

# Trust Securities & Brokerage Limited

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2006 (UN-AUDITED)

### 1. STATUS AND NATURE OF BUSINESS

Trust Securities & 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 3<sup>rd</sup> 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.

### 3. ACCOUNTING POLICIES

Accounting policies adopted and applied for the preparation of these quarterly 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 period ended	For the year ended
	March 31, 2006	June 30, 2005
	Rupees	Rupees
Computers	133,669	235,900
Vehicle	1,182,500 (536,800)	-
Office equipments	34,400 (70,000)	108,276 (150,000)
Furniture & fixtures	-	44,844 (11,333)

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## 5. ISSUED, SUBSCRIBED AND PAID UP CAPITAL

<u>Number of Shares</u>		<u>March 31,</u>	<u>June 30,</u>
March 31,	June 30,	<u>2006</u>	<u>2005</u>
2006	2005	<u>Rupees</u>	<u>Rupees</u>
<u>10,000,000</u>	<u>4,000,000</u>	<u>100,000,000</u>	<u>40,000,000</u>
		<b>Ordinary shares of Rs. 10/- each fully paid in cash</b>	

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 period end having settlement date subsequent to period end:

- For purchase of shares Rs.227.28 million (2005 Rs. 144.47 million).
- For sale of shares Rs.223.77 million (2005: Rs. 139.03 million).

## 8. TRANSACTIONS WITH RELATED PARTIES

	<u>March 31,</u>	<u>March 31,</u>
	<u>2006</u>	<u>2005</u>
	<u>Rupees</u>	<u>Rupees</u>
Commission on purchase / sale of shares	-	1,237,911
Net sale / purchase of shares	-	(2,791,588)
Paid long term advance	<b>10,000,000</b>	-
Repayment on account	<b>500,000</b>	-
Underwriting commission	<b>146,868</b>	-

## 9. GENERAL

- 9.1 These financial statements were authorized for issue by the Board of Directors on April 25, 2006.
- 9.2 Figures have been rounded off to the nearest of rupee.

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Chief Executive

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Director