



# UNICAP MODARABA

*ANNUAL AUDITED  
FINANCIAL STATEMENTS*

*FOR THE PERIOD ENDED*

*30 JUNE 2017*

[www.unicapmodaraba.com](http://www.unicapmodaraba.com)

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**UNICAP MODARABA**  
**ISLAMIC FINANCIAL INSTITUTION - NBFIL**

**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

**ILYAS SAEED & CO.**

**CHARTERED ACCOUNTANTS**

A member of

**mgilworldwide** 

OFFICE # 26, 2<sup>ND</sup> FLOOR, ROSE PLAZA, I-8 MARKAZ, ISLAMABAD  
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## AUDITORS' REPORT TO THE CERTIFICATE HOLDERS

We were engaged to audit the annexed balance sheet of **UNICAP MODARABA** as at June 30, 2017 and the related profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof (hereinafter referred to as the financial statements), for the year then ended.

These financial statements are the responsibility of the Modaraba Management Company (Map Out Management (Private) Limited), who is also responsible to establish and maintain a system of internal control, and prepare and present the above said financial statements in conformity with the requirements of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (XXXI of 1980), and the Modaraba Companies and Modaraba Rules, 1981. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting policies and significant estimates made by the Modaraba Management Company, as well as, evaluating the overall presentation of the financial statements. We believe that our audit does not provide a reasonable basis to form an opinion and accordingly, we report that:-

1. Financial statements for the previous year were audited by us whereby we expressed a disclaimer due to significant matters identified during our engagement vide our report dated January 30, 2018.
2. Due to time constraint and we being appointed as auditors subsequent to the balance sheet date i.e. May 09, 2018, we could not physically verify the fixed assets, stocks, stores, cash and cash equivalents as at June 30, 2017.
3. Direct confirmations in respect of Banks, Legal Advisor, Tax Consultant, Debtors, Creditors, Directors and other receivable / payables could not be sent due to the reason aforementioned.
4. The Company has suffered a loss of Rs. 4.181 million (2016: Rs. 5.698 million) excluding adjustments as might be necessary during the year. The Company has suffered accumulated losses amounting to Rs. 156.378 million (2016: Rs. 152.196 million) and the equity for the year shows a positive figure of Rs. 38.761 million.
5. Reportedly, the operations of the Company were under suspension by the Orders of the Securities and Exchange Commission of Pakistan for a major part of the year. However, no operations took place during the year.

*JSC*

6. We were unable to satisfy ourselves as to the pendency or otherwise of the contingencies and commitments reported for the year as well as of those reported in previous year's financial statements.
7. The Company injected further capital of Rs. 100.000 million (Rs. 50.000 million net of discount) during the previous year which increased the issued, subscribed and paid up capital of the Company to Rs. 236.400 million. However, the authorized capital of the Company remained at Rs. 200.000 million at the time of increase in issued, subscribed and paid up capital. This increase was made without first increasing the authorized capital and resultant change in Memorandum of Association of the Company. Thus, the issuance of paid up capital in excess of the authorized capital led to an ultra vires act on the part of the Company. However, the Company applied for increase in authorized capital subsequent to the said increase in issued, subscribed and paid up capital and purportedly has obtained the approval from respective authorities.
8. Due to the significance and material nature of the foregoing, material uncertainties exist which cast significant doubt about the Company's ability to continue as a going concern. Thus, the Company may not be able to realize all its assets and discharge all its liabilities in the normal course of business. These financial statements have been prepared on a going concern basis without any adjustments to reflect assets at their realizable value and liabilities at values they are likely to be discharged at, as against the requirements of the approved International Financial Reporting Standards.

Because of the significance and material nature of the matters discussed in the preceding paragraphs, we do not express an opinion on these financial statements.

ISLAMABAD: 26/06/2018.  
*JSC*

*Ilyas Saeed & Co.*  
**CHARTERED ACCOUNTANTS**  
Engagement Partner: Imran Ilyas, FCA

**UNICAP MODARABA**  
**BALANCE SHEET**  
**AS AT JUNE 30, 2017**

|   | Notes | 2017<br>Rupees    | 2016<br>Rupees    |
|---|-------|-------------------|-------------------|
| <b>ASSETS</b>                             |       |                   |                   |
| <b>Non-current Assets</b>                 |       |                   |                   |
| Property & equipment                      | 5     | 432,043           | 617,947           |
| <b>Current Assets</b>                     |       |                   |                   |
| Investments - Stock in trade              | 6     | 50,487,000        | 50,487,000        |
| Advances, deposits & prepayments          | 7     | 26,537            | 297,232           |
| Other receivables                         | 8     | 127,580           | 627,580           |
| Cash & bank balances                      | 9     | 791,488           | 17,236            |
|   |       | 51,432,605        | 51,429,048        |
| <b>TOTAL ASSETS</b>                       |       | <b>51,864,648</b> | <b>52,046,995</b> |
| <b>LIABILITIES</b>                        |       |                   |                   |
| <b>Long Term Liabilities</b>              |       |                   |                   |
|   | 10    | 11,203,489        | 5,286,247         |
| <b>Current Liabilities</b>                |       |                   |                   |
| Accrued and other liabilities             | 11    | 998,242           | 2,916,660         |
| Provision for taxation                    |       | 901,489           | 901,489           |
|   |       | 1,899,731         | 3,818,149         |
| <b>TOTAL LIABILITIES</b>                  |       | <b>13,103,220</b> | <b>9,104,396</b>  |
| <b>TOTAL NET ASSETS</b>                   |       | <b>38,761,429</b> | <b>42,942,599</b> |
| <b>REPRESENTED BY:</b>                    |       |                   |                   |
| <b>Certificate Capital</b>                |       |                   |                   |
| Authorized Modaraba Fund                  | 12    | 240,000,000       | 200,000,000       |
| Issued, subscribed & paid up certificates | 12    | 236,400,000       | 236,400,000       |
| Discount on issuance of certificates      | 12    | (50,000,000)      | (50,000,000)      |
| <b>Reserves</b>                           |       |                   |                   |
| Statutory Reserve                         | SCE   | 8,738,973         | 8,738,973         |
| Retained Earnings                         | SCE   | (156,377,544)     | (152,196,374)     |
| Contingencies & Commitments               | 13    | -                 | -                 |
| <b>TOTAL EQUITY</b>                       |       | <b>38,761,429</b> | <b>42,942,599</b> |

The annexed notes from (1) to (19) form an integral part of these financial statements.

**--SD--**

**CHIEF EXECUTIVE**

**--SD--**

**DIRECTOR**



**UNICAP MODARABA**  
**PROFIT & LOSS ACCOUNT**  
**FOR THE YEAR ENDED JUNE 30, 2017**

|  | Notes | 2017<br>Rupees     | 2016<br>Rupees     |
|--|-------|--------------------|--------------------|
| <b>INCOME</b>                                    |       |                    |                    |
| Ijara rental income                              |       | -                  | -                  |
| Financial advisory                               |       | -                  | 500,000            |
| Un-realised gain on investment                   |       | -                  | -                  |
| Gain on sale of fixed asset                      |       | -                  | -                  |
| Reversal of accrued liabilities                  | 14    | 2,038,418          | -                  |
| Profit on bank account                           |       | -                  | -                  |
|  |       | 2,038,418          | 500,000            |
| <b>EXPENDITURE</b>                               |       |                    |                    |
| Administrative expenses                          | 15    | 6,219,588          | 6,198,387          |
| Impairment in value of investment                |       | -                  | -                  |
|  |       | 6,219,588          | 6,198,387          |
| <b>(Loss) for the year before Management Fee</b> |       | <b>(4,181,170)</b> | <b>(5,698,387)</b> |
| Modaraba company's management fee                |       | -                  | -                  |
| <b>(Loss) for the year before taxation</b>       |       | <b>(4,181,170)</b> | <b>(5,698,387)</b> |
| Taxation   |       | -                  | -                  |
| <b>(LOSS) FOR THE YEAR AFTER TAXATION</b>        |       | <b>(4,181,170)</b> | <b>(5,698,387)</b> |

The annexed notes from (1) to (19) form an integral part of these financial statements.

**--SD--**

**CHIEF EXECUTIVE**

**--SD--**

**DIRECTOR**

**UNICAP MODARABA**  
**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED JUNE 30, 2017**

|   | 2017<br>Rupees        | 2016<br>Rupees       |
|---|-----------------------|----------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>                    |                       |                      |
| (Loss) before taxation  | (4,181,170)           | (5,698,387)          |
| <b>Adjustments for:</b>   |                       |                      |
| Depreciation  | 185,904               | 266,753              |
| Gain on sale of fixed assets                                    | -                     | -                    |
| Impairment in value of investment                               | -                     | -                    |
| Operating cash flow before working capital changes              | <u>(3,995,267)</u>    | <u>(5,431,634)</u>   |
| <b>Working Capital Changes:</b>                                 |                       |                      |
| <b>(Increase) / decrease in current assets:</b>                 |                       |                      |
| Stock in trade  | -                     | (50,487,000)         |
| Advances, deposits & prepayments                                | 270,695               | (297,232)            |
| Other receivables   | 500,000               | (500,000)            |
| Accrued markup / profit   | -                     | -                    |
| <b>Increase / (decrease) in current liabilities:</b>            |                       |                      |
| Accrued and other liabilities                                   | <u>(1,918,418)</u>    | <u>845,500</u>       |
|   | (1,147,723)           | (50,438,732)         |
| Tax paid  | -                     | -                    |
| <b>Net Cash Flow From Operating Activities</b>                  | <u>(5,142,990)</u>    | <u>(55,870,366)</u>  |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>                    |                       |                      |
| Furniture and equipment   | -                     | (694,100)            |
| Proceeds from sale of fixed assets                              | -                     | -                    |
| Long term security deposits                                     | -                     | -                    |
| Proceeds from sale of short term investments                    | -                     | -                    |
| <b>Net Cash Flow From Investing Activities</b>                  | <u>-</u>              | <u>(694,100)</u>     |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>                    |                       |                      |
| Map Out Management Company (Pvt.) Limited                       | 5,917,242             | 4,966,247            |
| Capital Certificates  | -                     | 100,000,000          |
| Capital Certificates - Discount                                 | -                     | (50,000,000)         |
| <b>Net Cash Flow From Financing Activities</b>                  | <u>5,917,242</u>      | <u>54,966,247</u>    |
| <b>Net increase / (decrease) in cash &amp; cash equivalents</b> | <u>774,252</u>        | <u>(1,598,219)</u>   |
| <b>Cash &amp; cash equivalent at the beginning of the year</b>  | 17,236                | 1,615,455            |
| <b>Cash &amp; cash equivalent at the end of the year</b>        | <u><u>791,488</u></u> | <u><u>17,236</u></u> |

The annexed notes from (1) to (19) form an integral part of these financial statements.

**--SD--**

**CHIEF EXECUTIVE**

**--SD--**

**DIRECTOR**

**UNICAP MODARABA**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED JUNE 30, 2017**

|                                    | Certificate<br>Capital | Discount on<br>Issuance of<br>Certificates | Statutory<br>Reserve | Accumulated<br>(Loss) | Total             |
|------------------------------------|------------------------|--|----------------------|-----------------------|-------------------|
|                                    | -----Rupees-----       |  |                      |                       |                   |
| Balance as at June 30, 2015        | 136,400,000            | -  | 8,738,973            | (146,497,987)         | (1,359,014)       |
| Share capital issued / (withdrawn) | 100,000,000            | (50,000,000)                               | -                    | -                     | 50,000,000        |
| (Loss) for the year                | -                      | -  | -                    | (5,698,387)           | (5,698,387)       |
| <b>Balance as at June 30, 2016</b> | <b>236,400,000</b>     | <b>(50,000,000)</b>                        | <b>8,738,973</b>     | <b>(152,196,374)</b>  | <b>42,942,599</b> |
| Share capital issued / (withdrawn) | -                      | -  | -                    | -                     | -                 |
| (Loss) for the year                | -                      | -  | -                    | (4,181,170)           | (4,181,170)       |
| <b>Balance as at June 30, 2017</b> | <b>236,400,000</b>     | <b>(50,000,000)</b>                        | <b>8,738,973</b>     | <b>(156,377,544)</b>  | <b>38,761,429</b> |

The annexed notes from (1) to (19) form an integral part of these financial statements.

**--SD--**

\_\_\_\_\_  
**CHIEF EXECUTIVE**

**--SD--**

\_\_\_\_\_  
**DIRECTOR**



# **UNICAP MODARABA**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED JUNE 30, 2017**

#### **1 LEGAL STATUS AND NATURE OF BUSINESS**

Unicap Modaraba (the Modaraba) is a multipurpose, perpetual modaraba floated in Pakistan in the year 1991 under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 and the Rules framed thereunder, having its' registered office at 6-M/2, Block H, Gulberg – II, Lahore. The Modaraba is listed on Pakistan Stock Exchange. During the financial year 2014-2015, Al-Zamin Modaraba Management (Private) Limited transferred the management of Modaraba to Map Out Management Company (Private) Limited as on November 27, 2014. Previously, the Modaraba was managed (until May 03, 2000) by Chartered Management Services (Private) Limited and thereafter the management was transferred to Al-Zamin Modaraba Management (Private) Limited as the registration of the former was cancelled by the Securities and Exchange Commission of Pakistan in view of the various irregularities committed.

The accumulated losses of the Modaraba as at balance sheet date are Rs. 156.378 million. Further, the operations of Modaraba have been reduced to minimal level since the year 2000. However, the present Modaraba Management Company has planned to revive the Modaraba and intends to make it an active business concern.

Map Out Management Company (Private) Limited took over the management of the Modaraba from Al-Zamin Modaraba Management (Private) Limited on November 27, 2014 with negative equity amounting to Rs. 1.359 million and accumulated losses amounting to Rs. 146.498 million. The Management Company did not inherit any Public Money in the Modaraba at the time of take over as the entire equity of the Modaraba was eroded during the period of incumbency of its previous managements. Instead, the Management Company injected private money amounting Rs. 50 million net of discount in the equity of the Modaraba on December 31, 2015 raised from their own private sources.

The Modaraba is under the process of revival in accordance with SECP Order No. SC/PRDD/M/UNICAP/2017/102 dated 19.04.2017 and is considered as an ENTITY UNDER REVIVAL. In the light of the SECP Order, the Modaraba is going through a specific time bound revival plan for which stage wise regularization is being carried out. The Management Company has taken all steps required under the Order dated 19.04.2017 and so far ensuring to comply with the Revival Plan. Hence, as of today, the Modaraba is under revival & regularization as a public limited company solely operated with private money injected by Map Out Management Company (Private) Limited. Due to aforementioned reasons, the Modaraba may be doubtful to continue as a going concern however, the management is hopeful of its' revival and regularization and thus, these financial statements have been prepared on a going concern basis.

#### **2 STATEMENT OF COMPLIANCE**

These financial statements have been prepared in accordance with the requirements of the Approved International Financial Reporting Standards as applicable in Pakistan and the requirements of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, the Modaraba Companies & Modaraba Rules, 1981 and directives issued by the Securities and Exchange Commission of Pakistan (SECP) [the Modaraba Regulations].

#### **3 BASIS OF PREPARATION**

As stated in note 1 above, the Modaraba may be doubtful to continue as a going concern. However, the management is hopeful of its' revival and have injected new funds into the Modaraba thus, the financial statements have been prepared on a going concern basis without adjustment of all the assets at their realizable values and all liabilities at amounts these are likely to be discharged at.



### 3.1 Accounting convention

These financial statements have been prepared under the historical cost convention except as otherwise stated in the respective policies and notes given hereunder.

### 3.2 Critical accounting estimates and judgments

The preparation of financial statements in conformity with the Approved International Financial Reporting Standards as issued by the Institute of Chartered Accountants of Pakistan requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised. Significant areas requiring the use of management estimates in these financial statements relate to the useful life of depreciable assets. However, assumptions and judgments made by the management in the application of accounting policies that have significant effect on the financial statements are not expected to result in material adjustment to the carrying amounts of assets and liabilities in the next year.

## 4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in preparation of these financial statements are set out below. These policies have been consistently applied, unless otherwise stated:

### 4.1 Property and equipment

#### Owned:

##### Cost

Property & equipments are stated at cost less accumulated depreciation. Cost comprise of initial consideration paid on acquisition of asset as well as cost incurred to bring the asset to its' useful condition. Subsequent costs are included in assets' carrying amount or recognized as separate assets, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of item can be measured reliably. All other repair and maintenance costs are charged to income during the period in which they are incurred.

##### Depreciation

Depreciation is provided on straight line basis and charged to profit and loss account to write off the depreciable amount of each asset over its estimated useful life. Depreciation on addition in property, plant and equipment is charged on assets from the month of acquisition / purchase while no depreciation is charged in the month of disposal.

##### Derecognition

An item of property and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and carrying amount of the asset) is included in the profit and loss account in the year the asset is derecognized.

## **Leased**

### **Finance Lease**

Leases where the Company has substantially all the risks and rewards of ownership are classified as finance lease. Asset subject to finance lease are capitalized at the commencement of the lease term at the lower of present value of minimum lease payments under the lease agreements and the fair value of the leased assets, each determined at the inception of the lease.

The related rental obligation net of finance cost is included in liabilities against assets subject to finance lease. The liabilities are classified as current and long term depending upon the timing of payments. Each lease payment is allocated between the liability and finance cost so as to achieve a constant rate on the balance outstanding. The finance cost is charged to profit and loss account over the lease term.

Depreciation of assets subject to finance lease is recognized in the same manner as for owned assets. Depreciation of the leased assets is charged to profit and loss account.

## **4.2 Impairment of assets**

The carrying amounts of the assets are reviewed at each balance sheet date to determine whether there is any objective evidence that an asset or group of assets may be impaired. If any such evidence exists, the assets or group of assets' recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognized in the profit and loss account immediately.

A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount, however not to an amount higher than the carrying amount that would have been determined (net of depreciation), had no impairment losses been recognized for the asset in the prior years. Reversal of impairment loss is restricted to the original cost of the asset.

## **4.3 Investments**

Classification of an investment is made on the basis of intended purpose for holding such investment. Management determines the appropriate classification of its investments at the time of purchase and re-evaluates such designation on regular basis. Investments are initially measured at fair value plus transaction costs directly attributable to acquisition, except for "Investment at fair value through profit or loss" which is initially measured at fair value.

### **Held to maturity investments**

Investments with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Company has the positive intent and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification. Long-term investments that are intended to be held to maturity are subsequently measured at amortized cost.

This cost is computed as the amount initially recognized minus principal repayments, plus or minus the cumulative amortization, using the effective interest method, of any difference between the initially recognized amount and the maturity amount. For investments carried at amortized cost, gains and losses are recognized in profit and loss account when the investments are de-recognized or impaired, as well as through the amortization process.



#### **4.4 Stock-in-trade**

The Stock-in-trade is valued at cost or net realizable value whichever is less.

#### **4.5 Revenue Recognition**

##### **Rental Income**

Rentals on Ijarah contracts written are recognized as income on accrual basis.

##### **Interest Income**

Markup / profit is recorded on time proportion basis.

#### **4.6 Ijarah Financing**

In Ijarah, UNICAP Modaraba provides the asset on pre-agreed rentals for specific tenors to the customers.

#### **4.7 Expenses**

Expenses are recognized on accrual basis.

#### **4.8 Taxation**

Provision for current taxation is based on taxable income at current rates of taxation after taking into account tax credits available, if any. The change for current tax also includes adjustments where necessary relating to prior years, which arise from assessment revised / finalized during the

#### **4.9 Related Party Transactions**

Transactions with related parties are duly authorized by the management and are recognized in accordance with the pricing method approved by the Board of Directors of the management company.

#### **4.10 Offsetting**

A financial asset and financial liability is off-set and the net amount is reported in the balance sheet if the Company has a legally enforceable right to set-off the transaction and also intends either to settle on a net basis or to realize the asset and settle the liability simultaneously. Corresponding income on the assets and charges on the liabilities are reported on net amounts.

#### **4.11 Cash and cash equivalents**

Cash and cash equivalents comprise cash in hand and at banks. Cash equivalents are highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

#### **4.12 Foreign currency transactions and translations**

Foreign currency transactions are translated into Pak Rupees at the exchange rates prevailing on the date of transaction. Monetary assets and liabilities in foreign currencies are translated into Pak Rupees at the exchange rates prevailing at the balance sheet date.

#### 4.13 Provision

Provision is recognized when the Modaraba has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

#### 4.14 Financial instruments

Financial assets and liabilities are classified and stated at values determined according to substance of contractual arrangements. Financial instruments include investments receivables, cash and bank balances, certificate of investments, creditors and other liabilities. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

#### 4.15 Borrowing costs

The borrowing costs including interests are charged off to profit and loss account in the year in which they are incurred.

#### 4.16 Presentation & functional currency

The financial statements are presented in PKR which is the Modaraba's functional currency.

### 5 PROPERTY & EQUIPMENT

| PARTICULARS             | COST                |           |             | DEPRECIATION        |                |             |                     | W.D.V.<br>AS AT<br>30-06-2017 |
|-------------------------|---------------------|-----------|-------------|---------------------|----------------|-------------|---------------------|-------------------------------|
|                         | As at<br>01-07-2016 | Additions | (Deletions) | As at<br>30-06-2017 | For the Year   | Adjustments | As at<br>30-06-2017 |                               |
| Office Equipment        | 200,632             | -         | -           | 200,632             | 30,095         | -           | 80,253              | 120,379                       |
| Furniture & Fixture     | 694,100             | -         | -           | 694,100             | 155,809        | -           | 382,435             | 311,665                       |
| Motor Vehicle           | -                   | -         | -           | -                   | -              | -           | -                   | -                             |
| <b>TOTAL 30-06-2017</b> | <b>894,732</b>      | <b>-</b>  | <b>-</b>    | <b>894,732</b>      | <b>185,904</b> | <b>-</b>    | <b>462,689</b>      | <b>432,043</b>                |

### 5.1 PROPERTY & EQUIPMENT (Comparative)

| PARTICULARS             | COST                |                |             | DEPRECIATION        |                |             |                     | W.D.V.<br>AS AT<br>30-06-2016 |
|-------------------------|---------------------|----------------|-------------|---------------------|----------------|-------------|---------------------|-------------------------------|
|                         | As at<br>01-07-2015 | Additions      | (Deletions) | As at<br>30-06-2016 | For the Year   | Adjustments | As at<br>30-06-2016 |                               |
| Office Equipment        | 200,632             | -              | -           | 200,632             | 40,126         | -           | 50,158              | 150,474                       |
| Furniture & Fixture     | -                   | 694,100        | -           | 694,100             | 226,627        | -           | 226,627             | 467,473                       |
| Motor Vehicle           | -                   | -              | -           | -                   | -              | -           | -                   | -                             |
| <b>TOTAL 30-06-2016</b> | <b>200,632</b>      | <b>694,100</b> | <b>-</b>    | <b>894,732</b>      | <b>266,753</b> | <b>-</b>    | <b>276,785</b>      | <b>617,947</b>                |

*[Signature]*



2017  
RUPEES

2016  
RUPEES

## 6 INVESTMENTS

|                |                   |                   |
|----------------|-------------------|-------------------|
| Stock in trade | 50,487,000        | 50,487,000        |
|                | <u>50,487,000</u> | <u>50,487,000</u> |

## 7 ADVANCES, DEPOSITS & PREPAYMENTS

|                   |               |                |
|-------------------|---------------|----------------|
| Security deposit  | -             | 105,000        |
| Prepaid insurance | 26,537        | 192,232        |
|                   | <u>26,537</u> | <u>297,232</u> |

## 8 OTHER RECEIVABLES

|                   |                |                |
|-------------------|----------------|----------------|
| Other receivables | 127,580        | 627,580        |
|                   | <u>127,580</u> | <u>627,580</u> |

## 9 CASH & BANK BALANCES

|                                |                |               |
|--------------------------------|----------------|---------------|
| Cash in hand                   | 791,488        | 5,434         |
| Cash at bank - Current account | -              | 11,802        |
|                                | <u>791,488</u> | <u>17,236</u> |

## 10 LONG TERM LIABILITIES

|                               |                   |                  |
|-------------------------------|-------------------|------------------|
| Long term security deposits   | 320,000           | 320,000          |
| Payable to Management Company | 10.1 10,883,489   | 4,966,247        |
|                               | <u>11,203,489</u> | <u>5,286,247</u> |

10.1 Payable to Management Company represents the amount paid by Mapout Management Company (Pvt.) Limited for day to day expenses of UNICAP Modaraba. The amount is repayable to the Management Company once the Modaraba starts earning from active business activity.

## 11 ACCRUED & OTHER LIABILITIES

|                    |                |                  |
|--------------------|----------------|------------------|
| Accrued expenses   | 653,000        | 2,571,418        |
| Unclaimed dividend | 345,242        | 345,242          |
|                    | <u>998,242</u> | <u>2,916,660</u> |

## 12 CERTIFICATE CAPITAL

### Authorized Modaraba Fund

|  |                    |                    |
|--|--------------------|--------------------|
| 20,000,000 Modaraba Certificates of Rs.10/- each | 200,000,000        | 200,000,000        |
| 4,000,000 Modaraba Certificates of Rs.10/- each  | 40,000,000         | -                  |
|  | <u>240,000,000</u> | <u>200,000,000</u> |

### Issued, Subscribed and Paid-up

|   |                    |                    |
|---|--------------------|--------------------|
| 10,000,000 Modaraba Certificates of Rs.10/- each - Cash | 100,000,000        | 100,000,000        |
| 3,640,000 Modaraba Certificates of Rs.10/- each - Bonus | 36,400,000         | 36,400,000         |
| 10,000,000 Modaraba Certificates of Rs.10/- each - Cash | 100,000,000        | 100,000,000        |
|   | <u>236,400,000</u> | <u>236,400,000</u> |

### Discount on Issuance of Shares

|   |              |              |
|---|--------------|--------------|
| 10,000,000 Modaraba Certificates of Rs.10/- each issued at discount of Rs. 5/- each | (50,000,000) | (50,000,000) |
|---|--------------|--------------|

*Isa*

**12.1** 10 Million Modaraba Certificates were issued to Map Out Management Company (Pvt.) Ltd. in compliance of specific SECP Approval No. SC/M/PRDD/Unicap/2015-139 dated October 09, 2015 against cash. Form-3 i.e. Return of Allotment was submitted in the Office of the Registrar Modarabas accordingly. Resultantly, in line with the instructions of the Registrar Modarabas, the Share Registrar was advised for electronic conversion of Modaraba Certificates issued on December 31, 2015 and deposited the same in CDC account of the Company. The process of electronic conversion of Modaraba Certificates needed updating of increase in Authorized Capital by Pakistan Stock Exchange (PSX) and updating of paid-up capital in CDC. The PSX pointed out that at the time of increase in paid-up capital of the Company on December 31, 2015 the authorized capital of the company was Rs. 200 Million and the paid-up capital after this injection exceeded its authorized capital by Rs. 36 Million. The matter was referred to SECP for approval of increase in Authorized Modaraba Fund from Rs. 200 Million to Rs. 240 Million which was granted during the year.

### 13 CONTINGENCIES & COMMITMENTS

**13.1** Shares of International Investment and Finance Services Limited were pledged against an advance obtained from Universal Leasing Corporation Limited. The lender has illegally transferred these shares in its name. The matter is disputed and a legal suit had been filed by the Modaraba against Universal Leasing Corporation Limited. This suit is likely to be decreed as most of the issues have been settled by the Court.

**13.2** An Ex-Director and Sponsor of Chartered Management Services (Private) Limited (Ex-Modaraba Management Company) obtained financing from a Bank against an un-authorized and illegal pledge of shares of Universal Leasing Corporation Limited belonging to the Modaraba. After failing to recover the shares from the lender Bank, the Modaraba filed a legal suit against the Bank. A counter case has been filed by the lender seeking recovery of Rs. 1,894,524/-. However, in this regard the management does not foresee any liability to materialize.

The above mentioned cases as indicated in note 13.1 & 13.2 are likely to take some time to conclude particularly due to the fact that the respective shares have reportedly been disposed off by the aforesaid counterparties. Necessary provisioning has been made in the books and accordingly the same appear at nil values in these financial statements.

### 14 REVERSAL OF MARK-UP

This represents the reversal of accrued liabilities booked in prior years and are no longer payable.

### 15 ADMINISTRATIVE EXPENSES

|                                     |           |           |
|-------------------------------------|-----------|-----------|
| Staff salaries & allowances         | 2,647,000 | 2,181,586 |
| Office rent                         | 2,075,000 | 1,330,000 |
| Fee & subscription                  | 584,655   | 812,050   |
| Utilities (Electricity, Gas, Water) | 32,330    | 116,484   |
| Telephone / Internet                | 25,070    | 68,435    |
| Printing & stationery               | 10,958    | 50,157    |
| Postages                            | 19,710    | 8,360     |
| Insurance expense                   | 296,232   | 129,172   |
| Advertising and promotion           | -         | 17,000    |
| Entertainment                       | 69,199    | 50,379    |

*Jsc*

2017  
RUPEES

2016  
RUPEES

|                               |      |                  |                  |
|-------------------------------|------|------------------|------------------|
| Office supplies / consumables |      | 10,874           | 35,396           |
| Repair & maintenance          |      | 9,712            | 758,210          |
| Travelling & conveyance       |      | -                | 100,400          |
| Vehicle fuel & maintenance    |      | 121,901          | 42,169           |
| Generator fuel                |      | 1,835            | 2,420            |
| Bank charges                  |      | 460              | 116              |
| Professional charges          |      | -                | 109,300          |
| Auditors' remuneration        | 15.1 | 120,000          | 120,000          |
| Depreciation expense          | 5    | 185,904          | 266,753          |
| Miscellaneous                 |      | 8,750            | -                |
|                               |      | <u>6,219,588</u> | <u>6,198,387</u> |

#### 15.1 Auditors' Remuneration

|                            |  |                |                |
|----------------------------|--|----------------|----------------|
| Annual statutory audit fee |  | 100,000        | 100,000        |
| Half yearly review fee     |  | -              | -              |
| Out of pocket expenses     |  | 20,000         | 20,000         |
|                            |  | <u>120,000</u> | <u>120,000</u> |

#### 16 RELATED PARTY TRANSACTIONS

Related parties include Map Out Management Company (Pvt.) Limited being the Modaraba Management Company. The following related party transactions were carried out during the year.

|                     |  |                   |                  |
|---------------------|--|-------------------|------------------|
| Management Fee      |  | -                 | -                |
| Payable - Long Term |  | <u>10,883,489</u> | <u>4,966,247</u> |

#### 17 NUMBER OF EMPLOYEES

|   |  |          |          |
|---|--|----------|----------|
| Number of employees as at the year end      |  | <u>4</u> | <u>4</u> |
| Average number of employees during the year |  | <u>4</u> | <u>4</u> |

#### 18 DATE OF AUTHORIZATION

These financial statements were authorized for issue by the Board on 26.06.18

#### 19 GENERAL

Figures have been rounded off to nearest Pak Rupee.

-SD-  
CHIEF EXECUTIVE

-SD-  
DIRECTOR

# BOOK POST

To,



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