

AKD CAPITAL LIMITED

Quarterly Report for the Period Ended 31 March 2020



DIRECTORS' REPORT

The Board of Directors of AKD Capital Limited is pleased to presents un-audited financial statements for the quarter ended 31st March 2020.

During the period the company registered a loss after tax of Rupees 3.883 million. Operating results for the period are not favorable as compared to the net loss (Rupees 1.262 million) after tax during the same period of last year. The reason for increase in loss is due to recognized the allowance for expected credit loss during the period, which is the part of General & Administrative expenses. Management is pursuing to recover trade debts and hopeful to receive it in due course of time to enable to explore other avenues to ensure profitability in future.

The Board of Directors also appreciated shareholders for their continued support.

For and on behalf of the Board


Chairman

Date: 27th April 2020

AKD Capital Limited
Condensed Interim Balance Sheet
As at 31 March 2020

	Note	(UnAudited) 31 Mar 2020	(Audited) 30 Jun 2019
------(Rupees)-----			
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	5	1,437,950	1,576,033
Long term investments		23,873,492	26,924,940
Long term deposits		20,000	20,000
		25,331,442	28,520,973
CURRENT ASSETS			
Trade debts - considered good		499,148	4,497,066
Advances and prepayments	6	182,172	55,000
Investments		-	-
Other receivables		4,437,979	4,094,173
Advance income tax		791,285	959,585
Bank balances		233,232	1,396,302
		6,143,814	11,002,126
TOTAL ASSETS		31,475,256	39,523,099
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
50,000,000 (2016: 50,000,000) ordinary shares of Rupees 10 each		500,000,000	500,000,000
Issued, subscribed and paid-up share capital		25,072,733	25,072,733
Reserves		2,036,542	8,971,557
TOTAL EQUITY		27,109,275	34,044,290
NON CURRENT LIABILITIES			
Deferred taxation		109,343	259,231
CURRENT LIABILITIES			
Trade and other payables		1,699,676	2,030,056
Provision for taxation		80,000	711,480
Unclaimed dividend		2,476,962	2,478,042
		4,256,638	5,219,578
TOTAL LIABILITIES		4,365,981	5,478,809
Contingencies and commitments			
TOTAL EQUITY AND LIABILITIES		31,475,256	39,523,099

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 31 March 2020

	Nine Months Ended		Three Months Ended	
	31 March	31 March	31 March	31 March
	2020	2019	2020	2019
	------(Rupees)-----		------(Rupees)-----	
INCOME				
Consultancy fee	1,000,000	1,500,000	-	-
Dividend income	-	543,200	-	-
	1,000,000	2,043,200	-	-
EXPENSES				
Administrative expenses	(5,231,117)	(2,919,580)	(649,086)	(814,239)
	(4,231,117)	(876,380)	(649,086)	(814,239)
Loss on Sale of Investment				-
Finance cost	(1,871)	(10,415)	(238)	(798)
PROFIT / (LOSS) BEFORE TAXATION	(4,232,988)	(886,795)	(649,324)	(815,037)
PROVISION FOR TAXATION				
Current - for the year	(80,000)	(201,480)	-	-
- prior year	279,533	(270,000)	-	-
Deferred	149,888	95,420	-	(78,776)
	349,421	(376,060)	-	(78,776)
NET PROFIT / (LOSS) FOR THE PERIOD	(3,883,567)	(1,262,855)	(649,324)	(893,813)
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	(3,051,448)	-	(4,157,714)	-
Items that may be reclassified subsequently to profit or loss:				
Gain/(Loss) on remeasurement of available for sale investments	-	3,647,200	-	5,028,480
Other comprehensive loss for the year	(3,051,448)	3,647,200	(4,157,714)	5,028,480
TOTAL COMPREHENSIVE (LOSS) / INCOME	(6,935,015)	2,384,345	(4,807,038)	4,134,667
EARNINGS PER SHARE-BASIC AND DILUTED	9	(1.55)	(0.50)	(0.26)
		(0.50)	(0.26)	(0.36)

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 31 March 2020

	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	-	-	-	(953,859)	-	-	(953,859)	(953,859)
	-	-	-	(953,859)	-	(3,247,264)	(4,201,124)	(4,201,123)
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
Final dividend for the year ended 30 June 2019	-	-	-	-	-	-	-	-
Adjustment on adoption of IFRS 9			-	-			-	-
Total comprehensive income for the year								
Profit / (Loss) for the year	-	-	-	-	-	(3,883,567)	(3,883,567)	(3,883,567)
Other comprehensive loss								
Loss on re-measurement of available for sale investment	-	-	-	(3,051,448)	-	-	(3,051,448)	(3,051,448)
	-	-	-	(3,051,448)	-	(3,883,567)	(6,935,016)	(6,935,015)
Balance as at 31st March 2020	25,072,733	20,891,600	-	(4,287,915)	752,000	(15,319,142)	2,036,541	27,109,275

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 31 March 2020

	31 March 2020	31 March 2019
	------(Rupees)-----	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	(4,232,988)	(886,795)
Adjustment for non cash items:		
Dividend income	-	(543,200)
Depreciation	138,084	159,316
Impairment loss on available for sale investments	-	-
Operating cash flow before working capital changes	<u>(4,094,904)</u>	<u>(1,270,679)</u>
Changes in working capital		
(Increase) / decrease in current assets		
Trade debts	3,997,918	(1,500,000)
Advances and prepayments	(127,172)	(125,814)
Other receivables	(343,806)	(35,771)
	<u>3,526,940</u>	<u>(1,661,585)</u>
Increase / (decrease) in current liabilities		
Trade and other payables	(330,380)	(297,400)
	<u>3,196,560</u>	<u>(1,958,985)</u>
CASH FLOW FROM OPERATIONS	(898,344)	(3,229,664)
Income tax paid	(263,647)	(27,197)
Net cash (used in) / flow from operating activities	<u>(1,161,990)</u>	<u>(3,256,861)</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Property and equipment purchased	-	(61,655)
Dividend Income Received	-	543,200
Net cash used in investing activities	<u>-</u>	<u>481,545</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Dividend paid	(1,080)	(660,235)
Net cash used in financing activities	<u>(1,080)</u>	<u>(660,235)</u>
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	(1,163,070)	(3,435,551)
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>233,232</u>	<u>1,899,775</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 31 March 2020

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 618, 6th Floor, 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 31st March 2019.

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 31 March 2020

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.

	31 March 2020	June 30, 2019
	Rupees	Rupees
5. FIXED ASSETS		
Opening Written down value	1,576,033	1,725,258
Addition	-	61,655
(Disposals)	-	-
Depreciation	(138,084)	(210,879)
	<u>1,437,949</u>	<u>1,576,033</u>

6. ADVANCES AND SHORT TERM DEPOSITS

Advance to employees - considered good	81,706	55,000
Prepayments	100,466	(0)
	<u>182,172</u>	<u>55,000</u>

7. AVAILABLE FOR SALE

31 March 2020	30 June 2019			
	Qty.			
921,888	838,080	Javedan corporation limited - cost	28,063,407	28,063,407
		Effect of re-measurement to fair value	(4,287,915)	(1,236,467)
			<u>23,775,492</u>	<u>26,826,941</u>

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

For the period ended 31 March 2020

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:

	31 March 2020	June 30, 2019
	Rupees	Rupees
Profit \ (Loss) for the period	(3,883,567)	(3,247,264)
Weighted average number of ordinary shares	2,507,471	2,507,471
Earning per share	(1.55)	(1.30)

10. DATE OF AUTHORIZATION

This condensed interim financial information was authorized for issue on 27th April 2020 by the Board of Directors of the Company.

11. GENERAL

Figure have been rounded off to the nearest rupee.

CHIEF EXECUTIVE OFFICER

DIRECTOR