

Half Yearly Report

December 31, 2008

(Un-Audited)

TSBL

Trust Securities & Brokerage Limited

CONTENTS

COMPANY INFORMATION

DIRECTORS' REPORT

AUDITORS' REVIEW REPORT TO THE MEMBERS

CONDENSED INTERIM BALANCE SHEET

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT

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. 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

3rd Floor, Associated House, Building # 1 & 2,
7-Kashmir Road, Lahore-Pakistan.
Telephone : (042) 637 3041-43
Fax : (042) 637 3040

Lahore Stock Exchange Office

Room # 607, Lahore Stock Exchange Building,
19-Khayaban-e-Aiwan-e-Iqbal, Lahore - Pakistan.
Telephone : (042) 637 4710 - 630 0181

Faisalabad Office

Room # 501, State Life Building # 2,
2-Liaqat Road, Faisalabad - Pakistan.
Telephone: (041) 260 4112 - 13
Fax : (041) 260 4114

Sialkot Office

Room # 234, 2nd Floor, Cantt Plaza,
Allama Iqbal Road, Sialkot Cantt. - Pakistan.
Telephone: (052) 456 6172 - 73
Fax : (052) 456 6174

DIRECTORS' REPORT

The Board of Directors is pleased to present a brief overview of the operational and financial performance of the company for the half year ended December 2008.

Financial Results

The summarized financial results are as follows:

	December 31, 2008 Rupees
Operating revenue	1,962,156
Gain from dealing in marketable securities	2,793,780
	<u>4,755,936</u>
Operating and administrative expenses	4,445,135
Financial charges	44,508
	<u>4,489,643</u>
Operating Profit	266,293
Other income	327,496
Profit before taxation	<u>593,789</u>
Taxation	214,683
Profit after taxation	<u><u>379,106</u></u>
Earnings per share - basic and diluted	<u><u>0.04</u></u>

Country Stock Exchanges observed the worst ever crises in the history during the past few months and KSE-share index lost more than 33 percent in just 15 days since the floor has been removed as on December 15, 2008. KSE-100 index closed at 5865 points and opened at 12,289 points, shedding almost 6,424 points in a short span of within six months. The benchmark KSE 100 index lost 52.27% in first half of this financial year.

The company earned total revenue of Rs.5,083,432 during the half year ended December 31, 2008, as compared to Rs.9,692,362 in the corresponding period of last year. On the expenditure side, the operating expenses were Rs.4,445,135 in comparison to Rs.5,327,284 in the previous period. This resulted in net profit of Rs.379,106 during the period under review.

We hope that there is an improvement in the economic conditions in the country and pray to Allah for peace and prosperity of Pakistan. In Conclusion, we extend sincere appreciation to our clients for their patronage and confidence reposed in us. We are also indeed grateful to SECP, banks, Lahore and Karachi Stock Exchanges whose support and feed back has been invaluable during this period.

For and on behalf of the Board

Lahore
February 27, 2009

ROGER DAWOOD BAYAT
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 AND BROKERAGE LIMITED as at December 31, 2008, and the related condensed interim profit and loss account, condensed interim cash flow statement and condensed interim statement of changes in equity together with the condensed notes forming part thereof (here-in-after referred to as the "Interim financial information") for the six months period ended December 31, 2008. 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 profit and loss account for the quarters ended December 31, 2008 and 2007 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2008.

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 annexed interim financial information are not presented fairly, in all materials respects, in accordance with approved accounting standards as applicable in Pakistan.

Place : Karachi
Dated: February 27, 2009

HAROON ZAKARIA & COMPANY
CHARTERED ACCOUNTANTS

**CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)
AS AT DECEMBER 31, 2008**

		(UN-AUDITED) December 31, 2008 Rupees	(AUDITED) June 30, 2008 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property and equipments	5	3,741,191	4,130,255
Intangible assets		4,162,600	4,162,600
Investments - available for sale	6	104,892	377,110
Advance for purchase of offices		100,000	100,000
Long term deposits		1,135,400	1,135,900
		9,244,083	9,905,865
CURRENT ASSETS			
Investments - at fair value through profit or loss	7	6,600,000	27,806,220
Receivable from customers		74,146,872	34,826,423
Placement of funds in CFS		-	7,176,070
Advances, deposits, prepayments and other receivables		4,258,187	4,486,596
Cash and bank balances		4,616,659	13,305,328
		89,621,718	87,600,637
TOTAL ASSETS		98,865,801	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		(25,424,746)	(25,531,633)
SHAREHOLDERS' EQUITY		74,575,254	74,468,367
NON-CURRENT LIABILITIES			
Liabilities against assets subject to finance lease	8	434,915	565,608
Deferred tax liability		246,163	194,310
CURRENT LIABILITIES			
Current portion of lease liability	8	255,633	244,381
Creditors, accrued and other liabilities		22,257,304	20,972,587
Provision for taxation - net		1,096,532	1,061,249
		23,609,469	22,278,217
CONTINGENCIES AND COMMITMENTS	9		
TOTAL EQUITY AND LIABILITIES		98,865,801	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 HALF YEAR ENDED DECEMBER 31, 2008**

	HALF YEAR ENDED		QUARTER PERIOD ENDED	
	December 2008 Rupees	December 2007 Rupees	December 2008 Rupees	December 2007 Rupees
Operating revenue	1,962,156	5,982,487	220,287	3,403,674
Gain from dealing in marketable securities	2,793,780	2,926,159	-	2,076,159
	4,755,936	8,908,646	220,287	5,479,833
Operating and administrative expenses	4,445,135	5,327,284	1,930,024	3,006,443
Financial charges	44,508	28,603	23,031	24,252
	4,489,643	5,355,887	1,953,055	3,030,695
Operating profit / (loss)	266,293	3,552,759	(1,732,768)	2,449,138
Other income	327,496	783,716	185,658	447,505
Profit / (loss) before taxation	593,789	4,336,475	(1,547,110)	2,896,643
Taxation	214,683	643,797	(85,317)	468,797
Profit / (loss) after taxation	379,106	3,692,678	(1,461,793)	2,427,846
Earnings / (loss) per share - basic and diluted	0.04	0.37	(0.15)	0.24

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

Chief Executive

Director

**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2008**

	December 31, 2008 Rupees	December 31, 2007 Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	593,789	4,336,475
Adjustment for non-cash charges and other items		
Depreciation	389,065	432,603
Profit on saving account	(251,169)	(783,659)
Dividend income	(100)	(57)
Interest income	(76,227)	-
Financial charges	44,508	28,603
Gain on sale of investments	(2,191,200)	(1,044,939)
Gain on remeasurement of investments to fair value	(602,580)	(1,881,220)
	<u>(2,687,703)</u>	<u>(3,248,669)</u>
Operating (loss) / profit before working capital changes	(2,093,914)	1,087,806
Changes in Working Capital		
(Increase) / decrease in current assets		
Receivable from customers	(39,320,449)	(2,991,726)
Placement of funds in CFS	7,176,070	(1,786,125)
Advances, deposits, prepayments and other receivables	228,407	975,833
	<u>(31,915,972)</u>	<u>(3,802,018)</u>
Increase / (decrease) in trade and other payables	1,284,717	(823,777)
	<u>(30,631,255)</u>	<u>(4,625,795)</u>
Cash (used in) operations	<u>(32,725,169)</u>	<u>(3,537,989)</u>
Financial charges	(44,508)	(28,603)
Income tax paid	(127,547)	(467,930)
Long term deposits - net	500	(251,250)
Profit on saving account	251,169	783,659
Interest income received	76,227	-
	<u>155,841</u>	<u>35,876</u>
Net cash (used in) operating activities	<u>(32,569,328)</u>	<u>(3,502,113)</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of fixed assets	-	(347,917)
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	-	13,497
Net Cash generated from investing activities	<u>24,000,100</u>	<u>10,472,079</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Lease Repayment	(119,441)	(80,829)
Net (decrease) / increase in cash and cash equivalents	<u>(8,688,669)</u>	<u>6,889,137</u>
Cash and cash equivalents at the beginning of the period	<u>13,305,328</u>	<u>18,774,959</u>
Cash and cash equivalents at the end of the period	<u><u>4,616,659</u></u>	<u><u>25,664,096</u></u>

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

Chief Executive

Director

7

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2008

	ISSUED, SUBSCRIBED AND PAID UP CAPITAL	RESERVES				GRAND TOTAL	SHARE HOLDERS' EQUITY
		CAPITAL	REVENUE	ACCUMULATED LOSS	SUB - TOTAL		
		FAIR VALUE RESERVE	GENERAL RESERVE				
Balance as at June 30, 2007	100,000,000	299,455	3,500,000	(34,369,186)	(30,869,186)	(30,569,731)	69,430,269
Change in fair value of investments available for sale for the half year ended December 31, 2007	-	(89,924)	-	-	-	(89,924)	(89,924)
Profit for the half year ended December 31, 2007	-	-	-	3,692,678	3,692,678	3,692,678	3,692,678
Balance as at December 31, 2007	100,000,000	209,531	3,500,000	(30,676,508)	(27,176,508)	(26,966,977)	73,033,023
Balance as at June 30, 2008	100,000,000	17,630	3,500,000	(29,049,263)	(25,549,263)	(25,531,633)	74,468,367
Change in fair value of investments available for sale for the half year ended December 31, 2008	-	(272,219)	-	-	-	(272,219)	(272,219)
Profit for the half year ended December 31, 2008	-	-	-	379,106	379,106	379,106	379,106
Balance as at December 31, 2008	100,000,000	(254,589)	3,500,000	(28,670,157)	(25,170,157)	(25,424,746)	74,575,254

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, 2008**

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 but subject to limited scope review by auditors 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 were same as those applied to the financial statements for the year ended June 30, 2008.

	(UN-AUDITED) December 31, 2008 Rupees	(AUDITED) June 30, 2008 Rupees
5 PROPERTY AND EQUIPMENTS		
Opening WDV	4,130,255	3,227,117
Total additions during the period	-	1,930,188
Total Deletions during the period	-	(66,505)
Depreciation charge for the period	(389,065)	(1,010,481)
Depreciation charged on disposal	-	49,936
Closing WDV	3,741,191	4,130,255

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

	December 31, 2008		June 30, 2008	
	Additions	Disposal	Additions	Disposal
	←————— Rupees —————→			
Owned				
Computers	-	-	630,559	-
Air conditioners	-	-	-	(66,505)
Furniture and Fixtures	-	-	14,000	-
Office equipments	-	-	280,629	-
Leased				
Vehicle	-	-	1,005,000	-
	-	-	1,930,188	(66,505)

6 INVESTMENTS - AVAILABLE FOR SALE

Number of shares			Dec. 31, 2008	June 30, 2008
Dec. 31, 2008	June 30, 2008	Name of Company	Rupees	Rupees
In Shares of Quoted Companies				
43,705	43,705	Standard Chartered Leasing Ltd.	76,484	266,601
82,500	82,500	Interasia Leasing Company Ltd	-	49,500
15,070	15,070	Al-Zamin Leasing Corporation Ltd	23,208	55,759
5,000	5,000	Sunshine Cotton Mills Ltd	5,200	5,250
			104,892	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
Dec. 31, 2008	June 30, 2008		Dec. 31, 2008	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:

	December 31, 2008 Rupees	June 30, 2008 Rupees
Minimum lease payment		
Upto one year	307,620	307,620
More then one year	456,330	610,140
	763,950	917,760
Financial charges not yet due		
Upto one year	51,987	63,239
More then one year	21,415	44,532
	73,402	107,771
Present value of minimum lease payments		
Upto one year	255,633	244,381
More then one year	434,915	565,608
	690,548	809,989
Current maturity shown under current liabilities	255,633	244,381
	<u>434,915</u>	<u>565,608</u>

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

9 CONTINGENCIES AND COMMITMENTS**a) Contingencies**

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

b) Commitments

For purchase of shares	2,265,788	26,410,688
For sale of shares	(1,856,230)	(24,086,549)

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

	HALF YEAR ENDED		QUARTER PERIOD ENDED	
	December 31, 2008 Rupees	December 31, 2007 Rupees	December 31, 2008 Rupees	December 31, 2007 Rupees
- Commission paid to Chief Executive/Directors	184,249	8,951	63,104	4,918
- Commission received from Director	375,665	1,375	24,355	1,375
- Salary drawn by Director	467,656	-	217,255	-
- Receivable from Emirates Global Investment Bank Limited	997,390	997,390	-	-
- Expenses incurred by the Chief Executive / Directors	89,481	441,275	12,465	263,505
- Receivable from Ensha NLC	54,416	54,416	-	-
- Sale of shares of Takaful Pakistan Limited to associated company	24,000,000	-	12,000,000	-
- 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	-	-

11 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue by the Board of Directors of the Company on February 27, 2009.

12 GENERAL

Figures have been rounded off to the nearest rupee.

 Chief Executive

 Director