

*First Quarter Report*  
*September 30, 2010*  
*(Un-Audited)*

**TSBL**

**Trust Securities & Brokerage Limited**

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**COMPANY INFORMATION**

**Board of Directors**

Mr. Sohail Abbasi  
Mr. Abdul Basit  
Mrs. Neena Jaffar  
Mr. Naveed Gilani  
Mr. Syed Javed Hussain  
Mr. Mohammed Talha Qureshi (Nominee of Emirates Investment Group LLC)  
Mr. Abdul Basit Pracha Asi Nizami

Chairman  
Chief Executive  
Director  
Director  
Director  
Director  
Director

**Audit Committee**

Mr. Sohail Abbasi  
Mr. Naveed Gilani  
Mr. Syed Javed Hussain

Chairman  
Member  
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  
Emirates Global Islamic Bank 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

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**DIRECTOR'S REPORT**

The Directors of your company are pleased to present the first quarter un-audited interim financial statements for the period ended September 30, 2010.

**Financial Results**

The summarized financial results are as follows:

	<b>Jul – Sep 2010 (3 Months)</b>
	<b>Rupees</b>
Operating revenue	201,623
Gain on sale of securities	15,156
	<u>216,779</u>
Operating and administrative expenses	(1,792,928)
Finance Cost	(5,366)
	<u>(1,798,294)</u>
<b>Operating loss</b>	<b>(1,581,515)</b>
Other operating income	209,382
<b>Loss before taxation</b>	<b>(1,372,133)</b>
Taxation	(15,000)
<b>Loss after taxation</b>	<b>(1,387,133)</b>
<b>Loss per share- basic and diluted</b>	<b>(0.14)</b>

During the quarter ended September 30, 2010, trading activities at the local bourse drastically declined as the average daily volume reduced to nine year low. The average daily volumes declined by 68 percent to 62 million shares during the outgoing quarter as compared to 189 million shares in the same period of the last year. KSE-100 index gained 291 points to close to 10,013 on September 30, 2010, making 3 percent improvement from 9,722 levels on June 30, 2010. During the quarter under review, the company recorded revenue of Rs. 426,161 as compared to Rs. 1,273,123 in the corresponding period of the last year. On the expenditure side, the operating expenses were Rs. 1,792,928 in comparison to Rs. 2,054,316 in the previous period. The company reported a net loss of Rs.1,387,133 for the quarter ended September 30, 2010.

In the end, the Board would like to place on record his appreciation to our valued clients, Securities and Exchange Commission of Pakistan, Karachi and Lahore Stock Exchanges for their continued guidance.

**On behalf of the Board of Directors**

**Lahore  
October 28, 2010**

**ABDUL BASIT  
CHIEF EXECUTIVE**

# Trust Securities & Brokerage Limited

# TSBL

## CONDENSED INTERIM BALANCE SHEET AS AT SEPTEMBER 30, 2010 (UN-AUDITED)

		(UN-AUDITED)	(AUDITED)
		September 30, 2010	June 30, 2010
	Note	Rupees	Rupees
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property and equipment	5	2,812,706	2,936,789
Intangibles		4,262,600	4,262,600
Long term investments	6	124,174	127,585
Long term advance		100,000	100,000
Long term deposits		1,086,649	938,649
		<u>8,386,129</u>	<u>8,365,623</u>
<b>CURRENT ASSETS</b>			
Short term investments		6,600,000	6,600,000
Trade debts		51,341,864	51,039,881
Loans and advances		388,000	389,000
Trade deposits & short term prepayments		135,186	292,176
Other receivable		117,848	134,196
Cash and bank balances		8,118,270	12,353,377
		<u>66,701,168</u>	<u>70,808,630</u>
<b>TOTAL ASSETS</b>		<u><u>75,087,297</u></u>	<u><u>79,174,253</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
<b>Authorized capital</b>			
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		<u>100,000,000</u>	<u>100,000,000</u>
<b>RESERVES</b>			
General Reserve		3,500,000	3,500,000
Capital Reserve - fair value reserve		(3,411)	-
Accumulated losses		(42,461,892)	(41,074,759)
		<u>(38,965,303)</u>	<u>(37,574,759)</u>
<b>SHAREHOLDERS' EQUITY</b>		<u>61,034,697</u>	<u>62,425,241</u>
<b>NON-CURRENT LIABILITIES</b>			
Deferred liability		2,022,340	2,022,340
<b>CURRENT LIABILITIES</b>			
Current portion of lease liability against assets subject to finance lease	7	-	298,205
Trade and other payables		11,373,680	13,751,788
Provision for taxation - net		656,580	676,679
		<u>12,030,260</u>	<u>14,726,672</u>
<b>CONTINGENCIES AND COMMITMENTS</b>	8		
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>75,087,297</u></u>	<u><u>79,174,253</u></u>

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

\_\_\_\_\_  
Chief Executive

\_\_\_\_\_  
Director

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT  
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2010  
(UN-AUDITED)**

	July - September 2010 (3-Months)	July - September 2009 (3-Months)
	Rupees	Rupees
Operating revenue	201,623	1,152,894
Gain on sale of securities	15,156	-
	<u>216,779</u>	<u>1,152,894</u>
Operating and administrative expenses	<u>(1,792,928)</u>	<u>(2,054,316)</u>
Finance Cost	<u>(5,366)</u>	<u>(362,624)</u>
	<u>(1,798,294)</u>	<u>(2,416,940)</u>
<b>Operating loss</b>	<b>(1,581,515)</b>	<b>(1,264,046)</b>
Other operating income	<u>209,382</u>	<u>120,229</u>
<b>Loss before taxation</b>	<b>(1,372,133)</b>	<b>(1,143,817)</b>
Taxation	<u>(15,000)</u>	<u>(50,000)</u>
<b>Loss after taxation</b>	<b>(1,387,133)</b>	<b>(1,193,817)</b>
<b>Loss per share - basic and diluted</b>	<b>(0.14)</b>	<b>(0.12)</b>

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

\_\_\_\_\_  
Chief Executive

\_\_\_\_\_  
Director

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2010  
(UN-AUDITED)**

	July - September 2010 (3-Months) <u>Rupees</u>	July - September 2009 (3-Months) <u>Rupees</u>
Loss for the quarter	(1,387,133)	(1,193,817)
<b>Other comprehensive income :</b>		
(Loss) / gain arising due to remeasurement	(3,411)	32,815
<b>Total comprehensive loss for the quarter</b>	<b><u>(1,390,544)</u></b>	<b><u>(1,161,002)</u></b>

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

\_\_\_\_\_  
Chief Executive

\_\_\_\_\_  
Director

# Trust Securities & Brokerage Limited

# TSBL

## CONDENSED INTERIM CASH FLOW STATEMENT FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2010 (UN-AUDITED)

	July - September 2010 (3-Months) Rupees	July - September 2009 (3-Months) Rupees
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
(Loss) before taxation	(1,372,133)	(1,143,817)
Adjustment for non-cash charges and other items		
Depreciation	124,083	155,938
Profit on saving account	(209,382)	(120,229)
Finance cost	5,366	362,624
Loss on sale of fixed assets	-	3,233
Gain on sale of investments	(15,156)	-
	(95,089)	401,566
Operating (loss) before working capital changes	(1,467,222)	(742,251)
<b>Changes in Working Capital</b>		
(Increase) / decrease in current assets		
Trade debts	(301,983)	(4,894,226)
Loans and advances	1,000	(17,279)
Trade deposits & short term prepayments	(94,260)	(50,976)
Other receivable	16,348	(36,160)
(Decrease) / increase in current liabilities		
Trade and other payables	(2,378,108)	8,016,580
	(2,757,003)	3,017,939
Cash (used in) / generated from operations	(4,224,225)	2,275,688
Finance cost paid	(5,366)	(15,393)
Taxes paid	(35,099)	(71,452)
Long term deposits - net	(148,000)	-
Profit received on saving account	209,382	120,229
	20,917	33,384
<b>Net cash (used in) / generated from operating activities</b>	<b>(4,203,308)</b>	<b>2,309,072</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Acquisition of property and equipment	-	(74,799)
Proceeds from sale of property and equipment	-	6,500
Proceeds from gain in trading investments	15,156	-
<b>Net cash generated from / (used in) investing activities</b>	<b>15,156</b>	<b>(68,299)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment / proceeds from short term borrowings	-	(64,612)
Repayment of lease obligation	(46,955)	(2,300)
<b>Net cash (used in) / generated from financing activities</b>	<b>(46,955)</b>	<b>(66,912)</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(4,235,107)</b>	<b>2,173,861</b>
Cash and cash equivalents at the beginning of the period	12,353,377	4,282,398
<b>Cash and cash equivalents at the end of the period</b>	<b>8,118,270</b>	<b>6,456,259</b>

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

\_\_\_\_\_  
Chief Executive

\_\_\_\_\_  
Director



CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY  
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2010  
(UN-AUDITED)

	Rupees						SHARE HOLDERS' EQUITY
	ISSUED, SUBSCRIBED AND PAID UP CAPITAL	RESERVES			SUB - TOTAL	GRAND TOTAL	
		CAPITAL FAIR VALUE RESERVE	GENERAL RESERVE	REVENUE ACCUMULATED LOSS			
<b>Balance as at June 30, 2009</b>	100,000,000	(239,002)	3,500,000	(31,390,830)	(27,890,830)	(28,129,832)	71,870,168
Total comprehensive loss for the first quarter							
Loss for the first quarter ended September 30, 2009	-	-	-	(1,193,817)	(1,193,817)	(1,193,817)	(1,193,817)
<b>Other Comprehensive Income / (loss)</b>							
Gain arises due to remeasurement of investments	-	32,815	-	-	-	32,815	32,815
<b>Balance as at September 30, 2009</b>	100,000,000	(206,187)	3,500,000	(32,584,647)	(29,084,647)	(29,290,834)	70,709,166
<b>Balance as at June 30, 2010</b>	100,000,000	-	3,500,000	(41,074,759)	(37,574,759)	(37,574,759)	62,425,241
Total comprehensive loss for the first quarter							
Loss for the first quarter ended September 30, 2010	-	-	-	(1,387,133)	(1,387,133)	(1,387,133)	(1,387,133)
<b>Other Comprehensive Income / (loss)</b>							
Loss arises due to remeasurement of investments	-	(3,411)	-	-	-	(3,411)	(3,411)
<b>Balance as at September 30, 2010</b>	100,000,000	(3,411)	3,500,000	(42,461,892)	(38,961,892)	(38,965,303)	61,034,697

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

Chief Executive

Director

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2010  
(UN-AUDITED)**

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## **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 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, consultancy 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, 2010.

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, 2010.

## **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, 2010.

# Trust Securities & Brokerage Limited

# TSBL

	Un-audited for the quarter ended September 30, 2010 Rupees	Audited for the year ended June 30, 2010 Rupees
<b>5 PROPERTY AND EQUIPMENT</b>		
Opening written down value	2,936,789	3,464,958
Total additions during the period	-	111,634
Total disposals during the period	-	(46,500)
Depreciation charge for the period	(124,083)	(630,070)
Depreciation charged on disposal	-	36,767
<b>Closing written down value</b>	<b>2,812,706</b>	<b>2,936,789</b>

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

	Un-audited for the quarter ended September 30, 2010		Audited for the year ended June 30, 2010	
	Additions	Disposals	Additions	Disposals
	← Rupees →			
<b>Owned</b>				
Computers	-	-	13,200	-
Furniture and fittings	-	-	6,600	-
Office equipments	-	-	91,834	(46,500)
	-	-	111,634	(46,500)

## 6 LONG TERM INVESTMENTS

Available for sale - In Shares of quoted companies

September 30, 2010	June 30, 2010	Name of Company	(Un-Audited)	Audited
			September 30, 2010	June 30, 2010
Number of Shares			Rupees	
43,705	43,705	Standard Chartered Leasing Ltd.	102,270	93,092
36,168	36,168	Invest Capital Investment Bank Ltd.	20,254	30,743
5,000	5,000	Sunshine Cotton Mills Ltd.	1,650	3,750
<b>Grand Total</b>			<b>124,174</b>	<b>127,585</b>

## 7 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:

	Un-audited for the quarter ended September 30, 2010 Rupees	Audited for the year ended June 30, 2010 Rupees
Minimum lease payment		
Upto one year	-	302,520
More then one year	-	-
	-	302,520
Financial charges not yet due		
Upto one year	-	4,315
More then one year	-	-
	-	4,315
Present value of minimum lease payments		
Upto one year	-	298,205
More then one year	-	-
	-	298,205
Current maturity shown under current liabilities	-	298,205
	-	-

Effective interest rate of lease is Nil (June 30, 2010: 9.04% per annum).

## 8 CONTINGENCIES AND COMMITMENTS

### a) Contingencies

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

### b) Commitments

For purchase of shares	<u>2,320,243</u>	<u>639,857</u>
For sale of shares	<u>5,261,494</u>	<u>306,258</u>

## 9 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:

	<b>Un-audited for the quarter ended September 30, 2010</b>	<b>Un-audited for the quarter ended September 30, 2009</b>
	<b>Rupees</b>	<b>Rupees</b>
Commission paid to Chief Executive/Directors	<b>3,152</b>	45,932
Salary drawn by Chief Executive / Director	<b>270,316</b>	250,401
Expenses incurred by the Chief Executive/Director	<b>23,056</b>	8,299

**10 DATE OF AUTHORIZATION FOR ISSUE**

These financial statements were authorized for issue by the Board of Directors of the Company on October 28, 2010.

**11 GENERAL**

Figures have been rounded off to the nearest rupee.

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**Chief Executive**

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**Director**