
CONDENSED INTERIM FINANCIAL STATEMENTS

For Three Month Period Ended September 30, 2023

CONDENSED INTERIM BALANCE SHEET

As at September 30, 2023 (Un-audited)

(Rupees '000)

		(Un Audited)	(Audited)
	Note	Sep 2023	Jun 2023
ASSETS			
<u>Non-Current assets</u>			
Property, plants and equipments	4	68,121	69,369
Intangible assets		5,189	5,252
Goodwill		41,400	41,400
Long term investment		135,548	135,548
Long term loans, advances and deposits		2,600	2,600
Long term loan - Employees		1,808	1,953
Deferred tax asset		1,339	1,339
		256,005	257,461
<u>Current assets</u>			
Advances, deposits, prepayments and other receivables	5	97,382	213,698
Marketable securities - held for trading	6	10,746	10,055
Current Portion of long term loan - Employees		3,191	2,636
Trade debts - unsecured - considered good	7	222,530	212,655
Taxation		75,379	79,023
Cash and bank balances	8	917,629	616,831
		1,326,857	1,134,898
		1,582,862	1,392,359
LIABILITIES			
<u>Non-Current liabilities</u>			
Employees benefit obligations		1,855	13,524
		1,855	13,524
<u>Current liabilities</u>			
Trade payables	9	767,312	597,828
Creditors, accrued and other liabilities	10	38,107	26,561
		805,419	624,389
		807,274	637,913
		775,588	754,446
Contingencies and Commitments	11		
REPRESENTED BY			
<u>Issued, Subscribed and Paidup Share Capital</u>			
Authorised capital			
70,000,000 ordinary shares of Rs. 10 each		700,000	700,000
Issued, subscribed and paid-up capital	12	576,001	576,001
Capital Reserve		11,077	11,077
Surplus on Revaluation of Building		57,246	57,246
Revaluation Gain ISE Reit - Net of Tax		23,372	23,372
Unappropriated profit / (loss)		107,892	86,750
		775,588	754,446
		-	-
BOOK VALUE PER SHARE		13.47	13.10

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

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CHIEF FINANCIAL OFFICER

CONDENSED INTERIM PROFIT & LOSS ACCOUNT

For Three Months Period Ended September 30, 2023 (Un-audited)

(Rupees '000)

	Note	Quarter Ended	
		September 30, 2023	2022
Brokerage revenue		70,715	37,064
Brokerage revenue - Commodity		242	-
Other income	13	45,283	15,980
		116,240	53,044
Operating and administrative expenses		(84,004)	(57,617)
		32,236	(4,573)
Finance cost		(202)	(2,457)
Gain / (loss) due to change in fair value of marketable securities	6	691	(510)
PROFIT / (LOSS) Before Taxation		32,725	(7,540)
Taxation			
- Current		(11,583)	(556)
- Deferred		-	-
		(11,583)	(556)
PROFIT / (LOSS) After Taxation		21,142	(8,096)
EARNING PER SHARE		0.37	(0.27)

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CONDENSED INTERIM Cash Flow Statement

For Three Months Period Ended September 30, 2023 (Un-audited)

(Rupees '000)

	Note	Sep 2023	Sep 2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit / (loss) before taxation		32,725	(7,540)
Adjustment for:			
Depreciation		1,569	643
Amortization of intangible assets		63	63
(Gain) / loss on re-measurement of held for trading investments		(691)	510
Finance cost		202	2,457
Gratuity expense		1,855	1,112
		2,998	4,785
Changes in working capital			
(Increase) / decrease in current assets			
Trade debts		(9,875)	(30,431)
Trade deposits and short term prepayments		116,315	146,325
		106,440	115,894
Decrease in current liabilities			
Trade and other payables		181,812	(15,615)
		323,975	97,524
Cash used in operations			
Gratuity paid		(13,524)	-
Income tax paid		(7,940)	(3,329)
Finance cost paid		(983)	(2,433)
		(22,447)	(5,762)
Net cash used in operating activities		301,528	91,762
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property and equipment		(320)	(65)
Proceeds from disposal of property and equipment		-	-
Decrease / (increase) Long term loans - (Staff loan)		(410)	(1,291)
Net cash from investing activities		(730)	(1,356)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net cash from / (used in) financing activities		-	-
Net increase / (decrease) in cash and cash equivalents		300,798	90,406
Cash and cash equivalents at beginning of the year		616,831	518,879
Cash and cash equivalents at end of the month		917,629	609,285
Cash and Cash Equivalents			
Cash and bank balances		917,629	609,285
Short term running finance		-	-
		917,629	609,285

The Annexed notes 1 to 14 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, 2023 (Un-audited)

	Share capital	Capital Reserve	Surplus on Revaluation of leasehold	Fair value reserve on Investments	Accumulated Profit/(loss)	Total
	----- Rupees -----					
Balance as at June 30, 2023	576,001	11,077	57,246	23,372	86,750	754,446
Profit/ (loss) for the period ended September 30, 2023	-	-	-	-	21,142	21,142
Balance as at September 30, 2023	576,001	11,077	57,246	23,372	107,892	775,588

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, 2023 (Un-audited)

1. THE COMPANY AND ITS OPERATIONS

Foundation Securities (Private) Limited (the Company), is subsidiary of Askari Bank Limited, was incorporated in Pakistan as a private limited company on January 18, 2005, under the Companies Ordinance, 1984 (repealed with the enactment of 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 Condensed 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, 2023.

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, 2023.

Notes to the Financial Statements

For the period ended September 30, 2023

4 PROPERTY, PLANTS AND EQUIPMENTS

(Rupees '000)

	September 30, 2023						Total
	Lease hold building	Office equipment and appliances	Furniture and fixtures	Computer equipment	Vehicles (owned)	Vehicles (leased)	
As at July 01, 2023							
Cost	58,564	20,377	15,191	42,538	3,466	-	140,136
Accumulated depreciation	281	16,936	12,320	37,790	3,439	-	70,766
Net book value	58,283	3,441	2,871	4,748	27	-	69,370
Opening net book value	58,283	3,441	2,871	4,748	27	-	69,370
Additions	-	320	-	-	-	-	320
<i>Transfer from leased assets</i>							
Cost	-	-	-	-	-	-	-
Accumulated Depreciation	-	-	-	-	-	-	-
Disposals							
Cost	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-
Depreciation charge for the year	738	299	142	387	3	-	1,569
Closing net book value	57,545	3,462	2,729	4,361	24	-	68,121
Period ended September 30, 2023							
Cost	58,564	20,697	15,191	42,538	3,466	-	140,456
Accumulated depreciation	1,019	17,235	12,462	38,177	3,442	-	72,335
Net book value as at September 30, 2023	57,545	3,462	2,729	4,361	24	-	68,121
Depreciation rate % per annum	5	20	10	33.33	20	20	

	June 30, 2023						Total
	Lease hold building	Office equipment and appliances	Furniture and fixtures	Computer equipment	Vehicles (owned)	Vehicles (leased)	
As at July 01, 2022							
Cost	-	17,124	12,044	36,493	4,984	-	70,645
Accumulated depreciation	-	15,400	11,200	33,734	4,930	-	65,264
Net book value	-	1,724	844	2,759	54	-	5,381
Opening net book value	-	1,724	844	2,759	54	-	5,381
Additions	-	7	-	385	-	-	392
<i>Transfer from ASL</i>							
Cost	58,564	3,246	3,147	5,660	53	-	70,670
Accumulated Depreciation	-	925	839	2,399	26	-	4,189
Disposals							
Cost	-	-	-	-	1,571	-	1,571
Depreciation	-	-	-	-	1,571	-	1,571
	281	611	281	1,657	55	-	2,885
Closing net book value	58,283	3,441	2,871	4,748	26	-	69,369
Period ended June 30, 2023							
Cost	58,564	20,377	15,191	42,538	3,466	-	140,136
Accumulated depreciation	281	16,936	12,320	37,790	3,440	-	70,767
	58,283	3,441	2,871	4,748	26	-	69,369
Depreciation rate % per annum	5	20	10	33.33	20	20	

(Rupees '000)

	Sep 2023	Jun 2023
5 ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES		
<u>Deposits and Prepayments</u>		
- BMC Deposit - (PSX)	27,000	26,000
- Exposure Deposits - (NCCPL & PMEX)	41,142	167,438
- Other Deposits	914	914
- Prepayments	4,125	4,452
Loans & Advances	1,675	1,792
Other Receivables - Net of Provision	22,526	13,102
	97,382	213,698
6 MARKETABLE SECURITIES - HELD FOR TRADING		
Marketable Securities - Held for trading	10,055	13,848
Unrealized gain/(loss) on investments classified as 'financial assets at fair value through profit or loss'	691	(3,793)
	10,746	10,055
7 TRADE DEBTS - (UNSECURED) - CONSIDERED GOOD		
Receivable against purchase of marketable securities on behalf of clients	244,174	237,540
Receivable from National Clearing Company of Pakistan Limited (NCCPL)	3,241	-
Less: Provision of doubtful debts - Considered doubtful	(24,885)	(24,885)
	222,530	212,655
8 CASH AND BANK BALANCES		
Current Accounts	74,684	106,788
Saving Accounts	842,646	509,870
Total cash at banks	917,330	616,658
Cash in Hand	299	173
Total	917,629	616,831
9 TRADE PAYABLES		
Payable against sale of marketable securities on behalf of clients	767,312	585,644
Payable to National Clearing Company of Pakistan (NCCPL)	-	12,184
	767,312	597,828
10 CREDITORS, ACCRUED AND OTHER LIABILITIES		
Accrued expenses	24,337	12,738
Withholding tax payable	2,585	1,916
Other liabilities	11,185	11,907
	38,107	26,561
11 Contingencies and Commitments		
There are no significant contingencies and commitments subsequent to year end.		
12 ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL		

Category of Shareholder	Number of Shares held	Value of Shares held	Percentage
Askari Bank Limited	29,376,031	293,760	51.00%
Fauji Foundation	28,224,025	282,240	49.00%
Others	4	1	0.00%
Total Amount	57,600,060	576,001	100.00%

Quarter Ended September 30,

2023

2022

13 OTHER INCOME

Profit on bank deposits	34,298	13,445
Other income including profit on cash margins (NCCPL / PSX)	10,985	2,535
	<u>45,283</u>	<u>15,980</u>

14 General

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

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