

3rd Quarter Report

March 31, 2013

(Un-Audited)

TSBL

Trust Securities & Brokerage Limited

CONTENTS

COMPANY INFORMATION

DIRECTORS' REPORT

CONDENSED INTERIM BALANCE SHEET

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

CONDENSED INTERIM CASH FLOW STATEMENT

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

COMPANY INFORMATION

Board of Directors

Mr. Naveed Gilani	Chairman
Mr. Abdul Basit	Chief Executive
Mrs. Neena Jaffar	Director
Mr. Abdul Basit Pracha Asi Nizami	Director
Mr. Syed Javed Hussain	Director
Mr. Aftab Ahmed Qaiser	Director
Mr. Syed Mahmood Ali	Director

Audit Committee

Mr. Aftab Ahmed Qaiser	Chairman
Mr. Naveed Gilani	Member
Mr. Syed Javed Hussain	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
Al Baraka Bank (Pakistan) Limited
Habib Metropolitan Bank Limited

Registered Office

3rd Floor, Associated House, Building # 1 & 2,
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Room # 607, Lahore Stock Exchange Building,
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Website: www.trustsecu.com **E-mail:** info@trustsecu.com & tsbl@brain.net.pk

DIRECTORS' REPORT

The Board of Directors of the company present the Third Quarter Un-Audited Interim Financial Statements for the period ended March 31, 2013.

Financial Results

	MARCH 31, 2013
	Rupees
The summarized financial results are as follows:	
Operating revenue	1,388,137
Gain on sale of Investments	32,398
	<u>1,420,535</u>
Operating and administrative expenses	(2,084,569)
Finance cost	(2,000)
	<u>(2,086,569)</u>
Operating loss	(666,034)
Other operating income	204,149
Loss before taxation	<u>(461,885)</u>
Taxation	(25,000)
Loss after taxation	<u>(486,885)</u>
Loss per share-basic and diluted	<u>(0.05)</u>

KSE-100 index closed at 18,043 points at March 29, 2013 a last working day of quarter ended as compared to 16,905 points from the beginning of the period posted a gain of 1,138 points in the quarter under review.

The company earned total revenue of Rs.1,624,684/- during the quarter ended March 31, 2013, as compared to Rs. 2,308,542/- in the corresponding period of the last year. On the expenditure side, the operating expenses were Rs.2,084,569/- in comparison to Rs. 1,958,490/- in the previous period. This resulted in a net loss of Rs.486,885/- during the period under review.

We thank all our clients who have believed in us for so long and look forward to their continued support and confidence. We would like to take this opportunity to thank to SECP, Karachi and Lahore Stock Exchanges for their efforts to strengthen the financial markets .

For and on behalf of the Board

Lahore:
April 24, 2013

ABDUL BASIT
CHIEF EXECUTIVE

Trust Securities & Brokerage Limited

TSBL

CONDENSED INTERIM BALANCE SHEET (UN-AUDITED) AS AT MARCH 31, 2013

	Note	(Un-Audited) March 31, 2013 Rupees	(Audited) June 30, 2012 Rupees
<u>ASSETS</u>			
Non-Current Assets			
Property and equipment	5	1,777,597	2,012,968
Intangibles		262,600	4,262,600
Long term investments	6	4,318,592	239,419
Long term deposits		738,649	1,088,649
		7,097,438	7,603,636
Current Assets			
Short term investments	7	2,350,267	6,630,960
Trade debts	8	39,519,215	36,961,141
Advances		482,500	497,070
Short term prepayments		145,359	29,319
Other receivable		71,477	124,466
Cash and bank balances		6,084,684	6,969,275
		48,653,502	51,212,231
Total Assets		55,750,940	58,815,867
<u>EQUITY AND LIABILITIES</u>			
Share Capital and Reserves			
Authorized Capital			
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
Reserves			
General reserve		3,500,000	3,500,000
Capital reserve		213,926	133,103
Accumulated losses		(67,047,821)	(61,458,578)
		(63,333,895)	(57,825,475)
Shareholders' Equity		36,666,105	42,174,525
Non-Current Liabilities			
Retirement benefits		1,999,004	1,999,004
Current Liabilities			
Trade and other payables		16,498,216	14,047,674
Provision for taxation - net		587,615	594,664
		17,085,831	14,642,338
Commitments	9	-	-
Total Equity and Liabilities		55,750,940	58,815,867

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, 2013

	<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>2013</i>	<i>2012</i>	<i>2013</i>	<i>2012</i>
<i>Note</i>	<i>----- Rupees -----</i>			
Operating revenue	3,280,244	2,388,477	1,388,137	1,485,975
Gain on sale of investments - net	326,712	446,393	32,398	211,540
Unrealized (loss) / gain on re-measurement/ impairment of investments	(3,711,383)	57,000	-	479,562
	(104,427)	2,891,870	1,420,535	2,177,077
Operating and administrative expenses	(6,012,851)	(10,117,406)	(2,084,569)	(1,958,490)
Finance cost	(6,600)	(4,486)	(2,000)	(1,304)
	(6,019,451)	(10,121,892)	(2,086,569)	(1,959,794)
Operating (loss) / profit	(6,123,878)	(7,230,022)	(666,034)	217,283
Other operating income	634,635	355,852	204,149	131,465
(Loss) / profit before taxation	(5,489,243)	(6,874,170)	(461,885)	348,748
Taxation	10 (100,000)	(85,000)	(25,000)	(44,715)
(Loss) / profit after taxation	(5,589,243)	(6,959,170)	(486,885)	304,033
(Loss) / earnings per share - basic and diluted	(0.56)	(0.70)	(0.05)	0.03

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, 2013

	<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>
	2013	2012	2013	2012
	----- Rupees -----			
(Loss) / profit for the period	(5,589,243)	(6,959,170)	(486,885)	304,033
Other comprehensive income for the period				
Available-for-sale financial assets				
Gain / (loss) arising due to remeasurement	80,823	112,757	(2,939)	90,905
Total comprehensive (loss) / profit for the period	<u>(5,508,420)</u>	<u>(6,846,413)</u>	<u>(489,824)</u>	<u>394,938</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, 2013**

	<i>(Un-Audited) March 31, 2013 Rupees</i>	<i>(Un-Audited) March 31, 2012 Rupees</i>
A. CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	(5,489,243)	(6,874,170)
Adjustment for non-cash charges and other items		
Depreciation	235,371	296,543
Profit on saving account	(556,756)	(294,399)
Dividend income	(76,964)	(61,453)
Provision for doubtful debts	(256,799)	4,600,898
Finance cost	6,600	4,486
Loss on disposal of property and equipment	-	14,581
Unrealized loss / (gain) on re-measurement / impairment of investments	3,711,383	(57,000)
	3,062,835	4,503,655
Operating loss before working capital changes	(2,426,408)	(2,370,515)
Changes in Working Capital :		
(Increase) / decrease in current assets		
Trade debts	(2,301,275)	(2,639,479)
Advances	14,570	23,000
Short term prepayments	(116,041)	(89,106)
Increase in current liabilities		
Trade and other payables	2,450,542	6,287,730
	47,796	3,582,145
Cash (used in) / generated from operations	(2,378,612)	1,211,630
Finance cost paid	(6,600)	(4,486)
Taxes paid	(107,049)	(78,381)
Long term deposits - net	350,000	-
	236,351	(82,867)
Net cash (used in) / generated from operating activities	(2,142,261)	1,128,763
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure incurred	-	(24,420)
Proceeds from disposal of property and equipment	-	27,000
Investments - net	570,961	702,000
Dividend received	76,964	61,453
Profit received on saving account	609,745	267,028
Net cash generated from investing activities	1,257,670	1,033,061
Net (decrease) / increase in cash and cash equivalents (A+B)	(884,591)	2,161,824
Cash and cash equivalents at the beginning of the period	6,969,275	6,034,848
Cash and cash equivalents at the end of the period	6,084,684	8,196,672

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, 2013**

	Rupees					Shareholders' Equity	
	Issued, subscribed and paid up capital	Capital		Reserves			Grand Total
		Fair Value Reserve	General Reserve	Accumulated Losses	Revenue		
Balance as at June 30, 2011	100,000,000	16,171	3,500,000	(51,712,119)	(48,212,119)	(48,195,948)	51,804,052
Total comprehensive loss for the nine months ended March 31, 2012							
Loss for the period ended March 31, 2012	-	-	-	(6,959,170)	(6,959,170)	(6,959,170)	(6,959,170)
Other Comprehensive Income							
Gain arises due to remeasurement of investments	-	112,757	-	-	-	112,757	112,757
Total comprehensive loss for the nine months ended March 31, 2012	100,000,000	128,928	3,500,000	(58,671,289)	(55,171,289)	(55,042,361)	44,957,639
Balance as at June 30, 2012	100,000,000	133,103	3,500,000	(61,458,578)	(57,958,578)	(57,825,475)	42,174,525
Total comprehensive loss for the nine months ended March 31, 2013							
Loss for the period ended March 31, 2013	-	-	-	(5,589,243)	(5,589,243)	(5,589,243)	(5,589,243)
Other Comprehensive Income							
Gain arises due to remeasurement of investments	-	80,823	-	-	-	80,823	80,823
Total comprehensive loss for the nine months ended March 31, 2013	100,000,000	213,926	3,500,000	(67,047,821)	(63,547,821)	(63,333,895)	36,666,105

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, 2013

1 THE COMPANY AND ITS OPERATION

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 Limited. The company is principally engaged in shares brokerage and trading, 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

This condensed interim financial report of the company for the nine months period ended March 31, 2013 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 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, 2012.

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, 2012.

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, 2012.

Trust Securities & Brokerage Limited

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	<i>(Un-Audited)</i> March 31, 2013 Rupees	<i>(Audited)</i> June 30, 2012 Rupees
5 PROPERTY AND EQUIPMENTS		
Opening written down value	2,012,968	2,420,960
Total additions during the period	-	24,420
Total disposals during the period	-	(60,835)
Depreciation charge for the period	(235,371)	(390,831)
Depreciation charged on disposal	-	19,254
Closing written down value	<u>1,777,597</u>	<u>2,012,968</u>

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

	March 31, 2013		June 30, 2012	
	Additions	Disposal	Additions	Disposal
	----- Rupees -----			
Office equipments	-	-	24,420	(60,385)

		<i>(Un-Audited)</i> March 31, 2013 Rupees	<i>(Audited)</i> June 30, 2012 Rupees
6 LONG TERM INVESTMENTS			
Investments at cost	6.1	4,000,000	-
Investments available for sale	6.2	318,592	239,419
		<u>4,318,592</u>	<u>239,419</u>

6.1 - At Cost

In Shares of Unquoted Company

Lahore Stock Exchange Limited	6.1.1	<u>4,000,000</u>	-
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6.1.1 This represents shares of Lahore Stock Exchange Limited (LSEL) acquired in pursuance of corporatization and demutualization LSEL as a public company limited by shares. As per arrangements authorised and paid up capital of LSEL is Rs.2,000,000,000/- and Rs.1,282,842,000/- respectively with a par value of Rs. 10 each. The paid up capital of LSEL is equally distributed among 152 members (termed as "Initial Shareholders" of the exchange after corporatization) of LSEL by issuance of 128,284,200 shares to each initial shareholder in following manner:

- 40% of the total shares allotted (i.e. 51,313,680 shares) are transferred to House Account-CDC of each initial shareholder;

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- 2 60% of the total shares allotted (i.e. 76,970,520 shares) have been deposited in sub account in Company's name under LSEL's participation ID with CDC which will remain blocked until they have invested to strategic investor(s), general public and financial institutions.

Right to receive distributions and sale proceed against 60% shares in the blocked account shall vest in the initial shareholder, provided that bonus and right shares (if any) shall be transferred to blocked account and disposed off with the blocked shares.

Right to vote against blocked shares shall be suspended till the time of sale.

The shares of LSEL shall be listed within such time as the SECP may prescribe in consultation with the Board of Directors of LSEL.

The above shares and TRE Certificate were received against surrender of Stock Exchange Membership Card. As the fair value of both the asset transferred and asset obtained can not be determined with reasonable accuracy and the value of TRE Certificate is estimated to be not material in view of the conditions described in Note, the entire carrying value of Stock Exchange Membership Card in Company's books has been allocated to shares of LSEL. No gain or loss has been recorded on the exchange.

6.2 - Available for sale

March 31, 2013	June 30, 2012	Number of Shares		(Un-Audited)	(Audited)
				March 31, 2013	June 30, 2012
				Rupees	Rupees
In Shares of Quoted Companies					
43,705	43,705		Standard Chartered Leasing Limited	263,978	208,473
36,168	36,168		Invest Capital Investment Bank Limited	54,614	29,296
5,000	5,000		Sunshine Cotton Mills Limited	1,650	1,650
				320,242	239,419
			Provision for impairment	(1,650)	-
				318,592	239,419

7 SHORT TERM INVESTMENTS

- At fair value through profit or loss - Initially designated

March 31, 2013	June 30, 2012	Name of Company	Note	(Un-Audited)	(Audited)
				March 31, 2013	June 30, 2012
				Rupees	Rupees
In shares of unquoted company - Related Party					
505,000	505,000	Takaful Pakistan Limited	7.1	2,350,267	6,060,000
In shares of quoted companies - Others					
-	12,000	Nishat Mills Limited		-	570,960
				2,350,267	6,630,960

7.1 This represents investment in fully paid ordinary shares of Rs.10 each of TPL (unquoted). It is valued at book value based on net assets, as per reviewed financial statements as at June 30, 2012, of Rs.4.65 per share, being the fair value in the absence of active market price.

	<i>(Un-Audited)</i>	<i>(Audited)</i>
	<i>March 31,</i>	<i>June 30,</i>
	<i>2013</i>	<i>2012</i>
	<i>Rupees</i>	<i>Rupees</i>
8 TRADE DEBTS		
Considered good	39,519,215	36,961,141
Considered doubtful	35,224,529	35,481,328
	74,743,744	72,442,469
Provision for doubtful receivables	35,224,529	35,481,328
	39,519,215	36,961,141

	<i>(Un-Audited)</i>	<i>(Audited)</i>
	<i>March 31,</i>	<i>June 30,</i>
	<i>2013</i>	<i>2012</i>
	<i>Rupees</i>	<i>Rupees</i>
9 COMMITMENTS		
For purchase of shares	1,725,488	9,893,201
For sale of shares	6,414,058	8,015,778

<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>2013</i>	<i>2012</i>	<i>2013</i>	<i>2012</i>
<i>-----Rupees-----</i>			

10 TAXATION				
Taxation for the period	100,000	85,000	25,000	44,715

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.

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Transactions with associated undertakings and key management personnels 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>2013</i>	<i>2012</i>	<i>2013</i>	<i>2012</i>
	<i>-----Rupees-----</i>			
Commission paid to Chief Executive	130,465	63,865	58,309	38,623
Commission received from Chief Executive	52,259	17,950	24,800	17,950
Salary drawn by Chief Executive	832,121	814,098	289,389	271,366
Expenses incurred by the Chief Executive	135,941	135,323	73,552	37,580
Fee paid to Director for attending BOD meetings	20,000	-	5,000	-
	1,170,786	1,031,236	451,050	365,519
Transactions with associates				
Sale of shares of Takaful Pakistan Limited	-	540,000	-	-

12 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue by the Board of Directors of the Company on April 24, 2013.

13 GENERAL

Figures have been rounded off to the nearest rupee.

Chief Executive

Director

Registered Office

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