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FIRST EQUITY MODARABA
CONDENSED STANDALONE INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE QUARTER AND HALF YEAR ENDED DECEMBER 31, 2018

	Quarter ended		Half year ended	
	December 31, 2018 Rupees	December 31, 2017 Rupees	December 31, 2018 Rupees	December 31, 2017 Rupees
Income	3,322,913	3,991,498	8,836,599	9,762,238
Expenditure				
Operating expenses	(3,975,995)	(4,329,013)	(9,368,671)	(9,233,215)
Financial charges	(4,725)	(2,054)	(9,556)	(7,104)
	(3,980,720)	(4,331,067)	(9,378,227)	(9,240,319)
Operating profit	(657,807)	(339,569)	(541,628)	521,919
Other income	14,164	11,531	26,674	48,147
Profit before income tax	(643,643)	(328,038)	(514,954)	570,066
Income tax expense	-	-	-	-
Profit for the period	(643,643)	(328,038)	(514,954)	570,066
Earnings per certificate	(0.012)	(0.006)	(0.010)	0.011

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FIRST EQUITY MODARABA
 CONDENSED INTERIM CONSOLIDATED PROFIT AND LOSS ACCOUNT (UN-AUDITED)
 FOR THE QUARTER AND HALF YEAR ENDED DECEMBER 31, 2018

	Quarter ended		Half year ended	
	December 31, 2018 Rupees	December 31, 2017 Rupees	December 31, 2018 Rupees	December 31, 2017 Rupees
Income	3,554,715	35,858,432	75,130,360	46,220,447
Expenditures				
Operating expenses	(12,087,316)	(11,632,376)	(24,577,798)	(22,913,645)
Distribution and selling expenses	(3,600,478)	(3,859,008)	(9,634,432)	(8,944,904)
	(15,687,794)	(15,491,384)	(34,212,230)	(31,858,549)
Operating profit	(12,133,079)	20,367,048	40,918,130	14,361,898
Unrealised loss on remeasurement of	-	(5,145,588)	-	(13,584,296)
Financial charges	(16,138,747)	(17,671,800)	(27,884,764)	(31,558,755)
	(28,271,826)	(2,450,340)	13,033,366	(30,781,153)
Other charges	1,667,190	-	(1,311,294)	
Other income	137,755	147,328	834,502	328,935
Loss before taxation	(26,466,881)	(2,303,012)	12,556,574	(30,452,218)
Taxation				
- current	(7,206,960)	(9,148,136)	(20,218,284)	(14,947,863)
- prior	129,683	(628,815)	129,683	(628,815)
- deferred	19,472,073	5,425,398	13,817,138	6,580,988
	12,394,796	(4,351,553)	(6,271,463)	(8,995,690)
Loss for the period	(14,072,085)	(6,654,565)	6,285,111	(39,447,908)
(Loss) / Earnings per certificate	(0.27)	(0.13)	0.12	(0.75)

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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, 2018 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, 2018 and December 31, 2017 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2018.

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 unrealized loss of Rs. 8.01 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. 8.01 million

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, 2018 is not prepared, in all material respects, in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the audit resulting in this independent auditor's report is **Mr. Mehmood A. Razzak.**



Karachi.

Date: