
CONDENSED INTERIM FINANCIAL STATEMENTS

For Nine Months period ended March 31, 2021

CONDENSED INTERIM BALANCE SHEET

As at March 31, 2021 (Un-audited)

(Rupees '000)

	Note	(Un Audited)	(Audited)
		Mar 2021	Jun 2020
ASSETS			
<u>Non-Current assets</u>			
Property, plants and equipments	4	5,327	3,233
Intangible assets		12,087	14,325
Long term investment - (PSX)		-	-
Long term loans, advances and deposits		2,949	2,949
Deferred tax asset		5,536	5,536
		25,899	26,043
<u>Current assets</u>			
Advances, deposits, prepayments and other receivables	5	240,272	68,020
Marketable securities - held for trading	6	18,475	13,560
Short Term Investments		-	28,000
Trade debts - unsecured - considered good	7	274,922	291,198
Taxation		74,885	106,602
Cash and bank balances	8	922,036	638,583
		1,530,590	1,145,963
		1,556,489	1,172,006
LIABILITIES			
<u>Non-Current liabilities</u>			
Long term loan		51,539	43,922
Deferred liability		3,037	1,513
		54,576	45,435
<u>Current liabilities</u>			
Trade payables	9	893,848	812,442
Creditors, accrued and other liabilities	10	85,130	55,091
Short Term Loan	11	180,000	-
		1,158,978	867,533
		1,213,554	912,968
NET ASSETS			
		342,935	259,038
<u>Contingencies and Commitments</u>			
	12		
REPRESENTED BY			
<u>Issued, Subscribed and Paidup Share Capital</u>			
Authorised capital			
Issued, subscribed and paid-up capital	13	304,601	304,601
Unappropriated profit / (loss)		38,334	(45,563)
		342,935	259,038

The Annexed notes 1 to 15 form an integral part of these Condensed Interim Financial Statements.

CONDENSED INTERIM PROFIT & LOSS ACCOUNT

For the Nine months ended March 31, 2021 (Un-audited)

(Rupees '000)

	Note	Nine months Ended		Quarter Ended March 31,	
		March 31, 2021	2020	2021	2020
Brokerage revenue		350,424	160,400	139,355	60,797
Brokerage revenue - Commodity		-	39	-	-
Capital gain / (loss) on Investments		114	(25)	5	(23)
Retainership Fee		1,800	-	900	-
Dividend income		-	-	-	-
Gain/(loss) on disposal of fixed assets		-	-	-	-
Other income	14	33,278	42,215	9,771	14,131
		385,616	202,629	150,031	74,905
Operating and administrative expenses		(221,557)	(136,597)	(81,796)	(46,193)
		164,059	66,032	68,235	28,712
Finance cost		(19,382)	(6,069)	(5,398)	(2,314)
Gain / (loss) due to change in fair value of marketable securities	6	5,024	(2,936)	(1,530)	(6,184)
PROFIT / (LOSS) Before Taxation		149,701	57,027	61,307	20,214
Taxation					
- Current		(40,412)	(15,926)	(14,724)	(4,945)
- Prior		(415)	-	(415)	-
		(40,827)	(15,926)	(15,139)	(4,945)
PROFIT / (LOSS) After Taxation		108,874	41,101	46,168	15,269
EARNING PER SHARE		3.57	1.35	1.52	0.50

The Annexed notes 1 to 15 form an integral part of these Condensed Interim Financial Statements.

CONDENSED INTERIM Cash Flow Statement

For the Nine months ended March 31, 2021 (Un-audited)

(Rupees '000)

	Mar 2021	Mar 2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (loss) before taxation	149,701	57,027
<u>Adjustment for:</u>		
Depreciation	1,322	1,927
Amortization of intangible assets	180	141
Provision for doubtful debts	750	(117)
(Gain) / loss on re-measurement of held for trading investments	(5,024)	2,934
Capital loss / (gain) on sale of investments -net	(114)	25
(Gain) / loss on disposal of property and equipment	(61)	(2,357)
Finance cost	19,382	6,069
Impairment of PSX Card	2,301	-
Gratuity expense	3,037	3,101
	21,773	11,723
<u>Changes in working capital</u>		
<u>(Increase) / decrease in current assets</u>		
Trade debts	15,526	880
Investments - held for trading	223	(13,501)
Investments - others	28,000	(28,000)
Trade deposits and short term prepayments	(172,741)	103,659
	(128,992)	63,038
<u>Decrease in current liabilities</u>		
Trade and other payables	111,445	208,965
	153,927	340,753
<u>Cash used in operations</u>		
Gratuity paid	(1,513)	-
Income tax paid	(9,110)	(7,145)
Finance cost paid	(11,769)	(4,287)
	(22,392)	(11,432)
<u>Net cash used in operating activities</u>	131,535	329,321
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property and equipment	(3,418)	(252)
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)	489	(226)
<u>Net cash from investing activities</u>	(3,105)	14,711
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(24,977)	-
<u>Net cash from / (used in) financing activities</u>	(24,977)	-
<u>Net increase / (decrease) in cash and cash equivalents</u>	103,453	344,032
Cash and cash equivalents at beginning of the year	638,583	215,075
<u>Cash and cash equivalents at end of the period</u>	742,036	559,107
<u>Cash and Cash Equivalents</u>		
Cash and bank balances	922,036	583,107
Short term running finance	(180,000)	(24,000)
	742,036	559,107

The Annexed notes 1 to 15 form an integral part of these Condensed Interim Financial Statements.

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

For the Nine months ended March 31, 2021 (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 March 31, 2021	-	108,874	108,874
Dividend 2019-2020	-	(24,977)	(24,977)
Balance as at March 31, 2021	304,601	38,334	342,935

The Annexed notes 1 to 15 form an integral part of these Condensed Interim Financial Statements.

NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS

For the Nine months ended March 31, 2021 (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 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 Pakistan 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 Nine months ended March 31, 2021 (Un-audited)

4 PROPERTY, PLANTS AND EQUIPMENTS

(Rupees '000)

	March 31, 2021					Total
	Office equipment and appliances	Furniture and fixtures	Computer equipment	Vehicles (owned)	Vehicles (leased)	
As at July 01, 2020						
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
Additions	1,802	173	1,443	-	-	3,418
Disposals						
Cost	(1,008)		7	-	-	(1,001)
Depreciation	(1,008)		5	-	-	(1,003)
	-	-	2	-	-	2
Depreciation charge for the year	334	174	367	447	-	1,322
Closing net book value	1,922	1,104	1,504	797	-	5,327
Period ended March 31, 2021						
Cost	18,832	11,990	33,792	4,983	-	69,597
Accumulated depreciation	16,910	10,886	32,288	4,186	-	64,270
Net book value as at March 31, 2021	1,922	1,104	1,504	797	-	5,327
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)	
As at July 01, 2020						
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
Additions	-	-	252	-	-	252
Disposals						
Cost	-	-	28	3,466	-	3,494
Depreciation	-	-	28	3,466	-	3,494
	-	-	-	-	-	-
Depreciation charge for the year	967	229	572	599	-	2,367
Closing net book value	454	1,105	430	1,244	-	3,233
Period ended June 30, 2020						
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 as at June 30, 2020	454	1,105	430	1,244	-	3,233
Depreciation rate % per annum	20	10	33.33	20	20	

	Mar 2021	Jun 2020
5 ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES		
<i>Deposits and Prepayments</i>		
- Exposure - (NCCPL)	206,497	51,178
- Exposure - (PMEX)	1,888	1,888
- Other Deposits	14,025	25
- Prepayments	3,893	1,719
Loans & Advances	3,382	2,877
Other Receivables - Net of Provision	10,587	10,333
	240,272	68,020
6 MARKETABLE SECURITIES - HELD FOR TRADING		
Marketable Securities - Held for trading	13,450	13,742
'financial assets at fair value through profit or loss'	5,025	(182)
	18,475	13,560
7 TRADE DEBTS - (UNSECURED) - CONSIDERED GOOD		
Receivable against purchase of marketable securities on behalf of clients	297,702	104,746
Receivable from National Clearing Company of Pakistan Limited (NCCPL)	-	208,482
Less: Provision of doubtful debts - Considered doubtful	(22,780)	(22,030)
	274,922	291,198
8 CASH AND BANK BALANCES		
<i>In Client Accounts</i>		
Current Accounts	139,113	176,010
Saving Accounts	782,831	462,501
Total cash at banks	921,944	638,511
<i>Cash in Hand</i>	92	72
Total	922,036	638,583
9 TRADE PAYABLES		
Payable against sale of marketable securities on behalf of clients	884,352	812,442
Payable to National Clearing Company of Pakistan (NCCPL)	9,496	-
	893,848	812,442
10 CREDITORS, ACCRUED AND OTHER LIABILITIES		
Accrued expenses	63,729	40,316
Withholding tax payable	6,456	2,375
Other liabilities	14,945	12,400
	85,130	55,091
11 Short Term Loan		
The Company has availed RF from Askari Bank Ltd to meet the exposure requirements.		
12 Contingencies and Commitments		
There are no contingencies and commitments subsequent to financial year ended June 30, 2020.		
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

(Rupees '000)

	Nine months Ended March 31,		Quarter Ended March 31,	
	2021	2020	2021	2020
14 OTHER INCOME				
Profit on bank deposits	27,162	30,629	7,732	9,316
Gain/(loss) on disposal of fixed assets	61	2,357	-	-
<i>Miscellaneous income</i>				
Profit on cash margins (NCCPL / PSX)	6,018	7,496	2,011	3,082
Others	37	1,733	28	1,733
	33,278	42,215	9,771	14,131
15 General				

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