

Half Yearly Report  
December 31, 2017  
(Un-Audited)

**TSBL**

**Trust Securities & Brokerage Limited**

**CONTENTS**

**COMPANY INFORMATION**

**DIRECTORS' REVIEW**

**AUDITORS' REVIEW REPORT TO THE MEMBERS**

**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. Ahmad Kamal	Chairman
Mr. Abdul Basit	Chief Executive
Mr. Junaid Shehzad Ahmad	Non-Executive
Mr. Khizer Hayat Farooq	Non-Executive (Independent)
Mr. Talha Muhammad Razi	Non-Executive
Mr. Muhammad Ashraf	Non-Executive
Mr. Syed Javed Hussain	Non-Executive

### Audit Committee

Mr. Ahmad Kamal	Chairman
Mr. Khizer Hayat Farooq	Member
Mr. Muhammad Ashraf	Member

### HR & Remuneration Committee

Mr. Muhammad Ashraf	Chairman
Mr. Khizer Hayat Farooq	Member
Mr. Abdul Basit	Member

### Company Secretary & CFO

Mr. Umar Daraz

### Auditors

Reanda Haroon Zakaria & Company  
Chartered Accountants

### Legal Advisor

Mr. Abdul Majid  
Advocate

### Share Registrar

Hameed Majeed Associates (Pvt.) Ltd.

### Bankers

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

### Registered Office

2nd Floor, Associated House, Building # 1 & 2,  
7-Kashmir Road, Lahore-Pakistan.  
Telephone : (042) 3637 3041-44  
Fax : (042) 3637 3040

### Office at LSE Financial Services Limited

Room # 607, 6th Floor, LSE Plaza  
19-Khayaban-e-Aiwan-e-Iqbal, Lahore - Pakistan.  
Telephone : (042) 3637 4710, 3630 0054

Website: [www.trustsecu.com](http://www.trustsecu.com) E-mail : [info@trustsecu.com](mailto:info@trustsecu.com) & [tsbl@brain.net.pk](mailto:tsbl@brain.net.pk)

## DIRECTORS' REVIEW

The Board of Directors presenting the brief overview of operational and financial performance of the company for the half year Un-audited Condensed Interim Financial Statements for the period ended December 31, 2017.

<b>Financial Results</b>	<b>December 2017</b>	December 2016
The summarized financial results are as follows:	<b>Rupees</b>	Rupees
Operating revenue	<b>1,836,815</b>	4,648,891
Gain on sale of securities	-	120,885
(Loss) on re-measurement of investments	<b>(78,881)</b>	(34,118)
	<b>1,757,934</b>	4,735,658
Operating and administrative expenses	<b>(7,204,761)</b>	(4,856,159)
Finance cost	<b>(92,685)</b>	(6,599)
	<b>(7,297,446)</b>	(4,862,758)
<b>Operating (loss)</b>	<b>(5,539,512)</b>	(127,100)
Other Charges	<b>(50,237)</b>	(2,762,707)
Other operating income	<b>737,401</b>	875,341
<b>Loss before taxation</b>	<b>(4,852,348)</b>	(2,014,466)
Taxation	<b>(30,000)</b>	(107,106)
<b>Loss after taxation</b>	<b>(4,882,348)</b>	(2,121,572)
<b>Loss per share- basic and diluted</b>	<b>(0.49)</b>	(0.21)

During the Half year under review, the company recorded revenue of Rs. 1,836,815/- as compared to Rs.4,648,891/- in the corresponding period of the last year. The company sustained a net loss of Rs.4,882,348/- including payment of challan fee of Rs.2.6 million to SECP for increase in the Authorized Capital of the Company during the half year ended December 31, 2017. The net current loss Rs.2,282,349 as compared to Rs.2,121,572 during the last year period is due to continuing disturbing political situation in the country. The share market shall neutralize and come back to normal condition, as soon as, political circumstances are controlled.

The Auditors have placed a matter of emphasis paragraph regarding preparation of interim financial statement on going concern basis. Management is of the view that there is no significant doubt about the Company's ability to continue as going concern basis as during the period, the company through extra ordinary meeting has increased its authorized capital from Rs.100 million to 750 million. Also company issued 200% right shares to support the Company's Operations; and has received minimum sponsors' subscription as required by PSX rule book and The Companies (Issue of Capital) Rules. 1996.

The Company is expecting an increase in its revenue after induction of Rs.200 million Capital through issue of rights shares, due to investments in marketable securities, gain of capital securities and dividend.

The new management also intended to expand the company in terms of experienced staff, infrastructure, and technology. Keeping in view these plans, the company is expecting better results in future.

During the quarter; the following new directors have joined the BOD against casual vacancies.

- |                              |   |
|------------------------------|---|
| 1. Mr. Khizer Hayat Farooque | 2. Mr. Talha Muhammad Razi. In place of |
| 1. Mr. Muhammad Ghayas Uddin | 2. Mr. Muhammad Waqas                   |

In the end, the Board wishes to place on record its gratitude for the valuable support made by the Company's shareholders, Financial institutions and our clients during these hard days. We would like to extend our appreciation to continuous guidance of the SECP and Pakistan Stock Exchange Limited

**For and on behalf of the Board**

**Lahore**  
**February 22, 2018**

Sd/-  
**(Abdul Basit)**  
Chief Executive Officer

**AUDITORS' REPORT TO THE MEMBERS ON REVIEW OF INTERIM  
FINANCIAL INFORMATION**

***Introduction***

We have reviewed the accompanying condensed interim balance sheet of **Trust Securities & Brokerage Limited** as at December 31, 2017, the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in equity and condensed notes thereto for the six-month period then ended (here-in-after referred to as the 'Interim Financial Information'). Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our reviews.

The figures included in the condensed interim profit and loss account for the quarters ended December 31, 2017 and 2016 and the notes thereto have not been reviewed as we are required to review only the cumulative figures for the six months period ended December 31, 2017.

***Scope of Review***

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim 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 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 interim financial information is not prepared, in all materials respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

***Emphasis of Matter***

We draw attention to the Note 1.2 to the condensed interim financial statements. As stated in the note, as at December 31, 2017 the accumulated losses stood at Rs.91.741 (June 30, 2017:Rs.87.969) million. These conditions, along with other matters as set forth in Note 1.2, indicate the existence of a material uncertainty that may cast significant doubt about the company's ability to continue as going concern. However, this financial information is prepared on going concern basis due to the reasons stated in the note. Our opinion is not qualified in respect of this matter.

Sd/-

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

**Place:** Karachi  
**Dated:** February 22, 2018

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

# Trust Securities & Brokerage Limited

# TSBL

## CONDENSED INTERIM BALANCE SHEET (UN-AUDITED) AS AT DECEMBER 31, 2017

		<i>(Un-Audited)</i>	<i>(Audited)</i>
		<i>December 31,</i>	<i>June 30,</i>
		<i>2017</i>	<i>2017</i>
	<i>Note</i>	<i>Rupees</i>	<i>Rupees</i>
<b><u>ASSETS</u></b>			
<b>Non-Current Assets</b>			
Property and equipment	5	968,832	1,035,402
Intangibles	6	1,542,600	1,542,600
Long term investments	7	2,720,000	2,720,000
Long term deposits	8	525,149	525,149
		<b>5,756,581</b>	<b>5,823,151</b>
<b>Current Assets</b>			
Short term investments	9	161,680	180,561
Trade debts	10	1,573,601	2,178,629
Advances, prepayments, deposits and other receivables	11	2,602,719	3,232,925
Tax refunds due from government	12	1,803,337	1,609,204
Cash and bank balances	13	18,939,235	21,530,797
		<b>25,080,572</b>	<b>28,732,116</b>
<b>Total Assets</b>		<b>30,837,153</b>	<b>34,555,267</b>
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>Share Capital and Reserves</b>			
<b>Authorized Capital</b>			
75,000,000 (June 2017 : 10,000,000) Ordinary shares of Rs.10 each		<b>750,000,000</b>	<b>100,000,000</b>
<b>Issued, subscribed and paid-up capital</b>			
10,000,000 Ordinary shares of Rs.10 each		<b>100,000,000</b>	<b>100,000,000</b>
<b>Reserves</b>			
Accumulated losses		<b>(91,741,451)</b>	<b>(87,969,799)</b>
<b>Shareholders' Equity</b>		<b>8,258,549</b>	<b>12,030,201</b>
<b>Non-current Liabilities</b>			
Long term financing	14	7,875,199	-
<b>Current Liabilities</b>			
Trade and other payables	15	14,703,405	22,525,066
<b>Contingency and Commitment</b>			
	16	-	-
<b>Total Equity and Liabilities</b>		<b>30,837,153</b>	<b>34,555,267</b>

The annexed notes form an integral part of these interim financial information

Sd/-  
\_\_\_\_\_  
*Chief Executive*

Sd/-  
\_\_\_\_\_  
*Chief Financial Officer*

Sd/-  
\_\_\_\_\_  
*Director*

# Trust Securities & Brokerage Limited

# TSBL

## CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2017

	Note	Half year ended		2nd quarter ended	
		December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
----- Rupees -----					
Operating revenue	17	<b>1,836,815</b>	4,648,891	<b>830,408</b>	2,789,004
Gain on sale of securities		-	120,885	-	52,970
(Loss) / gain on re-measurement of investments		<b>(78,881)</b>	(34,118)	<b>15,580</b>	(820)
		<b>1,757,934</b>	4,735,658	<b>845,988</b>	2,841,154
Operating and administrative expenses	18	<b>(7,204,761)</b>	(4,856,159)	<b>(4,977,405)</b>	(2,579,503)
Finance cost	19	<b>(92,685)</b>	(6,599)	<b>(88,370)</b>	(3,089)
		<b>(7,297,446)</b>	(4,862,758)	<b>(5,065,775)</b>	(2,582,592)
<b>Operating (loss) / profit</b>		<b>(5,539,512)</b>	(127,100)	<b>(4,219,787)</b>	258,562
Other charges	20	<b>(50,237)</b>	(2,762,707)	-	(2,762,707)
Other operating income	21	<b>737,401</b>	875,341	<b>363,233</b>	452,033
<b>Loss before taxation</b>		<b>(4,852,348)</b>	(2,014,466)	<b>(3,856,554)</b>	(2,052,112)
Taxation		<b>(30,000)</b>	(107,106)	<b>(15,000)</b>	(77,106)
<b>Loss after taxation</b>		<b>(4,882,348)</b>	(2,121,572)	<b>(3,871,554)</b>	(2,129,218)
<b>Loss per share - basic and diluted</b>		<b>(0.49)</b>	(0.21)	<b>(0.39)</b>	(0.21)

The annexed notes form an integral part of these interim financial information

Sd/-

Chief Executive

Sd/-

Chief Financial Officer

Sd/-

Director

# Trust Securities & Brokerage Limited

# TSBL

## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2017

	<i>Half year ended</i>		<i>2nd Quarter ended</i>	
	<i>December 31,</i>	<i>December 31,</i>	<i>December 31,</i>	<i>December 31,</i>
	<i>2017</i>	<i>2016</i>	<i>2017</i>	<i>2016</i>
	<i>----- Rupees -----</i>			
Loss after tax for the period	<b>(4,882,348)</b>	(2,121,572)	<b>(3,871,554)</b>	(2,129,218)
<b>Other comprehensive income :</b>				
Present value adjustment of interest free loan	<b>1,110,696</b>	-	<b>1,110,696</b>	-
<b>Total comprehensive loss for the period</b>	<b><u>(3,771,652)</u></b>	<u>(2,121,572)</u>	<b><u>(2,760,858)</u></b>	<u>(2,129,218)</u>

The annexed notes form an integral part of these interim financial information

Sd/-  
\_\_\_\_\_  
*Chief Executive*

Sd/-  
\_\_\_\_\_  
*Chief Financial Officer*

Sd/-  
\_\_\_\_\_  
*Director*

**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2017**

	<i>(Un-audited)</i> <b>December 31,</b>	<i>(Un-audited)</i> <b>December 31,</b>
	<i>Note</i> <b>2017</b>	<b>2016</b>
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(4,852,348)	(2,014,466)
<b>Adjustment for non-cash charges and other items</b>		
Depreciation	66,570	69,768
Provision for doubtful debts	50,237	2,762,707
Reversal of provision for doubtful debts	(184,195)	-
(Gain) on disposal of property and equipment	-	(884)
Financial charges on long term financing.	85,895	-
Unrealised loss on remeasurement of investments	78,881	34,118
	97,388	2,865,709
	(4,754,960)	851,243
<b>Changes in Working Capital :</b>		
<b>(Increase) / decrease in current assets</b>		
Trade debts	738,986	(2,640,226)
Advances, prepayments and other receivables	630,206	(3,352,334)
	1,369,192	(5,992,560)
<b>Increase / (decrease) in current liabilities</b>		
Trade and other payables	(7,821,661)	8,219,975
<b>Cash (used in) / generated from operations after working capital changes</b>	(11,207,429)	3,078,658
Taxes paid	(224,133)	(480,425)
<b>Net cash (used in) / generated from operating activities</b>	(11,431,562)	2,598,233
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Disposal / (addition) to capital work in progress	-	2,467,608
Proceeds from sale of property and equipment	-	10,880
Investments-net	(60,000)	472,016
Long term loan received	17 8,900,000	-
<b>Net cash generated from investing activities</b>	8,840,000	2,950,504
<b>Net (decrease) / increase in cash and cash equivalents (A+B)</b>	(2,591,562)	5,548,737
<b>Cash and cash equivalents at the beginning of the period</b>	21,530,797	18,374,515
<b>Cash and cash equivalents at the end of the period</b>	18,939,235	23,923,252

The annexed notes form an integral part of these interim financial information

Sd/-  
\_\_\_\_\_  
Chief Executive

Sd/-  
\_\_\_\_\_  
Chief Financial Officer

Sd/-  
\_\_\_\_\_  
Director



**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2017**

## **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 Pakistan Stock Exchange Limited. The Company is the Trading Right Entitlement Certificate holder of the Pakistan Stock Exchange Limited. 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 and in securities.

### **1.2 Going Concern Assumption**

During the current period, the company has incurred after tax losses amounting to Rs. 4.882 (December 31, 2016 : Rs. 2.121) million rising its accumulated losses as on balance sheet date amounting to Rs. 91.741 (June 30,2017 Rs. 87.969) million. These factors indicate the existence of material uncertainty and creates doubts about the Company's ability to continue as a going concern and, accordingly the Company may not be able to realize its assets and discharge its liabilities at the stated amount in the normal course of business. Owing to above mentioned factors there is a possibility of increase in the trading activities and foreseeable future profits hence, these financial statements are prepared on going concern basis.

However, management of the Company has prepared these financial statements on going concern basis due to the following reasons:

- During the period, the new management has taken over the Company effective October 03, 2017. The Company through extra ordinary general meeting has increased its authorised capital from Rs. 100 million to 750 million.
- Subsequent to the year end, the Board of Directors in their meeting held on January 5, 2018 recommended 200% right shares to support the Company's operations. Till the date of authorisation of these financial information, the Company has received minimum sponsors subscription as required by the PSX rule book and "The Companies (Issue of Capital) Rules, 1996."
- The Company is expecting increase in its revenue after induction of Rs. 200 million capital through issue of right shares due to investments in marketable securities, gain of capital securities and dividends
- The new management also intended to expand the company in terms of experienced staff, infrastructure, technology. Keeping in view these plans, the going concern assumption is considered appropriate and, therefore, these financial statements have been prepared on going concern basis.

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

This condensed interim financial information of the company for the six months period ended December 31, 2017 has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 "Interim Financial Reporting" and provisions of and directives issued under the repealed Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the repealed Companies Ordinance, 1984 have been followed.

The Companies Ordinance, 1984 has been repealed after the enactment of the Companies Act, 2017. However, as allowed by the Securities and Exchange Commission of Pakistan (SECP) vide its circular no. 23/2017 dated 04 October 2017, this condensed interim financial information has been prepared in accordance with the provisions of the repealed Companies Ordinance, 1984.

This condensed interim financial information does not include all of the information required for full annual financial statement and should be read in conjunction with the audited annual financial statements as at and for the year ended 30 June 2017.

The comparative Balance Sheet presented in this condensed interim financial information has been extracted from the audited annual financial statements of the Company for the year ended 30 June 2017, whereas the comparative condensed interim Profit and Loss Account, condensed interim Statement of Comprehensive Income, condensed interim Cashflow Statement and condensed interim Statement of Changes in Equity are extracted from the unaudited condensed interim financial information for the period ended 31 December 2016.

**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, 2017.

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, 2017.

			<i>(Un-Audited)</i>	<i>(Audited)</i>
			<i>December</i>	<i>June 30,</i>
			<i>2017</i>	<i>2017</i>
		<i>Note</i>	<i>Rupees</i>	<i>Rupees</i>
<b>5 PROPERTY AND EQUIPMENT</b>				
Operating fixed assets		5.1	<u>968,832</u>	<u>1,035,402</u>
<b>5.1 Operating fixed assets</b>				
Opening written down value			<b>1,035,402</b>	1,135,687
Addition during the period			-	54,000
Disposals during the period			-	(32,125)
Depreciation charge on disposal			-	22,129
Depreciation charge for the period			<b>(66,570)</b>	(144,289)
			<u>968,832</u>	<u>1,035,402</u>
<b>6 INTANGIBLES</b>				
<b>Trading Rights Entitlement Certificate (TREC)</b>				
Pakistan Stock Exchange Limited			<b>1,280,000</b>	1,280,000
<b>Offices</b>				
LSE Financial Services Limited (LFSL)			<b>262,600</b>	262,600
			<u>1,542,600</u>	<u>1,542,600</u>
<b>7 LONG TERM INVESTMENTS</b>				
<b>- At Cost - In Shares of Unquoted Company</b>				
			<b>Carrying Value</b>	
			<i>(Un-Audited)</i>	<i>(Audited)</i>
<i>December 31,</i>	<i>June 30,</i>		<i>December 31,</i>	<i>June 30,</i>
<i>2017</i>	<i>2017</i>	<i>Name of Company</i>	<i>2017</i>	<i>2017</i>
			<i>Rupees</i>	<i>Rupees</i>
<b>843,975</b>	843,975	LSE Financial Services Limited	<b>2,720,000</b>	2,720,000
<b>- Available for sale - In Shares of Quoted Companies</b>				
<i>December 31,</i>	<i>June 30,</i>			
<i>2017</i>	<i>2017</i>	<i>Name of Company</i>		
<b>Number of shares</b>				
<b>5,000</b>	5,000	Sunshine Cotton Mills Ltd.	<b>1,650</b>	1,650
			<b>1,650</b>	1,650
		Provision for Impairment	<b>(1,650)</b>	(1,650)
			<u>2,720,000</u>	<u>2,720,000</u>

7.1 This represents unquoted shares of LSE Financial Services Limited received by the Company in pursuance of Stock Exchanges (Corporatization, Demutualization and Integration) Act, 2012. The total number of shares received by the Company were 843,975 shares with a face value of Rs.10 each.

Out of total number of shares owned, 60% shares (i.e. 506,385 shares) of the said entity are held in separate CDC blocked account, to restrict the sale of these shares by the members. Where as 40% of total shares i.e. 337,590 for Rs.10 each have been credited to the Company's CDC house account and are pledged in favour of Pakistan Stock Exchange Limited.

The net asset value of shares of LSE financial service limited Rs. 18.29 per share based on annual audited financial statements as at June 30, 2017..

	<i>(Un-Audited)</i>	<i>(Audited)</i>
	<i>December 31,</i>	<i>June 30,</i>
	<i>2017</i>	<i>2017</i>
	<i>Rupees</i>	<i>Rupees</i>

## 8 LONG TERM DEPOSITS

### - Unsecured - Considered good

LSE Financial Services Limited	<b>50,000</b>	50,000
National Clearing Company of Pakistan Limited	<b>300,000</b>	300,000
Central Depository Company of Pakistan Limited	<b>100,000</b>	100,000
Utility deposits	<b>75,149</b>	75,149
	<b>525,149</b>	525,149

## 9 SHORT TERM INVESTMENTS

### - At fair value through profit or loss - Initially designated

In shares of quoted company	9.1	<b>131,680</b>	150,561
In shares of unquoted company	9.2	<b>30,000</b>	30,000
		<b>161,680</b>	180,561

### 9.1 In shares of quoted company

<i>(Un-Audited)</i>	<i>(Audited)</i>
<i>December 31,</i>	<i>June 30,</i>
<i>2017</i>	<i>2017</i>

<i>Number of Shares</i>	<i>Name of Securities</i>		
<b>8,000</b>	8,000 Fauji Foods Limited	<b>131,680</b>	150,561
		<b>131,680</b>	150,561

### 9.2 In shares of unquoted company - Related party

<i>(Un-Audited)</i>	<i>(Audited)</i>
<i>December 31,</i>	<i>June 30,</i>
<i>2017</i>	<i>2017</i>

<i>Number of Shares</i>	<i>Name of Company</i>		
<b>5,000</b>	Takaful Pakistan Limited	<b>60,000</b>	60,000
	Less: Provision for impairment	<b>(30,000)</b>	(30,000)
		<b>30,000</b>	30,000

		<i>(Un-Audited)</i> <i>December 31,</i> <i>2017</i>	<i>(Audited)</i> <i>June 30,</i> <i>2017</i>
	<i>Note</i>	<i>Rupees</i>	<i>Rupees</i>
<b>10 TRADE DEBTS</b>			
Considered good		1,573,601	2,178,629
Considered doubtful		54,190,657	54,324,615
		<u>55,764,258</u>	<u>56,503,244</u>
Provision for doubtful receivables	10.1	<u>(54,190,657)</u>	<u>(54,324,615)</u>
		<u>1,573,601</u>	<u>2,178,629</u>
<b>10.1 Provision for doubtful receivables</b>			
Balance at beginning of the period		54,324,615	52,537,467
Additional provision made during the period		50,237	2,848,604
Considered bad debts written off		-	(449,464)
		<u>54,374,852</u>	<u>54,936,607</u>
Reversal of excess provision		<u>(184,195)</u>	<u>(611,992)</u>
Balance at end of the period		<u>54,190,657</u>	<u>54,324,615</u>
<b>10.1.1</b> The total value of securities pertaining to clients are Rs. 40.772 million held in sub-accounts of the company. No security is pledged by client to the financial institutions.			
		<i>(Un-Audited)</i> <i>December 31,</i> <i>2017</i>	<i>(Audited)</i> <i>June 30,</i> <i>2017</i>
	<i>Note</i>	<i>Rupees</i>	<i>Rupees</i>
<b>11 ADVANCES, PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES</b>			
<b>- Considered good</b>			
Advances to staff		57,000	18,000
Short term prepayments		369,505	42,990
Exposure deposits with NCCPL		2,000,000	3,000,000
Other receivables		176,214	171,935
		<u>2,602,719</u>	<u>3,232,925</u>
<b>12 TAX REFUNDS DUE FROM GOVERNMENT</b>			
Opening tax refundable		1,609,204	879,404
Provision for the period		(30,000)	(128,778)
		<u>1,579,204</u>	<u>750,626</u>
Tax paid during the period		224,133	858,578
		<u>1,803,337</u>	<u>1,609,204</u>
<b>13 CASH AND BANK BALANCES</b>			
Cash in hand		9,500	7,460
<b>Cash at banks</b>			
In current accounts		15,256,379	12,540,080
In saving account		3,673,356	8,983,257
	13.1	<u>18,929,735</u>	<u>21,523,337</u>
		<u>18,939,235</u>	<u>21,530,797</u>

	<i>Note</i>	<i>(Un-Audited)</i> <i>December 31,</i> <i>2017</i> <i>Rupees</i>	<i>(Audited)</i> <i>June 30,</i> <i>2017</i> <i>Rupees</i>
<b>13.1 Balance pertaining to</b>			
- clients		9,806,897	16,251,927
- brokerage house		9,122,838	5,271,410
		<u>18,929,735</u>	<u>21,523,337</u>
<b>14 LONG TERM FINANCING</b>			
<i>From related party</i>			
<i>- Sponsor</i>			
Original value of loan		8,900,000	-
Less: Present value adjustment	14.1	(1,110,696)	-
Add: Interest charged to profit and loss account to date		85,895	-
		<u>7,875,199</u>	<u>-</u>
<b>14.1</b> These loans have been obtained from sponsor and is unsecured and interest free. In accordance with International Accounting Standard 39, Financial Instruments: Recognition and Measurement, these loans have been measured at amortized cost calculated at three months kibar rate.			
		<i>(Un-Audited)</i> <i>December 31,</i> <i>2017</i> <i>Rupees</i>	<i>(Audited)</i> <i>June 30,</i> <i>2017</i> <i>Rupees</i>
<b>15 TRADE AND OTHER PAYABLES</b>			
<i>Trade</i>			
Payable to customers		11,806,897	19,251,927
<i>Others</i>			
Creditors for services		595,032	1,077,600
Accrued and other liabilities		485,003	196,535
Employee compensated expenses payables		1,816,473	1,999,004
		<u>14,703,405</u>	<u>22,525,066</u>
<b>16 CONTINGENCY AND COMMITMENT</b>			
<b>16.1 Contingencies</b>			
There are no major changes in the status of contingencies as reported in the annual financial statements for the year ended June 30, 2017.			
		<i>(Un-Audited)</i> <i>December 31,</i> <i>2017</i> <i>Rupees</i>	<i>(Audited)</i> <i>June 30,</i> <i>2017</i> <i>Rupees</i>
<b>16.2 Commitments</b>			
For purchase of shares		827,415	5,132,855
For sale of shares		2,074,150	3,979,254

	<i>(Un-Audited)</i>		<i>(Un-Audited)</i>	
	<i>Half year ended</i>		<i>2nd Quarter ended</i>	
	<i>December 31, 2017</i>	<i>December 31, 2016</i>	<i>December 31, 2017</i>	<i>December 31, 2016</i>
	<i>Note ----- Rupees -----</i>			
<b>17 OPERATING REVENUE</b>				
<b>Brokerage Income</b>				
- Retail customers	<b>1,018,887</b>	4,134,873	<b>406,417</b>	2,323,016
- Institutional customers	<b>395,738</b>	92,030	<b>1,800</b>	44,000
	<b>1,414,625</b>	4,226,903	<b>408,218</b>	2,367,016
Dividend income	<b>422,190</b>	421,988	<b>422,190</b>	421,988
	<b>1,836,815</b>	4,648,891	<b>830,408</b>	2,789,004
<b>18 OPERATING AND ADMINISTRATIVE EXPENSES</b>				
Salaries, benefits and allowances	<b>2,428,168</b>	2,743,349	<b>1,218,350</b>	1,432,122
Commission and clearing house charges	<b>28,717</b>	103,653	<b>8,305</b>	53,973
Communication expenses	<b>121,475</b>	159,284	<b>68,699</b>	84,793
Printing and stationery	<b>70,999</b>	79,118	<b>52,641</b>	61,861
Entertainment expense	<b>80,437</b>	58,332	<b>36,678</b>	32,527
Traveling and lodging expense	<b>65,034</b>	64,840	<b>41,924</b>	58,160
Repair and maintenance	<b>141,945</b>	189,920	<b>63,139</b>	71,465
Advertisement and sale promotion	<b>43,832</b>	17,800	<b>17,832</b>	17,800
Electricity and utilities	<b>194,577</b>	178,127	<b>87,093</b>	82,996
Insurance	<b>3,035</b>	6,318	<b>3,035</b>	3,176
Depreciation	<b>66,570</b>	69,768	<b>33,285</b>	34,842
Internet and software maintenance charges	<b>170,682</b>	104,291	<b>91,640</b>	101,490
Legal and professional charges	<b>134,705</b>	124,974	<b>88,849</b>	71,409
Fees and subscriptions	<b>2,845,679</b>	239,617	<b>2,745,295</b>	109,561
Rent, rates and taxes	<b>500,456</b>	458,202	<b>262,424</b>	228,189
Auditors remuneration	<b>167,500</b>	170,000	<b>83,750</b>	85,000
Miscellaneous expense	<b>140,950</b>	88,566	<b>74,465</b>	50,139
	<b>7,204,761</b>	4,856,159	<b>4,977,405</b>	2,579,503
<b>19 FINANCE COST</b>				
Bank charges	<b>6,790</b>	6,599	<b>2,475</b>	3,089
Amortisation of interest free loan	<b>85,895</b>	-	<b>85,895</b>	-
	<b>92,685</b>	6,599	<b>88,370</b>	3,089
<b>20 OTHER CHARGES</b>				
Provision for doubtful debts	<b>50,237</b>	2,762,707	-	2,762,707

<i>(Un-Audited)</i>		<i>(Un-Audited)</i>	
<i>Half year ended</i>		<i>2nd Quarter ended</i>	
<i>December 31, 2017</i>	<i>December 31, 2016</i>	<i>December 31, 2017</i>	<i>December 31, 2016</i>
<i>----- Rupees -----</i>			

**21 OTHER OPERATING INCOME****Income from financial assets**

- Interest on saving account	518,986	644,813	352,233	361,129
- Interest income on exposure deposited	34,220	28,085	11,000	24,541
	<b>553,206</b>	<b>672,898</b>	<b>363,233</b>	<b>385,670</b>

**Income from other than financial assets**

- Gain on sale of fixed assets	-	884	-	-
- Reversal of provision for doubtful debts	184,195	201,559	-	66,363
	<b>184,195</b>	<b>202,443</b>	<b>-</b>	<b>66,363</b>
	<b>737,401</b>	<b>875,341</b>	<b>363,233</b>	<b>452,033</b>

**22 PATTERN OF SHAREHOLDINGS**

Following are the shareholders having more than 5% holding as at December 31, 2017:

<i>Name of Shareholder</i>	<i>Note</i>	<i>No. of Shares Held</i>	<i>Percentage %</i>
<b>Associated undertakings &amp; related parties</b>			
- Mr. Sikander Mahmood		5,405,250	54.05%
- Mr. Ahmed Kamal		1,000,000	10.00%
- Mr. Junaid Shehzad Ahmed		1,000,000	10.00%
	22.1	<b>7,405,250</b>	<b>74.05%</b>
<b>Other</b>			
- Din Capital Limited		809,500	8.10%
		<b>8,214,750</b>	<b>82.15%</b>

22.1 7,405,250 shares have been acquired from below shareholders during the period;

Emirates Global Investments Ltd	3,777,375	37.7738%
Emirates Investment Group LLC	3,627,375	36.2738%
	<b>7,404,750</b>	<b>74.0476%</b>

**23 TRANSACTIONS WITH RELATED PARTIES**

The related parties comprise directors of the company sponsor and key management employees. 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>Half year ended</i>		<i>2nd Quarter ended</i>	
	<i>December 31, 2017</i>	<i>December 31, 2016</i>	<i>December 31, 2017</i>	<i>December 31, 2016</i>
	<i>----- Rupees -----</i>			
<b>Transactions with other related parties</b>				
Commission paid to Chief Executive	<b>110,218</b>	190,717	<b>38,980</b>	117,810
Commission received from;				
- Chief Executive	<b>20,406</b>	23,120	<b>14,076</b>	11,160
- Director	<b>3,325</b>	-	<b>1,750</b>	-
Salary drawn by Chief Executive	<b>723,488</b>	679,876	<b>361,744</b>	351,591
Expenses incurred by Chief Executive	<b>117,259</b>	102,410	<b>80,175</b>	40,810
Disposal of fixed asset to Ex-Director	-	2,800,000	-	2,800,000
Long term loan from sponsor	<b>8,900,000</b>	-	<b>8,900,000</b>	-
	<b>9,874,696</b>	3,796,123	<b>9,396,725</b>	3,321,371

## 24 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue by the Board of Directors of the Company on February 22, 2018.

## 25 GENERAL

25.1 Figures have been rounded off to the nearest rupee.

25.2 Corresponding figures have been rearranged and reclassified, wherever necessary for the purpose of better presentation with no impact in the net profit/loss or earning/loss of the share of the company.

Sd/-

*Chief Executive*

Sd/-

*Chief Financial Officer*

Sd/-

*Director*

www.jamapunji.pk



سرمایہ کاری سمجھداری کے ساتھ



## Be aware, Be alert, Be safe

Learn about investing at  
[www.jamapunji.pk](http://www.jamapunji.pk)

### Key features:

- Licensed Entities Verification
- Scam meter\*
- Jamapunji games\*
- Tax credit calculator\*
- Company Verification
- Insurance & Investment Checklist
- FAQs Answered

- Stock trading simulator  
(based on live feed from KSE)
- Knowledge center
- Risk profiler\*
- Financial calculator
- Subscription to Alerts (event notifications, corporate and regulatory actions)
- Jamapunji application for mobile device
- Online Quizzes



Jama Punji is an Investor Education Initiative of Securities and Exchange Commission of Pakistan

[jamapunji.pk](https://www.facebook.com/jamapunji.pk)

[@jamapunji\\_pk](https://twitter.com/jamapunji_pk)

\*Mobile apps are also available for download for android and ios devices

**Registered Office**

2nd Floor, Associated House, Building # 1 & 2,  
7-Kashmir Road, Lahore-Pakistan.  
Telephone : (042) 3637 3041-44  
Fax : (042) 3637 3040

**Office at LSE Financial Services Limited**

Room # 607, 6th Floor, LSE Plaza  
19-Khayaban-e-Aiwan-e-Iqbal, Lahore - Pakistan.  
Telephone : (042) 3637 4710, 3630 0054

Website: [www.trustsecu.com](http://www.trustsecu.com) E-mail : [info@trustsecu.com](mailto:info@trustsecu.com) & [tsbl@brain.net.pk](mailto:tsbl@brain.net.pk)