

3rd Quarter Report

March 31, 2012

(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. Abdul Basit Pracha Asi Nizami	Director
Mr. Syed Javed Hussain	Director
Mr. Aftab Ahmed Qaiser	Director
Mr. Syed Mahmood Ali	Director

Audit Committee

Mr. Naveed Gilani	Chairman
Mr. Syed Javed Hussain	Member
Mr. Aftab Ahmed Qaiser	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,
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Telephone : (042) 3637 3041-43
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Lahore Stock Exchange Office

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 is pleased to present the Third Quarter Un-Audited Interim Financial Statements for the period ended March 31, 2012.

Financial Results

	MARCH 31, 2012
	Rupees
The summarized financial results are as follows:	
Operating revenue	1,485,975
Gain on sale of securities	211,540
Gain on re-measurement of investments	479,562
	<u>2,177,077</u>
Operating and administrative expenses	(1,958,490)
Finance cost	(1,304)
	<u>(1,959,794)</u>
Operating Profit	217,283
Other operating income	131,465
Profit before taxation	348,748
Taxation	(44,715)
Profit after taxation	304,033
Profit per share-basic and diluted	0.03

Despite the challenging security environment and prevalent energy crisis, Pakistan's equities have given a sterling performance in the first quarter of 2012. KSE-100 index closed at 13,761 points at March 31, 2012 as compared to 11,347 points from the beginning of the period posted a gain of 2,414 points in the quarter under review.

The company earned total revenue of Rs.2,308,542/- during the quarter ended March 31, 2012, as compared to Rs.1,135,585/- in the corresponding period of the last year. On the expenditure side, the operating expenses were Rs.1,958,490/- in comparison to Rs.1,903,103/- in the previous period. This resulted in a net profit of Rs.304,033/- during the period under review.

We express our gratitude to our clients for their continued support of the Company. We would also like to acknowledge the SECP, Karachi and Lahore Stock Exchanges for their efforts to strengthen the financial markets and implement measures to safeguard investor rights.

For and on behalf of the Board

Lahore:
April 26, 2012

ABDUL BASIT
CHIEF EXECUTIVE

Trust Securities & Brokerage Limited

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CONDENSED INTERIM BALANCE SHEET (UN-AUDITED) AS AT MARCH 31, 2012

	Note	(Un-Audited) March 31, 2012 Rupees	(Audited) June 30, 2011 Rupees
ASSETS			
Non-Current Assets			
Property and equipment	5	2,107,257	2,420,960
Intangibles		4,262,600	4,262,600
Long term investments	6	235,244	122,487
Long term advances		100,000	100,000
Long term deposits		988,649	988,649
		<u>7,693,750</u>	<u>7,894,696</u>
Current Assets			
Short term investments	7	6,721,080	7,366,080
Trade debts	8	41,194,102	43,155,521
Advances		354,500	377,500
Trade deposits and short term prepayments		120,617	31,511
Other receivable		132,217	104,846
Cash and bank balances		8,196,672	6,034,848
		<u>56,719,188</u>	<u>57,070,306</u>
Total Assets		<u>64,412,938</u>	<u>64,965,002</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		128,928	16,171
Accumulated losses		(58,671,289)	(51,712,119)
		<u>(55,042,361)</u>	<u>(48,195,948)</u>
Shareholders' Equity		<u>44,957,639</u>	<u>51,804,052</u>
Non-Current Liabilities			
Retirement benefits		1,999,004	1,999,004
Current Liabilities			
Trade and other payables		16,852,033	10,564,303
Provision for taxation - net		604,262	597,643
		<u>17,456,295</u>	<u>11,161,946</u>
Commitments	9		
Total Equity and Liabilities		<u>64,412,938</u>	<u>64,965,002</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, 2012

	FOR NINE MONTHS ENDED		FOR THIRD QUARTER ENDED	
	<i>(Un-Audited)</i> March 31, 2012	<i>(Un-Audited)</i> March 31, 2011	<i>(Un-Audited)</i> March 31, 2012	<i>(Un-Audited)</i> March 31, 2011
<i>Note</i>	----- Rupees -----			
Operating revenue	2,388,477	1,602,971	1,485,975	840,645
Gain on sale of securities	446,393	398,834	211,540	140,420
Gain / (loss) on re-measurement of investments	57,000	(17,514)	479,562	(6,580)
	2,891,870	1,984,291	2,177,077	974,485
Operating and administrative expenses	(10,117,406)	(10,686,504)	(1,958,490)	(1,903,103)
Finance cost	(4,486)	(10,699)	(1,304)	(2,110)
	(10,121,892)	(10,697,203)	(1,959,794)	(1,905,213)
Operating profit / (loss)	(7,230,022)	(8,712,912)	217,283	(930,728)
Other operating income	355,852	548,953	131,465	161,100
Profit / (loss) before taxation	(6,874,170)	(8,163,959)	348,748	(769,628)
Taxation	10 (85,000)	576,679	(44,715)	(50,000)
Profit / (loss) after taxation	(6,959,170)	(7,587,280)	304,033	(819,628)
Earnings / (loss) per share - basic and diluted	(0.70)	(0.76)	0.03	(0.08)

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

Chief Executive

Director

Trust Securities & Brokerage Limited

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**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2012**

	FOR NINE MONTHS ENDED		FOR THIRD QUARTER ENDED	
	<i>(Un-Audited)</i>	<i>(Un-Audited)</i>	<i>(Un-Audited)</i>	<i>(Un-Audited)</i>
	March 31,	March 31,	March 31,	March 31,
	2012	2011	2012	2011
	----- Rupees -----			
Profit / (loss) after tax for the period	(6,959,170)	(7,587,280)	304,033	(819,628)
Other comprehensive income for the period				
Available-for-sale financial assets				
Gain / (loss) arising due to remeasurement	112,757	1,849	90,905	(24,550)
Total comprehensive profit / (loss) for the period	<u>(6,846,413)</u>	<u>(7,585,431)</u>	<u>394,938</u>	<u>(844,178)</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, 2012

	<i>(Un-Audited)</i> <i>March 31,</i> <i>2012</i> <i>Rupees</i>	<i>(Un-Audited)</i> <i>March 31,</i> <i>2011</i> <i>Rupees</i>
A. CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	(6,874,170)	(8,163,959)
Adjustment for non-cash charges and other items		
Depreciation	296,543	370,353
Profit received on saving account	(294,399)	(548,737)
Dividend income	(61,453)	-
Provision for bad debts	4,600,898	5,186,717
Finance cost	4,486	10,699
Loss on disposal of property & equipment	14,581	4,923
Gain on sale of investments	(503,393)	(381,320)
	4,057,262	4,642,635
Operating loss before working capital changes	(2,816,908)	(3,521,324)
Changes in Working Capital :		
(Increase) / decrease in current assets		
Trade debts	(2,639,479)	(994,286)
Advances	23,000	(13,570)
Trade deposits & short term prepayments	(89,106)	(45,101)
Other receivable	-	(194,113)
	(2,705,585)	(1,247,070)
Increase / (decrease) in trade and other payables	6,287,730	(767,671)
	3,582,145	(2,014,741)
Cash generated from / (used in) operations	765,237	(5,536,065)
Finance cost paid	(4,486)	(10,699)
Taxes paid	(78,381)	(103,078)
Payment of employees compensated absences	-	(23,336)
Long term deposits - net	-	(48,000)
Profit received on saving account	267,028	548,737
	184,161	363,624
Net cash generated from / (used in) operating activities	949,398	(5,172,441)

	<i>(Un-Audited)</i> <i>March 31,</i> <i>2012</i> <i>Rupees</i>	<i>(Un-Audited)</i> <i>March 31,</i> <i>2011</i> <i>Rupees</i>
B. CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of property and equipment	(24,420)	(5,750)
Proceeds from sale of property & equipment	27,000	20,648
Dividend received	61,453	-
Disposal / (purchase) of short term investments-net	1,148,393	(398,560)
Net cash generated from / (used in) investing activities	1,212,426	(383,662)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of lease obligation	-	(46,955)
Net cash used in financing activities	-	(46,955)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	2,161,824	(5,603,058)
Cash and cash equivalents at the beginning of the period	6,034,848	12,353,377
Cash and cash equivalents at the end of the period	8,196,672	6,750,319

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, 2012**

	Issued, subscribed and paid up capital	Reserves				Grand Total	Shareholders' Equity
		Capital Fair Value Reserve	General Reserve	Accumulated Losses	Revenue		
----- Rupees -----							
Balance as at June 30, 2010	100,000,000	-	3,500,000	(41,074,759)	(37,574,759)	(37,574,759)	62,425,241
Total comprehensive loss for the nine months ended March 31, 2011							
Loss for the period ended March 31, 2011	-	-	-	(7,587,280)	(7,587,280)	(7,587,280)	(7,587,280)
Gain arises due to remeasurement of investments	-	1,849	-	-	-	1,849	1,849
Balance as at March 31, 2011	100,000,000	1,849	3,500,000	(48,662,039)	(45,162,039)	(45,160,190)	54,839,810
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)
Gain arises due to remeasurement of investments	-	112,757	-	-	-	112,757	112,757
Balance as at March 31, 2012	100,000,000	128,928	3,500,000	(58,671,289)	(55,171,289)	(55,042,361)	44,957,639

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, 2012****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 (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**

This condensed interim financial report of the company for the nine months period ended March 31, 2012 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, 2011.

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, 2011.

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, 2011.

Trust Securities & Brokerage Limited

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	<i>(Un-Audited)</i>	<i>(Audited)</i>
	<i>March 31,</i>	<i>June 30,</i>
	<i>2012</i>	<i>2011</i>
	<i>Rupees</i>	<i>Rupees</i>
5 PROPERTY AND EQUIPMENTS		
Opening written down value	2,420,960	2,936,789
Total additions during the period	24,420	11,750
Total disposals during the period	(60,835)	(75,849)
Depreciation charge for the period	(296,542)	(493,488)
Depreciation charged on disposal	19,254	41,758
Closing written down value	2,107,257	2,420,960

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

	<i>March 31, 2012</i>		<i>June 30, 2011</i>	
	<i>Additions</i>	<i>Disposal</i>	<i>Additions</i>	<i>Disposal</i>
	<i>----- Rupees -----</i>			
Owned				
Computers	22,800	-	5,750	(31,600)
Furniture and fixtures	-	-	-	(12,000)
Office equipments	1,620	(60,835)	6,000	(32,249)
	24,420	(60,835)	11,750	(75,849)

6 LONG TERM INVESTMENTS

- Available for sale

In Shares of Quoted Companies

			<i>(Un-Audited)</i>	<i>(Audited)</i>
	<i>March 31,</i>	<i>June 30,</i>	<i>March 31,</i>	<i>June 30,</i>
	<i>2012</i>	<i>2011</i>	<i>2012</i>	<i>2011</i>
	<i>Number of shares</i>		<i>Rupees</i>	<i>Rupees</i>
	43,705	43,705	201,043	109,263
	36,168	36,168	32,551	11,574
	5,000	5,000	1,650	1,650
			235,244	122,487

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

<i>March 31, 2012</i>	<i>June 30, 2011</i>	<i>Name of Company</i>	<i>(Un-Audited) March 31, 2012 Rupees</i>	<i>(Audited) June 30, 2011 Rupees</i>
505,000	550,000	Takaful Pakistan Limited - unquoted - related party	6,060,000	6,600,000
12,000	12,000	Nishat Mills Limited	661,080	604,080
-	25,000	Jahangir Siddique & Company Ltd.	-	162,000
			6,721,080	7,366,080

<i>Note</i>	<i>(Un-Audited) March 31, 2012 Rupees</i>	<i>(Audited) June 30, 2011 Rupees</i>
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8 TRADE DEBTS

Considered good		41,194,102	43,155,521
Considered doubtful		32,775,525	28,174,627
		73,969,627	71,330,148
Provision for doubtful receivables	8.1	(32,775,525)	(28,174,627)
		41,194,102	43,155,521

8.1 Provision for doubtful receivables

Balance at beginning of the period	28,174,627	21,719,448
Additional Provision made during the period	4,810,682	6,556,431
	32,985,309	28,275,879
Reversal of excess provision	(209,784)	(101,252)
Balance at end of the period	32,775,525	28,174,627

9 COMMITMENTS

For purchase of shares	13,289,099	2,776,994
For sale of shares	20,980,162	1,439,557

<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>2012</i>	<i>2011</i>	<i>2012</i>	<i>2011</i>
<i>-----Rupees-----</i>			

10 PROVISION FOR TAXATION

Taxation for the period	85,000	100,000	44,715	50,000
Prior period	-	(676,679)	-	-
	85,000	(576,679)	44,715	50,000

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 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>2012</i>	<i>2011</i>	<i>2012</i>	<i>2011</i>	
<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	
Salary drawn by Chief Executive	814,098	810,948	271,366	270,316
Commission paid to Chief Executive	63,865	53,311	38,623	32,124
Commission received from Chief Executive	17,950	-	17,950	-
Expenses incurred by the Chief Executive	135,323	136,974	37,580	55,681
Transactions with associates				
Sale of shares of Takaful Pakistan Ltd.	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 26, 2012.

13 GENERAL

Figures have been rounded off to the nearest rupee.

Chief Executive

Director

Registered Office

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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

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Trust Securities & Brokerage Limited