

# **AKD HOSPITALITY LIMITED**

**Quarterly Report  
For The Period Ended**

**30 September 2023**

**(UN-AUDITED)**

## COMPANY INFORMATION

### Board of Directors

Nadeem Saulat Siddiqui	Chairman
M. Siddiq Khokhar	
Aurangzeb Ali Naqvi	
Muhammad Sohail	
Kanwar Adeel Zaman	Chief Executive Officer
Aamir Nazir Dhedhi	
Uzma Piracha	

### HR & Remuneration Committee

Uzma Piracha	Chairperson
M. Siddiq Khokhar	Member
Aamir Nazir Dhedhi	Member

### Company Secretary

M Hammad Manzoor

### Auditors

M/s Riaz Ahmed Co., Chartered Accountants

### Registration Number

0000027

### Bankers

MCB Bank Limited  
Bank Al Habib Limited  
United Bank Limited

### Registered Office

511, 5th Floor, Continental Trade Centre,  
Main Clifton Road, Block 8, Clifton Karachi,  
Pakistan.

Telephone: (92-21) 35302963

Email: [info@akdhospitality.com](mailto:info@akdhospitality.com)

### Audit Committee

M. Siddiq Khokhar	Chairman
Kanwar Adeel Zaman	Member
Aamir Nazir Dhedhi	Member

### Risk Management Committee

M. Siddiq Khokhar	Chairman
Kanwar Adeel Zaman	Member
Muhammad Sohail	Member

### Chief Financial Officer

Faisal Kasbati

### Share Registrar

C & K management Associate (Pvt) Ltd.

### NTN Number

1335738-7



## DIRECTORS' REPORT

On behalf of the Board of Directors of AKD Hospitality we are pleased to present un-audited financial statement for the quarter ended 30<sup>th</sup> September 2023.

During the period under review, the Company recorded revenue of Rupees 1.5 million as compared to no revenue for the corresponding period in last year. During the period the Company registered after tax net Profit of Rs. 0.864 million as compared to after tax loss of Rs. 0.24 million during the corresponding period in last year.

The hospitality industry has become a major player in the world economy. Being a worldwide phenomenon, the tourism has become one of the fastest growing sectors of the global economy. However, due to current geopolitical and economic slow down tourism industry is facing lower turnover all over the world.

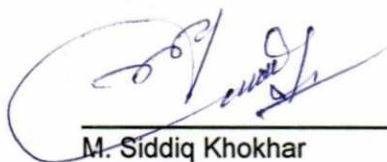
Domestically the Country is facing political and economic problems which significantly reduced the purchasing power of domestic customers. However, depreciation of local currency has made Pakistan an economic tourist destination for foreign visitors. We foresee that peaceful conditions in northern areas of the country will increase number of foreign tourists when the global economic conditions improve.

The environmental effect of hospitality industry is not quite harmful to environment and with good planning it can contribute to the betterment of environment. AKDHL recognises that there are numerous benefits of environmentally sustainable practices in marketing, public relations, decreasing waste generation, conserving natural resources, educating clientèle, industry recognition, and decrease product and operating expenses.

During the quarter the Company has entered into an agreement related to its core business with the affiliated company, which will result in higher revenue in the year. The Company anticipates providing such services to other potential customers within its primary line of business.

On behalf of the Board, we would like to acknowledge efforts of our employees, vendors and all stakeholders who have contributed towards this growth of the company in these challenging times.

For and on behalf of the Board



M. Siddiq Khokhar  
Director



Kanwar Adeel Zaman  
Chief Executive Officer

**AKD HOSPITALITY LIMITED**  
**CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)**  
**FOR THE QUARTER ENDED 30 SEPTEMBER 2023**

	Note	(Un-Audited) 30-Sep 2023 Rupees	(Audited) 30-Jun 2023 Rupees
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property and equipment	5	943,045	969,881
Long-term investments	6	11,650,000	10,890,000
Long-term security deposit		20,000	20,000
		<b>12,613,045</b>	<b>11,879,881</b>
<b>CURRENT ASSETS</b>			
Trade debts	7	1,695,000	1,017,000
Advance and prepayments	8	329,256	-
Other receivable		2,400,000	2,400,000
Advance income tax		1,334,270	1,252,910
Bank balances		272,731	368,953
		<b>6,031,257</b>	<b>5,038,863</b>
<b>TOTAL ASSETS</b>		<b>18,644,302</b>	<b>16,918,745</b>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized share capital 100,000,000 (2020: 50,000,000) ordinary shares of Rupees 10 each		<b>1,000,000,000</b>	<b>1,000,000,000</b>
Issued, subscribed and paid-up share capital		<b>25,072,733</b>	<b>25,072,733</b>
Capital contribution		<b>9,750,001</b>	<b>9,750,001</b>
Reserves		<b>(25,308,355)</b>	<b>(26,933,089)</b>
<b>TOTAL EQUITY</b>		<b>9,514,379</b>	<b>7,889,645</b>
<b>NON CURRENT LIABILITIES</b>			
Lease liability		-	-
Deferred tax liability		<b>169,878</b>	<b>169,878</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	9	4,459,800	4,393,977
Contract liability		-	100,000
Provision for taxation		<b>2,023,283</b>	<b>1,888,283</b>
Unclaimed dividend		<b>2,476,962</b>	<b>2,476,962</b>
		<b>8,960,045</b>	<b>8,859,222</b>
<b>TOTAL LIABILITIES</b>		<b>-</b>	<b>-</b>
Contingencies and commitments		-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>18,644,302</b>	<b>16,918,745</b>

The annexed notes from 01 to 12 form an integral part of these financial statements.

  
**CHIEF EXECUTIVE OFFICER**

  
**DIRECTOR**

  
**CHIEF FINANCIAL OFFICER**

**AKD HOSPITALITY LIMITED**  
**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)**  
**FOR THE QUARTER ENDED 30 SEPTEMBER 2023**

	Note	30-Sep 2023 Rupees	30-Sep 2022 Rupees
<b>INCOME</b>			
Consultancy income		1,500,000	-
<b>EXPENSES</b>			
Administrative and general expenses		(500,266)	(692,638)
<b>Other Income</b>		-	500,000
<b>Financial charges</b>		-	(4,657)
<b>LOSS BEFORE TAXATION</b>		<u>999,734</u>	<u>(197,295)</u>
Taxation		(135,000)	(43,157)
<b>LOSS AFTER TAXATION</b>		<u>864,734</u>	<u>(240,452)</u>
<b>OTHER COMPREHENSIVE INCOME / (LOSS)</b>			
<b>Items that will not be reclassified subsequently to profit &amp; loss:</b>			
- Unrealized gain / (loss) arising on remeasurement of investments at 'fair value through other comprehensive income'		760,000	(1,672,000)
- Deferred tax related adjustment		-	-
- Items that may be reclassified subsequently to profit and loss:		-	-
<b>Other comprehensive income / (loss) for the year</b>		<u>760,000</u>	<u>(1,672,000)</u>
<b>TOTAL COMPREHENSIVE INCOME / (LOSS)</b>		<u><u>1,624,734</u></u>	<u><u>(1,912,452)</u></u>
<b>(LOSS)/EARNINGS PER SHARE - BASIC AND DILUTED</b>	10	<u><u>0.34</u></u>	<u><u>(0.10)</u></u>

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**CHIEF EXECUTIVE OFFICER**

  
**DIRECTOR**

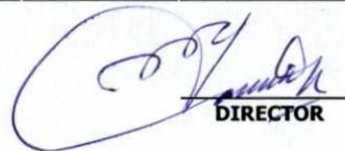
  
**CHIEF FINANCIAL OFFICER**

**AKD HOSPITALITY LIMITED  
STATEMENT OF CHANGES IN EQUITY  
FOR THE QUARTER ENDED 30 SEPTEMBER 2023**

Description	Issued, subscribed and paid-up share capital	Capital contribution	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	Rupees	
<b>Balance as at 30 June 2022</b>	25,072,733		20,891,600	(15,656,000)	752,000	(18,458,861)	(12,471,261)	12,601,472
Loss for the Quarter	-	-	-	-	-	(240,452)	(240,452)	(240,452)
Other comprehensive loss	-	-	-	(1,672,000)	-	-	(1,672,000)	(1,672,000)
Total comprehensive loss for the Quarter	-	-	-	(1,672,000)	-	(240,452)	(1,912,452)	(1,912,452)
<b>Balance as at 30 Sep 2022</b>	25,072,733	-	20,891,600	(17,328,000)	752,000	(18,699,313)	(14,383,713)	10,689,020
Transactions with owners:								
-Capital contribution (sponsor) during the year	-	9,750,001	-	-	-	-	-	9,750,001
Loss for the year	-	-	-	-	-	(4,721,377)	(4,721,377)	(4,721,377)
Other comprehensive loss	-	-	-	(7,828,000)	-	-	(7,828,000)	(7,828,000)
Total comprehensive loss for the year	-	-	-	(7,828,000)	-	(4,721,377)	(12,549,377)	(12,549,377)
Gain realized on disposal of investment in equity instrument at FVTOCI	-	-	-	-	-	-	-	-
<b>Balance as at 30 June 2023</b>	25,072,733	-	20,891,600	(25,156,000)	752,000	(23,420,690)	(26,933,089)	7,889,645
Transactions with owners:								
-Capital contribution (sponsor) during the year	-	-	-	-	-	-	-	-
Profit/(Loss) for the year	-	-	-	-	-	864,734	864,734	864,734
Other comprehensive income/(Loss)	-	-	-	760,000	-	-	760,000	760,000
Total comprehensive income/(Loss) for the year	-	-	-	760,000	-	864,734	1,624,734	1,624,734
<b>Balance as at 30 September 2023</b>	25,072,733	-	20,891,600	(24,396,000)	752,000	(22,555,956)	(25,308,355)	9,514,379



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

**AKD HOSPITALITY LIMITED**  
**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)**  
**FOR THE QUARTER ENDED 30 SEPTEMBER 2023**

	<b>30-Sep 2023 Rupees</b>	<b>30-Sep 2022 Rupees</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
(Loss) / Income before taxation	<b>999,734</b>	(197,295)
<b>Adjustments for non cash items:</b>		
Allowance for expected credit loss	-	-
Reversal of allowance for expected credit loss	-	-
Depreciation	<b>26,836</b>	71,155
Finance Cost	-	4,657
Operating cash used before working capital changes	<b>1,026,570</b>	(121,483)
<b>Changes in working capital</b>		
<b>(Increase) / decrease in current assets</b>		
Trade debts	<b>(678,000)</b>	(500,000)
Advance and prepayments	<b>(329,256)</b>	(504,226)
Other receivables	-	-
<b>Increase in current liabilities</b>		
Trade and other payables	<b>(34,177)</b>	669,133
	<b>(1,041,433)</b>	(335,093)
<b>Net working capital changes</b>	<b>(14,863)</b>	(456,576)
Income tax paid	<b>(81,360)</b>	-
<b>Net cash used in operating activities</b>	<b>(96,223)</b>	(456,576)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>	-	-
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Short term borrowing from related party	-	600,000
Dividend paid	-	-
<b>Net cash used in financing activities</b>	-	600,000
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(96,223)</b>	<b>143,424</b>
Cash and cash equivalents at the beginning of the year	<b>368,953</b>	178,768
<b>Cash and cash equivalents at the end of the year</b>	<b>272,730</b>	322,192

The annexed notes from 01 to 12 form an integral part of these financial statements.

  
**CHIEF EXECUTIVE OFFICER**

  
**DIRECTOR**

  
**CHIEF FINANCIAL OFFICER**

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)  
FOR THE QUARTER ENDED 30 SEPTEMBER 2023**

**1. THE COMPANY AND ITS BUSINESS**

AKD Hospitality Limited (Formerly AKD Capital 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 quoted on the Pakistan Stock Exchange Limited. The Principal activity of the Company is 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, Continental Trade Center, Block-08, Clifton, Karachi.

**2. BASIS OF PREPARATION**

These interim financial statements are un-audited and are being submitted to the shareholders in accordance with the requirements of Section Companies Ordinance, 1984. These interim financial statements are presented in condensed form in accordance with the requirements of International Accounting Standard 34 'Interim Financial Reporting". They do not include all of the information required for full annual financial statements, and should be read in conjunction with the financial statements of the Company as at and for the year ended 30 June 2023. Comparative figures of the balance sheet are extracted from the annual financial statements for the year ended June 2023 whereas comparative profit and loss account, statement of changes in equity and statement of cash flows are stated from un-audited condensed interim financial statements for the period ended 30 September 2022.

**3. ACCOUNTING POLICIES**

The accounting policies and method of computation followed for the preparation of this condensed interim financial information are the same as those applied in preparation of the financial statements for the year ended 30 June 2023.

IAS 1 (Amendment), ' Presentation of Financial Statements' The amendment clarifies that the potential settlement of a liability by the issue of equity is not relevant to its classification as current or non-current. By amending the definition of current liability, the amendment permits a liability to be classified as non-current(provided that the entity has an unconditional right to defer settlement by transfer of cash or other assets for at least 12 months after the accounting period) not withstanding the fact that the entity could be required by the counter party to settle in shares at any time. The application of the amendment will not effect the results or net assets of the Company as it is only concerned with presentation and disclosures.

**4. ESTIMATES**

The Preparation of interim financial statements require management to make judgments, estimates and assumption that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. In preparing this condensed interim financial information, the significant judgments made by the management in applying the Company's accounting policies and the key resources of estimation uncertainty were the same as those that applied to the financial statements as at and for the year ended 30 June 2023.



## 5 PROPERTY AND EQUIPMENT

Description	Furniture & fixtures	Office equipment	Computer equipment	Vehicles	Lockers	Total
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
<b>At 30 June 2022</b>						
Cost	3,991,830	1,622,644	1,878,265	5,122,500	41,500	12,656,739
Accumulated depreciation	(3,314,298)	(1,338,039)	(1,875,246)	(4,998,953)	(38,048)	(11,564,584)
Net book value	677,532	284,605	3,019	123,547	3,452	1,092,155
<b>Quarter ended 30 Sep 2022</b>						
Opening net book value	677,532	284,605	3,019	123,547	3,452	1,092,155
Addition - at cost	-	-	-	-	-	-
Depreciation charge	(16,938)	(7,115)	(252)	(6,177)	(86)	(30,568)
Closing net book value	660,594	277,490	2,767	117,370	3,366	1,061,587
<b>At 30 Sept 2022</b>						
Cost	3,991,830	1,622,644	1,878,265	5,122,500	41,500	12,656,739
Accumulated depreciation	(3,331,236)	(1,345,154)	(1,875,498)	(5,005,130)	(38,134)	(11,595,152)
Net book value	660,594	277,490	2,767	117,370	3,366	1,061,587
<b>At 30 June 2023</b>						
Cost	3,991,830	1,622,644	1,878,265	5,122,500	41,500	12,656,739
Accumulated depreciation	(3,382,051)	(1,366,500)	(1,876,252)	(5,023,662)	(38,393)	(11,686,858)
Net book value	609,779	256,144	2,013	98,838	3,107	969,881
<b>Quarter ended 30 Sep 2023</b>						
Opening net book value	609,779	256,144	2,013	98,838	3,107	969,881
Addition - at cost	-	-	-	-	-	-
Depreciation charge	(15,244)	(6,404)	(168)	(4,942)	(78)	(26,836)
Closing net book value	594,535	249,740	1,845	93,896	3,029	943,045
<b>At 30 September 2023</b>						
Cost	3,991,830	1,622,644	1,878,265	5,122,500	41,500	12,656,739
Accumulated depreciation	(3,397,295)	(1,372,904)	(1,876,420)	(5,028,604)	(38,471)	(11,713,694)
Net book value	594,535	249,740	1,845	93,896	3,029	943,045
<b>Depreciation rate</b>	<b>10%</b>	<b>10%</b>	<b>33.33%</b>	<b>20%</b>	<b>10%</b>	

**6. INVESTMENT AVAILABLE FOR SALE**

<b>30-Sep-23 Qty.</b>	<b>30-Jun-23 Qty.</b>		<b>30-Sep-23 Rupees</b>	<b>30-Jun-23 Rupees</b>
<b>9,800</b>	9,800	Creek Developer Private Limited - unquoted	<b>98,000</b>	98,000
<b>3,800,000</b>	3,800,000	Cnergyico Pk Limited	<b>35,948,000</b>	35,948,000
		Effect of Re-Measurement to fair value	<b>(24,396,000)</b>	(25,156,000)
		Fair Value @ Rs. 3.04 / Share	<b>11,552,000</b>	10,792,000
	<b>Total</b>		<b>11,650,000</b>	10,890,000

**7. TRADE DEBTS**

**Related party- Unsecured**

AKD REIT Management Company Limited

**1,695,000**      **1,017,000**

Less: Allowance for expected credit loss

As at 01 July

Recognized during the year

Reversal made during the year

As at 30 Sep

-	-
-	-
-	-
-	-
<b>1,695,000</b>	<b>1,017,000</b>

**8. ADVANCES AND SHORT TERM DEPOSITS**

Advances & Prepayments

**329,256**      -

**329,256**      -

**9. TRADE AND OTHER PAYABLES**

Accrued liabilities

1,839,428      1,770,428

Payable to AKD Securities Limited - related party

1,822,156      1,762,156

Withholding tax payable

354,880      430,891

Provision for workers welfare fund

294,522      294,522

Sales tax payable - net

148,814      135,980

**4,459,800**      **4,393,977**

**10. EARNING / (LOSS) PER SHARE - BASIC AND DILUTED**

	<b>30-Sep-23</b> <b>Rupees</b>	30-Sep-22 Rupees
Profit \ (Loss) for the period	<b>864,734</b>	(240,452)
Weighted average number of ordinary shares	<b>2,507,471</b>	2,507,471
Earning/(Loss) per share	<b>0.34</b>	(0.10)

**11. DATE OF AUTHORIZATION**

This condensed interim financial information was authorized for issue on 3<sup>rd</sup> Oct. 2023 by the Board of Directors of the Company.

**12. GENERAL**

Figure have been rounded off to the nearest rupee.



**CHIEF EXECUTIVE OFFICER**



**DIRECTOR**



**CHIEF FINANCIAL OFFICER**