

HALF YEARLY REPORT  
December 31, 2014

Ijarah

Murabaha

Musharaka

Equities

Trading



Trust Modaraba

Managed By:

Al-Zamin Modaraba Management (Pvt) Ltd



Trust Modaraba

# CONTENTS

CORPORATE INFORMATION.....	2
DIRECTORS' REPORT.....	3
SHARIAH ADVISOR'S REPORT.....	4
AUDITORS' REPORT TO THE CERTIFICATE HOLDERS.....	5
INTERIM CONDENSED BALANCE SHEET.....	6
INTERIM CONDENSED PROFIT AND LOSS.....	7
INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME.....	8
INTERIM CONDENSED CASH FLOW STATEMENT .....	9
INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY.....	10
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS.....	11

## CORPORATE INFORMATION



Trust Modaraba

Modaraba Company  
Al-Zamin Modaraba Management (Private) Limited

### Board of Directors

Mr. Syed Manzoor Hussain Shah Kazmi	Chairman
Mr. Basheer Ahmed Chowdry	Chief Executive
Mr. Shaikh Arshad Farooq	Director
Mr. Muhammad Imranul Haque	Director
Mr. Sohail Ansar	Director
Dr. Namooos Baquar	Director
Mr. Syed Shahnawaz A. Rizvi	Director

### Management

Mr. Basheer Ahmed Chowdry	Chief Executive
Ms. Hamida Aqeel	Chief Operating Officer/ Company Secretary
Mr. Ijaz Ahmed Khan	Chief Financial Officer/ Regional Head
Ms. Roomana Nasir	Head of Human Resources

### Audit Committee

Mr. Syed Shahnawaz A. Rizvi	Chairman
Mr. Shaikh Arshad Farooq	Member
Mr. Sohail Ansar	Member
Ms. Hamida Aqeel	Secretary Audit Committee

### Head of Internal Audit

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

50-H Block 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 financial statements of Trust Modaraba for the half year ended December 31<sup>st</sup>, 2014, duly reviewed by the external auditors in compliance of the Code of Corporate Governance.

**ECONOMY REVIEW:**

Growth in GDP of Pakistan achieved an estimated 4.1% in the Financial Year 2014 as result of improvement in electricity supply that facilitated industrial production to some extent. Modest increase was witnessed in trade deficit, which was largely offset by continued strong growth in remittances from overseas workers. With a meaningful reduction in oil prices, inflation is now expected to average 8.2% in FY 2015, lower than FY, 2014. However, there is urgent need for structural reforms to strengthen growth potential and make trend of growth more sustainable.

**PERFORMANCE REVIEW:**

Your Modaraba during the half year ended 31<sup>st</sup> December, 2014 performed satisfactorily. Total income of the Modaraba was recorded at Rs.46.18 million during the period. An amount of Rs.2.88 million was added to the profitability on account of reversal of provision as a result of recovery from classified account. After accounting of administrative expenses, your Modaraba earned a profit of Rs. 9.21 million, as compared to Rs. 9.07 million of the previous comparable period translating in an increase of 1.5%. Asset base of the Modaraba stood at Rs. 396 million with an equity of Rs. 300 million.

**EARNING PER CERTIFICATE:**

Earning per certificate of your Modaraba is Rs. 0.28 per certificate for the six months ended 31<sup>st</sup> December, 2014 as compared to Rs. 0.27 per certificate in the corresponding period last year.

**FUTURE OUTLOOK:**

Your management is committed to maintain the momentum of growth and profitability in the operations of the Modaraba and is making all out efforts to maximize recoveries from the stuck up accounts.

For and on behalf of the Board of Directors

Karachi  
February 24, 2015.

  
Basheer A. Chowdry  
Chief Executive

I have conducted Shariah Review of Trust Modaraba managed by Al-Zamin Modaraba Management (Private) Limited for the half year ended 31<sup>st</sup> December, 2014 in accordance with the requirements of the Shariah Compliance and Shariah Audit Mechanism for Modarabas and report that in my opinion:

- i. the Modaraba has introduced a mechanism which has strengthened the Shariah compliance, in letter and spirit and the systems, procedures and policies adopted by the Modaraba are in line with the Shariah principles;
- ii. Trust Modaraba is following Model Islamic Financing Agreements approved by Religious Board.
- iii. The agreements entered into by the Modaraba are Shariah compliant and the financing agreements have been executed on the formats as approved by the Religious Board and all the related conditions have been met.
- iv. To the best of my information and according to the explanations given to me, the business transactions undertaken by the Modaraba and all other matters incidental thereto are in conformity with the Shariah requirements as well as the requirements of the Prospectus, Islamic Financial Accounting Standards as applicable in Pakistan and the Shariah Compliance and Shariah Audit Regulations for Modarabas.
- vi. No earnings have been realized by any means prohibited by Shariah.

In my opinion, the operations of Trust Modaraba are in conformity with the Shariah Compliance and Audit Mechanism for Modarabas.

Dated: February 24, 2015



Mufti Zubair Usmani  
Shariah Advisor



## AUDITOR'S REPORT TO THE CERTIFICATE HOLDERS ON REVIEW OF INTERIM FINANCIAL INFORMATION

### Introduction

We have reviewed the accompanying condensed interim balance sheet of Trust Modaraba (the Modaraba) as at December 31, 2014 the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in equity, and notes to the accounts for the six months period then ended (here in after referred to as the "interim financial information"). Management Company [Al-Zamin Modaraba Management (Private) Limited] is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting 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 of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarters ended December 31, 2014 and December 31, 2013 have not been reviewed, as we are required to review only the cumulative figures for the six months ended December 31, 2014.

### 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 the person responsible for the 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 as of and for the six months ended December 31, 2014 is not prepared in all material respects, in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting.

### Emphasis of matter

We draw attention to the matter stated in note 9.2.3 to the condensed interim financial information, the ultimate outcome of which cannot presently be determined and hence, no provision that may result therefrom has been made in the interim financial information. Our conclusion is not qualified in respect of this matter.

### Chartered Accountants

Engagement Partner: Talat Javed

Dated: February 24, 2015  
Lahore

CONDENSED INTERIM BALANCE SHEET  
AS AT DECEMBER 31, 2014



Trust Modaraba

		(Un-audited) December 31 2014 Rupees	(Audited) June 30 2014 Rupees
<b>ASSETS</b>			
<i>Current assets</i>			
Cash and bank balances	4	2,240,685	2,419,130
Short term investments	5	2,605,025	962,400
Advances, deposits, prepayments and other receivables	6	30,119,120	14,964,543
Short term murabaha finances		63,541,584	65,462,388
Current portion of long term murabaha finances		73,019,977	64,731,690
Ijara rental receivable		22,553,230	20,894,929
Short term diminishing musharakah finances		6,458,431	15,986,446
Current portion of long term diminishing musharakah finances		1,448,482	1,218,782
Accrued profit		2,695,677	3,764,103
Tax refunds due from government		2,260,427	2,186,408
Stock in trade	7	15,894,937	11,056,171
<b>Total current assets</b>		<b>222,837,575</b>	<b>203,646,990</b>
<i>Non-current assets</i>			
Long term murabaha finances		13,355,365	36,796,158
Long term diminishing musharakah finances		1,661,138	1,685,332
Long term deposits		1,283,240	1,605,562
Long term investments	8	5,005,547	5,349,297
Fixed assets	9	151,990,521	169,146,351
<b>Total non-current assets</b>		<b>173,295,811</b>	<b>214,582,700</b>
<b>TOTAL ASSETS</b>		<b>396,133,386</b>	<b>418,229,690</b>
<b>LIABILITIES</b>			
<i>Current liabilities</i>			
Current portion of customers' security deposits		23,525,188	28,427,838
Creditors, accrued and other liabilities	10	23,922,462	21,827,066
<b>Total current liabilities</b>		<b>47,447,650</b>	<b>50,254,904</b>
<i>Non-current liabilities</i>			
Deferred income on murabaha		3,031,025	8,421,214
Customers' security deposits		45,584,575	52,870,425
<b>Total non-current Liabilities</b>		<b>48,615,600</b>	<b>61,291,639</b>
<b>Total Liabilities</b>		<b>96,063,250</b>	<b>111,546,543</b>
<b>NET ASSETS</b>		<b>300,070,136</b>	<b>306,683,147</b>
<b>REPRESENTED BY</b>			
<b>CAPITAL AND RESERVES</b>			
Certificate capital		298,000,000	298,000,000
Reserves		2,070,136	8,683,147
		<b>300,070,136</b>	<b>306,683,147</b>


Contingencies and Commitments

11

The annexed notes from 1 to 17 form an integral part of this interim condensed financial information.

  
CHIEF EXECUTIVE

  
DIRECTOR

  
DIRECTOR



CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)  
FOR THE SIX MONTHS ENDED DECEMBER 31, 2014

Note	Six months ended		Three months ended	
	December 31 2014	December 31 2013	December 31 2014	December 31 2013
	----- Rupees -----			
<i>Operating income</i>				
Income from leasing (Ijarah) operations	32,787,819	38,821,708	16,600,246	19,908,707
Profit on murabaha finances	6,917,765	6,546,048	3,412,896	3,212,537
Profit on musharakah finances	1,546,865	2,381,180	424,887	1,367,719
Dividend income on equity investments	31,000	60,000	11,000	-
Profit on long term investment - available for sale	297,170	402,782	117,118	202,144
Profit on sale of short term investment - held for trading	356,097	116,221	313,739	80,288
Profit on sale of long term investment - available for sale	-	462,429	-	291,818
Trading Income	1,198,202	-	947,462	-
Other income	620,590	1,624,945	462,913	869,370
	<u>43,755,508</u>	<u>50,415,313</u>	<u>22,290,261</u>	<u>25,932,583</u>
Reversal of provision against non performing murabaha finances and other receivable Impairment	2,886,693	-	2,886,693	-
- available for sale investment	-	-	-	(483,029)
- Held for trading investment	(460,927)	-	(397,124)	-
	<u>46,181,274</u>	<u>50,415,313</u>	<u>24,779,830</u>	<u>25,449,554</u>
Depreciation on fixed assets given on lease / ijarah	23,431,112	27,473,544	11,998,322	13,330,086
Administrative expenses	13,542,396	13,802,781	6,997,601	8,074,893
Other charges	-	66,511	-	66,511
	<u>(36,973,508)</u>	<u>(41,342,836)</u>	<u>(18,995,923)</u>	<u>(21,471,490)</u>
	9,207,766	9,072,477	5,783,907	3,978,064
Modaraba management company's fee	(920,777)	(907,248)	(578,391)	(397,806)
Profit before taxation	<u>8,286,989</u>	<u>8,165,229</u>	<u>5,205,516</u>	<u>3,580,258</u>
Taxation	-	-	-	-
Profit after taxation	<u>8,286,989</u>	<u>8,165,229</u>	<u>5,205,516</u>	<u>3,580,258</u>
Earnings per certificate - basic and diluted	0.28	0.27	0.17	0.12

The annexed notes from 1 to 17 form an integral part of this interim condensed financial information.

  
CHIEF EXECUTIVE

  
DIRECTOR

  
DIRECTOR



CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE SIX MONTHS ENDED DECEMBER 31, 2014




Trust Modaraba

	<i>Six months ended</i>		<i>Three months ended</i>	
	<i>December 31 2014</i>	<i>December 31 2013</i>	<i>December 31 2014</i>	<i>December 31 2013</i>
	----- Rupees -----			
Profit for the period	8,286,989	8,165,229	5,205,516	3,580,258
Other comprehensive Income				
Net change in fair value of - available for sale investments	-	347,107	-	149,033
Net change in fair value of available for sale investments reclassified to profit and loss account	-	(11,170)	-	-
	-	335,937	-	149,033
<i>Total comprehensive income</i>	<u>8,286,989</u>	<u>8,501,166</u>	<u>5,205,516</u>	<u>3,729,291</u>

The annexed notes from 1 to 17 form an integral part of this interim condensed financial information.

  
CHIEF EXECUTIVE

  
DIRECTOR

  
DIRECTOR



CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)  
FOR THE SIX MONTHS ENDED DECEMBER 31, 2014

	Six months ended		Three months ended	
	December 31	December 31	December 31	December 31
	2014	2013	2014	2013
	----- Rupees -----			
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Profit before taxation	8,286,989	8,165,229	5,205,516	3,580,258
Adjustment for:				
Depreciation	23,930,101	28,065,238	12,250,174	13,659,023
Surplus on revaluation of available for sale investment	-	335,937	-	149,033
Gain on sale of investment	-	(462,429)	-	(462,429)
Gain on disposal of fixed assets	(381,516)	(1,109,969)	(355,011)	(469,872)
Profit on sale of short term investment	(356,097)	(116,221)	(356,097)	(116,221)
Dividend income	(31,000)	(60,000)	(11,000)	-
Profit before working capital change	31,448,477	34,817,785	16,733,581	16,339,792
Changes in working capital:				
(Increase) / decrease in current assets				
Short term investments	(1,642,625)	(382,030)	(1,039,641)	425,402
Advances, deposits, prepayments and other receivables	(15,154,577)	10,446,282	(12,886,371)	11,931,942
Accrued Profit	1,068,426	171,093	1,068,426	171,093
Short term murabaha finances	1,920,804	(6,741,504)	6,002,752	176,479
Long term murabaha finances	15,152,506	(4,781,971)	6,804,107	125,180
Ijarah rental receivables	(1,658,301)	(2,994,114)	223,155	(2,994,114)
Short term diminishing musharakah finances	9,298,315	3,473,059	5,389,954	5,160,543
Long term diminishing musharakah finances	24,194	(318,752)	369,936	(473,627)
Stock in trade	(4,838,766)	(7,091,470)	(5,363,899)	(6,991,470)
	4,169,976	(8,219,407)	568,419	7,531,428
Increase / (decrease) in current liabilities:				
Creditors, accrued and other liabilities	(3,294,793)	(2,674,239)	(653,164)	(3,147,805)
Customers' security deposits	(12,188,500)	(7,773,964)	(13,455,500)	(2,106,407)
	(15,483,293)	(10,448,203)	(14,108,664)	(5,254,212)
Cash generated from operations	20,135,160	16,150,175	3,193,336	18,617,008
Taxes paid	(74,019)	(313,686)	(35,904)	(313,686)
Dividend paid	(14,900,000)	(16,556,140)	(14,900,000)	(16,556,140)
Net cash (used in) / from operating activities	5,161,141	(719,651)	(11,742,568)	1,747,182
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Fixed capital expenditure				
(including assets given on Ijarah)	(27,601,217)	(22,238,071)	(6,041,071)	(10,230,570)
Sale proceeds of fixed assets on Ijarah	21,208,462	23,008,921	16,799,333	10,328,746
Sale of Investments - net	699,847	1,568,503	356,097	1,288,256
Long term deposits paid during the period	322,322	(54,500)	240,317	(54,500)
Dividend received	31,000	60,000	11,000	-
Net cash generated from / (used in) investing activities	(5,339,586)	2,344,853	11,365,676	1,331,932
Net (decrease) / increase in the cash and cash equivalents	(178,445)	1,625,202	(376,892)	3,079,114
Cash and cash equivalents at beginning of the period	2,419,130	3,412,266	2,617,577	1,958,354
Cash and cash equivalents at end of the period	2,240,685	5,037,468	2,240,685	5,037,468

The annexed notes from 1 to 17 form an integral part of this interim condensed financial information.

  
CHIEF EXECUTIVE

  
DIRECTOR

  
DIRECTOR

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)  
FOR THE SIX MONTHS ENDED DECEMBER 31, 2014

	Capital reserve		Revenue reserves		Total reserves	Total equity
	Certificate capital	Statutory reserve	Unrealized gain/(loss) on revaluation of investments	Accumulated loss		
Balance as at July 01, 2013	298,000,000	65,767,979	(1,748,838)	(57,505,104)	6,514,037	304,514,037
Profit for the period	-	-	-	8,165,229	8,165,229	8,165,229
Other comprehensive income	-	-	335,937	-	335,937	335,937
Total comprehensive income for the six months ended December 31, 2013	-	-	335,937	8,165,229	8,501,166	8,501,166
Final dividend for the year ended June 30, 2013 @ Rs. 0.6 per certificate	-	-	-	(17,880,000)	(17,880,000)	(17,880,000)
Balance at December 31, 2013	<u>298,000,000</u>	<u>65,767,979</u>	<u>(1,412,901)</u>	<u>(67,219,875)</u>	<u>(2,864,797)</u>	<u>295,135,203</u>
Balance as at July 01, 2014	298,000,000	69,813,812	(1,928,891)	(59,201,774)	8,683,147	306,683,147
Profit for the period	-	-	-	8,286,989	8,286,989	8,286,989
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the six months ended December 31, 2014	-	-	-	8,286,989	8,286,989	8,286,989
Final dividend for the year ended June 30, 2014 @ Rs. 0.5 per certificate	-	-	-	(14,900,000)	(14,900,000)	(14,900,000)
Balance as at December 31, 2014	<u>298,000,000</u>	<u>69,813,812</u>	<u>(1,928,891)</u>	<u>(65,814,785)</u>	<u>2,070,136</u>	<u>300,070,136</u>

-----Rupees-----

The annexed notes from 1 to 17 form an integral part of this interim condensed financial information.

  
CHIEF EXECUTIVE

  
DIRECTOR

  
DIRECTOR



**SELECTED NOTES TO THE FINANCIAL STATEMENTS (UN-AUDITED)**  
FOR THE SIX MONTHS ENDED DECEMBER 31, 2014

**1. LEGAL STATUS AND NATURE OF BUSINESS**

1.1 Trust Modaraba (the Modaraba) was formed under the Modaraba Companies and Modarabas (Floatation and Control) Ordinance, 1980 and the rules framed thereunder and had being managed by Al-Zamin Modaraba Management (Private) Limited (AZMML). The Modaraba is perpetual, multi-purpose and multi-dimensional, engaged in the business of Murabahas, Musharakahs, Leasing (Ijarah), investment in marketable securities, tradings and other permissible businesses. The Modaraba commenced its business operations from November 12, 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 Karachi, Lahore and Islamabad stock exchanges.

**2. BASIS OF PREPARATION**

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

	<i>(Un-audited)</i>	<i>(Audited)</i>
	<i>December 31</i>	<i>June 30</i>
	<i>2014</i>	<i>2014</i>
	<i>Rupees</i>	<i>Rupees</i>
<b>4. CASH AND BANK BALANCES</b>		
Cash in hand	30,902	39,527
Cash at banks		
- Current accounts	196,095	456,923
- Saving accounts	2,013,688	1,922,680
	<u>2,209,783</u>	<u>2,379,603</u>
	<u>2,240,685</u>	<u>2,419,130</u>
<b>5. SHORT TERM INVESTMENTS</b>		
<i>Financial assets at fair value through profit and loss - held for trading</i>		
Shares of listed companies - at cost	3,148,173	1,099,162
Less: Unrealized loss on revaluation of held for trading investments	(543,148)	(136,762)
	<u>2,605,025</u>	<u>962,400</u>

SELECTED NOTES TO THE FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE SIX MONTHS ENDED DECEMBER 31, 2014



Trust Modaraba

	December 31, 2014		June 30, 2014	
	Avg Cost	M.Value	Avg Cost	M.Value
	-----Rupees-----			
<b>5.1 Shares of listed companies</b>				
Sui North Gas Nil (June 2014: 20,000) ordinary shares of Rupees 10 each fully paid	-	-	483,704	453,000
Pakistan Telecommunication Company Ltd 20,000 (June 2014: 20,000) ordinary shares of 'Rupees 10 each fully paid	615,458	460,600	615,458	509,400
Pakistan State Oil 800 (June 2014: Nil) ordinary shares of Rupees 10 each fully paid	295,108	286,325	-	-
Mari Gas Company Limited 2,800 (June 2014: Nil) ordinary shares of Rupees 10 each fully paid	1,684,386	1,331,260	-	-
Shell Pakistan 500 (June 2014: Nil) ordinary shares of Rupees 10 each fully paid	133,616	129,440	-	-
Honda Atlas Car 2,000 (June 2014: Nil) ordinary shares of Rupees 10 each fully paid	419,605	397,400	-	-
	<b>3,148,173</b>	<b>2,605,025</b>	<b>1,099,162</b>	<b>962,400</b>
			<i>(Un-audited)</i>	<i>(Audited)</i>
			<i>December 31</i>	<i>June 30</i>
			<i>2014</i>	<i>2014</i>
			<i>Rupees</i>	<i>Rupees</i>
<b>6. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES</b>				
Advances to employees against salary - considered good			128,007	185,152
Security deposits			4,500	4,500
Prepayments			1,485,209	1,562,448
Due from brokers against sale of shares			30	10,134
Trade receivables			11,175,762	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			1,877,635	2,053,719
Provision for doubtful receivables			(1,201,385)	(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			17,071,949	5,540,556
Provision for doubtful sundry receivables			(422,587)	(472,099)
			16,649,362	5,068,457
			<b>30,119,120</b>	<b>14,964,543</b>
<b>7. STOCK IN TRADE</b>				
This represents goods purchased for trading purposes.			15,894,937	11,056,171



SELECTED NOTES TO THE FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE SIX MONTHS ENDED DECEMBER 31, 2014

		(Un-audited) December 31 2014 Rupees	(Audited) June 30 2014 Rupees
<b>8. LONG TERM INVESTMENTS</b>			
<i>Available for sale</i>			
Sukuk certificates - Listed		5,875,500	6,219,250
		<u>5,875,500</u>	<u>6,219,250</u>
Provision for diminution in value of investments (impairment)		-	-
		<u>5,875,500</u>	<u>6,219,250</u>
Unrealized loss on revaluation of investments		(869,953)	(869,953)
Net investment at fair value		<u>5,005,547</u>	<u>5,349,297</u>
<b>9. FIXED ASSETS</b>			
Operating fixed assets given on lease / ijarah	9.1	137,945,431	155,457,489
Operating fixed assets in own use	9.2	<u>14,045,090</u>	<u>13,688,862</u>
		<u>151,990,521</u>	<u>169,146,351</u>
<b>9.1 Operating fixed assets given on lease / ijarah</b>			
Opening book value		155,457,489	189,465,903
Add: additions during the period / year	9.1.1	<u>26,746,000</u>	<u>58,663,500</u>
		<u>182,203,489</u>	<u>248,129,403</u>
Less: disposals during the period / year			
Plant and equipments		20,685,000	26,254,000
Vehicles		20,636,500	64,162,200
Furniture and fixtures		-	-
Accumulated depreciation		<u>(20,494,554)</u>	<u>(51,088,488)</u>
		<u>20,826,946</u>	<u>39,327,712</u>
		161,376,543	208,801,691
Less: depreciation charged during the period / year		<u>(23,431,112)</u>	<u>(53,344,202)</u>
Book value at end of the period / year		<u>137,945,431</u>	<u>155,457,489</u>
<b>9.1.1 Additions during the period / year</b>			
Plant and equipments		3,022,000	10,837,000
Vehicles		23,724,000	47,826,500
Furniture and fixtures		-	-
		<u>26,746,000</u>	<u>58,663,500</u>
<b>9.2 Operating fixed assets in own use</b>			
Opening book value		13,688,862	14,219,062
Add: additions during the period / year	9.2.1	855,217	667,620
Less: depreciation charged during the period / year		<u>(498,989)</u>	<u>(1,197,820)</u>
Book value at end of the period / year	9.2.2	<u>14,045,090</u>	<u>13,688,862</u>
<b>9.2.1 Additions during the period / year</b>			
Furniture & fixtures		183,371	-
Office equipments		39,000	212,384
Vehicles		477,346	50,500
Electrical equipments		155,500	104,736
Computer software		-	300,000
		<u>855,217</u>	<u>667,620</u>

SELECTED NOTES TO THE FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE SIX MONTHS ENDED DECEMBER 31, 2014



Trust Modaraba

		<i>(Un-audited)</i>	<i>(Audited)</i>
		<i>December 31</i>	<i>June 30</i>
		<i>2014</i>	<i>2014</i>
		<i>Rupees</i>	<i>Rupees</i>
9.2.2	<i>Book value at end of the period / year</i>		
	Land	11,106,200	11,106,200
	Furniture and fixtures	719,350	594,997
	Office equipments	827,735	893,895
	Vehicles	515,957	59,497
	Lease hold improvements	34,277	84,442
	Electrical equipments	662,409	555,665
	Computer software	179,162	394,166
		<u>14,045,090</u>	<u>13,688,862</u>

9.2.3 It includes a piece of land measuring 10 Kanals, costing Rs. 10,728,400 situated at Mauza Amer Sidhu, Lahore Cantt acquired through settlement of certain murabaha facilities. The subject land is presently in the possession of Defence Housing Authority, Lahore (DHA). The Modaraba has filed legal suit for possession of land in the Civil Court. The management and legal counsel of the Modaraba are confident that Modaraba has valid claim against DHA because title and sale deed is in name Modaraba and accordingly no loss has been charged against such land.

10. CREDITORS, ACCURED AND OTHER LIABILITIES

Accrued expenses	125,465	50,154
Management fee payable	920,777	2,247,685
Deferred income on murabaha	8,141,526	6,504,834
Unclaimed dividends	11,780,692	11,106,560
Other liabilities	2,954,002	1,917,833
	<u>23,922,462</u>	<u>21,827,066</u>

11. CONTINGENCIES AND COMMITMENTS

11.1 Contingencies

There is no known contingency as at December 31, 2014

11.2 Commitments

The Modaraba has entered into ijarah arrangements for assets. These arrangements have remaining terms of less than five years. Such arrangements also include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions.

Future Ijarah payments due under these arrangements, as at December 31, 2014 are as follows:

	<i>(Un-audited)</i>	<i>(Audited)</i>
	<i>December 31</i>	<i>June 30</i>
	<i>2014</i>	<i>2014</i>
	<i>Rupees</i>	<i>Rupees</i>
Within one year	1,224,264	1,129,880
After one year but not more than five years	1,054,991	902,726
	<u>2,279,255</u>	<u>2,032,606</u>



SELECTED NOTES TO THE FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE SIX MONTHS ENDED DECEMBER 31, 2014

	(Un-audited)			
	Six months ended		Three months ended	
	December 31	December 31	December 31	December 31
	2014	2013	2014	2013
	Rupees			
<b>12. OTHER INCOME</b>				
Processing, documentation, other fees and charges	116,000	384,212	38,000	301,708
Gain on disposal of fixed assets	381,516	1,109,969	355,011	469,872
Miscellaneous income	123,074	130,764	69,902	97,790
	<u>620,590</u>	<u>1,624,945</u>	<u>462,913</u>	<u>869,370</u>

	(Un-audited)		(Audited)	
	December 31	December 31	December 31	December 31
	2014	2013	2014	2013
	Rupees			
<b>13. ADMINISTRATIVE EXPENSES</b>				
Salaries, allowances and other benefits			4,741,212	4,166,029
Legal and professional charges			155,000	435,000
Fees and subscription			1,336,145	1,145,342
Electricity, gas and water			493,014	435,978
Telephone, postage and courier			354,025	370,121
Rent, Rate & Taxes			820,997	704,401
Printing and stationery			334,937	317,164
Traveling and conveyance			151,295	294,464
Entertainment			270,012	312,105
Insurance			1,748,770	1,926,167
Advertisement			65,563	54,080
Auditor remuneration			50,000	25,000
Vehicle running and maintenance			999,083	918,541
Newspaper & Periodicals			11,131	10,646
Repairs and maintenance			473,827	825,861
Depreciation on own assets			498,989	630,887
Bank charges and commission			133,793	13,024
Miscellaneous			82,495	135,810
Donation			41,319	99,000
Lease rental expense - vehicle			772,547	930,774
Sales tax			8,240	52,387
			<u>13,542,394</u>	<u>13,802,781</u>

**14. TAXATION**

No provision with respect to current and deferred taxation has been made in these accounts on the premise that under the current tax law the income of non-trading Modarabas is exempt from income tax provided that they distribute ninety percent cash profit to certificate holders out of current year's total profit after appropriating statutory reserves.

	(Un-audited)				
	Six months ended		Three months ended		
	December 31	December 31	December 31	December 31	
	2014	2013	2014	2013	
	Rupees				
<b>15. EARNINGS PER CERTIFICATE - BASIC &amp; DILUTED</b>					
Profit for the period	Rupees	8,286,989	8,165,229	5,205,516	3,580,258
Weighted average number of certificates	Number	29,800,000	29,800,000	29,800,000	29,800,000
Earnings per certificate	Rupees	<u>0.28</u>	<u>0.27</u>	<u>0.17</u>	<u>0.12</u>



SELECTED NOTES TO THE FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE SIX MONTHS ENDED DECEMBER 31, 2014



Trust Modaraba

16. *DATE OF AUTHORIZATION*

These financial statements were approved for issue on by the Board of Directors of the Management Company in their meeting held on February 24, 2015.

17. *GENERAL*

17.1 Corresponding figures have been rearranged, where necessary, for the purpose of comparison. However, no significant reclassification has been made during the period.

17.2 Figures have been rounded off to the nearest rupee.

  
CHIEF EXECUTIVE

  
DIRECTOR

  
DIRECTOR

**BOOK POST**

**301-320, 3<sup>rd</sup> Floor, Garden Heights, 8-Aibak Block,  
New Garden Town, Lahore  
Tel: (042) -35941957-8 Fax: (042) 35866513  
Web: [www.trustmodaraba.com](http://www.trustmodaraba.com)**