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CONDENSED INTERIM  
FINANCIAL STATEMENTS

For Three Month Period Ended September 30, 2019

**CONDENSED INTERIM BALANCE SHEET**

As at September 30, 2019 (Un-audited)

(Rupees '000)

		(Un Audited)	(Audited)
		Sep	Jun
ASSETS	Note	2019	2019
<b>ASSETS</b>			
<u>Non-Current assets</u>			
Property, plants and equipments	4	4,773	5,348
Intangible assets		14,466	14,513
Long term investment - (PSX)	5	11,182	17,243
Long term loans, advances and deposits		3,299	3,299
Deferred tax asset		5,528	5,528
		<b>39,248</b>	45,931
<u>Current assets</u>			
Advances, deposits, prepayments and other receivables	6	59,753	165,385
Marketable securities - held for trading	7	262	265
Trade debts - unsecured - considered good	8	72,805	113,056
Taxation		118,504	117,086
Cash and bank balances	9	334,233	333,075
		<b>585,557</b>	728,867
		<b>624,805</b>	774,798
<b>LIABILITIES</b>			
<u>Non-Current liabilities</u>			
Long term loan		38,385	38,385
Deferred liability		1,063	-
		<b>39,448</b>	38,385
<u>Current liabilities</u>			
Trade payables	10	333,448	361,536
Creditors, accrued and other liabilities	11	44,581	34,827
Short Term Loan		-	118,000
		<b>378,029</b>	514,363
		<b>417,477</b>	552,748
<b>NET ASSETS</b>		<b>207,328</b>	222,050
<u>Contingencies and Commitments</u>			
	12		
<b>REPRESENTED BY</b>			
<u>Issued, Subscribed and Paidup Share Capital</u>			
Authorised capital			
35,000,000 ordinary shares of Rs. 10 each		<b>350,000</b>	350,000
Issued, subscribed and paid-up capital	13	304,601	304,601
Unappropriated profit / (loss)		(97,273)	(82,551)
		<b>207,328</b>	222,050

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, 2019 (Un-audited)

(Rupees '000)

	Note	Quarter Ended	
		September 30, 2019	2018
Brokerage revenue		26,065	40,269
Brokerage revenue - Commodity		-	94
Capital gain / (loss) on Investments		-	(1,629)
Research Access Fees		-	700
Other income	14	7,542	1,423
		<b>33,607</b>	40,857
Operating and administrative expenses		(40,642)	(52,555)
		<b>(7,035)</b>	(11,698)
Finance cost		(791)	(2,043)
Gain / (loss) due to change in fair value of marketable securities	7	(26)	(16)
<b>PROFIT / (LOSS) Before Taxation</b>		<b>(7,852)</b>	<b>(13,757)</b>
<b>Taxation</b>			
- Current		(809)	(403)
- Deferred		-	-
		<b>(809)</b>	<b>(403)</b>
<b>PROFIT / (LOSS) After Taxation</b>		<b>(8,661)</b>	<b>(14,160)</b>
<b>EARNING PER SHARE</b>		<b>(0.28)</b>	<b>(0.46)</b>

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**CONDENSED INTERIM Cash Flow Statement**

For Three Months Period Ended September 30, 2019 (Un-audited)

(Rupees '000)

	Note	Sep 2019	Sep 2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit / (loss) before taxation		(7,852)	(13,757)
<b>Adjustment for:</b>			
Depreciation		688	785
Amortization of intangible assets		47	24
(Gain) / loss on re-measurement of held for trading investments		26	16
Capital loss / (gain) on sale of investments -net		-	1,629
(Gain) / loss on disposal of property and equipment		(2,350)	-
Finance cost		791	2,043
Gratuity expense		1,063	1,065
		265	5,562
<b>Changes in working capital</b>			
<b>(Increase) / decrease in current assets</b>			
Trade debts		40,251	(25,203)
Investments - held for trading		(23)	(1,291)
Trade deposits and short term prepayments		105,615	57,677
		145,843	31,183
<b>Decrease in current liabilities</b>			
Trade and other payables		(18,335)	(108,648)
		119,921	(85,660)
<b>Cash used in operations</b>			
Gratuity paid		-	-
Income tax paid		(2,225)	(6,469)
Finance cost paid		(791)	(1,698)
		(3,016)	(8,167)
<b>Net cash used in operating activities</b>		116,905	(93,827)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisition of property and equipment		(114)	(258)
Proceeds from disposal of property and equipment		2,350	-
Decrease / (increase) Long term loans - (Staff loan)		17	-
Decrease / (increase) in Long term deposits		-	(804)
Dividend received		-	-
<b>Net cash from investing activities</b>		2,253	(1,062)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Issue of share capital		-	-
Short term loan repaid		-	-
Payment of finance lease obligation		-	-
<b>Net cash from / (used in) financing activities</b>		-	-
<b>Net increase / (decrease) in cash and cash equivalents</b>		119,158	(94,889)
Cash and cash equivalents at beginning of the year		215,075	451,843
<b>Cash and cash equivalents at end of the month</b>		334,233	356,954
<b>Cash and Cash Equivalents</b>			
Cash and bank balances		334,233	371,954
Short term running finance		-	(15,000)
		334,233	356,954

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 Three Months Period Ended September 30, 2019 (Un-audited)

	Share capital	Accumulated Profit/(loss)	Total
	----- Rupees -----		
<b>Balance as at July 01, 2018</b>	304,601	(74,443)	230,158
Profit / (Loss) for the period ended september 30, 2018	-	(14,160)	(14,160)
Other Comprehensive Income - Revaluation of Investments		(5,067)	(5,067)
<b>Balance as at September 30, 2018</b>	<u>304,601</u>	<u>(93,670)</u>	<u>210,931</u>
Other Comprehensive Income - Realised gain on sale of Investments		293	293
Other Comprehensive Income - Revaluation of Investments		(5,570)	(5,570)
Other Comprehensive Income - Gratuity Fund		3,867	3,867
Other Comprehensive Income - Unwinding of loan		16,615	16,615
Profit / (Loss) for the period ended June 30, 2019	-	(4,086)	(4,086)
<b>Balance as at June 30, 2019</b>	<u>304,601</u>	<u>(82,551)</u>	<u>222,050</u>
Profit / (Loss) for the period ended september 30, 2019	-	(8,661)	(8,661)
Other Comprehensive Income - Revaluation of Investments		(6,061)	(6,061)
<b>Balance as at September 30, 2019</b>	<u><u>304,601</u></u>	<u><u>(97,273)</u></u>	<u><u>207,328</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, 2019 (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, 2019.

**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, 2019.

## Notes to the Financial Statements

For the period ended September 30, 2019

## 4 PROPERTY, PLANTS AND EQUIPMENTS

(Rupees '000)

	September 30, 2019					Total
	Office equipment and appliances	Furniture and fixtures	Computer equipment	Vehicles (owned)	Vehicles (leased)	
<b>As at July 01, 2018</b>						
Cost	16,022	11,817	32,132	8,449	-	68,420
Accumulated depreciation	14,601	10,483	31,382	6,606	-	63,072
Net book value	1,421	1,334	750	1,843	-	5,348
Opening net book value	1,421	1,334	750	1,843	-	5,348
<b>Additions</b>	-	-	114	-	-	114
<i>Transfer from leased assets</i>						
Cost	-	-	-	-	-	-
Accumulated Depreciation	-	-	-	-	-	-
<b>Disposals</b>						
Cost	-	-	-	3,466	-	3,466
Depreciation	-	-	-	3,466	-	3,466
	-	-	-	-	-	-
<b>Depreciation charge for the year</b>	314	58	165	152	-	689
Closing net book value	1,107	1,276	699	1,691	-	4,773
<b>Period ended September 30, 2019</b>						
Cost	16,022	11,817	32,246	4,983	-	65,068
Accumulated depreciation	14,915	10,541	31,547	3,292	-	60,295
<b>Net book value as at September 30, 2019</b>	1,107	1,276	699	1,691	-	4,773
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)	
<b>As at July 01, 2017</b>						
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
<b>Additions</b>	219	-	342	-	-	561
<i>Transfer from leased assets</i>						
Cost	-	-	-	-	-	-
Accumulated Depreciation	-	-	-	-	-	-
<b>Disposals</b>						
Cost	-	615	34	-	-	649
Depreciation	-	608	34	-	-	642
	-	7	-	-	-	7
<b>Depreciation charge for the year</b>	1,246	235	677	683	-	2,841
Closing net book value	1,421	1,334	750	1,843	-	5,348
<b>Period ended June 30, 2018</b>						
Cost	16,022	11,817	32,132	8,449	-	68,420
Accumulated depreciation	14,601	10,483	31,382	6,606	-	63,072
<b>Net book value as at June 30, 2018</b>	1,421	1,334	750	1,843	-	5,348
Depreciation rate % per annum	20	10	33.33	20	20	

(Rupees '000)

	Sep 2019	Jun 2019
<b>5 LONG-TERM INVESTMENT</b>		
<b>Available for sale - quoted (Pakistan Stock Exchange Limited)</b>		
Share Qty: <b>1,326,453</b> (2018: 1,352,953) ordinary shares of Rs. 10 each.	<b>10,300</b>	10,300
Surplus / (Deficit) due to Change in Fair Value of Marketable Securities (Shares Qty: 1,326,453/- @ PKR 8.43)	<b>882</b>	6,943
	<b>11,182</b>	17,243
<b>6 ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES</b>		
<b>Deposits and Prepayments</b>		
- Exposure - (Pakistan Stock Exchange)	<b>28,843</b>	126,843
- Exposure - (National Clearing Company of Pakistan)	<b>10,800</b>	20,800
- Exposure - (Pakistan Merchantile Exchange)	<b>1,841</b>	1,773
- Other Deposits	<b>460</b>	460
- Prepayments	<b>4,191</b>	1,897
<b>Loans &amp; Advances</b>	<b>4,286</b>	4,931
<b>Other Receivables - Net of Provision</b>	<b>9,332</b>	8,681
	<b>59,753</b>	165,385
<b>7 MARKETABLE SECURITIES - HELD FOR TRADING</b>		
Marketable Securities - Held for trading	<b>287</b>	622
Unrealized gain/(loss) on investments classified as 'financial assets at fair value through profit or loss'	<b>(25)</b>	(357)
	<b>262</b>	265
<b>8 TRADE DEBTS - (UNSECURED) - CONSIDERED GOOD</b>		
<b>Receivable against purchase of marketable securities on behalf of clients</b>	<b>90,768</b>	132,522
Receivable from National Clearing Company of Pakistan Limited (NCCPL)	<b>1,503</b>	-
Less: Provision of doubtful debts - Considered doubtful	<b>(19,466)</b>	(19,466)
	<b>72,805</b>	113,056
<b>9 CASH AND BANK BALANCES</b>		
Current Accounts	<b>47,697</b>	78,529
Saving Accounts	<b>286,456</b>	254,486
<b>Total cash at banks</b>	<b>334,153</b>	333,015
<b>Cash in Hand</b>	<b>80</b>	60
<b>Total</b>	<b>334,233</b>	333,075
<b>10. TRADE PAYABLES</b>		
Payable against sale of marketable securities on behalf of clients	<b>333,448</b>	327,399
Payable to National Clearing Company of Pakistan (NCCPL)	<b>-</b>	34,137
	<b>333,448</b>	361,536
<b>11. CREDITORS, ACCRUED AND OTHER LIABILITIES</b>		
Accrued expenses	<b>20,168</b>	17,016
Withholding tax payable	<b>982</b>	1,109
Other liabilities	<b>23,431</b>	16,702
	<b>44,581</b>	34,827
<b>12 Contingencies and Commitments</b>		
There are no significant contingencies and commitments subsequent to year end.		
<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	29,163,680	291,637	95.74
Others	1,296,380	12,964	4.26
<b>Total Amount</b>	<b>30,460,060</b>	<b>304,601</b>	<b>100</b>

		Quarter Ended September 30,	
		2019	2018
<b>14</b>	<b>OTHER INCOME</b>		
	Profit on bank deposits	<b>3,299</b>	148
	Gain/(loss) on disposal of fixed assets	<b>2,350</b>	-
	Other income including profit on cash margins (NCCPL / PSX)	<b>1,893</b>	1,275
		<b>7,542</b>	1,423

**15** **General**

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

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