

3rd Quarter Report
March 31, 2015
(Un-Audited)

TSBL

Trust Securities & Brokerage Limited

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COMPANY INFORMATION

Board of Directors

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

Audit Committee

Mr. Muhammad Naeem Baig	Chairman
Mr. Munim Mahmood	Member
Mr. Shibli Muhammad Khan	Member

HR & Remuneration Committee

Mr. Aftab Ahmed Qaiser	Chairman
Mr. Muhammad Naeem Baig	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

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 **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, 2015.

Financial Results	March 31, 2015	March 31, 2014
	Rupees	Rupees
The summarized financial results are as follows:		
Operating revenue	4,785,295	4,983,976
Gain on sale of securities	422,594	74,801
Loss on re-measurement of investments	(32,550)	(31,273)
	5,175,339	5,027,505
Operating and administrative expenses	(6,265,161)	(6,248,100)
Finance cost	(6,529)	(8,000)
	(6,271,690)	(6,256,100)
Operating loss	(1,096,351)	(1,228,595)
Other operating income	1,094,719	937,550
Loss before taxation	(1,632)	(291,045)
Taxation	(100,000)	(110,000)
Loss after taxation	(101,632)	(401,045)
Loss per share- basic and diluted	(0.01)	(0.04)

KSE-100 index closed at 30,234 points as at March 31, 2015 as compared to 29,652 points from the beginning of the period posted a gain of 582 points touching high at 35,056 at February 02, 2015 in the period under review.

The company earned total revenue of Rs.6,302,608/- during the nine months ended March 31, 2015, as compared to Rs. 5,996,328/- in the corresponding period of the last year. On the expenditure side, the operating expenses were Rs.6,265,161/- in comparison to Rs. 6,248,100/- in the previous period. After taking into account loss on re-measurement of investments Rs. 32,550/- the company reported a net loss of Rs.101,632/- during the period under review.

We express our sincerest appreciation to our valued clients for their continued support and confidence. We would like to acknowledge the SECP and the management of Karachi and Lahore Stock Exchanges for their efforts to strengthen the Capital Markets and measures to protect investor rights.

For and on behalf of the Board

Lahore:
April 25, 2015

**ABDUL BASIT
CHIEF EXECUTIVE**

**CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)
AS AT MARCH 31, 2015**

	Note	(Un-Audited) March 31, 2015	(Audited) June 30, 2014
----- Rupees -----			
ASSETS			
Non-Current Assets			
Property and equipment	5	1,340,372	1,444,679
Intangibles		1,542,600	1,542,600
Long term investments	6	2,768,827	3,113,568
Long term deposits		3,095,489	2,395,136
		8,747,288	8,495,983
Current Assets			
Short term investments	7	2,508,150	2,660,850
Trade debts	8	25,644,050	30,752,239
Advances, prepayments and other receivables		715,652	507,585
Tax refunds due from government		674,502	624,904
Cash and bank balances		12,524,547	18,175,516
		42,066,901	52,721,094
Total Assets		50,814,189	61,217,077
EQUITY AND LIABILITIES			
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			
10,000,000 ordinary shares of Rs.10/- each		100,000,000	100,000,000
Reserves			
General Reserve		3,500,000	3,500,000
Capital Reserve		60,762	288,903
Accumulated losses		(80,342,324)	(80,240,692)
		(76,781,562)	(76,451,789)
Shareholders' Equity		23,218,438	23,548,211
Current Liabilities			
Retirement benefits		1,999,004	1,999,004
Trade and other payables		25,596,747	35,669,862
		27,595,751	37,668,866
Contingency and Commitments	9	-	-
Total Equity and Liabilities		50,814,189	61,217,077

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, 2015**

	<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>2015</i>	<i>2014</i>	<i>2015</i>	<i>2014</i>
	<i>----- Rupees -----</i>			
Operating revenue	4,785,295	4,983,976	1,637,377	1,956,737
Gain on sale of securities	422,594	74,801	76,340	45,298
(Loss) on re-measurement of investments	(32,550)	(31,273)	(19,750)	(33,773)
	5,175,339	5,027,505	1,693,967	1,968,263
Operating and administrative expenses	(6,265,161)	(6,248,100)	(2,169,767)	(2,242,813)
Finance cost	(6,529)	(8,000)	(2,035)	(2,550)
	(6,271,690)	(6,256,100)	(2,171,802)	(2,245,363)
Operating (loss)	(1,096,351)	(1,228,595)	(477,835)	(277,100)
Other operating income	1,094,719	937,550	145,668	358,020
(Loss) / profit before taxation	(1,632)	(291,045)	(332,167)	80,920
Taxation	(100,000)	(110,000)	(25,000)	(30,000)
(Loss) / profit after taxation	(101,632)	(401,045)	(357,167)	50,920
(Loss) / earnings per share - basic and diluted	(0.01)	(0.04)	(0.04)	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, 2015**

	<i>(Un-Audited)</i>		<i>(Un-Audited)</i>	
	<i>For Nine Months ended</i>		<i>For Third Quarter ended</i>	
	<i>March 31, 2015</i>	<i>March 31, 2014</i>	<i>March 31, 2015</i>	<i>March 31, 2014</i>
----- Rupees -----				
(Loss) / profit after tax for the period	(101,632)	(401,045)	(357,167)	50,920
Other comprehensive income for the period:				
Available-for-sale financial assets				
Gain / (loss) arising due to remeasurement	-	125,493	(9,540)	62,000
Total comprehensive (loss) / profit for the period	(101,632)	(275,552)	(366,707)	112,920

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, 2015**

	<i>(Un-Audited)</i> March 31, 2015	<i>(Un-Audited)</i> March 31, 2014
	----- Rupees -----	
A. CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	(1,632)	(291,045)
Adjustment for non-cash charges and other items		
Depreciation	167,707	190,845
Profit on saving account	(728,249)	(902,586)
Impairment loss on AFS investments	23,509	-
Dividend income	(366,470)	(34,964)
Provision for doubtful debts	(145,859)	-
Finance cost	6,529	8,000
(Gain) / loss on sale of investments	32,550	31,273
	<u>(1,010,283)</u>	<u>(707,433)</u>
Operating loss before working capital changes	<u>(1,011,915)</u>	<u>(998,478)</u>
Changes in Working Capital :		
Decrease / (increase) in current assets		
Trade debts	5,254,048	(18,002,397)
Advances, prepayments and other receivables	(208,067)	3,528
(Decrease) / Increase in current liabilities		
Trade and other payables	(10,073,115)	26,306,308
	<u>(5,027,134)</u>	<u>8,307,438</u>
Cash (used in) / generated from operations after working capital changes	<u>(6,039,049)</u>	<u>7,308,960</u>
Finance cost paid	(6,529)	(8,000)
Taxes paid	(149,598)	(138,365)
Long term deposits - net	(700,353)	(1,422,536)
	<u>(856,480)</u>	<u>(1,568,901)</u>
Net cash (used in) / generated from operating activities	<u>(6,895,529)</u>	<u>5,740,059</u>
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Profit received on saving account	728,249	902,630
Dividend received	366,470	34,964
Addition in property and equipment	(63,400)	-
Proceeds from sale of long term investments	635,835	-
(Purchased) / disposal of short term investments-net	(422,594)	(229,272)
Net cash generated from investing activities	<u>1,244,560</u>	<u>708,322</u>
Net (decrease) / increase in cash and cash equivalents (A+B)	<u>(5,650,969)</u>	<u>6,448,381</u>
Cash and cash equivalents at the beginning of the period	<u>18,175,516</u>	<u>16,761,845</u>
Cash and cash equivalents at the end of the period	<u>12,524,547</u>	<u>23,210,226</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, 2015

	Issued, subscribed and paid up capital	Capital			Reserves		Shareholders' Equity
		Fair Value Reserve	General Reserve	Accumulated Losses	Revenue	Grand Total	
Balance as at June 30, 2013	100,000,000	187,326	3,500,000	(74,888,183)	(71,388,183)	(71,200,857)	28,799,143
Total comprehensive profit / (loss) for the nine months ended March 31, 2014							
(Loss) for the nine months period ended March 31, 2014	-	-	-	(401,045)	(401,045)	(401,045)	(401,045)
Gain arises due to remeasurement of investments	-	125,493	-	-	-	125,493	125,493
Balance as at March 31, 2014	100,000,000	312,819	3,500,000	(75,289,228)	(71,789,228)	(71,476,409)	28,523,591
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							
(Loss) for the nine months period ended March 31, 2015	-	-	-	(101,632)	(101,632)	(101,632)	(101,632)
Fair value reserve transferred to profit & loss	-	(228,141)	-	-	-	(228,141)	(228,141)
Gain arises due to remeasurement of investments	-	-	-	-	-	-	-
Balance as at March 31, 2015	100,000,000	60,762	3,500,000	(80,342,324)	(76,842,324)	(76,781,562)	23,218,438

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, 2015**

1 THE COMPANY AND ITS OPERATION

The Company was incorporated as a Public Limited Company on October 19, 1993 in Pakistan and is listed on Karachi and Lahore Stock Exchanges in Pakistan. The Company is a Trading Rights Entitlement Certificate holder of Lahore Stock Exchange Limited. The registered office of the Company is situated at 3rd 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, 2015 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, 2014.

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, 2014.

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, 2014.

Trust Securities & Brokerage Limited

TSBL

	(Un-Audited) March 31, 2015 Rupees	(Audited) June 30, 2014 Rupees
5 PROPERTY AND EQUIPMENTS		
Opening written down value	1,444,679	1,699,139
Addition during the period	63,400	-
Depreciation charge for the period	(167,707)	(254,460)
Closing written down value	1,340,372	1,444,679

6 LONG TERM INVESTMENTS

- At Cost - In Shares of Unquoted Company

	Note	(Un-Audited) March 31, 2015 Rupees	(Audited) June 30, 2014 Rupees
Lahore Stock Exchange Limited	6.1	2,720,000	2,720,000

- Available for sale - In Shares of Quoted Companies

March 31, 2015 Number of shares	June 30, 2014 Number of shares	Name of Company	(Un-Audited) March 31, 2015 Rupees	(Audited) June 30, 2014 Rupees
-	43,705	Standard Chartered Leasing Ltd.	-	321,232
36,168	36,168	Invest Capital Investment Bank Ltd.	48,827	72,336
5,000	5,000	Sunshine Cotton Mills Ltd.	1,650	1,650
			50,477	395,218
		Provision for Impairment	(1,650)	(1,650)
			2,768,827	3,113,568

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

7 SHORT TERM INVESTMENT

- At fair value through profit or loss

March 31, 2015 Number of shares	June 30, 2014 Number of shares	Name of Company	(Un-Audited) March 31, 2015 Rupees	(Audited) June 30, 2014 Rupees
In shares of unquoted companies - Related Party				
505,000	505,000	Takaful Pakistan Limited	2,408,850	2,408,850
In shares of quoted companies - Others				
25,000	25,000	Dewan Salman Fibres Limited	40,000	51,750
10,000	25,000	Quice Food Industries Limited	59,300	200,250
			2,508,150	2,660,850

		<i>(Un-Audited)</i>	<i>(Audited)</i>
		<i>March 31,</i>	<i>June 30,</i>
		<i>2015</i>	<i>2014</i>
	<i>Note</i>	<i>Rupees</i>	<i>Rupees</i>
8 TRADE DEBTS			
Considered good		25,644,050	30,752,239
Considered doubtful		48,380,229	48,526,088
Considered bad		-	957,838
		74,024,279	80,236,165
Provision for doubtful receivables	8.1	(48,380,229)	(48,526,088)
Considered bad written-off		-	(957,838)
		25,644,050	30,752,239

8.1 Provision for doubtful receivables

Balance at beginning of the period	48,526,088	44,218,501
Additional Provision made during the period	-	5,265,425
	48,526,088	49,483,926
Reversal of excess provision/bad debts written-off	(145,859)	(957,838)
Balance at end of the period	48,380,229	48,526,088

9 CONTINGENCIES AND COMMITMENTS**9.1 Contingencies**

There are no major changes in the status of contingencies as reported in the annual financial statements for the year ended June 30, 2014.

	<i>(Un-Audited)</i>	<i>(Audited)</i>
	<i>March 31,</i>	<i>June 30,</i>
	<i>2015</i>	<i>2014</i>
	<i>Rupees</i>	<i>Rupees</i>
9.2 Commitments		
For purchase of shares	45,028,401	33,543,746
For sale of shares	33,461,676	33,640,336
Against purchased of office at South Tower of LSE Plaza	311,268	1,011,621

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>		<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>2015</i>	<i>2014</i>	<i>2015</i>	<i>2014</i>
	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>
Commission paid to Chief Executive	107,947	166,047	26,679	64,117
Commission paid to Director	94,717	-	-	-
Commission received from Chief Executive	-	39,600	-	21,450
Commission received from Directors	12,746	-	386	-
Salary drawn by Chief Executive	984,555	895,200	328,285	298,400
Expenses incurred by the Chief Executive	171,219	210,881	45,945	108,661
Fee paid to director for attending meetings	15,000	15,000	5,000	5,000

11 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue by the Board of Directors of the Company on April 25, 2015.

12 GENERAL

Figures have been rounded off to the nearest rupee.

Chief Executive

Director