
CONDENSED INTERIM FINANCIAL STATEMENTS

For Nine months Period Ended March 31, 2022

CONDENSED INTERIM BALANCE SHEET

As at March 31, 2022 (Un-audited)

(Rupees '000)

	Note	(Un Audited)	(Audited)
		Mar 2022	Jun 2021
ASSETS			
<u>Non-Current assets</u>			
Property, plants and equipments	4	6,043	5,685
Intangible assets	5	5,550	5,198
Long term loans, advances and deposits		4,845	2,949
Deferred tax asset		1,945	1,945
		18,383	15,777
<u>Current assets</u>			
Advances, deposits, prepayments and other receivables		190,146	276,533
Marketable securities - held for trading	6	17,028	29,913
Trade debts - unsecured - considered good	7	163,577	161,625
Taxation		64,641	68,397
Cash and bank balances	8	819,558	812,282
		1,254,950	1,348,750
		1,273,333	1,364,527
LIABILITIES			
<u>Non-Current liabilities</u>			
Deferred liability		3,168	312
		3,168	312
<u>Current liabilities</u>			
Short Term Loan - Fauji Foundation		53,615	49,462
Trade payables		817,305	823,829
Creditors, accrued and other liabilities	9	30,824	93,797
Short Term Loan	10	-	-
		901,744	967,088
		904,912	967,400
NET ASSETS			
Contingencies and Commitments	11	368,421	397,127
REPRESENTED BY			
<u>Issued, Subscribed and Paidup Share Capital</u>			
Authorised capital			
50,000,000 ordinary shares of Rs. 10 each		500,000	500,000
Issued, subscribed and paid-up capital	12	304,601	304,601
Capital Reserve		16,615	16,615
Unappropriated profit / (loss)		47,205	75,911
		368,421	397,127

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

CHIEF EXECUTIVE**CHIEF FINANCIAL OFFICER**

CONDENSED INTERIM PROFIT & LOSS ACCOUNT

For the half year ended March 31, 2022 (Un-audited)

(Rupees '000)

	Note	Nine months Ended March 31,		Nine months Ended March 31,	
		2022	2021	2022	2021
Brokerage revenue		183,417	350,424	45,484	139,355
Capital gain / (loss) on Investments		(253)	114	(207)	5
Retainership Fee		-	1,800	-	900
Dividend income		297	-	-	-
Other income	13	34,199	33,278	11,696	9,771
		217,660	385,616	56,973	150,031
Operating and administrative expenses		(170,677)	(221,557)	(52,435)	(81,796)
		46,983	164,059	4,538	68,235
Finance cost		(5,980)	(19,382)	(1,960)	(5,398)
Gain / (loss) due to change in fair value of marketable securities		(12,978)	5,024	(1,379)	(1,530)
PROFIT / (LOSS) Before Taxation		28,025	149,701	1,199	61,307
Taxation					
- Current		(11,041)	(40,412)	(2,054)	(15,139)
- Prior		-	(415)	-	-
		(11,041)	(40,827)	(2,054)	(15,139)
PROFIT / (LOSS) After Taxation		16,984	108,874	(855)	46,168
EARNING PER SHARE		0.56	3.57	(0.03)	1.52

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

CHIEF EXECUTIVE**CHIEF FINANCIAL OFFICER**

CONDENSED INTERIM Cash Flow Statement

For the half year ended March 31, 2022 (Un-audited)

(Rupees '000)

Note	Mar 2022	Mar 2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (loss) before taxation	28,025	149,701
Adjustment for:		
Depreciation	2,066	1,322
Amortization of intangible assets	155	180
Provision for doubtful debts	-	750
(Gain) / loss on re-measurement of held for trading investments	12,978	(5,024)
Capital loss / (gain) on sale of investments -net	253	(114)
(Gain) / loss on disposal of property and equipment	(30)	(61)
Finance cost	5,980	19,382
Impairment of PSX Card	-	2,301
Dividend income	(297)	-
Gratuity expense	3,168	3,037
	24,273	21,773
Changes in working capital		
(Increase) / decrease in current assets		
Trade debts	(1,952)	15,526
Investments - held for trading	(346)	223
Investments - others	-	28,000
Trade deposits and short term prepayments	85,570	(172,741)
	83,272	(128,992)
Decrease in current liabilities		
Trade and other payables	(69,497)	111,445
	66,073	153,927
Cash used in operations		
Gratuity paid	(312)	(1,513)
Income tax paid	(7,285)	(9,110)
Finance cost paid	(1,826)	(11,769)
	(9,423)	(22,392)
Net cash used in operating activities		
	56,650	131,535
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property and equipment	(2,426)	(3,418)
Acquisition of intangible assets	(507)	(242)
Proceeds from disposal of property and equipment	30	66
Decrease / (increase) Long term loans - (Staff loan)	(1,078)	489
Dividend received	297	-
Net cash from investing activities	(3,684)	(3,105)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(45,690)	(24,977)
Net cash from / (used in) financing activities	(45,690)	(24,977)
Net increase / (decrease) in cash and cash equivalents		
	7,276	103,453
Cash and cash equivalents at beginning of the year	812,282	638,583
Cash and cash equivalents at end of the period	819,558	742,036
Cash and Cash Equivalents		
Cash and bank balances	819,558	922,036
Short term running finance	-	(180,000)
	819,558	742,036

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

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

For the half year ended March 31, 2022 (Un-audited)

	Share capital	Accumulated Profit/(loss)	Total
	----- Rupees -----		
Balance as at July 01, 2021	304,601	92,526	397,127
Profit / (Loss) for the period ended March 31, 2022	-	16,984	16,984
Dividend 2020-2021	-	(45,690)	(45,690)
Balance as at March 31, 2022	304,601	63,820	368,421

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 the half year ended March 31, 2022 (Un-audited)

1. THE COMPANY AND ITS OPERATIONS

Foundation Securities (Private) Limited (the Company), which is 100% 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, 2021.

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, 2021.

Notes to the Financial Statements

For the half year ended March 31, 2022 (Un-audited)

4 PROPERTY, PLANTS AND EQUIPMENTS

(Rupees '000)

	March 31, 2022					Total
	Office equipment and appliances	Furniture and fixtures	Computer equipment	Vehicles (owned)	Vehicles (leased)	
As at July 01, 2021						
Cost	19,295	12,043	34,163	4,983	-	70,484
Accumulated depreciation	17,047	10,949	32,471	4,334	-	64,801
Net book value	2,248	1,094	1,692	649	-	5,683
Opening net book value	2,248	1,094	1,692	649	-	5,683
Additions	36		2,390	-	-	2,426
Disposals						
Cost	(79)		-	-	-	(79)
Depreciation	(79)		-	-	-	(79)
	-	-	-	-	-	-
Depreciation charge for the year	435	188	996	447	-	2,066
Closing net book value	1,849	906	3,086	202	-	6,043
Period ended March 31, 2022						
Cost	19,410	12,043	36,553	4,983	-	72,989
Accumulated depreciation	17,561	11,137	33,467	4,781	-	66,946
Net book value as at March 31, 2022	1,849	906	3,086	202	-	6,043
Depreciation rate % per annum	20	10	33.33	20	20	

	June 30, 2021					Total
	Office equipment and appliances	Furniture and fixtures	Computer equipment	Vehicles (owned)	Vehicles (leased)	
As at July 01, 2020						
Cost	16,024	11,817	32,356	4,983	-	65,180
Accumulated depreciation	15,568	10,712	31,926	3,739	-	61,945
Net book value	456	1,105	430	1,244	-	3,235
Opening net book value	456	1,105	430	1,244	-	3,235
Additions	2,265	226	1,814	-	-	4,305
Disposals						
Cost	(1,008)		7	-	-	(1,001)
Depreciation	(1,008)		5	-	-	(1,003)
	-	-	2	-	-	2
	471	237	550	595	-	1,853
Closing net book value	2,250	1,094	1,692	649	-	5,685
Period ended June 30, 2021						
Cost	19,297	12,043	34,163	4,983	-	70,486
Accumulated depreciation	17,047	10,949	32,471	4,334	-	64,801
	2,250	1,094	1,692	649	-	5,685
Depreciation rate % per annum	20	10	33.33	20	20	

(Rupees '000)

	Mar 2022	Jun 2021
5 INTANGIBLE ASSETS		
<u>Computer Software</u>		
Cost	16,138	15,631
Accumulated Depreciation	(15,588)	(15,433)
	550	198
<u>Membership card</u>		
Karachi Stock Exchange Limited - (TREC)	11,703	11,703
Impairment of TREC	(9,203)	(9,203)
Pakistan Merchantile Exchange Limited - (PMEX)	2,500	2,500
	5,000	5,000
Written down value as at March 31, 2022	5,550	5,198
6 MARKETABLE SECURITIES - HELD FOR TRADING		
Marketable Securities - Held for trading	30,006	13,339
Unrealized gain/(loss) on investments classified as 'financial assets at fair value through profit or loss'	(12,978)	16,574
	17,028	29,913
7 TRADE DEBTS - (UNSECURED) - CONSIDERED GOOD		
Receivable against purchase of marketable securities on behalf of clients	163,566	162,278
Receivable from National Clearing Company of Pakistan Limited (NCCPL)	23,977	23,313
Less: Provision of doubtful debts - Considered doubtful	(23,966)	(23,966)
	163,577	161,625
8 CASH AND BANK BALANCES		
Current Accounts	83,557	74,597
Saving Accounts	735,959	737,605
Total cash at banks	819,516	812,202
Cash in Hand	42	80
Total	819,558	812,282
9 CREDITORS, ACCRUED AND OTHER LIABILITIES		
Accrued expenses	21,113	73,124
Withholding tax payable	1,846	7,840
Other liabilities	7,865	12,833
	30,824	93,797
10 Short Term Loan		
The Company has availed RF from Askari Bank Ltd to meet the exposure requirements.		
11 Contingencies and Commitments		
There are no contingencies and commitments subsequent to financial year ended June 30, 2021.		
12 ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL		

Category of Shareholder	Number of Shares Held	Value of Shares Held (In Rs. 000)	Percentage
Fauji Foundation	30,460,060	304,601	100
Total Amount	30,460,060	304,601	100

(Rupees '000)

	Nine months Ended March 31,		Nine months Ended March 31,	
	2022	2021	2022	2021
13 OTHER INCOME				
Profit on bank deposits	26,726	26,013	9,819	7,731
Gain/(loss) on disposal of fixed assets	30	61	-	28
Profit on cash margins (NCCPL / PSX)	7,219	7,167	1,873	2,012
Others	224	37	4	-
	34,199	33,278	11,696	9,771

14 General

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

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