

FIRST CAPITAL SECURITIES CORPORATION LIMITED

***CONDENSED UN CONSOLIDATED
FINANCIAL STATEMENTS AS AT DECEMBER 31, 2018***

STATEMENT OF FINANCIAL POSITION

STATEMENT OF PROFIT OR LOSS

STATEMENT OF COMPREHENSIVE INCOME

STATEMENT OF CASH FLOWS

STATEMENT OF CHANGES IN EQUITY

NOTES TO THE FINANCIAL STATEMENTS

DIRECTORS' REVIEW

We on behalf of the Board of Directors of First Capital Securities Corporation Limited (the "Company" or "FCSC") feel immense pleasure to present the auditors' reviewed financial statements of the Company for the six months ended 31 December 2018.

Operational Results

The operating results of the Company are summarized as follows:

Financial Overview	31 December 2018 <i>Rupees</i>	31 December 2017 <i>Rupees</i>
Revenue/(Loss)	141,696,989	(64,790,870)
Gain/(loss) on disposal of investment properties	-	(46,029,400)
Unrealized gain/(loss) on re-measurement of investments	(12,451,253)	(22,787,347)
Operating & admin Expenses	(23,524,413)	(19,927,420)
Impairment loss on available-for-sale of investments	(337,964,463)	-
Finance cost	(72,949,048)	(10,929)
(Loss)/profit after Taxation	(436,686,552)	(79,553,011)
(Loss)/earnings per Share (basic and diluted)	(1.38)	(0.25)

The Company has reported revenue of Rs. 141.70 million as compared to the loss of Rs. 64.79 million in the same period last year. Operating & admin expenses were recorded at Rs. 23.52 million as compared to Rs. 19.93 in the corresponding period last year. The fluctuations in the stock market affecting the shares price of its subsidiaries "MDTL" and "FCEL" forced the company to recognize an impairment of Rs.337.96 million as compared to nil in the corresponding period. Loss after taxation during the first half of CY19 is Rs. 286.75 million (LPS: 0.91) as compared to loss of Rs. 79.553 million (LPS: 0.25) during the same period last year.

The financial results of subsidiaries of "FCSC" during the period under review are given hereunder:

First Capital Equities Limited ("FCEL") has reported after tax loss of Rs. 44.67 million in 1HFY19 as compared to the profit of Rs. 77.00 million in the corresponding period. Loss per share was reported to be Rs. 0.32 as compared to earnings per share of Rs. 0.54 in the preceding period.

Lanka Securities (Pvt.) Limited ("LSL") generated a gross revenue of LKR. 21.88 million, in 1HFY19 and translated net Loss of LKR. 4.45 million, during the period while EPS stood at LKR. (0.25).

First Capital Investments Limited ("FCIL") has reported an after tax loss of Rs. 31.01 million in 1HFY19 as compared to a profit of Rs. 31.68 million in the corresponding period. Loss per share was reported to be Rs. 1.48 as compared to a loss per share of Rs. 1.51 in the preceding period.

Evergreen Water Valley (Pvt.) Limited (“EGVV”) posted a net profit of Rs. 33.81 million in 1HFY19 as compared to Rs.2.40 million for the period in comparison during the period.

Outlook

It has been seen in the past that as goes Pakistan’s current account so goes the stock market. The lackluster performance of the stock market over the last two years is associated with the burgeoning current account deficit and depleting FX reserves. Faced with a large gap in the external account, we reckon that the government will soon enter into a new IMF program despite securing sizable financial help from friendly countries as it still remains critical in reactivating fresh funding lines from multilateral agencies. Current account deficit has remained on the higher side in 1HFY19 (\$1,300 million per month) due to higher oil prices. However, it is likely to drop to \$800 million per month in 2HFY19 as a result of lower oil prices and impact of recently enacted policy measures such as massive currency devaluation, sharp hike in interest rates, and levying & expanding of import duties. Encouragingly, the recently presented mini-budget was seen as pro-investment, pro-growth, and pro-agriculture, which was cheered by the market and equally appreciated by the business community as it addressed some long-standing tax anomalies; reduced enormous tax burden on the stock market/listed sector; streamlined/slashed taxes on the imported raw-material; and expanded duties on the non-essential imports.

Going forward, our positive view on the Pakistani market is underpinned by: (i) attractive valuations as captured in the forward Price-to-Earnings (P/E) multiple of 8.3 times; (ii) expectation of substantial improvement in the current account deficit in the coming months; (ii) double-digit expected corporate earnings growth for the next two years; and (iv) foreign fund managers re-entering the Pakistani stock market. Taken it all together, we hold on to our view that the market is well poised to deliver a healthy return in 2019, and beyond.

Board of Directors

There is no change in the composition of the Board of Directors since last printed report of the Company for the year ended 30 June 2018.

Acknowledgement

The Directors of the Company place on record their sincere appreciation for the assistance and co-operation provided by financial institutions, government authorities and other stake holders in attaining such commendable performance. The directors also appreciate the committed services of the employees of the Company.

For and on behalf of the Board of Directors

**Lahore
28 February 2019**

Director

Director

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of First Capital Securities Corporation Limited

Report on review of Unconsolidated Interim Financial Statements

Introduction

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of First Capital Securities Corporation Limited as at December 31, 2018 and the related unconsolidated condensed interim statement of profit or loss, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim statement of changes in equity, and unconsolidated condensed interim statement of cash flows, and notes to the unconsolidated condensed interim financial statements for the six-months period then ended (here-in-after referred to as the "unconsolidated interim financial statements").

Management is responsible for the preparation and presentation of these unconsolidated interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these unconsolidated interim financial statements based on our review.

The figures of the unconsolidated condensed interim statement of profit or loss and unconsolidated condensed interim statement of comprehensive income for the quarter ended December 31, 2018 and 2017 have not been reviewed, as we are required to review only the cumulative figures for the six months 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 interim financial statements 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.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying unconsolidated interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the review resulting in this independent auditor's report is Imran-ul-Haq.

Date:

Islamabad

Nasir Javaid Maqsood Imran

Chartered Accountants

FIRST CAPITAL SECURITIES CORPORATION LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2018

		Unaudited	Audited
		31 December	30 June
		2018	2018
	Note	Rupees	Rupees
NON-CURRENT ASSETS			
Property, plant and equipment	5	141,994,404	150,936,338
Investment properties	6	1,697,590,000	1,547,590,000
Long term investments	7	1,394,246,351	1,734,926,701
Long term deposits		37,500	37,500
		<u>3,233,868,255</u>	<u>3,433,490,539</u>
CURRENT ASSETS			
Trade debts - unsecured, considered good		3,457,846	1,964,909
Loans, advances, prepayments and other receivables	8	209,559,639	126,004,120
Short term investments	7	27,238,571	31,079,421
Advance tax		7,441,675	6,956,366
Cash and bank balances		4,337,950	3,081,554
		<u>252,035,681</u>	<u>169,086,370</u>
CURRENT LIABILITIES			
Trade and other payables	9	35,847,029	436,794,542
Current portion of loan	10	100,000,000	-
Accrued Mark-up	10	78,048,657	-
		<u>213,895,686</u>	<u>436,794,542</u>
NET CURRENT ASSETS		<u>38,139,995</u>	<u>(267,708,172)</u>
		<u>3,272,008,250</u>	<u>3,165,782,367</u>
NON-CURRENT LIABILITIES			
Staff retirement benefits payable		12,040,844	11,238,402
Long term financing	10	1,500,000,000	1,105,113,041
		<u>1,512,040,844</u>	<u>1,116,351,443</u>
Contingencies and commitments	11	<u>1,759,967,406</u>	<u>2,049,430,924</u>
REPRESENTED BY			
EQUITY			
SHARE CAPITAL AND RESERVES			
Authorized share capital: 320,000,000 (June 2018: 320,000,000) ordinary shares of Rs 10 each		<u>3,200,000,000</u>	<u>3,200,000,000</u>
Issued, subscribed and paid-up capital		3,166,101,120	3,166,101,120
Reserves		-	2,715,886
Retained earnings		<u>(1,406,133,714)</u>	<u>(1,119,386,082)</u>
		<u>1,759,967,406</u>	<u>2,049,430,924</u>

The annexed notes 1 to 17 form an integral part of these unconsolidated condensed interim financial statements.

The Chief Executive Officer is not available in Pakistan, therefore the financial statements are signed by two directors of the Company.

Director

Chief Financial Officer

Director

FIRST CAPITAL SECURITIES CORPORATION LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2018

	Note	Half year ended		Quarter ended	
		31 December 2018	31 December 2017	31 December 2018	31 December 2017
		Rupees		Rupees	
Revenue					
Money market services	12	4,290,137	6,622,857	3,216,986	2,589,550
Investment property rentals		-	192,000	-	96,000
Gain/(loss) on disposal of short term investments		(141,895)	(44,980)	(141,895)	-
Loss on disposal of investment properties		-	(46,029,400)		(46,029,400)
Unrealized (loss)/gain on re-measurement of 'investments at fair value through profit or loss'	7	(12,451,253)	(22,787,347)	(9,645,521)	(23,253,513)
Change in fair value of investment properties		150,000,000	(2,744,000)	150,000,000	(2,744,000)
		<u>141,696,989</u>	<u>(64,790,870)</u>	<u>143,429,570</u>	<u>(69,341,363)</u>
Expenses					
Impairment loss on 'available-for- sale' investments	7	(337,964,463)	-	(337,964,463)	-
Operating and administrative expenses		(23,524,413)	(19,927,420)	(11,485,105)	(9,994,004)
Operating loss		<u>(219,791,887)</u>	<u>(84,718,290)</u>	<u>(206,019,998)</u>	<u>(79,335,367)</u>
Other income		6,397,594	5,706,037	2,898,158	2,884,827
Finance cost		(72,949,048)	(10,929)	(32,976,729)	(4,823)
Loss before taxation		<u>(286,343,341)</u>	<u>(79,023,182)</u>	<u>(236,098,569)</u>	<u>(76,455,363)</u>
Taxation		(404,291)	(529,829)	(202,146)	(207,164)
Loss after taxation		<u>(286,747,632)</u>	<u>(79,553,011)</u>	<u>(236,300,715)</u>	<u>(76,662,527)</u>
(Loss)/earnings per share					
- basic and diluted		<u>(0.91)</u>	<u>(0.25)</u>	<u>(0.75)</u>	<u>(0.24)</u>

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Chief Financial Officer

Director

FIRST CAPITAL SECURITIES CORPORATION LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2018

	Half year ended		Quarter ended	
	31 December	31 December	31 December	31 December
	2018	2017	2018	2017
	Rupees	Rupees	Rupees	Rupees
Loss after taxation	(286,747,632)	(79,553,011)	(236,300,715)	(76,662,527)
Other comprehensive (loss)/income for the period:				
<i>Items that may subsequently reclassified to profit or loss:</i>				
Change in fair value of available-for-sale financial assets	(309,447,658)	(62,465,383)	(299,489,409)	(63,370,678)
Change in fair value of available-for-sale financial assets	(31,232,691)	134,542,460		237,001,718
Impairment loss recognized on available for sale investments	337,964,463			
Other comprehensive income/(loss) for the period - net of tax	(2,715,886)	72,077,077	(299,489,409)	173,631,040
Total comprehensive income/(loss) for the period - net of tax	(289,463,518)	(7,475,934)	(535,790,124)	96,968,513

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Director

Chief Financial Officer

Director

FIRST CAPITAL SECURITIES CORPORATION LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2018

	Share Capital	Revenue reserve		Total
		Fair value reserve	Retained earnings	
----- Rupees -----				
Balance as at July 01, 2017	3,166,101,120	63,823,326	(916,390,504)	2,313,533,942
Loss for the period	-	-	(79,553,011)	(79,553,011)
Other comprehensive income for the year - net of tax	-	72,077,077	-	72,077,077
Total comprehensive income/(loss) for the year - net of tax	-	72,077,077	(79,553,011)	(7,475,934)
Balance at 31 December 2017	3,166,101,120	135,900,403	(995,943,515)	2,306,058,008
Balance as at July 01, 2018	3,166,101,120	2,715,886	(1,119,386,082)	2,049,430,924
Loss for the year	-	-	(286,747,632)	(286,747,632)
Other comprehensive income for the year - net of tax	-	(2,715,886)	-	(2,715,886)
Total comprehensive income/(loss) for the year - net of tax	-	(2,715,886)	(286,747,632)	(289,463,518)
Balance at 31 December 2018	3,166,101,120	-	(1,406,133,714)	1,759,967,406

The annexed notes 1 to 17 form an integral part of these unconsolidated condensed interim financial statements.

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Director

Chief Financial Officer

Director

FIRST CAPITAL SECURITIES CORPORATION LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2018

	Half year ended	
	31 December 2018	31 December 2017
	Rupees	Rupees
Cash flows from operating activities		
Loss before taxation	(286,343,341)	(79,023,182)
<i>Adjustments for:</i>		
Finance cost	72,949,048	10,929
Unrealized loss/(gain) on re-measurement of investments at 'fair value through profit or loss'	12,717,061	22,787,347
Change in value of investment properties	(150,000,000)	2,744,000
Impairment loss on 'available-for-sale' investments	337,964,463	-
Gain on sale of property, plant and equipment	(625,000)	-
Depreciation	8,941,934	8,895,251
Interest income	(72,594)	(11,792)
Loss on disposal of investment property	-	46,029,400
Provision for staff retirement benefits	802,442	759,017
	282,677,354	81,214,152
(Loss)/profit before working capital changes	(3,665,987)	2,190,970
Effect on cash flow due to working capital changes		
<i>(Increase)/decrease in current assets:</i>		
Trade debts	(1,492,937)	(28,571)
Loans, advances, prepayments and other receivables	(83,555,519)	(19,342,993)
<i>(Decrease)/increase in current liabilities:</i>		
Trade and other payables	(400,947,513)	1,500,147
	(485,995,969)	(17,871,417)
Cash used in operations	(489,661,956)	(15,680,447)
<i>Increase in non-current liabilities:</i>		
Staff retirement benefits paid	-	(21,593)
Finance cost paid	(13,432)	(10,929)
Taxes paid-net	(889,602)	(1,045,578)
	(903,034)	(1,078,100)
Net cash outflow from operating activities	(490,564,990)	(16,758,547)
Cash flows from investing activities		
Acquisition of property and equipment	-	(1,085,250)
Purchase of capital work in progress	-	(20,309,013)
Proceeds from disposal of property, plant and equipment	625,000	37,095,000
Purchase/(sale) of short term investments	(8,876,208)	1,253,590
Interest received	72,594	11,792
	(8,178,614)	16,966,119
Cash flows from financing activities		
Loan obtained during the period	500,000,000	-
Repayment of long term loan	-	(890,400)
Net cash generated from financing activities	500,000,000	(890,400)
Net increase/(decrease) in cash and cash equivalents	1,256,396	(682,828)
Cash and cash equivalents at the beginning of the period	3,081,554	1,159,924
Cash and cash equivalents at the end of the period	4,337,950	477,096

The annexed notes 1 to 17 form an integral part of these unconsolidated condensed interim financial statements.

The Chief Executive Officer is not available in Pakistan, therefore the financial statements are signed by two directors of the Company.

Director

Chief Financial Officer

Director

FIRST CAPITAL SECURITIES CORPORATION LIMITED
NOTES TO AND FORMING PART OF THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS
(UN-AUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2018

1 Legal status and nature of business

- 1.1** First Capital Securities Corporation Limited ("the Company") was incorporated in Pakistan on 11 April 1994 as a public limited company under the Repealed Companies Ordinance, 1984 (now Companies Act, 2017) and is listed on the Pakistan Stock Exchange Limited. The registered office of the Company is situated at 2nd floor, Pace Shopping Mall, Fortress Stadium, Lahore Cantt, Lahore. The company also has corporate office located in Karachi. The Company is involved in making long and short term investments, money market operations and financial consultancy services.
- 1.2** These condensed interim unconsolidated financial statements are the separate condensed interim financial statements of the Company in which investments in subsidiaries and associates have been accounted for at cost less impairment losses except for quoted investments which are valued at quoted market price at December 31, 2018.
- 1.3** There were no change in composition of the group during the half year ended December 31, 2018.

2 Basis of preparation

- 2.1** These unconsolidated condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:
- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
 - and
 - Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

- 2.2** These unconsolidated condensed interim financial statements do not include all the information and disclosures required in the unconsolidated annual audited financial statements, and should be read in conjunction with Company's unconsolidated annual audited financial statements for the year ended June 30, 2018.

The figures included in the unconsolidated condensed interim statement of profit or loss and other comprehensive income for the quarters ended December 31, 2018 and 2017 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, 2018 and 2017.

3 Significant accounting policies

The accounting policies and methods of computation adopted in the preparation of these unconsolidated condensed interim financial statements are consistent with those applied in the preparation of the unconsolidated annual audited financial statements for the year ended June 30, 2018 except those stated in note 3.1 (a) below.

3.1 Change in accounting standards, interpretations and amendments to published approved accounting and reporting standards

a) Standards, interpretations and amendments to published approved accounting standards that are effective and relevant

IFRS 15 'Revenue from contracts with customers' - IFRS 15 replaces the previous revenue standards: IAS 18 Revenue, IAS 11 Construction Contracts, and the related interpretations on revenue recognition.

IFRS 15 introduces a single five-step model for revenue recognition and establishes a comprehensive framework for recognition of revenue from contracts with customers based on a core principle that an entity should recognize revenue representing the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The changes laid down by these standards do not have any significant impact on these unconsolidated condensed interim financial statements of the Company.

The other new standards, amendments and interpretations that are mandatory for accounting periods beginning on or after January 1, 2018 are considered not to be relevant for the Company's financial statements and hence have not been detailed here.

b) Standards and amendments to published approved accounting standards that are not yet effective but relevant

The following is the new standard, amendment to existing approved accounting standards and new interpretations that will be effective for the periods beginning on or after January 1, 2019 that may have an impact on the financial statements of the Company.

IFRS 9 'Financial instruments' - This standard replaces the guidance in IAS 39. It includes requirements on the classification and measurement of financial assets and liabilities; it also includes an expected credit loss model that replaces the current incurred loss impairment model. The management is in the process of assessing the impact of changes laid down by these standards on its financial statements.

c) New standards and amendments to published approved accounting and reporting standards that are not yet effective

There is a new standard, certain amendments and an interpretation to the approved accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 1, 2019. However, these will not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these unconsolidated condensed interim financial statements.

4 Significant accounting judgments and estimates

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

However, the management believes that the change in outcome of judgements, estimates and assumptions would not have a material impact on the amounts disclosed in these unconsolidated condensed interim financial statements. Judgements and estimates made by the management in the preparation of these unconsolidated condensed interim financial statements are the same as those applied in the Company's unconsolidated annual audited financial statements for the year ended June 30, 2018.

The Company's financial risk management objectives and policies are consistent with those disclosed in the Company's unconsolidated annual audited financial statements for the year ended June 30, 2018.

	Note	Unaudited	Audited
		31 December 2018	30 June 2018
		Rupees	
5 Property, plant and equipment			
Property, plant and equipment	5.1	9,569,298	18,511,232
Capital work in progress	5.2	132,425,106	132,425,106
		141,994,404	150,936,338
5.1			
Opening book value		18,511,232	35,240,687
Net (Disposal)/Additions for the period/year		-	1,085,250
Depreciation expense for the period/year		(8,941,934)	(17,814,705)
Closing book value		9,569,298	18,511,232

5.2 This represents advance against purchase of property in Pace Tower Gulberg, Lahore and Pace Circle, Lahore amounting to Rs 107,090,858 (June 2018: Rs 107,090,858) and Rs. 25,334,248 (June 2018: Rs. 25,334,248) respectively. Construction work on these properties is in progress as at December 31, 2018.

	Note	Unaudited	Audited
		31 December 2018	30 June 2018
		Rupees	
6 Investment properties			
Opening balance		1,547,590,000	163,092,400
Acquisition during the period/year		-	1,540,000,000
Disposal during the period/year		-	(153,880,400)
Fair value adjustment		150,000,000	(1,622,000)
		150,000,000	1,384,497,600
Closing balance	6.1	1,697,590,000	1,547,590,000

6.1 The carrying amount of investment property is the fair value of property as determined by approved independent valuer M/s Negotiators. 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.

7 Investments

Carrying value of investments at the beginning of the period / year		1,766,006,122	1,943,169,800
Impairment loss on 'available-for- sale' investments	7.1	(337,964,463)	(77,714,304)
Unrealized (loss) / gain on re-measurement of investments at fair value through profit or loss	7.2	(12,451,253)	(23,595,424)
Change in fair value of available-for-sale financial assets		(2,715,886)	(61,107,440)
		(353,131,602)	(162,417,168)
Investments disposed off during the period/year		(5,651,443)	(14,746,510)
Investments made during the period/year		14,261,845	-
Carrying value at the end of the period / year	7.3	1,421,484,922	1,766,006,122
Investments classified in current assets		27,238,571	31,079,421
Closing book value of long term investments		1,394,246,351	1,734,926,701

7.1 This represents the diminishing in value due to continuous fall in market value of Media Times Limited , a related party (associated undertaking) amounting Rs. 28,516,805 and First Capital Equities Limited, a related party (subsidiary of the Company') amounting Rs. 309,447,658.

7.2 This includes un-realized loss on Remeasurement of Company's investment in related parties, Pace (Pakistan) Limited, (associated undertaking) amounting to Rs. 9,365,856 and First Capital Mutual Fund, (associated undertaking) amounting to Rs. 789,850 due to decrease in market value per share / unit as at the reporting date. Also includes un-realized loss on Remeasurement of Company's other investments, Worldcall Telecom Limited amounting to Rs. 2,279,452 and Shaheen Insurance Limited amounting to Rs. 16,095.

7.3 Investments in related parties and other

	Unaudited 31 December 2018	Audited 30 June 2018
Rupees		
Investment in subsidiaries	799,857,881	1,109,305,539
Investment in associates	615,697,481	648,475,475
Other investments	5,929,560	8,225,108
	1,421,484,922	1,766,006,122

7.3.1 There is no change in holding in subsidiaries and associated undertakings during the period, except for Pace (Pakistan) Limited associated undertaking, the Company holds 7,035,676 shares (June, 2018 6,645,176 shares) and First Capital Mutual Fund associated undertaking, the Company holds 935,466 units (June, 2018 35,316 units).

8 Loans, advances, prepayments and other receivables

	Unaudited 31 December 2018	Audited 30 June 2018
Rupees		
Loans and advances		
Advances to staff - secured, considered good	383,200	268,700
Due from related parties - unsecured, considered good	5,912,000	89,420
	6,295,200	358,120
Short term deposits and prepayments		
Advance against purchase of property	184,569,439	36,195,000
	184,569,439	36,195,000
Other receivables		
Receivable against sale of capital work in progress	18,695,000	18,695,000
Receivable against sale of investment property	-	70,756,000
	18,695,000	89,451,000
	209,559,639	126,004,120

8.1 The Company entered into an agreement to purchase a property amounting Rs. 200,000,000 (June: 2018 Rs. 42,100,760). Out of this Rs. 184.57 Million (June 2018: Rs. 36,195,000) is paid as an advance and remaining balance is to be paid as per the property purchase agreement. The sale deed is not yet executed. No collateral is available against these advances.

9	Trade and other payables	Note	Unaudited	Audited
			31 December 2018	30 June 2018
			Rupees	
	Creditors	9.1	3,572,483	4,302,046
	Accrued liabilities	9.2	10,540,802	8,818,603
	Security deposit from tenants		486,660	486,660
	Payable against purchase of investment property	9.3	6,181,523	408,181,523
	Final settlements payable		11,663,769	11,685,362
	Withholding income tax payable		3,078,847	2,762,037
	Sales tax payable		305,165	540,531
	Other liabilities		17,780	17,780
			35,847,029	436,794,542

9.1 This includes Rs. 354,100 (June 2018: Rs. 341,100) and Rs. 1,001,442 (June 2018: Rs. 1,001,442) payable to Media Times Limited (related party, associated undertaking) and World Press Private Limited (related party, subsidiary company) respectively.

9.2 This includes payable to Chief Executive Officer of the Company against salary amounting Rs. 4,214,501 (June 2018: 3,229,289).

9.3 This represents payable to Pace (Pakistan) Limited (related party, associated undertaking) against purchase of property amounting Rs. 6,181,523 (June 2018: 406,181,523).

10	Long term financing	Note	Unaudited	Audited
			31 December 2018	30 June 2018
			Rupees	
Payable against diminishing musharka				
	Opening balance		1,100,000,000	-
	Loan obtained during the year/period		500,000,000	1,100,000,000
	Current portion of principal		(100,000,000)	-
	Closing balance	10.1	1,500,000,000	1,100,000,000

10.1 This represents payable against diminishing musharka agreement with Silk Bank Limited (Eman Islamic Banking). This carry markup at the rate of 6 month KIBOR (ask side) plus 3% margin per annum. This loan is secured by the way of hypothecation over following assets:

- Diminishing musharka asset
- Current assets of company

11 Contingencies and commitments

11.1 There are no significant changes in contingencies and commitments from those disclosed in the preceding annual financial statements of the Company for the year ended 30 June 2018.

11.2 Commitment for purchase of property amounting Rs. 15,430,561 (June 30, 2018 Rs. 5,905,760).

12 Revenue from money market services

	Half year ended		Quarter ended	
	31 December 2018	31 December 2017	31 December 2018	31 December 2017
Rupees				
Gross revenue	4,847,855	7,483,828	3,635,194	2,926,192
Less Sales tax	(557,718)	(860,971)	(418,208)	(336,642)
Net revenue	4,290,137	6,622,857	3,216,986	2,589,550

13 Transactions and balances with related parties

The related parties comprise the subsidiaries and associates of the Company, associated undertakings other related companies, directors and key management personnel of the Company. The Company in the normal course of business carries out transactions with various related parties. Significant transactions with related parties other than those disclosed elsewhere in the condensed interim un-consolidated financial information are as follows:

Half year ended		Quarter ended	
31 December 2018	31 December 2017	31 December 2018	31 December 2017
Rupees		Rupees	

Subsidiary companies

Rental income earned	5,700,000	5,700,000	2,850,000	2,850,000
Net paid against expenses	212,000	-	-	-
Payable balance paid	2,000,000	890,400	-	-
Brokerage commission paid	11,715	-	-	-

Associated companies

Purchase of goods / services	13,000	64,500	-	64,500
Units purchased	13,000,000	-	13,000,000	-
Units redemmed	5,509,548	-	5,509,548	-
Funds received against dividend	89,420	-	-	-
Paid against outstanding balance	400,000,000	-	400,000,000	-
Purchase of CWIP	-	25,334,248	-	25,334,248

Key management personnel

Salaries and other employee benefits	1,952,640	3,453,413	976,320	1,809,712
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13.1 The amount due to / due from related parties are disclosed in respective notes to condensed interim un-consolidated financial information.

14 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
	2018	2018
	Rupees	Rupees
Level 1:		
Available for sale investments	1,394,246,351	1,734,926,701
Investments at fair value through profit or loss	27,238,571	31,079,421
Level 2:	-	-
Level 3:	-	-
	1,421,484,922	1,766,006,122
Financial Liabilities	-	-

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

15 Authorization of unconsolidated condensed interim financial statements

This unconsolidated condensed interim financial statements was authorized for issue on 28 February 2018 by the Board of Directors.

Due to non-availability of Chief Executive Officer in Pakistan, these unconsolidated condensed interim financial statements are signed by two directors of the Company as per provisions of section 232 of Companies Act, 2017.

16 Corresponding figures

In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', the condensed interim un-consolidated statement of financial position has been compared with the balances of annual audited financial statements of preceding financial year, whereas, the condensed interim un-consolidated statement of profit or loss, condensed interim un-consolidated statement of comprehensive income and condensed interim un-consolidated statement of cash flows and condensed interim un-consolidated statement of changes in equity have been compared with the balances of comparable period of immediately preceding financial year. Corresponding figures have been re-arranged and re-classified, wherever necessary, for the purposes of comparison. However, no significant re-classifications have been made.

17 General

Figures have been rounded off to the nearest rupee.

The Chief Executive Officer is not available in Pakistan, therefore the financial statements are signed by two directors of the Company.

Director

Chief Financial Officer

Director

FIRST CAPITAL SECURITIES CORPORATION LIMITED

***CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS AS AT DECEMBER 31, 2018***

STATEMENT OF CONSOLIDATED FINANCIAL POSITION

STATEMENT OF CONSOLIDATED PROFIT OR LOSS

STATEMENT OF CONSOLIDATED COMPREHENSIVE INCOME

STATEMENT OF CONSOLIDATED CASH FLOWS

STATEMENT OF CONSOLIDATED CHANGES IN EQUITY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FIRST CAPITAL SECURITIES CORPORATION LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2018

	Note	Un-Audited 31 December 2018 Rupees	Audited 30 June 2018 Rupees
Non-current assets			
Property, plant and equipment	5	245,228,884	273,990,367
Intangible assets		5,187,507	5,312,511
Investment properties		3,035,116,500	2,890,575,782
Investments accounted for using the equity method	6	453,536,123	476,163,258
Long term investments		14,675,317	23,165,822
Long term deposits and advances - considered good		<u>11,644,087</u>	<u>136,911,466</u>
		3,765,388,418	3,806,119,206
Current assets			
Stock in trade		1,374,606	36,779,100
Trade debts		759,529,872	658,391,617
Loans, advances and other receivables		460,410,931	364,008,230
Prepayments		1,804,107	1,001,725
Interest accrued		-	75,648
Deposits and other receivables		24,607,182	19,222,801
Short term investments	6	299,673,563	305,975,202
Tax refund due from Government		10,879,370	10,635,246
Cash and bank balances		<u>95,928,808</u>	<u>154,350,251</u>
		1,654,208,439	1,550,439,820
Current liabilities			
Trade and other payables		391,352,776	1,207,560,429
Mark-up accrued		81,774,707	-
Short term borrowings		-	491,125
Current portion of long term loans - secured		<u>136,700,000</u>	<u>31,459,282</u>
		609,827,483	1,239,510,836
Net current assets			
		<u>1,044,380,956</u>	<u>310,928,984</u>
Non-current liabilities			
Deferred tax liability		997,216	988,470
Deferred liabilities		70,812,320	67,421,984
Long term loans - secured		<u>3,040,759,098</u>	<u>2,348,444,690</u>
		3,112,568,634	2,416,855,144
Contingencies and commitments	7	<u>1,697,200,740</u>	<u>1,700,193,046</u>
Represented by			
Equity			
Share Capital and Reserves			
Authorized share capital: 320,000,000 (2017: 320,000,000) ordinary shares of Rs 10 each		<u>3,200,000,000</u>	<u>3,200,000,000</u>
Issued, subscribed and paid-up share capital		3,166,101,120	3,166,101,120
Exchange translation reserve		29,303,206	30,701,293
Reserves capitalised		480,054,923	480,054,923
Retained earnings		<u>(2,240,607,944)</u>	<u>(2,259,828,819)</u>
Equity attributable to owners of the Parent Company		1,434,851,305	1,417,028,517
Non-controlling interests (NCI)		262,349,435	283,164,529
		<u>1,697,200,740</u>	<u>1,700,193,046</u>

The annexed notes 1 to 13 form an integral part of this condensed interim consolidated financial statements.

The Chief Executive Officer is not available in Pakistan, therefore the financial statements are signed by two directors of the Company.

Director

Chief Financial Officer

Director

FIRST CAPITAL SECURITIES CORPORATION LIMITED
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS - (Un-Audited)
FOR THE QUARTER AND HALF YEAR ENDED 31 DECEMBER 2018

	Half year ended		Quarter ended	
	31 December		31 December	
	2018	2017	2018	2017
	Rupees		Rupees	
Operating revenue	153,862,775	70,541,678	54,688,358	19,185,766
Direct costs	(101,718,362)	(38,721,712)	(38,006,660)	(25,481,511)
Gross profit	52,144,413	31,819,966	16,681,698	(6,295,745)
Change in fair value of investment properties	150,000,000	(2,744,000)	150,000,000	(2,744,000)
Unrealized loss on re-measurement of 'investments at fair value through profit or loss'	(34,367,910)	(52,979,455)	(27,429,228)	(47,559,018)
Operating and administrative expenses	(100,102,545)	(124,932,136)	(52,411,689)	(65,930,320)
	67,673,958	(148,835,625)	86,840,781	(122,529,083)
Other income	54,849,294	178,916,205	43,448,615	172,278,477
Finance costs	(83,944,513)	(15,664,288)	(37,506,968)	(8,209,456)
	38,578,739	14,416,292	92,782,428	41,539,938
Share of (loss)/profit from investments accounted for using the equity method - net of tax	(23,175,148)	(433,738)	(20,127,026)	12,833,369
Loss before taxation	15,403,591	13,982,554	72,655,402	54,373,307
Taxation	(9,190,661)	2,428,591	(456,570)	5,486,094
Loss after taxation for the period	6,212,930	16,411,145	72,198,832	59,859,401
Basic and diluted (loss)/earnings per share	0.08	(0.03)	0.27	0.08
Loss attributable to:				
- Owners of the Parent Company	23,807,678	(8,584,097)	86,064,496	25,741,589
- Non-controlling interests	(17,594,748)	24,995,242	(13,865,664)	34,117,812
Loss for the period	6,212,930	16,411,145	72,198,832	59,859,401

The annexed notes 1 to 13 form an integral part of this condensed interim consolidated financial statements.

The Chief Executive Officer is not available in Pakistan, therefore the financial statements are signed by two directors of the Company.

Director

Chief Financial Officer

Director

First Capital Securities Corporation Limited - Group
CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME - (Un-Audited)
FOR THE QUARTER AND HALF YEAR ENDED 31 DECEMBER 2018

	Half year ended		Quarter ended	
	31 December		31 December	
	2018	2017	2018	2017
	Rupees		Rupees	
Loss after taxation	6,212,930	16,411,145	72,198,832	59,859,401
Other comprehensive income/(loss) for the period				
<u>Items that may be subsequently reclassified to profit or loss:</u>				
Share of other comprehensive income of investments accounted for using the equity method - net of tax	548,014	549,270	273,917	274,635
Unrealized gain / (loss) on remeasurement of investment available for sale	(7,011,904)	(5,257,685)	(2,812,733)	(625,152)
Exchange differences on translation of foreign operations recognised as:				
- Exchange translation reserve	(1,398,087)	5,613,727	3,637,271	4,428,571
- Non-controlling interests	(1,343,259)	5,393,580	3,494,633	4,254,901
Other comprehensive income/(loss) for the period	(2,741,346)	11,007,307	7,131,904	8,683,472
Total comprehensive loss for the period	(2,992,306)	22,710,037	76,791,920	68,192,356
Total comprehensive loss attributable to :				
- Owners of the Parent Company	17,822,788	(6,271,303)	87,915,920	29,986,996
- Non-controlling interests	(20,815,094)	28,981,340	(11,124,000)	38,205,360
	(2,992,306)	22,710,037	76,791,920	68,192,356

The annexed notes 1 to 13 form an integral part of this condensed interim consolidated financial statements.

The Chief Executive Officer is not available in Pakistan, therefore the financial statements are signed by two directors of the Company.

Director

Chief Financial Officer

Director

FIRST CAPITAL SECURITIES CORPORATION LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY - (Un-Audited)
FOR THE HALF YEAR ENDED 31 DECEMBER 2018

	Attributable to owners of the Company				Total	Non-controlling interests	Total equity
	Share capital	Exchange translation reserve	Reserve capitalised	Retained earnings			
	----- Rupees -----						
Balance at 30 June 2017 - (Audited)	3,166,101,120	17,990,368	480,054,923	(2,143,982,701)	1,520,163,710	269,306,976	1,789,470,686
Loss for the period	-	-	-	(8,584,097)	(8,584,097)	24,995,242	16,411,145
Other comprehensive income / (loss)	-	5,613,727	-	(3,300,933)	2,312,794	3,986,098	6,298,892
Total comprehensive (income)/loss for the period	-	5,613,727	-	(11,885,030)	(6,271,303)	28,981,340	22,710,037
Balance at 31 December 2017	3,166,101,120	23,604,095	480,054,923	(2,155,867,731)	1,513,892,407	298,288,316	1,812,180,723
Balance at 30 June 2018 - (Audited)	3,166,101,120	30,701,293	480,054,923	(2,259,828,819)	1,417,028,517	283,164,529	1,700,193,046
Loss for the period	-	-	-	23,807,678	23,807,678	(17,594,748)	6,212,930
Other comprehensive loss for the period	-	(1,398,087)	-	(4,586,803)	(5,984,890)	(3,220,346)	(9,205,236)
Total comprehensive income loss for the period	-	(1,398,087)	-	19,220,875	17,822,788	(20,815,094)	(2,992,306)
Balance at 31 December 2018	3,166,101,120	29,303,206	480,054,923	(2,240,607,944)	1,434,851,305	262,349,435	1,697,200,740

The annexed notes 1 to 13 form an integral part of this condensed interim consolidated financial statements.

The Chief Executive Officer is not available in Pakistan, therefore the financial statements are signed by two directors of the Company.

Director

Chief Financial Officer

Director

FIRST CAPITAL SECURITIES CORPORATION LIMITED
CONDENSED INTERIM CONSOLIDATED CASH FLOWS - (Un-Audited)
FOR THE HALF YEAR ENDED 31 DECEMBER 2018

	Note	Half year ended	
		31 December	31 December
		2018	2017
		Rupees	Rupees
Cash flows from operating activities			
Cash (used in)/generated from operations	8	(678,775,061)	462,134,405
Long term deposits and advances		125,267,379	779,873
Retirement benefits paid - net		21,094	1,977,832
Finance costs paid		(2,169,806)	(15,664,288)
Taxes paid		(9,426,039)	(19,537,779)
Net cash (used in)/generated from operating activities		(565,082,433)	429,690,043
Cash flows from investing activities			
Fixed capital expenditure		(684,511)	(2,147,805)
Short term investments - net		(28,066,271)	(46,420,689)
Proceeds from sale of property, plant and equipment		22,125,000	43,157,132
Proceeds from disposal of investment property		(294,540,718)	305,346,239
Investment available for sale - net		1,478,600	-
Dividend received		-	8,187,850
Interest received		11,535,108	20,033,161
Net cash generated from/(used in) investing activities		(288,152,792)	328,155,888
Cash flows from financing activities			
Receipt/(payment) of loan		797,555,128	(746,002,890)
Net cash generated from financing activities		797,555,128	(746,002,890)
Net decrease in cash and cash equivalents		(55,680,097)	11,843,041
Cash and cash equivalents at the beginning of the period		154,350,251	124,516,280
Effect of exchange translation reserve		(2,741,346)	11,007,307
Cash and cash equivalents at the end of the period		95,928,808	147,366,628

The annexed notes 1 to 13 form an integral part of this condensed interim consolidated financial statements.

The Chief Executive Officer is not available in Pakistan, therefore the financial statements are signed by two directors of the Company.

Director

Chief Financial Officer

Director

First Capital Securities Corporation Limited Group

Notes to the Condensed Interim Consolidated Financial Information - (Un-Audited)

FOR THE HALF YEAR ENDED 31 DECEMBER 2018

1. The Group and its operations

- 1.1 First Capital Securities Corporation Limited (“the Holding Company”) was incorporated in Pakistan on April 11, 1994 as a public limited company under the repealed Companies Ordinance, 1984 and is listed on the Pakistan Stock Exchange. The Company is involved in making long and short term investments, money market operations and financial consultancy services. Geographical location and location of other offices are as under:

Head Office

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

Corporate Office

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

- 1.2 The Group consists of First Capital Securities Corporation Limited, (the Holding Company), Ever Green Water Valley (Private) Limited, Falcon Commodities (Private) Limited, First Capital Equities Limited, First Capital Investments Limited, First Construction Limited, Lanka Securities (Private) Limited, Ozer Investments Limited and World Press (Private) Limited (the subsidiary companies) [together referred to as “the Group”] and the Group’s interest in equity accounted investee namely; First Capital Mutual Fund, Media Times Limited and Pace Barka Properties Limited.

	Percentage of Holding	
	31 December 2018	30 June 2018
First Capital Investments Limited (FCIL)	78.86	78.86
Lanka Securities (Pvt.) Limited, Sri Lanka (LSL)	51	51
World Press (Pvt.) Limited (WPL)	65	65
First Capital Equities Limited (FCEL)	73.23	73.23
Ever Green Water Valley (Pvt.) Limited	100	100
Falcon Commodities (Pvt.) Limited (FCL)	100	100
Ozer Investments Limited	100	100
First Construction Limited	100	100

- 1.3 Ever Green Water Valley (Private) Limited (the Subsidiary Company) was incorporated on December 22, 2005 as Private Limited Company under the repealed Companies Ordinance, 1984. The Company is engaged in the business of Installation & manufacturing of Water purification plants, RO systems, water softness systems and Construction of Buildings and other related activities. The registered office of the Company is situated at 2nd floor Pace Shopping mall, Fortress Stadium Lahore. Ever Green Water Valley (Private) Limited is the wholly owned subsidiary of the Holding Company.
- 1.4 Falcon Commodities (Private) Limited (the Subsidiary Company) was incorporated on December 22, 2005 as Private Limited Company under the repealed Companies Ordinance, 1984. The principal activity of the Company is to carry on the business of commodities brokerage as a corporate member of Pakistan Mercantile Exchange Limited. The registered office of the Company is situated at 4th Floor, Lakson Square Building No,01 Sarwar Shaheed Road Karachi. Falcon Commodities (Private) Limited is the wholly owned subsidiary of the Holding Company.
- 1.5 First Capital Equities Limited (FCEL) (the Subsidiary Company) was incorporated in Pakistan on January 26, 1995 as a private limited company, under the repealed Companies Ordinance, 1984. 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 principal activities of the Company include share brokerage and conducting / publishing business research. The Holding Company has 73.23% ownership in First Capital Equities Limited. Geographical locations and addresses of all business units are as under:

Head Office**Regional Office**

Office No. 05, 2nd Floor,
Kohinoor Plaza, Faisalabad.

Corporate Office**Regional Office**

Shan Plaza, Block No. 06, Main
Khushab Road, Near Allied
Bank Limited, Sargodha.

Regional Office**Regional Office**

Suit No. 18, Mezzanine Floor,
Humayoon Gymkhana Complex,
Stadium Road, Sukkur.

Regional Office

Office No. 57, Quaid-e-Azam
Stadium, Mirpur, Azad
Kashmir.

- 1.6** First Capital Investments Limited (FCIL) (the Subsidiary Company) was incorporated in Pakistan on October 27, 1994 as a private company limited by shares, under the repealed Companies Ordinance, 1984 having registered office at 2nd Floor, Pace Mall, Fortress Stadium, Lahore Cantt, Lahore. Status of the Company was changed from private limited to public limited on August 06, 2003. The Securities and Exchange Commission of Pakistan (SECP) has issued a license to the Company to undertake Asset Management Services as required under the NBFC (Establishment and Regulation) Rules, 2003. The Company has been assigned Management Quality Rating "AM4++" by The Pakistan Credit Rating Agency Limited "PACRA" Credit Rating Company. The main activity of the company is to provide asset management services to First Capital Mutual Fund Limited (The fund). The Holding Company has 78.86% ownership in First Capital Investments Limited.
- 1.7** First Construction Limited (the Subsidiary Company) was incorporated on August 15, 2014 as Public Limited Company under the repealed Companies Ordinance, 1984. The principal activity of the Company is to undertake construction, development and related activities. The registered office of the Company is situated at 2nd Floor, Pace Mall, Fortress Stadium, Lahore Cantt, Lahore. First Construction Limited is the wholly owned subsidiary of the Holding Company.
- 1.8** Lanka Securities (Private) Limited (the Subsidiary Company) was incorporated in Sri Lanka in the year of 1989. The principal activity of the Company is equity debt security brokering and undertaking placement of equity debt securities. The registered office of the Company is situated at No. 228/1, Galle Road, Colombo 04, Sri Lanka. The Holding Company has 51% ownership in Lanka Securities (Private) Limited.
- 1.9** Ozer Investments Limited (OIL) (the Subsidiary Company) was incorporated in Sri Lanka in the year of 2010. OIL has not yet started its commercial activity however main objective of the Company is to provide financial advisory, portfolio management, margin provision unit trust management and stock brokerage services. The registered office of the Company is situated Colombo, Sri Lanka. Ozer Investments Limited is the wholly owned subsidiary of the Holding Company.
- 1.10** World Press (Private) Limited (WPPL) was incorporated in Pakistan on September 11, 2003 as a private limited company under the repealed Companies Ordinance, 1984. The registered office of the Company is situated at 2nd floor, Pace Shopping Mall, Fortress Stadium, Lahore Cantt, Lahore and its principal place of business is at 113/13 Quaid-e-Azam Industrial estate Kot Lakhpat Lahore. The principal activity of the company is to carry on the business of printers, publishers, packaging, advertisement and specialized directory business, stationers and dealers in all allied products and paper, board and packing materials for industrial and commercial packing. The Holding Company has 65% ownership in World Press (Private) Limited.
- 1.11** There were no change in composition of the group during the three months period ended 30 September, 2018.

2 Basis of preparation

- 2.1** These condensed interim consolidated 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 consolidated financial statements are unaudited and do not include all the information and disclosures required in the audited annual unconsolidated financial statements and should be red in conjunction with the audited consolidated financial statements of the Company for the year ended 30 June, 2018.
- 2.3** The comparative condensed interim consolidated financial position is extracted form the audited consolidated financial statements of the Company for the year ended 30 June, 2018, where comparative consolidated condensed interim profit or loss, and other comprehensive income, condensed consolidated interim statement of cash flows and condensed interim consolidated statement of changes inequity are stated from unaudited condensed interim consolidated financial statements for the half year ended 31 December, 2017.
- 2.4** This consolidated condensed interim financial information is presented in Pak Rupees which is the functional and presentation currency of the Group. Figures have been rounded off to the nearest rupee.

3 Significant accounting policies

Accounting policies and methods of computation adopted in the preparation of this consolidated condensed interim financial report are the same as those applied in the preparation of audited annual consolidated financial statements of the Group for the preceding year ended 30 June 2018.

3.1 Initial application of standards, amendments or an interpretation to existing standards

The following amendments to existing standards have been published that are applicable to the Company's consolidated financial statements covering annual periods, beginning on or after the following dates:

3.1.1 Standards, amendments and interpretations to approved accounting standards that are effective in the current year

There are certain standards, amendments and interpretations to approved accounting standards that are effective in the current year but are considered not to be relevant or to have any significant effect on the Group operations and are, therefore, not detailed in this condensed interim financial information.

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

There are certain standards, amendments and interpretations to approved accounting standards that are mandatory for the Company's accounting periods beginning on or after 1 January 2019 or later periods, and the Company has not early adopted them therefore, not detailed in this condensed interim financial information.

4 Estimates

The preparation of these consolidated condensed interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. The significant judgments made by management is in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the consolidated financial statements for the year ended 30 June 2018.

	Note	31 December 2018 Rupees	30 June 2018 Rupees
5 Property, plant and equipment			
Property, plant and equipment	5.1	26,868,778	55,630,261
Capital work in progress	5.2	218,360,106	218,360,106
		245,228,884	273,990,367
5.1 Opening book value		55,630,261	115,812,369
Additions for the period/year		684,512	18,359,196
Effect of movement in exchange rate		(537,286)	4,722,925
Disposal for the period/year net book value		(18,556,038)	(52,342,321)
		37,221,449	86,552,169
Depreciation expense for the period/year		10,858,200	26,400,880
Effect of movement in exchange rate		(505,529)	4,521,028
Closing book value		26,868,778	55,630,261
5.2 Opening balance		218,360,106	198,051,093
Additions for the period/year		-	25,334,248
Disposal for the period/year		-	(5,025,235)
Closing balance	5.3	218,360,106	218,360,106

5.3 This represent Group properties does not hold the title of capital work in progress which includes various shops and apartments situated at Pace Tower, Gulberg and Pace Circle, Lahore. Out of this CWIP amounting Rs. 70.13 million (2018: Rs. 70.13 million) is held in the name of Pace Pakistan Limited, CWIP of Rs. 36.95 Million (2018 Rs. 36.95 million) is held in the name of Mr. Liaquat Ali and CWIP amounting Rs. 25.33 million (2018: Rs. 25.33 million) is held in the name of Pace Barka Properties Limited and Shahid Mehmood respectively. The title of these properties will be transferred on completion. However, the Group has complete control and possession of said property.

	31 December 2018 Rupees	30 June 2018 Rupees
6 Investments		
Carrying value of investments at the beginning of the period / year	805,304,282	915,159,395
Investments made during the period / year		
- Others	-	(18,496,277)
Share of loss of equity accounted investees (net of tax)	(23,175,148)	(17,780,114)
Equity accounted investees- share of other comprehensive income	548,014	39,311
Unrealized loss on remeasurement of investment available for sale	(7,011,904)	(9,529,365)
Unrealized (loss) / gain on re-measurement of investments at fair value through profit or loss	(34,367,910)	(60,006,366)
Less Dividends	-	(3,509,557)
	(64,006,948)	(90,786,091)
Investments disposed off during the period/year	26,587,669	(572,745)
Carrying value at the end of the period / year	767,885,003	805,304,282
Investments classified in current assets	299,673,563	305,975,202
Closing book value	468,211,440	499,329,080

7 Contingencies and commitments

There is no significant change in contingencies and commitments disclosed in the annual audited consolidated financial statements for the year ended June 30, 2018 except for the following commitments:

Commitments	31 December 2018	30 June 2018
	Rupees	Rupees
Sale of Shares	472,336,543	517,215,269
Purchase of shares	477,018,184	513,507,359
Capital expenditure	15,430,461	34,600,760
Ijarah lease rental	6,679,115	6,679,115

Half year ended	
31 December 2018	31 December 2017
Rupees	Rupees

8 Cash generated from operations

Loss before taxation	15,403,591	13,982,554
Adjustments for:		
Depreciation	10,858,200	12,781,882
Finance cost	83,944,513	15,664,288
Loss on re-measurement of short term investments	34,367,910	52,979,455
Loss/(gain) on re-measurement of investment properties	150,000,000	2,744,000
Dividend income	-	(8,187,850)
Amortization	125,004	7,625,004
Gain on disposal of property, plant and equipment	(3,568,962)	(18,444,264)
Loss on disposal of investment properties	-	21,491,831
Retirement benefits	3,369,242	4,606,359
Share of loss from investments accounted for using equity method	23,175,148	433,738
Mark-up income	(11,459,460)	(19,967,935)
	290,811,595	71,726,508
Loss before working capital changes	306,215,186	85,709,062
Effect on cash flow due to working capital changes:		
Decrease/(increase) in:		
Inventories	35,404,494	-
Trade debts	(101,106,499)	397,083,396
Loans and advances	(96,402,701)	(53,115,559)
Short term prepayments	(802,382)	6,695
Deposits and other receivables	(5,384,381)	(68,219,369)
(Decrease)/increase in:		
Trade and other payables	(816,207,653)	109,648,822
Short term borrowings	(491,125)	(8,978,642)
	(984,990,247)	376,425,343
Cash (used in)/generated from operations	(678,775,061)	462,134,405

9 Transactions with related parties

Related parties comprise of entities over which the directors are able to exercise significant influence, entities with common directors, major shareholders, subsidiary undertakings, associated companies, directors and key management personnel. The significant transactions with related parties are as follows:

		Half year ended	
		31 December 2018	31 December 2017
		Rupees	Rupees
9.1 Transaction during the period			
Associated companies	Purchase of goods / services	13,000	25,398,748
	Units purchased	13,000,000	-
	Units redemmed	5,509,548	-
	Service charges	335,880	335,880
	Asset management fee	1,488,217	176,161
	Sale of properties	430,000,000	-
	Construction revenue	5,570,000	9,134,310
Key management personnel	Salaries and other employee benefits	6,765,640	23,126,785
		31 December 2018	30 June 2018
		Rupees	Rupees
9.2 Period / year end balances			
Associated companies	Receivables from related parties	385,620,864	1,578,417
	Payables to related parties	224,292,819	52,969,809
	Retention money	-	123,926,176

10 Financial risk management

10.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The condensed interim consolidated financial information does not include all financial risk management information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Company's annual consolidated financial statements as at 30 June 2018.

There have been no changes in the risk management policies since year end.

10.2 Liquidity risk

Compared to year end, there was no material change in the contractual undiscounted cash out flows for financial liabilities.

10.3 Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table presents the Group assets and liabilities that are measured at fair value at 31 December 2018.

	Level 1	Level 2	Level 3	Total
	Rupees			
Assets				
Investments at fair value through profit and loss	299,673,563	-	-	299,673,563
Total assets	299,673,563	-	-	299,673,563
Liabilities				
	-	-	-	-

There were no reclassifications of financial assets and there were no changes in valuation techniques during the period.

11 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.

12 Date of authorization for issue

This un-audited condensed interim consolidated financial information was authorized for issue on 28 February 2019 by the Board of Directors.

Due to non-availability of Chief Executive Officer in Pakistan, these unconsolidated condensed interim financial statements are signed by two directors of the Company as per provisions of section 232 of Companies Act, 2017.

13 General

Figures have been rounded off to the nearest rupee.

The Chief Executive Officer is not available in Pakistan, therefore the financial statements are signed by two directors of the Company.

Director

Chief Financial Officer

Director