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# CONDENSED INTERIM FINANCIAL STATEMENTS

For The Half Year Ended December 31, 2020

**CONDENSED INTERIM BALANCE SHEET**

As at December 31, 2020 (Un-audited)

(Rupees '000)

Note	(Un Audited)	(Audited)
	Dec 2020	Jun 2020

**ASSETS****Non-Current assets**

Property, plants and equipments

4 4,821 3,233

Intangible assets

12,913 14,325

Long term investment - (PSX)

-

Long term loans, advances and deposits

2,949 2,949

Deferred tax asset

5,536 5,536

26,219 26,043

**Current assets**

Advances, deposits, prepayments and other receivables

5 341,597 68,020

Marketable securities - held for trading

6 20,913 13,560

Short Term Investments

-

Trade debts - unsecured - considered good

7 345,565 291,198

Taxation

93,580 106,602

Cash and bank balances

8 940,299 638,583

1,741,954 1,145,963

1,768,173 1,172,006

**LIABILITIES****Non-Current liabilities**

Long term loan

48,077 43,922

Deferred liability

3,510 1,513

51,587 45,435

**Current liabilities**

Trade payables

9 1,046,592 812,442

Creditors, accrued and other liabilities

10 68,977 55,091

Short Term Loan

11 300,000 -

1,415,569 867,533

1,467,156 912,968

**NET ASSETS**

301,017 259,038

Contingencies and Commitments

12

**REPRESENTED BY****Issued, Subscribed and Paidup Share Capital**

Authorised capital

35,000,000 ordinary shares of Rs. 10 each

350,000 350,000

Issued, subscribed and paid-up capital

13 304,601 304,601

Unappropriated profit / (loss)

(3,584) (45,563)

301,017 259,038

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, 2020 (Un-audited)

(Rupees '000)

	Note	Six months Ended December 31,		Quarter Ended December 31,	
		2020	2019	2020	2019
Brokerage revenue		211,089	99,602	93,414	73,537
Brokerage revenue - Commodity		-	39	-	39
Capital gain / (loss) on Investments		109	(2)	110	(5)
Retainership Fee		900	-	900	-
Dividend income		-	-	-	-
Other income	14	23,507	28,084	13,305	20,543
		<u>235,605</u>	<u>127,723</u>	<u>107,729</u>	<u>94,114</u>
Operating and administrative expenses		(139,761)	(90,403)	(64,622)	(49,673)
		<u>95,844</u>	<u>37,320</u>	<u>43,107</u>	<u>44,441</u>
Finance cost		(13,984)	(3,755)	(9,191)	(2,964)
Gain / (loss) due to change in fair value of marketable securities	6	6,554	3,250	(2,222)	3,274
<b>PROFIT / (LOSS) Before Taxation</b>		<u>88,414</u>	<u>36,815</u>	<u>31,694</u>	<u>44,751</u>
<b>Taxation</b>					
- Current		(21,458)	(10,675)	(5,035)	(10,171)
- Prior		-	(306)	-	(1)
<b>PROFIT / (LOSS) After Taxation</b>		<u>66,956</u>	<u>25,834</u>	<u>26,659</u>	<u>34,579</u>
<b>EARNING PER SHARE</b>		<u>2.20</u>	<u>0.85</u>	<u>0.88</u>	<u>1.14</u>

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## CONDENSED INTERIM Cash Flow Statement


For the half year ended December 31, 2020 (Un-audited)

(Rupees '000)

Note	Dec 2020	Dec 2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit / (loss) before taxation	88,414	36,815
<b>Adjustment for:</b>		
Depreciation	850	1,367
Amortization of intangible assets	120	94
Provision for doubtful debts	343	(117)
(Gain) / loss on re-measurement of held for trading investments	(6,554)	(3,248)
Capital loss / (gain) on sale of investments - net	(109)	5
(Gain) / loss on disposal of property and equipment	(61)	(2,357)
Finance cost	13,984	3,755
Impairment of PSX Card	1,534	-
Gratuity expense	1,996	2,112
	12,103	1,611
<b>Changes in working capital</b>		
<b>(Increase) / decrease in current assets</b>		
Trade debts	(54,710)	(41,745)
Investments - held for trading	(690)	(13,518)
Investments - others	28,000	(28,000)
Trade deposits and short term prepayments	(273,720)	(64,535)
	(301,120)	(147,798)
<b>Decrease in current liabilities</b>		
Trade and other payables	247,365	184,416
	46,762	75,044
<b>Cash used in operations</b>		
Gratuity paid	-	-
Income tax paid	(8,436)	(4,311)
Finance cost paid	(9,159)	(3,753)
	(17,595)	(8,064)
<b>Net cash used in operating activities</b>	29,167	66,980
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of property and equipment	(2,441)	(145)
Acquisition of intangible assets	(242)	-
Proceeds from disposal of Long Term Investment	-	12,839
Proceeds from disposal of property and equipment	66	2,350
Decrease / (increase) Long term loans - (Staff loan)	143	(407)
Dividend received	-	-
<b>Net cash from investing activities</b>	(2,474)	14,637
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend paid	(24,977)	-
Short term loan repaid	-	-
<b>Net cash from / (used in) financing activities</b>	(24,977)	-
<b>Net increase / (decrease) in cash and cash equivalents</b>	1,716	81,617
Cash and cash equivalents at beginning of the year	638,583	215,075
<b>Cash and cash equivalents at end of the period</b>	640,299	296,692
<b>Cash and Cash Equivalents</b>		
Cash and bank balances	940,299	583,192
Short term running finance	(300,000)	(286,500)
	640,299	296,692

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, 2020 (Un-audited)

	Share capital	Accumulated Profit/(loss)	Total
	----- Rupees -----		
Balance as at July 01, 2020	304,601	(45,563)	259,038
Profit / (Loss) for the period ended December 31, 2020	-	66,956	66,956
Dividend 2019-2020	-	(24,977)	(24,977)
Balance as at December 31, 2020	<u>304,601</u>	<u>(3,584)</u>	<u>301,017</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, 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 Act, 2017 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 half year ended December 31, 2020 (Un-audited)

## 4 PROPERTY, PLANTS AND EQUIPMENTS

(Rupees '000)

	December 31, 2020					Total
	Office equipment and appliances	Furniture and fixtures	Computer equipment	Vehicles (owned)	Vehicles (leased)	
<b>As at July 01, 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
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>	1,785	-	656	-	-	2,441
<b>Disposals</b>						
Cost	(1,008)	-	7	-	-	(1,001)
Depreciation	(1,008)	-	4	-	-	(1,004)
	-	-	3	-	-	3
<b>Depreciation charge for the year</b>	211	115	224	300	-	850
Closing net book value	2,028	990	859	944	-	4,821
<b>Period ended December 31, 2020</b>						
Cost	18,815	11,817	33,005	4,983	-	68,620
Accumulated depreciation	16,787	10,827	32,146	4,039	-	63,799
<b>Net book value as at December 31, 2020</b>	2,028	990	859	944	-	4,821
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, 2020</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>	-	-	145	-	-	145
<b>Disposals</b>						
Cost	-	-	28	3,466	-	3,494
Depreciation	-	-	28	3,466	-	3,494
	-	-	-	-	-	-
<b>Depreciation charge for the year</b>	628	115	322	302	-	1,367
Closing net book value	793	1,219	573	1,541	-	4,126
<b>Period ended June 30, 2020</b>						
Cost	16,022	11,817	32,249	4,983	-	65,071
Accumulated depreciation	15,229	10,598	31,676	3,442	-	60,945
<b>Net book value as at June 30, 2020</b>	793	1,219	573	1,541	-	4,126
Depreciation rate % per annum	20	10	33.33	20	20	

	Dec 2020	Jun 2020
<b>5 ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES</b>		
<b>Deposits and Prepayments</b>		
- Exposure - (NCCPL)	310,456	51,178
- Exposure - (FMEX)	1,888	1,888
- Other Deposits	14,025	25
- Prepayments	2,703	1,719
<b>Loans &amp; Advances</b>	3,558	2,877
<b>Other Receivables - Net of Provision</b>	8,967	10,333
	<b>341,597</b>	<b>68,020</b>
<b>6 MARKETABLE SECURITIES - HELD FOR TRADING</b>		
Marketable Securities - Held for trading	14,358	13,742
Unrealized gain/(loss) on investments classified as 'financial assets at fair value through profit or loss'	6,555	(182)
	<b>20,913</b>	<b>13,560</b>
<b>7 TRADE DEBTS - (UNSECURED) - CONSIDERED GOOD</b>		
Receivable against purchase of marketable securities on behalf of clients	367,938	104,746
Receivable from National Clearing Company of Pakistan Limited (NCCPL)	-	208,482
Less: Provision of doubtful debts - Considered doubtful	(22,373)	(22,030)
	<b>345,565</b>	<b>291,198</b>
<b>8 CASH AND BANK BALANCES</b>		
Current Accounts	205,576	176,010
Saving Accounts	734,635	462,501
<b>Total cash at banks</b>	<b>940,211</b>	<b>638,511</b>
<b>Cash in Hand</b>	<b>88</b>	<b>72</b>
<b>Total</b>	<b>940,299</b>	<b>638,583</b>
<b>9 TRADE PAYABLES</b>		
Payable against sale of marketable securities on behalf of clients	912,957	812,442
Payable to National Clearing Company of Pakistan (NCCPL)	133,635	-
	<b>1,046,592</b>	<b>812,442</b>
<b>10 CREDITORS, ACCRUED AND OTHER LIABILITIES</b>		
Accrued expenses	48,394	40,316
Withholding tax payable	5,527	2,375
Other liabilities	15,056	12,400
	<b>68,977</b>	<b>55,091</b>
<b>11 Short Term Loan</b>		
The Company has availed RF from Askari Bank Ltd to meet the exposure requirements.		
<b>12 Contingencies and Commitments</b>		
There are no contingencies and commitments subsequent to financial year ended June 30, 2020.		
<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>



	Six months Ended December 31,		Quarter Ended December 31,	
	2020	2019	2020	2019
<b>14 OTHER INCOME</b>				
Profit on bank deposits	19,431	21,314	10,494	18,015
Gain/(loss) on disposal of fixed assets	61	2,357	31	7
Profit on cash margins (NCCPL / PSX)	4,006	4,413	2,780	2,521
Others	9	-	-	-
	<b>23,507</b>	<b>28,084</b>	<b>13,305</b>	<b>20,543</b>

**15 General**

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



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