



AKD Securities Ltd.

AKD SECURITIES LIMITED

HALF YEARLY REPORT (Un-Audited)

31 DECEMBER 2018

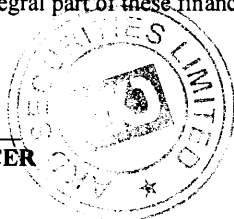


AKD SECURITIES LIMITED
Condensed Interim Statement of Financial Position
As at 31 December 2018

		Un-Audited	Audited
		31 Dec 2018	30 Jun 2018
	Note	Rupees	Rupees
ASSETS			
Non-current assets			
Property and equipment	5	112,146,986	119,498,729
Intangibles		8,491,720	8,542,071
Long term investments		14,671,803	21,353,582
Long term deposits		6,477,337	5,296,865
Total non-current assets		141,787,846	154,691,247
Current assets			
Short term investments		491,985,870	668,960,475
Trade debts - unsecured, considered good	6	97,556,460	115,239,644
Loans and advances		443,206,022	298,374,546
Deposits and prepayments		977,918,790	944,154,442
Other receivables		-	1,018,722
Accrued mark up - from holding company		48,432,282	24,112,244
Advance income tax - net		18,542,518	227,100
Cash and bank balances		36,209,800	317,617,335
Total current assets		2,113,851,741	2,369,704,508
Total assets		<u>2,255,639,583</u>	<u>2,524,395,755</u>
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital			
250,000,000 (30 June 2018: 250,000,000) ordinary shares of Rupees 10 each		<u>2,500,000,000</u>	<u>2,500,000,000</u>
Issued, subscribed and paid up share capital		1,767,699,500	1,767,699,500
Surplus on revaluation of intangibles		2,500,000	2,500,000
Fair value reserve on available-for-sale investment		(128,395,003)	15,628,792
Accumulated loss		(369,535,680)	(394,738,956)
		1,272,268,817	1,391,089,336
Non-current liabilities			
Liabilities against assets subject to finance lease		14,959,944	15,881,886
Total non current liabilities		14,959,944	15,881,886
Current liabilities			
Trade and other payables		965,220,373	1,113,059,028
Current portion of liabilities against assets subject to finance lease		3,190,450	4,365,502
Total current liabilities		968,410,823	1,117,424,530
Total liabilities		<u>983,370,766</u>	<u>1,133,306,416</u>
Contingencies and commitments			
Total equity and liabilities		<u>2,255,639,583</u>	<u>2,524,395,752</u>

The annexed notes form an integral part of these financial statements.

CHIEF FINANCIAL OFFICER

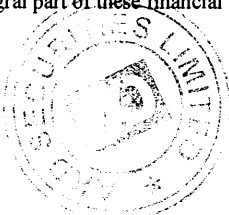


AKD SECURITIES LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS - Un-audited
For the half year and second quarter ended 31 December 2018

	Note	Half Year Ended		Second Quarter Ended	
		31 Dec 2018	31 Dec 2017	31 Dec 2018	31 Dec 2017
		Rupees	Rupees	Rupees	Rupees
Operating revenue	7	164,075,867	164,391,901	91,402,723	83,666,688
Gain / (loss) on sale of investments - net		1,387,197	3,653,408	2,615,593	(8,776,086)
Fair value gain / (loss) on remeasurement of investments carried at fair value through profit or loss - net		(5,288,660)	(6,614,557)	64,775,026	(4,030,643)
		160,174,404	161,430,752	158,793,342	70,859,959
Administrative and operating expenses		(168,799,832)	(156,854,632)	(82,904,254)	(76,982,002)
Other income		44,144,371	83,565,685	26,727,188	19,039,347
Profit / (loss) from operations		35,518,943	88,141,805	102,616,276	12,917,303
Finance cost		(1,109,856)	(3,108,280)	(539,095)	(145,924)
Profit / (loss) before taxation		34,409,087	85,033,525	102,077,181	12,771,379
PROVISION FOR TAXATION		(9,205,812)	(25,477,602)	(7,668,262)	(20,053,509)
NET PROFIT / (LOSS) FOR THE PERIOD		25,203,276	59,555,923	94,408,919	(7,282,130)
OTHER COMPREHENSIVE INCOME					
Items that will not be reclassified subsequently to profit and loss		-	-	-	-
Items that may be reclassified subsequently to profit and loss:					
Gain / (loss) on remeasurement of available for sale investments		(137,342,016)	-	-	-
Other comprehensive income / (loss) for the year		(137,342,016)	-	-	-
TOTAL COMPREHENSIVE INCOME / (LOSS)		(112,138,740)	59,555,923	94,408,919	(7,282,130)
Earnings per share - basic		0.25	0.60	0.95	(0.07)
Earnings per share - diluted		0.14	0.34	0.53	(0.04)

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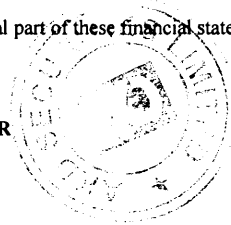


AKD SECURITIES LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (Un-audited)
For the half year ended 31 December 2018

	Reserves					Total equity
	Issued, subscribed and paid up share capital	Capital		Revenue		
		Fair value reserve on available-for- sale investment	Surplus on revaluation of intangibles	Accumulated loss	Sub-total	
Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	
Balance as at 30 June 2017	999,000,000	156,076,883	4,926,170	(595,424,564)	(434,421,511)	564,578,489
Comprehensive income for the year						
Profit for the year	-	-	-	200,685,608	200,685,608	200,685,608
Other comprehensive income:						
Fair value adjustment on intangibles	-	-	(2,426,170)	-	(2,426,170)	(2,426,170)
Fair value adjustment on available-for-sale investments	-	(166,829,341)	-	-	(166,829,341)	(166,829,341)
Deferred tax related to fair value adjustment	-	26,381,250	-	-	26,381,250	26,381,250
	-	(140,448,091)	(2,426,170)	200,685,608	57,811,347	57,811,347
Transaction with owners:						
Increase in paid-up capital	768,699,500	-	-	-	-	768,699,500
Balance as at 30 June 2018	1,767,699,500	15,628,792	2,500,000	(394,738,956)	(376,610,164)	1,391,089,336
Comprehensive income for the year						
Profit for the year	-	-	-	25,203,276	25,203,276	25,203,276
Other comprehensive income:						
Fair value adjustment on intangibles	-	-	-	-	-	-
Fair value adjustment on available-for-sale investments	-	(6,681,779)	-	-	(6,681,779)	(6,681,779)
Loss on re-measurement of available for sale investment	-	(137,342,016)	-	-	(137,342,016)	(137,342,016)
	-	(144,023,795)	-	25,203,276	(118,820,519)	(118,820,519)
Balance as at 31 December 2018	1,767,699,500	(128,395,003)	2,500,000	(369,535,680)	(495,430,683)	1,272,268,817

The annexed notes form an integral part of these financial statements.

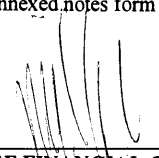
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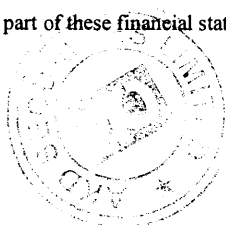


AKD SECURITIES LIMITED
STATEMENT OF CASH FLOWS
As at 31 December 2018

	Un-Audited 31 Dec 2018	Audited 30 Jun 2018
	Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	34,409,087	259,206,934
Adjustments for:		
Depreciation & amortization	9,815,478	24,357,787
Unrealized loss on remeasurement of investment through profit or loss	5,288,660	4,727,746
Finance cost	1,109,856	5,455,813
Provision against doubtful debts	-	407,451
Gain on sale of property, plant and equipment	43,214	(260)
Other income		(6,255,014)
Capital gain on sale of investment in listed securities - net	(1,387,197)	(56,608,413)
Accrued mark up form holding company	(24,320,038)	(36,635,297)
Profit on exposures	-	(34,624,404)
Reversal of provision for doubtful debt	-	(166,741,324)
Dividend income	(7,082,870)	(1,064,784)
Cash generated from operations before working capital changes	17,876,190	(7,773,765)
Working capital changes		
Decrease / (increase) in current assets		
Trade debts	17,683,184	318,687,656
Loans and advances	(144,831,476)	46,039,798
Short term deposits and prepayments	(33,764,348)	67,317,429
Other receivables	1,018,722	73,767,172
	(159,893,918)	505,812,055
Increase / (decrease) in current liabilities		
Trade and other payables	(147,838,655)	(8,754,907)
Cash flow / (used in) from operating activities	(289,856,382)	489,283,384
Finance cost paid	(1,109,856)	(6,985,826)
Income tax paid	(27,521,229)	(43,691,725)
Net cash flow / (used in) from operating activities	(318,487,467)	438,605,833
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property and equipment	(2,531,599)	(24,897,777)
Additions to intangible assets	-	(130,000)
Proceeds from sale of property and equipment	75,000	683,394
Proceeds from sale of investments	319,737,115	1,509,738,282
Investments made (Net)	(284,005,989)	(1,666,651,719)
Increase in long term deposits	(1,180,472)	(1,963,510)
Dividend received	7,082,870	1,064,784
Net cash flow from investing activities	39,176,925	(182,156,545)
CASH FLOWS FROM FINANCING ACTIVITIES		
Lease rental and security deposit paid against assets subject to finance lease	(2,096,994)	(16,161,819)
Long term financing	-	(83,843,453)
Advance against share capital	-	-
Net cash used in financing activities	(2,096,994)	(100,005,272)
Net increase in cash and cash equivalents	(281,407,536)	156,444,015
Cash and cash equivalents at the beginning of the year	317,617,333	161,173,319
Cash and cash equivalents at the end of the year	36,209,797	317,617,333

The annexed notes form an integral part of these financial statements.


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AKD SECURITIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2018

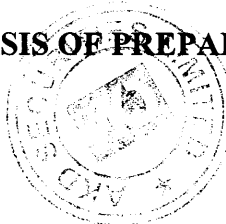
1. THE COMPANY AND ITS OPERATIONS

AKD Securities Limited ("the Company") was incorporated as a public limited company under the Companies Ordinance, 1984 (Now the Companies Act, 2017) on 16 May 2007. The Company is licensed to operate as securities broker, consultant to the issue and underwriter from the Securities and Exchange Commission of Pakistan and holds a Trading Right Entitlement Certificate (TREC) of Pakistan Stock Exchange Limited. The principal activities of the Company are brokerage of shares, financial research, book building, underwriting, investments in securities, corporate advisory and consultancy services. The registered office of the Company is located at 602, Continental Trade center, Block-8, Clifton Karachi.

1.1 The Company has six branches in various cities of Pakistan. Geographical location and addresses of all branches / liaison are as follows:

S.NO	BRANCH	ADDRESS
1.	Islamabad	Office 302-303, 3rd Floor, Islamabad Stock Exchange Tower, Jinnah Avenue, Blue Area, Islamabad.
2.	Lahore	Office 512-513, 5th Floor, Lahore Stock Exchange Building, 19, Khayaban-e-Aiwan-e-Iqbal Road, Lahore.
3.	Faisalabad	Office 3, 1st Floor, Mezan Executive Tower, Cargo Side Liaquat Road, Faisalabad.
4.	Abbottabad	Room # 1 & 2, 2nd Floor, Al-Zaman Plaza, Near Ayub Teaching Hospital, Main Mansehra Road, Abbottabad.
5.	Stock Exchange branch, Karachi	5th Floor Stock Exchange Building, Karachi.
6.	Gulshan-e-Iqbal branch, Karachi	Banglow No. FL-3/12, Ground Floor,Block-5, KDA Scheme 24, Gulshan Iqbal, Karachi.

2. BASIS OF PREPARATION



2.1 Statement of compliance

These condensed interim financial statement of the Company for the half year ended 31 December 2018 have been prepared in accordance with the requirements of the international Accounting Standard 34 “Interim Financial Reporting” and provision and directives issued under the Companies Act, 2017 have been followed.

These Condensed interim financial statements comprise of the balance sheet as at 31 December 2018 and profit and loss account, statement of comprehensive income, statement of changes in equity and the cash flow statement for the period ended 31 December 2018.

The comparative balance sheet presented in these condensed interim financial statements as at 30 June 2018 has been extracted from the audited financial statements of the company for the year ended 30 June 2018, whereas the comparative profit and loss account, statement of comprehensive income, statement of changes in equity and the cash flow statement for the half year ended 31 December 2017.

These condensed interim financial statements are presented in Pakistan Rupee which is the functional currency of the Company and rounded off to the nearest rupee.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of the financial statements for the year ended 30 June 2018. Amendments to certain existing standards and new interpretation on approved accounting standards that become effective during the period either were not relevant to the Company’s operations or did not have any significant impact on the accounting policies of the Company.

4. ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of the condensed interim financial information in conformity with approved accounting standards require management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognized prospectively commencing from the period of revision. In preparing the condensed interim financial information, the significant judgments made by management in applying the Company’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the preceding published annual financial statements of the Company as at and for the year ended 30 June 2018.



5. PROPERTY, PLANT & EQUIPMENT

During the period ended 31 December 2018, addition made amounting to PKR 2.3.23 million (30 June 2018: 40.403 million) which comprised of office equipment, furniture & fixture, computer & allied. Further, assets having WDV of PKR 0.118 million were sold for PKR 0.118 (30 June 2018: WDV of PKR 0.683 million were sold for PKR 0.683 million).

6. TRADE DEBTS

Trade debts and other receivables are recognized at fair value and subsequently measured at amortized cost. A provision for impairment in trade debts and other receivables is made when there is objective evidence that the Company will not be able to collect all amounts due according to original terms of receivables. Trade debts and other receivables considered irrecoverable are written off.

The aging of trade debts at reporting date is :

	Impaired		Not impaired	
	31 Dec 2018	30 Jun 2018	31 Dec 2018	30 Jun 2018
	Rupees	Rupees	Rupees	Rupees
Past due 0-6 months	-	-	37,315,392	70,317,930
Past due 6-12 months	-	-	2,724,042	1,113,256
Past due 1-2 years	-	-	2,338,826	3,619,804
Past due 2 years and above	129,101,111	129,101,111	55,178,199	40,188,654
	129,101,111	129,101,111	97,556,459	115,239,644
Fair value of the collateral / securities held	-	-	48,852,773	47,622,667

7. OPERATING REVENUE

	31 Dec 2018	31 Dec 2017
	Rupees	Rupees
Brokerage income	148,686,531	130,269,025
Consultancy income	8,306,465	21,105,779
Underwriting commission	-	12,097,086
Dividend income	7,082,870	920,011
	164,075,867	164,391,901

8. CONTINGENCIES AND COMMITMENTS

8.1 Contingencies

There were no change in contingencies at the period end as disclosed in the financial statements for the year ended 30 June 2018.

9. FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Company as at and for the year ended 30 June 2018

10. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue by the Board of Directors in meeting held 28 February 2019


CHIEF FINANCIAL OFFICER

