

Trust Securities & Brokerage Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED DECEMBER 31, 2005 (UN-AUDITED)

1. STATUS AND NATURE OF BUSINESS

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 financial statements have been prepared in compliance with the International Accounting Standard-34, Interim Financial Reporting and the section 245 of the Ordinance. These financial statements are un-audited and subject to limited scope review by auditors.

3. ACCOUNTING POLICIES

Accounting policies adopted and applied for the preparation of these half yearly financial statements are same as those adopted and applied in the preparation of financial statements for the year ended June 30, 2005.

4. PROPERTY AND EQUIPMENT - TANGIBLE ASSETS

Additions / (deletions) made to the property and equipment are as follows:

Description	For the half year ended December 31, 2005 Rupees	For the year ended June 30, 2005 Rupees
Computers	48,025	235,900
Office equipments	9,500	108,276 (150,000)
Furniture and fixture	-	44,844 (11,333)

Trust Securities & Brokerage Limited

5. ISSUED, SUBSCRIBED AND PAID UP CAPITAL

Number of Shares			December 31, 2005	June 30, 2005
December 31, 2005	June 30, 2005	Ordinary shares of Rs. 10/- each fully paid in cash	December 31, 2005 Rupees	June 30, 2005 Rupees
<u>10,000,000</u>	<u>4,000,000</u>		<u>100,000,000</u>	<u>40,000,000</u>

During last year the Board of Directors of the Company had decided to raise Company's paid up capital up to Rs. 100 million. Consequently during the period the Company has successfully received amount against 6 million right shares at the rate of Rs. 10 each and allotment has been made accordingly.

6. LONG TERM LOAN

During the current period the Company has paid its long term advance by proceeds from the right issue.

7. CONTINGENCIES AND COMMITMENTS

The nature and life of contingencies remain the same as disclosed in last annual published financial statements.

Commitment against unrecorded transactions executed before the half year end having settlement date subsequent to half year end:

For purchase of shares Rs.157.30 million (2004: Rs. 220.55 million).

For sale of shares Rs.160.61 million (2004: Rs. 225.39 million).

8. TRANSACTIONS WITH RELATED PARTIES

	December 31, 2005 Rupees	December 31, 2004 Rupees
Commission on purchase / sale of shares	-	666,135
Net sale / purchase of shares	-	853,908
Paid long term advance	10,000,000	-
Repayment on account	500,000	-
Underwriting Commission	146,868	-

Trust Securities & Brokerage Limited

9. GENERAL

9.1 These financial statements were authorized for issue by the Board of Directors on February 22, 2006.

9.2 Figures have been rounded off to the nearest of rupee.

Chief Executive

Director