

1/4

FIRST EQUITY MODARABA
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2017

	Quarter ended		Half year ended	
	December 31, 2017 Rupees	December 31, 2016 Rupees	December 31, 2017 Rupees	December 31, 2016 Rupees
Income	3,991,498	12,773,109	9,762,238	21,408,582
Expenditure				
Operating expenses	(4,329,013)	(5,619,098)	(9,233,215)	(10,779,513)
Financial charges	(2,054)	(3,991)	(7,104)	(8,207)
	(4,331,067)	(5,623,089)	(9,240,319)	(10,787,720)
Operating (loss) / profit	(339,569)	7,150,020	521,919	10,620,862
Other income	11,531	50,751	48,147	112,384
(Loss) / profit before income tax	(328,038)	7,200,771	570,066	10,733,246
Income tax expense	-	-	-	-
(Loss) / profit for the period	(328,038)	7,200,771	570,066	10,733,246
(Loss) / earnings per certificate	(0.01)	0.14	0.01	0.20

FIRST EQUITY MODARABA
 CONDENSED INTERIM PROFIT AND LOSS ACCOUNT - CONSOLIDATED (UN-AUDITED)
 FOR THE HALF YEAR ENDED DECEMBER 31, 2017

	Quarter ended		Half year ended	
	December 31, 2017 Rupees	December 31, 2016 Rupees	December 31, 2017 Rupees	December 31, 2016 Rupees
Income	35,858,432	20,674,598	46,220,447	30,102,176
Expenditures				
Operating expenses	(11,632,376)	(11,496,735)	(22,913,645)	(21,426,323)
Distribution and selling expenses	(3,859,008)	(2,223,303)	(8,944,904)	(8,524,729)
	(15,491,384)	(13,720,038)	(31,858,549)	(29,951,052)
Operating profit	20,367,048	6,954,560	14,361,898	151,124
Unrealised loss on remeasurement of investment	(5,145,588)		(13,584,296)	
Financial charges	(17,671,800)	(17,435,413)	(31,558,755)	(31,635,064)
	(2,450,340)	(10,480,853)	(30,781,153)	(31,483,940)
Other income	147,328	668,725	328,935	859,084
Loss before taxation	(2,303,012)	(9,812,128)	(30,452,218)	(30,624,856)
Taxation				
- current	(9,148,136)	(5,328,899)	(14,947,863)	(11,240,558)
- prior	(628,815)	(198,235)	(628,815)	(198,235)
- deferred	5,425,398	5,982,653	6,580,988	6,277,724
	(4,351,553)	455,519	(8,995,690)	(5,161,069)
Loss for the period	(6,654,565)	(9,356,609)	(39,447,908)	(35,785,925)
(Loss) / Earnings per certificate	(0.13)	(0.18)	(0.75)	(0.68)



3/4
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MEHMOOD IDREES
QAMAR
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FIRST EQUITY MODARABA
AUDITORS' REPORT TO THE CERTIFICATE HOLDERS ON REVIEW
OF CONDENSED INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim balance sheet of **First Equity Modaraba** (the Modaraba) as at December 31, 2017 and the related condensed interim statement of profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in equity and notes to the condensed interim financial information for the six months period then ended (*here-in-after referred to as the "condensed interim financial information"*). The Modaraba Management Company [Premier Financial Services (Private) Limited] is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review. The figures of the condensed interim statement of profit and loss account and condensed interim statement of comprehensive income for the quarters ended December 31, 2017 and December 31, 2016 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2017.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualification

Modaraba has charged unrealised loss of Rs. 20.13 million, in respect of investment classified as financial asset at fair value through profit and loss, in other comprehensive income instead of profit and loss account as required under International Accounting Standard (IAS) 39.

Had the Modaraba charged the unrealized loss to the profit and loss account, its profit for the year would have been lower by Rs. 20.13 million



4/4
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QAMAR
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Conclusion

Based on our review, except for the matter referred in the above paragraph, nothing has come to our attention that causes us to believe that the accompanying interim financial information as at December 31, 2017 is not prepared, in all material respects, in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting.

A handwritten signature in black ink, appearing to be 'M.A. Razzak'.

Engagement Partner: Mehmood A. Razzak

Karachi.

Date: