

FIRST CAPITAL EQUITIES LIMITED
CONDENSED INERIM STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2019

		Un-Audited	Audited
	Note	DECEMBER	June
		2019	2019
		Rupees	Rupees
ASSETS			
NON - CURRENT ASSETS			
Property, plant and equipment	5	1,625,334	1,980,530
Investments property	6	824,712,000	824,712,000
Long term investments	7	19,927,936	19,155,471
		846,265,270	845,848,001
CURRENT ASSETS			
Trade debts	8	255,261,880	252,741,664
Short term investments	9	31,887,575	22,578,257
Advances, deposits, prepayments and other receivables		315,086,224	342,555,983
Advance income tax		6,286,442	6,573,180
Interest accrued		5,594	32,296
Cash and bank balances		801,128	3,442,943
		609,328,843	627,924,323
TOTAL ASSETS		1,455,594,113	1,473,772,324
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized Share Capital			
152,000,000 shares (June 2019: 152,000,000 shares) of Rs. 10 each		1,520,000,000	1,520,000,000
Issued, subscribed and paid up capital			
141,335,500 shares (June 2019: 141,335,500 shares) of Rs. 10 each		1,413,355,000	1,413,355,000
Other reserves		-	-
Unappropriated loss		(984,952,851)	(1,067,556,674)
TOTAL EQUITY		428,402,149	345,798,326
NON - CURRENT LIABILITIES			
Long term financing	10	-	153,018,252
Interest Accrued		-	82,292,865
Deferred liabilities		3,587,500	3,500,000
		3,587,500	238,811,117
CURRENT LIABILITIES			
Trade and other payables	11	182,359,262	65,164,244
Short term financing	10	825,776,086	823,708,669
Provision for taxation		15,469,116	289,968
		1,023,604,464	889,162,881
CONTINGENCIES AND COMMITMENTS	27	-	-
TOTAL EQUITY AND LIABILITIES		1,455,594,113	1,473,772,324

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

Director

Chief Executive

Chief Financial Officer

FIRST CAPITAL EQUITIES LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS - (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2019

	Note	HALF YEAR ENDED		QUARTER ENDED	
		December	December	December	December
		2019	2018	2019	2018
		Rupees	Rupees	Rupees	Rupees
CONTINUING OPERATION					
INCOME					
Dividend income		-	44,770	-	44,770
Realised gain/(loss) on sale of investments at fair value through profit or loss		-	895,425	-	913,849
Unrealised gain/(loss) on remeasurement of investments at fair value		10,081,782	(17,100,230)	14,038,229	(13,790,436)
		10,081,782	(16,160,035)	14,038,229	(12,831,817)
EXPENDITURE					
Operating and administrative expenses		5,173,871	3,606,781	3,639,895	2,201,866
Impairment loss on 'available for sale' investments		-	4,186,480	-	4,186,480
Finance cost		2,074,700	8,531,257	680,086	4,396,903
		7,248,571	16,324,518	4,319,981	10,785,249
OPERATING PROFIT/(LOSS)		2,833,211	(32,484,553)	9,718,248	(23,617,066)
OTHER INCOME	12	95,556,549	2,304,773	95,556,549	2,266,269
NET (LOSS) / PROFIT BEFORE TAXATION		98,389,760	(30,179,780)	105,274,797	(21,350,797)
Taxation		15,469,116	6,716	15,469,116	6,716
PROFIT/(LOSS) AFTER TAXATION FROM CONTINUING OPERATIONS		82,920,644	(30,186,496)	89,805,681	(21,357,513)
DISCONTINUED OPERATIONS					
PROFIT/(LOSS) AFTER TAXATION FROM DISCONTINUED OPERATIONS		(316,821)	(14,484,466)	302,252	(6,150,158)
PROFIT/(LOSS) AFTER TAXATION FOR THE PERIOD		82,603,823	(44,670,962)	90,107,933	(27,507,671)
EARNING/(LOSS) PER SHARE - BASIC AND DILUTED					
- continuing operations		0.5800	(0.2100)	0.6354	(0.1511)
- discontinued operations		(0.0020)	(0.1000)	0.0021	(0.0435)
		0.5780	(0.3100)	0.6375	(0.1946)

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

Director

Chief Executive

Chief Financial Officer

FIRST CAPITAL EQUITIES LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME - (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2019

	HALF YEAR ENDED		QUARTER ENDED	
	December	December	December	December
	2019	2018	2019	2018
	Rupees	Rupees	Rupees	Rupees
Profit / (loss) after taxation for the period	82,603,823	(44,670,962)	90,107,933	(27,507,671)
Other comprehensive (loss) / income for the period				
<i>Items that will never be reclassified to profit and loss:</i>				
Remeasurement of defined benefit plan	-	-	-	-
<i>Items that are or may be reclassified to profit and loss:</i>				
Gain on Available for sale financial assets – reclassified to profit or loss	-	(927,042)	-	(927,042)
Unrealized gain / (loss) on Remeasurement of investment available for sale	-	(7,011,905)	-	(1,477,915)
Other comprehensive income / (loss) for the period - net of tax	-	(7,938,947)	-	(2,404,957)
Total comprehensive income / (loss) for the period	82,603,823	(52,609,909)	90,107,933	(29,912,628)

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

Director

Chief Executive

Chief Financial Officer

FIRST CAPITAL EQUITIES LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT - (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2019

CASH FLOWS FROM OPERATING ACTIVITIES

	Jul - Dec 2019 Rupees	Jul - Dec 2018 Rupees
Profit/(Loss) before taxation	98,072,939	(44,456,018)
Adjustments for:		
Depreciation	355,196	517,070
Gain on sale of available for sale investment reclassified	-	(927,042)
Loss / (gain) on re-measurement of investments at fair value through profit and loss - net	(10,081,782)	17,100,230
Dividend income	-	(44,770)
Impairment loss on 'available for sale' investments	-	4,186,480
Accrued interest written back	(78,510,295)	-
Interest accrued	(5,594)	(238,389)
Interest expense	2,067,417	8,312,892
Gain on sales of investment property	(17,020,660)	-
Gain on sale of property plant and equipment	(20,000)	-
Provision for gratuity	87,500	1,125,000
	(103,128,219)	30,031,471
	(5,055,280)	(14,424,547)
Decrease / (Increase) in current assets		
Investments at fair value through profit or loss	-	57,245
Trade debts - unsecured	(2,520,216)	(32,645,413)
Advances, deposits, prepayments and other receivables	27,469,759	(10,090,809)
	24,949,543	(42,678,977)
(Increase) / decrease in trade and other payables	117,195,018	(2,703,839)
Cash generated in operations	137,089,281	(59,807,363)
Interest received	32,296	229,139
Dividend received	-	44,770
Finance cost paid	(3,782,580)	-
(Taxes paid) / Refund received	(3,221)	(3,661,825)
Net cash generated/(used) from/in operating activities	133,335,776	(63,195,279)

CASH FLOWS FROM INVESTING ACTIVITIES

Acquisition of property plant and equipment	-	(239,507)
Acquisition of investment property	(139,822,340)	-
Proceeds from sale of property plant and equipment	20,000	-
Intangible assets	-	-
Investment available for sale	-	-
Acquisition of investment property	-	-
Proceeds from sale of investment property	156,843,000	5,459,282
Proceeds from sale of investment available for sale	-	1,478,600
Long term deposits and advances	-	(650,000)
Net cash generated from investing activities	17,040,660	6,048,375

CASH FLOWS FROM FINANCING ACTIVITIES

Long term loans paid	(153,018,252)	(5,644,724)
Short term borrowings	-	-
Net cash (used in) financing activities	(153,018,252)	(5,644,724)

NET INCREASE IN CASH AND CASH EQUIVALENTS (2,641,815) (62,791,628)

CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD 3,442,943 106,623,484

CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD 801,128 43,831,856

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

Director

Chief Executive

Chief Financial Officer

FIRST CAPITAL EQUITIES LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY - (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2019

	Issued, subscribed and paid up capital	Revenue Reserve		Total
		Other Reserve	Unappropriated Loss	
Rupees				
Balance as at July 01, 2018 (Audited)	1,413,355,000	16,095,315	(1,017,378,270)	412,072,045
Loss for the period after taxation	-	-	(44,670,962)	(44,670,962)
Other comprehensive income for the period				
Fair value gain reserve realised	-	(927,042)	-	(927,042)
Deficit on remeasurement of investment available for sale to fair value	-	(7,011,905)	-	(7,011,905)
Total other comprehensive loss for the period - net of tax	-	(7,938,947)	-	(7,938,947)
Total comprehensive loss for the period	-	(7,938,947)	(44,670,962)	(52,609,909)
Balance as at December 31, 2018 (Un - audited)	1,413,355,000	8,156,368	(1,062,049,232)	359,462,136
Transfer of retained earning due to reclassification	-	(8,156,368)	8,156,368	-
Loss for the period after taxation	-	-	(13,663,810)	(13,663,810)
Balance as at June 30, 2019 (audited)	1,413,355,000	-	(1,067,556,674)	345,798,326
Profit for the period after taxation	-	-	82,603,823	82,603,823
Balance as at December 31, 2019 (Un - audited)	1,413,355,000	-	(984,952,851)	428,402,149

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

Director

Chief Executive

Chief Financial Officer

FIRST CAPITAL EQUITIES LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS - (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2019

1 THE COMPANY AND ITS OPERATION

- 1.1** First Capital Equities Limited (the "Company") was incorporated in Pakistan on January 26, 1995 as a private limited company, under the Companies Ordinance, 1984 (now Companies Act, 2017). The Company was converted into a public limited company on June 18, 1997 and is listed on Pakistan Stock Exchange Limited formerly Lahore Stock Exchange Limited. The Company is a subsidiary of First Capital Securities Corporation Limited, which owns 73.23% (June 2019: 73.23%) of the share capital of the Company. During the period the Company has changed its principal activity from share brokerage to development and marketing of all type of real estate. Legal formalities in this regard are under process with Securities and Exchange Commission of Pakistan.

Geographical locations and addresses of all business units are as under:

Lahore - Head Office

2nd Floor, Pace Shopping Mall, Fortress Stadium, Lahore
Cantt, Lahore.

Karachi - Corporate Office

4th Floor, Block B,C & D Lakson Square
Building No. 01, Sarwar Shaheed Road,
Karachi.

- 1.2** Although during the period company earned profit amounting Rs. 82.6 Million , but still the accumulated losses of the company stand at Rs. 984.95 Million as at December 31, 2019 (June 2019: 1,067.55 Million). As at the reporting date current liabilities of the Company exceed its current assets by Rs. 414.27 Million. Board of the Directors of the Company owing to the continuous loss and adverse market conditions, in their meeting held on June 28, 2019 decided to surrender the trading right entitlement certificate (TREC) of Pakistan Stock Exchange and seize brokerage operation of the Company and to change the Principal objective of the Company from stock broker to real estate Company. Application for surrender of TREC was submitted to PSX and surrendering process was initiated.

The management of the Company is continuously in process of negotiating its loan facilities with Banks and as a result of this Company settled its liability against loan from JS Bank Limited during the period. Owing to the factors mentioned above the Company in order to carry on its business and to meet its obligations requires generating sufficient operating profits and cash flows. Accordingly there is a material uncertainty relating to the Company's operations that may cause significant doubt regarding discharge of its liability in the normal course of business. Continuation of the Company as going concern is heavily dependent on improved cash flows. The management of the Company is confident that with change in Principal activity and overall expertise of group in real estate sector will have positive impact on the financial performance of the company. Moreover, management is confident that the remaining loan payable to United Bank Limited will be settled by sale of properties.

Resultantly, these condensed interim financial statements are prepared on going concern basis. The financial statements consequently, do not include any adjustment relating to the realization of the assets and liquidation of liabilities that might be necessary should the Company be unable to continue as going concern.

2 BASIS OF PREPARATION

- 2.1** These condensed interim financial statements has been prepared in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. As per the requirements of the International Accounting Standard 34 - "Interim Financial Reporting" and provisions of and directives issued under the Companies Act, 2017 shall prevail.
- 2.2** These condensed interim financial statements are unaudited and do not include all the information and disclosures required in the audited annual financial statements and should be read in conjunction with the audited financial statements of the Company for the year ended June 30, 2019.

The figures included in the condensed interim statement of profit or loss and other comprehensive income for the quarters ended December 31, 2019 and 2018 and in the notes forming part thereof have not been reviewed by the auditors of the Company, as they have reviewed the accumulated figures for the half years ended December 31, 2019 and 2018.

3 SIGNIFICANT ACCOUNTING POLICIES

- 3.1** The accounting policies and methods of computation adopted in the preparation of these condensed interim financial statements are consistent with those applied in the preparation of the annual audited financial statements for the year ended June 30, 2019 except for the adoption of the following new and amended standards, interpretations and improvements to IFRSs by the Company, which became effective for the current period:

IFRS 16 Leases
IAS 19 Plan Amendment, Curtailment or Settlement (Amendments)
IAS 28 Long-term Interests in Associates and Joint Ventures (Amendments)
IFRIC 23 Uncertainty over Income Tax Treatments

The adoption of above standards, interpretations and improvement to standards did not have any material effect on the condensed interim financial statements of the Company, therefore have not been detailed in these condensed interim financial information.

3.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company

The following standards, amendments and interpretations of approved accounting standards will be effective for accounting periods beginning on or after 01 January 2020 and are not expected to have significant impact on these condensed interim financial statements:

Standard or Interpretation	Effective date (accounting periods beginning on)
Amendment to IFRS 3 - Business Combinations	January 01, 2020
Amendment to IAS 1 - Presentation of Financial Statements	January 01, 2020
Amendment to IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors	January 01, 2020
Amendments to IFRS 9, IAS 39 & IFRS 7 - Financial Instrument	January 01, 2020

4 SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts. Actual results may differ from these judgments, estimates and assumptions.

However, the management believes that the change in outcome of judgments, estimates and assumptions would not have a material impact on the amounts disclosed in these condensed interim financial statements. Judgments and estimates made by the management in the preparation of these condensed interim financial statements are the same as those applied in the Company's annual audited financial statements for the year ended June 30, 2019.

The Company's financial risk management objectives and policies are consistent with those disclosed in the Company's annual audited financial statements for the year ended June 30, 2019.

5 PROPERTY PLANT AND EQUIPMENT

Opening --Net Book Value
Additions during the period/year
Disposal during the period/year
Depreciation for the period/year

Un - audited	Audited
DECEMBER	JUNE
2019	2019
Rupees	Rupees
1,980,530	3,071,069
-	239,507
-	(341,175)
(355,196)	(988,871)
1,625,334	1,980,530

6 INVESTMENT PROPERTY

Opening balance
Acquisition during the period/year

Disposal during the period/year

(Decrease) / Increase in fair value
Closing balance

824,712,000	1,269,445,782
139,822,340	-
964,534,340	1,269,445,782
(139,822,340)	(445,351,782)
824,712,000	824,094,000
-	618,000
824,712,000	824,712,000

6.1 The carrying amount of investment property is the fair value of property as determined by approved independent valuer M/s Negotiators as at June 30, 2019. Fair value is determined keeping in view the location of the land and inquiries in the vicinity, the trend and tone of sale / purchase of property in the respective areas.

6.2 Investment Property comprises various shops / counters in various shopping malls situated at Gujranwala and Gujrat. These properties are under mortgage by banks against the borrowings. The Company has the intention to sell off this properties to pay off the bank borrowings.

7 LONG TERM INVESTMENT

Investment in related parties

At fair value through profit or loss

Media Times Limited - quoted shares
6,067,362 shares of MDTL (June 2019 : 6,067,362 shares)

7.1 6,431,402 5,096,582

Other Investments

At fair value through profit or loss

Pakistan Stock Exchange Limited - quoted shares
1,081,453 shares of PSX (June 2019 : 1,081,453 shares)

7.2 13,496,534 14,058,889

19,927,936 19,155,471

		Un - audited	Audited
		DECEMBER	JUNE
		2019	2019
Note		Rupees	Rupees
7.1	6,067,362 (June 2019 : 6,067,362) Fully paid ordinary shares of Rs. 10 each Equity Held 3.39% (June 2019 : 3.39%)	5,096,582	10,496,536
	Gain / (loss) on measurement of investment available for sale charged to P&L/OCI for the period / year	1,334,820	(5,399,954)
		6,431,402	5,096,582
7.2	1,081,453 shares of PSX (June 2019 : 1,081,453 shares)	14,058,889	23,165,822
	Disposals of investment available for sale	-	(1,807,125)
	Loss on Remeasurement of investment available for sale for the period / year charged to P&L/OCI for the period / year	(562,355)	(7,299,808)
		13,496,534	14,058,889
7.3	Shares having value of Rs. 6,431,402/- (2019: Rs. 5,096,582/-) have been pledged with various commercial banks against loan.		
8 TRADE DEBTS - UNSECURED		Un - audited	Audited
		DECEMBER	JUNE
		2019	2019
Note		Rupees	Rupees
	Trade debts against purchase of shares: Considered good - unsecured Clients	255,261,880	252,741,664
	Considered doubtful: Clients	194,991,316	194,991,316
	Less: Provision for doubtful debts	(194,991,316)	(194,991,316)
		-	-
		255,261,880	252,741,664
8.1	Provision for doubtful debts		
	Opening balance	194,991,316	169,000,000
	Charge for the period / year	-	25,991,316
	Closing balance	194,991,316	194,991,316
9 SHORT TERM INVESTMENTS			
At fair value through profit or loss			
	Quoted equity securities		
	Opening balance	22,578,257	46,381,295
	Additions	-	580,065
	Disposals	-	(57,245)
	Unrealized (loss) / gain on Remeasurement of investments for the period/year	9,309,318	(24,325,858)
9.1		31,887,575	22,578,257
9.1	This includes Rs. 26,553,709 (June 2019: Rs. 18,197,681) investments in related parties. Shares having market value of Rs. 27,951,106 (June 2019: 22,037,629/-) are pledged as security with commercial banks against loan.		
10 LONG TERM FINANCING		Un - audited	Audited
		DECEMBER	JUNE
		2019	2019
Note		Rupees	Rupees
10.1	Secured	825,776,086	978,794,338
10.2	Deferred notional income	-	(2,067,417)
		825,776,086	976,726,921
	Less: Current portion shown under current liability	(825,776,086)	(823,708,669)
		-	153,018,252
10.1	During the period, Company has settled its liability towards JS Bank Limited through debts swap assets arrangement.		
10.2	Deferred notional income		
	As at beginning of the period / year	2,067,417	42,695,331
	Occurred during the period / year	-	-
	Amortized during the period / year	(2,067,417)	(40,627,914)
	As at end of the period / year	-	2,067,417

11 TRADE AND OTHER PAYABLES - UNSECURED

	Un - audited		Audited	
	DECEMBER		JUNE	
	2019		2019	
	Note	Rupees	Rupees	
11.1		182,359,262	65,164,244	

11.1 This includes following balances payable to related parties:

Falcon Commodities (Pvt.) Ltd	3,257,382	3,257,382
Payable to Chief Executive and Directors	12,309,960	12,411,872
Pace Pakistan Limited	114,822,340	-

12 OTHER INCOME

	Note	Un - audited			
		Half year ended		Quarter ended	
		Dec 2019	Dec 2018	Dec 2019	Dec 2018
		Rupees	Rupees	Rupees	Rupees
Income from financial assets					
Return on deposit accounts		5,594	238,388	5,594	200,884
Income from assets other than financial assets					
Gain on sale of property and equipment		20,000	-	20,000	-
Gain on Sale of Investment Property		17,020,660	-	17,020,660	-
Others		-	2,066,385	-	2,065,385
Accrued interest written back	12.1	78,510,295	-	78,510,295	-
		95,556,549	2,304,773	95,556,549	2,266,269

12.1 This represents interest waived off by JS Bank Limited on settlement of loan facility.

13 CONTINGENCIES AND COMMITMENTS

There is no change in contingencies and commitments disclosed in the condensed interim financial statements for the period ended December 31, 2019.

14 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise parent company, related group companies, local associated undertakings, directors, key management personnel and their close family members. The Company in the normal course of business carries out transactions with various related parties. Closing balances of related parties are disclosed in respective notes of these financial statements. Significant transactions with related parties other than those disclosed elsewhere in the condensed interim financial statements are as follows:

	Half year ended		Quarter ended	
	December	December	December	December
	2019	2018	2019	2018
	Rupees		Rupees	
Parent company				
Brokerage Income	-	11,715	-	-
Associated companies				
Purchase of investment property/services	140,279,940	-	140,058,296	-
Payment against purchase of property	25,000,000	-	-	-
Key management personnel				
Salaries and other employee benefits	1,050,000	3,265,000	481,250	1,260,000

15 FAIR VALUE MEASUREMENT

The carrying values of financial assets and liabilities approximate their fair values. The table below analyzes financial assets that are measured at fair value, by valuation method. The different levels have been defined as follows:

- Level 1 : Quoted prices in active markets for identical assets and liabilities;
- Level 2 : Observable inputs; and
- Level 3 : Unobservable inputs

The Company held the following financial assets and liabilities at fair value;

Financial Assets	Un - audited		Audited	
	DECEMBER		JUNE	
	2019		2019	
	Rupees		Rupees	
Level 1:				
Long term investments		19,927,936		19,155,471
Short term investments		31,887,575		22,578,257
Level 2:		-		-
Investment properties		824,712,000		824,712,000
Level 3:		-		-
		876,527,510		866,445,728
Financial Liabilities		-		-

There is no movement between level 1, 2 and 3 during the period.

16 DATE OF AUTHORIZATION

This condensed interim financial statements were authorized for issue by the Board of Directors on _____.

17 CORRESPONDING FIGURES

Corresponding figures have been re-arranged and re-classified, wherever necessary, for the purposes of comparison. However, no significant re-classifications have been made.

18 GENERAL

Figures have been rounded off to the nearest rupee.

Director

Chief Executive

Chief Financial Officer