
**TRUST SECURITIES &
BROKERAGE LIMITED**

**Financial Statements
for the period ended December 31, 2018**

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COMPANY INFORMATION

Board Of Directors:

Mr. Muhammad Khurram Faraz	Chairman
Mr. Abdul Basit	Chief Executive Officer/Director (Executive)
Mr. Khizer Hayat Farooq	Non-Executive (Independent)
Mr. Junaid Shehzad Ahmad	Non-Executive (Independent)
Mr. Muhammad Ashraf	Non-Executive
Mr. Talha Muhammad Razi	Non-Executive
Mr. Muhammad Ahmad	Executive

Audit Committee:

Mr. Khizer Hayat Farooq	Chairman
Mr. Muhammad Khurram Faraz	Member
Mr. Muhammad Ashraf	Member

H.R & Remuneration Committee:

Mr. Muhammad Ashraf	Chairman
Mr. Khizer Hayat Farooq	Member
Mr. Abdul Basit	Member

Company Secretary

Syed Maqsood Ahmad

Chief Financial Officer

Waseem Ahmad Khan

Auditors:

Reanda Haroon Zakaria & Company
Chartered Accountants

Internal Auditors:

Muhammad Adnan Siddiqui
Chartered Accountant

Legal Advisors:

Mr. Abdul Majeed
Advocate

Share Registrar:

Hameed Majeed Associates (Pvt) Ltd.
H.M House, 7-Bank Square, Lahore.
Tel: (92-42) 3723 5081-82, Fax: (92-42) 3735 8817

Bankers:

Habib Bank Limited, Karachi
J.S. Bank Limited, Karachi
Habib Metropolitan Bank Limited, Lahore
Bank Alfalah Limited, Lahore
MCB Bank Limited, Lahore
Al-Baraka Bank (Pakistan) Limited, Lahore

Registered Office:

Suite No. 401 & 402, 4th Floor, Business & Finance Centre,
I.I. Chundrigar Road, Karachi (Pakistan)
UAN: (92-21) 111-000-875
Tel: (92-21) 32469044-48, Fax: (92-21) 32467660

Branch Office Karachi:

2nd Floor, PSX New Building
Stock Exchange Road, Karachi, Pakistan
Tel: (92 21) 32460161-7

Branch Office Lahore:

2nd Floor, Associated House

Building No. 1&2, 7-Kashmir Road, Lahore (Pakistan)

Tel: (92-42)36310241-44, Fax: (92-42) 36373040

Website: www.tsbl.com.pk E-mail: info@tsbl.com.pk

Directors Report

The Board Of Directors of Trust Securities & Brokerage Limited (TSBL) takes the pleasure in presenting the report on the performance of the Company together with auditor's reviewed financial statements for the six months period ended December 31, 2018.

Keeping in view of the core business of the company's profit derived from the Pakistan Stock Exchange, the 100-Index witnessed another depressing quarter and posted a negative return of 9.60% in 2QFY19 to close at 37,067 points. The decline was majorly led by continued pressure on the current account deficit, depleting forex reserves, increase in discount rate and the depreciation of PKR against USD which resulted in massive foreign selling. Net outflow during the 1H FY19 clocked in at USD 403 million compared to net outflow of USD 151 million in 1H FY18.

COMPANY PERFORMANCE REVIEW

The company incurred a net profit of PKR 444,548 for the second quarter ended December 31, 2018. However, the first half year FY19 witnessed a loss PKR 6.5 million which translates in basic EPS of -0.21.

The first half year FY19 witnessed a decline of 24% in market traded values compared to first half year FY18. The company has invested in human capital by expanding its trading and business development team in Karachi & Lahore which will in turn increase our market share with the retail clients, however, the same has led to an increase in our administrative and operating expenses.

Despite ongoing market-related challenges and the country's political and economic condition, the Company is focused on improving its growth outlook in the long run. Management is acutely monitoring its resources to reap the maximum benefits for its shareholders. This involves optimizing revenue generation from core brokerage and fee-based operations along with strategic branch expansion and marking its step in the Pakistan Mercantile Exchange (PMEX).

ACKNOWLEDGEMENT

We express our sincerest appreciation to our employees for their dedication and hard work and to our clients, business partners and shareholders for their support and confidence.

We would like to acknowledge the Securities and Exchange Commission of Pakistan (SECP), Central Depository Company of Pakistan Limited (CDC), and National Clearing Company of Pakistan Limited (NCCPL) and Pakistan Stock Exchange (PSX) for their efforts to strengthen capital markets and measures to protect investor rights.

For and on behalf of the
Board of Directors

Sd/-

Abdul Basit
Chief Executive Officer

Karachi
February 22, 2019

**REANDA**

Reanda Haroon Zakaria & Company
Chartered Accountants



AUDITORS' REPORT TO THE MEMBERS ON REVIEW OF INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim financial position of **Trust Securities & Brokerage Limited** as at December 31, 2018, the related condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows, and notes to the financial statements for the six-month period then ended (here-in-after referred to as the interim financial statements). Management is responsible for the preparation and presentation of this interim financial information in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

The figures included in the condensed interim profit or loss account and condensed interim statement of comprehensive income for the three months period ended December 31, 2018 and 2017 have not been reviewed as we are required to review only the cumulative figures for the six months period ended December 31, 2018.

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 accompanying interim financial information is not prepared, in all materials respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the audit resulting in this independent auditor's report is **Mr. Muhammad Yameen**.

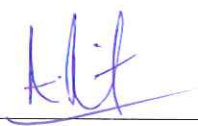

Reanda Haroon Zakaria & Company
Chartered Accountants

Place: Karachi
Dated: **22 FEB 2019**

TRUST SECURITIES AND BROKERAGE LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT DECEMBER 31, 2018

		<i>(Un-Audited)</i> <i>December 31,</i> <i>2018</i> <i>Rupees</i>	<i>(Audited)</i> <i>June 30,</i> <i>2018</i> <i>Rupees</i>
	<i>Note</i>		
<u>ASSETS</u>			
Non-Current Assets			
Property and equipment	5	13,097,703	1,912,030
Intangibles	6	6,700,933	4,042,600
Long term investments	7	2,720,000	2,720,000
Long term deposits	8	1,775,149	1,825,149
		<u>24,293,785</u>	<u>10,499,779</u>
Current Assets			
Short term investments	9	2,986,240	288,240
Trade debts	10	59,976,035	20,585,123
Receivables from margin financing	11	58,400,042	9,661,801
Advances, deposits, prepayments and other receivables	12	90,336,704	54,610,033
Tax refunds due from government		2,194,083	2,364,431
Cash and bank balances	13	15,710,900	125,272,660
		<u>229,604,004</u>	<u>212,782,288</u>
Total Assets		<u><u>253,897,789</u></u>	<u><u>223,282,067</u></u>
<u>EQUITY AND LIABILITIES</u>			
Share Capital and Reserves			
Authorized Capital			
75,000,000 (June 2018 : 75,000,000) Ordinary shares of Rs. 10 each		<u>750,000,000</u>	<u>750,000,000</u>
Issued, subscribed and paid-up capital	14	300,000,000	300,000,000
Reserves			
Accumulated losses		<u>(112,865,457)</u>	<u>(106,323,250)</u>
Shareholders' Equity		<u>187,134,543</u>	<u>193,676,750</u>
Current Liabilities			
Subordinated loan		8,900,000	8,900,000
Trade and other payables	15	57,863,246	20,705,317
		<u>66,763,246</u>	<u>29,605,317</u>
Contingency and Commitment	16		
Total Equity and Liabilities		<u><u>253,897,789</u></u>	<u><u>223,282,067</u></u>


The annexed notes form an integral part of these financial statements



Chief Executive



Chief Financial Officer



Director

TRUST SECURITIES AND BROKERAGE LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE SIX MONTHS ENDED DECEMBER 31, 2018

		Half year ended		2nd quarter ended	
		December 31,	December 31,	December 31,	December 31,
Note		2018	2017	2018	2017
		----- Rupees -----			
Operating revenue	17	17,565,945	1,836,815	12,621,639	830,408
Gain on sale of securities		82,777	-	82,777	-
(Loss) / Gain on remeasurement of investments		(151,950)	(78,881)	(135,950)	15,580
		17,496,772	1,757,934	12,568,466	845,988
Operating and administrative expenses	18	(28,113,583)	(7,204,761)	(15,570,825)	(4,977,405)
Finance cost		(79,703)	(92,685)	(75,973)	(88,370)
		(28,193,286)	(7,297,446)	(15,646,798)	(5,065,775)
Operating loss		(10,696,514)	(5,539,512)	(3,078,332)	(4,219,787)
Other charges		(235,594)	(50,237)	(235,594)	-
Other income	19	7,340,314	737,401	5,233,680	363,233
(Loss) / Gain before taxation		(3,591,794)	(4,852,348)	1,919,754	(3,856,554)
Taxation		(2,950,413)	(30,000)	(1,475,207)	(15,000)
(Loss) / Gain after taxation		(6,542,207)	(4,882,348)	444,548	(3,871,554)
(Loss) / Gain per share - basic and diluted		(0.21)	(0.42)	0.01	(0.34)

The annexed notes form an integral part of these financial statements


Chief Executive


Chief Financial Officer


Director

TRUST SECURITIES AND BROKERAGE LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE SIX MONTHS ENDED DECEMBER 31, 2018

	<i>Half year ended</i>		<i>2nd Quarter ended</i>	
	<i>December 31,</i>	<i>December 31,</i>	<i>December 31,</i>	<i>December 31,</i>
	<i>2018</i>	<i>2017</i>	<i>2018</i>	<i>2017</i>
	<i>----- Rupees -----</i>			
(Loss) / Gain after taxation	(6,542,207)	(4,882,348)	444,562	(3,871,554)
Present value adjustment of interest free loan	-	1,110,696	-	1,110,696
Total comprehensive loss for the period	(6,542,207)	(3,771,652)	444,562	(2,760,858)

The annexed notes form an integral part of these financial statements



Chief Executive



Chief Financial Officer



Director

TRUST SECURITIES AND BROKERAGE LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED DECEMBER 31, 2018

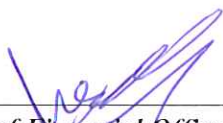
<i>Share Capital</i>	<i>Reserves</i>	<i>Shareholders' Equity</i>
	<i>Revenue</i>	
	<i>Accumulated Losses</i>	
	<i>Rupees</i>	

Balance as at July 1, 2017	100,000,000	(87,969,799)	12,030,201
Loss for the period ended December 31, 2017	-	(4,882,348)	(4,882,348)
Present value adjustment of long term loan	-	1,110,696	1,110,696
	-	(3,771,652)	(3,771,652)
Balance as at December 31, 2017	100,000,000	(91,741,451)	8,258,549
Balance as at July 1, 2018	300,000,000	(106,323,250)	193,676,750
Loss for the period ended December 31, 2018	-	(6,542,207)	(6,542,207)
Balance as at December 31, 2018	300,000,000	(112,865,457)	187,134,543

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



Chief Executive



Chief Financial Officer



Director

TRUST SECURITIES AND BROKERAGE LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE SIX MONTHS ENDED DECEMBER 31, 2018

<i>(Un-audited)</i>	<i>(Un-audited)</i>
<i>December 31,</i>	<i>December 31,</i>
<i>2018</i>	<i>2017</i>
<i>Rupees</i>	<i>Rupees</i>

A. CASH FLOWS FROM OPERATING ACTIVITIES

Loss before taxation	(3,591,794)	(4,852,348)
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Adjustment for non-cash charges and other items

Depreciation	474,512	66,570
Amortization	91,667	-
Gain on sale of fixed asset	(1,220)	-
Provision for doubtful debts	235,594	50,237
Reversal of provision for doubtful debts	-	(184,195)
Financial charges	-	85,895
Capital gain on sale of investment	(82,777)	-
Unrealised loss on remeasurement of investments	151,950	78,881
	869,726	97,388
	(2,722,068)	(4,754,960)

Changes in Working Capital:

Decrease / (increase) in current assets

Trade debts	(39,626,506)	738,986
Receivables from margin financing	(48,738,241)	-
Advances, deposits, prepayments and other receivables	(35,726,671)	630,206
	(124,091,418)	1,369,192

Increase / (decrease) in current liabilities

Trade and other payables	37,157,929	(7,821,661)
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Cash used in operations

Taxes paid	(2,780,065)	(224,133)
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Net cash used in operating activities

	(92,435,622)	(11,431,562)
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B. CASH FLOWS FROM INVESTING ACTIVITIES

Acquisition of fixed assets	(9,984,265)	-
Proceeds from fixed assets	5,300	-
Capital work in progress	(1,680,000)	-
Acquisition of intangible assets	(2,750,000)	-
Investments - net	(2,767,173)	(60,000)
Long term loan	-	8,900,000
Long term deposit	50,000	-
Net cash (used in) / generated from investing activities	(17,126,138)	8,840,000

	<i>December 31, 2018</i>	<i>December 31, 2017</i>
<i>Note</i>	<i>Rupees</i>	<i>Rupees</i>
Net increase in cash and cash equivalents (A+B)	(109,561,760)	(2,591,562)
Cash and cash equivalents at beginning of period	125,272,660	21,530,797
Cash and cash equivalents at end of year	13 <u>15,710,900</u>	<u>18,939,235</u>

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



Chief Executive



Chief Financial Officer



Director

TRUST SECURITIES AND BROKERAGE LIMITED
SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2018

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 Pakistan Stock Exchange Limited. The Company is the Trading Right Entitlement Certificate holder of the Pakistan Stock Exchange Limited. The registered office of the Company is situated at Suite No. 401-402, 4th floor, Business and Finance Center, I.I Chundrigar Road, Karachi.

- The Company is principally engaged in brokerage of shares, stocks, equity and debt securities, commodities, forex, and other financial instruments and corporate financial services.
- Further the company is also engaged in trading in equity and debt securities on its own account through ready, spot and forward counters of the stock exchange.
- These condensed interim financial statements do not include all the information required to be contained in the annual financial statements and therefore should be read in conjunction with the annual audited financial statements of the Company for the year ended June 30, 2018.

2 BASIS OF PREPARATION

2.1 Statement Of Compliance

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

This condensed interim financial information does not include all of the information required for full annual financial statement and should be read in conjunction with the audited annual financial statements as at and for the year ended 30 June 2018.

This condensed interim financial statements are unaudited but subject to limited scope review by the statutory auditors as required by the Companies Act, 2017. The figures of the condensed interim statement of profit or loss and loss account and condensed interim statement of comprehensive income for the quarters ended December 31, 2018 and December 31, 2017 have not been reviewed by the statutory auditors of the Company as they have reviewed the cumulative figures for the six months ended december 31, 2018 and December 30, 2017.

2.2 Functional and presentation currency

The financial statements are presented in Pak Rupees, which is also the Company's functional currency. All financial information presented in Pak Rupees has been rounded to the nearest rupee.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial report are the same as those applied in the preparation of the financial statements for the year ended June 30, 2018 except for certain accounting and reporting standards which become effective for onward period beginning on or after July 01, 2018. These Standards are as follows:

- IFRS 15 – Revenue from Contracts with Customers

IFRS 15 'Revenue from Contracts with customers' supersedes IAS 11 "Construction Contracts", IAS 18 "Revenue" and related interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. The new standard establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers.

The Company has assessed that significant performance obligation in contracts with customers are closely related and therefore are discharged over the period of the relationship with relevant customers. Hence, the Company has concluded that it is in compliance with the requirements of the new accounting standard.

- IFRS 9 – Financial Instruments

IFRS 9 "Financial Instruments" has replaced IAS 39 "Financial Instruments: Recognition and Measurement" for annual periods beginning on or after 1 July 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting. The Company has applied IFRS 9 retrospectively, with the initial application date of 1 July 2018 as notified by the Securities and Exchange Commission of Pakistan (SECP).

The Company's financial assets mainly include trade debts, loans and advances, long term loans, investment in equity instruments, other ancillary deposits/receivables and bank balances held with commercial banks.

The adoption of IFRS 9 has changed the accounting for impairment losses for financial assets by replacing the incurred losses model approach with a forward looking expected credit loss (ECL) approach. Expected Credit Loss (ECL) are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

Considering the nature of the financial assets, the Company has concluded that the impact of impairment on its financial assets is immaterial to this condensed interim unconsolidated financial statements.

Amendments to certain existing standards and new interpretations on approved accounting standards effective during the period either were not relevant to the Company's operations or did not have any impact on the accounting policies of the Company.

4 ACCOUNTING ESTIMATES AND JUDGEMENTS

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, 2018.

5 PROPERTY AND EQUIPMENT

		(Un-Audited) December 31, 2018 Rupees	(Audited) June 30, 2018 Rupees
	Note		
Operating fixed assets	5.1	11,017,703	1,512,030
Capital work in progress	5.2	2,080,000	400,000
		<u>13,097,703</u>	<u>1,912,030</u>

5.1 Operating fixed assets

Opening written down value		1,512,030	1,035,402
Addition during the period	5.3	9,984,265	649,187
Disposals during the period		(265,282)	-
Depreciation charge on disposal		261,202	-
Depreciation charge for the period		(474,512)	(172,559)
		<u>11,017,703</u>	<u>1,512,030</u>

5.2 Capital work in progress

Opening written down value	400,000	-
Addition during the period	<u>1,680,000</u>	<u>400,000</u>
	<u>2,080,000</u>	<u>400,000</u>

5.3 Details of additions to and disposals of operating fixed assets are as follows:

	<i>Additions</i>		<i>Disposals</i>	
	<i>(at cost)</i>		<i>(at net book value)</i>	
	<i>----- Half year ended -----</i>			
	<i>December 31,</i>	<i>June 30,</i>	<i>December 31,</i>	<i>June 30,</i>
	<i>2018</i>	<i>2017</i>	<i>2018</i>	<i>2017</i>
	<i>----- Rupees -----</i>			
Computers	455,715	454,713	2,087	-
Furniture and fittings	6,958,539	17,400	-	-
Vehicles	49,500	-	-	-
Office equipment	2,520,511	177,074	1,993	-
	9,984,265	649,187	4,080	-

			<i>(Un-Audited)</i> <i>December 31,</i> <i>2018</i> <i>Rupees</i>	<i>(Audited)</i> <i>June 30,</i> <i>2018</i> <i>Rupees</i>
6	INTANGIBLES	<i>Note</i>		
	Trading Rights Entitlement Certificate (TREC)			
	Pakistan Stock Exchange Limited	6.1	1,280,000	1,280,000
	Offices			
	LSE Financial Services Limited (LFSL)	6.2	262,600	262,600
	Pakistan Mercantile Exchange Limited (PMEX) membership			
	Pakistan Mercantile Exchange Limited		2,500,000	2,500,000
	Software			
	Cost		2,750,000	-
	Amortization		(91,667)	-
		6.3	2,658,333	-
			<u>6,700,933</u>	<u>4,042,600</u>

6.1 This certificate is subject to Hypothecation charge in favor of Pakistan Stock Exchange Limited.

6.2 This represent cost of offices given by LSE Financial Services Limited with indefinite useful life. These are considered to be indefinite as there is no foreseeable limit on the period during which an entity expects to consume the future economic benefits.

6.3 During the period the company has purchased a new software for their operations, this software is subject to amortization.

7 LONG TERM INVESTMENTS

Fair value through Other Comprehensive Income *In shares of Un-quoted company - At cost*

2018	2017			<i>Note</i>	<i>Carrying Value</i>	
					2018	2017
<i>Number of Shares</i>		<i>Name of securities</i>			<i>Rupees</i>	<i>Rupees</i>
843,975	843,975	LSE Financial Services Limited		7.1	2,720,000	2,720,000

In shares of quoted companies

5,000	5,000	Sunshine Cotton Mills Limited			1,650	1,650
					1,650	1,650
		Provision for impairment			(1,650)	(1,650)
					<u>2,720,000</u>	<u>2,720,000</u>

7.1 This represents unquoted shares of LSE Financial Services Limited received by the Company in pursuance of Stock Exchanges (Corporatization, Demutualization and Integration) Act, 2012.

Out of total number of shares owned, 60% shares (i.e. 506,385 shares) of the said entity are held in separate CDC blocked account, to restrict the sale of these shares by the members. Where as 40% of total shares i.e. 337,590 for Rs.10 each have been credited to the Company's CDC house account and are pledged in favour of Pakistan Stock Exchange Limited.

7.2 The net asset value of shares of LSE financial service limited Rs. 21.70 per share. This is based on audited financial statements for the period ended June 30, 2018.

		(Un-Audited) December 31, 2018 Rupees	(Audited) June 30, 2018 Rupees
	Note		
8 LONG TERM DEPOSITS			
- Unsecured - Considered good			
LSE Financial Service Limited		-	50,000
National Clearing Company of Pakistan Limited		1,500,000	1,500,000
Central Depository Company of Pakistan Limited		100,000	100,000
Utility deposits		175,149	175,149
		<u>1,775,149</u>	<u>1,825,149</u>

9 SHORT TERM INVESTMENTS

At fair value through profit or loss

In shares of quoted company		2,956,240	258,240
In shares of unquoted company	9.1	30,000	30,000
		<u>2,986,240</u>	<u>288,240</u>

9.1 Unquoted company

Cost		60,000	60,000
Accumulated impairment		(30,000)	(30,000)
		<u>30,000</u>	<u>30,000</u>

10 TRADE DEBTS

Considered good		59,976,035	20,585,123
Considered doubtful		54,134,036	53,898,442
		<u>114,110,071</u>	<u>74,483,565</u>
Provision for doubtful debts	10.3	(54,134,036)	(53,898,442)
		<u>59,976,035</u>	<u>20,585,123</u>

10.1 The total value of securities pertaining to clients are Rs. 58.873 million held in sub-accounts of the company. Securities pledged by client to the financial institutions amounting to Rs. 14.85 million.

10.2 Aging analysis

The aging analysis of trade debts is as follows:

	As on December 31, 2018	
	Amount	Custody value
	-----Rupees-----	
Upto fourteen days	55,536,613	4,487,825
More than fourteen days	58,573,458	54,085,633
	<u>114,110,071</u>	<u>58,573,458</u>

<i>(Un-Audited)</i>	<i>(Audited)</i>
<i>December 31,</i>	<i>June 30,</i>
<i>2018</i>	<i>2018</i>
<i>Rupees</i>	<i>Rupees</i>

10.3 Provision for doubtful debts

Balance as on July 01	53,898,442	54,324,615
Provision made during the year	235,594	80,739
	54,134,036	54,405,354
Reversal of excess provision	-	(506,912)
	54,134,036	53,898,442

11 RECEIVABLES FROM MARGIN FINANCING

This amount is given as a Margin Financing (MF) to our clients through National Clearing Company of Pakistan Limited. This amount is secured against securities of clients held in house account.

<i>Note</i>	<i>(Un-Audited)</i>	<i>(Audited)</i>
	<i>December 31,</i>	<i>June 30,</i>
	<i>2018</i>	<i>2018</i>
	<i>Rupees</i>	<i>Rupees</i>

12 ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

Advances, deposits, prepayments and other receivables	12.1	90,336,704	54,610,033
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12.1 This amount includes deposit with National Clearing Company of Pakistan Limited against exposure margin in respect of future and ready counter Rs. 55.5 million (June 30, 2018 Rs.22.2 million) and against the exposure margin against trade and sustained losses to date on Margin Trading Services Rs.23.29 million (June 30, 2018 Rs. 15.8 million).

<i>Note</i>	<i>(Un-Audited)</i>	<i>(Audited)</i>
	<i>December 31,</i>	<i>June 30,</i>
	<i>2018</i>	<i>2018</i>
	<i>Rupees</i>	<i>Rupees</i>

13 CASH AND BANK BALANCES

Cash in hand		1,136,041	27,195
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Cash at banks

In current accounts		9,564,955	115,174,744
In saving account	13.1	5,009,904	10,070,721
		14,574,859	125,245,465
		15,710,900	125,272,660

13.1 Saving account carries markup which ranges from 2.5% to 8.03% (30th June 2018 : 2.5% to 5.2%) per annum.

<i>(Un-Audited)</i>	<i>(Audited)</i>
<i>December 31,</i>	<i>June 30,</i>
<i>2018</i>	<i>2018</i>
<i>Rupees</i>	<i>Rupees</i>

13.2 Balance pertaining to :

Clients	11,548,330	24,561,273
Brokerage house	3,026,529	100,684,192
	<u>14,574,859</u>	<u>125,245,465</u>

14 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

<i>December</i>	<i>June 30,</i>
<i>2018</i>	<i>2018</i>
<i>Number of Shares</i>	

<u>30,000,000</u>	<u>30,000,000</u>	Ordinary shares of Rs.10 each fully paid in cash	<u>300,000,000</u>	<u>300,000,000</u>
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15 TRADE AND OTHER PAYABLES

Trade creditors	22,135,907	12,260,755
Accrued liabilities	2,299,302	4,432,197
Employees compensated absences	1,816,473	1,816,473
Sindh sales tax payable	376,400	-
Other liabilities	31,235,163	2,195,892
	<u>57,863,246</u>	<u>20,705,317</u>

16 CONTINGENCY AND COMMITMENT

16.1 Contingency

As of the reporting date there was no change in the status of the contingency as reported in the Company's published audited financial statements for the year ended June 30, 2018.

16.2 Commitment

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

<i>(Un-Audited)</i>	<i>(Audited)</i>
<i>December 31,</i>	<i>June 30,</i>
<i>2018</i>	<i>2018</i>
<i>Rupees</i>	<i>Rupees</i>

For purchase of shares	<u>480,338,010</u>	<u>47,066,401</u>
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Note	(Un-Audited)		(Un-Audited)	
	Half year ended		2nd Quarter ended	
	December 31,	December 31,	December 31,	December 31,
	2018	2017	2018	2017
	----- Rupees -----			

17 OPERATING REVENUE

Brokerage income	17,143,957	1,414,625	12,199,652	408,218
Dividend income	421,988	422,190	421,988	422,190
	<u>17,565,945</u>	<u>1,836,815</u>	<u>12,621,639</u>	<u>830,408</u>

18 OPERATING AND ADMINISTRATIVE EXPENSES

Salaries, benefits and allowances	17,052,378	2,428,168	9,688,403	1,218,350
Commission and clearing house expenses	2,519,329	28,717	1,188,989	8,305
Communication expenses	598,207	121,475	379,812	68,699
Printing and stationary	322,039	70,999	192,545	52,641
Entertainment expenses	1,006,870	80,437	595,207	36,678
Travelling and lodging expenses	319,283	65,034	243,327	41,924
Repairs and maintenance	532,300	141,945	260,960	63,139
Advertisement and publicity	51,000	43,832	51,000	17,832
Electricity and utilities	1,050,871	194,577	497,121	87,093
Insurance expenses	-	3,035	-	3,035
Depreciation 5	474,512	66,570	324,907	33,285
Amortization 6.3	91,667	-	91,667	-
Internet and software maintenance charges	1,052,148	170,682	551,812	91,640
Legal and professional charges	128,530	134,705	107,800	88,849
Fees and subscription	1,128,410	2,845,679	381,624	2,745,295
Rent, rates and taxes	1,305,262	500,456	612,248	262,424
Auditors remuneration	248,149	167,500	148,149	83,750
Miscellaneous expenses	232,628	140,950	255,255	74,465
	<u>28,113,583</u>	<u>7,204,761</u>	<u>15,570,825</u>	<u>4,977,405</u>

19 OTHER INCOME - Net

Income from financial assets

Interest on saving account	119,693	518,986	101,913	352,233
Interest income on exposure deposited	1,089,895	34,220	982,693	11,000
	<u>1,209,588</u>	<u>553,206</u>	<u>1,084,606</u>	<u>363,233</u>

Income from other than financial assets

Gain on sale of fixed assets	1,220	-	1,220	-
Reversal of provision for doubtful debts	48,403	184,195	-	-
Liability written back	148,485	-	148,485	-
Other Income	5,932,618	-	3,999,370	-
	<u>6,130,726</u>	<u>184,195</u>	<u>4,149,075</u>	<u>-</u>
	<u>7,340,314</u>	<u>737,401</u>	<u>5,233,680</u>	<u>363,233</u>

20 PATTERN OF SHAREHOLDING

Serial number	Name of shareholder	2018	
		Number of shares held	% of shares held
1	Sikander Mahmood	10,606,250	35.35%
2	Junaid Shehzad Ahmed	3,000,000	10.00%
3	Paramount Commodities (Private) Limited	2,979,645	9.93%
4	MG Media (Private) Limited	2,196,000	7.32%
5	Hawa Hameed Adamjee	1,695,000	5.65%
6	Other institution not more than 5% holding	9,523,105	31.74%
		30,000,000	100%

21 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated undertakings, directors of the Company, key management employees and chief executive officer. The Company continues to have a policy whereby all transactions with related parties undertakings are entered into at commercial terms and conditions.

Details of transactions with related parties are as under:

Relationship with party	Transactions with	Nature of Transactions	December 31, 2018 Rupees	December 31, 2017 Rupees
Shareholder	Mr. Sikandar Mehmood	Subordinated loans	-	8,900,000

22 DATE OF AUTHORIZATION OF ISSUE

These financial statements were authorized for issue by the Board of Directors of the Company on February 22, 2019.

23 GENERAL

Figures have been rounded off to the nearest rupee.



Chief Executive



Chief Financial Officer



Director