



**UNICAP MODARABA**

*ANNUAL AUDITED  
FINANCIAL STATEMENTS*

*FOR THE PERIOD ENDED*

*30 JUNE 2019*

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

info@unicapmodaraba.com


## **AUDITORS' REPORT TO THE CERTIFICATE HOLDERS**

We have audited the annexed balance sheet of **UNICAP MODARABA** (the "Modaraba") as at June 30, 2019 and the related profit and loss account, statement of comprehensive income, 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 and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit.

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 approved accounting standards as applicable in Pakistan and 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 provides a reasonable basis for our opinion and, after due verification, we report that:-

- (a) in our opinion, proper books of accounts have been kept by the Modaraba Management Company as required by the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (XXXI of 1980) and the Modaraba Companies and Modaraba Rules, 1981;
- (b) in our opinion;
  - (i) the financial statements have been drawn up in conformity with the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (XXXI of 1980) and the Modaraba Companies and Modaraba Rules, 1981 and are in agreement with the books of accounts and are further in accordance with accounting policies consistently applied;
  - (ii) the expenditure incurred during the year was for the purpose of the Modaraba's business; and
  - (iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects, terms and conditions of the Modaraba;

*Continued...P-2* 



- (2) -

- (c) in our opinion and to the best of our information and according to the explanation given to us, the financial statements conform with approved accounting standards as applicable in Pakistan and give the information required by the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (XXXI of 1980) and the Modaraba Companies and Modaraba Rules, 1981 in the manner so required and respectively give a true and fair view of the state of the Modaraba's affair as at June 30, 2019 and of its' losses, comprehensive losses, its' cash flows and changes in equity for the year then ended; and
- (d) in our opinion no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980.

**Emphasis of matter**

Without qualifying our opinion, we draw attention to note 1 to the financial statements which indicates that the Modaraba has suffered a loss of Rs. 0.305 million (2018: Rs. 5.054 million) during the year and has suffered accumulated losses amounting to Rs. 161.737 million (2018: Rs. 161.431 million) and have negative operating cash flows of Rs. 2.967 million (2018: 6.930 million) during the year. Furthermore, the Modaraba has not carried out business activities to its' full potential during the year. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Modaraba's ability to continue as a going concern. However, the management is hopeful of keeping the Modaraba a going concern as more fully explained in Note 1 and thus, these financial statements have been prepared on a going concern basis without stating the assets at their realizable values and liabilities on the values these are likely to be discharged as against the requirements of the International Financial Reporting Standards. However, no material loss adjustment shall be required to be made had these financial statements being prepared on a non-going concern basis.

Our opinion is not qualified in respect of the above emphasis of matter paragraph.

**Other matter**

Financial statements for the previous year ended June 30, 2018 were audited by us whereby we expressed a disclaimer due to the significant matters identified during our engagement vide our report dated October 09, 2018.

ISLAMABAD: 6 OCTOBER 2019



  
**CHARTERED ACCOUNTANTS;**  
Engagement Partner: Imran Ilyas, FCA

**UNICAP MODARABA**  
**BALANCE SHEET**  
**AS AT JUNE 30, 2019**

	<u>Note</u>	<u>2019</u> <u>Rupees</u>	<u>2018</u> <u>Rupees</u>
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash & bank balances	5	216,389	738,854
Investments - Stock in trade	6	55,000,000	52,400,000
Advances, deposits & prepayments	7	86,976	96,119
Other receivables	8	127,580	127,580
		<b>55,430,945</b>	<b>53,362,553</b>
<b>Non-Current Assets</b>			
Property & equipment	9	215,574	304,090
<b>TOTAL ASSETS</b>		<b>55,646,519</b>	<b>53,666,643</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Current Liabilities</b>			
Accrued and other liabilities	10	473,000	631,800
Provision for taxation	11	901,489	901,489
Payable to Management Company	12	20,204,579	17,760,459
Unclaimed dividend	13	345,242	345,242
		<b>21,924,310</b>	<b>19,638,990</b>
<b>Long Term Liabilities</b>			
Long term security deposits	14	320,000	320,000
<b>Certificate Holders' Equity</b>			
<b>Authorized Modaraba Fund</b>	<b>15.1</b>	<b>240,000,000</b>	<b>240,000,000</b>
Issued, subscribed & paid up certificates	15.2	236,400,000	236,400,000
Discount on issuance of certificates	15.3	(50,000,000)	(50,000,000)
		<b>186,400,000</b>	<b>186,400,000</b>
<b>Reserves</b>			
Statutory reserve	SCE	8,738,973	8,738,973
Accumulated loss	SCE	(161,736,764)	(161,431,320)
		<b>(152,997,791)</b>	<b>(152,692,347)</b>
<b>Contingencies &amp; Commitments</b>	<b>16</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>55,646,519</b>	<b>53,666,643</b>

The annexed notes from (1) to (27) form an integral part of these financial statements.

-Sd/-  
**CHIEF EXECUTIVE**

-Sd/-  
**DIRECTOR**

**UNICAP MODARABA**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED JUNE 30, 2019**

<b>PARTICULARS</b>	<b>Note</b>	<b>2019 Rupees</b>	<b>2018 Rupees</b>
<b>INCOME</b>			
Trading profit	17	3,000,000	2,113,000
Reversal of accrued liabilities	18	1,345,000	103,000
		4,345,000	2,216,000
<b>EXPENDITURE</b>			
Administrative expenses	19	4,650,444	7,269,776
		4,650,444	7,269,776
<b>(Loss) for the year before Management Fee</b>		<b>(305,444)</b>	<b>(5,053,776)</b>
Modaraba company's management fee		-	-
<b>(Loss) for the year before taxation</b>		<b>(305,444)</b>	<b>(5,053,776)</b>
Taxation	20	-	-
<b>(LOSS) FOR THE YEAR AFTER TAXATION</b>		<b>(305,444)</b>	<b>(5,053,776)</b>
<b>(Loss) per certificate - basic and diluted</b>	22	<b>(0.01)</b>	<b>(0.21)</b>

The annexed notes from (1) to (27) form an integral part of these financial statements.

-Sd/-  
**CHIEF EXECUTIVE**

-Sd/-  
**DIRECTOR**

**UNICAP MODARABA**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED JUNE 30, 2019**

PARTICULARS	2019	2018
	<u>Rupees</u>	<u>Rupees</u>
(Loss) for the year	(305,444)	(5,053,776)
Other comprehensive income / (loss) for the year	-	-
<b>Total comprehensive (loss) for the year</b>	<u><u>(305,444)</u></u>	<u><u>(5,053,776)</u></u>

The annexed notes from (1) to (27) form an integral part of these financial statements.

-Sd/-  
**CHIEF EXECUTIVE**

-Sd/-  
**DIRECTOR**

**UNICAP MODARABA**  
**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED JUNE 30, 2019**

<b>PARTICULARS</b>	<b>2019</b> <b><u>Rupees</u></b>	<b>2018</b> <b><u>Rupees</u></b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Total comprehensive (loss) for the year	(305,444)	(5,053,776)
<b>Adjustments for non-cash items:</b>		
Depreciation	88,516	127,954
Operating cash flow before working capital changes	(216,928)	(4,925,822)
<b>Working Capital Changes:</b>		
<b>(Increase) / decrease in current assets:</b>		
Stock in trade	(2,600,000)	(1,913,000)
Advances, deposits & prepayments	9,144	(69,582)
Other receivables	-	-
<b>Increase / (decrease) in current liabilities:</b>		
Accrued and other liabilities	(158,800)	(21,200)
Tax paid	(2,749,656)	(2,003,782)
<b>Net Cash Flow From Operating Activities</b>	<b>(2,966,585)</b>	<b>(6,929,604)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
None	-	-
<b>Net Cash Flow From Investing Activities</b>	<b>-</b>	<b>-</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Map Out Management Company (Pvt.) Limited	2,444,120	6,876,971
<b>Net Cash Flow From Financing Activities</b>	<b>2,444,120</b>	<b>6,876,971</b>
<b>Net (decrease) in cash &amp; cash equivalents</b>	<b>(522,465)</b>	<b>(52,634)</b>
<b>Cash &amp; cash equivalent at the beginning of the year</b>	<b>738,854</b>	<b>791,488</b>
<b>Cash &amp; cash equivalent at the end of the year</b>	<b>216,389</b>	<b>738,854</b>

The annexed notes from (1) to (27) 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, 2019**

PARTICULARS	Certificate Capital	Discount on Issuance of Certificates	Statutory Reserve	Accumulated (Loss)	Total
	Rupees				
Balance as at July 01, 2017	236,400,000	(50,000,000)	8,738,973	(156,377,544)	38,761,429
Share capital issued / (withdrawn)	-	-	-	-	-
Total comprehensive (loss) for the year	-	-	-	(5,053,776)	(5,053,776)
<b>Balance as at June 30, 2018</b>	<u>236,400,000</u>	<u>(50,000,000)</u>	<u>8,738,973</u>	<u>(161,431,320)</u>	<u>33,707,653</u>
Share capital issued / (withdrawn)	-	-	-	-	-
Total comprehensive (loss) for the year	-	-	-	(305,444)	(305,444)
<b>Balance as at June 30, 2019</b>	<u><u>236,400,000</u></u>	<u><u>(50,000,000)</u></u>	<u><u>8,738,973</u></u>	<u><u>(161,736,764)</u></u>	<u><u>33,402,209</u></u>

The annexed notes from (1) to (27) 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, 2019**

**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 the balance sheet date are Rs. 161.737 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 to 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 approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board, Islamic Financial Accounting Standards (IFASs) issued by the Institute of Chartered Accountants of Pakistan, the requirements of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981, Prudential Regulations for Modaraba and directives issued by the Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements of the Islamic Financial Accounting Standards (IFASs), Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981, Prudential Regulations for Modaraba, and directives issued by SECP differ with the requirements of IFRS, the requirements of the Islamic Financial Accounting Standards (IFASs), Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, Prudential Regulations for Modaraba, Modaraba Companies and Modaraba Rules, 1981 or the directives issued by SECP shall prevail.



### 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 stated 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 other wise stated in the respective policies and notes given hereunder.

#### 3.2 Functional and presentation currency

These financial statements are presented in Pak Rupees, which is the Modaraba's functional and presentation currency.

#### 3.3 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 estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Areas where various assumptions and estimates are significant to the Modaraba's financial statements or where judgments were exercised in application of accounting policy relate to the useful life of depreciable assets, valuation of stock and taxation.

#### 3.4 New accounting pronouncements

##### 3.4.1 Amendments to approved accounting standards and interpretations which became effective during the year ended June 30, 2019

There are new and amended standards and interpretations that are mandatory for accounting periods beginning July 01, 2018 (other than those disclosed in note 3) which are considered not to be relevant or do not have any significant effect on the Modaraba's financial statements and are therefore not stated in these financial statements.

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.



#### 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 for on reducing balance method 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 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.

*JSC*

**UNICAP MODARABA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

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 lower of cost and net realizable value. Net realizable value signifies the estimated selling price in the ordinary course of business less estimated costs necessary to make the sale.

**4.5 Revenue Recognition**

**Revenue from trading activities**

Revenue from sale of goods is recognized when the customer obtains control of the goods, being when the goods are delivered to the customer and there is no unidentified obligation that could affect the customer's acceptance of goods. Delivery occurs when the goods have been dispatched from the Modaraba's premises, the risk of loss has been transferred to the customer, and either the customer has accepted the goods in accordance with the sales contract, the acceptance provisions have elapsed, or the Modaraba has objective evidence that all the criteria for acceptance has been satisfied.

The Modaraba does not expect to have contracts where the period between the transfer of the promised goods to the customer and payment by the customer exceed one year. As a consequence, the Modaraba does not adjust any of the transaction prices for the time value of money.

**Interest Income**

Markup / profit is recorded on time proportion basis on the principal amount outstanding and at the rate applicable.

**4.6 Ijarah Financing**

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

**UNICAP MODARABA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

**4.7 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 charge for current tax also includes adjustments where necessary relating to prior years, which arise from assessment revised / finalized during the year.

**4.8 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.

**4.9 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.

**4.10 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.

**4.11 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.

**4.12 Borrowing costs**

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

**4.13 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.

**4.14 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.





UNICAP MODARABA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019

**5 CASH & BANK BALANCES**

Cash in hand  
Cash at bank - Current account

2019 Rupees /	2018 Rupees
3,515	738,688
212,875	166
<u>216,389</u>	<u>738,854</u>

**6 INVESTMENTS**

Stock in trade

55,000,000	52,400,000
<u>55,000,000</u>	<u>52,400,000</u>

**7 ADVANCES, DEPOSITS & PREPAYMENTS**

Advance tax  
Prepaid insurance - Stock

86,976	82,200
-	13,919
<u>86,976</u>	<u>96,119</u>

**8 OTHER RECEIVABLES**

Other receivables

127,580	127,580
<u>127,580</u>	<u>127,580</u>

**9 PROPERTY & EQUIPMENT**

PARTICULARS	COST			RATE	DEPRECIATION			W. D. V. AS AT 30-06-2019
	As at 01-07-2018	Additions / (Deletions)	As at 30-06-2019		As at 01-07-2018	For the Year	As at 30-06-2019	
Office Equipment	200,632	-	200,632	20%	104,329	19,261	123,590	77,042
Furniture & Fixture	694,100	-	694,100	33%	486,313	69,255	555,569	138,531
<b>TOTAL 30-06-2019</b>	<b>894,732</b>	<b>-</b>	<b>894,732</b>		<b>590,642</b>	<b>88,516</b>	<b>679,158</b>	<b>215,574</b>

**9.1 PROPERTY & EQUIPMENT (Comparative)**

PARTICULARS	COST			RATE	DEPRECIATION			W. D. V. AS AT 30-06-2018
	As at 01-07-2017	Additions / (Deletions)	As at 30-06-2018		As at 01-07-2017	For the Year	As at 30-06-2018	
Office Equipment	200,632	-	200,632	20%	80,253	24,076	104,329	96,303
Furniture & Fixture	694,100	-	694,100	33%	382,435	103,878	486,313	207,787
<b>TOTAL 30-06-2018</b>	<b>894,732</b>	<b>-</b>	<b>894,732</b>		<b>462,689</b>	<b>127,954</b>	<b>590,642</b>	<b>304,090</b>

*Handwritten signature*

UNICAP MODARABA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019

**10 ACCRUED & OTHER LIABILITIES**

	2019 Rupees	2018 Rupees
Accrued expenses	473,000	631,800
	<u>473,000</u>	<u>631,800</u>

**11 PROVISION FOR TAXATION**

Previous years	16.3	901,489	901,489
For the year	20	-	-
		<u>901,489</u>	<u>901,489</u>

**12 PAYABLE TO MANAGEMENT COMPANY**

Opening balance	17,760,459	10,883,489
Received during the year	3,964,120	6,876,971
Paid / adjusted during the year	<u>(1,520,000)</u>	-
Closing balance	<u>20,204,579</u>	<u>17,760,459</u>

**12.1** The maximum outstanding balance during the year as well as at the end of any month stood at Rs.20.205 M.

**12.2** Payable to Management Company represents the amount paid by Mapout Management Company for day to day expenses of the Modaraba. The amount is interest free and is repayable to the Management Company once the Modaraba starts earning from active business activities. However, the Management Company intends to get the same adjusted against further issue of capital, subject to the permission of SECP. Thus, the same has been classified as current liability as the permission / approval of SECP is being sought for issuance of further capital.

**13 UNCLAIMED DIVIDEND**

Unclaimed Dividend	345,242	345,242
	<u>345,242</u>	<u>345,242</u>

**14 LONG TERM SECURITY DEPOSITS**

Long term security deposits	320,000	320,000
	<u>320,000</u>	<u>320,000</u>

**15 CERTIFICATE CAPITAL**

**15.1 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	40,000,000
	<u>240,000,000</u>	<u>240,000,000</u>

**15.2 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>

*for*

UNICAP MODARABA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019

2019  
Rupees

2018  
Rupees

**15.3 Discount on Issuance of Shares**

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

- 15.4** 10 Million Modaraba Certificates were issued to Mapout Management Company 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 ended June 30, 2017.

**16 CONTINGENCIES & COMMITMENTS**

- 16.1** 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.
- 16.2** 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 16.1 & 16.2 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 had been made in the books and accordingly the same appeared at nil values in the financial statements.

- 16.3** The tax authorities initiated tax proceedings against the Company for Tax Years 2007-2009 and the same are pending for adjudication before the Appellate Tribunal Inland Revenue. The details of the cases are not available with the present management however, a provision is carried in the financial statements to meet any future liability which may arise on final decision of the Appellate Court.

**17 TRADING PROFIT / INCOME**

Sales	17.1	56,000,000	52,600,000
Cost of Sales	17.2	<u>53,000,000</u>	<u>50,487,000</u>
Trading Profit		<u>3,000,000</u>	<u>2,113,000</u>

**17.1 SALES**

Gross Sales	56,024,453	52,600,000
Less: Discount	<u>(24,453)</u>	<u>-</u>
Net Sales	<u>56,000,000</u>	<u>52,600,000</u>

*Jxo*

UNICAP MODARABA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019

2019  
Rupees

2018  
Rupees

**17.2 COST OF SALES**

Opening stock	52,400,000	50,487,000
Add: Purchases	55,118,915	52,400,000
Less: Discount	(118,915)	-
Add: Transportation	600,000	-
Closing stock	(55,000,000)	(52,400,000)
	<u>53,000,000</u>	<u>50,487,000</u>

**18 REVERSAL OF ACCRUED LIABILITIES**

It represents reversal of accrued liabilities & expenses booked in prior years which are no longer payable.

**19 ADMINISTRATIVE EXPENSES**

Staff salaries & allowances	1,972,000	2,590,800
Office rent	1,080,000	2,160,000
Fee & subscription	200,350	384,210
Utilities (Electricity, Gas, Water)	60,000	198,000
Telephone / Internet	4,060	31,890
Website maintenance	125,000	-
Printing & stationery	17,459	44,214
Postages	7,620	15,010
Insurance expense	271,714	285,110
Entertainment	143,163	252,354
Office supplies / consumables	-	19,423
Advertising and Promotion	120,000	-
Repair & maintenance	82,170	37,153
Vehicle fuel & maintenance	79,480	226,199
Bank charges	512	10,023
Professional fee	153,000	731,800
Auditors' remuneration	19.1 200,000	120,000
Depreciation expense	9 88,516	127,954
Miscellaneous	45,400	35,637
	<u>4,650,444</u>	<u>7,269,776</u>

**19.1 Auditors' Remuneration**

Annual statutory audit fee	150,000	100,000
Fee for other services	25,000	-
Out of pocket expenses	25,000	20,000
	<u>200,000</u>	<u>120,000</u>

**20 TAXATION**

For the year	-	-
	<u>-</u>	<u>-</u>

**20.1** No provision for taxation has been accounted for in these financial statements owing to exemption available on Agricultural Income and carried forward of assessed losses.

*JSC*

UNICAP MODARABA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019

2019  
Rupees

2018  
Rupees

**22 LOSS PER CERTIFICATE**

**Basic loss per certificate:**

Loss after taxation

-----Rupees-----  
(305,444) (5,053,776)

Weighted average number of certificates outstanding

-----Number-----  
23,640,000 23,640,000

Loss per certificate

-----Rupees-----  
(0.01) (0.21)

**Diluted loss per certificate**

There is no dilutive effect on the basic loss per certificate of the Modaraba, since there were no convertible instruments in issue as at June 30, 2019 and June 30, 2018 which would have any effect on the basic loss per certificate if the option to convert were exercised.

**23 RELATED PARTY TRANSACTIONS**

Related parties include MapOut Management Company (Private) Limited being the Modaraba Management Company. The following related party transactions were carried out during the year:

Payable to management company

20,204,579 17,760,459

**24 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS & KEY PERSON**

No remuneration, benefit, allowance or facility is given to the Chief Executive, Directors and / or Key Management Personnel during the year.

**25 NUMBER OF EMPLOYEES**

Number of employees as at the year end

4 4

Average number of employees during the year

4 4

**26 DATE OF AUTHORIZATION**

These financial statements were authorized for issue by the management on \_\_\_\_\_

**27 GENERAL**

Figures have been rounded off to the nearest Pak Rupee.

\_\_\_\_\_  
-Sd/-  
**CHIEF EXECUTIVE**

\_\_\_\_\_  
-Sd/-  
**DIRECTOR**



## NOTICE OF ANNUAL REVIEW MEETING

NOTICE is hereby given that Annual Review Meeting of Members of UNICAP Modaraba will In Sha Allah be held at 6 -M, Gulberg, Lahore on Sunday, October 27, 2019 at 11.30 am to transact the following business:

1. To confirm the minutes of the Last Annual Review Meeting.
2. To receive, consider and adopt Annual Audited Financial Statements for the year ended June 30, 2019 together with the Directors and Auditors Reports.
3. To transact any other business with the permission of the Chair..

*By the Order of the Board*

Lahore,  
October 06, 2019

Junaid Iqbal  
Director

### Notes:

- i. Share Transfer Books of the company shall remain closed from 21/10/2019 to 27/10/2019.
- ii. A member entitled to attend the meeting may appoint his / her proxy to attend on his / her behalf. The instrument appointing the proxy, duly completed, must be received at the Company's Registered Office not later than 48 hours before the time of holding of the meeting.
- iii. Members are requested to promptly notify any change in their address.

# BOOK POST

To,



*If undelivered please return to:*

**UNICAP MODARABA**

6/M-2, Block – II, Gulberg-II, Lahore.

UAN:03 000 434 434