

**CONDENSED INTERIM BALANCE SHEET**

As at December 31, 2022 (Un-audited)

(Rupees '000)

	Note	(Un Audited)	(Audited)
		Dec 2022	Jun 2022
<b>ASSETS</b>			
<i><u>Non-Current assets</u></i>			
Property, plants and equipments	4	4,230	5,380
Intangible assets		5,377	5,502
Long term loans, advances and deposits		5,555	3,931
Deferred tax asset		1,945	1,945
		<b>17,107</b>	<b>16,758</b>
<i><u>Current assets</u></i>			
Advances, deposits, prepayments and other receivables	5	155,612	240,253
Marketable securities - held for trading	6	10,871	13,800
Trade debts - unsecured - considered good	7	154,439	123,778
Taxation		69,819	64,792
Cash and bank balances	8	442,488	518,879
		<b>833,229</b>	<b>961,502</b>
		<b>850,336</b>	<b>978,260</b>
<b>LIABILITIES</b>			
<i><u>Non-Current liabilities</u></i>			
Deferred liability		2,215	-
		<b>2,215</b>	<b>-</b>
<i><u>Current liabilities</u></i>			
Current Portion of Long Term Loan		55,000	55,000
Trade payables	9	410,881	514,881
Creditors, accrued and other liabilities	10	28,506	43,725
		<b>494,387</b>	<b>613,606</b>
		<b>496,602</b>	<b>613,606</b>
		<b>353,734</b>	<b>364,654</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>700,000</b>	<b>500,000</b>
Issued, subscribed and paid-up capital	12	304,601	304,601
Capital Reserve		11,077	11,077
Unappropriated profit / (loss)		38,056	48,976
		<b>353,734</b>	<b>364,654</b>
		<b>-</b>	<b>-</b>
<b>BOOK VALUE PER SHARE</b>			
		<b>11.61</b>	<b>11.97</b>

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

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**CONDENSED INTERIM PROFIT & LOSS ACCOUNT**

For Six Months Period Ended December 31, 2022 (Un-audited)

(Rupees '000)

	Note	Six Months Ended December 31,	
		2022	2021
Brokerage revenue		72,290	138,154
Other income	13	37,694	22,534
		<b>109,984</b>	<b>160,688</b>
Operating and administrative expenses		(111,191)	(118,243)
		(1,207)	42,445
Finance cost		(5,100)	(4,020)
Gain / (loss) due to change in fair value of marketable securities	6	(2,929)	(11,599)
<b>PROFIT / (LOSS) Before Taxation</b>		<b>(9,236)</b>	<b>26,826</b>
<b>Taxation</b>			
- Current		(1,684)	(8,987)
- Deferred		-	-
		<b>(1,684)</b>	<b>(8,987)</b>
<b>PROFIT / (LOSS) After Taxation</b>		<b>(10,920)</b>	<b>17,839</b>
<b>EARNING PER SHARE</b>		<b>(0.36)</b>	<b>0.59</b>

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**CONDENSED INTERIM Cash Flow Statement**

For Six Months Period Ended December 31, 2022 (Un-audited)

(Rupees '000)

	Dec 2022	Dec 2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit / (loss) before taxation	(9,236)	26,826
<i>Adjustment for:</i>		
Depreciation	1,222	1,378
Amortization of intangible assets	125	94
(Gain) / loss on re-measurement of held for trading investments	2,929	11,599
Capital loss / (gain) on sale of investments - net	-	46
(Gain) / loss on disposal of property and equipment	-	(30)
Finance cost	5,100	4,020
Dividend	-	(296)
Gratuity expense	2,215	1,405
	<b>11,591</b>	<b>18,216</b>
<i>Changes in working capital</i>		
<i>(Increase) / decrease in current assets</i>		
Trade debts	(30,661)	(6,895)
Investments - held for trading	-	(671)
Trade deposits and short term prepayments	84,848	3,514
	<b>54,187</b>	<b>(4,052)</b>
<i>Decrease in current liabilities</i>		
Trade and other payables	(121,618)	(256,033)
	<b>(65,076)</b>	<b>(215,043)</b>
<i>Cash used in operations</i>		
Gratuity paid	-	(312)
Income tax paid	(6,712)	(4,072)
Finance cost paid	(390)	(1,251)
	<b>(7,102)</b>	<b>(5,635)</b>
<i>Net cash used in operating activities</i>		
	<b>(72,178)</b>	<b>(220,678)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of property and equipment	(72)	(1,881)
Proceeds from disposal of property and equipment	-	(507)
Proceeds from disposal of property and equipment	-	30
Decrease / (increase) Long term loans - (Staff loan)	(1,830)	(1,127)
Dividend received	-	296
<i>Net cash from investing activities</i>	<b>(1,902)</b>	<b>(3,189)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Paid to Fauji Foundation	(2,311)	-
Dividend paid	-	(45,690)
<i>Net cash from / (used in) financing activities</i>	<b>(2,311)</b>	<b>(45,690)</b>
<i>Net increase / (decrease) in cash and cash equivalents</i>		
<i>Cash and cash equivalents at beginning of the year</i>	<b>518,879</b>	<b>812,282</b>
<i>Cash and cash equivalents at end of the month</i>	<b>442,488</b>	<b>542,725</b>
<i>Cash and Cash Equivalents</i>		
Cash and bank balances	442,488	841,584
Short term running finance	-	(298,859)
	<b>442,488</b>	<b>542,725</b>

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 Six Months Period Ended December 31, 2022 (Un-audited)

	Share capital	Capital Reserve	Accumulated Profit/(loss)	Total
	----- Rupees -----			
<b>Balance as at June 30, 2021</b>	<b>304,601</b>	<b>16,615</b>	<b>75,911</b>	<b>397,127</b>
Profit/ (loss) for the period ended June 30, 2022			15,944	15,944
Dividend 2020-21			(45,690)	(45,690)
Other Comprehensive Income - Gratuity Fund		(5,538)	2,811	(2,727)
<b>Balance as at June 30, 2022</b>	<b>304,601</b>	<b>11,077</b>	<b>48,976</b>	<b>364,654</b>
Profit/ (loss) for the period ended December 31, 2022	-	-	(10,920)	(10,920)
<b>Balance as at December 31, 2022</b>	<b>304,601</b>	<b>11,077</b>	<b>38,056</b>	<b>353,734</b>

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 Six Months Period Ended December 31, 2022 (Un-audited)

### 1. THE COMPANY AND ITS OPERATIONS

Foundation Securities (Private) Limited (the Company), is Wholly 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 (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 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, 2022.

### 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, 2022.



(Rupees '000)

	Dec 2022	Jun 2022
<b>5 ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES</b>		
<i>Deposits and Prepayments</i>		
- Exposure - (Pakistan Stock Exchange)	21,000	21,000
- Exposure - (National Clearing Company of Pakistan)	115,264	203,572
- Exposure - (Pakistan Merchantile Exchange)	1,820	1,795
- Other Deposits	25	25
- Prepayments	3,036	1,736
<b>Loans &amp; Advances</b>	<b>2,918</b>	<b>4,477</b>
<b>Other Receivables - Net of Provision</b>	<b>11,549</b>	<b>7,648</b>
	<b>155,612</b>	<b>240,253</b>
<b>6 MARKETABLE SECURITIES - HELD FOR TRADING</b>		
Marketable Securities - Held for trading	13,800	30,006
Unrealized gain/(loss) on investments classified as 'financial assets at fair value through profit or loss'	(2,929)	(16,206)
	<b>10,871</b>	<b>13,800</b>
<b>7 TRADE DEBTS - (UNSECURED) - CONSIDERED GOOD</b>		
Receivable against purchase of marketable securities on behalf of clients	178,405	147,744
Less: Provision of doubtful debts - Considered doubtful	(23,966)	(23,966)
	<b>154,439</b>	<b>123,778</b>
<b>8 CASH AND BANK BALANCES</b>		
Current Accounts	122,628	19,243
Saving Accounts	319,741	499,569
<b>Total cash at banks</b>	<b>442,369</b>	<b>518,812</b>
Cash in Hand	119	67
<b>Total</b>	<b>442,488</b>	<b>518,879</b>
<b>9 TRADE PAYABLES</b>		
Payable against sale of marketable securities on behalf of clients	401,519	474,560
Payable to National Clearing Company of Pakistan (NCCPL)	9,362	40,321
	<b>410,881</b>	<b>514,881</b>
<b>10 CREDITORS, ACCRUED AND OTHER LIABILITIES</b>		
Accrued expenses	17,117	31,309
Withholding tax payable	1,320	1,874
Other liabilities	10,069	10,542
	<b>28,506</b>	<b>43,725</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 Share Held	Value of Share Held	Percentage
Fauji Foundation	30,460,057	304,600,570	99.99
Others	3	30	0.01
<b>Total Amount</b>	<b>30,460,060</b>	<b>304,600,600</b>	<b>100.00</b>

## Six Months Ended December 31,

2022

2021

## 13 OTHER INCOME

Profit on bank deposits	33,282	16,908
Gain/(loss) on disposal of fixed assets	-	30
Other income including profit on cash margins (NCCPL / PSX)	4,412	5,596
	<u>37,694</u>	<u>22,534</u>

## 14 General

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

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