
CONDENSED INTERIM
FINANCIAL STATEMENTS

For Three Month Period Ended September 30, 2018

CONDENSED INTERIM BALANCE SHEET

As at September 30, 2018 (Un-audited)

(Rupees '000)

	(Un Audited) Sep 2018	(Audited) Jun 2018
ASSETS		
<u>Non-Current assets</u>		
Property, plants and equipments	7,107	7,636
Intangible assets	14,607	14,630
Long term investment - (PSX)	21,448	26,721
Long term loans, advances and deposits	3,746	3,746
	46,908	52,733
<u>Current assets</u>		
Advances, deposits, prepayments and other receivables	89,757	146,630
Marketable securities - held for trading	369	385
Trade debts - unsecured - considered good	143,344	118,141
Taxation	104,553	98,228
Cash and bank balances	371,954	551,843
	709,977	915,227
	756,885	967,960
LIABILITIES		
<u>Non-Current liabilities</u>		
Long term loan	55,000	55,000
Deferred liability	4,451	3,334
	59,451	58,334
<u>Current liabilities</u>		
Trade payables	433,918	539,713
Creditors, accrued and other liabilities	37,247	39,755
Short Term Loan	15,000	100,000
	486,165	679,468
	545,616	737,802
NET ASSETS	211,269	230,158
Contingencies and Commitments		
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	304,601	304,601
Unappropriated profit / (loss)	(93,332)	(74,443)
	211,269	230,158
	-	-
BOOK VALUE PER SHARE	6.94	7.56

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 Three Months Period Ended September 30, 2018 (Un-audited)

(Rupees '000)

	Note	Quarter Ended September 30,	
		2018	2017
Brokerage revenue		40,269	59,450
Brokerage revenue - Commodity		94	306
Capital gain / (loss) on Investments		(1,291)	36
Dividend income		-	-
Research Access Fees		700	-
Other income	14	1,423	3,763
		41,195	63,555
Operating and administrative expenses		(52,555)	(58,206)
		(11,360)	5,349
Finance cost		(2,043)	(5,293)
Gain / (loss) due to change in fair value of marketable securities	7	(16)	(653)
PROFIT / (LOSS) Before Taxation		(13,419)	(597)
Taxation			
- Current		(403)	(10,010)
- Deferred		-	-
		(403)	(10,010)
PROFIT / (LOSS) After Taxation		(13,822)	(10,607)
EARNING PER SHARE		(0.45)	(0.35)

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CONDENSED INTERIM Cash Flow Statement

For Three Months Period Ended September 30, 2018 (Un-audited)

(Rupees '000)

Note	Sep 2018	Sep 2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (loss) before taxation	(13,419)	(597)
Adjustment for:		
Depreciation	785	869
Amortization of intangible assets	24	-
(Gain) / loss on re-measurement of held for trading investments	16	653
Capital loss / (gain) on sale of investments -net	1,291	(36)
Finance cost	2,043	5,293
Gratuity expense	1,065	1,065
	5,224	7,844
Changes in working capital		
(Increase) / decrease in current assets		
Trade debts	(25,203)	223,360
Investments - held for trading	(1,291)	(2,183)
Trade deposits and short term prepayments	57,677	75,286
	31,183	296,463
Decrease in current liabilities		
Trade and other payables	(108,648)	(207,352)
	(85,660)	96,358
Cash used in operations		
Gratuity paid	-	-
Income tax paid	(6,469)	(10,540)
Finance cost paid	(1,698)	(7,499)
	(8,167)	(18,039)
Net cash used in operating activities		
	(93,827)	78,319
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property and equipment	(258)	(3,142)
Decrease / (increase) Long term loans - (Staff loan)	-	398
Decrease / (increase) in Long term deposits	(804)	(500)
Dividend received	-	-
Net cash from investing activities	(1,062)	(3,244)
CASH FLOWS FROM FINANCING ACTIVITIES		
Issue of share capital	-	-
Short term loan repaid	-	(200,000)
Payment of finance lease obligation	-	-
Net cash from / (used in) financing activities	-	(200,000)
Net increase / (decrease) in cash and cash equivalents		
	(94,889)	(124,925)
Cash and cash equivalents at beginning of the year	451,843	713,223
Cash and cash equivalents at end of the month	356,954	588,298
Cash and Cash Equivalents		
Cash and bank balances	371,954	688,298
Short term running finance	(15,000)	(100,000)
	356,954	588,298

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CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

For Three Months Period Ended September 30, 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 september 30, 2017	-	(10,607)	(10,607)
Other Comprehensive Income - Revaluation of Investments		(4,632)	(4,632)
Balance as at September 30, 2017	<u>304,601</u>	<u>28,603</u>	<u>333,204</u>
Cash Dividend 2016-17		(49,955)	(49,955)
Other Comprehensive Income - Revaluation of Investments		(7,869)	(7,869)
Other Comprehensive Income - Gratuity Fund		463	463
Profit for the period ended June 30, 2018	-	(45,685)	(45,685)
Balance as at June 30, 2018	<u>304,601</u>	<u>(74,443)</u>	<u>230,158</u>
Profit / (Loss) for the period ended september 30, 2018	-	(13,822)	(13,822)
Other Comprehensive Income - Revaluation of Investments		(5,067)	(5,067)
Balance as at September 30, 2018	<u><u>304,601</u></u>	<u><u>(93,332)</u></u>	<u><u>211,269</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 Three Months Period Ended September 30, 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 period ended September 30, 2018

4 PROPERTY, PLANTS AND EQUIPMENTS

(Rupees '000)

	September 30, 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	-	-	258	-	-	258
<i>Transfer from leased assets</i>						
Cost	-	-	-	-	-	-
Accumulated Depreciation	-	-	-	-	-	-
Disposals						
Cost	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-
Depreciation charge for the year	321	59	171	235	-	786
Closing net book value	2,127	1,517	1,172	2,291	-	7,107
Period ended September 30, 2018						
Cost	15,803	12,432	32,082	8,449	-	68,766
Accumulated depreciation	13,676	10,915	30,910	6,158	-	61,659
Net book value as at September 30, 2018	2,127	1,517	1,172	2,291	-	7,107
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
<i>Transfer from leased assets</i>						
Cost	-	-	-	-	-	-
Accumulated Depreciation	-	-	-	-	-	-
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
Net book value as at September 30, 2018	2,448	1,577	1,085	2,526	-	7,636
Depreciation rate % per annum	20	10	33.33	20	20	

(Rupees '000)

	Sep 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 19.41)	11,148	16,215
	<u>21,448</u>	<u>26,721</u>
6 ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES		
<i>Deposits and Prepayments</i>		
- Exposure - (Pakistan Stock Exchange)	24,727	109,730
- Exposure - (National Clearing Company of Pakistan)	39,300	20,900
- Exposure - (Pakistan Merchantile Exchange)	1,773	1,773
- Other Deposits	212	25
- Prepayments	10,516	3,078
Loans & Advances	3,998	2,697
Other Receivables - Net of Provision	9,231	8,427
	<u>89,757</u>	<u>146,630</u>
7 MARKETABLE SECURITIES - HELD FOR TRADING		
Marketable Securities - Held for trading	385	617
Unrealized gain/(loss) on investments classified as <i>'financial assets at fair value through profit or loss'</i>	(16)	(232)
	<u>369</u>	<u>385</u>
8 TRADE DEBTS - (UNSECURED) - CONSIDERED GOOD		
Receivable against purchase of marketable securities on behalf of clients	159,950	134,747
Less: Provision of doubtful debts - Considered doubtful	(16,606)	(16,606)
	<u>143,344</u>	<u>118,141</u>
9 CASH AND BANK BALANCES		
Current Accounts	63,524	523,611
Saving Accounts	308,305	28,148
Total cash at banks	<u>371,829</u>	<u>551,759</u>
Cash in Hand	125	84
Total	<u>371,954</u>	<u>551,843</u>
10. TRADE PAYABLES		
Payable against sale of marketable securities on behalf of clients	430,608	538,995
Payable to National Clearing Company of Pakistan (NCCPL)	3,310	718
	<u>433,918</u>	<u>539,713</u>
11. CREDITORS, ACCRUED AND OTHER LIABILITIES		
Accrued expenses	23,662	25,208
Withholding tax payable	1,436	2,025
Other liabilities	12,149	12,522
	<u>37,247</u>	<u>39,755</u>
12 Contingencies and Commitments		
There are no significant contingencies and commitments subsequent to year end.		
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

Quarter Ended September 30,

2018

2017

14 OTHER INCOME

Share application and forms brokerage	-	109
Profit on bank deposits	148	814
Gain/(loss) on disposal of fixed assets	-	-
Other income including profit on cash margins (NCCPL / PSX)	1,275	2,840
	<u>1,423</u>	<u>3,763</u>

15 General

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

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