



# REANDA

Reanda Haroon Zakaria & Company  
Chartered Accountants



## REVIEW REPORT ON STATEMENT OF NET CAPITAL BALANCE TO THE CHIEF EXECUTIVE OFFICER OF M/S. TRUST SECURITIES AND BROKERAGE LIMITED

### Introduction

We have reviewed the accompanying Statement of Net Capital Balance M/s. **Trust Securities and Brokerage Limited** as at December 31, 2020 and notes to the Statement of Net Capital Balance. 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 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 M/s. **Trust Securities and Brokerage 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.



*Reanda Haroon Zakaria & Company*  
**Reanda Haroon Zakaria & Company**  
Chartered Accountants

**Place:** Karachi

**Dated:** February 17, 2021

**Engagement Partner:**  
**Muhammad Yameen**

**TRUST SECURITIES & BROKERAGE LIMITED**  
**CALCULATION OF NET CAPITAL BALANCE**  
**AS AT DECEMBER 31, 2020**

	<i>Note</i>	<i>Rupees</i>
<b><u>CURRENT ASSETS</u></b>		
<b>Cash in hand</b>		374,107
<b>Cash at bank</b>		
Balance pertaining to brokerage house		1,541,071
Balance pertaining to clients		72,182,038
		73,723,109
		74,097,216
 Margin deposited with NCCPL	2	266,043,667
Receivable against margin financing		57,019,292
 <b>Trade Receivables</b>		
Book value		85,959,097
Less: Overdue for more than 14 days		(13,760,477)
		72,198,620
Other receivables	3	10,439,547
 <b>Investment in listed securities</b>		
Securities on the exposure list marked to market		7,205,320
Less: 15% discount		(1,080,798)
		6,124,522
Securities purchased for client where payment has not been received in 14 days	4	2,866,446
<b>Total Current Assets</b>	A	488,789,310
<b><u>CURRENT LIABILITIES</u></b>		
 <b>Trade Payables</b>		
Book value	5	176,357,534
Less: Overdue for more than 30 days		(29,678,779)
		146,678,755
Other liabilities	6	140,920,121
<b>Total Current Liabilities</b>	B	287,598,876
<b>NET CAPITAL BALANCE</b>	<b>A minus B</b>	<b>201,190,434</b>





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**Chief Executive Officer**



**TRUST SECURITIES & BROKERAGE LTD**  
**NOTES TO THE NET CAPITAL BALANCE**  
**AS AT DECEMBER 31, 2020**

**1 BASIS OF ACCOUNTING**

This net capital balance have been prepared under the historical cost convention, except for investments which are carried at fair value. Further, accrual basis of accounting is followed.

2 This represents margin deposits with NCCPL:

	<i>Note</i>	<i>Rupees</i>
<b>3 OTHER RECEIVABLES</b>		
Other receivables		103,631
Receivable from PMEX		1,097,289
Markup receivable against leverage products	3.1	2,427,106
Bank profit receivable		5,295
Retained profit future contract		6,806,226
		<u>10,439,547</u>

3.1 This amount is given as a Margin Financing (MF) to our clients through National Clearing Company of Pakistan Limited. This amount is secured against securities of clients held in house account.

4 This represents securities held on behalf of client where payments is overdue for more than 14 days.

5 This represents payable to clients against trades executed in the market.

**6 OTHER LIABILITIES INCLUDES**

	<i>Rupees</i>
Retirement benefits	1,636,473
Accrued and other liabilities	52,423,755
Current portion of lease obligation	3,352,452
Short term borrowings	51,096,336
Tax payable	2,732,326
Trade payables which are over due for more than 30 days	29,678,779
	<u>140,920,121</u>

*A. H. F.*



**Chief Executive Officer**

