

Third Quarter Report
March 31, 2009
(Un-Audited)

TSBL

Trust Securities & Brokerage Limited

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COMPANY INFORMATION

Board of Directors

Mr. Reza Jaffar
Mr. Roger Dawood Bayat
Mrs. Neena Jaffar
Mr. Naveed Gilani
Mr. Abdul Basit Pracha Asi Nizami
Mr. Syed Javed Hussain
Mr. Abdul Basit

Chairman
Chief Executive
Director
Director
Director
Director
Director

Audit Committee

Mr. Abdul Basit Pracha Asi Nizami
Mr. Reza Jaffar
Mrs. Neena Jaffar

Chairman
Member
Member

Company Secretary

Mr. Abdul Basit

Auditors

Haroon Zakaria & Company
Chartered Accountants

Legal Advisor

Mr. Abdul Majid
Advocate

Bankers

Bank Alfalah Limited
MCB Bank Limited
Emirates Global Islamic Bank Limited
Habib Metropolitan Bank Limited

Registered Office

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DIRECTORS' REPORT

The Board of Directors has pleasure in presenting the brief overview of operational and financial performance of the company for the Quarter ended March 31, 2009.

Financial Results	March 31, 2009 Rupees
The summarized financial results are as follows:	
Operating revenue	1,377,014
Gain from dealing in marketable securities	-
	<u>1,377,014</u>
Operating and administrative expenses	1,984,932
Financial charges	348,673
	<u>2,333,605</u>
Operating loss	(956,591)
Other income	208,262
Loss before taxation	<u>(748,329)</u>
Taxation	247,170
Loss after taxation	<u>(995,499)</u>
Loss per share - basic and diluted	<u>(0.10)</u>

During the quarter under review, the KSE-100 index closed at 6860 points as at March 31, 2009 with an increase of 995 points. The benchmark KSE 100 index gain 17% in third quarter of this financial year.

During the quarter, the company recorded total revenue of Rs. 1,585,276 as compared to Rs. 4,285,526 in the corresponding quarter of the last year. On the expenditure side, the operating expenses were Rs. 1,984,932 in comparison to Rs. 2,399,639 in the previous year's comparative quarter. As a result, the Company recorded a loss of Rs. 995,499 for the quarter under review.

The Board of Directors wishes to place on record their appreciation to all the clients for their continued support. We also appreciate continuous support and guidance of SECP, Banks, Lahore and Karachi Stock Exchanges.

Lahore
April 29, 2009

For and on behalf of the Board

ROGER DAWOOD BAYAT
CHIEF EXECUTIVE

**CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)
AS AT MARCH 31, 2009**

		(UN-AUDITED) March 31, 2009 Rupees	(AUDITED) June 30, 2008 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property and equipments	5	3,565,814	4,130,255
Intangible assets		4,162,600	4,162,600
Investments - available for sale	6	112,610	377,110
Advance for purchase of offices		100,000	100,000
Long term deposits		1,135,400	1,135,900
		9,076,424	9,905,865
CURRENT ASSETS			
Investments - at fair value through profit or loss	7	6,600,000	27,806,220
Receivable from customers		75,524,207	34,826,423
Placement of funds in CFS		-	7,176,070
Advances, deposits, prepayments and other receivables		1,671,610	4,486,596
Cash and bank balances		17,844,363	13,305,328
		101,640,180	87,600,637
TOTAL ASSETS		110,716,604	97,506,502
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		(26,412,526)	(25,531,633)
SHAREHOLDERS' EQUITY		73,587,474	74,468,367
NON-CURRENT LIABILITIES			
Liabilities against assets subject to finance lease	8	367,329	565,608
Deferred tax liability		246,163	194,310
CURRENT LIABILITIES			
Current portion of lease liability	8	261,452	244,381
Creditors, accrued and other liabilities		28,116,008	20,972,587
Short term loan facility	9	7,000,000	-
Provision for taxation - net		1,138,178	1,061,249
		36,515,638	22,278,217
CONTINGENCIES AND COMMITMENTS			
TOTAL EQUITY AND LIABILITIES		110,716,604	97,506,502

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 ENDED MARCH 31, 2009**

	FOR THIRD QUARTER ENDED		FOR NINE MONTHS ENDED	
	MARCH 31, 2009	MARCH 31, 2008	MARCH 31, 2009	MARCH 31, 2008
	Rupees	Rupees	Rupees	Rupees
Operating revenue	1,377,014	3,859,800	3,339,170	9,842,286
Gain from dealing in marketable securities	-	8,087	2,793,780	2,934,247
	1,377,014	3,867,887	6,132,950	12,776,533
Operating and administrative expenses	1,984,932	2,399,639	6,430,067	7,726,922
Financial charges	348,673	23,128	393,181	51,731
	2,333,605	2,422,767	6,823,248	7,778,653
Operating (loss) / profit	(956,591)	1,445,120	(690,298)	4,997,880
Other income	208,262	417,639	535,758	1,201,355
(Loss) / profit before taxation	(748,329)	1,862,759	(154,540)	6,199,235
Taxation	247,170	275,000	461,853	918,797
(Loss) / profit after taxation	(995,499)	1,587,759	(616,393)	5,280,438
(Loss) / earnings per share - basic and diluted	(0.10)	0.16	(0.06)	0.53

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 ENDED MARCH 31, 2009**

	FOR NINE MONTHS ENDED	
	MARCH 31, 2009	MARCH 31, 2008
	Rupees	Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	(154,540)	6,199,235
Adjustment for non-cash charges and other items		
Depreciation	586,042	648,293
Profit on saving account	(382,028)	(1,205,867)
Dividend income	(100)	(57)
Provision for employee compensated absences	-	(17,574)
Interest income	(153,630)	-
Financial charges	393,181	51,731
Loss on sale of fixed assets	-	4,569
Gain on sale of investments	(2,191,200)	(1,053,027)
Gain on remeasurement of investments to fair value	(602,580)	(1,881,220)
	<u>(2,350,315)</u>	<u>(3,453,152)</u>
Operating (loss) / profit before working capital changes	(2,504,855)	2,746,083
Changes in Working Capital		
(Increase) / decrease in current assets		
Receivable from customers	(40,697,784)	(21,420,510)
Placement of funds in CFS	7,176,070	5,037,800
Advances, deposits, prepayments and other receivables	2,814,986	(8,281,188)
	<u>(30,706,728)</u>	<u>(24,663,898)</u>
Increase / (decrease) in trade and other payables	7,143,421	8,738,498
	<u>(23,563,307)</u>	<u>(15,925,400)</u>
Cash (used in) operations	(26,068,162)	(13,179,317)
Financial charges	(393,181)	(51,731)
Income tax paid	(333,071)	(764,905)
Long term deposits - net	500	(251,250)
Profit on saving account	382,028	1,205,867
Interest income received	153,630	-
	<u>(190,094)</u>	<u>137,981</u>
Net cash (used in) operating activities	(26,258,256)	(13,041,336)
CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of fixed assets	(21,600)	(356,346)
Proceeds from sale of fixed assets	-	12,000
Acquisition of investments at fair value	-	(17,000,000)
Proceeds from sale of investments	24,000,000	27,806,442
Dividend received	100	57
Gain on trading in investments	-	21,585
Net cash generated from investing activities	23,978,500	10,483,738
CASH FLOW FROM FINANCING ACTIVITIES		
Lease Repayment	(181,209)	(137,277)
Short term financing facility	7,000,000	-
	<u>6,818,791</u>	<u>(137,277)</u>
Net increase / (decrease) in cash and cash equivalents	4,539,035	(2,694,875)
Cash and cash equivalents at the beginning of the period	13,305,328	18,774,959
Cash and cash equivalents at the end of the period	17,844,363	16,080,084

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 ENDED MARCH 31, 2009**

	ISSUED, SUBSCRIBED AND PAID UP CAPITAL		CAPITAL		RESERVES			SHARE HOLDERS' EQUITY
			FAIR VALUE RESERVE	GENERAL RESERVE	REVENUE	ACCUMULATED LOSS	SUB - TOTAL	
	Rupees							
Balance as at June 30, 2007	100,000,000	299,455	3,500,000	(34,369,186)	(30,869,186)			69,430,269
Change in fair value of available for sale investments for the period from July 01, 2007 to March 31, 2008	-	(109,457)	-	-	-	-	-	(109,457)
Profit for the period ended March 31, 2008	-	-	-	5,280,438	5,280,438			5,280,438
Balance as at March 31, 2008	100,000,000	189,998	3,500,000	(29,088,748)	(25,588,748)			74,601,250
Balance as at June 30, 2008	100,000,000	17,630	3,500,000	(29,049,263)	(25,549,263)			74,468,367
Change in fair value of available for sale investments for the period from July 01, 2008 to March 31, 2009	-	(264,500)	-	-	-	-	-	(264,500)
Loss for the period ended March 31, 2009	-	-	-	(616,393)	(616,393)			(616,393)
Balance as at March 31, 2009	100,000,000	(246,870)	3,500,000	(29,665,656)	(26,165,656)			73,587,474

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 ENDED MARCH 31, 2009**

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 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, portfolio management, investment advisory, consultancy services and underwriting services.

2 BASIS OF PREPARATION

These condensed interim financial statements are unaudited and have been prepared in accordance with the requirements of the International Financial Reporting Standard (IFRS) IAS-34 Interim Financial Reporting as applicable in Pakistan. 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, 2008.

These condensed interim financial statements are being submitted to the shareholders as required by listing 'regulations of Lahore and Karachi Stock Exchanges and section 245 of the Companies 'Ordinance, 1984.

These condensed interim financial statements have been presented in Pakistan Rupees, which is the functional currency of the Company.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied for the preparation of these condensed interim financial statements are the same as those applied in preparation of the annual audited financial statements of the Company for the year ended June 30, 2008.

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, 2008.

	(UN-AUDITED) March 31, 2009 Rupees	(AUDITED) June 30, 2008 Rupees
5 PROPERTY AND EQUIPMENTS		
Opening WDV	4,130,255	3,227,117
Total additions during the period	21,600	1,930,188
Total Deletions during the period	-	(66,505)
Depreciation charge for the period	(586,041)	(1,010,481)
Depreciation charged on disposal	-	49,936
Closing WDV	3,565,814	4,130,255

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

	March 31, 2009		June 30, 2008	
	Additions	Disposal	Additions	Disposal
	Rupees			
Owned				
Computers	5,500	-	630,559	-
Air conditioners	-	-	-	(66,505)
Furniture and Fixtures	-	-	14,000	-
Office equipments	16,100	-	280,629	-
Leased				
Vehicle	-	-	1,005,000	-
	21,600	-	1,930,188	(66,505)

6 INVESTMENTS - AVAILABLE FOR SALE

Number of shares			March 31, 2009	June 30, 2008
March 31, 2009	June 30, 2008	Name of Company	Rupees	Rupees
In Shares of Quoted Companies				
43,705	43,705	Standard Chartered Leasing Ltd.	78,669	266,601
82,500	82,500	Interasia Leasing Company Ltd	-	49,500
15,070	15,070	Al-Zamin Leasing Corporation Ltd	30,441	55,759
5,000	5,000	Sunshine Cotton Mills Ltd	3,500	5,250
Grand Total			112,610	377,110

7 INVESTMENT - AT FAIR VALUE THROUGH PROFIT OR LOSS**Related party**

In shares of unquoted company

Number of shares		Description	(UN-AUDITED)	AUDITED
			March 31, 2009	June 30, 2008
March 31, 2009	June 30, 2008		Rupees	Rupees
<u>550,000</u>	<u>2,550,000</u>	Takaful Pakistan Limited	<u>6,600,000</u>	<u>27,806,220</u>

8 LIABILITIES AGAINST ASSET SUBJECT TO FINANCE LEASE

The amount of future payments for the lease and the period in which these payments will become due are:

	March 31, 2009 Rupees	June 30, 2008 Rupees
Minimum lease payment		
Upto one year	307,620	307,620
More then one year	379,425	610,140
	687,045	917,760
Financial charges not yet due		
Upto one year	46,168	63,239
More then one year	12,096	44,532
	58,264	107,771
Present value of minimum lease payments		
Upto one year	261,452	244,381
More then one year	367,329	565,608
	628,781	809,989
Current maturity shown under current liabilities	261,452	244,381
	<u>367,329</u>	<u>565,608</u>

Effective interest rate of lease is 9.04% per annum (June 30, 2008: 9.04%).

9 SHORT TERM LOAN

The company availed Rs.7.00 million credit facility from Emirates Global Islamic Bank Limited under the Bai Salam facility in January 2009 which carries mark up at the rate ranging from 6 months KIBOR plus 4% (June 30, 2008: Nil) and secured against charge over all present and future current assets of the company with 30% margin.

10 CONTINGENCIES AND COMMITMENTS**a) Contingencies**

There were no change in contingencies since the last audited financial statements.

b) Commitments

	March 31, 2009 Rupees	June 30, 2008 Rupees
For purchase of shares	37,587,124	26,410,688
For sale of shares	(26,682,919)	(24,086,549)

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:

	NINE MONTHS ENDED		QUARTER ENDED	
	March 31, 2009 Rupees	March 31, 2008 Rupees	March 31, 2009 Rupees	March 31, 2008 Rupees
- Commission paid to Chief Executive/Directors	238,659	57,485	54,410	48,534
- Commission received from Director	550,648	388,505	174,983	387,130
- Salary drawn by Director	686,911	-	219,255	-
- Receivable from Emirates Global Investment Bank Limited	997,390	997,390	-	-
- Expenses incurred by the Chief Executive / Directors	95,926	519,510	6,445	78,235
- Receivable from Ensha NLC	54,416	54,416	-	-
- Sale of shares of Takaful Pakistan Limited to associated company	24,000,000	-	-	-
- Payable to Emirates Global Investment Limited	-	495,400	-	-
- Underwriting commission due to related parties	-	146,868	-	-
- Payable of CEO's travelling and lodging to associated undertaking	-	28,250	-	-

12 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue by the Board of Directors of the Company on April 29, 2009.

13 GENERAL

Figures have been rounded off to the nearest rupee.

Chief Executive

Director

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