AKD Capital Limited

ANNUAL REPORT 2015

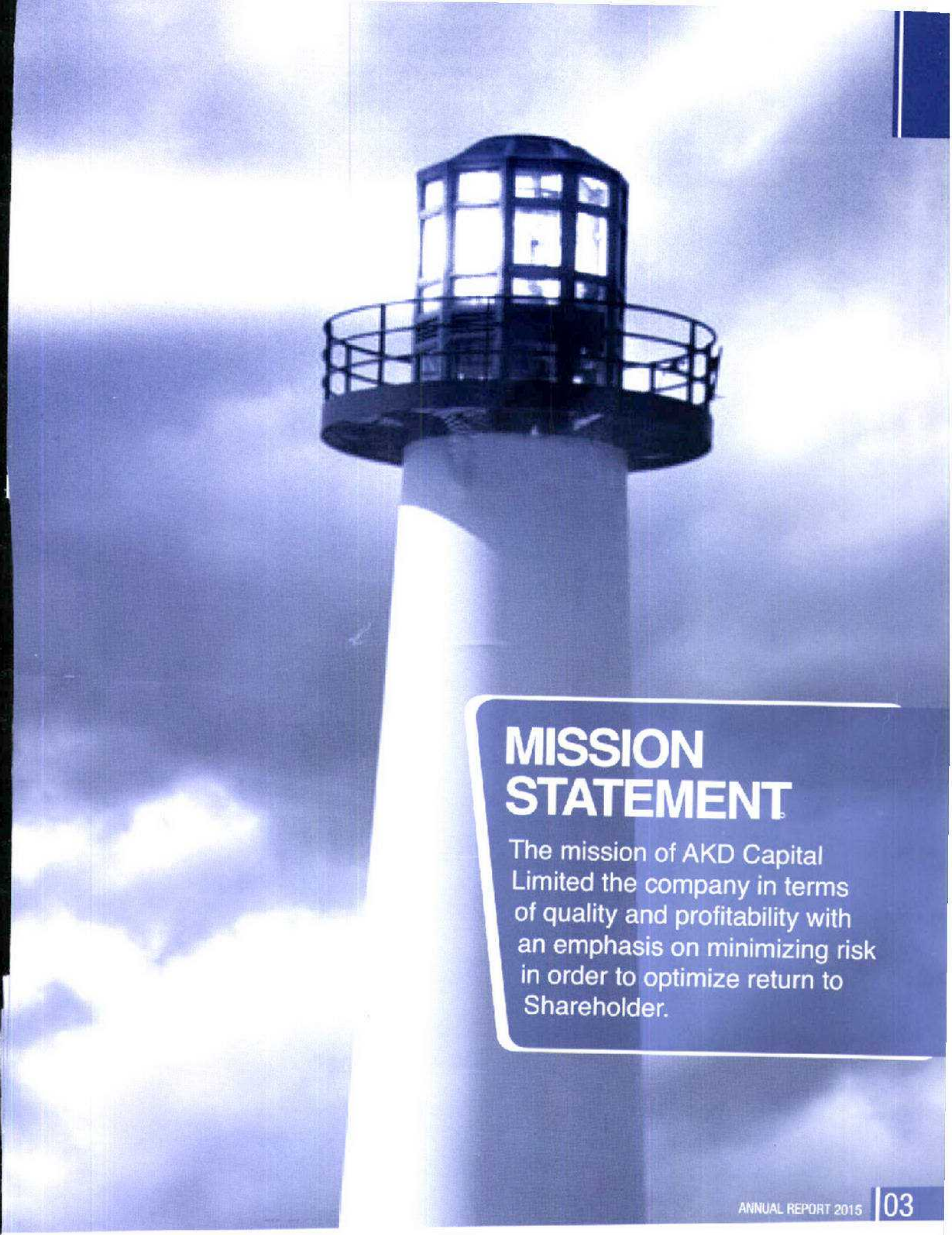
Jama Punji

سرمایہ کاری سمجھداری کے ساتھ

Contents

VISION STATEMENT

To be the most competitive, focused, quality driven and growth oriented Company in Pakistan



MISSION STATEMENT

The mission of AKD Capital Limited the company in terms of quality and profitability with an emphasis on minimizing risk in order to optimize return to Shareholder.

Company Information

Board of Directors	Mr. Aqeel Karim Dhedhi (Chairman) Mr. Nessar Ahmed (Chief Executive Officer) Mrs. Yasmeen Aqeel Mr. Muhammad Munir Mr. Mohammad Sohail Mr. Zafar Jaweed Alavi Mrs. Mehrunnisa Siddiqui
Company Secretary	Tanveer Hussain Khan
Auditors	Riaz Ahmad & Co. Chartered Accountants
Share Registrar	C&K Management Associates (Pvt) Limited
Bankers	MCB Bank Limited United Bank Limited Bank Al-Habib Limited
Registered Office	416-418 Continental Trade Center Main Clifton Road Clifton Karachi-74000, Pakistan Tel: (92-21) 35302902 (5 Lines) Fax: (92-21) 35302913
Audit Committee	Mr. Aqeel Karim Dhedhi Mr. Muhammad Sohail Mrs. Mehrunnisa Siddiqui

Notice Of Annual General Meeting

Notice is herby given that the Eighty First Annual General Meeting of AKD Capital Limited will be held on Monday, 26 October 2015 at 04:00 P.M at its Corporate Office at - 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 23 October 2014.

2. To receive, consider and adopt the Audited Financial Statements together with the Directors' and Auditors' Report for the year ended 30 June 2015.

3. To consider and approve Cash Dividend @ 10% Rupees 1.00 per share except for sponsors, directors, their family members and friends as recommended by the Board of Directors for the year ended 30 June 2015.

4. To appoint Auditors for the year ending 30 June 2016 and to fix their remuneration. Present auditors M/S Riaz Ahmad and Co, Chartered Accountants, retire and offer for re-appointment.

By order of the board

Karachi
Date:- 02 October 2015

Tanveer Hussain Khan
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 20 October 2015 to 26 October 2015 (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 2015.

OPERATING RESULTS

The comparison of the audited results for the year ended 30 June 2015 with the corresponding period of last year is as under:

	30 June 2015	30 June 2014
	In Rupees	
Net profit before tax	2,033,795	2,054,439
Net Profit after tax	1,375,157	1,337,967
Earning / (loss) per share – Basic & diluted	0.55	0.53

During the year, the company has a net profit of Rs. 1,375 million, due to the advisory services provided, during the year. The company is exploring other projects and business opportunities to enhance its revenues during the next year.

THE ECONOMY

Macroeconomic and security challenges continue to weigh on the economy. Growth is expected to remain modest in Fiscal Year 2015, largely reflecting fiscal consolidation to deal with high deficits that have caused macroeconomic imbalances. The government has embarked upon a program of fiscal and structural reform, supported by an Extended Fund Facility Arrangement with the International Monetary Fund, to restore macroeconomic balance, relieve energy shortages, and guide the economy toward faster and more sustainable growth.

Moderate growth in gross domestic product (GDP) in FY2014 reflected weak macroeconomic fundamentals in recent years. Investment remained low as energy shortages and security concerns continued to undermine investor confidence. Fiscal pressures kept the budget deficit very high for the third consecutive year. At the same time, however, inflation fell into single digits. Stable global commodity prices, Coalition Support Fund (CSF) inflows, and continued growth in worker remittances reined in the current account deficit.

On the demand side, private consumption will remain the main driver of economic growth, supported by the sustained inflow of remittances, low real interest rates, and better credit availability at banks. Government spending will be contained by fiscal consolidation to bring down the budget deficit. Net exports are expected to be modestly negative as import growth quickens to support improved capacity utilization in manufacturing.

GDP growth is expected to be higher in FY2016, at 4.2%, as the impact of fiscal consolidation eases somewhat, energy supplies improve, and the global economy strengthens.

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 10% (2014: 10%) Rupee 1.00 per share (2013: Rupee 1.00 per share) to the ordinary shareholders except Company's sponsors, directors, their families and friends. This is the sixth 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.

Directors' Report

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.

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.

Directors' Report

KEY FINANCIAL DATA

Particulars	**2015**	2014	2013	2012	2011
Capital	**25,072**	25,072	25,072	25,072	25,072
Share premium	**20,891**	20,891	20,891	20,891	20,891
Reserve	**752**	752	752	752	752
Accumulated (loss) / profit	**(7,450)**	(8,331)	(8,171)	(8,928)	(10,113)
Long term liabilities	**0**	22	70	157	-
Current Liability	**4,680**	4,572	2,912	2,405	1,384
Total Equity & Liability	**41,172**	39,810	41,528	40,350	37,987
Operating Fixed Assets	**2,501**	2,881	3,334	3,877	4,535
Long term assets	**227**	218	218	218	218
Current assets	**38,443**	36,711	37,975	36,255	33,233
Total Assets	**41,172**	39,810	41,528	40,350	37,987
Operating Income	**9,000**	4,935	4,979	4,795	2,662
Capital Gain/(Loss)	**-**	-	-	(2)	(1)
Operating Expenses	**(1,965)**	(2,107)	(1,929)	(1,341)	(1,536)
Operating Profit/(Loss)	**7,034**	2,054	3,050	3,454	1,126
Taxation	**(658)**	(716)	(1,195)	(1,473)	(237)
Net Profit (Loss)	**1,375**	1,337	1,841	1,980	889
Basic (Loss) / Earning per share	**0.55**	0.53	0.73	0.79	0.35

Accumulated loss

PATTERN OF SHAREHOLDING

The Pattern of shareholding as at 30 June 2015 is shown on page # 39. The Statement showing the Company's shares bought & sold by Directors, CEO, Company Secretary and minor family members is also disclosed therein.

Directors' Report

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	4
Mrs. Yasmeen Aqeel	4
Mrs. Mehrunnisa Siddique	4
Mr. Muhammad Munir	3
Mr. Muhammad Sohail	2
Mr. Zafar Jaweed Alavi	3
Mr. Nessar Ahmed	3

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: 01 October 2015

Statement of Compliance with the Code of Corporate Governance

This statement is being presented to comply with the Code of Corporate Governance contained in Regulation No.35, Chapter XI of listing regulations of KARACHI STOCK EXCHANGE LIMITED for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The Company has applied the principles contained in the Code in the following manner:

1. The company encourages representation of independent non-executive directors and directors representing minority interests on its Board of Directors. At present the board includes:

CATEGORY	NAME
Independent directors	Mrs. Mehrunnissa Siddiqui
Executive directors	Mr. Nessar Ahmed
Non-executive directors	Mr. Muhammmad Sohail
	Mr. Aqeel Karim Dhedhi
	Mr. Muhammad Munir
	Mrs. Yasmeen Aqeel
	Mr. Zafar Jaweed Alavi

The independent directors meet the criteria of independence under clause i (b) of the CCG.

2. The Directors have confirmed that none of them is serving as a Director in more than seven listed companies, including this Company.

3. All the resident directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFI or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.

4. One casual vacancy occurred in the Board during the year.

5. The company is in the process of formulating the 'Code of Conduct' and appropriate steps will be taken to disseminate it throughout the Company along with its supporting policies and procedures.

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

7. All the powers of the board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO, have been taken by the board.

8. The meetings of the Board were presided over by the Chairman. Board meets at least once in every quarter. The Board held four meetings during the year. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.

10. No new appointments of Chief Financial Officer, Company Secretary and Head of Internal Audit were made during the year. The remuneration and terms & conditions in case of future appointments on this position will be approved by the Board.

11. The directors' report for this year has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.

12. The financial statements of the Company were duly endorsed by CEO and CFO before approval of the Board.

13. The directors, CEO and executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.

14. The Company has complied with all the corporate and financial reporting requirements of the Code.

15. The Board has formed an audit committee. It comprises 03 members, All members are non-executive directors including the chairman of the committee.

16. The meetings of the audit committee were held once every quarter prior to approval of interim and final results of the company and as required by the Code. The terms of reference of the committee have been formed and advised to the committee for compliance.

17. The Board will set-up an effective internal audit function and appoint the Head of Internal Audit from the next year. However, the Company is so far assisted by the internal audit function at group level..

18. The board will establish Human Resource and Remuneration Committee during the next financial year.

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

20. 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.

21. The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of company's securities, was determined and intimated to directors, employees and stock exchange(s).

22. Material/price sensitive information has been disseminated among all market participants at once through stock exchange.

23. We confirm that all other material principles enshrined in the CCG have been complied with except for the following, towards which reasonable progress is being made by the company to seek compliance by the end of next accounting year:

    - The company is in the process of formulating the 'Code of Conduct' and appropriate steps will be taken to disseminate it throughout the Company along with its supporting policies and procedures.
    - The board will establish Human Resource and Remuneration Committee during the next financial year.
    - The Board will set-up an effective internal audit function and appoint the Head of Internal Audit from the next year.
    - The positions of Chief Financial Officer, Company Secretary and Secretary to the Audit Committee are held by the same person. The board will take appropriate steps for appointing another person as Secretary to the Audit Committee during the next year.
    - In accordance with the criteria specified in clause xi of CCG, two directors of the Company are exempted from the requirement of director's training program. The remaining directors will obtain training under the said training program in due course.

Chief Executive Officer

01 October 2014
Karachi

Auditors' Report of the Members

We have audited the annexed balance sheet of AKD CAPITAL LIMITED ("the Company") as at 30 June 2015 and the related profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year ended 30 June 2015 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 our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

(a) in our opinion, proper books of account have been kept by the Company as required by the Companies Ordinance, 1984;

(b) in our opinion:

  i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;

  ii) the expenditure incurred during the year was for the purpose of the Company's business; and

  iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;

(c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, 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 2015 and of the profit, its cash flows and changes in equity for the year ended 30 June 2015; and

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(d) in our opinion, Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company but the amount of Rupees 79,487 so deducted was not deposited in the Central Zakat Fund established under section 7 of that Ordinance.

Without further qualifying our opinion, we draw attention to Note 1.2 to the financial statements, which states that the Company's primary commercial operations remained at halt for some years that indicates the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. However, the aforesaid note discloses the management's strong commitment to resume the viable and profitable commercial operations during the next financial year. These financial statements do not include any adjustments relating to the realization of the Company's assets and liquidation of liabilities that may be necessary should the Company be unable to continue as a going concern. These financial statements have, however, been prepared on going concern basis for the reasons more fully disclosed in the aforesaid note.

RIAZ AHMAD & COMPANY
Chartered Accountants

Engagement partner:
Muhammad Hamid Jan

Date:

KARACHI

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Review Report to the Members on Statement of Compliance with the Code of Corporate Governance

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance ("the Code") prepared by the Board of Directors of AKD CAPITAL LIMITED ("the Company") for the year ended 30 June 2015 to comply with the requirements of Listing Regulation No. 35 of Karachi Stock Exchange Limited where the Company is listed.

The responsibility for compliance with the Code is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code and report if it does not and to highlight any non-compliance with the requirements of the Code. 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 Code.

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 Code requires 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 distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. 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 determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, 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 best practices contained in the Code as applicable to the Company for the year ended 30 June 2015.

We draw attention to note 23 of the Statement of Compliance with the Code of Corporate Governance which describes following significant instances of non-compliance with the

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requirements of the Code: (i). non-formulation of the Code of Conduct along with its supporting policies and procedures; (ii). non-establishment of the Human Resource and Remuneration Committee; (iii). pending setting-up of internal audit function within the Company and appointment of Head of Internal Audit; (iv). holding of the positions of Chief Financial Officer, Company Secretary and Secretary to Audit Committee by same person; and (v). no director attended any directors' training program during the year.

Our report is not qualified in respect of these matters.

RIAZ AHMAD & COMPANY
Chartered Accountants

Name of engagement partner:
Muhammad Hamid Jan

Date:

KARACHI

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Balance Sheet
as at 30 June 2015

	Note	2015	2014
		(Rupees)	
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	3	**2,501,668**	2,881,510
Long term investments	4	**198,000**	198,000
Long term deposits	5	**20,000**	20,000
Deferred taxation	18.2	**9,145**	-
		2,728,813	3,099,510
CURRENT ASSETS			
Trade debts - considered good		**11,500,000**	3,000,000
Advances and prepayments	6	**100,445**	59,433
Investments	7	**25,289,840**	29,902,114
Other receivables	8	**1,443,333**	-
Advance income tax		**37,829**	16,476
Cash and bank balances	9	**72,079**	3,733,681
		38,443,526	36,711,704
TOTAL ASSETS		**41,172,339**	39,811,214
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital 50,000,000 (2014: 50,000,000) ordinary shares of Rupees 10 each		**500,000,000**	500,000,000
Issued, subscribed and paid-up share capital	10	**25,072,733**	25,072,733
Reserves	11	**11,419,145**	10,143,878
TOTAL EQUITY		**36,491,878**	35,216,611
NON CURRENT LIABILITIES			
Deferred taxation	18.2	**-**	22,162
CURRENT LIABILITIES			
Trade and other payables	12	**3,966,742**	3,806,529
Provision for taxation		**713,719**	765,912
		4,680,461	4,572,441
TOTAL LIABILITIES		**4,680,461**	4,594,603
Contingencies and commitments	13		
TOTAL EQUITY AND LIABILITIES		**41,172,339**	39,811,214

The annexed notes from 1 to 26 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

Profit And Loss Account
for the year ended 30 June 2015

	Note	2015	2014
		(Rupees)	
INCOME			
Consultancy fee	14	9,000,000	2,500,000
Dividend income		9	2,936
Gain on remeasurement of investment at fair value through profit or loss	7	-	30,610
Other income	15	-	2,401,624
		9,000,009	4,935,170
EXPENSES			
Administrative expenses	16	(1,965,826)	(2,853,765)
		7,034,183	2,081,405
Loss on disposal of investment		(4,979,703)	-
Finance cost	17	(20,685)	(26,966)
PROFIT BEFORE TAXATION		2,033,795	2,054,439
PROVISION FOR TAXATION	18		
Current - for the year		(713,719)	(765,912)
- prior year		23,775	1,351
Deferred		31,307	48,089
		(658,637)	(716,472)
NET PROFIT FOR THE YEAR		1,375,158	1,337,967
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified subsequently to profit or loss		-	-
Items that may be reclassified subsequently to profit or loss:			
Transfer of fair value loss to profit and loss account on disposal of available for sale investments		888,966	-
Loss on remeasurement of availaible for sale investments		(493,835)	(3,168,698)
Other comprehensive loss for the year		395,131	(3,168,698)
TOTAL COMPREHENSIVE INCOME / (LOSS)		1,770,289	(1,830,731)
EARNINGS PER SHARE-BASIC AND DILUTED	19	0.55	0.53

The annexed notes from 1 to 26 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

Cash Flow Statement

for the year ended 30 June 2015

	Note	2015	2014
		(Rupees)	
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		**2,033,795**	2,054,439
Adjustment for non cash items:			
Gain on remesurement of investment at fair value		**-**	(30,610)
Dividend income		**(9)**	(2,936)
Loss on disposal of investments		**4,979,703**	-
Depreciation		**379,842**	452,536
		5,359,536	418,990
Operating cash flow before working capital changes		**7,393,331**	2,473,429
Changes in working capital			
(Decrease) / increase in current assets			
Trade Debts		**(8,500,000)**	(2,500,000)
Advances and prepayments		**(41,012)**	(25,593)
Other receivables		**(1,443,333)**	31,519,395
Accrued markup		**-**	4,716,223
		(9,984,345)	33,710,025
Increase in current liabilities			
Trade and other payables		**160,213**	1,928,663
		(9,824,132)	35,638,688
CASH (USED IN) / FLOW FROM OPERATIONS		**(2,430,801)**	38,112,117
Income tax paid		**(763,490)**	(1,096,942)
Net cash (used in) / flow from operating activities		**(3,194,291)**	37,015,176
CASH FLOW FROM INVESTING ACTIVITIES			
Investments made during the year		**(7,118,636)**	(32,980,578)
Investment disposal proceeds during the year		**7,146,338**	-
Dividend received		**9**	2,936
Net cash flow from / (used in) investing activities		**27,711**	(32,977,642)
CASH FLOW FROM FINANCING ACTIVITIES			
Dividend paid		**(495,022)**	(1,410,171)
Net cash used in financing activities		**(495,022)**	(1,410,171)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS		**(3,661,603)**	2,627,362
Cash and cash equivalents at the beginning of the year		**3,733,681**	1,106,319
Cash and cash equivalents at the end of the year		**72,079**	3,733,681

The annexed notes from 1 to 26 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

Statement of Changes in Equity

for the year ended 30 June 2015

	Share Capital	Share Premium	Fair value Reserve on available for sale investments	General Reserve	Accumulated loss	Sub total	Total Equity
				(Rupees)			
Balance as at 30 June 2013	25,072,733	20,891,600	-	752,000	(8,171,047)	13,472,553	38,545,286
Final dividend for the year ended 30 June 2013	-	-	-	-	(1,497,944)	(1,497,944)	(1,497,944)
Total comprehensive loss for the year							
Profit for the year	-	-	-	-	1,337,967	1,337,967	1,337,967
Other comprehensive loss							
Loss on re-measurement of available for sale investment	-	-	(3,168,698)	-	-	(3,168,698)	(3,168,698)
	-	-	(3,168,698)	-	1,337,967	(1,830,731)	(1,830,731)
Balance as at 30 June 2014	**25,072,733**	**20,891,600**	**(3,168,698)**	**752,000**	**(8,331,024)**	**10,143,878**	**35,216,611**
Final dividend for the year ended 30 June 2014	-	-	-	-	(495,022)	(495,022)	(495,022)
Total comprehensive income for the year							
Profit for the year	-	-	-	-	1,375,158	1,375,158	1,375,158
Other comprehensive loss							
Transfer of fair value loss to profit and loss account on disposal of available for sale investment	-	-	888,966	-	-	888,966	888,966
Loss on re-measurement of available for sale investment	-	-	(493,835)	-	-	(493,835)	(493,835)
	-	-	395,131	-	1,375,158	1,770,289	1,770,289
Balance as at 30 June 2015	**25,072,733**	**20,891,600**	**(2,773,567)**	**752,000**	**(7,450,888)**	**11,419,145**	**36,491,878**

The annexed notes from 1 to 26 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

1. THE COMPANY AND ITS BUSINESS

1.1 AKD Capital Limited ("the Company") was incorporated as a Public Limited Company in the year 1936 and its shares are quoted on the Karachi Stock Exchange. The registered office of the company is situated at 416-418, Continental Trade Center, Clifton, Karachi. The principle activity of the Company is to deal in real estate / providing consultancy, projects financing and management, investment in listed securities and to engage in leasing.

1.2 These financial statements have reported net profit for the year amounting to Rupees 1.375 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. During the year, the Company entered into another agreement with a construction venture for providing consultancy services aggregately amounting to Rupees 15 million. 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 upcoming financial year and, based upon the future financial projections, strongly believe that the Company will continue as a going concern.

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

2. 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 approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

b) Accounting convention

These financial statements have been prepared under the "historical cost convention", except for the investment at fair value through profit or loss and the investments available for sale measured on the basis of fair value.

c) Critical accounting estimates and judgments

The preparation of financial statements in conformity with the approved accounting 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:

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.

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

The following amendments to published approved standards are mandatory for the Company's accounting periods beginning on or after 01 July 2014:

IAS 32 (Amendments) 'Financial Instruments: Presentation' (effective for annual periods beginning on or after 01 January 2014). Amendments have been made to clarify certain aspects because of diversity in application of the requirements on offsetting, focused on four main areas: the meaning of 'currently has a legally enforceable right of set-off'; the application of simultaneous realization and settlement; the offsetting of collateral amounts and the unit of account for applying the offsetting requirements.

IAS 36 (Amendments) 'Impairment of Assets' (effective for annual periods beginning on or after 01 January 2014). Amendments have been made in IAS 36 to reduce the circumstances in which the recoverable amount of assets or cash-generating units is required to be disclosed, clarify the disclosures required and to introduce an explicit requirement to disclose the discount rate used in determining impairment (or reversals) where recoverable amount (based on fair value less costs of disposal) is determined using a present value technique.

IFRIC 21 'Levies' (effective for annual periods beginning on or after 01 January 2014). The interpretation provides guidance on when to recognize a liability for a levy imposed by a government, both for levies that are accounted for in accordance with IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' and those where the timing and amount of the levy is certain. The Interpretation identifies the obligating event for the recognition of a liability as the activity that triggers the payment of the levy in accordance with the relevant legislation.

On 12 December 2013, IASB issued Annual Improvements to IFRSs: 2010 – 2012 Cycle, incorporating amendments to seven IFRSs more specifically in IFRS 8 'Operating Segments' and IAS 24 'Related Party Disclosures', which are considered relevant to the Company's financial statements. These amendments are effective for annual periods beginning on or after 01 July 2014. The amendments to IFRS 8 require an entity to disclose the judgments made by the management in applying the aggregation criteria to operating segments, including a description of the operating segments aggregated and the economic indicators assessed in determining whether the operating segments have 'similar economic characteristics'. Further, the amendment to IFRS 8 clarifies that a reconciliation of the total of the reportable segments' assets to the entity's assets should only be provided if the segment assets are regularly provided to the chief operating decision-maker. The amendments to IAS 24 clarify that a management entity providing key management personnel services to a reporting entity is a related party of the reporting entity. Consequently, the reporting entity must disclose as related party transactions the amounts incurred for the service paid or payable to the management entity for the provision of key management personnel services. However, disclosure of the components of such compensation is not required.

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

e) Standards, interpretation and amendments to published standards that are effective in current year but not relevant to the Company

There are other standards, new interpretation and amendments to published standards that are mandtory for accounting periods beginning on or after 01 July 2014 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.

f) Standard, interpretation and amendments to published standards that are not yet effective but relevant to the Company

Following standard, interpretation and amendments to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after 01 July 2015 or later periods:

IFRS 9 'Financial Instruments' (effective for annual periods beginning on or after 01 January 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 12 'Disclosures of Interests in Other Entities' (effective for annual periods beginning on or after 01 January 2015). This standard includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off-balance sheet vehicles. This standard is not expected to have a material impact on the Company's financial statements.

IFRS 13 'Fair Value Measurement' (effective for annual periods beginning on or after 01 January 2015). This standard aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements, which are largely aligned between IFRSs and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs or US GAAP. This standard is not expected to have a material impact on the Company's financial statements.

Amendments to IFRS 10, IFRS 11 and IFRS 12 (effective for annual periods beginning on or after 01 January 2015) provide additional transition relief in by limiting the requirement to provide adjusted comparative information to only the preceding comparative period. Also, amendments to IFRS 12 eliminate the requirement to provide comparative information for periods prior to the immediately preceding period.

Amendments to IFRS 10 and IAS 28 (effective for annual periods beginning on or after 01 January 2016) 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.

IFRS 15 'Revenue from Contracts with Customers' (effective for annual periods beginning on or after 01 January 2017). 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 recognise revenue when (or as) the entity satisfies a performance obligation. Guidance is provided on topics such as the point in which revenue is recognised, accounting for variable consideration, costs of fulfilling and obtaining a contract and various related matters. New disclosures about revenue are also introduced. The management of the Company is in the process of evaluating the impacts of the aforesaid standard on the Company's financial statements.

IAS 1 (Amendments) 'Presentation of Financial Statements' (effective for annual periods beginning on or after 01 January 2016). Amendments have been made to address perceived impediments to preparers exercising their judgement in presenting their financial reports by making the following changes: clarification that information should not be obscured by aggregating or by providing immaterial information, materiality consideration apply to the all parts of the financial statements, and even when a standard requires a specific disclosure, materiality consideration do apply; clarification that the list of the line items to be presented in these statements can be disaggregated and aggregated as relevant and additional guidance on subtotals in these statements and clarification that an entity's share of other comprehensive income of equity accounted associates and joint ventures should be presented in aggregate as single line items based on whether or not it will subsequently be reclassified to profit or loss; and additional examples of possible ways of ordering the notes to clarify that understandability and comparability should be considered when determining the order of the notes and to demonstrate that the notes need not be presented in the order so far listed in IAS 1. However, the amendments are not expected to have a material impact on the Company's financial statements.

IAS 16 (Amendments) 'Property, Plant and Equipment' (effective for annual periods beginning on or after 01 January 2016). The amendments clarify that a depreciation method that is based on revenue that is generated by an activity that includes the use of an asset is not appropriate for property, plant and equipment; and add guidance that expected future reductions in the selling price of an item that was produced using an asset could indicate the expectation of technological or commercial obsolescence of the asset, which, in turn, might reflect a reduction of the future economic benefits embodied in the asset. However, the amendments are not expected to have a material impact on the Company's financial statements.

g) Standard and amendments to published standards that are not yet effective and not considered relevant to the Company

There are other standard and amendments to published standards that are mandatory for accounting periods beginning on or after 01 July 2015 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.

h) 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. These financial statements are presented in the Pakistani Rupees, which is the Company's functional and presentation currency.

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 profit and loss account 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.

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.

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 profit and loss account.

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.

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. These are sub-categorized as under:

Quoted

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 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 other comprehensive income is included in profit and loss account. 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 equity instruments are carried at cost less impairment loss, 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

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 or minimum taxation at the rate of one percent of the turnover whichever is higher.

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 profit and loss account, 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

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 balance sheet 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) Receivables

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 profit and loss account 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 are 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.

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.

		Note	2015 (Rupees)	2014 (Rupees)
8.	OTHER RECEIVABLES			
	(Unsecured and considered good)			
	Related Parties			
	Receivable from associate - Creek Developers (Private) Limited		1,443,333	-

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

		2015 (Rupees)	2014 (Rupees)
9.	CASH AND BANK BALANCES		
	Cash in bank - Current account	72,079	3,733,681

10. ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

2015 Rupees (Number of shares)	2014 Rupees (Number of shares)		2015 (Rupees)	2014 (Rupees)
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. RESERVES

Composition of reserves is as follows:

	Note	2015	2014
Capital reserves			
Share premium	11.1	20,891,600	20,891,600
Fair value reserve on available for sale investments		(2,773,567)	(3,168,698)
		18,118,033	17,722,902
Revenue reserves			
General reserve		752,000	752,000
Accumulated loss		(7,450,888)	(8,331,024)
		(6,698,888)	(7,579,024)
		11,419,145	10,143,878

11.1 This reserve can be utilized by the Company only for the purposes specified in section 83(2) of the Companies Ordinance, 1984.

4. LONG TERM INVESTMENTS - available for sale

2015 Rupees	2014 Rupees		2015	2014
(Number of shares)			(Rupees)	
10,000	10,000	AKD REIT Management Company Limited (Note 4.1)	100,000	100,000
9,800	9,800	Creek Developers (Private) Limited{CDPL} (Note 4.2)	98,000	98,000
19,800	19,800		198,000	198,000

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

4.2 This represents 9,800 ordinary shares of Rupees 10 each. The Company is required to seek prior approval from Defence Housing Authority before disposing of this investment.

	Note	2015 Rupees	2014 Rupees
5. LONG TERM DEPOSITS			
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.

6. ADVANCES AND PREPAYMENTS

	2015	2014
Advance to employees - considered good	91,807	57,201
Prepayments	8,638	2,232
	100,445	59,433

7. INVESTMENTS

2015 Rupees	2014 Rupees		2015	2014
(Number of shares)				
		At fair value through profit or loss		
-	1,450	National Bank of Pakistan	-	90,234
		Available for sale		
776,000	476,000	Javedan Corporation Limited - cost	28,063,407	32,980,578
		Fair value adjustment:		
		Opening balance	(3,168,698)	-
		Reversal on disposal of investment	888,966	-
		Effect of remeasurement to fair value as at 30 June	(493,835)	(3,168,698)
			(2,773,567)	(3,168,698)
			25,289,840	29,811,880
			25,289,840	29,902,114
		Gain on remeasurement of investment at fair value through profit and loss	-	30,610

	Note	2015	2014
		(Rupees)	

8. OTHER RECEIVABLES

(Unsecured and considered good)

		2015	2014
Related Parties			
Receivable from associate - Creek Developers (Private) Limited		1,443,333	-

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

9. CASH AND BANK BALANCES

		2015	2014
Cash in bank - Current account		72,079	3,733,681

10. ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

2015 Rupees	2014 Rupees		2015	2014
(Number of shares)			(Rupees)	
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. RESERVES

Composition of reserves is as follows:

	Note	2015	2014
Capital reserves			
Share premium	11.1	20,891,600	20,891,600
Fair value reserve on available for sale investments		(2,773,567)	(3,168,698)
		18,118,033	17,722,902
Revenue reserves			
General reserve		752,000	752,000
Accumulated loss		(7,450,888)	(8,331,024)
		(6,698,888)	(7,579,024)
		11,419,145	10,143,878

11.1 This reserve can be utilized by the Company only for the purposes specified in section 83(2) of the Companies Ordinance, 1984.

12. TRADE AND OTHER PAYABLES

	Note	2015 (Rupees)	2014 (Rupees)
Accrued liabilities		**1,127,764**	888,952
Share of expenses received in advance from CDPL		**-**	535,370
Payable to AKD Securities Limited	12.1	**1,602,509**	1,197,376
Unclaimed dividend		**1,236,469**	1,184,831
		3,966,742	3,806,529

12.1 This represents the balance payable against trading in securities during the year.

13. CONTINGENCIES AND COMMITMENTS

13.1 Contingencies

13.1.1 The Company has filed a law suit in the Honourable 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.

13.1.2 During the previous year, an individual filed case against the Company, amongst others, by making the Company as a pro-forma defendant. Presently, the matter is pending in Honourable 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.

13.2 Commitments

There were no commitment as at the reporting date (2014: Nil).

14. CONSULTANCY FEE

During the year, the Company entered into an agreement with a construction venture (a related party) to provide consultancy services aggregately amounting to Rupees 15 million in connection with infrastructure designing of the construction projects. The revenue recognized represents the billing made to the related party against services provided till the reporting date. The Company is also exploring other construction projects and business opportunities to enhance its revenues during the next year.

15. OTHER INCOME

	2015 (Rupees)	2014 (Rupees)
Mark-up on other receivables	**-**	-

	Note	2015	2014
		(Rupees)	
16. ADMINISTRATIVE EXPENSES			
Salaries and benefits	16.1	576,000	716,605
Printing and stationery		117,394	241,541
Vehicle running expenses		-	9,444
Postage and telegram		15,253	12,069
Fees, taxes and subscription		226,971	791,668
Electricity, telephone charges		-	1,160
Legal and professional		73,226	29,118
Advertisement and publicity		35,000	40,272
Travelling and conveyance charges		-	4,840
Entertainment		139,181	159,000
Auditors' remuneration	16.2	398,000	330,000
Depreciation	3.1	379,842	452,536
Computer supplies and stationary		-	2,692
Office expenses		-	635
Repair and maintenance		4,959	7,475
Workers welfare fund		-	54,710
		1,965,826	2,853,765

16.1 Remuneration of Directors and Executives

No remuneration and meetings fees have been paid to Chief Executive Officer and Directors during the year respectively (2014: Nil).

16.2 Auditors' Remuneration	Note	2015	2014
		(Rupees)	
Audit fee		250,000	200,000
Half yearly review fee		112,000	95,000
Reimbursable expenses		36,000	35,000
		398,000	330,000

16.3 During the year, administrative expenses of Rupees 2.680 million (2014: Rupees 1.494 million) allocated to Creek Developers (Private) Limited as per "Resource Share Agreement".

	2015	2014
	(Rupees)	
17. FINANCE COST		
Bank charges	20,685	26,966

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.

		Note	2015	2014
			(Rupees)	
18.2	**Deferred**			
	Deferred tax effect is due to:			
	Tax depreciation allowance		(9,145)	40,763
	Provision for workers welfare fund		-	(18,601)
			(9,145)	22,162
	Opening balance as at 01 July		22,162	70,251
			(31,307)	(48,089)
18.3	Relationship between tax expense and accounting profit:			
	Accounting profit before taxation		2,033,795	2,054,439
	Tax @ 33% (2014: 34%)		671,152	698,509
	Effect of:			
	Tax effect of computation of income		(36,290)	16,611
	Effect of prior year adjustment		23,775	1,351
			658,637	716,472

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:

	2015	2014
Profit for the year	1,375,158	1,337,967
Weighted average number of ordinary shares in issue during the year	2,507,471	2,507,471
Earnings per share - basic & diluted	0.55	0.53

20. FINANCIAL RISK MANAGEMENT

20.1 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 minimise potential adverse effects on the financial performance.

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

(a) Market risk

(i) Currency risk

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

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

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

(ii) Other price risk

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

Sensitivity analysis

The table below summarizes the impact of increase / decrease in the Karachi Stock Exchange (KSE) Index on the Company's profit after taxation for the year and on equity. 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	
	2015	2014	**2015**	2014
	(Rupees)		(Rupees)	
KSE 100 (5% increase)	**1,264,492**	1,490,594	-	4,512
KSE 100 (5% decrease)	**(1,264,492)**	(1,490,594)	-	(4,512)

(iii) Interest rate risk

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

(b) Credit risk

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

Financial Assets	2015	2014
	(Rupees)	
Long term deposits	20,000	20,000
Long term investments	198,000	198,000
Trade debts	11,500,000	3,000,000
Advances	91,807	57,201
Investments	25,289,840	29,902,114
Other receivables	1,443,333	-
Bank balances	72,079	3,733,681
	38,615,059	36,910,996

	Rating			2015	2014
	Short Term	Long Term	Agency	(Rupees)	
Banks					
MCB Bank Limited	A1+	AAA	PACRA	(22,514)	3,351,989
United Bank Limited	A-1+	AA+	JCR-VIS	4,179	4,179
Bank Al-Habib Limited	A1+	AA+	PACRA	90,414	377,513
				72,079	3,733,681
Investments					
National Bank of Pakistan	A-1+	AAA	JCR-VIS	-	90,234

As at 30 June 2014, trade debts due from related party amounting to Rupees 11,500,000 (2013: Rupees 3,000,000) were past due but not impaired. The age analysis of these trade debts is as follows:

	2015	2014
	(Rupees)	
Upto 1 month	-	-
1 to 6 months	9,000,000	2,500,000
More than 6 months	2,500,000	500,000
	11,500,000	3,000,000

(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 cash and bank balances. At 30 June 2015, the Company had Rupees 72,079 cash and bank balances. 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 2015

Carrying Amount	Contractual Cash Flows	6 month or less	6 months to 12 months	More than 1 year
Rupees	Rupees	Rupees	Rupees	Rupees
3,966,742	3,966,742	3,966,742	-	-

Contractual maturities of financial liabilities as at 30 June 2014

	Rupees	Rupees	Rupees	Rupees	Rupees
Trade and other payables	3,806,529	3,806,529	3,806,529	-	-

20.2 Fair values of financial assets and liabilities

The carrying values of all financial assets and liabilities reflected in financial statements approximate their fair values. Fair value is determined on the basis of objective evidence at each reporting date. The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped in to levels 1 to 3 based on the degree to which fair value is observable:

	Level 1 Rupees	Level 2 Rupees	Level 3 Rupees	Level 4 Rupees
Asset as at 30 June 2015				
Available for sale	25,289,840	-	198,000	25,487,840
At fair value through profit or loss	-	-	-	-
	25,289,840	-	198,000	25,487,840
Asset as at 30 June 2014				
Available for sale	29,811,880	-	198,000	30,009,880
At fair value through profit or loss	90,234	-	-	90,234
	29,902,114	-	198,000	30,100,114

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price used for financial instruments held by the Company is the current bid price. These financial instruments are classified under level 1 in above referred table.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value a financial instrument are observable, those financial instruments are classified under level 2 in above referred table. The Company has no such type of financial instruments as on 30 June 2015.

If one or more of the significant inputs is not based on observable market data, the financial instrument is classified under level 3.

20.3 Financial instruments by categories

	2015	2014
	(Rupees)	
Financial Assets		
Cash and bank balances	**72,079**	3,733,681
Investments		
Available for sale	**25,487,840**	30,009,880
At fair value through profit or loss	**-**	90,234
	25,487,840	30,100,114

	2015	2014
	(Rupees)	
Loans and receivables		
Long term deposits	20,000	20,000
Trade debts	11,500,000	3,000,000
Advances	91,807	57,201
Other receivables	1,443,333	-
	13,055,140	3,077,201
Financial Liabilities at amortised cost		
Trade and other payables	3,966,742	3,806,529

21. CAPITAL RISK MANAGEMENT

The Company's prime objective when managing capital structuring is to safeguard its ability to continue as a going concern in order to provide adequate returns for share holders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

22. NUMBER OF EMPLOYEES

The number of employees during the year is as follows:

	2015		2014	
	At Year end	Average	At Year end	Average
Number of employees	4	4	4	4

22.1 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.

23. 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:

	Note	2015	2014
		(Rupees)	
Creek Developers (Private) Limited			
Mark-up income		-	2,401,624
Expenses debited/allocated		2,679,533	1,494,203
Collection during the year		1,599,359	39,442,399
Balance at year end		544,804	(535,370)
AKD Securities limited			
Balance at year end		(1,602,509)	(1,197,376)

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24. NON-ADJUSTING EVENTS AFTER THE BALANCE SHEET DATE

The Board of Directors of the Company in their meeting held on 01 October 2015 proposed a final cash dividend for the year ended 30 June 2015 @ 10% i.e. Rupees 1.00 / share (2014: @ 10% i.e. Rupees 1.00 / 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 2015 do not include the effect of these appropriations which will be accounted for in the financial statements for the year ending on 30 June 2016.

25. DATE OF AUTHORIZATION

These financial statements were approved and authorized for the issue on 01 October 2015 by the Board of Directors of the Company.

26. GENERAL

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

26.2 No significant reclassification or re-arrangement of the corresponding figures has been made in these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

Pattern of Shareholding
as at 30 June 2015

NUMBER OF SHAREHOLDERS	SHARE HOLDING FROM		TO	TOTAL SHARES HELD	% OF SHAREHOLDING
341	1	-	100	19,992	0.80
334	101	-	500	111,584	4.45
143	501	-	1000	124,222	4.96
139	1001	-	5000	294,178	11.73
14	5001	-	10000	106,606	4.25
7	10001	-	15000	87,507	3.49
6	15001	-	20000	102,855	4.10
2	20001	-	25000	44,471	1.77
1	25001	-	30000	27,808	1.11
3	35001	-	40000	152,567	6.09
1	45001	-	50000	50,000	1.99
1	55001	-	60000	57,290	2.29
1	195001	-	200000	200,000	7.98
1	375001	-	380000	379,680	15.14
1	710001	-	750000	748,232	29.85
995				2,506,992	100

CATEGORIES OF SHAREHOLDERS

Director & Family	Designation	Number of Share holders	Shares Held	%
Aqeel Akrim Dhedhi	Chairman / Director	1	748,232	29.85%
Muhammad Sohail	Director	1	3,000	0.12%
Mehrunnisa W/o M. Sadiq	Director	1	27,808	1.11%
Yasmin Aqeel	Director	1	130,680	5.21%
Muhammad Munir	Director	1	750	0.03%
Zafar Jaweed Alavi	Director	1	1,000	0.04%
Nessar Ahmed	Chief Executive Officer / Director	1	210	0.01%
Individuals		953	963,654	38.44%
Financial Institutions		2	484,299	19.32%
Insurance Companies		1	543	0.02%
Joint Stock Companies		29	143,116	5.71%
Others		3	3,700	0.15%
	Total	995	2,506,992	100.00%

Statement Showing Shares Bought & Sold by the Directors, CEO & Company Secretary & Minor Family Members From 01st July 2013 to 30th June 2014

S.No.	Name	Designation	Shares Bought	Shares Sold
1	Aqeel Akrim Dhedhi	Chairman / Director	-	-
2	Muhammad Sohail	Director	-	-
3	Mehrunnisa W/o M. Sadiq	Director	-	-
4	Yasmin Aqeel	Director	-	-
5	Muhammad Munir	Director	-	-
6	Zafar Jaweed Alavi	Director	-	-
7	Nessar Ahmed	Chief Executive Officer / Director	-	-

Form of Proxy
Eighty 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 Annual General Meeting of the Company to be held on October 23, 2015 and /or any adjournment thereof.

As witness my/our hand/seal this ________________ day of ________________ 2015.

Share holder 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 holding the meeting.

2. No person shall act as proxy unless he himself is member of the Company, expcet 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 depoisited be a member with the Company, all such instruments of proxy shall be rendered invalid.

416-418, 4th Floor, Continental Trade Centre, Block-8, Clifton, Karachi-Pakistan
Tel: (92-21) 35302902-06 Fax: (92-21) 35302913