

**Arpak
International
Investments
Limited**

**QUARTERLY
FINANCIAL STATEMENTS
(UN-AUDITED)**

AS ON 30 SEPTEMBER, 2014

ARPAK INTERNATIONAL INVESTMENTS LIMITED

COMPANY INFORMATION

BOARD OF DIRECTORS	Begum Laila Sarfaraz <i>Chief Executive</i>
	Mr. Aziz Sarfaraz Khan Mr. Abbas Sarfaraz Khan Ms. Zarmine Sarfaraz Ms. Najda Sarfaraz Mr. Iskander M. Khan Mr. Usman Salim Khan
BOARD AUDIT COMMITTEE	Mr. Abbas Sarfaraz Khan <i>Chairman</i> Mr. Aziz Sarfaraz Khan <i>Member</i> Mr. Iskander M. Khan <i>Member</i>
COMPANY SECRETARY	Mr. Mujahid Bashir
CHIEF FINANCIAL OFFICER	Mr. Rizwan Ullah Khan
AUDITORS	Messers Hameed Chaudhri & Co., <i>Chartered Accountants</i>
TAX CONSULTANTS	Messers BDO Ibrahim & Co., <i>Chartered Accountants</i>
LEGAL ADVISOR	Mr. Ishtiaq Ahmad <i>Advocate</i>
SHARE REGISTRAR	Messers Hameed Majeed Associates (Pvt.) Limited, H.M. House, 7-Bank Square, Lahore
BANKERS	Bank Al-Habib Limited The Bank of Khyber MCB Bank Limited
REGISTERED OFFICE	King's Arcade, 20-A, Markaz F-7, Islamabad Phone: 051-2650805-7 Fax: 051-2651285-6

ARPAK INTERNATIONAL INVESTMENTS LIMITED

BRIEF REVIEW

The Interim Financial Statements of the Company for the 1st quarter ended on 30 September, 2014 are presented to the shareholders in compliance with the International Accounting Standard No. 34 "Interim Financial Reporting", the Code of Corporate Governance under Section 245 of the Companies Ordinance, 1984 and the listing regulations of the Lahore and Karachi Stock Exchanges.

OPERATIONS

The Company earned pre-tax profit of Rs. 1.399 million (30 September, 2013: Rs. 1.267 million) during this quarter. However, after incorporating the share of loss of the associated undertakings, the Company's pre-tax profit got converted into loss of Rs. 2.896 million for the period.

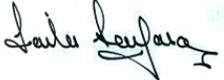
INVESTMENTS

The Company has invested of Rs. 60.948 million in the Mutual Funds and has advanced Rs. 43.750 to an Associated Company as on 30 September, 2014.

ACCOUNTING POLICIES

There has been no change in the accounting policies adopted for the preparation of the enclosed quarterly financial statements of the Company.

Islamabad
28 October, 2014


(Begum Laila Sarfaraz)
Chief Executive

ARPAK INTERNATIONAL

CONDENSED INTERIM BALANCE SHEET AS

	Un-audited 30 September 2014	Audited 30 June 2014
Note	Rupees	Rupees
Equity and Liabilities		
Share Capital and Reserves		
Authorised capital 5,000,000 ordinary shares of Rs.10 each	<u>50,000,000</u>	<u>50,000,000</u>
Issued, subscribed and paid-up capital 4,000,000 ordinary shares of Rs.10 each issued for cash	40,000,000	40,000,000
Reserves	13,310,108	13,404,878
Unappropriated profit	<u>195,256,533</u>	<u>188,546,584</u>
	248,566,641	241,951,462
Deferred taxation	178,657	178,657
Current Liabilities		
Accruals and other payables	1,248,423	2,258,060
Taxation	642,021	577,161
	1,890,444	2,835,221
Contingencies and Commitments	6	
	<u>250,635,742</u>	<u>244,965,340</u>

INVESTMENTS LIMITED

AT 30 SEPTEMBER, 2014 (Un-audited)

	Un-audited 30 September 2014	Audited 30 June 2014
Note	Rupees	Rupees
Assets		
Non-current Assets		
Property, plant and equipment	4,623,203	4,636,406
Investment property	1,911,962	1,917,033
Long term investments	8 137,230,450	131,949,220
Loan to an Associated Company	9 <u>43,750,000</u>	<u>43,750,000</u>
	187,515,615.00	182,252,659
Investments	10 60,948,347	59,703,644
Advance to employees - considered good	309,750	309,750
Accrued profit and mark-up	637,077	1,873,037
Prepayments	61,020	35,775
Advance income tax and tax deducted at source	680,726	674,267
Bank balances	483,207	116,208
	63,120,127	62,712,681
	<u>250,635,742</u>	<u>244,965,340</u>

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



CHIEF EXECUTIVE



DIRECTOR

ARPAK INTERNATIONAL INVESTMENTS LIMITED

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (Un-audited)
FOR THE 1ST QUARTER ENDED 30 SEPTEMBER, 2014**

	30 September 2014	30 September 2013
	-----Rupees-----	
Income	3,520,972	3,023,252
Operating and General Expenses	2,121,581	1,755,492
Operating Profit	1,399,391	1,267,760
Bank Charges	582	174
	1,398,809	1,267,586
Share of (Loss)/ profit of Associated Companies--net of taxation	(4,295,023)	1,178,395
(Loss) / Profit- before taxation	(2,896,214)	2,445,981
Taxation- Current	64,860	58,250
(Loss) / Profit- after taxation	(2,961,074)	2,387,731
(Loss) / Earnings per Share	(0.74)	0.60

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



CHIEF EXECUTIVE



DIRECTOR

ARPAK INTERNATIONAL INVESTMENTS LIMITED

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME(Un-audited)
FOR THE 1ST QUARTER ENDED 30 SEPTEMBER, 2014**

	30 September 2014 Rupees	30 September 2013 Rupees
(Loss)/Profit after taxation	(2,961,074)	2,387,731
Other Comprehensive Income		
Fair value (loss) on re-measurement of available-for-sale investments	(94,770)	(52,943)
Total Comprehensive (loss) / Income for the Year	(3,055,844)	2,334,788

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



CHIEF EXECUTIVE



DIRECTOR

ARPAK INTERNATIONAL INVESTMENTS LIMITED

CONDENSED INTERIM CASH FLOW STATEMENT FOR THE 1ST QUARTER ENDED 30 SEPTEMBER, 2014

	30 September 2014 Rupees	30 September 2013 Rupees
Cash flow from operating activities		
Profit for the quarter - before taxation and share of profit of Associated Companies	1,398,809	1,267,587
Adjustments for non-cash charges and other items:		
Depreciation on property, plant and equipment	13,203	13,971
Depreciation on investment property	5,071	5,338
Mark-up on loan to an Associated Company	(1,264,040)	(1,140,700)
Profit on term finance certificates/deposits	(3,401)	(9,796)
Capital gain on investments through profit or loss	0	0
Fair value gain on measurement of investments	(1,255,394)	(972,756)
Loss before working capital changes	(1,105,752)	(836,356)
Effect on cash flow due to working capital changes		
(Increase) / decrease in current assets		
Investments - net	10,691,38	(2,500,001)
Advance to employees	0	0
Prepayments	(25,245)	(27,280)
Increase / (decrease) in accruals and other payables	(1,009,637)	(835,240)
	(1,024,191)	(3,362,521)
Cash used in operating activities	(2,129,943)	(4,198,877)
Income tax paid	(6,459)	(3,166)
Net cash used in operating activities	(2,136,402)	(4,202,043)
Cash flow from investing activities		
Mark-up received on loan to an Associated Company	2,503,401	1,009,796
Profit on term finance certificates/ deposits	0	0
Redemption of held to maturity investments	0	0
Net cash generated from investing activities	2,503,401	1,009,796
Net increase / (decrease) in cash and cash equivalents	366,999	(3,192,247)
Cash and cash equivalents - at beginning of the period	116,208	3,601,022
Cash and cash equivalents - at end of the period	483,207	408,775

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



CHIEF EXECUTIVE



DIRECTOR

ARPAK INTERNATIONAL INVESTMENTS LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE 1ST QUARTER ENDED 30 SEPTEMBER, 2014

	Reserves					
	Share capital	Capital reserve	General reserve			
	Rupees					
Balance as at 30 June, 2013(Audited)	40,000,000	7,440,781	5,400,000	370,462	182,493,263	235,704,506
Total Comprehensive loss for the period ended 30 September 2013	0	0	0	(52,943)	2,387,731	2,334,788
	0	0	0	0	9,865,606	9,865,606
Balance as at 30 September, 2013 (Un-audited)	40,000,000	7,440,781	5,400,000	317,519	194,746,600	247,904,900
Total comprehensive income for the year ended 30 June, 2014	0	0	0	246,578	(11,629,480)	(11,382,902)
Effects of items directly credited in equity by Associated Companies	0	0	0	0	5,429,464	5,429,464
Balance as at 30 June, 2014	40,000,000	7,440,781	5,400,000	564,097	188,546,584	241,951,462
Total comprehensive loss for the quarter	0	0	0	(94,770)	(2,961,074)	(3,055,844)
Effects of items directly credited in equity by Associated Companies	0	0	0	0	9,671,023	9,671,023
Balance as at 30 September, 2014	40,000,000	7,440,781	5,400,000	469,327	195,256,533	248,566,641

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



CHIEF EXECUTIVE



DIRECTOR

ARPAK INTERNATIONAL INVESTMENTS LIMITED
NOTES TO THE INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE 1ST QUARTER ENDED 30 SEPTEMBER, 2014

1. CORPORATE INFORMATION

Arpak International Investments Limited (the Company) was incorporated in Pakistan on 26 July, 1977 as a Public Company and its shares are quoted on Lahore and Karachi Stock Exchanges. The registered office of the Company is situated at 20-A, Markaz F-7, Islamabad. It is principally engaged in investment business of various forms.

2. BASIS OF PREPARATION

This condensed interim financial information of the Company for the quarter ended 30 September, 2014 is un-audited and has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 (Interim Financial Reporting) and provisions of and directives issued under the Companies Ordinance, 1984 (the Ordinance). In case where the requirements differ, the provisions of or directives issued under the Ordinance have been followed. These are required to be presented to the shareholders under section 245 of the Ordinance.

3. ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of audited annual financial statements of the Company for the year ended 30 June, 2014.

4. ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of this condensed interim financial information in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Estimates and judgements 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. Actual results may differ from these estimates.

During the preparation of this condensed interim financial information, the significant judgements made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied to annual audited financial statements for the year ended 30 June, 2014.

5. PRESENTATION

Figures in this condensed interim financial information have been rounded-off to the nearest Rupee.

6. CONTINGENCIES AND COMMITMENTS

There was no known contingency and commitment outstanding as at 30 September, 2014 and 30 June, 2014.

7. INVESTMENT PROPERTY

Fair value of investment property, based on the management's estimation, as at 30 September, 2014 is Rs.13.90 million (30 June, 2014: Rs.13.90 million).

8. LONG TERM INVESTMENTS

Un-audited Quarter ended 30 September, 2014 Rupees	Audited Year ended 30 June, 2014 Rupees
---	--

Associated Companies:

Quoted:

**The Premier Sugar Mills and
Distillery Company Ltd.(PSM)**

400,000 ordinary shares of Rs.10 each - cost
Equity held 10.67% (30 June, 2014:10.67%)

Post acquisition profit brought forward including
effect of items directly credited in equity / other
comprehensive income

(Loss) for the period / year net of taxation

8,800,000	8,800,000
79,116,799	75,628,317
(4,272,064)	(4,272,064)
85,532,253	80,156,253

Un-quoted:

Premier Board Mills Ltd. (PBML)

600,000 ordinary shares of Rs.10 each received as
dividend from The Premier Sugar Mills and Distillery
Company Ltd. - accounted for at face value

Equity held 10.63% (30 June 2014:10.63%)

Post acquisition profit brought forward including
effect of items directly credited in equity / Other
Comprehensive Income

Add: (Loss) for the period / year-net of taxation

6,000,000	6,000,000
45,115,291	45,115,291
(22,959)	(22,959)
51,092,332	51,092,332

136,624,585	131,248,585
--------------------	-------------

Others - Quoted

Available for sale

Ibrahim Fibres Ltd.

9,750 ordinary shares of Rs.10 each

Add: Adjustment arising from measurement to fair value

136,538	136,538
469,327	564,097
605,865	700,635
137,230,450	131,949,220

9. LOAN TO AN ASSOCIATED COMPANY

The Company and Chashma Sugar Mills Limited (CSM) have entered into a loan agreement on 20 May, 2008 whereby the company has advanced amounts aggregating Rs. 50 million to CSM. The loan carries mark-up at the rate on one month KIBOR plus 1.25% per annum. The effective mark-up rate by the Company during the period ranged from 14.66% to 14.81% (2014:10.26% to 11.63%) per annum. The loan is receivable in 7 equal installments commencing November, 2016 and is secured against a promissory note of Rs. 55.615 million.

10. INVESTMENTS - At fair value through profit or loss

	Un-audited Quarter ended 30 September, 2014 Rupees	Audited Year ended 30 June, 2014 Rupees
MCB Cash Management Optimizer		
432,805 (2014: 379,341) Units - cost	40,607,323	30,234,592
Adjustment arising from re-measurement to fair value	852,033	10,372,731
	41,459,356	40,607,323
Askari Sovereign Cash Fund		
189,897 (2014: 189,898) Units - cost	19,096,321	15,000,000
Adjustment arising from measurement to fair value	392,671	4,096,321
	19,488,992	19,096,321
	60,948,347	59,703,644

11. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue in the Board of Directors' meeting held on 28 October, 2014.

12. CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', corresponding figures in the condensed interim balance sheet comprise of balances as per the annual audited financial statements of the Company for the year ended 30 June, 2014 and the corresponding figures in the condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity comprise of balances of comparative period as per the condensed interim financial information of the Company for the quarter ended 30 September, 2014. Corresponding figures have been re-arranged, whenever, necessary, for the purpose of comparison. However no significant re-arrangements have been made.



CHIEF EXECUTIVE



DIRECTOR