

# Financial Statements and Independent Auditors' Report



Foundation Securities (Private) Limited

For the year ended June 30, 2018



Grant Thornton Anjum Rahman

Chartered Accountants



**Foundation Securities (Private) Limited**  
**Financial statements**  
For the year ended June 30, 2018

FOUNDATION SECURITIES (PRIVATE) LIMITED  
STATEMENT OF FINANCIAL POSITION  
AS AT JUNE 30, 2018

	Note	2018 Rupees	2017 Rupees
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment	4	7,635,259	7,992,843
Intangible assets	5	14,631,000	14,203,389
Long term investment	6	26,720,822	41,163,832
Long term loans	7	1,034,891	1,313,303
Long term deposits	8	5,519,138	4,971,109
<b>Total non-current assets</b>		<b>55,541,110</b>	<b>69,644,476</b>
<b>Current assets</b>			
Trade debts	9	118,140,507	294,256,028
Current portion of long term loans	7	1,641,437	1,850,490
Trade deposits and short term prepayments	10	133,733,766	235,391,312
Other receivables - unsecured	11	8,447,341	16,210,063
Short term investments	12	384,669	2,149,944
Taxation		98,228,759	96,974,161
Cash and bank balances	13	551,842,805	813,222,388
<b>Total current assets</b>		<b>912,419,284</b>	<b>1,460,054,386</b>
<b>TOTAL ASSETS</b>		<b>967,960,394</b>	<b>1,529,698,862</b>
<b>SHAREHOLDER'S EQUITY</b>			
<b>Share capital and reserves</b>			
<b>Authorized Share Capital</b>			
35,000,000 (2017: 35,000,000) ordinary shares of Rs.10 each		350,000,000	350,000,000
Issued, subscribed and paid up capital	14	304,600,600	304,600,600
Accumulated (loss) / unappropriated profit		(74,442,536)	43,841,878
<b>Total equity</b>		<b>230,158,064</b>	<b>348,442,478</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Long term loan	15	55,000,000	55,000,000
Deferred liability - gratuity	16	3,334,800	4,273,962
<b>Total non-current liabilities</b>		<b>58,334,800</b>	<b>59,273,962</b>
<b>Current liabilities</b>			
Trade and other payables	17	566,248,747	805,317,269
Current portion of long-term loans		-	200,000,000
Short term running finance	18	100,000,000	100,000,000
Accrued mark-up	19	13,218,783	16,665,153
<b>Total current liabilities</b>		<b>679,467,530</b>	<b>1,121,982,422</b>
<b>Contingencies and commitments</b>	20		
<b>Total shareholders' equity and liabilities</b>		<b>967,960,394</b>	<b>1,529,698,862</b>

The annexed notes 1 to 33 form an integral part of these financial statements.

  
CHIEF EXECUTIVE

  
DIRECTOR

FOUNDATION SECURITIES (PRIVATE) LIMITED  
 STATEMENT OF PROFIT OR LOSS  
 FOR THE YEAR ENDED JUNE 30, 2018

	Note	2018 Rupees	2017 Rupees
Operating revenue	21	203,023,509	349,553,681
Operating and administrative expenses	22	(228,383,752)	(278,235,264)
		<u>(25,360,243)</u>	<u>71,318,417</u>
Other income	23	12,302,749	61,868,295
Finance cost	24	(9,429,083)	(19,350,616)
		<u>(22,486,577)</u>	<u>113,836,096</u>
Unrealized gain on re-measurement of investments 'at 'fair value through profit and loss' - net	12.1	(232,525)	42,479
(Loss) / profit before taxation		<u>(22,719,102)</u>	<u>113,878,575</u>
Income tax expense	25	(33,571,811)	(17,301,936)
(Loss) / profit for the year		<u><u>(56,290,913)</u></u>	<u><u>96,576,639</u></u>

The annexed notes 1 to 33 form an integral part of these financial statements.

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 CHIEF EXECUTIVE

  
 DIRECTOR

FOUNDATION SECURITIES (PRIVATE) LIMITED  
 STATEMENT OF COMPREHENSIVE INCOME  
 FOR THE YEAR ENDED JUNE 30, 2018

	Note	2018 Rupees	2017 Rupees
(Loss) / profit for the year		(56,290,913)	96,576,639
Other comprehensive (loss) / income:			
<i>Items that will not be reclassified subsequently to profit and loss</i>			
Remeasurement of defined benefit obligations	16.1	462,661	(181,782)
<i>Items to be reclassified subsequently to profit and loss</i>			
Remeasurement of Investment classified as 'available for sale'	6	(12,501,664)	28,716,190
<b>Total comprehensive (loss) / income for the year</b>		<b>(68,329,916)</b>	<b>125,111,047</b>

The annexed notes 1 to 33 form an integral part of these financial statements.

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CHIEF EXECUTIVE



DIRECTOR

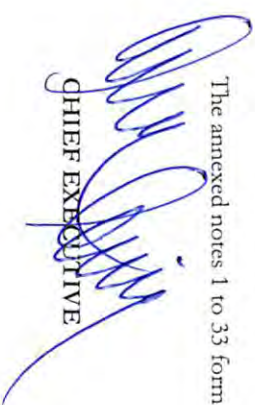
**FOUNDATION SECURITIES (PRIVATE) LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED JUNE 30, 2018**

	Unappropriated profit / Accumulated (loss)	Total shareholders' equity
----- Rupees -----		
Balance as at July 01, 2016	304,600,600	(62,993,133) 241,607,467
Profit for the year	-	96,576,639
Other comprehensive income	-	28,534,408
Total comprehensive income for the year	-	125,111,047
<b>Transactions with owners recognized directly in equity:</b>		
Cash dividend paid for the year ended June 30, 2016 @ Rs. 0.6 per share	-	(18,276,036)
Balance as at June 30, 2017	304,600,600	43,841,878 348,442,478
Loss for the year	-	(56,290,913)
Other comprehensive loss	-	(12,039,003)
Total comprehensive loss for the year	-	(68,329,916)
<b>Transactions with owners recognized directly in equity:</b>		
Cash dividend paid for the year ended June 30, 2017 @ Rs. 1.64 per share	-	(49,954,498)
Balance as at June 30, 2018	304,600,600	(74,442,536) 230,158,064

The annexed notes 1 to 33 form an integral part of these financial statements.

**CHIEF EXECUTIVE**

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FOUNDATION SECURITIES (PRIVATE) LIMITED  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2018

	Note	2018 Rupees	2017 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operations	26	37,837,991	83,874,181
Gratuity paid		(4,273,962)	(10,516,000)
Income tax paid		(34,832,426)	(55,072,987)
Finance cost paid		(12,875,453)	(18,073,952)
<b>Net cash (used in)/generated from operating activities</b>		<b>(14,143,850)</b>	<b>211,242</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property and equipment		(3,854,880)	(1,253,275)
Proceeds from disposal of property and equipment		618,000	4,175,500
Purchase of computer software		(522,000)	-
Proceeds from sale of long-term investments		5,266,687	62,393,521
Long-term loans - net		487,465	412,533
Long-term deposits		(548,029)	(528,150)
Short-term investments - net		908,536	1,705,003
Dividend received		362,986	445,644
<b>Net cash generated from investing activities</b>		<b>2,718,765</b>	<b>67,350,776</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Addition in long-term financing		-	55,000,000
Dividend paid		(49,954,498)	(18,276,036)
Repayment of long-term finance - Askari Bank		(200,000,000)	-
Repayment of finance lease obligation		-	(435,160)
<b>Net cash (used in) / generated from financing activities</b>		<b>(249,954,498)</b>	<b>36,288,804</b>
<b>Net (decrease)/increase increase in cash and cash equivalents</b>		<b>(261,379,583)</b>	<b>103,850,822</b>
<b>Cash and cash equivalents at beginning of the year</b>		<b>713,222,388</b>	<b>609,371,566</b>
<b>Cash and cash equivalents at end of the year</b>		<b>451,842,805</b>	<b>713,222,388</b>
<b>Cash and cash equivalent comprises:</b>			
Cash and bank balances	13	551,842,805	813,222,388
Short term running finance	18	(100,000,000)	(100,000,000)
		<b>451,842,805</b>	<b>713,222,388</b>

The annexed notes 1 to 33 form an integral part of these financial statements.

  
CHIEF EXECUTIVE



  
DIRECTOR