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# CONDENSED INTERIM FINANCIAL STATEMENTS

For Nine Month Period Ended March 31, 2018

**CONDENSED INTERIM BALANCE SHEET**

As at March 31, 2018 (Un-audited)

(Rupees '000)

	(Un Audited)	(Audited)
	Mar	Jun
Note	2018	2017
<b>ASSETS</b>		
<u>Non-Current assets</u>		
Property, plants and equipments	4 8,364	7,993
Intangible assets	14,654	14,203
Long term investment - (PSX)	5 41,533	41,163
Long term loans, advances and deposits	3,746	3,246
	<b>68,297</b>	66,605
<u>Current assets</u>		
Advances, deposits, prepayments and other receivables	6 119,275	256,490
Marketable securities - held for trading	7 491	2,150
Trade debts - unsecured - considered good	8 240,935	294,256
Taxation	98,259	96,974
Cash and bank balances	9 638,393	813,223
	<b>1,097,353</b>	1,463,093
	<b>1,165,650</b>	1,529,698
<b>LIABILITIES</b>		
<u>Non-Current liabilities</u>		
Long term loan	55,000	55,000
Deferred liability	3,211	4,273
	<b>58,211</b>	59,273
<u>Current liabilities</u>		
Trade payables	10 717,624	764,294
Creditors, accrued and other liabilities	11 36,861	57,688
Short Term Loan	100,000	300,000
	<b>854,485</b>	1,121,982
	<b>912,696</b>	1,181,255
<b>NET ASSETS</b>		
	<b>252,954</b>	348,443
<i>Contingencies and Commitments</i>		
	12	
<b>REPRESENTED BY</b>		
<u>Issued, Subscribed and Paidup Share Capital</u>		
Authorised capital		
35,000,000 ordinary shares of Rs. 10 each	350,000	350,000
Issued, subscribed and paid-up capital	13 304,601	304,601
Unappropriated profit / (loss)	(51,647)	43,842
	<b>252,954</b>	348,443
	-	-
<b>BOOK VALUE PER SHARE</b>		
	<b>8.30</b>	11.44

The Annexed notes 1 to 15 form an integral part of these Condensed Interim Financial Statements.

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**CHIEF FINANCIAL OFFICER**

**CONDENSED INTERIM PROFIT & LOSS ACCOUNT**

For Nine Months period ended March 31, 2018 (Un-audited)

(Rupees '000)

	Note	Nine months Ended March 31,		Quarter Ended March 31,	
		2018	2017	2018	2017
Brokerage revenue		156,205	271,913	51,190	79,239
Brokerage revenue - Commodity		975	1,341	365	518
Capital gain / (loss) on Investments		(621)	1,610	(21)	(82)
Capital gain on sale of long term Investments - PSX		-	32,435	-	32,435
Dividend income		361	446	325	241
Other income	14	7,663	7,686	2,469	3,472
		<b>164,583</b>	<b>315,431</b>	<b>54,328</b>	<b>115,823</b>
Operating and administrative expenses		(173,753)	(192,964)	(59,901)	(63,054)
		<b>(9,170)</b>	<b>122,467</b>	<b>(5,573)</b>	<b>52,769</b>
Finance cost		(10,491)	(13,979)	(2,271)	(4,533)
Gain / (loss) due to change in fair value of marketable securities	7	(126)	(88)	259	(252)
<b>PROFIT / (LOSS) Before Taxation</b>		<b>(19,787)</b>	<b>108,400</b>	<b>(7,585)</b>	<b>47,984</b>
<b>Taxation</b>					
- Current		(26,115)	(32,520)	(8,442)	(13,192)
- Deferred		-	-	-	-
		<b>(26,115)</b>	<b>(32,520)</b>	<b>(8,442)</b>	<b>(13,192)</b>
<b>PROFIT / (LOSS) After Taxation</b>		<b>(45,902)</b>	<b>75,880</b>	<b>(16,027)</b>	<b>34,792</b>
<b>EARNING PER SHARE</b>		<b>(1.51)</b>	<b>2.49</b>	<b>(0.53)</b>	<b>1.14</b>

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## CONDENSED INTERIM Cash Flow Statement

For Nine Months period ended March 31, 2018 (Un-audited)

(Rupees '000)

Note	Mar 2018	Mar 2017
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit / (loss) before taxation	(19,787)	108,400
<b>Adjustment for:</b>		
Depreciation	3,236	4,724
Amortization of intangible assets	71	449
Capital loss / (gain) on sale of long term investments	-	(32,435)
(Gain) / loss on re-measurement of held for trading investments	126	88
Capital loss / (gain) on sale of investments -net	621	(1,610)
(Gain) / loss on disposal of property and equipment	(450)	(1,296)
Finance cost	10,491	13,979
Dividend income	(361)	(446)
Gratuity expense	3,211	4,123
	<b>16,945</b>	<b>(12,424)</b>
<b>Changes in working capital</b>		
<b>(Increase) / decrease in current assets</b>		
Trade debts	53,321	168,578
Investments - held for trading	912	2,328
Trade deposits and short term prepayments	136,292	22,779
	<b>190,525</b>	<b>193,685</b>
<b>Decrease in current liabilities</b>		
Trade and other payables	(66,425)	96,044
	<b>121,258</b>	<b>385,705</b>
<b>Cash used in operations</b>		
Gratuity paid	(4,273)	(10,516)
Income tax paid	(27,401)	(41,449)
Finance cost paid	(11,564)	(14,125)
	<b>(43,238)</b>	<b>(66,090)</b>
<b>Net cash used in operating activities</b>	<b>78,020</b>	<b>319,615</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of property and equipment	(3,757)	(830)
Acquisition of intangible assets	(522)	40,394
Proceeds from disposal of property and equipment	600	1,105
Decrease / (Increase) Long term loans - (Staff loan)	923	1,062
Decrease / (Increase) in Long term deposits	(500)	-
Dividend received	361	236
<b>Net cash from investing activities</b>	<b>(2,895)</b>	<b>41,967</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Issue of share capital	-	-
Dividend paid	(49,955)	(18,276)
Short term borrowing	100,000	-
Short term loan repaid	(200,000)	-
Long term financing	-	55,000
Payment of finance lease obligation	-	(435)
<b>Net cash from / (used in) financing activities</b>	<b>(149,955)</b>	<b>36,289</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(74,830)</b>	<b>397,871</b>
Cash and cash equivalents at beginning of the year	713,223	609,372
<b>Cash and cash equivalents at end of the month</b>	<b>638,393</b>	<b>1,007,243</b>
<b>Cash and Cash Equivalents</b>		
Cash and bank balances	638,393	1,007,243
	<b>638,393</b>	<b>1,007,243</b>

The Annexed notes 1 to 15 form an integral part of these Condensed Interim Financial Statements.

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**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY**

For Nine Months period ended March 31, 2018 (Un-audited)

	Share capital	Accumulated Profit/(loss)	Total
	----- Rupees -----		
<b>Balance as at July 01, 2016</b>	304,601	(62,993)	241,608
Profit for the period ended March 31, 2017	-	75,880	75,880
<b>Balance as at March 31, 2017</b>	<u>304,601</u>	<u>12,887</u>	<u>317,488</u>
Cash Dividend 2015-16		(18,276)	(18,276)
Other Comprehensive Income - Revaluation of Investments		28,716	28,716
Other Comprehensive income (Gratuity Fund)		(182)	(182)
Profit for the period ended June 30, 2017	-	20,697	20,697
<b>Balance as at June 30, 2017</b>	<u>304,601</u>	<u>43,842</u>	<u>348,443</u>
Cash Dividend 2016-17	-	(49,955)	(49,955)
Profit/ (loss) for the period ended March 31, 2018	-	(45,902)	(45,902)
Revaluation of Investments - March 31, 2018		368	368
<b>Balance as at March 31, 2018</b>	<u><u>304,601</u></u>	<u><u>(51,647)</u></u>	<u><u>252,954</u></u>

The Annexed notes 1 to 15 form an integral part of these Condensed Interim Financial Statements.

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## NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS

For Nine Months period ended March 31, 2018 (Un-audited)

### 1. THE COMPANY AND ITS OPERATIONS

Foundation Securities (Private) Limited (the Company), which is a 95.74% owned subsidiary of The Fauji Foundation Pakistan, was incorporated in Pakistan as a private limited company on January 18, 2005, under the Companies Ordinance, 1984 and its registered office is situated at Ground Floor, Bahria Complex II, M.T. Khan Road, Karachi - 74000. The Company is a Trading Right Entitlement Certificate (TREC) holder of the Karachi Stock Exchange Limited and a corporate member of Pakistan Mercantile Exchange Limited.

The Company is principally engaged in the business of equity and commodities brokerage, equity research and corporate financial advisory services.

### 2. BASIS OF PREPARATION

#### 2.1 Statement of compliance

These Interim Financial Statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Ordinance, 1984, along with directives issued by Securities and Exchange Commission of Pakistan (SECP) and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions of, or directives issued under the Companies Ordinance, 1984 shall prevail.

These Condense Interim Financial Statements do not include all the information and disclosures required in the Annual Financial Statements and should be read in conjunction with company's Annual Financial Statement for the year ended June 30, 2017.

#### 3.0 ACCOUNTING POLICIES

The Accounting Policies adopted in the preparation of these condensed Interim Financial Statements are consistent with those of the financial year ended June 30, 2017.

## Notes to the Financial Statements

For the period ended March 31, 2018

## 4 PROPERTY, PLANTS AND EQUIPMENTS

(Rupees '000)

	March 31, 2018					Total
	Office equipment and appliances	Furniture and fixtures	Computer equipment	Vehicles (owned)	Vehicles (leased)	
<b>As at July 01, 2017</b>						
Cost	15,633	12,434	31,246	6,511	-	65,824
Accumulated depreciation	12,182	10,548	29,665	5,436	-	57,831
Net book value	3,451	1,886	1,581	1,075	-	7,993
Opening net book value	3,451	1,886	1,581	1,075	-	7,993
<b>Additions</b>	<b>232</b>	<b>-</b>	<b>548</b>	<b>2,977</b>	<b>-</b>	<b>3,757</b>
<i>Transfer from leased assets</i>						
Cost	-	-	-	-	-	-
Accumulated Depreciation	-	-	-	-	-	-
<b>Disposals</b>						
Cost	-	-	-	1,039	-	1,039
Depreciation	-	-	-	889	-	889
	-	-	-	150	-	150
<b>Depreciation charge for the year</b>	<b>995</b>	<b>246</b>	<b>935</b>	<b>1,060</b>	<b>-</b>	<b>3,236</b>
Closing net book value	2,688	1,640	1,194	2,842	-	8,364
<b>Period ended March 31, 2018</b>						
Cost	15,865	12,434	31,794	8,449	-	68,542
Accumulated depreciation	13,177	10,794	30,600	5,607	-	60,178
<b>Net book value as at March 31, 2018</b>	<b>2,688</b>	<b>1,640</b>	<b>1,194</b>	<b>2,842</b>	<b>-</b>	<b>8,364</b>
Depreciation rate % per annum	20	10	33.33	20	20	

  

	June 30, 2017					Total
	Office equipment and appliances	Furniture and fixtures	Computer equipment	Vehicles (owned)	Vehicles (leased)	
<b>As at July 01, 2016</b>						
Cost	15,541	12,382	30,206	5,993	10,992	75,114
Accumulated depreciation	10,931	9,942	28,196	4,863	6,318	60,250
Net book value	4,610	2,440	2,010	1,130	4,674	14,864
Opening net book value	4,610	2,440	2,010	1,130	4,674	14,864
<b>Additions</b>	<b>162</b>	<b>51</b>	<b>1,040</b>	<b>-</b>	<b>-</b>	<b>1,253</b>
<i>Transfer from leased assets</i>						
Cost	-	-	-	10,992	(10,992)	-
Accumulated Depreciation	-	-	-	(6,867)	6,867	-
<b>Disposals</b>						
Cost	70	-	-	10,474	-	10,544
Depreciation	70	-	-	8,052	-	8,122
	-	-	-	2,422	-	2,422
	<b>1,321</b>	<b>606</b>	<b>1,469</b>	<b>1,757</b>	<b>549</b>	<b>5,702</b>
Closing net book value	3,451	1,885	1,581	1,076	-	7,993
<b>Period ended June 30, 2017</b>						
Cost	15,633	12,433	31,246	6,511	-	65,823
Accumulated depreciation	12,182	10,548	29,665	5,435	-	57,830
	<b>3,451</b>	<b>1,885</b>	<b>1,581</b>	<b>1,076</b>	<b>-</b>	<b>7,993</b>
Depreciation rate % per annum	20	10	33.33	20	20	

(Rupees '000)

	Mar 2018	Jun 2017
<b>5 LONG-TERM INVESTMENT</b>		
<b><i>Available for sale - quoted (Pakistan Stock Exchange Limited)</i></b>		
Share Qty: <b>1,602,953</b> (2017: 1,602,953) ordinary shares of Rs. 10 each.	12,448	12,448
Surplus / (Deficit) due to Change in Fair Value of Marketable Securities (Shares Qty: 1,602,953/- @ PKR 25.91)	29,085	28,715
	<u>41,533</u>	<u>41,163</u>
<b>6 ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES</b>		
<b><i>Deposits and Prepayments</i></b>		
- Exposure - (Karachi Stock Exchange)	79,322	209,307
- Exposure - (National Clearing Company of Pakistan)	15,400	23,200
- Exposure - (Pakistan Merchantile Exchange)	1,725	1,725
- Other Deposits	25	25
- Prepayments	7,895	2,884
<b>Advances and loans to staff</b>	2,241	3,164
<b>Other Receivables - Net of Provision</b>	12,667	16,185
	<u>119,275</u>	<u>256,490</u>
<b>7 MARKETABLE SECURITIES - HELD FOR TRADING</b>		
Marketable Securities - Held for trading	617	2,108
Unrealized gain/(loss) on investments classified as 'financial assets at fair value through profit or loss'	(126)	42
	<u>491</u>	<u>2,150</u>
<b>8 TRADE DEBTS - (UNSECURED) - CONSIDERED GOOD</b>		
Receivable against purchase of marketable securities on behalf of clients	256,598	309,919
Less: Provision of doubtful debts - Considered doubtful	(15,663)	(15,663)
	<u>240,935</u>	<u>294,256</u>
<b>9 CASH AND BANK BALANCES</b>		
Current Accounts	536,195	259,437
Saving Accounts	102,151	553,703
<b>Total cash at banks</b>	<u>638,346</u>	<u>813,140</u>
<b>Cash in Hand</b>	47	83
<b>Total</b>	<u>638,393</u>	<u>813,223</u>
<b>10 TRADE PAYABLES</b>		
Payable against sale of marketable securities on behalf of clients	662,299	659,136
Payable to National Clearing Company of Pakistan (NCCPL)	55,325	105,158
	<u>717,624</u>	<u>764,294</u>
<b>11 CREDITORS, ACCRUED AND OTHER LIABILITIES</b>		
Accrued expenses	27,364	28,194
Withholding taxes payable	2,255	3,848
Other liabilities	7,242	25,646
	<u>36,861</u>	<u>57,688</u>
<b>12 Contingencies and Commitments</b>		
There are no contingencies and commitments subsequent to financial year ended June 30, 2017.		
<b>13 ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL</b>		

Category of Shareholder	Number of Shares Held	Value of Shares Held (In Rs. 000)	Percentage
Fauji Foundation	29,163,677	291,637	95.74
Others	1,296,383	12,964	4.26
<b>Total Amount</b>	<b>30,460,060</b>	<b>304,601</b>	<b>100</b>



(Rupees '000)

	Nine months Ended March 31,		Quarter Ended March 31,	
	2018	2017	2018	2017
<b>14 OTHER INCOME</b>				
Share application and forms brokerage	115	48	2	-
Profit on bank deposits	2,848	369	1,610	369
Gain/(loss) on disposal of fixed assets	450	1,296	450	191
Other income including profit on cash margins (NCCPL / PSX)	4,250	5,973	407	2,912
	<b>7,663</b>	<b>7,686</b>	<b>2,469</b>	<b>3,472</b>
<b>15 General</b>				

Corresponding figures have been rearranged and reclassified, wherever necessary to facilitate comparison.

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