



AL-KHAIR GADOON LTD.

Condensed Interim
Financial Statements
First Quarter Ended
September 30, 2018
(Un-Audited)





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COMPANY INFORMATION

BOARD OF DIRECTORS:	Mohammad Afzal Sheikh	- Chairman
	Mohammad Saeed Sheikh	- Chief Executive
	Mohammad Amin Sheikh	- Director
	Sheikh Pervaiz Afzal	- Director
	Mrs. Parveen Afzal	- Director
	Mrs. Farnaz Saeed	- Director
	Mrs. Nafeesa Amin	- Director
	Mr. Kamal Subhani	- Independent Director
AUDIT COMMITTEE:	Mr. Kamal Subhani	- Chairman
	Mrs. Parveen Afzal	- Member
	Mrs. Farnaz Saeed	- Member
	Mr. Khurram Ifikhar	- Secretary
HUMAN RESOURCE & REMUNERATION COMMITTEE:	Mrs. Nafeesa Amin	- Chairman
	Mrs. Farnaz Saeed	- Member
	Sheikh Pervaiz Afzal	- Member
	Mr. Mushtaq Ahmed Shaheen	- Secretary
CFO / CHIEF ACCOUNTANT:	Abdul Hafeez Poswal	
COMPANY SECRETARY:	Mohammad Amin Sheikh	
AUDITORS:	M/s. Tahir Siddiqi & Co., Chartered Accountants.	
LEGAL ADVISOR:	Mr. Naeem Anjum (Advocate High Court)	
SHARES REGISTRAR:	Shemas International (Pvt) Limited 533-Imperial Garden Block, Main Boulevard, Paragon City, Barki Road, Lahore.	
BANKERS:	Allied Bank Limited. Bank Alfalah Limited.	
REGISTERED OFFICE & FACTORY SITE:	92/3, Phase III, Industrial Estate, Gadoon Amazai, District Swabi, (K.P.K) Tel: (0938) 270260 Fax: (0938) 270270	
CORPORATE OFFICE:	Al-Khair House, 43-T, Gulberg II, Lahore. Tel: (042) 111-111-043 Fax: (042) 35716588, 35753719 Website: www.alkhairgadoon.com	



DIRECTORS' REVIEW REPORT For the Quarter Ended September 30, 2018

On behalf of the board of directors of the Company, I am pleased to present before you Condensed Interim Financial Statements of the Company for the quarter ended September 30, 2018.

During the quarter ended September 30, 2018, the Company remained on the track of progress and registered net sales of Rs.78.406 million compared to Rs.65.118 million for the same quarter of last year thus making an increase of Rs. 13.288 million (20.41%).

During the quarter under review, the Company posted a gross profit of Rs. 11.406 million compared to Rs.10.293 million for the same quarter of last year. Despite the stress on cost due to uncertain economic conditions prevailed in the country throughout the quarter under review and increase in foreign currency exchange rates which ultimately affected the profitability of the Company to the certain extent. Due to cut throat competition and off season effect, the Company could not make corresponding increase in prices of its products.

During the quarter ended September 30, 2018, the Company earned pre-tax profit of Rs. 3.654 million and a net profit of Rs.2.673 million compared to Rs.3.229 million and Rs.2.415 million for the same quarter of last year respectively. This achievement was made possible due to operational excellence and management skills which led in improving efficiencies, best product mix management and effective cost control measures.

Future Prospect

We foresee upcoming big challenges in terms of over all stress on economy of the country, as there is an immense pressure for payment of a huge amount of foreign debts shortly which may further affect exchange rates resulting increase in cost of production in addition to intensified competition from existing players and new entrants into the Foam Industry. However, we are well aware of the situation and hope that your Company has been exhibiting strong performance against challenges over the years, be it vulnerability of increased competition, rise in raw material prices or fluctuating exchange rate. Operational excellence and management skills have positioned the Company for sustainable growth to meet challenges ahead. Being socially responsible, financially viable and operationally smart will remain the key objectives of the Company.

FOR AND ON BEHALF OF THE BOARD

MOHAMMAD AFZAL SHEIKH

Chairman

Lahore: October 29, 2018



AL-Khair Gadoon Ltd.

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT SEPTEMBER 30, 2018

	Note	Un-Audited September,30 2018 Rupees	Audited June 30, 2018 Rupees
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	4	75,266,422	70,927,116
Deferred taxation		4,281,083	4,281,083
		79,547,505	75,208,199
CURRENT ASSETS			
Stores and spares		2,825,147	2,924,178
Stock in trade		219,604,138	178,643,988
Trade debts		33,884,757	48,557,302
Advances, deposits, prepayments and other receivables		163,311,382	175,921,578
Cash and bank balances		2,445,192	2,781,299
		422,070,616	408,828,345
TOTAL ASSETS		501,618,121	484,036,544
EQUITY AND LIABILITIES			
Authorized capital			
12,000,000 Ordinary shares of Rs. 10 each		120,000,000	120,000,000
Issued, subscribed and paid up capital		100,000,000	100,000,000
Capital reserves - Share Premium		25,000,000	25,000,000
Unappropriated profit		79,290,488	76,617,029
Shareholders' equity		204,290,488	201,617,029
NON CURRENT LIABILITIES			
Deferred Liabilities		10,295,080	10,295,080
Loan from Directors		25,000,000	25,000,000
		35,295,080	35,295,080
CURRENT LIABILITIES			
Trade and other payables		64,944,215	54,487,132
Short term borrowings-secured		188,848,039	185,377,085
Un-claimed dividend		1,844,946	1,844,946
Provision for taxation		6,395,352	5,415,272
		262,032,553	247,124,435
CONTINGENCIES AND COMMITMENTS			
	5	-	-
TOTAL EQUITY AND LIABILITIES		501,618,121	484,036,544

MOHAMMAD AFZAL SHEIKH
Chairman

MOHAMMAD SABED SHEIKH
Chief Executive

ABDUL HAFEEZ DOSWAL
Chief Financial Officer

Lahore: October 29, 2018





AL-Khair Gadoon Ltd.

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME FOR THE QUARTER ENDED SEPTEMBER 30, 2018

	September,30 2018	September,30 2017
Note	Rupees	Rupees
Sales - net	78,406,396	65,117,960
Cost of sales	(67,000,362)	(54,825,057)
Gross profit	11,406,034	10,292,903
Administrative expenses	(4,580,817)	(4,601,391)
Distribution expenses	(2,567,846)	(2,340,894)
	(7,148,663)	(6,942,285)
Operating profit	4,257,371	3,350,618
Finance cost	(694,153)	(121,907)
Other operating income	90,321	-
Profit before taxation	3,653,539	3,228,711
Provision for taxation	(980,080)	(813,975)
Profit after taxation	2,673,459	2,414,736
Other comprehensive income for the period	-	-
Total comprehensive income for the period	2,673,459	2,414,736
Earnings per share - before tax (basic and diluted) (Rupees)	0.37	0.32
Earnings per share - after tax (basic and diluted) (Rupees)	0.27	0.24


MOHAMMAD AFZAL SHEIKH
Chairman


MOHAMMAD SAEED SHEIKH
Chief Executive


ABDUL HAFEEZ POSWAL
Chief Financial Officer


Lahore: October 29, 2018

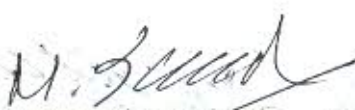



AL-Khair Gadoon Ltd.

CONDENSED INTERIM STATEMENT OF CASH FLOWS (Un-audited) FOR THE QUARTER ENDED SEPTEMBER 30, 2018

		September,30 2018	September,30 2017
	Note	Rupees	Rupees
CASH FLOW FROM OPERATING ACTIVITIES			
Cash generated from operations	7	12,371,598	11,135,653
Net cash generated from / (used in) operating activities		2,386,113	(6,734,072)
Cash flows from investing activities			
Fixed capital expenditure		(823,300)	(10,665)
Capital work in progress		(5,369,874)	-
Net cash used in investing activities		(6,193,174)	(10,665)
Cash flows from financing activities			
Short term borrowings		3,470,954	6,352,062
Net cash (used in) /generated from financing activities		3,470,954	6,352,062
Net (decrease) / increase in cash and cash equivalents		(336,107)	(392,675)
Cash and cash equivalents at the beginning of the year		2,781,299	2,889,378
Cash and cash equivalents at the end of the year		2,445,192	2,496,703


MOHAMMAD AFZAL SHEIKH
Chairman


MOHAMMAD SAEED SHEIKH
Chief Executive


ABDUL HAFEEZ POSWAL
Chief Financial Officer


Lahore: October 29, 2018





AL-Khair Gadoon Ltd.

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED SEPTEMBER 30, 2018

	Share Capital	Share Premium	Unappropriated Profit	Total
	(-----Rupees-----)			
Balance as at July 01, 2017	100,000,000	25,000,000	68,208,415	193,208,415
Comprehensive income for the year				
Profit for the year			7,497,393	7,497,393
Other comprehensive income for the year			911,221	911,221
			8,408,614	8,408,614
Balance as at June 30, 2018	100,000,000	25,000,000	76,617,029	201,617,029
Comprehensive income for the year				
Profit for the quarter			2,673,459	2,673,459
Other comprehensive income for the quarter			-	-
			2,673,459	2,673,459
Balance as at September 30, 2018	100,000,000	25,000,000	79,290,488	204,290,488


MOHAMMAD WAZIR SHEIKH
Chairman


MOHAMMAD SAEED SHEIKH
Chief Executive


ABDUL HAFEEZ POSWAL
Chief Financial Officer

Lahore: October 29, 2018

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
For the Quarter Ended September 30, 2018 (Un-Audited)

1 THE COMPANY AND ITS OPERATIONS

The Company was incorporated as a Private Limited Company on August 27, 1990 and converted into Public Limited Company on August 31, 1995 and is enlisted on Pakistan Stock Exchange. It is principally engaged in manufacturing of foams and allied products. The registered office of the Company is situated at 92/3, Phase III, Industrial Estate, Gadoon Amazi, District Swabi, Khyber Pakhtunkhwa, Pakistan.

2 BASIS OF PREPARATION

These Financial statements are un-audited and are being submitted to the shareholders as required under section 237 of the Companies Act, 2017, and prepared in accordance with requirements of the International Accounting Standard-34 (IAS 34) "Interim Financial Reporting."

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies for the preparation of quarterly financial statements for the quarter ended September 30, 2018 are the same as those applied in the preparation of the preceding annual published financial statements of the Company.

4 Property, Plant & Equipment

	30-Sep-18 Un-audited Rupees	30-Jun-18 Audited Rupees
Operating Assets		
Opening net book value	62,225,893	79,207,584
Addition during the period	823,300	4,932,511
Deletion during the period	-	(13,026,608)
	63,049,193	71,113,487
Depreciation charged during the period	(1,853,868)	(8,687,594)
	61,195,325	62,225,893
Capital work in progress		
Opening balance	8,701,223	-
Addition during the period	5,369,874	8,701,223
	14,071,097	8,701,223
Less transfer to operating assets	-	-
	14,071,097	8,701,223
	75,266,422	70,927,116

5 CONTINGENCIES

There is no material change in the status of contingencies as reported in the financial statements for the preceding financial year ended June 30, 2018.

6 TRANSACTIONS WITH RELATED PARTIES

The Company's related parties include associated companies, entities over which directors are able to exercise influence, subsidiaries, staff retirement fund, directors and key management personnel. Detail of transactions with related parties during the quarter other than those which have been disclosed elsewhere in the financial statements are as follows:-

	30-Sep-18 Un-audited Rupees	30-Jun-18 Audited Rupees
Al-Khair Global (Pvt) Ltd. Purchases	-	26,427,661
Al-Khair Global (Pvt) Ltd. Sales	-	2,046,365
Noble Foam (Pvt) Ltd. Purchases	-	16,860,000
Noble Foam (Pvt) Ltd. Sales	-	20,033,366

Sales and purchase transactions have been carried out on commercial terms and conditions under comparable uncontrolled method.



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