

QUARTERLY REPORT
September 30, 2014

Ijarah

Murabahah

Musharaka

Equities

Trading



Trust Modaraba

Managed By:

Al-Zamin Modaraba Management (Pvt) Ltd



Trust Modaraba

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Trust Modaraba

CORPORATE INFORMATION

Modaraba Company

Al-Zamin Modaraba Management (Private) Limited

Board of Directors

Mr. Syed Manzoor Hussain Shah Kazmi
Mr. Basheer Ahmed Chowdry
Mr. Shaikh Arshad Farooq
Mr. Muhammad Imranul Haque
Mr. Sohail Ansar
Dr. Namoos Baquar
Mr. Syed Shahnawaz A. Rizvi

Chairman
Chief Executive
Director
Director
Director
Director
Director

Management

Mr. Basheer Ahmed Chowdry
Ms. Hamida Aqeel
Mr. Ijaz Ahmed Khan
Ms. Roomana Nasir

Chief Executive
Chief Operating Officer/ Company Secretary
Chief Financial Officer/ Regional Head
Head of Human Resources

Audit Committee

Mr. Syed Shahnawaz A. Rizvi
Mr. Shaikh Arshad Farooq
Mr. Sohail Ansar
Ms. Hamida Aqeel

Chairman
Member
Member
Secretary Audit Committee

Internal Auditors

M/s Feroze Sharif Tariq & Co.
Chartered Accountants

Auditors of the Modaraba

M. Yousaf Adil Saleem & Co.
Chartered Accountants

Bankers

Meezan Bank Limited
Bank Alfalah Limited – Islamic Banking

Legal Advisors

Shakeel Ahmed Awan
Advocate, Supreme Court of Pakistan

Registered Office/Principal Place of Business

104-106, Kassam Court, BC-9, Block-5, Clifton, Karachi-75600
Telephone: 021-35876651, 35876652
Fax : 021-35870408 Web: trustmodaraba.com

Regional Office

301-320, 3rd Floor, Garden Heights, 8- Aibak Block, New Garden Town, Lahore
Telephone: 042-35941957-8 Fax : 042-35866513

Gujranwala Branch

51-A, Adjacent Standard Chartered Bank, Trust Plaza, G.T. Road, Gujranwala.
Telephone: 055-3730308, 055-3730300 Fax: 055-3731108

Registrars

Hameed Majeed Associates (Private) Limited
1st Floor, H.M House, 7 –Bank Square, Lahore Telephone: 042-37235081-2 Fax : 042- 37358817



The Directors of Al-Zamin Modaraba Management (Private) Limited take pleasure in presenting the un-audited financial statements of Trust Modaraba for the quarter ended September 30th, 2014.

The performance of the Modaraba for the quarter ended 30th September, 2014 remained satisfactory during the period. Operating income during the period stood at Rs. 21.40 million contributed mainly by Ijarah and Murabahah portfolio. Client base of the Modaraba constitutes credit worthy individuals and business enterprises mainly from SME sector have track record of satisfactory performance with Trust Modaraba. Every effort is being made to minimize the expenses. After accounting for all the administrative expenses, profit for the period stood at Rs. 3.30 million.

In order to enhance profitability, various opportunities are being explored and implemented. The diversification project undertaken in the agri sector is being implemented successfully. Every effort is also being made to expedite recoveries of the stuck up receivables from the legacy portfolio.

Your management is committed to further strengthen operations of your Modaraba. Expected recoveries from the stuck up portfolio would add to the financial resources for business enhancement.

For and on behalf of the Board of Directors

Basheer A. Chowdry
Chief Executive

Karachi
Date: 27th October, 2014

**CONDENSED INTERIM BALANCE SHEET
AS AT SEPTEMBER 30, 2014**



Trust Modaraba

	September 30, 2014	Jun-30 2014
Note	-----Rupees----- (Un-Audited)	(Audited)
ASSETS		
Current Assets		
Cash and bank balances	2,617,577	2,419,130
Short term investments	4 1,565,384	962,400
Advances, deposits, prepayments and other receivables	5 17,612,470	14,964,543
Short term murabaha finances	64,537,288	65,462,388
Current portion of long term murabaha finances	69,738,738	64,731,690
Ijarah rental receivables	22,776,385	20,894,929
Short term musharakah finances	11,802,542	15,986,446
Current portion of long term musharakah finances	1,494,325	1,218,782
Accrued profit	3,384,382	3,764,103
Tax refunds due from Government	2,224,522	2,186,408
Stock in trade	10,531,038	11,056,171
Total Current Assets	208,284,651	203,646,990
Non-Current Assets		
Long term murabaha finances	28,447,759	36,796,158
Long term musharakah finances	2,031,074	1,685,332
Long term deposits	1,550,062	1,605,562
Long term investments	6 5,005,547	5,349,297
Fixed assets	7 174,617,442	169,146,351
Total Non-Current Assets	211,651,884	214,582,700
Total Assets	419,936,535	418,229,690
LIABILITIES		
Current Liabilities		
Current portion of customers' security deposits	27,591,488	28,427,838
Creditors, accrued and other liabilities	8 24,273,243	21,827,066
Total Current Liabilities	51,864,731	50,254,904
Non-Current Liabilities		
Deferred income on murabaha	3,333,408	8,421,214
Customers' security deposits	54,973,775	52,870,425
Total Liabilities	110,171,914	111,546,543
NET ASSETS	309,764,621	306,683,147
REPRESENTED BY		
CAPITAL AND RESERVES		
Certificate capital	298,000,000	298,000,000
Reserves	11,764,621	8,683,147
	309,764,621	306,683,147
CONTINGENCIES AND COMMITMENTS		
	-	-

The annexed notes from 1 to 12 form an integral part of these financial statements.


CHIEF EXECUTIVE


DIRECTOR


DIRECTOR



CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2014

	September 2014	September 2013
Rupees.....	
	(Un-Audited)	(Un-Audited)
Operating income		
Income from leasing / ijarah operations	16,187,573	19,804,777
Profit on murabaha finances	3,504,869	3,333,511
Profit on musharakah finances	1,121,978	1,013,461
Dividend income	20,000	60,000
Profit on long term investment-available for sale	180,052	200,638
Profit on sale of short term investment-held-for-trading	42,358	35,933
Profit on sale of long term Investment-available-for-sale	-	170,611
Trading income	250,740	-
Other income	157,677	755,575
	21,465,247	25,374,507
Reversal / (impairment) on available for sale investments	(63,803)	483,029
	21,401,444	25,857,536
Operating costs		
Depreciation on operating assets given on lease/ijarah	11,432,790	14,143,458
Administrative expenses	6,544,795	6,619,664
	(17,977,585)	(20,763,122)
	3,423,859	5,094,414
Modaraba company's management fee	(342,386)	(509,441)
Profit for the period before taxation	3,081,474	4,584,973
Taxation	-	-
Profit for the period	3,081,474	4,584,973
Earnings per certificate basic -and diluted	0.10	0.15

The annexed notes from 1 to 12 form an integral part of these financial statements.


CHIEF EXECUTIVE


DIRECTOR


DIRECTOR

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2014



Trust Modaraba

	September 30, 2014 Rupees	September 30, 2013 Rupees
Profit for the period	3,081,474	4,584,973
Other comprehensive Income		
Net change in fair value of available-for-sale investment	-	186,199
Total comprehensive income for the year	3,081,474	4,771,172

The annexed notes from 1 to 12 form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR

DIRECTOR



Trust Modaraba

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2014

		September 30, 2014	September 30, 2013
		-----Rupees-----	
CASH FLOWS FROM OPERATING ACTIVITIES	Note		
Profit for the year		3,081,474	4,584,973
Adjustments for :			
Depreciation	7.1	11,679,927	14,406,215
Impairment of investments		-	186,904
Gain on disposal of fixed assets		-	(640,097)
Dividend income		(20,000)	(60,000)
		11,659,927	13,893,022
Cash from operating activities before changes in working capital		14,741,401	18,477,995
Changes in working capital			
(Increase) / decrease in current assets:			
Short term investments		(602,984)	(807,432)
Advances, deposits, prepayments and other receivables		(2,268,206)	202,613
Short term murabaha finances		(4,081,948)	(20,378,265)
Long term murabaha finances		8,348,399	8,553,129
Ijarah rental receivables		(1,881,456)	(1,688,274)
Short term musharakah finances		3,908,361	(1,123,233)
Long term musharakah finances		(345,742)	(409,376)
Stock in trade		525,133	(100,000)
		3,601,557	(15,750,838)
Increase / (decrease) in current liabilities:			
Creditors, accrued and other liabilities		(2,641,629)	473,566
Customers' security deposits		1,267,000	(5,667,557)
		(1,374,629)	(5,193,991)
Cash from operating activities		16,968,329	(2,466,834)
Taxes paid		(38,115)	-
Net cash generated from operating activities		16,930,214	(2,466,834)
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure (including assets given on ijarah)	7.1	(21,560,146)	(12,007,500)
Sale proceeds of fixed assets (including assets given on ijarah)		4,409,129	12,680,175
Sale of Investments - net		343,750	280,247
Long term deposits paid during the year		55,500	-
Dividend received		20,000	60,000
Net cash used in investing activities		(16,731,767)	1,012,922
CASH FLOWS FROM FINANCING ACTIVITIES			
		-	-
Net (decrease) / increase in the cash and cash equivalents		198,447	(1,453,912)
Cash and cash equivalents at the beginning of year		2,419,130	3,412,266
Cash and cash equivalents at the end of year		2,617,577	1,958,354

The annexed notes from 1 to 12 form an integral part of these financial statements.


CHIEF EXECUTIVE

DIRECTOR

DIRECTOR

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2014

	Certificate capital	Capital Reserve Statutory reserve	Revenue Reserves		Total Reserves	Total Equity
			Unrealized loss on revaluation of investments	Accumulated loss		
Balance as at 01 July 2013	298,000,000	65,767,979	(1,748,838)	(57,505,104)	6,514,037	304,514,037
Total comprehensive income for the period ended 30 September 2013.			186,904	4,584,973	4,771,877	4,771,877
Balance as at 30 September 2013	298,000,000	65,767,979	(1,561,934)	(52,920,131)	11,285,914	309,285,914
Balance as at 01 July 2014	298,000,000	69,813,812	(1,928,891)	(59,201,774)	8,683,147	306,683,147
Total comprehensive income for the period ended 30 September 2014.	-	-	-	3,081,474	3,081,474	3,081,474
Balance as at 30 September 2014	298,000,000	69,813,812	(1,928,891)	(56,120,300)	11,764,621	309,764,621

The annexed notes from 1 to 12 form an integral part of these financial statements.



Trust Modaraba


DIRECTOR


DIRECTOR


CHIEF EXECUTIVE



SELECTED NOTES TO THE FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2014

1. LEGAL STATUS AND NATURE OF BUSINESS

1.1 Trust Modaraba was formed in Pakistan under the Modaraba Companies and Modarabas (Floatation and Control) Ordinance, 1980 and the rules framed thereunder and being managed Al-Zamin Modaraba Management (Private) Limited (AMML) since 23 February 2009. The Modaraba is perpetual, multi-purpose and multi-dimensional, engaged in the business of Murabahas, Musharikas, leasing (ijraha), investment in marketable securities, tradings and other permissible businesses. The Modaraba commenced its business operations from 12 November 1991. The Principal place of business and registered office is located at 104-106, Kassam Court BC-9 Block-5, Clifton, Karachi-75600 while regional office is located at 301,320, 3rd Floor, Garden Heights, 8-Aibak Block, New Garden Town, Lahore. It is listed on the Karachi, Lahore and Islamabad Stock Exchanges.

2. BASIS OF PREPARATION

These interim condensed financial information are unaudited and are being submitted to the certificate holders as required under Rule 10 of the Modaraba Companies and Modaraba Rules, 1981 and have been prepared in accordance with requirements of the International Accounting Standard (IAS)-34, "Interim Financial Reporting". These should be read in conjunction with the financial statements of the Modaraba for the year ended 30 June 2014.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies, judgments and estimates made by the management in the preparation of the condensed interim financial statements are the same as those applied in the preparation of the preceding annual published financial statements of the Modaraba for the year ended 30 June 2014

4. SHORT TERM INVESTMENTS

		September 30, 2014 Rupees (Un-Audited)	June 30, 2014 Rupees (Audited)
Held for trading - shares of listed companies	4.1	1,765,949	1,099,162
Unrealized gain (loss) on revaluation of held-for-trading investments	4.1	(200,565)	(136,762)
		1,565,384	962,400

4.1 Shares of listed companies

	September 30, 2014		June 30, 2014	
	Average cost	Market value	Average cost	Market value
-----Rupees-----				
Sui Northern Gas Co. Limited	533,341	478,800	483,704	453,000
22,500 (June 2014: 20,000) ordinary shares of Rupees 10 each fully paid				
Pakistan Telecommunication Company Ltd	615,458	466,200	615,458	509,400
20,000 (June 2014: 20,000) ordinary shares of Rupees 10 each fully paid				
Mari Petroleum Company Limited	209,973	217,884	-	-
500 (June 2014: Nil) ordinary shares of Rupees 10 each fully paid				
Lucky Cement Limited	407,177	402,500	-	-
1,000 (June 2014: Nil) ordinary shares of Rupees 10 each fully paid				
	1,765,949	1,565,384	1,099,162	962,400

**SELECTED NOTES TO THE FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2014**



Trust Modaraba

	September 30, 2014 Rupees (Un-Audited)	June 30, 2014 Rupees (Audited)
5. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES		
Advances to employees against salary - considered good	170,354	185,152
Security deposits	4,500	4,500
Prepayments	1,762,291	1,562,448
Due from brokers against sale of shares	10,134	10,134
Trade receivables	10,379,871	7,457,603
Receivable from Trust Management Services (Pvt.) Ltd.	1,489,035	1,489,035
Provision for doubtful receivables	(1,489,035)	(1,489,035)
	-	-
Legal suits charges receivable	2,053,719	2,053,719
Provision for doubtful receivables	(1,377,469)	(1,377,469)
	676,250	676,250
Late payment charges receivable	3,192,155	3,192,155
Suspended income	(3,192,155)	(3,192,155)
	-	-
Sundry receivables	5,081,169	5,540,556
Provision for doubtful sundry receivables	(472,099)	(472,099)
	4,609,070	5,068,457
	17,612,470	14,964,544
6. LONG TERM INVESTMENTS		
Available-for-sale		
Sukuk certificates - listed	5,875,500	6,219,250
Provision for diminution in value of investments (impairment)	-	-
	5,875,500	6,219,250
Unrealized gain / (loss) on revaluation of investments	(869,953)	(869,953)
Net investments at fair value	5,005,547	5,349,297
7. FIXED ASSETS		
Operating assets given on lease - tangible	160,936,571	155,457,489
Operating assets in own use - tangible	13,680,871	13,688,862
	174,617,442	169,146,351
7.1 Operating assets given on lease - tangible		
Opening book value	155,457,489	161,924,663
Add: Additions during the period	21,321,000	131,679,000
	176,778,489	293,603,663
Less: Deletions during the period - (at cost)	11,368,500	166,888,360
	165,409,989	126,715,303
Less: Depreciation during the period	11,432,790	54,254,275
	153,977,199	72,461,028
Add: Depreciation adjustments for assets sold during the period	6,959,372	117,004,875
Book value at the end of period	160,936,571	189,465,903



SELECTED NOTES TO THE FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2014

	September 30, 2014	September 30, 2013
	Rupees (Un-Audited)	Rupees (Un-Audited)
7.2 Fixed assets in own use - tangible		
Opening book value	13,688,862	14,834,882
Add: Additions during the period	239,146	488,156
	13,928,008	15,323,038
Less: Deletions during the period - at cost	-	152,800
	13,928,008	15,170,238
Less: Depreciation during the period	247,137	1,027,219
	13,680,871	14,143,019
Add: Depreciation adjustments for assets sold during the period	-	76,043
Book value at the end of period	13,680,871	14,219,062
8. CREDITORS, ACCURED AND OTHER LIABILITIES		
Accrued expenses	160,483	65,604
Management fee payable	2,590,071	2,247,684
Deferred income on murabaha	8,837,632	6,504,837
Unclaimed dividends	11,106,073	11,106,561
Other liabilities	1,578,984	1,902,382
	24,273,243	21,827,068
9. ADMINISTRATIVE EXPENSES		
Salaries, allowances and other benefits	2,350,494	2,061,103
Legal and professional charges	75,000	212,500
Fees and subscription	743,696	640,824
Electricity, gas and water	313,164	237,211
Telephone, postage and courier	120,912	80,746
Rent, Rate & Taxes	397,561	275,718
Printing and stationery	43,478	64,705
Traveling and conveyance	45,020	200,497
Entertainment	116,410	116,622
Insurance	925,525	933,878
Vehicle running and maintenance	501,834	473,853
Newspaper & Periodicals	4,373	4,620
Repairs and maintenance	225,223	363,163
Depreciation on own assets	247,137	262,757
Bank charges and commission	6,207	5,084
Miscellaneous	56,238	87,562
Donation	-	99,000
Lease rental expense - vehicle	368,123	465,387
Sales tax	4,400	34,434
	6,544,795	6,619,664



SELECTED NOTES TO THE FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2014

10. NON ADJUSTING EVENT AFTER THE BALANCE SHEET DATE

The Board of Directors of the Management Company in their meeting held on October 2, 2014 has approved dividend for the year ended June 30, 2014 @ 5% (2013:6%).

11. DATE OF AUTHORIZATION

These financial statements were authorized for issuance by the Board of Directors of Al-Zamin Modaraba Management (Private) Limited (the management company) on 27th October 2014.

12. GENERAL

- 12.1 Corresponding figures have been rearranged and restated for better presentation, where necessary.
12.2 Figures have been rounded off to the nearest rupee.


CHIEF EXECUTIVE


DIRECTOR


DIRECTOR

BOOK POST

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