

**INDEPENDENT AUDITORS REPORT ON STATEMENT OF NET CAPITAL
BALANCE OF THE SECURITIES BROKERS / BROKERAGE HOUSE**

To the Board of Directors of M/s. Trust Securities & Brokerage Limited

We have audited the accompanying Revised Statement of Net Capital Balance of **M/s. Trust Securities & Brokerage Limited** as at June 30, 2016 (the statement^m). The statement has been prepared by management based on the requirements of the Third Schedule read with Rule 2(d) of the Securities Exchange Commission (SEC) Rules, 1971 and the Securities Brokers (Licensing and Operations) Regulations, 2016 (Regulations).

Management's Responsibility for the Statement

Management is responsible for the preparation of the statement in accordance with SEC Rules 1971 and Regulations, and for such internal control as management determines is necessary to enable the preparation of the statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the statement based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the statement is free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the statement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial information in the statement of Net Capital Balance of **M/s. Trust Securities & Brokerage Limited** as at June 30, 2016 is prepared, in all material respects, in accordance with SEC Rules, 1971 and Regulations.

Emphasis of matter

Without modifying our opinion, we would like to draw your attention to the note 2 of the annexed statement of net capital balance which states the reason for revision of this net capital balance certificate.

A member of



Independent legal & accounting firms

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Basis of Accounting and Restriction on Distribution

Without modifying our opinion, we draw attention to Note 1 to the statement, which describes the basis of accounting. The statement is prepared to assist **M/s. Trust Securities & Brokerage Limited** to meet the requirements of SECP in accordance with the SEC Rules 1971 and Regulations. As a result, the statement may not be suitable for another purpose. Our report is intended solely for **M/s. Trust Securities & Brokerage Limited** and SECP and should not be distributed to parties other than **M/s. Trust Securities & Brokerage Limited** or SECP.



Haroon Zakaria & Co
Haroon Zakaria & Company
Chartered Accountants

Place: Karachi
Dated: 09 NOV 2016

TRUST SECURITIES & BROKERAGE LIMITED
"REVISED" CALCULATION OF NET CAPITAL BALANCE
AS AT JUNE 30, 2016

	<i>Note</i>	<i>Rupees</i>
<u>CURRENT ASSETS</u>		
Cash in hand		3,410
Cash at bank		
Balance pertaining to brokerage house		3,230,648
Balance pertaining to clients		15,140,457
	3	18,371,105
		18,374,515
Trade Receivables		
Book value	4	57,081,807
Less: Overdue for more than 14 days		(56,483,046)
		598,761
Investment in listed securities		
Securities on the exposure list marked to market	5	671,900
Less: 15% discount	6	(100,785)
		571,115
Securities purchased for client where payment has not been received in 14 days	7	919,327
Total Current Assets	A	20,463,718
<u>CURRENT LIABILITIES</u>		
Trade Payables		
Book value	8	15,124,897
Less: Overdue for more than 30 days		(6,140,619)
		8,984,278
Other liabilities	9	9,760,294
Total Current Liabilities	B	18,744,572
NET CAPITAL BALANCE	A minus B	1,719,146

Chief Executive Officer



TRUST SECURITIES & BROKERAGE LTD
NOTES TO THE NET CAPITAL BALANCE
AS AT JUNE 30, 2016

1 Basis of Accounting:

This net capital balance have been prepared under the historical cost convention. Further, accrual basis of accounting is followed.

2 Reason for revision:

We have revised working of net capital for the year ended June 30, 2016 is retirement benefits amounting Rs. 1,999,004 omitted from working of net capital which stated as current liability in audit financial statement.

3 This represents the balance in client account and balance in house account

4 This represents receivable from clients against trade in market.

5 This represents the investment made by the company

6 This represents 15% discount on investment made by the company.

7 This represents securities held on behalf of client where payments is overdue for more than 14 days.

8 This represents payable to clients against trades executed in the market.

9 Other liabilities include

Retirement benefits	1,999,004
Accrued liabilities	225,798
Other liabilities	1,394,873
Trade payables which are over due for more than 30 days	6,140,619
	<u>9,760,294</u>

Rupees

Chief Executive Officer

