Riaz Ahmad & Company
Chartered Accountants

AKD CAPITAL LIMITED

FINANCIAL STATEMENTS WITH ACCOMPANYING INFORMATION

FOR THE YEAR ENDED 30 JUNE 2019

A member of Nexia International

COMPANY INFORMATION

Board of Directors	Mr. Nadeem Saulat Siddiqui (Chairman) Mr. Aurangzeb Ali Naqvi Mr. Aamir Nazir Dhedhi Mr. Muhammad Jamal Dhedhi Mr. Muhammad Munir Mr. Mohammad Sohail Ms. Mehrunnisa Siddiqui
Company Secretary	Asghar Ali Anjum
Auditors	Riaz Ahmad & Co. Chartered Accountants
Share Registrar	C&K Management Associates (Pvt) Limited
Bankers	MCB Bank Limited United Bank Limited Bank Al-Habib Limited
Registered Office	618, Continental Trade Center Main Clifton Road Clifton Karachi-74000, Pakistan Tel: (92-21) 35302902 (5 Lines) Fax: (92-21) 35302913
Audit Committee	Mr. Muhammad Jamal Dhedhi Mr. Muhammad Sohail Mrs. Mehrunnisa Siddiqui

AKD Capital Ltd.

NOTICE OF ANNUAL GENERAL MEETING

Notice is herby given that the Eighty Fifth Annual General Meeting of AKD Capital Limited will be held on 26 October 2019 at 11:15 A.M. at its Corporate Office Room # 618, Continental Trade Centre, Block 8, Clifton, Karachi to transact the following business:-

ORDINARY BUSINESS:

1. To confirm the minutes of the last Annual General Meeting held on 23rd October 2018.
2. To receive, consider and adopt the Audited Financial Statements together along with the Directors' and Auditors' Reports for the year ended 30 June 2019.
3. To appoint Auditors for the year ending 30 June 2020 and to fix their remuneration. Present auditors M/S Riaz Ahmad and Co, Chartered Accountants, retire and offer for re-appointment.

Karachi
Date: 05 October 2019

By the order of Board

Asghar Ali Anjum
Company Secretary

NOTES:

1. A member entitled to attend and vote at the meeting may appoint a proxy to attend and vote instead of him/her at the meeting. Proxies must be deposited at the Company's Registered Office not less than 48 hours before the time for holding the meeting. A proxy must be a member.
2. The share transfer books of the Company will remain closed from 18 October 2019 to 26 October 2019 (both days inclusive).
3. The shareholders are advised to notify the company of any change in their addresses to ensure prompt delivery of mails. Any shares(s) for transfer etc. should also be lodged with the company.
4. Shareholders whose shares are deposited with Central Depositary Company (CDC) or their Proxies are requested to bring their original Computerized National Identity Card (CNIC) or Passport along with the participants I.D. number and their account number at the time of attending the Annual General Meeting for verification.

DIRECTORS' REPORT

The Board of Directors of your company is hereby pleased to present the audited financial statements together with the Auditor's Report thereon of your Company for the year ended 30 June 2019.

OPERATING RESULTS

The comparison of the audited results for the year ended 30 June 2019 with the corresponding period of last year is as under:

......In Rupees......

	30 June 2019	30 June 2018
Net profit / (loss) before tax	(2,459,928)	1,387,259
Net Profit / (loss) after tax	(3,247,264)	1,202,232
Earning / (loss) per share – Basic & diluted	(1.30)	0.48

During the year, the company incurred a net loss of Rs.3.20 million, due to increase in the administrative and general expenses during the year. The main reason in the increase of the expenses is due to the adoption of IFRS9 impacting Rs. 3.13 million in expenses. The company is exploring other projects and business opportunities to enhance its revenues during the next year.

THE ECONOMY

FY19 was a year of transition where the new government took the helm of the country at a time when the country was facing economic challenges both on the internal and external fronts. In a bid to address the challenges, the new government embarked on an extensive reform agenda. On the external front, the authorities have moved to a new exchange rate regime - a more flexible one - allowing the domestic currency value to be determined by market forces with the limited intervention from the central bank. This has resulted in Rupee losing 24% of its value against the Greenback. Meanwhile, the SBP has raised the policy rate by 675bps to 13.25%, aimed at reducing the aggregate demand. As a result, external imbalances improved quite remarkably, with the current account deficit

(CAD) narrowing 32%YoY to US$13.5bn (4.7% of GDP). The economic growth, however, became an inevitable victim of the reform program, with economic growth slowing to 3.3%YoY vs. 5.5%YoY in the last year. Further, the domestic challenges (i.e. fiscal deficit) remained largely unaddressed, with the fiscal deficit hitting a record high of 8.9% of GDP. Additionally, the government has successfully negotiated the US$6bn IMF program under the extended fund facility (EFF). The reform program has started bearing fruit as evident from consistent improvement in external account and stability in Rupee. The government needs to build on its stabilization program to pave the way for stronger and sustainable growth.

GENERAL

The Board of Directors wishes to express its pleasure and gratefulness to the shareholders for their continued support and to all the employees for their ongoing dedication and commitment to the Company.

CODE OF CORPORATE GOVERNANCE

The Directors of your Company are fully aware of their responsibilities under the Code of Corporate Governance regulations 2019 promulgated by Securities & Exchange Commission of Pakistan. We are taking all the necessary steps to ensure Good Corporate Governance in your Company as required by the Code.

As a part of the compliance of the Code, we confirm the following:

a) The financial statements, prepared by the management of the Company, present fairly its state of affairs, the result of its operations, cash flows and changes in equity.

b) Proper books of account of the Company have been maintained.

c) Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.

d) International Accounting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departure there from has been adequately disclosed.

e) The system of internal control is sound in design and is being effectively implemented and monitored.

f) The Company has the ability to continue as a going concern.

g) There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.

h) We have an Internal Audit Committee the members of which are amongst from the Board of Directors.

i) We have prepared and circulated a Statement of Ethics and business strategy among directors and employees.

j) The Board of Directors has adopted a mission statement and a statement of overall corporate strategy.

k) As required by the Code of Corporate Governance, we have included the following information in this report:

   i. Statement of pattern of shareholding has been given separately.

   ii. Statement of shares held by associated undertakings and related persons.

   iii. Statement of the Board meetings held during the year and attendance by each director has been given separately.

   iv. Key operating and financial statistics for last six years in summarized form is given below.

KEY FINANCIAL DATA

Particulars	2019	2018	2017	2016	2015
Capital	25,072	25,072	25,072	25,072	25,072
Share premium	20,891	20,891	20,891	20,891	20,891
Reserve	752	752	752	752	752
Accumulated (loss) / profit	(7,547)	(6,934)	(7,547)	(7,172)	(7,450)
Long term liabilities	259	183	297	336	0
Current Liability	5,560	3,692	4,927	4,487	4,680
Total Equity & Liability	34,044	43,375	46,261	39,173	41,172
Operating Fixed Assets	1,576	1,725	1,964	2,244	2,501
Long term assets	2852	1843	2082	6224	227
Current assets	11,343	41,532	44,178	36,711	38,443
Total Assets	39,864	43,375	46,261	39,173	41,172
Operating Income	4,500	4,000	3,500.	8,000	9,000
Capital Gain/(Loss)	-	-	-	-	-
Operating Expenses	(7492)	(4536)	(2656)	(3,124)	(1,965)
Operating Profit/(Loss)	(2449)	1403	787	4,875	7,034
Taxation	787	185	34	(3,551)	(658)
Net Profit (Loss)	(3247)	1202	798	1,292	1,375
Basic (Loss) / Earning per share	(1.30)	0.48	0.32	0.52	0.55

PATTERN OF SHAREHOLDING

The Pattern of shareholding as at 30 June 2019 is also enclosed along with these financial statements. The Statement showing the Company's shares bought & sold by Directors, CEO, Company Secretary and minor family members is also disclosed therein.

DIRECTORS MEETING

During the year four meetings of the board of Directors were held, Attendance of each director is as follows:

Name of Director	Nos. of Meeting
Mr. Nadeem Saulat Siddiqui	3
Mrs. Aurangzeb Ali Naqvi	3
Mrs. Mehrunnisa Siddique	4
Mr. Muhammad Munir	4
Mr. Muhammad Sohail	4
Mr. Aamir Nazir Dhedhi	3
Mr. Muhammad Jamal	2

ACKNOWLEDGEMENT

Your Directors record with appreciation, the efforts of the Company's managers and employees who have worked to meet the target of business plans. Your Directors also extend their appreciation to the Company's bankers, consortium partners, regulators and others for the cooperation extended by them during the year.

For and on behalf of the Board

Director
Karachi: Dated: 04 October 2019

Riaz Ahmad & Company
Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

To the members of AKD Capital Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of AKD CAPITAL LIMITED ("the Company"), which comprise the statement of financial position as at 30 June 2019, and the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, 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 purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2019 and of the loss and other comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan ('the Code') and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report.

Information other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with board of directors of the Company, we determine the matters that were of most significance in the audit of the financial statements of the current period and were therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

b) the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company but the amount of Rupees 201,811 so deducted was not deposited in the Central Zakat Fund established under section 7 of that Ordinance.

The engagement partner on the audit resulting in this independent auditor's report is Muhammad Waqas.

Riaz Ahmad & Co.

RIAZ AHMAD & COMPANY
Chartered Accountants

KARACHI

Date: 04 October 2019

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2017

AKD CAPITAL LIMITD

For The Year Ended 30 June 2019

The Company has complied with the requirements of the Regulations in the following manner:

1. The total number of director are seven as per the following:
    a. Male: 6
    b. Female: 1

2. The composition of board is as follows:

Category	**Names**
a) Independent director	Mrs. Mehrunnissa Siddiqui
b) Non - executive directors	Mr. Muhammad Sohail
	Mr.MuhammadJamal Dhedhi
	Mr. Muhammad Munir
	Mr. Aurangzeb Ali Naqvi
	Mr. Nadeem Saulat Siddiqui

   The independent director meets the criteria of independence notified under the Regulations.

3. The Directors have confirmed that none of them is serving as a Director on more than five listed companies, including this Company (excluding the listed subsidiaries of listed holding companies where applicable).

4. The Company has formulated 'Code of Conduct' steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.

5. The board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.

6. All the powers of the board have been duly exercised and decisions on relevant matters have been taken by board/ shareholders as empowered by the relevant provisions of the Act and these Regulations.

7. The meetings of the board were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose. The board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of board.

8. Two out of seven directors of the Company are exempted from the requirement of Directors' Training program one has got trained and one will get training in the next year.

9. The Board has approved appointment of Chief Financial Officer and company Secretary, no remuneration is paid, as they are working on honorary basis.

10. CFO and CEO duly endorsed the financial statements before approval of the board.

11. The board has formed committees comprising of members given below:

Audit Committee	Mr. Muhammad Jamal Dhedhi Mr. Muhammad Sohail Ms. Mehrunnisa Siddiqui
Nomination Committee	Mr. Muhammad Jamal Dhedhi Mr. Muhammad Munir Mr. Muhammad Sohail
HR Committee	Mr. Muhammad Jamal Dhedhi Mr. Nadeem Saulat Siddiqui Ms. Mehrunnisa Siddiqui
Risk Management Committee	Mr. Aurangzeb Ali Naqvi Mr. Nadeem Saulat Siddiqui Ms. Mehrunnisa Siddiqui

12. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.

13. The meetings of the audit committee were held once every quarter prior to approval of interim results of the Company by its board of directors and

after completion of external audit, the members of other Committees meet on the need basis.

14. The board has outsource the internal Audit function to suitable qualified chartered accounts which the board consider suitably qualified and experienced for the purpose and are conversant with the policy and procedure of the company.

15. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP and registered with Audit Oversight Board of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.

16. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.

17. We confirm that all other requirements of the Regulations have been complied with except for the following, toward which progress is being made by the company to seek compliance.

    a. The company will appoint one more independent director during the next year to fulfil the requirement of the regulation 6.

Chairman

Karachi
04 October 2019

AKD CAPITAL LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019

		2019	2018
ASSETS	**Note**	**Rupees**	Rupees
NON-CURRENT ASSETS			
Property and equipment	6	**1,576,033**	1,725,258
Long-term investments	7	**26,924,940**	98,000
Long-term deposit	8	**20,000**	20,000
		28,520,973	1,843,258
CURRENT ASSETS			
Trade debts	9	**4,497,066**	3,131,944
Advance to employees		**55,000**	10,000
Short-term investment	10	**-**	27,780,800
Other receivables	11	**4,094,173**	4,058,402
Advance income tax		**959,585**	1,215,488
Bank balances	12	**1,396,302**	5,335,327
		11,002,126	41,531,961
TOTAL ASSETS		**39,523,099**	43,375,219
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
50,000,000 (2018: 50,000,000) ordinary shares of Rupees 10 each		**500,000,000**	500,000,000
Issued, subscribed and paid-up share capital	13	**25,072,733**	25,072,733
Reserves	14	**8,971,557**	14,426,177
TOTAL EQUITY		**34,044,290**	39,498,910
NON CURRENT LIABILITIES			
Deferred taxation	20.2	**259,231**	183,375
CURRENT LIABILITIES			
Trade and other payables	15	**2,030,056**	1,874,009
Provision for taxation		**711,480**	341,000
Unclaimed dividend		**2,478,042**	1,477,925
		5,219,578	3,692,934
TOTAL LIABILITIES		**5,478,809**	3,876,309
Contingencies and commitments	16		
TOTAL EQUITY AND LIABILITIES		**39,523,099**	43,375,219

The annexed notes from 1 to 29 form an integral part of these financial statements.

Chief Financial Officer	**Chief Executive Officer**	**Director**

AKD CAPITAL LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 Rupees	2018 Rupees
INCOME			
Consultancy income	17	**4,500,000**	4,000,000
Dividend income		**543,200**	1,940,000
EXPENSES			
Administrative and general expenses	18	**(7,503,128)**	(4,552,741)
(LOSS) / PROFIT BEFORE TAXATION		**(2,459,928)**	1,387,259
TAXATION	19	**(787,336)**	(185,027)
(LOSS) / PROFIT AFTER TAXATION		**(3,247,264)**	1,202,232
OTHER COMPREHENSIVE LOSS			
Items that will not be reclassified subsequently to profit and loss:			
- Unrealized loss arising on remeasurement of investments at 'fair value through other comprehensive income'		**(953,860)**	-
Items that may be reclassified subsequently to profit and loss:			
- Unrealized loss arising on remeasurement of investments at 'available for sale'		**-**	(2,149,520)
Other comprehensive loss for the year		**(953,860)**	(2,149,520)
TOTAL COMPREHENSIVE LOSS		**(4,201,124)**	(947,288)
(LOSS) / EARNINGS PER SHARE - BASIC AND DILUTED	20	**(1.30)**	0.48

The annexed notes from 1 to 29 form an integral part of these financial statements.

Chief Financial Officer **Chief Executive Officer** **Director**

AKD CAPITAL LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2019

		Reserves						
		Capital Reserves		Revenue Reserves				
	Issued, subscribed and paid-up share capital	Share premium	Fair value reserve on available for sale investments	Fair value reserve on 'Fair value through other comprehensive income' investments	General reserve	Accumulated loss	Sub total	Total equity
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Balance as at 30 June 2017	**25,072,733**	**20,891,600**	**1,866,913**	**-**	**752,000**	**(7,547,631)**	**15,962,882**	**41,035,615**
Final dividend for the year ended 30 June 2017	-	-	-	-	-	(589,417)	(589,417)	(589,417)
Profit for the year	-	-	-	-	-	1,202,232	1,202,232	1,202,232
Other comprehensive loss	-	-	(2,149,520)		-	-	(2,149,520)	(2,149,520)
Total comprehensive loss for the year	-	-	(2,149,520)	-	-	1,202,232	(947,288)	(947,288)
Balance as at 30 June 2018	**25,072,733**	**20,891,600**	**(282,607)**	**-**	**752,000**	**(6,934,816)**	**14,426,177**	**39,498,910**
Final dividend for the year ended 30 June 2018	**-**	**-**	**-**	**-**	**-**	**(1,253,496)**	**(1,253,496)**	**(1,253,496)**
Adjustment on adoption of IFRS 9 (Note 5.2)	-	-	**282,607**	**(282,607)**	-	**-**	**-**	**-**
Loss for the year	**-**	**-**	**-**	**-**	**-**	**(3,247,264)**	**(3,247,264)**	**(3,247,264)**
Other comprehensive loss	**-**	**-**	**-**	**(953,860)**	**-**	**-**	**(953,860)**	**(953,860)**
Total comprehensive loss for the year	**-**	**-**	**-**	**(953,860)**	**-**	**(3,247,264)**	**(4,201,124)**	**(4,201,124)**
Balance as at 30 June 2019	**25,072,733**	**20,891,600**	**-**	**(1,236,467)**	**752,000**	**(11,435,576)**	**8,971,557**	**34,044,290**

The annexed notes from 1 to 29 form an integral part of these financial statements.

Chief Financial Officer **Chief Executive Officer** **Director**

AKD CAPITAL LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 Rupees	2018 Rupees
CASH FLOW FROM OPERATING ACTIVITIES			
(Loss) / profit before taxation		**(2,459,928)**	1,387,259
Adjustment for non cash items:			
Dividend income		**(543,200)**	(1,940,000)
Allowance for expected credit loss		**3,134,878**	-
Depreciation		**210,880**	239,534
Operating cash flow / (used) before working capital changes		**342,630**	(313,207)
Changes in working capital			
(Increase) / decrease in current assets			
Trade debts		**(4,500,000)**	4,555,556
Advance to employees		**(45,000)**	157,228
Other receivables		**(35,771)**	391,546
Increase / (decrease) in current liabilities			
Trade and other payables		**156,047**	(1,348,672)
		(4,424,724)	3,755,658
Cash (used in) / flow from operations		**(4,082,094)**	3,442,451
Income tax paid		**(85,097)**	(1,157,588)
Net cash (used in) / flow from operating activities		**(4,167,191)**	2,284,863
CASH FLOW FROM INVESTING ACTIVITIES			
Additions to property and equipment		**(61,655)**	-
Dividend income received		**543,200**	1,940,000
Net cash flow from investing activities		**481,545**	1,940,000
CASH FLOW FROM FINANCING ACTIVITIES			
Dividend paid	21	**(253,379)**	(494,849)
Net cash used in financing activities		**(253,379)**	(494,849)
Net (decrease) / increase in cash and cash equivalents		**(3,939,025)**	3,730,014
Cash and cash equivalents at the beginning of the year		**5,335,327**	1,605,313
Cash and cash equivalents at the end of the year	12	**1,396,302**	5,335,327

The annexed notes from 1 to 29 form an integral part of these financial statements.

Chief Financial Officer	**Chief Executive Officer**	**Director**

1. THE COMPANY AND ITS OPERATIONS

1.1 AKD Capital Limited ("the Company") was incorporated as a Public Limited Company in the year 1936 under Companies Act, 1913 (Now the Companies Act, 2017). Shares of the Company are quoted on the Pakistan Stock Exchange Limited. The Company is engaged in the business of real estate / providing consultancy, projects financing and management, investment in listed securities and to engage in leasing. The registered office of the Company is situated at 416-418, Continental Trade Center, Clifton, Karachi.

1.2 These financial statements have reported net loss for the year amounting to Rupees 3.247 million. The Company's net assets position and other financial indicators depict a healthy financial position as at the reporting date. However, the Company's primary commercial operations i.e. to deal in real estate projects, providing consultancy services, projects financing and management etc remained at halt for some years due to economic conditions prevailing in the Country and other ancillary reasons. This situation indicates the existence of material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern and, therefore, it may be unable to realize its assets and discharge its liabilities in the normal course of business. However, the management is proactively considering new business avenues and looking for different options. The Company has been successful in securing contracts from construction venture for provision of consultancy services in recent years. During the preceding years, the Company entered into an agreement of Rupees 20 million against which services are being rendered. During the year, the Company has secured further contracts for providing infrastructure consultancy and entered into the agreement of Rupees 15 million. The Company is also exploring other construction projects and business opportunities to enhance its revenues in the coming years. The Company has also invested its surplus funds in a housing scheme company from which lucrative returns are expected in the coming years. The sponsor directors and management of the Company are committed to the viable and profitable commercial operations of the Company in the ensuing financial year and, based upon the future financial projections, strongly believe that the Company will continue as a going concern.

These financial statements, therefore, have been prepared on going concern basis and do not include any adjustment relating to the realization of its assets and liquidation of any liabilities that might be necessary should the Company be unable to continue as a going concern.

2. BASIS OF PREPRARATION

2.1 Statement of Compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRSs) 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 provisions of and directives issued under the Companies Act, 2017 differ from the IFRSs, the provisions of and directives issued under the Companies Act, 2017 have been followed. 6

2.2 Accounting convention

These financial statements have been prepared under the historical cost convention except for the certain financial instruments carried at fair value.

2.3 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates. The financial statements are presented in Pakistani Rupees, which is the Company's functional and presentation currency.

3. USE OF ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with the approved accounting and reporting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the Company's financial statements or where judgments were exercised in application of accounting policies are as follows:

Financial instruments-Fair value

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques based on assumptions that are dependent on conditions existing at reporting date.

Useful lives, patterns of economic benefits and impairment

Estimates with respect to residual values and useful lives and pattern of flow of economic benefits are based on the analysis of the management of the Company. Further, the Company reviews the value of assets for possible impairment on an annual basis. Any change in the estimates in the future might affect the carrying amount of respective item of property and equipment, with a corresponding effect on the depreciation charge and impairment.

Taxation

In making the estimates for income tax currently payable by the Company, the management takes into account the current income tax law and the decisions of appellate authorities on certain issues in the past.

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgment. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

4. NEW OR AMENDMENTS TO EXISTING STANDARDS / INTERPRETATIONS AND FORTHCOMING REQUIREMENTS

4.1 Amendments to published approved accounting standards that are effective in current year and are relevant to the Company

Following standards, interpretations and amendments to published approved accounting standards are mandatory for the Company's accounting periods beginning on or after 01 July 2018:

- IFRS 9 'Financial Instruments'
- IFRS 15 'Revenue from Contracts with Customers'
- IFRS 15 (Amendments), 'Revenue from Contracts with Customers

The Company had to change its accounting policies and make certain adjustments without restating prior year results following the adoption of IFRS 9. These are disclosed in Note 5.2. Most of the other amendments listed above did not have any impact on the amounts recognized in prior periods and are not expected to significantly affect the current or future periods.

4.2 Standards, interpretations and amendments to published approved accounting standards that are not yet effective but relevant to the Company

Following standards, interpretations and amendments to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after 01 July 2019 or later periods:

Amendments to IFRS 9 (effective for annual periods beginning on or after 01 January 2019) clarify that for the purpose of assessing whether a prepayment feature meets the solely payments of principal and interest ('SPPI') condition, the party exercising the option may pay or receive reasonable compensation for the prepayment irrespective of the reason for prepayment. In other words, prepayment features with negative compensation do not automatically fail SPPI. The amendments are not likely to have significant impact on the Company's financial statements.

IAS 28 (Amendments) 'Investments in Associates and Joint Ventures' (effective for annual periods beginning on or after 01 January 2019). The IASB has clarified that IFRS 9, including its impairment requirements, applies to long-term interests. Furthermore, in applying IFRS 9 to long-term interests, an entity does not take into account adjustments to their carrying amount required by IAS 28 (i.e., adjustments to the carrying amount of long-term interests arising from the allocation of losses of the investee or assessment of impairment in accordance with IAS 28). The amendments are not likely to have significant impact on the Company's financial statements.

IFRIC 23 'Uncertainty over Income Tax Treatments' (effective for annual periods beginning on or after 01 January 2019). The interpretation addresses the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12 'Income Taxes'. It specifically considers: whether tax treatments should be considered collectively; assumptions for taxation authorities' examinations; the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates; and the effect of changes in facts and circumstances. The interpretation is not expected to have a material impact on the Company's financial statements.

Amendments to IAS 1 'Presentation of Financial Statements' and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' (effective for annual periods beginning on or after 01 January 2020). The amendments are intended to make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS. In addition, the IASB has also issued guidance on how to make materiality judgements when preparing general purpose financial statements in accordance with IFRS.

Amendments to IAS 19 'Employee Benefits'- Plan Amendment, Curtailment or Settlement (effective for annual periods beginning on or after 01 January 2019). The amendments clarify that on amendment, curtailment or settlement of a defined benefit plan, a company now uses updated actuarial assumptions to determine its current service cost and net interest for the period; and the effect of the asset ceiling is disregarded when calculating the gain or loss on any settlement of the plan and is dealt with separately in statement of other comprehensive income. The application of the amendments is not likely to have an impact on Company's financial statements.

On 12 December 2017, IASB issued Annual Improvements to IFRSs: 2015 – 2017 Cycle, incorporating amendments to four IFRSs more specifically in IFRS 3 'Business Combinations', IFRS 11 'Joint Arrangements', IAS 12 'Income Taxes' and IAS 23 'Borrowing Costs'. The amendments are effective for annual periods beginning on or after 01 January 2019. The amendments have no significant impact on the Company's financial statements and have therefore not been analyzed in detail.

On 29 March 2018, the International Accounting Standards Board (the IASB) has issued a revised Conceptual Framework. The new Framework: reintroduces the terms stewardship and prudence; introduces a new asset definition that focuses on rights and a new liability definition that is likely to be broader than the definition it replaces, but does not change the distinction between a liability and an equity instrument; removes from the asset and liability definitions references to the expected flow of economic benefits–this lowers the hurdle for identifying the existence of an asset or liability and puts more emphasis on reflecting uncertainty in measurement; discusses historical cost and current value measures, and provides some guidance on how the IASB would go about selecting a measurement basis for a particular asset or liability; states that the primary measure of financial performance is profit or loss, and that only in exceptional circumstances will the IASB use other comprehensive income and only for income or expenses that arise from a change in the current value of an asset or liability; and discusses uncertainty, derecognition, unit of account, the reporting entity and combined financial statements. The Framework is not an IFRS standard and does not override any standard, so nothing will change in the short term. The revised Framework will be used in future standard-setting decisions, but no changes will be made to current IFRS. Preparers might also use the Framework to assist them in developing accounting policies where an issue is not addressed by an IFRS. It is effective for annual periods beginning on or after 1 January 2020 for preparers that develop an accounting policy based on the Framework.

4.3 Standards and amendments to approved published standards that are not yet effective and not considered relevant to the Company

There are other standards and amendments to published standards that are mandatory for accounting periods beginning on or after 01 July 2019 but are considered not to be relevant or do not have any significant impact on the Company's financial statements and are therefore not detailed in these financial statements.

5. SUMMARY OF ACCOUNTING POLICIES

5.1 Property and equipment

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses (if any). Cost of property and equipment consists of historical cost, borrowing cost pertaining to erection / construction period of qualifying assets and other directly attributable cost of bringing the asset to working condition.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to statement of profit or loss and other comprehensive income during the period in which they are incurred.

Depreciation

Depreciation is charged to statement of profit or loss and other comprehensive income applying the reducing balance method so as to write off the cost / depreciable amount of the assets over their estimated useful lives at the rates given in Note 6. The Company charges the depreciation on additions from the date when the asset is available for use and on deletions up to the date when the asset is de-recognized. The residual values and useful lives are reviewed by the management, at each financial year-end and adjusted if impact on depreciation is significant.

De-recognition

An item of property and equipment is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in the statement of profit or loss and other comprehensive income in the year the asset is de-recognized.

5.2 IFRS 9 "Financial instruments"

The Company has adopted IFRS 9 "Financial Instruments" from 01 July 2018. The standard introduced new classification and measurement models for financial assets. A financial asset shall be measured at amortized cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and that are solely principal and interest. A debt investment shall be measured at fair value through other comprehensive income if it is held within a business model whose objective is to both hold assets in order to collect contractual cash flows which arise on specified dates that are solely principal and interest as well as selling the asset on the basis of its fair value. All other financial assets are classified and measured at fair value through profit or loss unless the Company makes an irrevocable election on initial recognition to present gains and losses on equity instruments in other comprehensive income. Despite these requirements, a financial asset may be irrevocably designated as measured at fair value through profit or loss to reduce the effect of, or eliminate, an accounting mismatch. For financial liabilities designated at fair value through profit or loss, the standard requires the portion of the change in fair value that relates to the Company's own credit risk to be presented in other comprehensive income (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the Company. New impairment requirements use an 'expected credit loss' ('ECL') model to recognize an allowance. Impairment is measured using a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. For receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available.

The Company has adopted IFRS 9 without restating the prior year results. Key changes in accounting policies resulting from application of IFRS 9 are as follows:

i) Recognition of financial instruments

The Company initially recognizes financial assets on the date when they are originated. Financial liabilities are initially recognized on the trade date when the entity becomes a party to the contractual provisions of the instrument.

ii) Classification and measurement of financial instruments

IFRS 9 largely retains the existing requirements in IAS 39 "Financial Instruments: Recognition and Measurement" for the classification and measurement of financial liabilities. However, it replaces the previous IAS 39 categories for financial assets i.e. loans and receivables, fair value through profit or loss (FVTPL), available for sale and held to maturity with the categories such as amortized cost, fair value through profit or loss (FVTPL) and fair value through other comprehensive income (FVTOCI).

Investments and other financial assets

a) Classification

From 01 July 2018, the Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and

- those to be measured at amortized cost

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in the statement of profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. The Company reclassifies debt investments when and only when its business model for managing those assets changes.

b) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in statement of profit or loss and presented in other income / (other expenses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss and other comprehensive income.

Fair value through other comprehensive income (FVTOCI)

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment losses (and reversal of impairment losses), interest income and foreign exchange gains and losses which are recognized in the statement of profit or loss and other comprehensive income. When the financial asset is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss and recognized in other income / (other expenses). Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other income/ (other expenses) and impairment losses are presented as separate line item in the statement of profit or loss and other comprehensive income.

Fair value through profit or loss

Assets that do not meet the criteria for amortized cost or FVTOCI are measured at FVTPL. A gain or loss on a debt instrument that is subsequently measured at FVTPL is recognized in the statement of profit or loss and other comprehensive income and presented net within other income / (other expenses) in the period in which it arises.

Equity instruments

The Company subsequently measures all equity investments at fair value for financial instruments quoted in an active market, the fair value corresponds to a market price (level 1). For financial instruments that are not quoted in an active market, the fair value is determined using valuation techniques including reference to recent arm's length market transactions or transactions involving financial instruments which are substantially the same (level 2), or discounted cash flow analysis including, to the greatest possible extent, assumptions consistent with observable market data (level 3).

Fair value through other comprehensive income (FVTOCI)

Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value.

Fair value through profit or loss

Changes in the fair value of equity investments at fair value through profit or loss are recognized in other income/ (other expenses) in the statement of profit or loss and other comprehensive income as applicable.

Dividends from such investments continue to be recognized in profit or loss as other income when the Company's right to receive payments is established.

Financial liabilities

Classification and measurement

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in the statement of profit or loss and other comprehensive income. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in statement of profit or loss and other comprehensive income. Any gain or loss on de-recognition is also included in profit or loss.

iii) Impairment of financial assets

From 01 July 2018, the Company assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortized cost and FVTOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade debts and other receivables, the Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

iv) De-recognition

a) Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognized financial assets that is created or retained by the Company is recognized as a separate asset or liability.

b) Financial liabilities

The Company derecognizes a financial liability (or a part of financial liability) from its statement of financial position when the obligation specified in the contract is discharged or cancelled or expires.

v) Offsetting of financial instruments

Financial assets and financial liabilities are set off and the net amount is reported in the financial statements when there is a legally enforceable right to set off and the Company intends either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously.

vi) Hedge accounting

IFRS 9 requires that hedge accounting relationships are aligned with its risk management objectives and strategy and to apply a more qualitative and forward-looking approach to assessing hedge effectiveness.

There is no impact of the said change on these financial statements as there is no hedge activity carried on by the Company during the year ended 30 June 2019.

vii) Impacts of adoption of IFRS 9 on these financial statements as on 01 July 2018

On 01 July 2018, the Company's management has assessed which business models apply to the financial assets held by the Company at the date of initial application of IFRS 9 (01 July 2018) and has classified its financial instruments into appropriate IFRS 9 categories. The main effects resulting from this reclassification are as follows:

Financial assets (01 July 2018)

	Available for sale (AFS)	Fair value through other comprehensive income (FVTOCI)	Trade debts categorized as	
			Loans and receivables	Amortized cost
	Rupees			
Opening balance (before reclassification)	27,780,800	-	3,131,944	-
Adjustment on adoption of IFRS 9 reclassification of equity investments from available for sale to FVTOCI	(27,780,800)	27,780,800	-	-
Reclassification of trade debts	-	-	(3,131,944)	3,131,944
Recognition of expected credit losses on trade debts	-	-	-	-
Opening balance (after reclassification)	-	27,780,800	-	3,131,944

The impact of these changes on the Company's reserves and equity is as follows:

	Effect on fair value reserve of available for sale (AFS) investments	Effect on fair value reserve of fair value through other comprehensive income (FVTOCI) investments
	Rupees	
Opening balance (before reclassification)	(282,607)	-
Adjustment on adoption of IFRS 9 reclassification of fair value reserve of AFS investments to fair value reserve of FVTOCI investments	282,607	(282,607)
Adjustment on adoption of IFRS 9 due to recognition of expected life time credit losses on trade debts	-	-
Opening balance (after reclassification)	-	(282,607)

Equity investments previously classified as available-for-sale

The Company elected to present in other comprehensive income changes in the fair value of all its equity investments previously classified as available-for-sale, as these investments are not held for trading. As a result, assets with a fair value of Rupees 27.781 million were reclassified from available-for-sale financial assets to financial assets at fair value through other comprehensive income (FVTOCI) and fair value loss of Rupees 0.283 million were reclassified from the available-for-sale financial assets reserve to the financial assets at fair value through other comprehensive income reserve on 01 July 2018.

Reclassifications of financial instruments on adoption of IFRS 9

As on 01 July 2018, the classification and measurement of financial instruments of the Company were as follows:

	Measurement category		Carrying amounts		
	Original	**New**	**Original**	**New**	**Difference**
	(IAS 39)	**(IFRS 9)**	**Rupees**		
Non-current financial assets					
Long term investments	Available for sale	FVTOCI	98,000	98,000	-
Long term deposits	Loans and receivables	Amortised cost	20,000	20,000	-
Current financial assets					
Trade debts	Loans and receivables	Amortised cost	3,131,944	3,131,944	-
Loans and advances	Loans and receivables	Amortised cost	10,000	10,000	-
Other receivables	Loans and receivables	Amortised cost	4,058,402	4,058,402	-
Short term investments	Available for sale	FVTOCI	27,780,800	27,780,880	-
Cash and bank balances	Loans and receivables	Amortised cost	5,335,326	5,335,326	-

5.3 Trade and other receivables

Trade receivables are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method, less any allowance for expected credit losses. Trade receivables generally do not include amounts over due by 365 days.
The Company has applied the simplified approach to measure expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

5.4 Borrowings

Borrowings are recognized initially at fair value and are subsequently stated at amortized cost. Any difference between the proceeds and the redemption value is recognized in the statement of profit or loss and other comprehensive income over the period of the borrowings using the effective interest method.

5.5 Trade and other payables

Liabilities for trade and other amounts payable are initially recognized at fair value, which is normally the transaction cost.

5.6 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of cash flow statement, cash and cash equivalent comprise of cash in hand and cash in banks in current and deposit accounts.

5.7 Provisions

Provisions are recognized when the Company has a present, legal or constructive obligation as a result of past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. However, provision are reviewed at each reporting date and adjusted to reflect the current best estimate.

5.8 Taxation

Current

Provision for current tax is based on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year, if enacted. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is charged or credited in the statement of profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

5.9 Revenue from contracts with customers

The Company has adopted IFRS 15 from 01 July 2018. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognize revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in Company's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the Company's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalized as an asset and amortized over the contract period.

The Company has adopted IFRS 15 by applying the modified retrospective approach according to which the Company is not required to restate the prior year results. Key changes in accounting policies resulting from application of IFRS 15 are as follows:

Revenue recognition

Revenue is recognized at an amount that reflects the consideration to which the Company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognizes revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognized to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are initially recognized as deferred revenue in the form of a separate refund liability.

Rendering of services

Revenue from a contract to provide services is recognized over time as the services are rendered based on either a fixed price or an hourly rate.

Dividend

Dividend on equity investments is recognized when right to receive the dividend is established.

5.10 Off setting of financial assets and financial liabilities

Financial assets and financial liabilities are set off and the net amount is reported in the financial statements when there is a legally enforceable right to set off and the Company intends either to settle on a net basis, or to realize the assets and to settle the liabilities simultaneously.

5.11 Impairment of non-financial assets

The carrying amount of the Company's assets is reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of such assets is estimated. An impairment loss is recognized wherever the carrying amount of the asset exceeds the recoverable amount. Impairment losses are recognized in the statement of profit or loss and other comprehensive income. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If there is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the assets in prior year. Such reversal is recognized in the statement of profit or loss and other comprehensive.

5.12 Dividend and other appropriations

Dividend distribution to the Company's shareholders is recognized as a liability in the Company's financial statements in the period in which the dividends are declared and other appropriations are recognized in the period in which these are approved by the Board of Directors.

5.13 Share capital

Ordinary shares are classified as share capital. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax.

5.14 Foreign currencies transactions and translation

All monetary assets and liabilities denominated in foreign currencies are translated into Pak Rupees at the rates of exchange prevailing at the reporting date, while the transaction is foreign currency during the year are initially recorded in functional currency at the rates of exchange prevailing at the transaction date. All non monetary items are translated into Pak Rupees at the exchange rates prevailing on the date of transaction or on the date when fair values are determined. The Company charges all the exchanges differences to statement of profit or loss and other comprehensive income.

5.15 Earnings per share

The Company presents basic and diluted earnings per share (EPS) for its stakeholders. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of shares outstanding during the year. Diluted earnings per share is calculated if there is any potential dilutive effect on the Company's reported net profits.

6. PROPERTY AND EQUIPMENT

Description	Furniture & fixtures	Office equipment	Computer equipment	Vehicles	Lockers	Total
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
At 30 June 2017						
Cost	3,991,830	1,560,989	1,878,265	5,122,500	41,500	12,595,084
Accumulated depreciation	(2,844,423)	(1,149,417)	(1,855,337)	(4,745,462)	(35,653)	(10,630,292)
Net book value	1,147,407	411,572	22,928	377,038	5,847	1,964,792
Year ended 30 June 2018						
Opening net book value	1,147,407	411,572	22,928	377,038	5,847	1,964,792
Addition - at cost	-	-	-	-	-	-
Depreciation charge	(114,741)	(41,157)	(7,643)	(75,408)	(585)	(239,534)
Closing net book value	1,032,666	370,415	15,285	301,630	5,262	1,725,258
At 30 June 2018						
Cost	3,991,830	1,560,989	1,878,265	5,122,500	41,500	12,595,084
Accumulated depreciation	(2,959,164)	(1,190,574)	(1,862,980)	(4,820,870)	(36,238)	(10,869,826)
Net book value	1,032,666	370,415	15,285	301,630	5,262	1,725,258
Year ended 30 June 2019						
Opening net book value	**1,032,666**	**370,415**	**15,285**	**301,630**	**5,262**	**1,725,258**
Addition - at cost	**-**	**61,655**	**-**	**-**	**-**	**61,655**
Depreciation charge	**(103,267)**	**(41,666)**	**(5,095)**	**(60,326)**	**(526)**	**(210,880)**
Closing net book value	**929,399**	**390,404**	**10,190**	**241,304**	**4,736**	**1,576,033**
At 30 June 2019						
Cost	**3,991,830**	**1,622,644**	**1,878,265**	**5,122,500**	**41,500**	**12,656,739**
Accumulated depreciation	**(3,062,431)**	**(1,232,240)**	**(1,868,075)**	**(4,881,196)**	**(36,764)**	**(11,080,706)**
Net book value	**929,399**	**390,404**	**10,190**	**241,304**	**4,736**	**1,576,033**
Depreciation rate	**10%**	**10%**	**33.33%**	**20%**	**10%**	

6.1 Depreciation is charged to administrative and general expenses (Note 18).

7. LONG-TERM INVESTMENTS	**Note**	**2019 Rupees**	2018 Rupees
Equity instruments			
Investment in equity securities - at 'fair value through other comprehensive income'			
Related parties			
AKD REIT Management Company Limited - unquoted 10,000 (2018: 10,000) fully paid ordinary shares of Rupees 10 each. Equity held 0.1% (2018: 0.1%) & Cost of Rupees 100,000 (2018: Rupees 100,000)	7.1	**-**	-
Creek Developers (Private) Limited - unquoted 9,800 (2018: 9,800) fully paid ordinary shares of Rupees 10 each. Equity held 0.01% (2018: 0.01%) & Cost of Rupees 98,000 (2018: Rupees 98,000)	7.2	**98,000**	98,000
Others			
Javedan Corporation Limited - quoted 838,080 (2018: 776,000) fully paid ordinary shares of Rupees 10 each. Equity held 0.3% (2018: 0.29%) & Cost of Rupees 28,063,407 (2018: Rupees 28,063,407)		**26,826,940**	-
		26,924,940	98,000

7.1 Investment in AKD REIT Management Company Limited has been fully provided in prior years. This Company is required to seek prior approval from Securties & Exchange Commmission of Pakistan before disposing of this investments.

7.2 This represents investments in the ordinary shares of Creek Developers (Private) Limited (CDPL) that is in the process of building towers. CDPL is currently classified as a level 3 financial assets and is measured at fair value on reporting dates. However due to volatility in the underlying assumptions relevant to the valuation, there is a wide range of possible fair value measurement and cost is considered to represent the best estimate of fair value within that range. This Company is required to seek prior approval from Defense Housing Authority before disposing of this investment.

8. LONG-TERM DEPOSIT

Deposit with Pakistan Telecommunication Company Limited	8.1	**20,000**	20,000

8.1 This represents amount deposited with Pakistan Telecommunication Company Limited (PTCL) as security deposit at the time of connection in 2003. The fair value and expected credit loss adjustment in accordance with requirements of IFRS 9 "Financial Instruments" in respect of long term deposits is not considered material and hence not recognized.

9. TRADE DEBTS

Unsecured & considered good			
Related party	9.1	**7,631,944**	3,131,944
Less: Allowance for expected credit loss			
As at 01 July		**-**	-
Recognized during the year		**3,134,878**	-
As at 30 June		**-**	-
		3,134,878	-
		4,497,066	3,131,944

9.1 As at 30 June 2019, trade debts due from the related party amounting to Rupees 4.502 million (2018: Rupees 3.132 milllion) were past due but not impaired. The aging analysis of these trade debts is as follows:

	Note	2019 Rupees	2018 Rupees
Upto 1 month		**4,502,386**	3,131,944
1 to 6 months		-	-
More than 6 months		-	-
		4,502,386	3,131,944

9.2 As at 30 June 2019, trade debts due from the related party amounting to Rupees 3.135 million (2018: Rupees Nil) were impaired and provided for. The aging of these trade debts were of more than 365 days.

9.3 The maximum aggregate amount receivable from related parties at the end of any month during the year was Rupees 7.632 million (2018: Rupees 7.688 million).

10. SHORT TERM INVESTMENT

Available for sale

Javedan Corporation Limited - quoted - at cost 838,080 (2018: 776,000) fully paid ordinary shares of Rupees 10 each.		-	28,063,407
Add: Fair value adjustment		-	(282,607)
		-	27,780,800

11. OTHER RECEIVABLES

Related Parties - Unsecured & considered good

Creek Developers (Private) Limited (CDPL)	11.1	**4,094,173**	4,038,402
AKD Securities Limited (AKDSL)		-	20,000
		4,094,173	4,058,402

11.1 This represents the balance receivable of allocated share of common expenses.

11.2 The maximum aggregate amount receivable from CDPL and AKDSL at the end of any month during the year was 4.094 million (2018: Rupees 4.476 million) and Rupees 143,230 (2018: Rupees 0.02 million) respectively.

12. BANK BALANCES

Cash in bank - current account	**1,396,302**	5,335,327

13. ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

2019 (Number of shares)	2018 (Number of shares)		2019	2018
2,138,681	2,138,681	Ordinary shares of Rupees 10 each fully paid in cash	**21,386,810**	21,386,810
368,311	368,311	Ordinary shares of Rupees 10 each issued as fully paid bonus shares	**3,683,110**	3,683,110
479	479	Ordinary shares of Rupees 10 each forfeited	**2,813**	2,813
2,507,471	2,507,471		**25,072,733**	25,072,733

13.1 Ordinary shares of the Company held by the associated companies:

	2019	2018
	(Number of shares)	
AKD Securities Limited	**57,290**	57,290
Aqeel Karim Dhedhi Securities (Private) Limited - Staff Provident Fund	**249,000**	249,000
	306,290	306,290

14. RESERVES

	Note	2019 Rupees	2018 Rupees
Composition of reserves is as follows:			
Capital reserves			
Share premium	14.1	**20,891,600**	20,891,600
Fair value reserve	14.2	**(1,236,467)**	(282,607)
		19,655,133	20,608,993
Revenue reserves			
General reserve		**752,000**	752,000
Accumulated loss		**(11,435,576)**	(6,934,816)
		(10,683,576)	(6,182,816)
		8,971,557	14,426,177

14.1 This reserve can be utilized by the Company only for the purposes specified in section 81 of the Companies Act, 2017.

14.2

	Fair value reserve on 'fair value through other comprehensive income' investments	Fair value reserve on 'available for sale' investments
	Rupees	**Rupees**
Balance as on 01 July	**(282,607)**	1,866,913
Fair value adjustment made during the year	**(953,860)**	(2,149,520)
Balance as on 30 June	**(1,236,467)**	(282,607)

15. TRADE AND OTHER PAYABLES

	Note	2019	2018
Accrued liabilities		**1,159,316**	1,106,940
Payable to Pakistan Stock Exchange Limited (PSX)	15.1	**-**	62,000
Payable to AKD Securities Limited		**55,118**	-
Withholding tax payable		**319,289**	281,374
Zakat payable		**201,811**	129,173
Provision for workers welfare fund		**294,522**	294,522
		2,030,056	1,874,009

16. CONTINGENCIES AND COMMITMENTS

16.1 Contingencies

a) The Company filed a law suit in the Honorable High Court of Sindh against a consortium based in Lahore by sending legal notice unduly involving the name of the Company which is not correct as per Company's records. In response, the said Consortium also filed a counter law suit on the Company in the same court claiming certain consultancy fees from the Company. The management and the legal counsel of the Company are of the view that based on the legal merits, the said law suits will be disposed of without any financial loss to the Company.

b) In 2012, an individual filed case in the Honorable High Court of Sindh against Defence Housing Authority (DHA) alleging the land belongs to the previous project and designated as amenity plot amd made the Company as pro-forma defendant . Presently, the matter is pending in Honorable High Court of Sindh. The management and its legal counsel are confident that that the Company is not a party to the aforesaid case, therefore, the eventual outcome would be favorable and would not result in any financial loss to the Company.

16.2 Commitments

There were no commitments as at the reporting date (2018: Nil).

17. CONSULTANCY INCOME

The revenue recognized represents the consultancy services rendered to a related party till the reporting date in respect of infrastructure designing of the construction projects.

18. ADMINISTRATIVE AND GENERAL EXPENSES	Note	2019 Rupees	2018 Rupees
Salaries and benefits	18.1	**1,998,850**	1,930,500
Printing and stationery		**19,435**	88,455
Postage and telegram		**6,613**	21,937
Fees, taxes and subscription		**598,199**	385,608
Legal and professional		**342,550**	333,550
Entertainment		**125,000**	200,000
Penalty	18.2	**50,000**	62,000
Auditors' remuneration	18.3	**843,480**	953,200
Depreciation	6.1	**210,880**	239,534
Office expenses		**119,740**	176,944
Repair and maintenance		**42,969**	6,739
Advances written off		**-**	110,007
Allowance for expected credit loss	9	**3,134,878**	-
Workers welfare fund		**-**	28,244
Bank charges		**10,534**	16,023
		7,503,128	4,552,741

18.1 Remuneration of Directors and Executives

No remuneration and meeting fee have been paid to Chief Executive Officer and Directors during the year, respectively (2018: Nil).

18.2 This represents penalty imposed by Federal Baord of Revenue (FBR) on account of non-deduction of withholding income tax while making payment of certain expenditures by order under section of 161(1) of Income Tax Ordinance, 2001 (2018: represents penalty imposed by PSX for late submission of printed copies of annual / quarterly accounts).

18.3 Auditors' remuneration	Note	2019 Rupees	2018 Rupees
Audit services			
Audit fee		**440,000**	410,000
Half yearly review fee		**130,000**	130,000
		570,000	540,000
Non-audit services			
Code of Corporate Governance review fee		**50,000**	100,000
Other certification		**90,000**	180,000
		140,000	280,000
Out of pocket expenses		**71,000**	62,378
Sindh Sales tax @ 8%		**62,480**	70,822
		843,480	953,200

19. TAXATION

	Note	2019 Rupees	2018 Rupees
Current	19.1	**441,480**	341,000
Prior year		**270,000**	(41,886)
Deferred	19.2	**75,856**	(114,087)
		787,336	185,027

19.1 Current

The charge for current taxation is based on taxable income at the current rate of taxation after taking into account applicable tax credits, rebates and exemption available if any.

19.2 Deferred

Deferred tax effect is due to:

	2019 Rupees	2018 Rupees
Tax depreciation allowance	**259,231**	258,891
Tax losses	**-**	(75,516)
Closing balance as at 30 June	**259,231**	183,375
Opening balance as at 01 July	**(183,375)**	(297,462)
Charge for the year	**75,856**	(114,087)

19.3 Relationship between tax expense and accounting profit:

	2019 Rupees	2018 Rupees
Accounting (loss) / profit before taxation	**(2,459,928)**	1,387,259
Tax @ 29% (2018: 30%)	**(713,379)**	416,178
Effect of:		
Dividend income subject to fixed rate	**(76,048)**	(291,000)
Accelerated depreciation	**17,540**	26,188
Liabilities written back for tax purpose	**-**	42,914
Permanent difference	**14,500**	18,600
Allowance for expected credit loss	**909,115**	-
Tax loss	**-**	75,516
Change in tax rate	**-**	2,604
Minimum tax	**289,752**	50,000
	441,480	341,000

20. (LOSS) / EARNINGS PER SHARE - BASIC AND DILUTED

There is no dilutive effect on the basic (loss) / earnings per share of the Company which is based on:

(Loss) / profit for the year **(Rupees)**	**(3,247,264)**	1,202,232
Weighted average number of ordinary shares **(Number)**	**2,507,471**	2,507,471
(Loss) / earnings per share - basic & diluted **(Rupee)**	**(1.30)**	0.48

21. Reconciliation of movement of liability to cash flows arising from financing activities:

Unclaimed dividend

Balance as on 30 June 2018	**1,477,925**	1,383,357
Dividend declared	**1,253,496**	589,417
Dividend paid	**(253,379)**	(494,849)
Balance as at 30 June 2019	**2,478,042**	1,477,925

22. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated undertakings, other related companies and key management personnel. The Company in the normal course of business carries out transactions with various related parties. Detail of transactions and balances with related parties are as follows:

	Related party	Relationship with the Company	Nature of transaction and balances	2019 Rupees	2018 Rupees
i.	AKD Securities Limited	Common directorship and 2.28% shareholding	Expenses credited	**198,348**	418,287
			Paid during the year	**123,230**	1,963,239
			Balance at year end	**(55,118)**	20,000
ii.	Creek Developers (Private) Limited	Common directorship and 0.01% shareholding	Expenses debited	**55,771**	88,454
			Collection during the year	**-**	500,000
			Balance at year end	**4,094,173**	4,038,402
iii.	R.A. Enterprises	Sponsor's interest	Consultancy fee	**4,500,000**	4,000,000
			Collection during the year	**-**	3,812,500
			Balance at year end	**4,497,066**	3,131,944

23. FINANCIAL RISK MANAGEMENT

23.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, other price risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance.

'Risk management is carried out by the Board of Directors (the Board). The Board provides principles for overall risk management, as well as policies covering specific areas such as currency risk, other price risk, interest rate risk, credit risk and liquidity risk.

a) Market risk

(i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies.

The company is not exposed to this risk because there were no receivables and payables in any foreign currency as at the reporting date. Moreover, no transactions were carried out in any foreign currency during the year.

Sensitivity analysis of functional currency at reporting date is not required due to nil foreign currency nominated financial assets and liabilities at the reporting date.

(ii) Other price risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instrument traded in the market. The Company is not exposed to commodity price risk.

Sensitivity analysis

The table below summarizes the impact of increase / decrease in the Karachi Stock Exchange (KSE) Index on the Company's profit after taxation for the year and on equity (fair value reserve). The analysis is based on the assumption that the equity index had increased / decreased by 5% with all other variables held constant and all the Company's equity instruments moved according to the historical correlation with the index:

Index	Impact on profit after taxation		Impact on equity (fair value reserve)	
	2019 Rupees	2018 Rupees	**2019 Rupees**	2018 Rupees
KSE 100 (5% increase)	-	-	**1,341,347**	1,389,040
KSE 100 (5% decrease)	-	-	**(1,341,347)**	(1,389,040)

(iii) Interest rate risk

This represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has no interest bearing liabilities at the reporting date.

b) Credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	2019 Rupees	2018 Rupees
Long term investments	**26,924,940**	98,000
Long-term deposit	**20,000**	20,000
Trade debts	**4,497,066**	3,131,944
Advance to employees	**55,000**	10,000
Short-term investments	**-**	27,780,800
Other receivables	**4,094,173**	4,058,402
Bank balances	**1,396,302**	5,335,327
	36,987,481	40,434,473

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rate:

	Rating				
Banks	**Short Term**	**Long Term**	**Agency**		
MCB Bank Limited	A1+	AAA	PACRA	**1,223,536**	5,201,910
United Bank Limited	A-1+	AAA	JCR-VIS	**4,179**	4,179
Bank Al-Habib Limited	A1+	AA+	PACRA	**168,587**	129,238
				1,396,302	5,335,327
Investments					
Creek Developers (Private) Limited	Unknown		-	**98,000**	98,000
Javedan Corporation Limited	A-1	A+	JCR - VIS	**26,826,940**	27,780,800
				26,924,940	27,878,800

Due to the Company's long standing business relationships with these counterparties and after giving due consideration to their strong financial standing, the management does not expect non-performance by these counterparties on their obligations to the Company. Accordingly, the credit risk is minimal.

c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Company manages liquidity risk by maintaining sufficient bank balance other liquid assets. At 30 June 2019, the Company had Rupees 1.396 million (2018: 5.335 million) bank balance. Following are the contractual maturities of financial liabilities, including interest payments. The amount disclosed in the table are undiscounted cash flows:

Contractual maturities of financial liabilities as at 30 June 2019

	Carrying Amount	Contractual Cash Flows	6 month or less	6 months to 12 months	More than 1 year
	Rupees	Rupees	Rupees	Rupees	Rupees
Trade and other payables	**1,214,434**	**1,214,434**	**1,214,434**	-	-
Unclaimed dividend	**2,478,042**	**2,478,042**	**2,478,042**	-	-
	3,692,476	**3,692,476**	**3,692,476**	-	-

Contractual maturities of financial liabilities as at 30 June 2018

Trade and other payables	1,168,940	1,168,940	1,168,940	-	-
Unclaimed dividend	1,477,925	1,477,925	1,477,925	-	-
	2,646,865	2,646,865	2,646,865	-	-

23.2 Recognized fair value measurements - financial assets

(i) Fair value hierarchy

Judgments and estimates are made in determining the fair values of the financial instruments that are recognized and measured at fair value in these financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the following three levels. An explanation of each level follows underneath the table:

Recurring fair value measurements	Level 1	Level 2	Level 3	Total
As at 30 June 2019	Rupees	Rupees	Rupees	Rupees
Investments at 'fair value through other comprehensive income'	**26,826,940**	-	**98,000**	**26,924,940**
As at 30 June 2018				
Investments at available for sale	27,780,800	-	98,000	27,878,800

The above table does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amounts are a reasonable approximation of fair value. Due to short term nature, carrying amounts of certain financial assets and financial liabilities are considered to be the same as their fair value.

There were no transfers between levels 1 and 2 for recurring fair value measurements during the year. Further there was no transfer in and out of level 3 measurements.

The Company's policy is to recognize transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

(ii) Valuation techniques used to determine fair values

Specific valuation techniques used to value financial instruments include the use of quoted market prices or dealer quotes for similar instruments and the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

23.3 Recognized fair value measurements - non-financial assets

There were no any non-financial assets as at 30 June 2019 (2018: Nil) for the recognized fair value measurement.

23.4 Financial instruments by categories

As at 30 June 2019	**At 'fair value through other comprehensive income'**	**At amortized cost**	**Total**
Assets as per statement of financial position	**Rupees**	**Rupees**	**Rupees**
Long-term investments	**26,924,940**	**-**	**26,924,940**
Long-term deposit	**-**	**20,000**	**20,000**
Trade debts	**-**	**4,497,066**	**4,497,066**
Advance to employees	**-**	**55,000**	**55,000**
Other receivables	**-**	**4,094,173**	**4,094,173**
Bank balances	**-**	**1,396,302**	**1,396,302**
	26,924,940	**10,062,541**	**36,987,481**
Liabilities as per statement of financial position			
Trade and other payables	**-**	**1,214,434**	**1,214,434**
Unclaimed dividend	**-**	**2,478,042**	**2,478,042**
	-	**3,692,476**	**3,692,476**

As at 30 June 2018	Available for sale	Loans and receivables	Total
Assets as per statement of financial position	Rupees	Rupees	Rupees
Long-term investments	98,000	-	98,000
Long-term deposit	-	20,000	20,000
Trade debts	-	3,131,944	3,131,944
Advance to employees	-	10,000	10,000
Short-term investment	27,780,800	-	27,780,800
Other receivables	-	4,058,402	4,058,402
Bank balances	-	5,335,327	5,335,327
	27,878,800	12,555,673	40,434,473

	Financial liabilities at amortized cost
Liabilities as per statement of financial position	Rupees
Trade and other payables	1,168,940
Unclaimed dividend	1,477,925
	2,646,865

23.5 Offsetting financial assets and financial liabilities

As on reporting date, recognized financial instruments are not subject to off setting as there are no enforceable master netting arrangements and similar agreements.

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24. CAPITAL RISK MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders and issue new shares or sell assets. The Company's strategy, remained unchanged from last year.

25. NUMBER OF EMPLOYEES

The number of employees during the year is as follows:

	2019		2018	
	At year end	**Average**	At year end	Average
Number of employees	**3**	**3**	3	3

25.1 All employees are hired on temporary contract basis. Therefore, the Company has not so far established any staff retirement benefit scheme. The Company intends to hire permanent employees after the commencement of primary commercial operations.

26. NON-ADJUSTING EVENTS AFTER THE REPORTING DATE

The Board of Directors of the Company in their meeting held on **04 October 2019** proposed a final cash dividend for the year ended 30 June 2019 @ Nil% i.e. Rupee Nil / share (2018: @ 5% i.e. Rupee 0.5 / share) for the ordinary shareholders of the Company except Company's sponsors, directors and their families. The approval of the members for the dividend will be obtained at the forthcoming Annual General Meeting. The financial statements for the year ended 30 June 2019 do not include the effect of these appropriations which will be accounted for in the interim financial statements for the six month period ending on 31 December 2019.

27. DATE OF AUTHORIZATION

These financial statements were approved and authorized for the issue on **04 October 2019** by the Board of Directors of the Company.

28. CORRESPONDING FIGURES

Corresponding figures have been reclassified wherever necessary to reflect more appropriate presentation of events and transactions for the purpose of comparison in accordance with the accounting and reporting standards as applicable in Pakistan. However, no significant reclassification has been made, except for the following:

From	**To**	
Finance cost	**Administrative expenses**	
Bank charges	Bank charges	**16,023**

29. GENERAL

Figures have been rounded off to the nearest Rupee, unless otherwise stated.

Chief Financial Officer **Chief Executive Officer** **Director**

AKD CAPITAL LIMITED

	PATTERN OF SHAREHOLDING AS AT 30 JUNE 2019				
NUMBER OF SHAREHOLDERS	FROM	SHARE HOLDING	TO	TOTAL SHARES HELD	% OF SHAREHOLDING
		-			
405	1	-	100	9,172	0.37
134	101	-	500	43,343	1.73
44	501	-	1000	38,561	1.54
51	1001	-	5000	120,661	4.81
4	5001	-	10000	33,875	1.35
5	10001	-	15000	61,462	2.45
2	15001	-	20000	36,155	1.44
1	20001	-	25000	21,125	0.84
3	25001	-	30000	83,276	3.32
5	45001	-	95000	316,110	12.61
1	95001	-	145000	130,680	5.21
1	145001	-	195000	166,340	6.64
3	195001	-	695000	698,000	27.84
1	695001	-	750000	748,232	29.85
660				**2,506,992**	**100**

CATEGORIES OF SHAREHOLDERS				
Director & Family	**Designation**	**Number of Shareholders**	**Shares Held**	**%**
Nadeem Saulat Siddiqui	Chairman / Director	1	2,500	0.10%
Muhammad Sohail	Director	1	3,000	0.12%
Mehrunnisa W/o M. Sadiq	Director	1	27,808	1.11%
Aurangzeb Ali Naqvi	Chief Executive Officer	1	2,500	0.10%
Aamir Nazir Dhedhi	Director	1	2,500	0.10%
Muhammad Munir	Director	1	2,500	0.10%
Muhammad Jamal Dhedhi	Director	1	2,500	0.10%
Individuals		642	1,693,950	67.57%
Financial Institutions		7	768,890	30.67%
Insurance Companies		2	843	0.03%
Joint Stock Companies		1	1	0.00%
	Total	**659**	**2,506,992**	**100.00%**

Statement Showing Shares Bought & Sold by the Directors, CEO & Company Secretary & Minor Family Members From 0 July 2017 to 30 June 2018				
S. No	**Name**	**Designation**	**Shares Bought**	**Shares Sold**
1	Nadeem Saulat Siddiqui	Chairman / Director	-	-
2	Muhammad Sohail	Director	-	-
3	Mehrunnisa W/o M. Sadiq	Director	-	-
4	Aurangzeb Ali Naqvi	Director	-	-
5	Aamir Nazir Dhedhi	Director		
6	Muhammad Munir	Director	-	-
7	Muhammad Jamal Dhedhi	Director	-	-
8	Nessar Ahmed	Chief Executive Officer /	-	-

Form Of Proxy
Eighty Fifth Annual General Meeting

I/we --

Of --

being member(s) of AKD Capital Limited holding ____

ordinary shares hereby appoint ____

of __________________________ or failing him/her ____

of _________________________ who is also member of AKD Capital Ltd. as my/our proxy in my/our absence

to attend and vote for me/us and on my/our behalf at the Eighty Fifth Annual General Meeting of the Company

to be held on October 26, 2019 and / or any adjournment thereof.

As witness my /hand /seal this ---day of ---------------------------------20---

Shareholder

Folio No. ---------------

Signature on
Five Rupee Revenue
Stamp

Important:

1. This proxy form, duly completed and signed, must be received at the Registered Office of the Company, 416-418, Continental Trade Centre, Block 8, Clifton, Karachi, not less than 48 hours before the time of holding the meeting.

2. No person shall act as proxy unless he himself is member of the Company, except that a corporation may appoint a person who is not a member.

3. If a member appoints more than one proxy form an more than on instruments of proxy are deposited by a member with the Company, all such instruments of proxy shall be rendered invalid.

Jama
Punji

سرمایہ کاری سمجھداری کے ساتھ