

FIRST EQUITY MODARABA

CONDENSED STANDALONE INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)

FOR THE QUARTER AND HALF YEAR ENDED DECEMBER 31, 2019

	Quarter ended		Half year ended	
	December 31, 2019 Rupees	December 31, 2018 Rupees	December 31, 2019 Rupees	December 31, 2018 Rupees
Income	5,265,306	3,322,913	9,657,845	8,836,599
Expenditure				
Operating expenses	(5,303,493)	(3,975,995)	(9,434,705)	(9,368,671)
Financial charges	(447)	(4,725)	(752)	(9,556)
	(5,303,940)	(3,980,720)	(9,435,457)	(9,378,227)
Operating profit / (loss)	(38,634)	(657,807)	222,388	(541,628)
Other income	10,525	14,164	26,907	26,674
Profit / (loss) before income tax	(28,109)	(643,643)	249,295	(514,954)
Income tax expense	-	-	-	-
Profit/ (loss) for the period	(28,109)	(643,643)	249,295	(514,954)
Earnings/ (loss) per certificate	(0.001)	(0.012)	0.005	(0.010)

FIRST EQUITY MODARABA

CONDENSED INTERIM CONSOLIDATED PROFIT AND LOSS ACCOUNT (UN-AUDITED)

FOR THE QUARTER AND HALF YEAR ENDED DECEMBER 31, 2019

2/4

	Quarter ended		Half year ended	
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
	Rupees	Rupees	Rupees	Rupees
Income	53,216,842	3,554,715	120,398,279	75,130,360
Expenditures				
Operating expenses	(15,144,835)	(12,087,316)	(28,363,673)	(24,577,798)
Distribution and selling expenses	(8,652,495)	(3,600,478)	(15,206,959)	(9,634,432)
	(23,797,330)	(15,687,794)	(43,570,632)	(34,212,230)
Operating profit / (loss)	29,419,511	(12,133,079)	76,827,646	40,918,130
Unrealised loss on remeasurement of	-	-	-	-
Financial charges	(16,072,360)	(16,138,747)	(29,553,957)	(27,884,764)
	13,347,151	(28,271,826)	47,273,689	13,033,366
Other charges	(1,477,542)	1,667,190	(3,846,015)	(1,311,294)
Other income	694,848	137,755	769,052	834,502
Profit / (Loss) before taxation	12,564,457	(26,466,881)	44,196,726	12,556,574
Taxation				
- current	(16,140,830)	(7,206,960)	(30,247,039)	(20,218,284)
- prior	-	129,683	-	129,683
- deferred	16,883,321	19,472,073	18,690,328	13,817,138
	742,491	12,394,796	(11,556,711)	(6,271,463)
Profit / (Loss) for the period	13,306,948	(14,072,085)	32,640,015	6,285,111
Earnings / (Loss) per certificate	0.25	(0.27)	0.62	0.12

Baker Tilly Mehmood Idrees Qamar
Chartered Accountants
4th Floor, Central Hotel Building,
Civil Lines, Mereweather Road,
Karachi - Pakistan

T: +92 (021) 35644872-7
F: +92 (021) 35644873

info@bakertilly.pk
www.bakertilly.pk

**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, 2019 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, 2019 and December 31, 2018 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2019.

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.

BT

Basis for Qualification

Modaraba has charged unrealized gain of Rs. 7.25 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 IFRS 9.

Had the Modaraba charged the unrealized gain to the profit and loss account, its profit for the period would have been increased by Rs. 7.25 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, 2019 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 **Mehmood A. Razzak**.



Baker Tilly Mehmoed Idrees Qamar
Chartered Accountants

Karachi.

Date: