

3rd Quarter Report
March 31, 2016
(Un-Audited)

TSBL

Trust Securities & Brokerage Limited

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COMPANY INFORMATION

Board of Directors

Mr. Syed Tariq Husain	Chairman
Mr. Abdul Basit	Chief Executive
Mr. Aftab Ahmed Qaiser	Director
Mr. Muhammad Naeem Baig	Director
Mr. Syed Mahmood Ali Shah	Director
Mr. Shibli Muhammad Khan	Director
Mr. Syed Javed Hussain	Director

Audit Committee

Mr. Muhammad Naeem Baig	Chairman
Mr. Aftab Ahmed Qaiser	Member
Mr. Shibli Muhammad Khan	Member

HR & Remuneration Committee

Mr. Muhammad Naeem Baig	Chairman
Mr. Syed Tariq Husain	Member
Mr. Abdul Basit	Member

Company Secretary

Ms. Nadia Haider

Auditors

Haroon Zakaria & Company
Chartered Accountants

Legal Advisor

Mr. Abdul Majid
Advocate

Share Registrar

Hameed Majeed Associates (Pvt.) Ltd.

Bankers

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

Registered Office

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

Office at LSE Financial Services Limited (Formerly: Lahore Stock Exchange Limited)

Room # 607, 6th Floor, LSE Plaza
19-Khayaban-e-Aiwan-e-Iqbal, Lahore - Pakistan.
Telephone : (042) 3637 4710, 3630 0181

Website: www.trustsecu.com **E-mail:** info@trustsecu.com & tsbl@brain.net.pk

DIRECTORS' REVIEW

The Board of Directors of the company present the Nine Months Un-Audited Interim Financial Statements for the period ended March 31, 2016.

Financial Results

The summarized financial results are as follows:

	<i>(Un-Audited)</i> <i>For Third Quarter ended</i>		<i>(Un-Audited)</i> <i>For Nine Months ended</i>	
	<i>March 31,</i> <i>2016</i>	<i>March 31,</i> <i>2015</i>	<i>March 31,</i> <i>2016</i>	<i>March 31,</i> <i>2015</i>
	----- Rupees -----			
Operating revenue	741,557	1,637,377	2,364,605	4,785,295
Gain on sale of securities	24,751	76,340	139,751	422,594
(Loss) on re-measurement of investments	-	(19,750)	-	(32,550)
	766,308	1,693,967	2,504,356	5,175,339
Operating and administrative expenses	(2,355,880)	(2,169,767)	(6,588,397)	(6,265,161)
Finance cost	(3,260)	(2,035)	(8,010)	(6,529)
	(2,359,140)	(2,171,802)	(6,596,407)	(6,271,690)
Operating (loss)	(1,592,832)	(477,835)	(4,092,051)	(1,096,351)
Other operating income	275,846	145,668	10,726,108	1,094,719
(Loss) / profit before taxation	(1,316,986)	(332,167)	6,634,057	(1,632)
Taxation	(45,000)	(25,000)	(125,000)	(100,000)
(Loss) / profit after taxation	(1,361,986)	(357,167)	6,509,057	(101,632)
(Loss) / earnings per share - basic and diluted	(0.14)	(0.04)	0.65	(0.01)

Pakistan Stock Exchange Limited (PSX) 100 Index closed at 33,139 points on March 31, 2016. The company earned total revenue of Rs.13,230,464/- including an amount of Rs. 10,726,108/- under the head of other operating income during the nine months ended March 31, 2016, as compared to Rs.6,302,608/- in the corresponding period of the last year. On the expenditure side, the operating expenses were Rs.6,588,397/- in comparison to Rs.6,265,161/- in the previous period. The company earned a net profit of Rs.6,509,057/- for the period ended March 31, 2016 as compared to net loss of Rs.101,632 for the same period of last year.

We express our appreciation to our valued clients and shareholders for their continued support and we would also like to appreciate the SECP and Pakistan Stock Exchange Limited for their efforts to strengthen the Capital Markets.

For and on behalf of the Board

Lahore:
April 23, 2016

ABDUL BASIT
CHIEF EXECUTIVE

Trust Securities & Brokerage Limited

TSBL

CONDENSED INTERIM BALANCE SHEET (UN-AUDITED) AS AT MARCH 31, 2016

	Note	(Un-Audited) March 31, 2016	(Audited) June 30, 2015
		----- Rupees -----	
ASSETS			
Non-Current Assets			
Property and equipment	5	3,487,857	3,668,342
Intangibles		1,542,600	1,542,600
Long term investments	6	2,757,253	2,772,444
Long term deposits		725,149	925,149
		<u>8,512,859</u>	<u>8,908,535</u>
Current Assets			
Short term investments	7	23,850	2,408,850
Trade debts	8	3,389,934	7,287,374
Advances, prepayments and other receivables	9	1,235,138	408,878
Tax refunds due from government		770,094	673,317
Cash and bank balances		19,923,567	25,332,606
		<u>25,342,583</u>	<u>36,111,025</u>
Total Assets		<u><u>33,855,442</u></u>	<u><u>45,019,560</u></u>
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Authorized Capital			
10,000,000 ordinary shares of Rs.10/- each		<u>100,000,000</u>	<u>100,000,000</u>
Issued, subscribed and paid-up capital			
10,000,000 ordinary shares of Rs.10/- each		<u>100,000,000</u>	<u>100,000,000</u>
Reserves			
General Reserve		3,500,000	3,500,000
Capital Reserve		25,682	40,870
Accumulated losses		(90,184,674)	(96,693,731)
		<u>(86,658,992)</u>	<u>(93,152,861)</u>
Shareholders' Equity		<u>13,341,008</u>	<u>6,847,139</u>
Current Liabilities			
Retirement benefits		1,999,004	1,999,004
Trade and other payables		18,515,430	36,173,417
		<u>20,514,434</u>	<u>38,172,421</u>
Contingency and Commitments	10	-	-
Total Equity and Liabilities		<u><u>33,855,442</u></u>	<u><u>45,019,560</u></u>

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

Chief Executive

Director

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2016**

	<i>(Un-Audited)</i>		<i>(Un-Audited)</i>	
	<i>For Third Quarter ended</i>		<i>For Nine Months ended</i>	
	<i>March 31,</i>	<i>March 31,</i>	<i>March 31,</i>	<i>March 31,</i>
	<i>2016</i>	<i>2015</i>	<i>2016</i>	<i>2015</i>
	<i>----- Rupees -----</i>			
Operating revenue	741,557	1,637,377	2,364,605	4,785,295
Gain on sale of securities	24,751	76,340	139,751	422,594
(Loss) on re-measurement of investments	-	(19,750)	-	(32,550)
	766,308	1,693,967	2,504,356	5,175,339
Operating and administrative expenses	(2,355,880)	(2,169,767)	(6,588,397)	(6,265,161)
Finance cost	(3,260)	(2,035)	(8,010)	(6,529)
	(2,359,140)	(2,171,802)	(6,596,407)	(6,271,690)
Operating (loss)	(1,592,832)	(477,835)	(4,092,051)	(1,096,351)
Other operating income	275,846	145,668	10,726,108	1,094,719
Profit / (loss) before taxation	(1,316,986)	(332,167)	6,634,057	(1,632)
Taxation	(45,000)	(25,000)	(125,000)	(100,000)
Profit / (loss) after taxation	(1,361,986)	(357,167)	6,509,057	(101,632)
Earnings / (loss) per share - basic and diluted	(0.14)	(0.04)	0.65	(0.01)

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

Chief Executive

Director

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN - AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2016

	<i>(Un-Audited)</i>		<i>(Un-Audited)</i>	
	<i>For Third Quarter ended</i>		<i>For Nine Months ended</i>	
	<i>March 31,</i>	<i>March 31,</i>	<i>March 31,</i>	<i>March 31,</i>
	<i>2016</i>	<i>2015</i>	<i>2016</i>	<i>2015</i>
	<i>----- Rupees -----</i>			
Profit / (loss) after tax for the period	(1,361,986)	(357,167)	6,509,057	(101,632)
Other comprehensive income for the period:				
Available-for-sale financial assets				
(Loss) arising due to remeasurement	(12,659)	(9,540)	(15,188)	-
Total comprehensive profit / (loss) for the period ended	<u>(1,374,645)</u>	<u>(366,707)</u>	<u>6,493,869</u>	<u>(101,632)</u>

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

Chief Executive

Director

**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2016**

	<i>(Un-Audited)</i>	<i>(Un-Audited)</i>
	<i>For Nine Months ended</i>	
	<i>March 31,</i>	<i>March 31,</i>
	<i>2016</i>	<i>2015</i>
	<i>----- Rupees -----</i>	
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (loss) before taxation	6,634,057	(1,632)
Adjustment for non-cash charges and other items		
Depreciation	112,304	167,707
Profit on saving account	(591,324)	(728,249)
Impairment loss on AFS investments	-	23,509
Dividend income	(632,981)	(366,470)
Provision for doubtful debts	3,284,218	(145,859)
Finance cost	8,010	6,529
(Gain) on disposal of property and equipment	(27,002)	-
Loss on sale of investments	-	32,550
	<u>2,153,225</u>	<u>(1,010,283)</u>
Operating profit / (loss) before working capital changes	<u>8,787,282</u>	<u>(1,011,915)</u>
Changes in Working Capital :		
Decrease / (increase) in current assets		
Trade debts	613,222	5,254,048
Advances, prepayments and other receivables	(826,260)	(208,067)
(Decrease) in current liabilities		
Trade and other payables	(17,657,984)	(10,073,115)
	<u>(17,871,022)</u>	<u>(5,027,134)</u>
Cash (used in) operations after working capital changes	<u>(9,083,740)</u>	<u>(6,039,049)</u>
Finance cost paid	(8,010)	(6,529)
Taxes paid	(221,777)	(149,598)
Long term deposits - net	200,000	(700,353)
	<u>(29,787)</u>	<u>(856,480)</u>
Net cash (used in) operating activities	<u>(9,113,527)</u>	<u>(6,895,529)</u>
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Profit received on saving account	591,324	728,249
Dividend received	632,981	366,470
Addition to capital work in progress	(77,817)	-
Addition in property and equipment	(67,000)	(63,400)
Proceeds from sale of property and equipment	240,000	-
Proceeds from sale of long term investments	-	635,835
(Purchase) / disposal of short term investments-net	2,385,000	(422,594)
Net cash generated from investing activities	<u>3,704,488</u>	<u>1,244,560</u>
Net (decrease) in cash and cash equivalents (A+B)	<u>(5,409,039)</u>	<u>(5,650,969)</u>
Cash and cash equivalents at the beginning of the period	<u>25,332,606</u>	<u>18,175,516</u>
Cash and cash equivalents at the end of the period	<u>19,923,567</u>	<u>12,524,547</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 NINE MONTHS PERIOD ENDED MARCH 31, 2016

	Issued, subscribed and paid up capital	Capital			Reserves		Shareholders'	
		Fair Value Reserve	General Reserve	Accumulated Losses	Revenue	Sub Total	Grand Total	Equity
Balance as at June 30, 2014	100,000,000	288,903	3,500,000	(80,240,692)	(76,740,692)	(76,451,789)	23,548,211	
Total comprehensive profit / (loss) for the nine months ended March 31, 2015								
Profit / (loss) for the nine months period ended March 31, 2015	-	-	-	(101,632)	(101,632)	(101,632)	(101,632)	
Fair vale reserve transferred to profit and loss	-	(228,141)	-	-	-	(228,141)	(228,141)	
Gain / (loss) arises due to remeasurement of investments	-	-	-	-	-	-	-	
	-	(228,141)	-	(101,632)	(101,632)	(329,773)	(329,773)	
Balance as at March 31, 2015	100,000,000	60,762	3,500,000	(80,342,324)	(76,942,324)	(76,781,562)	23,218,438	
Balance as at June 30, 2015	100,000,000	40,870	3,500,000	(96,693,731)	(93,193,731)	(93,152,861)	6,847,139	
Total comprehensive profit / (loss) for the nine months ended March 31, 2016								
Profit / (loss) for the nine months period ended March 31, 2016	-	-	-	6,509,057	6,509,057	6,509,057	6,509,057	
Fair vale reserve transferred to profit and loss	-	-	-	-	-	-	-	
Gain / (loss) arises due to remeasurement of investments	-	(15,188)	-	-	-	(15,188)	(15,188)	
	-	(15,188)	-	6,509,057	6,509,057	6,493,869	6,493,869	
Balance as at March 31, 2016	100,000,000	25,682	3,500,000	(90,184,674)	(86,684,674)	(86,658,992)	13,341,008	

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 NINE MONTHS PERIOD ENDED MARCH 31, 2016**

1 THE COMPANY AND ITS OPERATION

- 1.1** The Company was incorporated as a Public Limited Company on October 19, 1993 in Pakistan and is listed on Pakistan Stock Exchange Limited. During the period ended March 31, 2016, the Company became the Trading Rights Entitlement Certificate holder of the Pakistan Stock Exchange Limited pursuant to scheme of integration of all stock exchanges of Pakistan, approved by the Securities & Exchange Commission of Pakistan effective from January 11, 2016. The registered office of the Company is situated at 2nd Floor, Associated House, Building 1 & 2, 7-Kashmir Road, Lahore. The Company is principally engaged in shares brokerage, investment, consultancy and underwriting services.

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

This condensed interim financial report of the company for the nine months period ended March 31, 2016 has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

These condensed interim financial statements are unaudited and do not include all of the information and disclosures required in the financial statements, and should be read in conjunction with the Company's annual financial statements for the year ended June 30, 2015.

2.2 Functional and Presentation Currency

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

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial report are the same as those applied in the preparation of the financial statements for the year ended June 30, 2015.

Amendments to certain existing standards and new interpretations on approved accounting standards effective during the period either were not relevant to the Company's operations or did not have any impact on the accounting policies of the Company.

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, 2015.

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		<i>(Un-Audited)</i>	<i>(Audited)</i>
		March 31,	June 30,
		2016	2015
	Note	Rupees	Rupees
5 PROPERTY AND EQUIPMENTS			
Operating fixed assets	5.1	1,020,249	1,278,551
Capital work-in-progress			
Against office of LSE Financial Services Limited - (Formerly: Lahore Stock Exchange Limited)		2,467,608	2,389,791
		3,487,857	3,668,342
5.1 Operating fixed assets			
Opening written down value		1,278,551	1,444,679
Addition during the period		67,000	74,000
Disposals during the period		(212,998)	(19,259)
Depreciation charge for the period		(112,304)	(220,869)
		1,020,249	1,278,551

6 LONG TERM INVESTMENTS

- At Cost - In Shares of Unquoted Company

LSE Financial Services Limited - (Formerly: Lahore Stock Exchange Limited)	6.1	2,720,000	2,720,000
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- Available for sale - In Shares of Quoted Companies

March 31,	June 30,	Name of Company		
2016	2015		Number of shares	Number of shares
36,168	36,168	Invest Capital Investment Bank Ltd.	37,253	52,444
5,000	5,000	Sunshine Cotton Mills Ltd.	1,650	1,650
		Provision for Impairment	38,903	54,094
			(1,650)	(1,650)
			2,757,253	2,772,444

6.1 The Company has pledged Trading Right Entitlement Certificate (TREC) in compliance with Base Minimum Capital (BMC) requirement of the Pakistan Stock Exchange Limited (PSX).

7 SHORT TERM INVESTMENT

- At fair value through profit or loss

March 31,	June 30,	Name of Company	<i>(Un-Audited)</i>	<i>(Audited)</i>
2016	2015		March 31,	June 30,
Number of shares	Number of shares	In shares of unquoted companies - Related Party	2016	2015
			Rupees	Rupees
5,000	505,000	Takaful Pakistan Limited	23,850	2,408,850

Trust Securities & Brokerage Limited

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		<i>(Un-Audited)</i> March 31, 2016	<i>(Audited)</i> June 30, 2015
	Note	Rupees	Rupees
8 TRADE DEBTS			
Considered good		3,389,934	7,287,374
Considered doubtful		54,848,280	64,322,362
		58,238,214	71,609,736
Provision for doubtful receivables	8.1	(54,848,280)	(64,322,362)
		3,389,934	7,287,374
8.1 Provision for doubtful receivables			
Balance at beginning of the period		64,322,362	48,526,088
Additional provision made during the period		3,284,218	15,796,274
		67,606,580	64,322,362
Reversal of excess provision		(12,758,300)	-
Balance at end of the period		54,848,280	64,322,362
9 ADVANCES, PREPAYMENTS AND OTHER RECEIVABLES			
Advances to staff		174,632	265,500
Short term prepayments		235,480	127,390
Other receivables		825,026	15,988
		1,235,138	408,878

10 CONTINGENCIES AND COMMITMENTS

10.1 Contingencies

There are no major changes in the status of contingencies as reported in the annual financial statements for the year ended June 30, 2015.

10.2 Commitments

		<i>(Un-Audited)</i> March 31, 2016	<i>(Audited)</i> June 30, 2015
		Rupees	Rupees
For purchase of shares		12,456,540	6,412,131
For sale of shares		6,596,927	2,704,940
Against purchased of office at South Tower of LSE Plaza		-	77,817

11 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>		<i>(Un-Audited)</i>	
	<i>For Nine Months ended</i>		<i>For Third Quarter ended</i>	
	<i>March 31,</i>	<i>March 31,</i>	<i>March 31,</i>	<i>March 31,</i>
	<i>2016</i>	<i>2015</i>	<i>2016</i>	<i>2015</i>
	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>
Commission paid to Chief Executive	68,548	107,947	20,756	26,679
Commission paid to Director	-	94,717	-	-
Commission received from Chief Executive	14,050	-	4,000	-
Commission received from Directors	2,500	12,746	1,000	386
Salary drawn by Chief Executive	984,855	984,555	328,285	328,285
Expenses incurred by the Chief Executive	146,596	171,219	63,640	45,945
Expenses incurred by the Director	39,115	-	39,115	-
Fee paid to director for attending meeting	5,000	15,000	-	5,000

12 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue by the Board of Directors of the Company on April 23, 2016.

13 GENERAL

Figures have been rounded off to the nearest rupee.

Chief Executive

Director

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