

Half Yearly Report
December 31, 2014
(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

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 Directors are pleased to submit the interim financial statements of the company for the half year ended December 31, 2014.

Financial Results	December 31, 2014	December 31, 2013
	Rupees	Rupees
The summarized financial results are as follows:		
Operating revenue	3,147,918	3,027,239
Gain on sale of securities	346,254	29,530
Gain/(loss) on re-measurement of investments	(12,800)	2,500
	3,481,372	3,059,242
Operating and administrative expenses	(4,095,394)	(4,005,287)
Finance cost	(4,494)	(5,450)
Operating loss	(4,099,888)	(4,010,737)
	(618,516)	(951,495)
Other operating income	949,051	579,530
Profit/(loss) before taxation	330,535	(371,965)
Taxation	(75,000)	(80,000)
Profit/(loss) after taxation	255,535	(451,965)
Earnings/(loss) per share- basic and diluted	0.03	(0.05)

KSE-100 index performed well in 2014 and recorded a growth by 2,479 points, or 8.36 percent, within six months to close at 32,131 points on December 31, 2014.

The company earned total revenue of Rs.4,430,423/- including other operating income during the half year ended December 31, 2014, as compared to total revenue Rs. 3,638,772/- in the corresponding period of last year. On the expenditure side, the operating expenses were Rs. 4,095,394/- . The company earned a net profit of Rs.255,535/- for the period ended December 31, 2014 as compared to net loss of Rs. 451,965 for the same period of last year.

The Auditors have placed matter of emphasis paragraph regarding preparation of interim financial statements 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 as company has no intention of winding up and the management is taking serious efforts to recover its outstanding amount of receivables. Further, the company is expecting the growth trend in the future period. However, in accordance with Stock Exchange (Corporatisation, Demutualization and Integration) Act, 2012 the shares trading trend will increase as result of sale of blocked shares, which is expecting to commence in next financial year. This will increase profitability of the Company in terms of capital gain and in form of Dividends. The management is expecting the continuous growth trend in brokerage income as it has acquired new clients. The Company expects increase in its profitability owing to these factors.

Trust Securities & Brokerage Limited

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In the end, the directors of the company wish to express their sincere gratitude to the Company's shareholders, Financial Institutions and our clients for their continuous guidance and support during these hard days. We would like to extend our appreciation to continuous guidance of the SECP, Karachi and Lahore Stock Exchanges.

For and on behalf of the Board

**Lahore:
February 21, 2015**

**ABDUL BASIT
CHIEF EXECUTIVE**

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

Introduction

We have reviewed the accompanying condensed interim balance sheet of **Trust Securities & Brokerage Limited** as at December 31, 2014, and 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 together with the condensed notes forming part thereof (here-in-after referred to as the "Interim financial information") for the six months period then ended December 31, 2014. Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan. Our responsibility is to express a conclusion on this interim financial information based on our review. The figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarters December 31, 2014 and 2013 have not been reviewed as we are required to review only the cumulative figures for the six months period ended December 31, 2014.

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, 2014 the accumulated losses stood at Rs.79.985 (June 2014: Rs.80.241) 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.

Haroon Zakaria & Company
Chartered Accountants

Place: Karachi
Dated: February 21, 2015

Engagement Partner:
Muhammad Haroon

Trust Securities & Brokerage Limited

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CONDENSED INTERIM BALANCE SHEET (UN-AUDITED) AS AT DECEMBER 31, 2014

		(Un-Audited) December 31, 2014 Rupees	(Audited) June 30, 2014 Rupees
ASSETS			
Non-Current Assets			
Property and equipment	5	1,396,275	1,444,679
Intangibles		1,542,600	1,542,600
Long term investments	6	2,856,452	3,113,568
Long term deposits		2,862,038	2,395,136
Deferred taxation	7	-	-
		<u>8,657,365</u>	<u>8,495,983</u>
Current Assets			
Short term investments	8	2,608,000	2,660,850
Trade debts	9	28,873,436	30,752,239
Advances, prepayments and other receivables		655,279	507,585
Tax refunds due from government		666,916	624,904
Cash and bank balances		17,009,142	18,175,516
		<u>49,812,773</u>	<u>52,721,094</u>
Total Assets		<u>58,470,138</u>	<u>61,217,077</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		100,000,000	100,000,000
Reserves			
General reserve		3,500,000	3,500,000
Capital reserve		117,283	288,903
Accumulated losses		(79,985,157)	(80,240,692)
		<u>(76,367,874)</u>	<u>(76,451,789)</u>
Shareholders' Equity		<u>23,632,126</u>	<u>23,548,211</u>
Current Liabilities			
Retirement benefits		1,999,004	1,999,004
Trade and other payables		32,839,008	35,669,862
		<u>34,838,012</u>	<u>37,668,866</u>
Contingency and Commitments	10	-	-
Total Equity and Liabilities		<u>58,470,138</u>	<u>61,217,077</u>

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

Chief Executive

Director

Trust Securities & Brokerage Limited

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CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2014

	Half year ended		Quarter ended	
	December 2014	December 2013	December 2014	December 2013
----- Rupees -----				
Operating revenue	3,147,918	3,027,239	1,591,606	1,400,200
Gain on sale of securities	346,254	29,503	206,203	29,503
Gain / (loss) on re-measurement of investments	(12,800)	2,500	15,450	3,500
	3,481,372	3,059,242	1,813,259	1,433,203
Operating and administrative expenses	(4,095,394)	(4,005,287)	(2,010,555)	(1,952,379)
Finance cost	(4,494)	(5,450)	(1,931)	(1,800)
	(4,099,888)	(4,010,737)	(2,012,486)	(1,954,179)
Operating loss	(618,516)	(951,495)	(199,227)	(520,976)
Other operating income	949,051	579,530	612,602	363,148
Profit / (loss) before taxation	330,535	(371,965)	413,375	(157,828)
Taxation	(75,000)	(80,000)	(45,000)	(45,000)
Profit / (loss) after taxation	255,535	(451,965)	368,375	(202,828)
Earnings / (loss) per share - basic and diluted	0.03	(0.05)	0.04	(0.02)

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 HALF YEAR ENDED DECEMBER 31, 2014**

	<i>Half year ended</i>		<i>Quarter ended</i>	
	<i>December 2014</i>	<i>December 2013</i>	<i>December 2014</i>	<i>December 2013</i>
	<i>----- Rupees -----</i>			
Profit/(loss) after tax for the period	255,535	(451,965)	368,375	(202,828)
Other comprehensive income for the period				
Available-for-sale financial assets				
Gain/(loss) arising due to remeasurement	9,540	63,493	(33,710)	25,184
Total comprehensive Profit / (loss) for the period	265,075	(388,472)	334,665	(177,644)

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

Chief Executive

Director

CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2014

	<i>December 31, 2014 Rupees</i>	<i>December 31, 2013 Rupees</i>
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (loss) before taxation	330,535	(371,965)
Adjustment for non-cash charges and other items		
Depreciation	111,804	127,230
Profit on saving account	(582,581)	(544,570)
Impairment loss on AFS investments	11,574	-
Dividend Income	(366,470)	(34,964)
Finance cost	4,494	5,450
(Gain)/loss on sale of investments	12,800	(2,500)
	(808,379)	(449,354)
Operating loss before working capital changes	(477,844)	(821,319)
Changes in Working Capital		
Decrease / (increase) in current assets		
Trade debts	1,878,803	(17,836,497)
Trade deposits & short term prepayments	(147,694)	(137,650)
Increase / (decrease) in current liabilities		
Increase/(decrease) in trade and other payables	(2,830,854)	26,951,883
	(1,099,745)	8,977,735
Cash (used in)/ generated from operations after working capital changes	(1,577,589)	8,156,416
Finance cost paid	(4,494)	(5,450)
Taxes paid	(117,012)	(86,596)
Long term deposits - net	(466,902)	(989,085)
	(588,408)	(1,081,131)
Net cash (used in)/ generated from operating activities	(2,165,997)	7,075,285
B. CASH FLOW FROM INVESTING ACTIVITIES		
Profit received on saving account	582,581	544,614
Dividend received	366,470	34,964
Addition in Property and Equipment	(63,400)	-
Proceeds from sale of long term investments	460,226	-
(Purchase) / disposal of short term investment - net	(346,254)	-
Net cash generated from investing activities	999,623	579,578
Net (decrease)/increase in cash and cash equivalents (A+B)	(1,166,374)	7,654,863
Cash and cash equivalents at the beginning of the period	18,175,516	16,761,845
Cash and cash equivalents at the end of the period	17,009,142	24,416,708

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

Chief Executive

Director

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2014**

	Issued, subscribed and paid up capital	Capital			Reserves		Shareholders' Equity	
		Fair Value Reserve	General Reserve	Accumulated Losses	Revenue	Sub Total		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 six months ended December 31, 2013								
Profit / (loss) for the half year ended December 31, 2013	-	-	-	(451,965)	(451,965)	(451,965)	(451,965)	
Gain arises due to remeasurement of investments	-	63,493	-	-	63,493	63,493	63,493	
Balance as at December 31, 2013	100,000,000	250,819	3,500,000	(75,340,148)	(71,776,655)	(71,589,329)	28,410,671	
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 six months ended December 31, 2014								
Profit / (loss) for the half year ended December 31, 2014	-	-	-	255,535	255,535	255,535	255,535	
Fair value reserve transferred to profit and loss	-	(181,160)	-	-	(181,160)	(181,160)	(181,160)	
Gain arises due to remeasurement of investments	-	9,540	-	-	9,540	9,540	9,540	
	-	(171,620)	-	255,535	83,915	83,915	83,915	
Balance as at December 31, 2014	100,000,000	117,283	3,500,000	(79,985,157)	(76,656,777)	(76,367,874)	23,632,126	

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 HALF YEAR ENDED DECEMBER 31, 2014**

1 THE COMPANY AND ITS OPERATION

1.1 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.

1.2 Going Concern Assumption

The accumulated losses of the Company stood at Rs.79.985 (June 2014 : Rs.80.241) million resulting in shareholders' equity at Rs.23.632 (June 2014 : Rs.23.548) million. The Company's certain amount of trade debts is stuck up. These factors indicate the existence of material uncertainty and creates doubts about the Company's ability to continue as going concern and, therefore the Company may not be able to realize its assets and discharge its liabilities at the stated amount. However, the Company is expecting the growth trend in future periods. Further, in accordance with the Stock Exchanges (Corporatisation, Demutualization and Integration) Act, 2012, the shares trading trend will increase as the commencement of sale of blocked shares, which will increase the profitability of the Company in terms of capital gain and Dividends. Owing to these factors, these financial statements are prepared on going concern basis.

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

This condensed interim financial report of the company for the six months period ended December 31, 2014 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 but subject to limited scope review by auditors. These condensed interim financial statements 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.

	<i>(Un-Audited)</i> <i>December 31,</i> <i>2014</i>	<i>(Audited)</i> <i>June 30,</i> <i>2014</i>
<i>Note</i>	<i>Rupees</i>	<i>Rupees</i>
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	(111,804)	(254,460)
Closing written down value	1,396,275	1,444,679

6 LONG TERM INVESTMENTS

- At Cost - In Shares of Unquoted Company

Lahore Stock Exchange Limited	6.1	2,720,000	2,720,000
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- Available for sale - In Shares of Quoted Companies

<i>December 31,</i> <i>2014</i>	<i>June 30,</i> <i>2014</i>	<i>Name of Company</i>		
<i>Number of shares</i>				
9,000	43,705	Standard Chartered Leasing Ltd.	75,690	321,232
36,168	36,168	Invest Capital Investment Bank Ltd.	60,762	72,336
5,000	5,000	Sunshine Cotton Mills Ltd.	1,650	1,650
			138,102	395,218
		Provision for Impairment	(1,650)	(1,650)
			2,856,452	3,113,568

10 CONTINGENCIES AND COMMITMENTS**10.1 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> December 31, 2014 Rupees	<i>(Audited)</i> June 30, 2014 Rupees
10.2 Commitments		
For purchase of shares	37,209,127	33,543,746
For sale of shares	37,346,756	33,640,336
Against purchased of office at South Tower of LSE Plaza	544,719	1,011,621

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 personnel under the term of their employment, are as follows:

	<i>(Un-Audited)</i> Half year ended		<i>(Un-Audited)</i> Quarter ended	
	Dec. 31, 2014 Rupees	Dec. 31, 2013 Rupees	Dec. 31, 2014 Rupees	Dec. 31, 2013 Rupees
Commission paid to Chief Executive	81,268	101,930	35,650	53,411
Commission paid to Director	94,717	-	-	-
Commission received from Chief Executive	-	18,150	-	7,600
Commission received from Directors	12,360	-	1,400	-
Salary drawn by Chief Executive	656,270	596,800	328,135	298,400
Expenses incurred by the Chief Executive	125,274	102,220	56,160	44,445
Fee paid to Director for attending meeting	10,000	10,000	5,000	5,000

12 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue by the Board of Directors of the Company on February 21, 2015.

13 GENERAL

Figures have been rounded off to the nearest rupee.

Chief Executive

Director

Registered Office

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Lahore Stock Exchange Office

Room # 607, Lahore Stock Exchange Building,
19-Khayaban-e-Aiwan-e-Iqbal, Lahore - Pakistan.
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