Riaz Ahmad & Company
Chartered Accountants

AKD CAPITAL LIMITED

FINANCIAL STATEMENTS WITH ACCOMPANYING INFORMATION

FOR THE YEAR ENDED 30 JUNE 2018

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Nexia
International

COMPANY INFORMATION

Board of Directors	Mr. Nadeem Saulat Siddiqui (Chairman) Mr. Nessar Ahmed (CEO) 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. Aurangzeb Ali Naqvi Mr. Muhammad Sohail Mrs. Mehrunnisa Siddiqui

AKD Capital Ltd.

NOTICE OF ANNUAL GENERAL MEETING

Notice is herby given that the Eighty Forth Annual General Meeting of AKD Capital Limited will be held on 23 October 2018 at 03:30 P.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 2017.
2. To receive, consider and adopt the Audited Financial Statements together along with the Directors' and Auditors' Reports for the year ended 30 June 2018.
3. To consider and approve Cash Dividend @ 5% Rupee 0.5 per share except for sponsors, directors, their family members and friends as recommended by the Board of Directors for the year ended 30 June 2018.
4. To appoint Auditors for the year ending 30 June 2019 and to fix their remuneration. Present auditors M/S Riaz Ahmed and Co, Chartered Accountants, retire and offer for re-appointment.

SPECIAL BUSINESS

Karachi
Date: 02 October 2018

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 17 October 2018 to 23 October 2018 (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 2018.

OPERATING RESULTS

The comparison of the audited results for the year ended 30 June 2018 with the corresponding period of last year is as under:

	..........In Rupees.........	
	30 June 2018	**30 June 2017**
Net profit before tax	1,387,259	763,863
Net Profit after tax	1,202,232	798,801
Earning / (loss) per share – Basic & diluted	**0.48**	**0.32**

During the year, the company has a net profit of Rs.1.20 million, due to the advisory services provided and dividend income during the year. The company is exploring other projects and business opportunities to enhance its revenues during the next year.

THE ECONOMY

With Pakistan embarking on a CPEC led economic drive, growth has been driven by ongoing infrastructure and early harvest energy sector projects. Crossing a 13 year high-watermark, GDP growth was recorded at 5.8% in FY18 aided by i) net energy supply growth (net generated units up 11.9%YoY), ii) sustained credit uptick (private sector credit stock up 17%) and iii) contained law and order situation. Subsequently, heightened confidence resulted in broad real sector growth with all three GDP constituents on an upward trajectory (services/industrial/ agriculture up 6.4%/5.8%/3.8%YoY). However, unrestrained momentum brought spillover effects including buildup of price pressures within the economy, further abetted by higher oil prices and passed through impact of negative FX swings. In this regard, headline inflation picked up in 2HFY18 to end at 5.2%YoY in Jun'18 while averaging out at 3.9%YoY during the fiscal year. Subsequently, MPC opted for a hawkish stance in setting policy rate to curb external imbalance and ease off price pressures while maintaining real interest rates at comfortable levels. Henceforth, the benchmark rates were increased by a cumulative 75bps in FY18 with TR/DR ending at 6.5%/7.0% since Jan'18 - marking the reversal of monetary easing cycle spanning across more than 3yrs (cumulative 375bps cut since Nov'14).

The country's external account position deteriorated further with deficit reaching record levels of US$18.0bn though in relative terms, it remained significantly lower at 5.7% of GDP vs. 8.2% in FY08. Reflecting growth of 42.6%YoY from previous year, the higher deficit is primarily a function of growing trade imbalance (+16.5%YoY) while tepid remittance inflows (marginally up 1.4%YoY) provided no relief. With regards to trade imbalance, despite a 12.6%YoY growth in exports emanating from Food and Textile sectors, it remained muted compared to 14.7%YoY growth in imports where higher oil import bill and machinery import related to CPEC remained key catalysts. Subsequently, within the backdrop of inadequate financial inflows during the year, SBP foreign exchange reserves fell by US$6.4bn to stand at US$9.8bn (implying import cover of <2 month). With a looming BoP crisis, the currency parity was adjusted in three rounds ending at PkR121.5.US$ at the end of fiscal year – implying a cumulative depreciation of ~14%.

DIVIDEND

The Board of directors of the Company have recommended final cash dividend from the net profits of the current year at the rate of 5% (2017: 5%) Rupee 0.5 per share (2017: Rupee 0.5 per share) to the ordinary shareholders except Company's sponsors, directors, their families and friends. This is the ninth consecutive year that the company has given dividend to the minority shareholders and the Sponsors etc have graciously forego their dividend.

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.

AKD Capital Limited • Formerly AKD Securities & Safe Deposit Company Limited

CODE OF CORPORATE GOVERNANCE

The Directors of your Company are fully aware of their responsibilities under the Code of Corporate Governance incorporated in the Listing Rules of the stock exchanges in the country under instructions from the 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.

AKD Capital Limited
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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	**2018**	**2017**	**2016**	**2015**	**2014**
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	(6,934)	(7,547)	(7,172)	(7,450)	(8,331)
Long term liabilities	183	297	336	0	22
Current Liability	3692	4,927	4,487	4,680	4,572
Total Equity & Liability	43375	46,261	39,173	41,172	39,810
Operating Fixed Assets	1725	1964	2,244	2,501	2,881
Long term assets	1843	2082	6224	227	218
Current assets	41532	44178	36,711	38,443	36,711
Total Assets	43375	46,261	39,173	41,172	39,810
Operating Income	4,000	3500	8,000	9,000	4,935
Capital Gain/(Loss)	-	-	-	-	-
Operating Expenses	(4536)	(2656)	(3,124)	(1,965)	(2,107)
Operating Profit/(Loss)	1403	787	4,875	7,034	2,054
Taxation	185	34	(3,551)	(658)	(716)

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Net Profit (Loss)	1202	798	1,292	1,375	1,337
Basic (Loss) / Earning per share	0.48	0.32	0.52	0.55	0.53

PATTERN OF SHAREHOLDING

The Pattern of shareholding as at 30 June 2018 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 by each director is as follows:

Name of Director	Nos. of Meeting Attended
Mr. Aqeel Karim Dhedhi	1
Mrs Ysamin Aqeel	1
Mr. Nessar Ahmad	1
Mr. Zafar Jawaid Alavi	1
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

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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: 02 October 2018

AKD Capital Limited
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Riaz Ahmad & Company
Chartered Accountants

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INDEPENDENT AUDITOR'S MODIFIED REVIEW REPORT

To the members of AKD Capital Limited

Review Report on Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2017

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2017 (the Regulations) prepared by the Board of Directors of AKD Capital Limited ("the Company") for the year ended 30 June 2018 in accordance with the requirements of regulation 40 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements, we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. We are only required and have ensured compliance of this requirement to the extent of approval of related party transactions by the Board of Directors upon recommendations of the Audit Committee. We have not carried out any procedures to assess and determine the Company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

Following instances of non-compliance with the requirements of the Regulations were observed which are not stated in the Statement of Compliance:

- There does not exist a formal policy for remuneration of Directors in contravention of regulation 17;

- We were not provided with director's exemption certificate from Securities and Exchange Commission of Pakistan. Accordingly, we could not verify the statement in paragraph No. 9 of the Statement of Compliance;
- Human Resource and Remuneration Committee was not constituted by the board of directors in contravention of regulation 29;
- Terms of reference of audit committee has not been determined in contravention of regulation 28(3); and
- The Company has outsourced its internal audit function to a professional firm of Chartered Accountants who have not provided any internal audit report during the year in contravention of regulation 32(1)(a).

Based on our review, except for the above instances of non-compliance, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the Regulations as applicable to the Company for the year ended 30 June 2018.

Further, we highlight below instances of non-compliance with the requirements of the Regulations as reflected in the paragraph reference where these are stated in the Statement of Compliance:

Sr. No.	Paragraph Reference	Description
i.	2	The requirement of independent directors will be fulfilled at the time of next election of directors.
ii.	4	The Company has not prepared the Code of Conduct.
iii.	5	Overall corporate strategy and significant policies are being developed.
iv.	10	Head of Internal audit was not appointed.

Riaz Ahmad & Co.

RIAZ AHMAD & COMPANY
Chartered Accountants

Date: 01 October 2018

KARACHI

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

AKD CAPITAL LIMITED
FOR THE YEAR ENDED 30 JUNE 2018

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

1. The total number of director are seven as per the following:

   a. Male: 7
   b. Female: 1

2. The composition of board is as follows:

Category	Name
a) Independent director	Mrs. Mehrunnissa Siddiqui
b) Executive director	Mr. Aurangzaib Ali Naqvi Mr. Nessar Ahmed
c) Non - executive directors	Mr. Muhammad Sohail Mr. Muhammad Jamal Dhedhi Mr. Muhammad Munir Mr. Nadeem Saulat Siddiqui Mr. Aamir Nazir Dhedhi

   The requirement of independent directors in composition of the board under the Regulations will be fulfilled at the time of next election of directors.

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 not prepared the 'Code of Conduct'. Accordingly, no 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 only and overall corporate strategy and significant policies are being developed having regard to the level of materiality.

6. All the powers of the board have been duly exercised and decisions on relevant matters have been taken by the 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 the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of board.

8. The board of directors has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.

9. Two out of seven directors of the company are exempted from the requirements of Directors' Training Program.

10. The board has approved appointment of Chief Financial Officer (CFO) and Company Secretary including their remuneration and terms and conditions of employment. No appointment of Head of Internal Audit was made during the year.

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

12. The Board has formed an Audit Committee comprising of members given below:

Audit Committee	Mrs. Mehrunnisa Siddiqui
	Mr. Muhammad Sohail
	Mr. Aurangzaib Ali Naqvi

The Audit Committee has been reconstituted on 30 November 2017, Mr. Muhammad Sohail, a non-executive director, has been appointed as member of the Committee replacing Mr. Aqeel Karim Dhedhi and effective from 18 July 2018 Mr. Muhammad Jamal Dhedhi, a non-executive director has been appointed as a member of the Committee replacing Mr. Aurangzaib Ali Naqvi.

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

14. The frequency of meetings of the committee were as per following:

a.	Audit Committee	4 quarterly meetings

15. The board has outsourced the internal audit function to M/s Junaidy Shoaib Asad, Chartered Accountants who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company.

16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan (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.

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.

18. Except as stated above, we confirm that all other requirements of the Regulations have been complied with.

Chairman

Date: 01 OCT 2018

Karachi

Riaz Ahmad & Company
Chartered Accountants

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INDEPENDENT AUDITORS' 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 2018, 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 2018 and of the profit 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.

Following are the key audit matters:

S. No.	Key audit matters	How the matter was addressed in our audit
1)	**Preparation of financial statements under the Companies Act, 2017** The Companies Act 2017 (the Act) became applicable for the first time for the preparation of the Company's annual financial statements for the year ended 30 June 2018. The Act forms an integral part of the statutory financial reporting framework as applicable to the Company and amongst others, prescribes the nature and content of disclosures in relation to various elements of the financial statements. In case of the Company, specific additional disclosures and changes to the existing disclosures have been included in the financial statements. The above changes and enhancements in the financial statements are considered important and a key audit matter because of the volume and significance of the changes in the financial statements resulting from the transition to the new reporting requirements under the Act. For further information, refer to note 2.1(b) to the financial statements.	Our procedures included, but were not limited to: i) Assessed the procedures applied by the management for identification of the changes required in the financial statements due to the application of the Act. ii) Considered the adequacy and appropriateness of the additional disclosures and changes to the previous disclosures based on the new requirements. iii) Verified on test basis the supporting evidences for the additional disclosures and ensured appropriateness of the disclosures made.
2.	**Investment in equity securities** Quoted investment:	Our procedures over the existence and valuation of the Company's quoted investment included, but were not limited to:

The Company's quoted investment makes up 64.05% of total assets. We do not consider quoted investment to be at high risk of significant misstatement, or to be subject to a significant level of judgement. Due to materiality of quoted investments in the context of the financial statements as a whole, this is considered to be the area which had the greatest effect on our overall audit strategy.	• Documenting and assessing the processes and controls in place to record investment transactions and to value the investment. • Agreeing the valuation of quoted investment from prices quoted on the Pakistan Stock Exchange Limited. • Agreeing holding of quoted investments from the Account Balance Report of Central Depository Company of Pakistan Limited, Statement of Account. • Verifying the accuracy of management calculation used for the impairment testing.

Information other than the Financial Statements and Auditors' 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 of the Company and our auditors' 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 auditors' 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 auditors' 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 those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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 129,173 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 auditors' report is Muhammad Waqas.

Riaz Ahmad & Co.

RIAZ AHMAD & COMPANY
Chartered Accountants

KARACHI

Date: 01 October 2018

AKD CAPITAL LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018

	Note	2018 Rupees	2017 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	3	**1,725,258**	1,964,792
Long term investments	4	**98,000**	98,000
Long term deposit	5	**20,000**	20,000
		1,843,258	2,082,792
CURRENT ASSETS			
Trade debts	6	**3,131,944**	7,687,500
Advances and prepayments	7	**10,000**	167,228
Short term investment	8	**27,780,800**	29,930,320
Other receivables	9	**4,058,402**	4,449,948
Advance income tax		**1,215,488**	337,899
Bank balances	10	**5,335,327**	1,605,313
		41,531,961	44,178,208
TOTAL ASSETS		**43,375,219**	46,261,000
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
50,000,000 (2017: 50,000,000) ordinary shares of Rupees 10 each		**500,000,000**	500,000,000
Issued, subscribed and paid-up share capital	11	**25,072,733**	25,072,733
Reserves	12	**14,426,177**	15,962,882
TOTAL EQUITY		**39,498,910**	41,035,615
NON CURRENT LIABILITIES			
Deferred taxation	18.2	**183,375**	297,462
CURRENT LIABILITIES			
Trade and other payables	13	**1,874,009**	3,222,681
Provision for taxation		**341,000**	321,885
Unclaimed dividend		**1,477,925**	1,383,357
		3,692,934	4,927,923
TOTAL LIABILITIES		**3,876,309**	5,225,385
Contingencies and commitments	14		
TOTAL EQUITY AND LIABILITIES		**43,375,219**	46,261,000

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 2018

	Note	2018 Rupees	2017 Rupees
INCOME			
Consultancy income	15	**4,000,000**	3,500,000
Dividend income		**1,940,000**	-
EXPENSES			
Administrative and general expenses	16	**(4,536,718)**	(2,656,598)
		1,403,282	843,402
Impairment loss on available for sale investments		-	(100,000)
Other income		-	43,905
Profit from operations		**1,403,282**	787,307
Finance cost	17	**(16,023)**	(23,444)
PROFIT BEFORE TAXATION		**1,387,259**	763,863
PROVISION FOR TAXATION	18		
Current - for the year		**(341,000)**	(321,885)
- prior year		**41,886**	317,732
Deferred		**114,087**	39,091
		(185,027)	34,938
NET PROFIT FOR THE YEAR		**1,202,232**	798,801
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified subsequently to profit and loss		-	-
Items that may be reclassified subsequently to profit and loss:			
(Loss) / gain on remeasurement of available for sale investments		**(2,149,520)**	7,061,600
Other comprehensive (loss) / income for the year		**(2,149,520)**	7,061,600
TOTAL COMPREHENSIVE (LOSS) / INCOME		**(947,288)**	7,860,401
EARNINGS PER SHARE - BASIC AND DILUTED	20	**0.48**	0.32

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 2018

		Reserves					
		Capital Reserves		Revenue Reserves			
	Share capital	Share premium	Fair value reserve on available for sale investments	General reserve	Accumulated loss	Sub total	Total Equity
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Balance as at 30 June 2016	**25,072,733**	**20,891,600**	**(5,194,687)**	**752,000**	**(7,172,082)**	**9,276,831**	**34,349,564**
Final dividend for the year ended 30 June 2016	-	-	-	-	(1,174,350)	(1,174,350)	(1,174,350)
Total comprehensive income for the year							
Profit for the year	-	-	-	-	798,801	798,801	798,801
Other comprehensive income							
Gain on re-measurement of available for sale investment	-	-	7,061,600	-	-	7,061,600	7,061,600
	-	-	7,061,600	-	798,801	7,860,401	7,860,401
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)**
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**	**(6,934,816)**	**14,426,177**	**39,498,910**

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 2018

	Note	2018 Rupees	2017 Rupees
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		**1,387,259**	763,863
Adjustment for non cash items:			
Dividend income		**(1,940,000)**	-
Depreciation		**239,534**	279,593
Impairment loss on available for sale investments		**-**	100,000
Operating cash flow before working capital changes		**(313,207)**	1,143,456
Changes in working capital			
Decrease / (Increase) in current assets			
Trade debts		**4,555,556**	312,500
Advances and prepayments		**157,228**	(38,098)
Other receivables		**391,546**	(2,479,017)
		5,104,330	(2,204,615)
Increase / (decrease) in current liabilities			
Trade and other payables		**(1,348,672)**	1,640,278
		3,755,658	(564,337)
CASH FLOW FROM OPERATIONS		**3,442,451**	579,119
Income tax paid		**(1,157,588)**	(656,662)
Net cash flow from / (used in) operating activities		**2,284,863**	(77,543)
CASH FLOW FROM INVESTING ACTIVITIES			
Dividend income received		**1,940,000**	-
Net cash flow from investing activities		**1,940,000**	-
CASH FLOW FROM FINANCING ACTIVITIES			
Dividend paid	20	**(494,849)**	(1,086,488)
Net cash used in financing activities		**(494,849)**	(1,086,488)
Net increase / (decrease) in cash and cash equivalents		**3,730,014**	(1,164,031)
Cash and cash equivalents at the beginning of the year		**1,605,313**	2,769,344
Cash and cash equivalents at the end of the year		**5,335,327**	1,605,313

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
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

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 profit for the year amounting to Rupees 1.202 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 and partial billing has been made. 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.

1.3 Summary of significant transactions and events affecting the Company's financial position and performance

All significant transactions and events that have affected the Company's statement of financial position and performance during the year have been adequately disclosed in the notes to these financial statements. For a detailed discussion about these significant transactions and events please refer to the Directors' report.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of preparation

a) 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.

b) Preparation of financial statements under the Companies Act, 2017

The Fourth Schedule to the Companies Act, 2017 became applicable to the Company for the first time for the preparation of these financial statements. The Companies Act, 2017 (including its Fourth Schedule) forms an integral part of the statutory financial reporting framework applicable to the Company and amongst others, prescribes the nature and content of disclosures in relation to various elements of the financial statements. Additional disclosures include but are not limited to, management assessment of sufficiency of tax provision in the financial statements (refer note 18.1.1) and additional disclosure requirements for related parties (refer note 21) etc. Further, there is a change in nomenclature of certain statements i.e. balance sheet, profit and loss account and cash flow statement has been changed to statement of financial position, statement of profit or loss and other comprehensive income and statement of cash flows respectively.

c) Accounting Convention

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

d) 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.

e) Critical accounting estimates and judgments

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

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.

Provision for doubtful debts

The Company reviews its receivable against any provision required for any doubtful balances on an ongoing basis. The provision is made while taking into consideration expected recoveries, if any.

Impairment of investments in associates

In making an estimate of recoverable amount of the Company's investments in associates, the management considers future cash flows.

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

Following amendments to published approved accounting standards are mandatory for the Company's accounting periods beginning on or after 01 July 2017:

IAS 7 (Amendments), 'Statement of Cash Flows' (effective for annual periods beginning on or after 01 January 2017). Amendments have been made to clarify that entities shall provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities. The aforesaid amendments have resulted in certain additional disclosures in the Company's financial statements.

IAS 12 (Amendments), 'Income Taxes' (effective for annual periods beginning on or after 01 January 2017). The amendments clarify that the existence of a deductible temporary difference depends solely on a comparison of the carrying amount of an asset and its tax base at the end of the reporting period, and is not affected by possible future changes in the carrying amount or expected manner of recovery of the asset. The amendments further clarify that when calculating deferred tax asset in respect of insufficient taxable temporary differences, the future taxable profit excludes tax deductions resulting from the reversal of those deductible temporary differences. The amendments have no significant impact on Company's financial statements.

On 8 December 2016, IASB issued Annual Improvements to IFRSs: 2014 - 2016 Cycle, incorporating amendments to three IFRSs more specifically in IFRS 12 'Disclosure of Interests in Other Entities' (effective for annual periods beginning on or after 01 January 2017). IFRS 12 states that an entity need not provide summarized financial information for interests in subsidiaries, associates or joint ventures that are classified, or included in a disposal group that is classified, as held for sale (in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations). The amendments clarify that this is the only concession from the disclosure requirements of IFRS 12 for such interests. The amendments have no impact on the Company's financial statements.

The application of the above amendments does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

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

Following standards and amendments to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after 01 July 2018 or later periods:

IFRS 9 'Financial Instruments' (effective for annual periods beginning on or after 01 July 2018). A finalized version of IFRS 9 which contains accounting requirements for financial instruments, replacing IAS 39 'Financial Instruments: Recognition and Measurement'. Financial assets are classified by reference to the business model within which they are held and their contractual cash flow characteristics. The 2014 version of IFRS 9 introduces a 'fair value through other comprehensive income' category for certain debt instruments. Financial liabilities are classified in a similar manner to under IAS 39, however there are differences in the requirements applying to the measurement of an entity's own credit risk. The 2014 version of IFRS 9 introduces an 'expected credit loss' model for the measurement of the impairment of financial assets, so it is no longer necessary for a credit event to have occurred before a credit loss is recognized. It introduces a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures. The requirements for the derecognition of financial assets and liabilities are carried forward from IAS 39. The management of the Company is in the process of evaluating the impacts of the aforesaid standard on the Company's financial statements.

IFRS 15 'Revenue from Contracts with Customers' (effective for annual periods beginning on or after 01 July 2018). IFRS 15 provides a single, principles based five-step model to be applied to all contracts with customers. The five steps in the model are: identify the contract with the customer; identify the performance obligations in the contract; determine the transaction price; allocate the transaction price to the performance obligations in the contracts; and recognize revenue when (or as) the entity satisfies a performance obligation. Guidance is provided on topics such as the point in which revenue is recognized, accounting for variable consideration, costs of fulfilling and obtaining a contract and various related matters. New disclosures about revenue are also introduced. The aforesaid standard is not expected to have a material impact on the Company's financial statements.

IFRS 16 'Lease' (effective for annual periods beginning on or after 01 January 2019). IFRS 16 specifies how an entity will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16 approach to lessor accounting substantially unchanged from its predecessor, IAS 17 'Leases'. IFRS 16 replaces IAS 17, IFRIC 4 'Determining Whether an Arrangement Contains a Lease', SIC-15 'Operating Leases-Incentives' and SIC-27 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease'. The management of the Company is in the process of evaluating the impacts of the aforesaid standard on the Company's financial statements.

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.

IFRS 15 (Amendments), 'Revenue from Contracts with Customers' (effective for annual periods beginning on or after 01 July 2018). Amendments clarify three aspects of the standard (identifying performance obligations, principal versus agent considerations, and licensing) and to provide some transition relief for modified contracts and completed contracts. The aforesaid amendments are not expected to have a material 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.

IAS 40 (Amendments), 'Investment Property' (effective for annual periods beginning on or after 01 January 2018). The amendments clarify that an entity shall transfer a property to, or from, investment property when, and only when there is a change in use. A change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. In isolation, a change in management's intentions for the use of a property does not provide evidence of a change in use. The amendments are not likely to have a significant impact on the Company's financial statements.

IFRIC 22 'Foreign Currency Transactions and Advance Consideration' (effective for annual periods beginning on or after 01 January 2018). IFRIC 22 clarifies which date should be used for translation when a foreign currency transaction involves payment or receipt in advance of the item it relates to. The related item is translated using the exchange rate on the date the advance foreign currency is received or paid and the prepayment or deferred income is recognized. The date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) would remain the date on which receipt of payment from advance consideration was recognized. If there are multiple payments or receipts in advance, the entity shall determine a date of the transaction for each payment or receipt of advance consideration. The interpretation is not expected to have a material 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 IFRS 10 'Consolidated Financial Statements' and IAS 28 (deferred indefinitely) to clarify the treatment of the sale or contribution of assets from an investor to its associates or joint venture, as follows: require full recognition in the investor's financial statements of gains and losses arising on the sale or contribution of assets that constitute a business (as defined in IFRS 3 'Business Combinations'); require the partial recognition of gains and losses where the assets do not constitute a business, i.e. a gain or loss is recognized only to the extent of the unrelated investors' interests in that associate or joint venture. These requirements apply regardless of the legal form of the transaction, e.g. whether the sale or contribution of assets occur by an investor transferring shares in a subsidiary that holds the assets (resulting in loss of control of the subsidiary), or by the direct sale of the assets themselves. The management of the Company is in the process of evaluating the impacts of the aforesaid amendments on the Company's financial statements.

On 8 December 2016, IASB issued Annual Improvements to IFRSs: 2014 - 2016 Cycle, incorporating amendments to three IFRSs more specifically in IAS 28. These amendments are effective for annual periods beginning on or after 01 January 2018. These amendments have no significant impact on the Company's financial statements and have therefore not been analyzed in detail.

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.

h) 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 2018 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.

2.2 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 profit and loss account 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 3. 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 profit and loss account in the year the asset is de-recognized.

2.3 Investments

Classification of an investment is made on the basis of intended purpose for holding such investment. Management determines the appropriate classification of its investments at the time of purchase and re-evaluates such designation on regular basis.

Investments are initially measured at fair value plus transaction costs directly attributable to acquisition, except for "Investment at fair value through profit or loss" which is measured initially at fair value.

The Company assesses at the end of each reporting period whether there is any objective evidence that investments are impaired. If any such evidence exists, the Company applies the provisions of IAS 39 'Financial Instruments: Recognition and Measurement' to all investments, except investments in investment in associates which are tested for impairment in accordance with the provisions of IFRS 36 'Impairment of Assets'.

a) Investment at fair value through profit or loss

Investment classified as held-for-trading and those designated as such are included in this category. Investments are classified as held-for-trading if these are acquired for the purpose of selling in the short term. Gains or loss on remeasurement to fair value are recognized in statement of profit or loss and other comprehensive income.

b) Held-to-maturity

Investment with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Company has the positive intention and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification. Other Long-term investments that are intended to be held to maturity are subsequently measured at amortized cost. This cost is computed as the amount initially recognized minus principal repayments, plus or minus the cumulative amortization, using the effective interest method, of any difference between the initially recognized amount and the maturity amount. For investments carried at amortized cost, gain and losses are recognized in profit and loss account when the investments are de-recognized or impaired, as well as through the amortization process.

c) Available-for-sale

Investments intended to be held for an indefinite period of time, which may be sold in response to need for liquidity, or changes to interest rates or equity prices are classified as available-for-sale. After initial recognition, investments which are classified as available-for-sale are measured at fair value. Gains or losses on available-for-sale investments are recognized directly in statement of other comprehensive income until the investment is sold, de-recognized or is determined to be impaired, at which time the cumulative gain or loss previously reported in statement of other comprehensive income is included in profit and loss account. These are sub-categorized as under:

Quoted

For investments that are actively traded in organized capital markets, fair value is determined by reference to stock exchange quoted market bids at the close of the business on the balance sheet date.

Unquoted

Available for sale investments in unquoted investments are carried at cost less impairment in value, if any.

2.4 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet 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.

2.5 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 balance sheet and adjusted to reflect the current best estimate.

2.6 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 balance sheet 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.

2.7 Revenue Recognition

Consultancy income is recognized when services are rendered.

Gains and losses on sale of investments are accounted for when the commitment (trade date) for sale of security is made.

Unrealized gains and losses arising on revaluation of securities classified as 'held for trading' are recognized in the profit and loss account in the period in which they arise.

Unrealized gains and losses arising on revaluation of securities classified as 'available for sale' are recognized in other comprehensive income in the period in which they arise.

Dividend income is recognized when the right to receive the same is established.

Interest income is recognized using the effective interest method.

Fee income is recognized as and when services are provided.

2.8 Financial Instruments

Financial instruments carried on the statement of financial positions include trade debts, investments, deposits, other receivables, cash and bank balances and trade and other payables etc. Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of instrument. Initial recognition is made at fair value plus transaction costs directly attributable to acquisition, except for "financial instrument at fair value through profit or loss" which is measured initially at fair value.

Financial assets are de-recognized when the Company loses control of the contractual rights that comprise the financial asset. The Company loses such control if it realizes the rights to benefits specified in contract, the rights expire or the Company surrenders those rights. Financial liabilities are de-recognized when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on subsequent measurement (except available for sale investments) and de-recognition is charged to the profit or loss currently. The particular measurement methods adopted are disclosed in the following individual policy statements associated with each item and in the accounting policy of investments (note 2.3).

a) Trade and other receivables

Trade and other receivables are carried at original invoice value less an estimate made for doubtful debts based on a review of all outstanding amounts at the year end. Bad debts are written off when identified.

b) 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.

c) Trade and other payables

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

2.9 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.

2.10 Impairment of assets

Financial assets

A financial asset is considered to be impaired if objective evidence indicate that one or more events had a negative effect on the estimated future cash flow of that asset.

An impairment loss in respect of financial asset measured at amortized cost is calculated as a difference between its carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of available for sale financial asset is calculated by reference to its current fair value.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

Non financial assets

The carrying amount of the Company's assets is reviewed at each balance sheet 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 profit and loss account. 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 profit and loss account.

2.11 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.

2.12 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.

2.13 Foreign currencies

All monetary assets and liabilities denominated in foreign currencies are translated into Pak Rupees at the rates of exchange prevailing at the balance sheet 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 profit and loss account.

2.14 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.

3 Property and equipment

Description	Owned					
	Furniture & Fixtures	Office Equipment	Computer Equipment	Vehicles	Lockers	Total
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
At 30 June 2016						
Cost	3,991,830	1,560,989	1,878,265	5,122,500	41,500	12,595,084
Accumulated depreciation	(2,716,933)	(1,103,687)	(1,843,874)	(4,651,202)	(35,003)	(10,350,699)
Net book value	**1,274,897**	**457,302**	**34,391**	**471,298**	**6,497**	**2,244,385**
Year ended 30 June 2017						
Opening net book value	1,274,897	457,302	34,391	471,298	6,497	2,244,385
Addition	-	-	-	-	-	-
Depreciation charged for the year	(127,490)	(45,730)	(11,463)	(94,260)	(650)	(279,593)
Closing net book value	1,147,407	411,572	22,928	377,038	5,847	1,964,792
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	-	-	-	-	-	-
Depreciation charged for the year	(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**
Annual rate of depreciation	10%	10%	33.33%	20%	10%	

3.1 Depreciation is charged to administrative expenses (Note 16).

4	LONG TERM INVESTMENTS - available for sale			Note	2018 Rupees	2017 Rupees

2018	2017	Related parties	Note	2018 Rupees	2017 Rupees
(Number of shares)		Unqouted			
10,000	10,000	AKD REIT Management Company Limited	4.1	100,000	100,000
		Provision against impairment	4.2	(100,000)	(100,000)
				-	-
9,800	9,800	Creek Developers (Private) Limited - CDPL	4.3	98,000	98,000
19,800	19,800			98,000	98,000

4.1 This represents 10,000 ordinary shares of Rupees 10 each and equity holding of 0.1%. The Company is required to seek prior approval from Securities & Exchange Commission of Pakistan before disposing of this investment.

4.2 Movement in provision against impairment

	2018 Rupees	2017 Rupees
Opening balance as at 01 July	100,000	-
Charge for the year	-	100,000
Closing balance as at 30 June	100,000	100,000

4.3 This represents 9,800 ordinary shares of Rupees 10 each and equity holding of 0.01%. The Company is required to seek prior approval from Defense Housing Authority before disposing of this investment.

5 LONG TERM DEPOSITS

	Note	2018 Rupees	2017 Rupees
Deposit with Pakistan Telecommunication Company Limited	5.1	20,000	20,000

5.1 This represents amount deposited with Pakistan Telecommunication Company Limited (PTCL) as security deposit at the time of connection in 2003. The fair value adjustment in accordance with requirements of IAS 39 "Financial Instruments: Recognition and Measurement" in respect of long term deposits is not considered material and hence not recognized.

6 TRADE DEBTS

Considered Good

	Note	2018 Rupees	2017 Rupees
Unsecured:			
R.A. Enterprises - a related party	6.1	3,131,944	7,687,500

6.1 As at 30 June 2018, trade debts due from the related party amounting to Rupees 3.132 million (2017: Rupees 7.688 milllion) were past due but not impaired. The age analysis of these trade debts is as follows:

	2018 Rupees	2017 Rupees
Upto 1 month	3,131,944	-
1 to 6 months	-	3,500,000
More than 6 months	-	4,187,500
	3,131,944	7,687,500

6.2 The maximum aggregate amount receivable from related party at the end of any month during the year was Rupees 11.132 million.

7 ADVANCES AND PREPAYMENTS

	2018 Rupees	2017 Rupees
Advance to employees - considered good	10,000	165,007
Prepayments	-	2,221
	10,000	167,228

8 SHORT TERM INVESTMENT

2018	2017	Available for sale - quoted	2018 Rupees	2017 Rupees
(Number of shares)				
776,000	776,000	Javedan Corporation Limited - cost	28,063,407	28,063,407
		Fair value adjustment:		
		Opening balance	1,866,913	(5,194,687)
		Effect of remeasurement to fair value for the year	(2,149,520)	7,061,600
			(282,607)	1,866,913
			27,780,800	29,930,320

9 OTHER RECEIVABLES

	Note	2018 Rupees	2017 Rupees
Unsecured and considered good			
Related Parties			
Creek Developers (Private) Limited (CDPL)	9.1	**4,038,402**	4,449,948
AKD Securities Limited (AKDSL)		**20,000**	-
		4,058,402	4,449,948

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

9.2 The maximum aggregate amount receivable from CDPL and AKDSL at the end of any month during the year was Rupees 4.476 million and 0.02 million respectively.

10 BANK BALANCES

	2018	2017
Cash in bank - Current account	**5,335,327**	1,605,313

11 ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

2018 (Number of shares)	2017		2018	2017
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

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

	2018	2017
	(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

12 RESERVES

	Note	2018 Rupees	2017 Rupees
Composition of reserves is as follows:			
Capital reserves			
Share premium	12.1	**20,891,600**	20,891,600
Fair value reserve on available for sale investments		**(282,607)**	1,866,913
		20,608,993	22,758,513
Revenue reserves			
General reserve		**752,000**	752,000
Accumulated loss		**(6,934,816)**	(7,547,631)
		(6,182,816)	(6,795,631)
		14,426,177	15,962,882

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

13 TRADE AND OTHER PAYABLES

	Note	2018	2017
Accrued liabilities		**1,106,940**	790,427
Payable to Pakistan Stock Exchange Limited (PSX)	13.1	**62,000**	-
Payable to AKD Securities Limited		**-**	1,524,952
With holding tax payable		**281,374**	511,851
Zakat payable		**129,173**	129,173
Provision for workers welfare fund		**294,522**	266,278
		1,874,009	3,222,681

13.1 This represents penalty imposed on the Company by PSX on account of late submission of printed copies of annual/quarterly accounts which is the non-compliance of PSX Regulations.

14 CONTINGENCIES AND COMMITMENTS

14.1 Contingencies

14.1.1 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. 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.

14.1.2 In 2012, an individual filed case against the Company, amongst others, by making the Company as a 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.

14.2 Commitments

There were no commitment as at the reporting date (2017: Nil).

15 CONSULTANCY FEE

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

16 ADMINISTRATIVE AND GENERAL EXPENSES

	Note	**2018 Rupees**	2017 Rupees
Salaries and benefits	16.1	**1,930,500**	540,800
Printing and stationery		**88,455**	362,483
Postage and telegram		**21,937**	50,315
Fees, taxes and subscription		**385,607**	443,000
Legal and professional		**333,551**	150,034
Advertisement and publicity		**-**	39,660
Entertainment		**200,000**	106,125
Auditors' remuneration	16.2	**953,200**	604,800
Depreciation	3.1	**239,534**	279,593
Office expenses		**176,944**	31,300
Repair and maintenance		**6,739**	27,713
Advances written off		**110,007**	-
Penalty	13.1	**62,000**	-
Workers welfare fund		**28,244**	20,775
		4,536,718	2,656,598

16.1 Remuneration of Directors and Executives

No remuneration and meeting fee have been paid to Chief Executive Officer and Directors during the year, respectively (2017: Nil).

16.2 Auditors' Remuneration

Audit fee	**410,000**	370,000
Half yearly review fee	**130,000**	130,000
Code of Corporate Governance review fee	**100,000**	-
Other certification	**180,000**	-
Reimbursable expenses	**62,378**	60,000
	882,378	560,000
Sales tax	**70,822**	44,800
	953,200	604,800

17	FINANCE COST	**2018** **Rupees**	2017 Rupees
	Bank charges	**16,023**	23,444

18 PROVISION FOR TAXATION

18.1 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.

18.1.1 The Company computes tax based on the generally accepted interpretations of the tax laws to ensure that the sufficient provision for the purposes of taxation is available which can be analysed as follows:

Description	**Year ended June**		
	2017 **Rupees**	**2016** **Rupees**	**2015** **Rupees**
Provision for taxation	321,885	1,609,603	713,719
Tax assessed	279,999	1,291,871	742,137

		2018 **Rupees**	2017 Rupees
18.2	**Deferred**		
	Deferred tax effect is due to:		
	Tax depreciation allowance	**258,891**	297,462
	Tax losses	**(75,516)**	-
	Closing balance as at 30 June	**183,375**	297,462
	Opening balance as at 01 July	**(297,462)**	(336,553)
	Charge for the year	**(114,087)**	(39,091)
18.3	Relationship between tax expense and accounting profit:		
	Accounting profit before taxation	**1,387,259**	763,863
	Tax @ 30% (2017: 31%)	**416,178**	236,798
	Effect of:		
	Dividend income subject to fixed rate	**(291,000)**	-
	Decelerated depreciation	**26,188**	29,176
	Liabilities written back for tax purpose	**42,914**	-
	Impairment loss	-	31,000
	Permanent difference	**18,600**	24,912
	Tax loss	**75,516**	-
	Change in tax rate	**2,604**	-
	Minimum tax	**50,000**	-
		341,000	321,885

19 EARNINGS PER SHARE- BASIC AND DILUTED

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

Profit for the year **(Rupees)**	**1,202,232**	798,801
Weighted average number of ordinary shares **(Number)**	**2,507,471**	2,507,471
Earnings per share - basic & diluted **(Rupee)**	**0.48**	0.32

20 Reconciliation of movement of liability to cash flows arising from financing activities

Unclaimed dividend

Balance as on 30 June 2017	1,383,357	1,295,495
Dividend declared	589,417	1,174,350
Dividend paid	(494,849)	(1,086,488)
Balance as at 30 June 2018	1,477,925	1,383,357

21 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	2018 Rupees	2017 Rupees
AKD Securities Limited	Common directorship and 2.28% shareholding	Expenses credited	**418,287**	1,215,726
		Paid during the year	**1,963,239**	-
		Balance receivable at year end	**20,000**	-
		Balance payable at year end	**-**	(1,524,952)
Creek Developers (Private) Limited	Common directorship and 0.01% shareholding	Expenses debited	**88,454**	2,479,017
		Collection during the year	**500,000**	-
		Balance receivable at year end	**4,038,402**	4,449,948
R.A. Enterprises	Sponsor's Interest	Consultancy fee	**4,000,000**	3,500,000
		Collection during the year	**8,555,556**	3,812,500
		Balance receivable at year end	**3,131,944**	7,687,500

22 FINANCIAL RISK MANAGEMENT

22.1 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

'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 Pakistan Stock Exchange (PSE) Index on the Company's profit after taxation for the year and on equity. 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 equity		Impact on profit	
	2018	2017	**2018**	2017
	Rupees	Rupees	**Rupees**	Rupees
KSE 100 (5% increase)	**1,389,040**	1,496,516	-	-
KSE 100 (5% decrease)	**(1,389,040)**	(1,496,516)	-	-

(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

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:

Financial Assets	**2018 Rupees**	2017 Rupees
Long term deposits	**20,000**	20,000
Long term investments	**98,000**	98,000
Trade debts	**3,131,944**	7,687,500
Advances	**10,000**	165,007
Short term investments	**27,780,800**	29,930,320
Other receivables	**4,058,402**	4,449,948
Bank balances	**5,335,327**	1,605,313
	40,434,473	43,956,088

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			**2018**	2017
Banks	**Short Term**	**Long Term**	**Agency**	**Rupees**	Rupees
MCB Bank Limited	A1+	AAA	PACRA	**5,201,910**	1,208,416
United Bank Limited	A-1+	AAA	JCR-VIS	**4,179**	4,179
Bank Al-Habib Limited	A1+	AA+	PACRA	**129,238**	392,718
				5,335,327	1,605,313
Investments					
Javedan Corporation Limited	A-1	A+	JCR - VIS	**27,780,800**	29,930,320

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. At 30 June 2018, the Company had Rupees 5.335 milllion (2017: 1.605 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 2018

	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	1,168,940	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	-	-

Contractual maturities of financial liabilities as at 30 June 2017

	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	2,315,379	2,315,379	2,315,379	-	-
Unclaimed dividend	1,383,357	1,383,357	1,383,357	-	-
	3,698,736	3,698,736	3,698,736	-	-

22.2 Financial instruments by categories

	2018	2017
Financial Assets	**Rupees**	Rupees
- Available for sale		
Short term investments	27,878,800	30,028,320
- Loans and receivables		
Long term deposits	20,000	20,000
Trade debts	3,131,944	7,687,500
Advances	10,000	165,007
Other receivables	4,058,402	4,449,948
Bank balances	5,335,327	1,605,313
	12,555,673	13,927,768
Financial Liabilities at amortized cost		
Trade and other payables	1,168,940	2,315,379
Unclaimed dividend	1,477,925	1,383,357
	2,646,865	3,698,736

22.3 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.

23 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.

24 RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL ASSETS

24.1 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 As at 30 June 2018	**Level 1**	**Level 2**	**Level 3**	**Total**
	Rupees	**Rupees**	**Rupees**	**Rupees**
Financial Assets				
Available for sale	**27,780,800**	**-**	**-**	**27,780,800**

Recurring fair value measurements As at 30 June 2017	Level 1	Level 2	Level 3	Total
	Rupees	Rupees	Rupees	Rupees
Financial Assets				
Available for sale	29,930,320	-	-	29,930,320

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 available for sale 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.

24.2 Valuation techniques used to determine fair values

Valuation technique used to value financial instruments includes the use of quoted market prices and fair value of remaining financial instruments is determined using discounted cash flow analysis.

25 RECOGNIZED FAIR VALUE MEASUREMENTS - NON-FINANCIAL ASSETS

There were no any non-financial assets as at 30 June 2018 (2017: Nil) for the recognized fair value measurement.

26 NUMBER OF EMPLOYEES

The number of employees during the year is as follows:

	2018		2017	
	At year end	**Average**	At year end	Average
Number of employees	**3**	**3**	3	3

4

26.1 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.

27 NON-ADJUSTING EVENTS AFTER THE BALANCE SHEET DATE

27.1 The Board of Directors of the Company in their meeting held on 1 October 2018 proposed a final cash dividend for the year ended 30 June 2018 @ 5% i.e. Rupee 0.5 / share (2017: @ 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 2018 do not include the effect of these appropriations which will be accounted for in the financial statements for the year ending on 30 June 2019.

27.2 Under Section 5A of the Income Tax Ordinance, 2001, a tax shall be imposed at the rate of 5% of accounting profit before tax of the Company if it does not distribute at least 20% of its after tax profit for the year within six months of the end of the year ended 30 June 2018 through cash. The requisite cash dividend has been proposed by the Board of Directors of the Company in their meeting held on 1 October 2018 and will be distributed within the prescribed time limit. Therefore, the recognition of any income tax liability in this respect is not considered necessary.

28 DATE OF AUTHORIZATION

These financial statements were approved and authorized for the issue on 01-10-18 by the Board of Directors of the Company.

29 GENERAL

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

29.2 No significant reclassification or re-arrangement of the corresponding figures has been made in these financial statements except for:

To comply with the requirements of the Companies Act, 2017 unclaimed dividend has been reclassified from trade and other payables and presented on the face of statement of financial position. Further, the Company has presented withholding tax and zakat payable separately in trade and other payables note, previously included in accrued liabilities. This reclassification and rearrangement has also been made in the prior year's statement of financial position for better presentation and disclosure. Details are as follows:

	30 June 2017		
	As previously reported	**Impact**	**As stated**
	Rupees	**Rupees**	**Rupees**
Effects on statement of financial position			
Liabilities			
Trade and other payables	**4,606,038**	**(1,383,357)**	**3,222,681**
Unclaimed dividend	**-**	**1,383,357**	**1,383,357**

There is no effect in the statement of profit or loss and other comprehensive income and statement of cash flows for the aforementioned reclassification.

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

AKD CAPITAL LIMITED

	PATTERN OF SHAREHOLDING AS AT 30 JUNE 2018				
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	Director	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%
Nessar Ahmed	Chief Executive Officer	1	210	0.01%
Individuals		642	1,693,740	67.56%
Financial Institutions		7	768,890	30.67%
Insurance Companies		2	843	0.03%
Joint Stock Companies		1	1	0.00%
	Total	**660**	**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 third 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 third Annual General Meeting of the Company

to be held on October 23, 2017 and /or any adjournment thereof.

As witness my /hand /seal this ---day of --------------------------------2017

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