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# CONDENSED INTERIM FINANCIAL STATEMENTS

For Three Month Period Ended September 30, 2020

**CONDENSED INTERIM BALANCE SHEET**

As at September 30, 2020 (Un-audited)

(Rupees '000)

	(Un Audited)	(Audited)
	Sep 2020	Jun 2020
Note		
<b>ASSETS</b>		
<i>Non-Current assets</i>		
Property, plants and equipments	4 3,497	3,233
Intangible assets	13,511	14,325
Long term loans, advances and deposits	2,949	2,949
Deferred tax asset	5,536	5,536
	<b>25,493</b>	<b>26,043</b>
<i>Current assets</i>		
Advances, deposits, prepayments and other receivables	5 229,027	68,020
Marketable securities - held for trading	6 24,138	13,560
Short term Investment	28,000	28,000
Trade debts - unsecured - considered good	7 201,870	291,198
Taxation	92,327	106,602
Cash and bank balances	8 974,413	638,583
	<b>1,549,775</b>	<b>1,145,963</b>
	<b>1,575,268</b>	<b>1,172,006</b>
<b>LIABILITIES</b>		
<i>Non-Current liabilities</i>		
Long term loan	45,308	43,922
Deferred liability	2,506	1,513
	<b>47,814</b>	<b>45,435</b>
<i>Current liabilities</i>		
Trade payables	9 866,256	812,442
Dividend payable	24,977	-
Creditors, accrued and other liabilities	10 61,855	55,083
Short Term Loan	300,000	-
	<b>1,253,088</b>	<b>867,525</b>
	<b>1,300,902</b>	<b>912,960</b>
<b>NET ASSETS</b>	<b>274,366</b>	<b>259,046</b>
<i>Contingencies and Commitments</i>		
11		
<b>REPRESENTED BY</b>		
<i>Issued, Subscribed and Paidup Share Capital</i>		
Authorised capital		
35,000,000 ordinary shares of Rs. 10 each	<b>350,000</b>	350,000
Issued, subscribed and paid-up capital	12 304,601	304,601
Unappropriated profit / (loss)	(30,235)	(45,555)
	<b>274,366</b>	<b>259,046</b>
	-	-
<b>BOOK VALUE PER SHARE</b>	<b>9.01</b>	<b>8.50</b>

The Annexed notes 1 to 14 form an integral part of these Condensed Interim Financial Statements.

S/D  
**CHIEF EXECUTIVE**S/D  
**CHIEF FINANCIAL OFFICER**

**CONDENSED INTERIM PROFIT & LOSS ACCOUNT**

For Three Months Period Ended September 30, 2020 (Un-audited)

(Rupees '000)

	Note	Quarter Ended	
		September 30, 2020	2019
Brokerage revenue		117,675	26,065
Capital gain / (loss) on Investments		(1)	-
Other income	13	10,202	7,542
		<b>127,876</b>	<b>33,607</b>
Operating and administrative expenses		(75,139)	(40,642)
		<b>52,737</b>	<b>(7,035)</b>
Finance cost		(4,793)	(791)
Gain / (loss) due to change in fair value of marketable securities	6	8,776	(26)
<b>PROFIT / (LOSS) Before Taxation</b>		<b>56,720</b>	<b>(7,852)</b>
<b><u>Taxation</u></b>			
- Current		(16,423)	(809)
- Deferred		-	-
		<b>(16,423)</b>	<b>(809)</b>
<b>PROFIT / (LOSS) After Taxation</b>		<b>40,297</b>	<b>(8,661)</b>
<b>EARNING PER SHARE</b>		<b>1.32</b>	<b>(0.28)</b>

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**CONDENSED INTERIM Cash Flow Statement**

For Three Months Period Ended September 30, 2020 (Un-audited)

(Rupees '000)

	Note	Sep 2020	Sep 2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit / (loss) before taxation		56,720	(7,852)
<u>Adjustment for:</u>			
Depreciation		405	688
Amortization of intangible assets		47	47
Provision for doubtful debts		516	-
(Gain) / loss on re-measurement of held for trading investments		(8,776)	26
Capital loss / (gain) on sale of investments -net		1	-
(Gain) / loss on disposal of property and equipment		(30)	(2,350)
Finance cost		4,793	791
Provision for Unwinding Long Term loan		1,386	-
Impairment of PSX Card		767	-
Gratuity expense		993	1,063
		102	265
<u>Changes in working capital</u>			
<u>(Increase) / decrease in current assets</u>			
Trade debts		88,812	40,251
Investments - held for trading		(1,803)	(23)
Trade deposits and short term prepayments		(160,887)	105,615
		(73,878)	145,843
<u>Decrease in current liabilities</u>			
Trade and other payables		58,808	(18,335)
		41,752	119,921
<u>Cash used in operations</u>			
Income tax paid		(2,149)	(2,225)
Finance cost paid		(3,015)	(791)
		(5,164)	(3,016)
<u>Net cash used in operating activities</u>		36,588	116,905
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisition of property and equipment		(668)	(114)
Proceeds from disposal of property and equipment		30	2,350
Decrease / (increase) Long term loans - (Staff loan)		(120)	17
<u>Net cash from investing activities</u>		(758)	2,253
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Issue of share capital		-	-
Payment of finance lease obligation		-	-
<u>Net cash from / (used in) financing activities</u>		-	-
<u>Net increase / (decrease) in cash and cash equivalents</u>		35,830	119,158
<u>Cash and cash equivalents at beginning of the year</u>		638,583	215,075
<u>Cash and cash equivalents at end of the month</u>		674,413	334,233
<u>Cash and Cash Equivalents</u>			
Cash and bank balances		974,413	334,233
Short term running finance		(300,000)	-
		674,413	334,233

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**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY**

For Three Months Period Ended September 30, 2020 (Un-audited)

	Share capital	Accumulated Profit/(loss)	Total
	----- Rupees -----		
<b>Balance as at July 01, 2019</b>	304,601	(82,551)	222,050
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>	304,601	(97,273)	207,328
Profit/ (loss) for the period ended June 30, 2020		48,992	48,992
Other Comprehensive income - Realised Gain on Investments		2,534	2,534
Other Comprehensive Income - Revaluation of Investments	-	484	484
Other Comprehensive Income - Gratuity Fund		(292)	(292)
<b>Balance as at June 30, 2020</b>	304,601	(45,555)	259,046
Profit/ (loss) for the period ended September 30, 2020		40,297	40,297
Dividend Paayabe		(24,977)	(24,977)
<b>Balance as at September 30, 2020</b>	304,601	(30,235)	274,366

The Annexed notes 1 to 14 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, 2020 (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 Act, 2017, along with directives issued by Securities and Exchange Commission of Pakistan (SECP) and directives issued under the Companies Act, 2017. In case requirements differ, the provisions of, or directives issued under the Companies Act 2017 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, 2020.

**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, 2020.

## Notes to the Financial Statements

For the period ended September 30, 2020

## 4 PROPERTY, PLANTS AND EQUIPMENTS

(Rupees '000)

	September 30, 2020					Total
	Office equipment and appliances	Furniture and fixtures	Computer equipment	Vehicles (owned)	Vehicles (leased)	
<b>As at July 01, 2019</b>						
Cost	16,022	11,817	32,356	4,983	-	65,178
Accumulated depreciation	15,568	10,712	31,926	3,739	-	61,945
Net book value	454	1,105	430	1,244	-	3,233
Opening net book value	454	1,105	430	1,244	-	3,233
<b>Additions</b>	<b>529</b>	<b>-</b>	<b>139</b>	<b>-</b>	<b>-</b>	<b>668</b>
<i>Transfer from leased assets</i>						
Cost	-	-	-	-	-	-
Accumulated Depreciation	-	-	-	-	-	-
<b>Disposals</b>						
Cost	272	-	-	-	-	272
Depreciation	272	-	-	-	-	272
	-	-	-	-	-	-
<b>Depreciation charge for the year</b>	<b>101</b>	<b>57</b>	<b>96</b>	<b>150</b>	<b>-</b>	<b>404</b>
Closing net book value	882	1,048	473	1,094	-	3,497
<b>Period ended September 30, 2020</b>						
Cost	16,279	11,817	32,495	4,983	-	65,574
Accumulated depreciation	15,397	10,769	32,022	3,889	-	62,077
<b>Net book value as at September 30, 2020</b>	<b>882</b>	<b>1,048</b>	<b>473</b>	<b>1,094</b>	<b>-</b>	<b>3,497</b>
Depreciation rate % per annum	20	10	33.33	20	20	

	June 30, 2020					Total
	Office equipment and appliances	Furniture and fixtures	Computer equipment	Vehicles (owned)	Vehicles (leased)	
<b>As at July 01, 2019</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>	<b>-</b>	<b>-</b>	<b>252</b>	<b>-</b>	<b>-</b>	<b>252</b>
<i>Transfer from leased assets</i>						
Cost	-	-	-	-	-	-
Accumulated Depreciation	-	-	-	-	-	-
<b>Disposals</b>						
Cost	-	-	28	3,466	-	3,494
Depreciation	-	-	28	3,466	-	3,494
	-	-	-	-	-	-
<b>Depreciation charge for the year</b>	<b>967</b>	<b>229</b>	<b>572</b>	<b>599</b>	<b>-</b>	<b>2,367</b>
Closing net book value	454	1,105	430	1,244	-	3,233
<b>Period ended June 30, 2020</b>						
Cost	16,022	11,817	32,356	4,983	-	65,178
Accumulated depreciation	15,568	10,712	31,926	3,739	-	61,945
<b>Net book value as at June 30, 2020</b>	<b>454</b>	<b>1,105</b>	<b>430</b>	<b>1,244</b>	<b>-</b>	<b>3,233</b>
Depreciation rate % per annum	20	10	33.33	20	20	

(Rupees '000)

	Sep 2020	Jun 2020
<b>5 ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES</b>		
<i>Deposits and Prepayments</i>		
- Exposure - (Pakistan Stock Exchange)	166,970	38,178
- Exposure - (National Clearing Company of Pakistan)	39,900	13,000
- Exposure - (Pakistan Merchantile Exchange)	1,888	1,888
- Other Deposits	25	25
- Prepayments	3,859	1,719
<b>Loans &amp; Advances</b>	3,020	2,878
<b>Other Receivables - Net of Provision</b>	13,365	10,332
	<b>229,027</b>	<b>68,020</b>
<b>6 MARKETABLE SECURITIES - HELD FOR TRADING</b>		
Marketable Securities - Held for trading	15,362	13,742
Unrealized gain/(loss) on investments classified as 'financial assets at fair value through profit or loss'	8,776	(182)
	<b>24,138</b>	<b>13,560</b>
<b>7 TRADE DEBTS - (UNSECURED) - CONSIDERED GOOD</b>		
Receivable against purchase of marketable securities on behalf of clients	224,416	104,746
Receivable from National Clearing Company of Pakistan Limited (NCCPL)	-	208,482
Less: Provision of doubtful debts - Considered doubtful	(22,546)	(22,030)
	<b>201,870</b>	<b>291,198</b>
<b>8 CASH AND BANK BALANCES</b>		
Current Accounts	65,038	176,010
Saving Accounts	909,263	462,501
<b>Total cash at banks</b>	<b>974,301</b>	<b>638,511</b>
Cash in Hand	112	72
<b>Total</b>	<b>974,413</b>	<b>638,583</b>
<b>9 TRADE PAYABLES</b>		
Payable against sale of marketable securities on behalf of clients	844,742	812,442
Payable to National Clearing Company of Pakistan (NCCPL)	21,514	-
	<b>866,256</b>	<b>812,442</b>
<b>10 CREDITORS, ACCRUED AND OTHER LIABILITIES</b>		
Accrued expenses	29,579	27,800
Withholding tax payable	5,515	2,375
Other liabilities	26,761	24,908
	<b>61,855</b>	<b>55,083</b>
<b>11 Contingencies and Commitments</b>		
There are no significant contingencies and commitments subsequent to year end.		
<b>12 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,

2020

2019

## 13 OTHER INCOME

Share application and forms brokerage	-	-
Profit on bank deposits	8,122	3,299
Gain/(loss) on disposal of fixed assets	30	2,350
Other income including profit on cash margins (NCCPL / PSX)	2,050	1,893
	<u>10,202</u>	<u>7,542</u>

## 14 General

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

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