

Riaz Ahmad & Company

Chartered Accountants

# **AKD HOSPITALITY LIMITED**

## **CONDENSED INTERIM FINANCIAL STATEMENTS**

**FOR THE SIX-MONTHS PERIOD ENDED  
31 DECEMBER 2022**

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of AKD Hospitality Limited

Report on review of Condensed Interim Financial Statements

### Introduction

We have reviewed the accompanying condensed interim statement of financial position of AKD HOSPITALITY LIMITED ("the Company") as at 31 December 2022 and the related condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity, condensed interim statement of cash flows and notes to the financial statements for the six-months period then ended (here-in-after referred to as "condensed interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review. The figures of the condensed interim statement of profit or loss and other comprehensive income for the three-months period ended 31 December 2022 and 31 December 2021 have not been reviewed and we do not express a conclusion on them as we are required to review only the cumulative figures for the six-months period ended 31 December 2022.

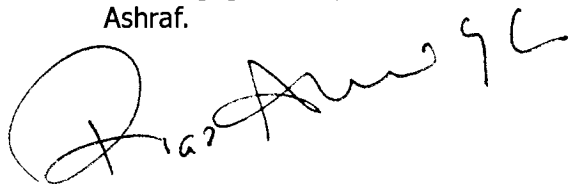
### Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the review resulting in this independent auditor's review report is Junaid Ashraf.



**RIAZ AHMAD & COMPANY**  
Chartered Accountants

Place: Karachi

DATE: 27 February 2023

UDIN: RR202210045aMmb9DOW7



# AKD Hospitality Ltd.

## DIRECTORS' REPORT

The Board of Directors of AKD Hospitality Limited is pleased to presents un-audited half yearly financial statements for the six months ended 31<sup>st</sup> December 2022.

During the period the company registered a loss after tax of Rupees 0.932 million. Operating results for the half year are favorable as compared to the net loss (Rupees 1.632 million) after tax during the same period of last year.

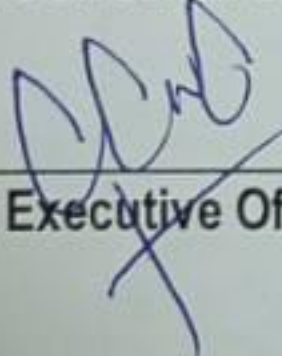
During the period, the Company has entered into new services agreement with "AKD REIT Management Company Limited" to provide services related to principal line of business which include Hospitality Business related services such as pre-feasibility or feasibility studies for establishing hospitality related business (hotel / resort / tourism & tourism attraction), operating hotel resort against percentage sharing in profit or joint venture in hotel / resort business. In this regard, the Company has signed an agreement with AKD REIT to provide certain services against the payment of monthly retainer fee and comprehensive consultancy services against the detailed scope of work against quoted price as per the nature of work whenever any such services are solicited in addition to our monthly retainer fee.

### Future Outlook:


Pakistan is an emerging country as far as tourism is concern especially after the improvement in law and order situation as well as Geo Political situation in the region. The tourism business has very bright future as far as revenue is concern. Pakistan has rich local traditions, has several very famous Archeological and Historical attraction, Natural and Cultural attractions all over the country and Northern area are the key areas in which tourism will flourish in future and to achieve our target are also exploring different options in line of company new principal line of business.

The Board of Directors also appreciated shareholders for their continued support.

For and on behalf of the Board

  
Chief Executive Officer



  
Chairman

Date: 24<sup>th</sup> February 2023

**AKD HOSPITALITY LIMITED**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UNAUDITED)**  
**AS AT 31 DECEMBER 2022**

	Note	Unaudited 31 December 2022 Rupees	Audited 30 June 2022 Rupees
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property and equipment	4	1,031,017	1,092,155
Right of use assets	5	118,819	237,639
Long-term investments	6	14,120,000	20,390,000
Long-term deposit		20,000	20,000
		<u>15,289,836</u>	<u>21,739,794</u>
<b>CURRENT ASSETS</b>			
Trade debts	7	226,000	-
Advance and prepayments		342,984	41,646
Other receivable	8	3,500,000	2,851,845
Advance income tax		2,327,190	2,327,190
Bank balances		158,235	178,768
		<u>6,554,409</u>	<u>5,399,449</u>
		<u>21,844,245</u>	<u>27,139,243</u>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized share capital 100,000,000 (30 June 2022: 100,000,000) ordinary shares of Rupees 10 each		<u>1,000,000,000</u>	<u>1,000,000,000</u>
Issued, subscribed and paid-up share capital		25,072,733	25,072,733
Reserves		(19,673,647)	(12,471,261)
<b>TOTAL EQUITY</b>		<u>5,399,086</u>	<u>12,601,472</u>
<b>NON CURRENT LIABILITIES</b>			
Lease liability	9	-	-
Deferred tax liability		177,650	185,422
		<u>177,650</u>	<u>185,422</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	10	3,399,853	3,028,491
Short term borrowing from associate	11	7,750,001	6,350,001
Provision for taxation		1,832,283	1,696,283
Current & overdue portion of lease liability	9	808,410	800,612
Unclaimed dividend		2,476,962	2,476,962
		<u>16,267,509</u>	<u>14,352,349</u>
<b>TOTAL LIABILITIES</b>		<u>16,267,509</u>	<u>14,352,349</u>
Contingencies and commitments	12		
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>21,844,245</u>	<u>27,139,243</u>

The annexed notes from 01 to 17 form an integral part of these condensed interim financial statements.

  
 CHIEF EXECUTIVE OFFICER

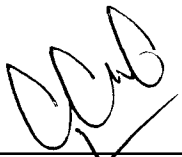
  
 DIRECTOR


  
 CHIEF FINANCIAL OFFICER


**AKD HOSPITALITY LIMITED**  
**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**(UNAUDITED)**  
**FOR THE SIX-MONTHS AND THREE-MONTHS PERIOD ENDED 31 DECEMBER 2022**

	Note	Six-Months Period Ended 31 December		Three-Months Period Ended 31 December	
		2022 Rupees	2021 Rupees	2022 Rupees	2021 Rupees
<b>INCOME</b>					
Revenue		200,000	-	-	-
<b>EXPENSES</b>					
Administrative and general		(1,996,360)	(1,969,201)	(1,420,568)	(1,534,954)
Allowance for expected credit loss		(500,000)	(700,000)	(250,000)	(350,000)
Finance cost		(7,798)	(19,362)	(3,141)	(8,992)
Other income		1,500,000	1,000,000	1,000,000	500,000
<b>LOSS BEFORE TAXATION</b>		<b>(804,158)</b>	<b>(1,688,563)</b>	<b>(673,709)</b>	<b>(1,393,946)</b>
Taxation					
- Current		(136,000)	(80,000)	(68,000)	32,000
- Prior		-	87,640	-	-
- Deferred tax		7,772	48,826	-	-
<b>LOSS AFTER TAXATION</b>		<b>(932,386)</b>	<b>(1,632,097)</b>	<b>(741,709)</b>	<b>(1,361,946)</b>
<b>OTHER COMPREHENSIVE (LOSS)/INCOME</b>					
<b>Items that will not be reclassified subsequently to profit or loss:</b>					
- Unrealized (loss)/gain arising on remeasurement of investments at 'fair value through other comprehensive income' - net		(6,270,000)	(11,037,983)	483,314	(6,422,750)
<b>Items that may be reclassified subsequently to profit or loss:</b>		-	-	-	-
<b>Other comprehensive (loss)/income for the period</b>		<b>(6,270,000)</b>	<b>(11,037,983)</b>	<b>483,314</b>	<b>(6,422,750)</b>
Total comprehensive loss for the period		<b>(7,202,386)</b>	<b>(12,670,080)</b>	<b>(258,395)</b>	<b>(7,784,696)</b>
<b>Loss per share - basic and diluted</b>	<b>13</b>	<b>(0.37)</b>	<b>(0.65)</b>	<b>(0.30)</b>	<b>(0.54)</b>

The annexed notes from 01 to 17 form an integral part of these condensed interim financial statements.

  
**CHIEF EXECUTIVE OFFICER**

  
**DIRECTOR**

  
**CHIEF FINANCIAL OFFICER**



**AKD HOSPITALITY LIMITED**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)**  
**FOR THE SIX-MONTHS PERIOD ENDED 31 DECEMBER 2022**

Description	Issued, subscribed and paid-up share capital	Reserves				Sub Total	Total Equity
		Capital Reserves		Revenue Reserves			
		Share premium	Fair value reserve on 'Fair value through other comprehensive income' investments	General Reserve	Accumulated Loss		
Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	
<b>Balance as at 30 June 2021 - Audited</b>	25,072,733	20,891,600	9,485,234	752,000	(24,158,979)	6,969,855	32,042,588
<b>Total comprehensive loss for the period</b>							
Loss for the period	-	-	-	-	(1,632,097)	(1,632,097)	(1,632,097)
Other comprehensive loss	-	-	(11,037,983)	-	-	(11,037,983)	(11,037,983)
	-	-	(11,037,983)	-	(1,632,097)	(12,670,080)	(12,670,080)
Gain realized on disposal of investment in equity instrument at FVTOCI	-	-	(8,517,251)	-	8,517,251	-	-
<b>Balance as at 31 December 2021 - Unaudited</b>	25,072,733	20,891,600	(10,070,000)	752,000	(17,273,825)	(5,700,225)	19,372,508
<b>Total comprehensive loss for the period</b>							
Loss for the period	-	-	-	-	(1,185,036)	(1,185,036)	(1,185,036)
Other comprehensive loss	-	-	(5,586,000)	-	-	(5,586,000)	(5,586,000)
	-	-	(5,586,000)	-	(1,185,036)	(6,771,036)	(6,771,036)
<b>Balance as at 30 June 2022 - Audited</b>	<b>25,072,733</b>	<b>20,891,600</b>	<b>(15,656,000)</b>	<b>752,000</b>	<b>(18,458,861)</b>	<b>(12,471,261)</b>	<b>12,601,472</b>
<b>Total comprehensive loss for the period</b>							
Loss for the period	-	-	-	-	(932,386)	(932,386)	(932,386)
Other comprehensive Loss	-	-	(6,270,000)	-	-	(6,270,000)	(6,270,000)
	-	-	(6,270,000)	-	(932,386)	(7,202,386)	(7,202,386)
<b>Balance as at 31 December 2022 - Unaudited</b>	<b>25,072,733</b>	<b>20,891,600</b>	<b>(21,926,000)</b>	<b>752,000</b>	<b>(19,391,247)</b>	<b>(19,673,647)</b>	<b>5,399,086</b>

The annexed notes from 01 to 17 form an integral part of these condensed interim financial statements.

  
**CHIEF EXECUTIVE OFFICER**


  
**DIRECTOR**

  
**CHIEF FINANCIAL OFFICER**

**AKD HOSPITALITY LIMITED**  
**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)**  
**FOR THE SIX-MONTHS PERIOD ENDED 31 DECEMBER 2022**

	Note	31 December 2022 Rupees	31 December 2021 Rupees
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Loss before taxation		(804,158)	(1,688,563)
<b>Adjustments for non cash items:</b>			
Depreciation	4	61,138	139,685
Amortization	5	118,820	48,976
Finance cost		7,798	19,362
Operating cash used before working capital changes		<u>(616,402)</u>	<u>(1,480,540)</u>
<b>Changes in working capital</b>			
<b>(Increase)/decrease in current assets</b>			
Trade debts		(226,000)	-
Advance and prepayments		(301,338)	(328,758)
Other receivable		(648,155)	(532,658)
<b>Increase in current liabilities</b>			
Trade and other payables		371,362	116,495
		<u>(804,131)</u>	<u>(744,921)</u>
<b>Net working capital changes</b>		<b>(1,420,533)</b>	<b>(2,225,461)</b>
Income tax paid		-	(1,248,750)
<b>Net cash used in operating activities</b>		<b>(1,420,533)</b>	<b>(3,474,211)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of investment		-	(35,948,000)
Proceeds from sale of investment		-	37,797,408
<b>Net cash flow from investing activities</b>		<b>-</b>	<b>1,849,408</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Short term borrowing from associate		1,400,000	1,300,000
<b>Net cash flow from financing activities</b>		<b>1,400,000</b>	<b>1,300,000</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(20,533)</b>	<b>(324,803)</b>
Cash and cash equivalents at the beginning of the period		178,768	526,155
<b>Cash and cash equivalents at the end of the period</b>		<b>158,235</b>	<b>201,352</b>

The annexed notes from 01 to 17 form an integral part of these condensed interim financial statements.

  
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**CHIEF EXECUTIVE OFFICER**

  
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**DIRECTOR**

  
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**CHIEF FINANCIAL OFFICER**

**AKD HOSPITALITY LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**  
**FOR THE SIX-MONTHS PERIOD ENDED 31 DECEMBER 2022**

**1. THE COMPANY AND ITS OPERATIONS**

AKD Hospitality Limited ("the Company") was incorporated as a Public Limited Company in the year 1936 under Companies Act, 1913 (Now the Companies Act, 2017). Shares of the Company are presently quoted in the Defaulters' Segment of Pakistan Stock Exchange on account of non-compliances of clauses 5.11.1.(b) of PSX Regulations i.e. suspension of commercial production / business operations in principal line of business. During the year ended 30 June 2021 the Company through special resolution passed in its extra ordinary general meeting held on 01 February 2021 altered the Memorandum of Association by changing its name from "AKD Capital Limited" to "AKD Hospitality Limited" and its principal line of business from "the business of real estate / providing consultancy, projects financing and management, investment in listed securities and to engage in leasing" to "tourism business including hospitality business, motel, destination management services, developing and building tourism attractions and to undertake all ancillary business activities to provide end to end service solutions". The registered office of the Company is situated at 511, 5<sup>th</sup> floor Continental Trade Center, Clifton, Karachi.

**1.1 GOING CONCERN ASSUMPTIONS**

These condensed interim financial statements have accumulated losses of Rs. 19.399 million current liabilities exceeds current assets by Rupees 9.713 million. The Company's primary commercial operations i.e. "tourism business including hospitality business, motel, destination management services, developing and building tourism attractions and to undertake all ancillary business activities to provide end to end service solutions remained at halt. These factors indicate 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.

The management, however, is proactively considering new business avenues and looking for different options. During the period, the Company has entered into service agreement with one of its associated company for provision of certain services in accordance with its new principal line of business on a monthly retainership basis for a period of one year which is extendable on expiry. The Company is further expecting to render additional services to the same associated company and others offering lucrative returns under a new principal line of business.

Further, the Company has in place contract from construction venture for provision of consultancy services as at the reporting date from which income is being recognized on regular basis. Furthermore, the sponsor directors and management of the Company are committed to the viable and profitable commercial operations of the Company and strongly believe that the Company will continue as a going concern.

These condensed interim 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. BASIS OF PREPARATION**

### **2.1 Statement of Compliance**

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34 "Interim Financial Reporting" issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

**2.1.1** These condensed interim financial statements do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended 30 June 2022. These condensed interim financial statements are unaudited, however, have been subjected to limited scope review by the auditors and are being submitted to the shareholders as required by the Listed Companies (Code of Corporate Governance) Regulations, 2019 and Section 237 of the Companies Act, 2017.

**2.1.2** The comparatives in the condensed interim statement of financial position presented in the condensed interim financial statements as at 31 December 2022 have been extracted from the annual audited financial statements for the year ended 30 June 2022, whereas the comparative in condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows are extracted from unaudited condensed interim financial statement for the six-months period ended 31 December 2021.

## **3. ACCOUNTING POLICIES**

The accounting policies and methods of computations adopted for the preparation of these condensed interim financial statements are the same as applied in the preparation of the preceding audited annual published financial statements of the Company for the year ended 30 June 2022.

### **3.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

The preparation of these condensed interim 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.

During preparation of these condensed interim financial statements, the significant judgments 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 in the preceding audited annual published financial statements of the Company for the year ended 30 June 2022.

4. PROPERTY AND EQUIPMENT	Note	Unaudited 31 December 2022 Rupees	Audited 30 June 2022 Rupees
Written down value at the beginning of the period/ year		1,092,155	1,231,840
Depreciation charged for the period/ year		<u>(61,138)</u>	<u>(139,685)</u>
Written down value at the closing of the period/ year		<u><u>1,031,017</u></u>	<u><u>1,092,155</u></u>

4.1 Depreciation is charged to administrative and general expenses.

#### 5. Right of use assets

Cost	712,915	712,915
Accumulated depreciation	<u>(594,096)</u>	<u>(475,276)</u>
Net book value as at 31 December 2022	<u><u>118,819</u></u>	<u><u>237,639</u></u>

#### 5.1 Movement in right of use

Opening net book value at the start of the period/year	237,639	475,277
Amortization charges for the period/year	<u>(118,820)</u>	<u>(237,638)</u>
Closing net book value at the end of the period/year	<u><u>118,819</u></u>	<u><u>237,639</u></u>

**Annual rate of depreciation (%)** 33.33% 33.33%

The Company's right to use on premise represent office premise obtained under lease arrangement. The principal terms and conditions of these lease arrangement are as follows:

Office premises	Lessor name	Lease start date	Lease tenure	Extension option	Available years of extension
Office No. 511 5th floor, Continental Trade Centre, Clifton Karachi.	Mr. Aqeel Karim Dhedhi	01 July 2020	3 years	Not defined	N/A

#### 6. LONG TERM INVESTMENTS (Equity Instruments)

**Investment in equity securities - at 'fair value through other comprehensive income'**

**Related parties:**

##### **AKD REIT Management Company Limited - unquoted**

10,000 (30 June 2022: 10,000) fully paid ordinary shares of Rupees 10 each. Equity held 0.1% (30 June 2022: 0.1%) and Cost of Rupees 100,000 (30 June 2022: Rupees 100,000)

6.1 - -

##### **Creek Developers (Private) Limited - unquoted**

9,800 (30 June 2022: 9,800) fully paid ordinary shares of Rupees 10 each. Equity held 0.01% (30 June 2022: 0.01%) and Cost of Rupees 98,000 (30 June 2022: Rupees 98,000)

6.2 98,000 98,000

<b>Others:</b>	<b>Note</b>	<b>Unaudited 31 December 2022 Rupees</b>	<b>Audited 30 June 2022 Rupees</b>
<b>Cnergyico Pk Limited - quoted</b>			
3,800,000 (30 June 2022:3,800,000) fully paid ordinary shares of Rupees 10 each. Equity held 0.07% (30 June 2022:0.07%) and Cost of Rupees 35,948,000 (30 June 2022: 35,948,000)		<b>14,022,000</b>	20,292,000
		<b>14,120,000</b>	<b>20,390,000</b>

**6.1** Investment in AKD REIT Management Company Limited has been fully provided in prior years. The Company is required to seek prior approval from Securities & Exchange Commission of Pakistan before disposing of this investments.

**6.2** This represents investments in the ordinary shares of Creek Developers (Private) Limited (CDPL) that is in the process of building towers. CDPL is currently classified as a level 3 financial assets and is measured at fair value on reporting dates. However due to volatility in the underlying assumptions relevant to the valuation, there is a wide range of possible fair value measurement and cost is considered to represent the best estimate of fair value within that range. This Company is required to seek prior approval from Defense Housing Authority before disposing of this investment.

**7. TRADE DEBTS - Considered good & unsecured**

**Related party:**

AKD REIT Management Company Limited	<b>7.1</b>	<b>226,000</b>	-
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**7.1** This balance represents the billing made under service agreement entered into during the period for provision of services regarding review of third party pre-feasibility or feasibility studies to establish hospitality related business and other ancillary services to the related party.

**7.2** The maximum aggregate amount receivable from AKD REIT Management Company Limited at the end of any month during the period was Rupees 0.226 million.

**8. OTHER RECEIVABLE - Considered good & unsecured**

**Related Parties - Unsecured**

Creek Developers (Private) Limited (CDPL)	8.1	<b>4,451,084</b>	4,451,084
AKD Securities Limited		-	351,845
R.A. Enterprises	8.2	<b>9,200,833</b>	7,700,833
		<b>13,651,917</b>	12,503,762
Less: Allowance for expected credit loss			
As at 01 July		<b>(9,651,917)</b>	(8,651,917)
Recognized during the period/ year		<b>(500,000)</b>	(1,000,000)
As at 31 December		<b>(10,151,917)</b>	(9,651,917)
		<b>3,500,000</b>	<b>2,851,845</b>

- 8.1** This represents the balance receivable of allocated share of common expenses.
- 8.2** This balance represents the billing made against consultancy services provided in connection with infrastructure designing of the construction project.
- 8.3** The maximum aggregate amount receivable from CDPL at the end of any month during the period was Rupees 4.451 million (June 2022: Rupees 4.451 million) were impaired and provided for.
- 8.4** The maximum aggregate amount receivable from AKD Securities Limited at the end of any month during the period was Rupees 0.352 million (June 2022: 0.352 million).
- 8.5** The maximum aggregate amount receivable from R.A. Enterprises at the end of any month during the period was Rupees 9.200 million (June 2022: Rupees 7.700 million).

<b>9. LEASE LIABILITY</b>	<b>Note</b>	<b>Unaudited 31 December 2022 Rupees</b>	<b>Audited 30 June 2022 Rupees</b>
Balance as at 01 July		<b>800,612</b>	767,533
Addition during the period/year		-	-
Finance cost		<b>7,798</b>	33,079
Less: payment made during the period/year		-	-
		<b>808,410</b>	800,612
Overdue portion shown under current Liabilities		<b>(675,000)</b>	(540,000)
Current portion shown under current Liabilities		<b>(133,411)</b>	(260,612)
Non current portion		-	-
<b>10. TRADE AND OTHER PAYABLES</b>			
Accrued liabilities		<b>1,318,448</b>	1,127,788
Payable to AKD Securities Limited	10.1	<b>1,407,590</b>	1,287,590
Withholding tax payable		<b>353,293</b>	318,591
Provision for workers' welfare fund		<b>294,522</b>	294,522
Sindh sales tax payable		<b>26,000</b>	-
		<b>3,399,853</b>	<b>3,028,491</b>

- 10.1** This represents the balance payable against common expenses paid by AKD Securities Limited (an associated Company).

**11. SHORT TERM BORROWING FROM ASSOCIATE**

Loan from related party	11.1	<b>7,750,001</b>	6,350,001
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- 11.1** This represents interest free loan obtained from AKD Group Holdings (Private) Limited, a related party. The loan is payable on demand.

**12. CONTINGENCIES AND COMMITMENTS**

There has been no significant change in the status of contingencies and commitment as disclosed in the annual financial statements of the Company for the year ended 30 June 2022.

### 13. LOSS PER SHARE - BASIC AND DILUTED

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

	Unaudited		Unaudited	
	Six-Months Period Ended		Three-Months Period Ended	
	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
	Rupees	Rupees	Rupees	Rupees
Loss for the period -	<b>(932,386)</b>	(1,632,097)	<b>(741,709)</b>	(1,361,946)
Number of ordinary shares in issue -	<b>2,507,471</b>	2,507,471	<b>2,507,471</b>	2,507,471
Loss per share - <b>Rupees</b>	<b>(0.37)</b>	(0.65)	<b>(0.30)</b>	(0.54)

### 14. 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 with related parties are as follows:

	Related party	Relation ship	Nature of transaction	Unaudited		Unaudited	
				Six-Months Period Ended		Three-Months Period Ended	
				31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
			Rupees	Rupees	Rupees	Rupees	
i.	AKD Securities Limited	Common directorship and 2.28% share holding	Allocation of expenses	<b>120,000</b>	191,807	<b>60,000</b>	95,904
			Recovery of receivables	<b>351,845</b>	-	<b>351,845</b>	-
ii.	AKD Group Holdings (Private) Limited	Holding Company	Funds received	<b>1,400,000</b>	1,300,000	<b>800,000</b>	300,000
iii.	R.A. Enterprises	Sponsor's interest	Consultancy income	<b>1,500,000</b>	1,000,000	<b>1,000,000</b>	500,000
			Collection during the period	-	400,000	-	400,000
iv.	AKD REIT Management Company Limited	Associate	Revenue	<b>200,000</b>	-	-	-

**14.1** The receivable / payable balances with related parties as at 31 December 2022 are disclosed in the respective notes to the condensed interim financial statements.

### 15. FINANCIAL RISK MANAGEMENT

There have been no significant changes in the risk management policies since the year end.

The condensed interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements and should be read in conjunction with the Company's audited annual financial statements for the year ended 30 June 2022.

**16. DATE OF AUTHORISATION**

These condensed interim financial statements were approved and authorized for issue on 24 FEB 2023 by the Board of Directors of the Company.

**17. GENERAL**


Corresponding figures have been reclassified wherever necessary to reflect more appropriate presentation of events and transactions for the purpose of comparison in accordance with the accounting and reporting standards as applicable in Pakistan. However, no significant reclassification / rearrangement of the corresponding figures has been made during the year in these financial statements, except for the following:

<b>From</b>	<b>To</b>	<b>Rupees</b>
<b>CURRENT ASSETS</b>		
<b>Trade debts</b>	<b>Other receivable</b>	
R.A. Enterprises	R.A. Enterprises	<b>9.200.833</b>
Allowance for expected credit loss	Allowance for expected credit loss	<b>(5.700.833)</b>

- Figures have been rounded off to the nearest Rupee.

  
\_\_\_\_\_  
**CHIEF EXECUTIVE OFFICER**

  
\_\_\_\_\_  
**DIRECTOR**

  
\_\_\_\_\_  
**CHIEF FINANCIAL OFFICER**