupees -----

**8 TRADE DEBTS**

Considered good			44,314,458	43,155,521
Considered doubtful			27,964,843	28,174,627
			72,279,301	71,330,148
Provision for doubtful debts		8.1	(27,964,843)	(28,174,627)
			44,314,458	43,155,521

**8.1 PROVISION FOR DOUBTFUL DEBTS**

Balance at beginning of the period	28,174,627	21,719,448
Provision made during the period	-	6,556,431
	28,174,627	28,275,879
Bad debts written-off/reversal of excess provision during the period	(209,784)	(101,252)
	27,964,843	28,174,627

**9 COMMITMENTS**

For purchase of shares	4,375,840	2,776,994
For sale of shares	3,412,425	1,439,557

**10 TRANSACTIONS WITH RELATED PARTIES**

The related parties comprise associated undertakings, directors of the Company, key management employees and staff retirement benefits. The Company continues to have a policy whereby all transactions with related parties are entered into at commercial terms and conditions.

Transactions with associated undertakings and key management personnel under the term of their employment, are as follows:

<i>(Un-audited)</i> <b>September 30,</b> <b>2011</b>	<i>(Un-audited)</i> <b>September 30,</b> <b>2010</b>
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----- Rupees -----

**Transactions with associates**

Sale of shares of Takaful Pakistan Limited	<b>60,000</b>	-
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**Transactions with other related parties**

Commission paid to Chief Executive/Director	<b>13,920</b>	3,152
Salary drawn by Chief Executive/Director	<b>271,366</b>	270,316
Expenses incurred by the Chief Executive/Director	<b>52,080</b>	23,056

**11 DATE OF AUTHORIZATION FOR ISSUE**

These financial statements were authorized for issue by the Board of Directors of the Company on October 26, 2011.

**12 GENERAL**

Figures have been rounded off to the nearest rupee.

\_\_\_\_\_  
**Chief Executive**

\_\_\_\_\_  
**Director**

**Registered Office**

3rd Floor, Associated House, Building # 1& 2,

7-Kashmir Road, Lahore-Pakistan.

Telephone: (042) 3637 3041-43

Fax: (042) 3637 3040

**Lahore Stock Exchange Office**

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# **TSBL**

**Trust Securities & Brokerage Limited**