
CONDENSED INTERIM FINANCIAL STATEMENTS

For The Half Year Ended December 31, 2018

CONDENSED INTERIM BALANCE SHEET

As at December 31, 2018 (Un-audited)

(Rupees '000)

	Note	(Un Audited)	(Audited)
		Dec 2018	Jun 2018
ASSETS			
<u>Non-Current assets</u>			
Property, plants and equipments	4	6,523	7,636
Intangible assets		14,606	14,630
Long term investment - (PSX)	5	18,000	26,721
Long term loans, advances and deposits		3,399	3,746
		42,528	52,733
<u>Current assets</u>			
Advances, deposits, prepayments and other receivables	6	152,830	146,630
Marketable securities - held for trading	7	366	385
Trade debts - unsecured - considered good	8	145,095	118,141
Taxation		111,836	98,228
Cash and bank balances	9	351,104	551,843
		761,231	915,227
		803,759	967,960
LIABILITIES			
<u>Non-Current liabilities</u>			
Long term loan		55,000	55,000
Deferred liability		2,202	3,334
		57,202	58,334
<u>Current liabilities</u>			
Trade payables	10	397,311	539,713
Creditors, accrued and other liabilities	11	33,117	39,755
Short Term Loan	12	100,000	100,000
		530,428	679,468
		587,630	737,802
NET ASSETS			
Contingencies and Commitments	13	216,129	230,158
REPRESENTED BY			
<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	14	304,601	304,601
Unappropriated profit / (loss)		(88,472)	(74,443)
		216,129	230,158

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

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CONDENSED INTERIM PROFIT & LOSS ACCOUNT

For the half year ended December 31, 2018 (Un-audited)

(Rupees '000)

	Note	Six months Ended December 31,		Quarter Ended December 31,	
		2018	2017	2018	2017
Brokerage revenue		85,835	105,015	45,567	45,565
Brokerage revenue - Commodity		145	610	304	304
Capital gain / (loss) on Investments		(1,310)	(600)	(636)	(636)
Research Access Fees		700	-	-	-
Dividend income		2	36	36	36
Other income	15	12,296	5,194	5,167	1,431
		97,668	110,255	50,438	46,700
Operating and administrative expenses		(98,063)	(113,852)	(49,910)	(55,646)
		(395)	(3,597)	528	(8,946)
Finance cost		(4,023)	(8,220)	(1,979)	(2,927)
Gain / (loss) due to change in fair value of marketable securities	7	(238)	(385)	268	268
PROFIT / (LOSS) Before Taxation		(4,656)	(12,202)	(1,183)	(11,605)
Taxation					
- Current		(858)	(17,673)	(7,663)	(7,663)
- Deferred		-	-	-	-
		(858)	(17,673)	(7,663)	(7,663)
PROFIT / (LOSS) After Taxation		(5,514)	(29,875)	(8,846)	(19,268)
EARNING PER SHARE		(0.18)	(0.98)	(0.29)	(0.63)

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CONDENSED INTERIM Cash Flow Statement

For the half year ended December 31, 2018 (Un-audited)

(Rupees '000)

Note	Dec 2018	Dec 2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (loss) before taxation	(4,656)	(12,202)
Adjustment for:		
Depreciation	1,481	1,734
Amortization of intangible assets	94	47
(Gain) / loss on re-measurement of held for trading investments	238	385
Capital loss / (gain) on sale of investments -net	1,310	600
(Gain) / loss on disposal of property and equipment	(5)	-
Finance cost	4,023	8,220
Dividend income	(2)	(36)
Gratuity expense	2,202	2,116
	9,341	13,066
Changes in working capital		
(Increase) / decrease in current assets		
Trade debts	(26,954)	12,712
Investments - held for trading	(1,529)	465
Trade deposits and short term prepayments	(5,566)	122,353
	(34,049)	135,530
Decrease in current liabilities		
Trade and other payables	(149,114)	(88,269)
	(178,478)	48,125
Cash used in operations		
Gratuity paid	(3,334)	(4,273)
Income tax paid	(14,253)	(18,523)
Finance cost paid	(3,949)	(10,303)
	(21,536)	(33,099)
Net cash used in operating activities	(200,014)	15,026
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property and equipment	(370)	(3,339)
Acquisition of intangible assets	(70)	(522)
Decrease / (increase) Long term loans - (Staff loan)	(634)	544
Decrease / (increase) in Long term deposits	347	(500)
Dividend received	2	36
Net cash from investing activities	(725)	(3,781)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	-	(49,955)
Short term borrowing	-	100,000
Short term loan repaid	-	(200,000)
Net cash from / (used in) financing activities	-	(149,955)
Net increase / (decrease) in cash and cash equivalents	(200,739)	(138,710)
Cash and cash equivalents at beginning of the year	451,843	713,223
Cash and cash equivalents at end of the period	251,104	574,513
Cash and Cash Equivalents		
Cash and bank balances	351,104	574,513
Short term running finance	(100,000)	-
	251,104	574,513

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 the half year ended December 31, 2018 (Un-audited)

	Share capital	Accumulated Profit/(loss)	Total
	----- Rupees -----		
Balance as at July 01, 2017	304,601	43,842	348,443
Profit/ (loss) for the period ended December 31, 2017	-	(29,875)	(29,875)
Balance as at December 31, 2017	<u>304,601</u>	<u>13,967</u>	<u>318,568</u>
Cash Dividend 2016-17		(49,955)	(49,955)
Other Comprehensive Income - Revaluation of Investments		(12,502)	(12,502)
Other Comprehensive income (Gratuity Fund)		463	463
Profit/ (loss) for the period ended June 30, 2018	-	(26,416)	(26,416)
Balance as at June 30, 2018	<u>304,601</u>	<u>(74,443)</u>	<u>230,158</u>
Profit/ (loss) for the period ended December 31, 2018	-	(5,514)	(5,514)
Revaluation of Investments - Dec 31, 2018		(8,515)	(8,515)
Balance as at December 31, 2018	<u><u>304,601</u></u>	<u><u>(88,472)</u></u>	<u><u>216,129</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 the half year ended December 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, 2018.

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, 2018.

Notes to the Financial Statements

For the half year ended December 31, 2018 (Un-audited)

4 PROPERTY, PLANTS AND EQUIPMENTS

(Rupees '000)

	December 31, 2018					Total
	Office equipment and appliances	Furniture and fixtures	Computer equipment	Vehicles (owned)	Vehicles (leased)	
As at July 01, 2018						
Cost	15,803	12,432	31,824	8,449	-	68,508
Accumulated depreciation	13,355	10,856	30,739	5,923	-	60,873
Net book value	2,448	1,576	1,085	2,526	-	7,635
Opening net book value	2,448	1,576	1,085	2,526	-	7,635
Additions	34	-	335	-	-	369
Disposals						
Cost	-	-	34	-	-	34
Depreciation	-	-	34	-	-	34
	-	-	-	-	-	-
Depreciation charge for the year	635	119	340	387	-	1,481
Closing net book value	1,847	1,457	1,080	2,139	-	6,523
Period ended December 31, 2018						
Cost	15,837	12,432	32,125	8,449	-	68,843
Accumulated depreciation	13,990	10,975	31,045	6,310	-	62,320
Net book value as at December 31, 2018	1,847	1,457	1,080	2,139	-	6,523
Depreciation rate % per annum	20	10	33.33	20	20	

	June 30, 2018					Total
	Office equipment and appliances	Furniture and fixtures	Computer equipment	Vehicles (owned)	Vehicles (leased)	
As at July 01, 2017						
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
Additions	300	-	578	2,977	-	3,855
Disposals						
Cost	-	-	-	1,039	-	1,039
Depreciation	-	-	-	889	-	889
	-	-	-	150	-	150
	1,303	309	1,074	1,376	-	4,062
Closing net book value	2,448	1,577	1,085	2,526	-	7,636
Period ended June 30, 2018						
Cost	15,933	12,434	31,824	8,449	-	68,640
Accumulated depreciation	13,485	10,857	30,739	5,923	-	61,004
	2,448	1,577	1,085	2,526	-	7,636
Depreciation rate % per annum	20	10	33.33	20	20	

	Dec 2018	Jun 2018
5 LONG-TERM INVESTMENT		
<i>Available for sale - quoted (Pakistan Stock Exchange Limited)</i>		
Share Qty: 1,326,453 (2018: 1,352,953) ordinary shares of Rs. 10 each.	10,300	10,506
Surplus / (Deficit) due to Change in Fair Value of Marketable Securities (Shares Qty: 1,326,453/- @ PKR 13.57)	7,700	16,215
	<u>18,000</u>	<u>26,721</u>
6 ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES		
<i>Deposits and Prepayments</i>		
- Exposure - (NCCPL)	127,948	130,630
- Exposure - (PMEX)	1,773	1,773
- Other Deposits	398	25
- Prepayments	9,112	3,078
Loans & Advances	3,310	2,676
Other Receivables - Net of Provision	10,289	8,448
	<u>152,830</u>	<u>146,630</u>
7 MARKETABLE SECURITIES - HELD FOR TRADING		
Marketable Securities - Held for trading	604	617
Unrealized gain/(loss) on investments classified as <i>'financial assets at fair value through profit or loss'</i>	(238)	(232)
	<u>366</u>	<u>385</u>
8 TRADE DEBITS - (UNSECURED) - CONSIDERED GOOD		
Receivable against purchase of marketable securities on behalf of clients	157,189	134,747
Receivable from National Clearing Company of Pakistan Limited (NCCPL)	4,512	-
Less: Provision of doubtful debts - Considered doubtful	(16,606)	(16,606)
	<u>145,095</u>	<u>118,141</u>
9 CASH AND BANK BALANCES		
<i>Current Accounts</i>	53,678	523,611
<i>Saving Accounts</i>	297,355	28,148
Total cash at banks	<u>351,033</u>	<u>551,759</u>
<i>Cash in Hand</i>	71	84
Total	<u>351,104</u>	<u>551,843</u>
10 TRADE PAYABLES		
Payable against sale of marketable securities on behalf of clients	397,311	538,995
Payable to National Clearing Company of Pakistan (NCCPL)	-	718
	<u>397,311</u>	<u>539,713</u>
11 CREDITORS, ACCRUED AND OTHER LIABILITIES		
Accrued expenses	21,008	25,239
Withholding tax payable	1,796	2,025
Other liabilities	10,313	12,491
	<u>33,117</u>	<u>39,755</u>
12 Contingencies and Commitments		
There are no contingencies and commitments subsequent to financial year ended June 30, 2018.		
13 ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL		

Category of Shareholder	Number of Shares Held	Value of Shares Held (In Rs. 000)	Percentage
Fauji Foundation	29,163,680	291,637	95.74
Others	1,296,380	12,964	4.26
Total Amount	30,460,060	304,601	100

		Six months Ended December 31,		Quarter Ended December 31,	
		2018	2017	2018	2017
14	OTHER INCOME				
	Profit on bank deposits	9,674	1,238	3,820	424
	Profit on cash margins (NCCPL / PSX)	2,608	3,843	1,333	1,003
	Others	14	113	14	4
		12,296	5,194	5,167	1,431
15	General				

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

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