

AKD CAPITAL LIMITED

Quarterly Report September 19

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

416-418 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. Mohammad Sohail
Ms. Mehrunnisa Siddiqui



AKD Capital Ltd.

Directors' Report

The Board of Directors of your company hereby presents the un-audited financial statements of your Company for the quarter ended 30 September 2019.

During the period the company registered loss after tax of 0.882 million. Even though operating results for the quarter is slightly below as compared to quarter last time. However, the management is exploring other sources of revenues to meet its current expenditure and improve its profitability.

Pakistan's overall economy gaining some momentum and steps recently taken by Government in regards to privatization may benefit the private sector which may kick start the economic activity.

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.

For and on behalf of the Board

Chief Financial Officer

A handwritten signature in blue ink, appearing to read 'A. Khan', is written over the printed name of the Chief Financial Officer.

Karachi: 31 October 2019

AKD Capital Limited
Condensed Interim Balance Sheet
as at 30 September 19

| | Note | (UnAudited) 30 Sep 2019 | (Audited) 30 Jun 2019 |
|---|------|----------------------------|--------------------------|
| ------(Rupees)----- | | | |
| ASSETS | | | |
| NON-CURRENT ASSETS | | | |
| Property and equipment | 5 | 1,530,006 | 1,576,033 |
| Long term investments | | 22,516,640 | 26,924,940 |
| Long term deposits | | 20,000 | 20,000 |
| | | <u>24,066,646</u> | <u>28,520,973</u> |
| CURRENT ASSETS | | | |
| Trade debts - considered good | | 4,497,066 | 4,497,066 |
| Advances and prepayments | 6 | 362,399 | 55,000 |
| Investments | 7 | - | - |
| Other receivables | | 4,101,353 | 4,094,173 |
| Advance income tax | | 961,078 | 959,585 |
| Bank balances | | 342,631 | 1,396,303 |
| | | <u>10,264,527</u> | <u>11,002,127</u> |
| TOTAL ASSETS | | <u><u>34,331,173</u></u> | <u><u>39,523,100</u></u> |
| EQUITY AND LIABILITIES | | | |
| SHARE CAPITAL AND RESERVES | | | |
| Authorized share capital | | | |
| 50,000,000 (2016: 50,000,000) ordinary shares of Rupees 10 each | | <u>500,000,000</u> | <u>500,000,000</u> |
| Issued, subscribed and paid-up share capital | | 25,072,733 | 25,072,733 |
| Reserves | | 3,681,512 | 8,971,556 |
| TOTAL EQUITY | | <u>28,754,245</u> | <u>34,044,289</u> |
| NON CURRENT LIABILITIES | | | |
| Deferred taxation | | 259,231 | 259,231 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | | 2,129,252 | 2,030,056 |
| Provision for taxation | | 711,480 | 711,480 |
| Unclaimed dividend | | 2,476,962 | 2,478,042 |
| | | <u>5,317,694</u> | <u>5,219,578</u> |
| TOTAL LIABILITIES | | <u>5,576,925</u> | <u>5,478,809</u> |
| Contingencies and commitments | | | |
| TOTAL EQUITY AND LIABILITIES | | <u><u>34,331,170</u></u> | <u><u>39,523,098</u></u> |

The annexed notes from 1 to 11 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

AKD CAPITAL LIMITED
Condensed Interim Profit and Loss Account (Un-audited)
for the period ended 30 September 19

| | Quarter Ended | |
|---|---------------------|--------------|
| | 30 September | 30 September |
| | 2019 | 2018 |
| | ------(Rupees)----- | |
| INCOME | | |
| Consultancy fee | - | - |
| Dividend income | - | - |
| | - | - |
| EXPENSES | | |
| Administrative expenses | (881,557) | (865,323) |
| | (881,557) | (865,323) |
| Loss on Sale of Investment | | - |
| Finance cost | (186) | (1,273) |
| | (881,743) | (866,596) |
| PROFIT BEFORE TAXATION | (881,743) | (866,596) |
| PROVISION FOR TAXATION | | |
| Current - for the year | - | - |
| - prior year | - | - |
| Deferred | - | - |
| | - | - |
| NET PROFIT FOR THE YEAR | (881,743) | (866,596) |
| OTHER COMPREHENSIVE INCOME | | |
| Items that will not be reclassified subsequently to profit or loss | | |
| Unrealized loss arising on remeasurement of investments at fair value through other comprehensive income ¹ | (4,408,300) | - |
| Items that may be reclassified subsequently to profit or loss: | | |
| Transfer of fair value loss to profit and loss account on disposal of available for sale investment | | - |
| Gain\ (Loss) on remeasurement of available for sale investments | - | 1,489,920 |
| Other comprehensive loss for the year | (4,408,300) | 1,489,920 |
| TOTAL COMPREHENSIVE (LOSS) / INCOME | (5,290,043) | 623,324 |
| EARNINGS PER SHARE-BASIC AND DILUTED | (0.35) | (0.35) |

Note

The annexed notes from 1 to 11 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

AKD CAPITAL LIMITED
Statement of Changes in Equity (Un-audited)
for the period ended 30 September 19

| | Reserves | | | | | | Sub total | Total Equity |
|---|-------------------|-------------------|--|---|-----------------|---------------------|-------------------|-------------------|
| | Capital Reserves | | | Revenue Reserves | | | | |
| | 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 | | |
| Balance as at 30 June 2017 | 25,072,733 | 20,891,600 | 1,866,913 | - | 752,000 | (7,547,632) | 15,962,881 | 41,035,614 |
| Final dividend for the year ended 30 June 2017 | - | - | - | - | - | (589,417) | (589,417) | (589,417) |
| Total comprehensive income for the year | | | | | | | | |
| Profit for the year | - | - | - | - | - | 1,202,232 | 1,202,232 | 1,202,232 |
| Other comprehensive loss | | | | | | | | |
| Loss on re-measurement of available for sale investment | - | - | (2,149,520) | - | - | - | (2,149,520) | (2,149,520) |
| | - | - | (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 | (6,934,817) | 14,426,177 | 39,498,909 |
| Final dividend for the year ended 30 June 2018 | - | - | - | - | - | (1,253,496) | (1,253,496) | (1,253,496) |
| Adjustment on adoption of IFRS 9 | | | 282,607 | (282,607) | | | - | - |
| Total comprehensive income for the year | | | | | | | | |
| Profit for the year | - | - | - | - | - | (3,247,264) | (3,247,264) | (3,247,264) |
| Other comprehensive loss | | | | | | | | |
| Loss on re-measurement of available for sale investment | - | - | - | (953,860) | - | - | (953,860) | (953,860) |
| | - | - | - | (953,860) | - | (3,247,264) | (4,201,125) | (4,201,124) |
| Balance as at 30 June 2019 | 25,072,733 | 20,891,600 | - | (1,236,467) | 752,000 | (11,435,576) | 8,971,556 | 34,044,289 |
| Final dividend for the year ended 30 June 2019 | - | - | - | - | - | - | - | - |
| Adjustment on adoption of IFRS 9 | | | - | - | | | - | - |
| Total comprehensive income for the year | | | | | | | | |
| Profit for the year | - | - | - | - | - | (881,745) | (881,745) | (881,745) |
| Other comprehensive loss | | | | | | | | |
| Loss on re-measurement of available for sale investment | - | - | - | (4,408,300) | - | - | (4,408,300) | (4,408,300) |
| | - | - | - | (4,408,300) | - | (881,745) | (5,290,046) | (5,290,045) |
| Balance as at 30 September 2019 | 25,072,733 | 20,891,600 | - | (5,644,767) | 752,000 | (12,317,320) | 3,681,510 | 28,754,244 |

The annexed notes from 1 to 11 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

AKD CAPITAL LIMITED
Condensed Interim Cash Flow Statement (Un-audited)
for the period ended 30 September 19

| | 30 September 2019 | September 30, 2018 |
|---|---------------------|--------------------|
| | ------(Rupees)----- | |
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| Profit before taxation | (881,745) | (866,596) |
| Adjustment for non cash items: | | |
| Dividend income | - | - |
| Depreciation | 46,028 | 51,564 |
| Impairment loss on available for sale investments | - | - |
| Operating cash flow before working capital changes | <u>(835,717)</u> | <u>(815,032)</u> |
| Changes in working capital | | |
| (Increase) / decrease in current assets | | |
| Trade debts | - | - |
| Advances and prepayments | (307,399) | (285,202) |
| Other receivables | (7,180) | (1,025) |
| | <u>(314,579)</u> | <u>(286,227)</u> |
| Increase / (decrease) in current liabilities | | |
| Trade and other payables | 99,196 | (316,770) |
| | <u>(215,383)</u> | <u>(602,997)</u> |
| CASH FLOW FROM OPERATIONS | <u>(1,051,100)</u> | <u>(1,418,029)</u> |
| Income tax paid | (1,493) | (2,632) |
| Net cash (used in) / flow from operating activities | <u>(1,052,593)</u> | <u>(1,420,661)</u> |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| Property and equipment purchased | - | - |
| Net cash used in investing activities | <u>-</u> | <u>-</u> |
| CASH FLOW FROM FINANCING ACTIVITIES | | |
| Dividend paid | (1,080) | - |
| Net cash used in financing activities | <u>(1,080)</u> | <u>-</u> |
| NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS | <u>(1,053,673)</u> | <u>(1,420,661)</u> |
| Cash and cash equivalents at the beginning of the year | 1,396,302 | 5,335,326 |
| Cash and cash equivalents at the end of the year | <u>342,629</u> | <u>3,914,665</u> |

The annexed notes from 1 to 11 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

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

for the period ended 30 September 19

1. THE COMPANY AND ITS BUSINESS

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. The principle activity of the Company is to deal in 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.

2. BASIS OF PREPARATION

These interim financial statements are un-audited and are being submitted to the shareholders in accordance with the requirements of Section Companies Ordinance, 1984. These interim financial statements are presented in condensed form in accordance with the requirements of International Accounting Standard 34 'Interim Financial Reporting'. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the financial statements of the Company as at and for the year ended 30 June 2019. Comparative figures of the balance sheet are extracted from the annual financial statements for the year ended 2019 whereas comparative profit and loss account, statement of changes in equity and statement of cash flows are stated from un-audited condensed interim financial statements for the period ended 30 September 2018.

3. ACCOUNTING POLICIES

The accounting policies and method of computation followed for the preparation of this condensed interim financial information are the same as those applied in preparation of the financial statements for the year ended 30 June 2019.

- 3.1 IAS 1 (Amendment), 'Presentation of Financial Statements' The amendment clarifies that the potential settlement of a liability by the issue of equity is not relevant to its classification as current or non-current. By amending the definition of current liability, the amendment permits a liability to be classified as non-current (provided that the entity has an unconditional right to defer settlement by transfer of cash or other assets for at least 12 months after the accounting period) notwithstanding the fact that the entity could be required by the counter party to settle in shares at any time. The application of the amendment will not effect the results or net assets of the Company as it is only concerned with presentation and disclosures.

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

for the period ended 30 September 19

4. ESTIMATES

The Preparation of interim financial statements require management to make judgments, estimates and assumption that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. In preparing this condensed interim financial information, the significant judgments made by the management in applying the Company's accounting policies and the key resources of estimation uncertainty were the same as those that applied to the financial statements as at and for the year ended 30 June 2019.

| | 30 September 2019 | June 30, 2019 |
|----------------------------|-------------------|------------------|
| | Rupees | Rupees |
| 5. FIXED ASSETS | | |
| Opening Written down value | 1,576,034 | 1,725,258 |
| Addition | - | 61,655 |
| (Disposals) | - | - |
| Depreciation | (46,028) | (210,879) |
| | <u>1,530,006</u> | <u>1,576,034</u> |

6. ADVANCES AND SHORT TERM DEPOSITS

| | | |
|---|----------------|---------------|
| Advance to employees - considered good | 86,000 | 55,000 |
| Prepayments | 276,399 | (0) |
| | <u>362,399</u> | <u>55,000</u> |

7. AVAILABLE FOR SALE

| 30 September 2019 | 30 June 2019 | | | |
|-------------------|--------------|--|-------------------|-------------------|
| | Qty. | | | |
| 838,080 | 776,000 | Javedan corporation limited - cost | 28,063,407 | 28,063,407 |
| | | Effect of re-measurement to fair value | (5,644,767) | (1,236,468) |
| | | | <u>22,418,640</u> | <u>26,826,939</u> |

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

for the period ended 30 September 19

8. CONTINGENCIES AND COMMITMENTS

8.1 CONTINGENCIES

There were no contingencies at reporting date.

8.2 COMMITMENTS

There have been no commitments as at the period

9. EARNING / (LOSS) PER SHARE - BASIC AND DILUTED

There is no dilutive effects in the basic earning per share of the Company which is based on:

| | 30 September 2019 | June 30, 2019 |
|--|-------------------|---------------|
| | Rupees | Rupees |
| Profit \ (Loss) for the period | (881,745) | (2,459,928) |
| Weighted average number of ordinary shares | 2,507,471 | 2,507,471 |
| Earning per share | (0.35) | (0.98) |

10. DATE OF AUTHORIZATION

This condensed interim financial information was authorized for issue on 31 October 2019 by the Board of Directors of the Company.

11. GENERAL

Figure have been rounded off to the nearest rupee.

CHIEF EXECUTIVE OFFICER

DIRECTOR

