

FIRST CAPITAL EQUITIES LIMITED
HALF YEARLY ACCOUNTS (Un-Audited)
DECEMBER 31, 2021

FIRST CAPITAL EQUITIES LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2021

AS AT DECEMBER 31, 2021

	Note	Un-Audited Dec. 31, 2021	Audited June 30, 2021
-----Rupees-----			
ASSETS			
NON - CURRENT ASSETS			
Property, plant and equipment	4	678,254	874,395
Investments property	5	824,712,000	824,712,000
Long term investments	6	28,157,502	48,032,622
		853,547,756	873,619,017
CURRENT ASSETS			
Stock in Trade		290,053,500	290,053,500
Trade debts	7	175,602,157	175,602,157
Short term investments	8	54,170,962	96,628,964
Advances, deposits, prepayments and other receivables		4,571,849	4,571,849
Advance income tax		6,287,364	6,287,364
Cash and bank balances		745,563	302,160
		531,431,395	573,445,994
TOTAL ASSETS		1,384,979,151	1,447,065,011
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized Share Capital			
152,000,000 shares (June 2021: 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 2021: 141,335,500 shares) of Rs. 10 each		1,413,355,000	1,413,355,000
Other reserves		-	-
Unappropriated loss		(1,044,881,228)	(980,909,325)
TOTAL EQUITY		368,473,772	432,445,675
NON - CURRENT LIABILITIES			
Long term financing	9	-	-
		-	-
CURRENT LIABILITIES			
Trade and other payables	10	190,729,293	188,843,250
Current portion of long term financing	9	825,776,086	825,776,086
		1,016,505,379	1,014,619,336
CONTINGENCIES AND COMMITMENTS	11	-	-
TOTAL EQUITY AND LIABILITIES		1,384,979,151	1,447,065,011

The annexed notes from 1 to 16 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 PERIOD ENDED DECEMBER 31, 2021

	HALF YEAR ENDED		QUARTER ENDED	
Note	DEC. 31, 2021	DEC. 31, 2020	DEC. 31, 2021	DEC. 31, 2020
	-----Rupees-----			
CONTINUING OPERATION				
INCOME				
Unrealized gain/(loss) on remeasurement of investments at fair value through profit or loss	(62,333,122)	23,060,028	(17,341,461)	4,679,965
	(62,333,122)	23,060,028	(17,341,461)	4,679,965
EXPENDITURE				
Operating and administrative expenses	864,859	3,977,932	151,205	2,719,196
Finance cost	4,967	463	4,861	463
	869,826	3,978,395	156,066	2,719,659
OPERATING PROFIT/(LOSS)	(63,202,948)	19,081,633	(17,497,527)	1,960,306
NET PROFIT/(LOSS) BEFORE TAXATION	(63,202,948)	19,081,633	(17,497,527)	1,960,306
Taxation	-	-	-	-
PROFIT/(LOSS) AFTER TAXATION FROM CONTINUING OPERATIONS	(63,202,948)	19,081,633	(17,497,527)	1,960,306
DISCONTINUED OPERATIONS				
PROFIT/(LOSS) AFTER TAXATION FROM DISCONTINUED OPERATIONS	(768,955)	(171,848)	(12,000)	1,071,767
PROFIT/(LOSS) AFTER TAXATION FOR THE PERIOD	(63,971,903)	18,909,785	(17,509,527)	3,032,073
EARNING/(LOSS) PER SHARE - BASIC AND DILUTED				
- continuing operations	(0.45)	0.14	(0.12)	0.01
- discontinued operations	(0.01)	(0.001)	(0.0001)	0.01
	(0.45)	0.1338	(0.12)	0.0215

The annexed notes from 1 to 16 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 PERIOD ENDED DECEMBER 31, 2021

	HALF YEAR ENDED		QUARTER ENDED	
	DEC. 31, 2021	DEC. 31, 2020	DEC. 31, 2021	DEC. 31, 2020
	-----Rupees-----			
Profit/(loss) after taxation for the period	(63,971,903)	18,909,785	(17,509,527)	3,032,073
Other comprehensive (loss) / income for the period				
Items that will never be reclassified to profit and loss:	-	-	-	-
Items that are may be reclassified to profit and loss:	-	-	-	-
Other comprehensive income for the period	-	-	-	-
Total comprehensive (loss)/income for the period	(63,971,903)	18,909,785	(17,509,527)	3,032,073

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

Director

Chief Executive

Chief Financial Officer

FIRST CAPITAL EQUITIES LIMITED
STATEMENT OF CHANGES IN EQUITY (Un-Audited)
FOR THE PERIOD ENDED DECEMBER 31, 2021

	Issued, subscribed and paid up capital	Unappropriated Loss	Total
	-----Rupees-----		
Balance as at June 30, 2020	1,413,355,000	(1,071,039,553)	342,315,447
Profit for the period after taxation	-	18,909,785	18,909,785
Balance as at December 31, 2020	<u>1,413,355,000</u>	<u>(1,052,129,768)</u>	<u>361,225,232</u>
Profit for the period after taxation	-	71,220,443	71,220,443
Balance as at June 30, 2021	<u>1,413,355,000</u>	<u>(980,909,325)</u>	<u>432,445,675</u>
Loss for the period after taxation	-	(63,971,903)	(63,971,903)
Balance as at December 31, 2021	<u>1,413,355,000</u>	<u>(1,044,881,228)</u>	<u>368,473,772</u>

The annexed notes from 1 to 16 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 PERIOD ENDED DECEMBER 31, 2021

CASH FLOWS FROM OPERATING ACTIVITIES

	Six months period ended December 31, 2021	Six months period ended December 31, 2020
	-----Rupees-----	
Profit before taxation	(63,971,903)	18,909,785
Adjustments for:		
Depreciation	196,141	237,478
Gain on re-measurement of investments at fair value through profit and loss - net	62,333,122	(23,060,028)
Finance cost	4,967	463
Provision for gratuity	-	519,000
	62,534,230	(22,303,087)
	(1,437,673)	(3,393,302)
Decrease / (Increase) in current assets		
Advances, deposits, prepayments and other receivables	-	460,000
	-	460,000
(Increase) / decrease in trade and other payables	1,886,043	2,882,053
Cash generated in operations	448,370	(51,249)
Finance cost paid	(4,967)	(463)
Net cash generated/(used) from/in operating activities	443,403	(51,712)
CASH FLOWS FROM INVESTING ACTIVITIES		
Net cash generated from investing activities	-	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Net cash generated from financing activities	-	-
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	443,403	(51,712)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	302,160	330,221
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	745,563	278,509

The annexed notes from 1 to 16 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 PERIOD ENDED DECEMBER 31, 2020

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 2021: 73.23%) of the share capital of the Company. The principal activity of the Company is to acquire, construct, develop, sell, rent out and manage shops, apartments, villas and commercial buildings.

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

Lahore - Head Office

First Capital House, 96-B/1 Lower Ground Floor, M.M.
Alam Road Gulberg-III, Lahore, Pakistan.

Karachi - Corporate Office

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

- 1.2** The Board of the Directors of the Company in their meeting held on June 28, 2019, owing to the continuous loss and adverse market conditions, decided to surrender the trading right entitlement certificate (TREC) of Pakistan Stock Exchange and discontinue its brokerage operation and to change the Principal objective of the Company from stock broker to real estate Company.

During the period company incurred loss amounting Rs. 63.9 Million and accumulated losses of the company stand at Rs. 1044.8 Million as at December 31, 2021 (June 2021: 980.9 Million). As at the reporting date current liabilities of the Company exceed its current assets by Rs. 485.01 Million (June 2021: 486.2 Million).

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 UBL will be settled by sale of properties. Resultantly, these 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 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, 2021. The figures included in the condensed interim statement of profit or loss and other comprehensive income for the quarter ended December 31, 2021 and 2020 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, 2021 and 2020.

3 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, 2021.

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, 2021.

4 PROPERTY PLANT AND EQUIPMENT

	Un-Audited Dec. 31, 2021	Audited June 30, 2021
	-----Rupees-----	
Opening --Net Book Value	874,395	1,332,569
Depreciation during the period/year	(196,141)	(458,174)
	<u>678,254</u>	<u>874,395</u>

5 INVESTMENT PROPERTY

Opening balance	824,712,000	824,712,000
Acquisition during the period/year	-	-
	<u>824,712,000</u>	<u>824,712,000</u>
Disposal during the period/year	-	-
	<u>824,712,000</u>	<u>824,712,000</u>
(Decrease) / Increase in fair value	-	-
Closing balance	<u>824,712,000</u>	<u>824,712,000</u>

5.1 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, 2021. 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.

5.2 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.

6 LONG TERM INVESTMENT

LONG TERM INVESTMENT		Un-Audited Dec. 31, 2021	Audited June 30, 2021
	Note	-----Rupees-----	
Investment in related parties			
At fair value through profit or loss			
Media Times Limited - quoted shares	6.1	13,287,523	23,905,406
6,067,362 shares of MDTL (June 2021 : 6,067,362 shares)			
Other Investments			
At fair value through profit or loss			
Pakistan Stock Exchange Limited - quoted shares	6.2	14,869,979	24,127,216
1,081,453 shares of PSX (June 2021 : 1,081,453 shares)			
		28,157,502	48,032,622
6.1	6,067,362 (June 2021 : 6,067,362) Fully paid ordinary shares of Rs. 10 each Equity Held 3.39% (June 2021: 3.39%)	23,905,406	8,008,918
	Unrealized gain remeasurement of investment at fair value through profit or loss	(10,617,883)	15,896,488
		13,287,523	23,905,406
6.2	1,081,453 shares of PSX (June 2021 : 1,081,453 shares)	24,127,216	10,706,385
	Unrealized gain remeasurement of investment at fair value through profit or loss	(9,257,237)	13,420,831
		14,869,979	24,127,216
6.3	Shares having carrying value of Rs. 13,287,523/- (June 2021: Rs.23,905,406/-) have been pledged with various commercial banks against loan and shares having carrying value Rs. 14,866,418 (2021: Rs. 24,121,438/-) are freezed against Base Minimum Capital with Pakistan Stock Exchange.		

7 TRADE DEBTS - UNSECURED

E DEBTS - UNSECURED		Un-Audited Dec. 31, 2021	Audited June 30, 2021
	Note	-----Rupees-----	
Trade debts against purchase of shares:			
Considered good - unsecured			
Clients		175,602,157	175,602,157
Considered doubtful:			
Clients		271,851,411	271,851,411
Less: Provision for doubtful debts	7.1	(271,851,411)	(271,851,411)
		(271,851,411)	(271,851,411)
		175,602,157	175,602,157
Provision for doubtful debts			
Opening balance		271,851,411	194,991,316
Charge for the period / year		-	76,860,095
Closing balance		271,851,411	271,851,411

		Un-Audited Dec. 31, 2021	Audited June 30, 2021
	Note	-----Rupees-----	
8 SHORT TERM INVESTMENTS			
At fair value through profit or loss			
Quoted equity securities			
Opening balance		96,628,964	31,377,184
Unrealized gain/(loss) remeasurement of investment at fair value through profit or loss		(42,458,002)	65,251,780
	8.1	54,170,962	96,628,964

8.1 This includes Rs.47,286,488 (June 2021: Rs. 87,431,561/-) investments in related parties. Shares having market value of Rs.46,232,697 (June 2021:82,483,544 /-) are pledged as security with commercial banks against loan.

		Un-Audited Dec. 31, 2021	Audited June 30, 2021
	Note	-----Rupees-----	
9 LONG TERM FINANCING			
Loan from financial institute -- Secured		825,776,086	825,776,086
Less: Current portion shown under current liability		(825,776,086)	(825,776,086)
		-	-
10 TRADE AND OTHER PAYABLES - UNSECURED	10.1	190,742,289	188,843,250
10.1 This includes following balances payable to related parties:			
Falcon Commodities (Pvt.) Ltd		3,255,332	3,255,332
Media Times Limited		949,424	949,424
Pace Pakistan Limited		114,822,340	114,822,340

11 CONTINGENCIES AND COMMITMENTS

There has been no material change in the status of contingencies disclosed in note 27 to the Company's financial statements for the year ended June 31, 2021.

12 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	
	DEC. 31, 2021	DEC. 31, 2020	DEC. 31, 2021	DEC. 31, 2020
	-----Rupees-----			
Key management personnel				
Salaries and other employee benefits	-	2,064,000	-	1,035,000

13 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;

	Un-Audited Dec. 31, 2021	Audited June 30, 2021
	-----Rupees-----	
Financial Assets		
Level 1:		
Long term investments	28,157,502	48,032,622
Short term investments	54,170,962	96,628,964
Level 2:		
Investment properties	824,712,000	824,712,000
Level 3:	-	-
	907,040,464	969,373,586
Financial Liabilities	-	-

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

14 DATE OF AUTHORIZATION

This condensed interim financial statements were authorized for issue by the Board of Directors on February ____, 2022.

15 CORRESPONDING FIGURES

Corresponding Figures have been re-arranged and re-classified, wherever necessary, for the purpose of comparison. However, no significant re-classification have been made.

16 GENERAL

Figures have been rounded off to the nearest rupee.

Director

Chief Executive

Chief Financial Officer