Riaz Ahmad & Company
Chartered Accountants

AKD HOSPITALITY LIMITED

[FORMERLY AKD CAPITAL LIMITED]

FINANCIAL STATEMENTS WITH ACCOMPANYING INFORMATION

FOR THE YEAR ENDED
30 JUNE 2021

A member of
Nexia
International

Riaz Ahmad & Company
Chartered Accountants

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of AKD Hospitality Limited (Formerly AKD Capital Limited)

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of AKD Hospitality Limited (Formerly AKD Capital Limited) ("the Company") for the year ended 30 June 2021 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended 30 June 2021.

Further, we highlight below instances of non-compliance with the requirements of the Regulations as reflected in the paragraph reference where these are stated in the Statement of Compliance:

RIAZ AHMAD & COMPANY
Chartered Accountants

KARACHI

Date: 23 September 2021

Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019

Name of Company: AKD Hospitality Limited (Formerly AKD Capital Limited)
Year ended: 30 June 2021

The Company has complied with the requirements of the Listed Companies [Code of Corporate Governance] Regulations, 2019 ("the Regulations") in the following manner:

1. The total number of Directors are seven (07) as per the following:

   a. Male: 6
   b. Female: 1

2. The composition of the Board is as follows:

Category	Names
Independent Directors	Mr. M. Siddiq Khokhar Ms. Uzma Paracha
Non-Executive Directors	Mr. Muhammad Sohail Mr. Kanwar Adeel Zaman Mr. Nadeem Saulat Siddiqui Mr. Aamir Nazir Dhedhi
Executive Director	Mr. Aurangzaib Ali Naqvi

3. The Directors have confirmed that none of them is serving as a Director on more than seven listed companies, including this Company;

4. The Company has prepared the 'Code of Conduct' and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures;

5. The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company;

6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board / shareholders as empowered by the relevant provisions of the Act and these Regulations;

7. The meetings of the Board were presided over by the Chairman. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;

8. Chief Executive Officer and Company secretary are providing services without any remuneration;

9. Out of the seven (7), Five Director have obtained Directors' Training Program.

10. The Board has approved the appointment of Company Secretary and Chief Financial Officer including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations. Further, the position of Head of Internal Audit has already been filled;

11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board;

12. The Board has formed committees comprising of members given below:

a) Audit Committee

Names	**Designation held**
Mr. M. Siddiq Khokhar	Chairman
Mr. Sohail Abdul Ghaffar	Member
Mr. Aamir Nazir Dhedhi	Member

b) HR and Remuneration Committee

Names	**Designation held**
Ms. Uzma Piracha	Chairperson
Mr. Aamir Nazir Dhedhi	Member
Mr. Siddiq Khokhar	Member

c) Risk Management Committee

Names	**Designation held**
Mr. M. Siddiq Khokhar	Chairman
Mr. Sohail Abdul Gharffar	Member
Mr. Kanwar Adeel Zaman	Member

13. The terms of reference of the aforesaid committees have been formed, documented and approved.

14. The frequency of meetings (quarterly / half yearly / yearly) of the committee were as per following:

a) Audit Committee

Four quarterly meetings were held during the financial year ended 30 June 2021.

b) HR and Remuneration Committee

Meeting of HR and Remuneration Committee was held during the financial year ended 30 June 2021.

15. The Board has set up an internal audit function, qualified and experienced for the purpose and are conversant with the policies and procedures of the Company;

16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the Company;

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;

18. We confirm that all requirements of the Regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied.

Nadeem Saulat Siddiqui
Chairman

23 September 2021
KARACHI

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Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

To the members of AKD Hospitality Limited (Formerly AKD Capital Limited)

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of AKD HOSPITALITY LIMITED (Formerly AKD CAPITAL LIMITED) ("the Company"), which comprise the statement of financial position as at 30 June 2021, and the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2021 and of the loss and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan ('the Code') and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty relating to Going Concern

We draw attention to Note 1.2 to the financial statements which states that the Company has incurred loss after taxation of Rupees 9.855 million during the year. As at 30 June 2021, the Company has accumulated loss of Rupees 24.159 million and its current liabilities exceeds current assets by Rupees 6.730 million. The Company's primary commercial operations remained at halt for some years. These factors indicate that a material uncertainty exists that may cast significant doubt on 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 financial statements, however, has been prepared on a going concern basis due to the reasons morefully disclosed in the aforementioned note. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report.

Information other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with board of directors of the Company, we determine the matters that were of most significance in the audit of the financial statements of the current period and were therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

b) the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

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

RIAZ AHMAD & COMPANY
Chartered Accountants

KARACHI

Date: 23 September 2021

AKD HOSPITALITY LIMITED
(Formerly AKD Capital Limited)
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	Note	2021 Rupees	2020 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	6	**1,231,840**	1,391,921
Right of Use Assets	7	**475,277**	-
Long-term investments	8	**39,001,674**	20,840,480
Long-term deposit	9	**20,000**	20,000
		40,728,791	22,252,401
CURRENT ASSETS			
Trade debts	10	**2,400,000**	2,215,467
Advance and prepayments		**48,557**	79,334
Other receivable	11	-	4,451,084
Advance income tax		**912,487**	832,127
Bank balances	12	**526,155**	161,236
		3,887,199	7,739,248
TOTAL ASSETS		**44,615,990**	29,991,649
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
100,000,000 (2020: 50,000,000) ordinary shares of Rupees 10 each		**1,000,000,000**	500,000,000
Issued, subscribed and paid-up share capital	13	**25,072,733**	25,072,733
Reserves	14	**6,969,855**	18,750
TOTAL EQUITY		**32,042,588**	25,091,483
NON CURRENT LIABILITIES			
Lease liability	15	**260,613**	-
Deferred tax liability	21	**1,695,252**	-
CURRENT LIABILITIES			
Trade and other payables	16	**2,624,121**	1,943,671
Short term borrowing	17	**4,450,001**	-
Provision for taxation		**559,533**	479,533
Current & overdue portion of lease liability	15	**506,920**	-
Unclaimed dividend		**2,476,962**	2,476,962
		10,617,537	4,900,166
TOTAL LIABILITIES			
Contingencies and commitments	18		
TOTAL EQUITY AND LIABILITIES		**44,615,990**	29,991,649

The annexed notes from 01 to 30 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER | **DIRECTOR** | **CHIEF FINANCIAL OFFICER**

AKD HOSPITALITY LIMITED
(Formerly AKD Capital Limited)
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 Rupees	2020 Rupees
INCOME			
Consultancy income	**19**	**2,400,000**	2,500,000
EXPENSES			
Administrative and general expenses	**20**	**(12,864,752)**	(5,656,124)
Other Income		**1,284,533**	228,546
Financial charges		**(54,618)**	-
LOSS BEFORE TAXATION		**(9,234,837)**	(2,927,578)
Taxation	**21**	**(620,219)**	59,231
LOSS AFTER TAXATION		**(9,855,056)**	(2,868,347)
OTHER COMPREHENSIVE INCOME / (LOSS)			
Items that will not be reclassified subsequently to profit & loss:			
- Unrealized gain / (loss) arising on remeasurement of investments at 'fair value through other comprehensive income'		**18,161,194**	(6,084,460)
- Deferred tax related adjustment		**(1,355,033)**	-
Items that may be reclassified subsequently to profit and loss:		-	-
Other comprehensive income / (loss) for the year		**16,806,161**	(6,084,460)
TOTAL COMPREHENSIVE INCOME / (LOSS)		**6,951,105**	(8,952,807)
LOSS PER SHARE - BASIC AND DILUTED	**22**	**(3.93)**	(1.14)

The annexed notes from 01 to 30 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER **DIRECTOR** **CHIEF FINANCIAL OFFICER**

AKD HOSPITALITY LIMITED
(Formerly AKD Capital Limited)
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021

Description	Issued, subscribed and paid-up share capital	Reserves					Total Equity
		Capital Reserves		Revenue Reserves			
		Share premium	Fair value reserve on 'Fair value through other comprehensive income' investments	General Reserve	Accumulated Loss	Sub Total	
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Balance as at 30 June 2019	**25,072,733**	**20,891,600**	**(1,236,467)**	**752,000**	**(11,435,576)**	**8,971,557**	**34,044,290**
Loss for the year	-	-	-	-	(2,868,347)	(2,868,347)	(2,868,347)
Other comprehensive loss	-	-	(6,084,460)	-	-	(6,084,460)	(6,084,460)
Total comprehensive loss for the year	-	-	(6,084,460)	-	(2,868,347)	(8,952,807)	(8,952,807)
Balance as at 30 June 2020	**25,072,733**	**20,891,600**	**(7,320,927)**	**752,000**	**(14,303,923)**	**18,750**	**25,091,483**
Loss for the year	-	-	-	-	**(9,855,056)**	**(9,855,056)**	**(9,855,056)**
Other comprehensive income	-	-	**16,806,161**	-	-	**16,806,161**	**16,806,161**
Total comprehensive income for the year	-	-	**16,806,161**	-	**(9,855,056)**	**6,951,105**	**6,951,105**
Balance as at 30 June 2021	**25,072,733**	**20,891,600**	**9,485,234**	**752,000**	**(24,158,979)**	**6,969,855**	**32,042,588**

The annexed notes from 01 to 30 form an integral part of these financial statements.

Chief Financial Officer **Director** **Chief Executive Officer**

AKD HOSPITALITY LIMITED
(Formerly AKD Capital Limited)
STATEMENT OF CASH FLOWS
AS AT 30 JUNE 2021

	2021 Rupees	2020 Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	**(9,234,837)**	(2,927,578)
Adjustments for non cash items:		
Allowance for expected credit loss	**4,451,084**	2,350,488
Reversal of allowance for expected credit loss	**(1,284,533)**	-
Depreciation	**397,719**	184,112
Finance Cost	**54,618**	
Operating cash used before working capital changes	**(5,615,949)**	(392,978)
Changes in working capital		
(Increase) / decrease in current assets		
Trade debts	**1,100,000**	(68,889)
Advance and prepayments	**30,777**	(24,334)
Other receivables	**-**	(356,911)
Increase in current liabilities		
Trade and other payables	**680,450**	(86,385)
	1,811,227	(536,519)
Net working capital changes	**(3,804,722)**	(929,497)
Income tax paid	**(280,360)**	(304,489)
Net cash used in operating activities	**(4,085,082)**	(1,233,986)
CASH FLOW FROM INVESTING ACTIVITIES	**-**	-
CASH FLOW FROM FINANCING ACTIVITIES		
Short term borrowing from related party	**4,450,001**	-
Dividend paid	**-**	(1,080)
Net cash used in financing activities	**4,450,001**	(1,080)
Net increase / (decrease) in cash and cash equivalents	**364,919**	(1,235,066)
Cash and cash equivalents at the beginning of the year	**161,236**	1,396,302
Cash and cash equivalents at the end of the year	**526,155**	161,236

The annexed notes from 01 to 30 form an integral part of these financial statements.

Chief Financial Officer **Director** **Chief Executive Officer**

AKD HOSPITALITY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

1. THE COMPANY AND ITS OPERATIONS

1.1 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. During the year 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 618, Continental Trade Center, Clifton, Karachi.

1.2 GOING CONCERN ASSUMPTIONS

These financial statements have reported net loss for the year amounting to Rupees 9.855 million. As at 30 June 2021, the Company has accumulated loss of Rupees 24.159 million and current liabilities exceeds current assets by Rupees 6.730 million. The Company's primary commercial operations i.e. to deal in real estate projects, providing consultancy services, projects financing and management etc remained at halt for some years due to economic conditions prevailing in the Country and other ancillary reasons. 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. The Company has come up with a plan to engage itself in the tourism & hospitality business. For this, the Company has changed it principal line of business as disclosed in Note 1.1 on approval from its shareholders. The Company has also increased in authorized share capital from 50 million to 100 million ordinary shares and intends to raise capital to support its new business model.

Further, the Company has in place contract from construction venture for provision of consultancy services as at the reporting date from which lucrative inflows of funds are expected. Subsequent to year end, the Company has disposed off its investment in securities of a housing scheme company from which lucrative return has been earned enhancing the liquidity of the Company. The sponsor directors and management of the Company are committed to the viable and profitable commercial operations of the Company in the ensuing financial year and strongly believe that the Company will continue as a going concern.

These 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 PREPRARATION

2.1 Statement of Compliance

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

- International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and

- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRSs, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Accounting convention

These financial statements have been prepared under the historical cost convention except for the certain financial instruments carried at fair value.

2.3 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates. The financial statements are presented in Pakistani Rupees, which is the Company's functional and presentation currency.

3. USE OF ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with the approved accounting and reporting 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. The areas where various assumptions and estimates are significant to the Company's financial statements or where judgments were exercised in application of accounting policies are as follows:

Financial instruments - Fair value

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques based on assumptions that are dependent on conditions existing at reporting date.

Useful lives, patterns of economic benefits and impairment

Estimates with respect to residual values and useful lives and pattern of flow of economic benefits are based on the analysis of the management of the Company. Further, the Company reviews the value of assets for possible impairment on an annual basis. Any change in the estimates in the future might affect the carrying amount of respective item of property and equipment, with a corresponding effect on the depreciation charge and impairment.

Taxation

In making the estimates for income tax currently payable by the Company, the management takes into account the current income tax law and the decisions of appellate authorities on certain issues in the past.

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgment. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

4. NEW OR AMENDMENTS TO EXISTING STANDARDS / INTERPRETATIONS AND FORTHCOMING REQUIREMENTS

4.1 Amendments to published approved standards that are effective in current year and are relevant to the Company

Following amendments to published approved accounting standards are mandatory for the Company's accounting periods beginning on or after 01 July 2020:

- IAS 1 (Amendments) 'Presentation of Financial Statements' and IAS 8 (Amendments) 'Accounting Policies, Changes in Accounting Estimates and Errors';
- International Accounting Standards Board's revised Conceptual Framework – March 2018
- IFRS 3 (Amendments) 'Business Combination';
- IFRS 16 (Amendments) 'Leases';
- Interest Rate Benchmark Reform which amended IFRS 9 'Financial Instruments', IAS 39 'Financial Instruments: Recognition and Measurement' and IFRS 7 'Financial Instruments: Disclosures'.

The above-mentioned amendments to approved accounting standards did not have any impact on the amounts recognised in prior period and are not expected to significantly affect the current or future periods.

4.2 Standard and amendments to published approved accounting standards that are effective in current year but not relevant to the Company

There are amendments to published standards that are mandatory for accounting periods beginning on or after 01 July 2020 but are considered not to be relevant or do not have any significant impact on the Company's financial statements and are therefore not detailed in these financial statements.

4.3 Standards and amendments to published approved standards that are not yet effective but relevant to the Company

Following amendments to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after 01 July 2021 or later periods:

Classification of liabilities as current or non-current (Amendments to IAS 1 'Presentation of Financial Statements') effective for the annual period beginning on or after 01 January 2023. These amendments in the standards have been added to further clarify when a liability is classified as current. The standard also amends the aspect of classification of liability as non-current by requiring the assessment of the entity's right at the end of the reporting period to defer the settlement of liability for at least twelve months after the reporting period. An entity shall apply those amendments retrospectively in accordance with IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'.

Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets') effective for the annual period beginning on or after 01 January 2022 amends IAS 1 'Presentation of Financial Statements' by mainly adding paragraphs which clarifies what comprise the cost of fulfilling a contract. Cost of fulfilling a contract is relevant when determining whether a contract is onerous. An entity is required to apply the amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application). Restatement of comparative information is not required, instead the amendments require an entity to recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.

Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16 'Property, Plant and Equipment') effective for the annual period beginning on or after 1 January 2022. Clarifies that sales proceeds and cost of items produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management e.g. when testing etc., are recognized in profit or loss in accordance with applicable Standards. The entity measures the cost of those items applying the measurement requirements of IAS 2 'Inventories'. The standard also removes the requirement of deducting the net sales proceeds from cost of testing. An entity shall apply those amendments retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. The entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.

The following annual improvements to IFRS standards 2018-2020 are effective for annual reporting periods beginning on or after 01 January 2022:

IFRS 9 'Financial Instruments' – The amendment clarifies that an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf, when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognize a financial liability. IFRS 16 'Leases' – The amendment partially amends Illustrative Example 13 accompanying IFRS 16 'Leases' by excluding the illustration of reimbursement of leasehold improvements by the lessor. The objective of the amendment is to resolve any potential confusion that might arise in lease incentives.

IAS 41 'Agriculture' – The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique.

Disclosure of Accounting Policies (Amendments to IAS 1 'Presentation of Financial Statements' and IFRS Practice Statement 2 'Making Materiality Judgement') effective for annual periods beginning on or after 01 January 2023. These amendments are intended to help preparers in deciding which accounting policies to disclose in their financial statements. Earlier, IAS 1 states that an entity shall disclose its 'significant accounting policies' in their financial statements. These amendments shall assist the entities to disclose their 'material accounting policies' in their financial statements.

Covid-19-Related Rent Concessions (Amendment to IFRS 16 'Leases') effective for annual reporting periods beginning on or after 01 April 2021. These amendments permit a lessee to apply the practical expedient regarding COVID-19-related rent concessions. The entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12 'Income taxes') effective for annual periods beginning on or after 01 January 2023. These amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations.

Change in definition of Accounting Estimate (Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors) effective for annual periods beginning on or after 1 January 2023. This change replaced the definition of Accounting Estimate with a new definition, intended to help entities to distinguish between accounting policies and accounting estimates.

The International Accounting Standards Board (IASB) has published 'Reference to the Conceptual Framework (Amendments to IFRS 3)' with amendments to IFRS 3 'Business Combinations' that update an outdated reference in IFRS 3 without significantly changing its requirements. Effective for business combinations for which the acquisition date is on or after the beginning of annual period beginning on or after 01 January 2022. The amendments also add to IFRS 3 an exception to its requirement for an entity to refer to the Conceptual Framework to determine what constitutes an asset or a liability. The standard is effective for transactions in the future and therefore would not have an impact on past financial statements.

Interest Rate Benchmark Reform – Phase 2 which amended IFRS 9 'Financial Instruments', IAS 39 'Financial Instruments: Recognition and Measurement', IFRS 4 'Insurance Contracts' and IFRS 7 'Financial Instruments: Disclosures' is applicable for annual financial periods beginning on or after 01 January 2021. The changes made relate to the modification of financial assets, financial liabilities and lease liabilities, specific hedge accounting requirements, and disclosure requirements applying IFRS 7 to accompany the amendments regarding modifications and hedge accounting.

The above amendments and improvements are likely to have no significant impact on the financial statements.

4.4 Standards, interpretations and amendments to published approved standards that are not yet effective and not considered relevant to the Company

There are other standards and amendments to published standards that are mandatory for accounting periods beginning on or after 01 July 2021 but are considered not to be relevant or do not have any significant impact on the Company's financial statements and are therefore not detailed in these financial statements.

5. SUMMARY OF ACCOUNTING POLICIES

5.1 Property and equipment

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses (if any). Cost of property and equipment consists of historical cost, borrowing cost pertaining to erection / construction period of qualifying assets and other directly attributable cost of bringing the asset to working condition.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to statement of profit or loss and other comprehensive income during the period in which they are incurred.

Depreciation

Depreciation is charged to statement of profit or loss and other comprehensive income applying the reducing balance method so as to write off the cost / depreciable amount of the assets over their estimated useful lives at the rates given in Note 6. The Company charges the depreciation on additions from the date when the asset is available for use and on deletions up to the date when the asset is de-recognized. The residual values and useful lives are reviewed by the management, at each financial year-end and adjusted if impact on depreciation is significant.

De-recognition

An item of property and equipment is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in the statement of profit or loss and other comprehensive income in the year the asset is de-recognized.

5.2 IFRS 16 "Leases"

Right-of-use assets

A right-of-use asset is recognized at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is shorter at the rate mentioned in Note 7. Where the Company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is charged over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any re-measurement of lease liabilities.

The Company has elected not to recognize a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are charged to income as incurred.

Lease liabilities

A lease liability is recognized at the commencement date of a lease. The lease liability is initially recognized at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortized cost using the effective interest method. The carrying amounts are re-measured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is re-measured, an adjustment is made to the corresponding right-of-use asset, or to statement of profit or loss if the carrying amount of the right-of-use asset is fully written down.

5.3 Investments and other financial assets

a) Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and

- those to be measured at amortized cost

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.
For assets measured at fair value, gains and losses will either be recorded in the statement of profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. The Company reclassifies debt investments when and only when its business model for managing those assets changes.

b) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in statement of profit or loss and presented in other income / (other expenses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss and other comprehensive income.

Fair value through other comprehensive income (FVTOCI)

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment losses (and reversal of impairment losses), interest income and foreign exchange gains and losses which are recognized in the statement of profit or loss and other comprehensive income. When the financial asset is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss and recognized in other income / (other expenses). Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other income/ (other expenses) and impairment losses are presented as separate line item in the statement of profit or loss and other comprehensive income.

Fair value through profit or loss (FVTPL)

Assets that do not meet the criteria for amortized cost or FVTOCI are measured at FVTPL. A gain or loss on a debt instrument that is subsequently measured at FVTPL is recognized in the statement of profit or loss and other comprehensive income and presented net within other income / (other expenses) in the period in which it arises.

Equity instruments

The Company subsequently measures all equity investments at fair value for financial instruments quoted in an active market, the fair value corresponds to a market price (level 1). For financial instruments that are not quoted in an active market, the fair value is determined using valuation techniques including reference to recent arm's length market transactions or transactions involving financial instruments which are substantially the same (level 2), or discounted cash flow analysis including, to the greatest possible extent, assumptions consistent with observable market data (level 3).

Fair value through other comprehensive income (FVTOCI)

Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value.

Fair value through profit or loss

Changes in the fair value of equity investments at fair value through profit or loss are recognized in other income/ (other expenses) in the statement of profit or loss and other comprehensive income as applicable.

Dividends from such investments continue to be recognized in profit or loss as other income when the Company's right to receive payments is established.

5.4 Financial liabilities - Classification and measurement

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in the statement of profit or loss and other comprehensive income. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in statement of profit or loss and other comprehensive income. Any gain or loss on de-recognition is also included in profit or loss.

5.5 Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortized cost and FVTOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade debts and other receivables, the Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

5.6 De-recognition of financial assets and liabilities

a) Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognized financial assets that is created or retained by the Company is recognized as a separate asset or liability.

b) Financial liabilities

The Company derecognizes a financial liability (or a part of financial liability) from its statement of financial position when the obligation specified in the contract is discharged or cancelled or expires.

5.7 Offsetting of financial instruments

Financial assets and financial liabilities are set off and the net amount is reported in the financial statements when there is a legally enforceable right to set off and the Company intends either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously.

5.8 Trade and other receivables

Trade receivables are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method, less any allowance for expected credit losses. Trade receivables generally do not include amounts over due by 365 days.

The Company has applied the simplified approach to measure expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

5.9 Borrowings

Borrowings are recognized initially at fair value and are subsequently stated at amortized cost. Any difference between the proceeds and the redemption value is recognized in the statement of profit or loss and other comprehensive income over the period of the borrowings using the effective interest method.

5.10 Trade and other payables

Liabilities for trade and other amounts payable are initially recognized at fair value, which is normally the transaction cost.

5.11 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of cash flow statement, cash and cash equivalent comprise of cash in hand and cash in banks in current and deposit accounts.

5.12 Provisions

Provisions are recognized when the Company has a present, legal or constructive obligation as a result of past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. However, provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

5.13 Taxation

Current

Provision for current tax is based on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year, if enacted. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is charged or credited in the statement of profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

5.14 Revenue from contracts with customers

Revenue recognition:

a) Rendering of services

Revenue from a contract to provide services is recognized over time as the services are rendered based on either a fixed price or an hourly rate.

b) Dividend

Dividend on equity investments is recognized when right to receive the dividend is established.

5.15 Impairment of non-financial assets

The carrying amount of the Company's assets is reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of such assets is estimated. An impairment loss is recognized wherever the carrying amount of the asset exceeds the recoverable amount. Impairment losses are recognized in the statement of profit or loss and other comprehensive income. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If there is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the assets in prior year. Such reversal is recognized in the statement of profit or loss and other comprehensive income.

5.16 Dividend and other appropriations

Dividend distribution to the Company's shareholders is recognized as a liability in the Company's financial statements in the period in which the dividends are declared and other appropriations are recognized in the period in which these are approved by the Board of Directors.

5.17 Share capital

Ordinary shares are classified as share capital. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax.

5.18 Foreign currencies transactions and translation

All monetary assets and liabilities denominated in foreign currencies are translated into Pak Rupees at the rates of exchange prevailing at the reporting date, while the transaction is foreign currency during the year are initially recorded in functional currency at the rates of exchange prevailing at the transaction date. All non monetary items are translated into Pak Rupees at the exchange rates prevailing on the date of transaction or on the date when fair values are determined. The Company charges all the exchanges differences to statement of profit or loss and other comprehensive income.

5.19 Earnings per share

The Company presents basic and diluted earnings per share (EPS) for its stakeholders. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of shares outstanding during the year. Diluted earnings per share is calculated if there is any potential dilutive effect on the Company's reported net profits.

6. PROPERTY AND EQUIPMENT

Description	Furniture & fixtures	Office equipment	Computer equipment	Vehicles	Lockers	Total
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
At 30 June 2019						
Cost	3,991,830	1,622,644	1,878,265	5,122,500	41,500	12,656,739
Accumulated depreciation	(3,062,431)	(1,232,240)	(1,868,075)	(4,881,196)	(36,764)	(11,080,706)
Net book value	929,399	390,404	10,190	241,304	4,736	1,576,033
Year ended 30 June 2020						
Opening net book value	929,399	390,404	10,190	241,304	4,736	1,576,033
Addition - at cost	-	-	-	-	-	-
Depreciation charge	(92,940)	(39,040)	(3,397)	(48,261)	(474)	(184,112)
Closing net book value	836,459	351,364	6,793	193,043	4,262	1,391,921
At 30 June 2020						
Cost	3,991,830	1,622,644	1,878,265	5,122,500	41,500	12,656,739
Accumulated depreciation	(3,155,371)	(1,271,280)	(1,871,472)	(4,929,457)	(37,238)	(11,264,818)
Net book value	**836,459**	**351,364**	**6,793**	**193,043**	**4,262**	**1,391,921**
Year ended 30 June 2021						
Opening net book value	836,459	351,364	6,793	193,043	4,262	1,391,921
Addition - at cost	-	-	-	-	-	-
Depreciation charge	(83,646)	(35,136)	(2,264)	(38,609)	(426)	(160,081)
Closing net book value	**752,813**	**316,228**	**4,529**	**154,434**	**3,836**	**1,231,840**
At 30 June 2021						
Cost	3,991,830	1,622,644	1,878,265	5,122,500	41,500	12,656,739
Accumulated depreciation	(3,239,017)	(1,306,416)	(1,873,736)	(4,968,066)	(37,664)	(11,424,899)
Net book value	**752,813**	**316,228**	**4,529**	**154,434**	**3,836**	**1,231,840**
Depreciation rate	**10%**	**10%**	**33.33%**	**20%**	**10%**	

6.1 Depreciation is charged to administrative and general expenses (Note 20).

7.	Right of use Assets	Note	2021 Rupees	2020 Rupees
	Cost		712,915	-
	Accumulated depreciation		(237,638)	-
	Net book value		475,277	-
	Movement in right of use asset:			
	Opening net book value		-	-
	Recognised during the year under IFRS-16		712,915	-
	Depreciation Charges		(237,638)	-
	Closing net book value		475,277	-
	Annual rate of depreciation (%)		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:

7.1

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-Jul-20	3 years	Not defined	N/A

8. LONG-TERM INVESTMENTS (Equity instruments)

	Note	2021 Rupees	2020 Rupees
Investment in equity securities - at 'fair value through other comprehensive income'			
Related parties			
AKD REIT Management Company Limited - unquoted 10,000 (2020: 10,000) fully paid ordinary shares of Rupees 10 each. Equity held 0.1% (2020: 0.1%) & Cost of Rupees 100,000 (2020: Rupees 100,000)	8.1	-	-
Creek Developers (Private) Limited - unquoted 9,800 (2020: 9,800) fully paid ordinary shares of Rupees 10 each. Equity held 0.01% (2020: 0.01%) & Cost of Rupees 98,000 (2020: Rupees 98,000)	8.2	98,000	98,000
Others			
Javedan Corporation Limited - quoted 921,888 (2020: 921,888) fully paid ordinary shares of Rupees 10 each. Equity held 0.3% (2020: 0.3%) & Cost of Rupees 28,063,407 (2020: Rupees 28,063,407)		38,903,674	20,742,480
		39,001,674	20,840,480

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

8.2 This represents investment 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.

9. LONG-TERM DEPOSIT

	Note	2021 Rupees	2020 Rupees
Deposit with Pakistan Telecommunication Company Limited	9.1	20,000	20,000

9.1 This represents amount deposited with Pakistan Telecommunication Company Limited (PTCL) as security deposit at the time of connection in 2003. The fair value and expected credit loss adjustment in accordance with requirements of IFRS 9 "Financial Instruments" in respect of long term deposits is not considered material and hence not recognized.

		Note	2021 Rupees	2020 Rupees
10.	**TRADE DEBTS**			
	Unsecured			
	Related party	**10.1**	**6,600,833**	7,700,833
	Less: Allowance for expected credit loss			
	As at 01 July		**5,485,366**	3,134,878
	Recognized during the year		**-**	2,350,488
	Reversal made during the year		**(1,284,533)**	-
	As at 30 June		**-**	-
			4,200,833	5,485,366
			2,400,000	2,215,467

10.1 As at 30 June 2021, trade debts due (net of allowance for expected credit loss) due from the related party amounting to Rupees 2.4 million (2020: Rupees 2.215 million) were past due but not impaired. The aging analysis of these trade debts (net of allowance for expected credit loss) is as follows:

	2021	2020
Upto 1 month	**-**	1,499,796
1 to 6 months	**1,000,000**	-
6 months to 1 year	**1,400,000**	715,671
	2,400,000	2,215,467

10.2 As at 30 June 2021, trade debts due from the related party amounting to Rupees 4.201 million (2020: Rupees 5.485 million) were impaired and provided for. The ageing of these trade debts were of more than 365 days.

10.3 The maximum aggregate amount receivable from related parties at the end of any month during the year was Rupees 9.101 million (2020: Rupees 7.2 million).

		Note	2021	2020
11.	**OTHER RECEIVABLE**			
	Related Parties - Unsecured			
	Creek Developers (Private) Limited (CDPL)	**11.1**	**4,451,084**	4,451,084
	Less: Allowance for expected credit loss			
	As at 01 July		**-**	-
	Recognized during the year		**(4,451,084)**	-
	As at 30 June		**-**	-
			(4,451,084)	-
			-	4,451,084

11.1 This represents the balance receivable of allocated share of common expenses.

11.2 The maximum aggregate amount receivable from CDPL at the end of any month during the year was Rupees 4.451 million (2020: Rupees 4.451 million) were impaired and provided for. The ageing of this receivable were of more than 365 days.

		2021	2020
12.	**BANK BALANCES**		
	Cash in bank - current accounts	**526,155**	161,236

13. ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

2021 (Number of shares)	2020 (Number of shares)		2021	2020
2,138,681	**2,138,681**	Ordinary shares of Rupees 10 each fully paid in cash.	**21,386,810**	21,386,810
368,311	**368,311**	Ordinary shares of Rupees 10 each issued as fully paid bonus shares.	**3,683,110**	3,683,110
479	**479**	Ordinary shares of Rupees 10 each forfeited.	**2,813**	2,813
2,507,471	**2,507,471**		**25,072,733**	25,072,733

13.1 Ordinary shares of the Company held by the associates are as under:

	(Number of shares) 2021	2020
AKD Securities Limited	**57,290**	57,290
Aqeel Karim Dhedhi Securities (Private) Limited - Staff Provident Fund	**249,000**	249,000
	306,290	306,290

		Note	2021 Rupees	2020 Rupees
14.	**RESERVES**			
	Composition of reserves is as follows:			
	Capital reserves			
	Share premium	**14.1**	**20,891,600**	20,891,600
	Fair value reserve	**14.2**	**9,485,234**	(7,320,927)
			30,376,834	13,570,673
	Revenue reserves			
	General reserve		**752,000**	752,000
	Accumulated loss		**(24,158,979)**	(14,303,923)
			(23,406,979)	(13,551,923)
			6,969,855	18,750

14.1 This reserve can be utilized by the Company only for the purposes specified in section 81 of the Companies Act, 2017.

14.2 Fair value reserve on 'fair value through other comprehensive income' investments:

	2021	2020
As at 01 July	**(7,320,927)**	(1,236,467)
Fair value adjustment made during the year	**16,806,161**	(6,084,460)
As at 30 June	**9,485,234**	(7,320,927)

15. LEASE LIABILITY

	2021	2020
Balance as at 01 July	-	-
Addition during the year under IFRS 16	**712,915**	-
Finance cost	**54,618**	-
Less: payment made during the year	-	-
	767,533	-
Overdue portion shown under current Liabilities	**(270,000)**	
Current portion shown under current Liabilities	**(236,920)**	-
Non Current portion	**260,613**	-

15.1 Taxes, repairs and insurance costs are to be borne by the Company. In case of early termination of lease of office premise a notice for termination shall be provided 3 months before the expected termination..

15.2 The amount of future payments of the lease and the period in which these payments will become due are as follows:

	Minimum lease commitment	Future finance cost	Future value of lease liability 2021	Future value of lease liability 2020
Overdue portion	**270,000**	-	**270,000**	-
Not later than one year	**270,000**	**33,080**	**236,920**	-
Later than one year but not later than five years.	**270,000**	**9,387**	**260,613**	-
	810,000	**42,467**	**767,533**	-

16. TRADE AND OTHER PAYABLES

	2021	2020
Accrued liabilities	**1,038,363**	894,522
Payable to AKD Securities Limited - related party	**915,783**	427,196
Withholding tax payable	**375,453**	327,431
Provision for workers welfare fund	**294,522**	294,522
	2,624,121	1,943,671

17. Short term borrowing

	2021	2020
Loan from related party	**4,450,001**	-

17.1 This represents interest free loan obtained from AKD Group Holdings Private Limited (Formerly Aqeel Karim Dhedhi Securities Private Limited) a related party. The loan is payable on demand.

18 CONTINGENCIES AND COMMITMENTS

18.1 Contingencies

a) In 2012, an individual filed case in the Honorable High Court of Sindh against Defence Housing Authority (DHA) alleging the land belongs to the previous project and designated as amenity plot and made the Company as pro-forma defendant . Presently, the matter is pending in Honorable High Court of Sindh. The management and its legal counsel are confident that that the Company is not a party to the aforesaid case, therefore, the eventual outcome would be favorable and would not result in any financial loss to the Company.

b) The Company has written back some old liabilities during the prior years aggregately amounting to Rupees 228,546. In case of demand from creditor in future, the Company will be liable to pay them off.

18.2 Commitments

There were no commitments as at the reporting date (2020: Nil).

19. CONSULTANCY INCOME

The revenue recognized represents the consultancy services rendered to a related party till the reporting date in respect of infrastructure designing of the construction projects.

20. ADMINISTRATIVE AND GENERAL EXPENSES

	Note	2021 Rupees	2020 Rupees
Salaries and benefits	20.1	**1,361,347**	1,115,575
Director fee		**145,000**	-
Education & Training - Director		**537,075**	-
Printing and stationery		**20,970**	5,330
Postage and telegram		**1,510**	3,488
Fees, taxes and subscription		**2,457,782**	447,008
Legal and professional		**1,783,740**	614,250
Advertisement and publicity		**488,768**	13,650
Entertainment		**164,172**	115,550
Penalty		**100,070**	-
Auditors' remuneration	20.2	**747,900**	747,900
Depreciation	6 & 7	**397,719**	184,112
Allowance for expected credit loss	10	**4,451,084**	2,350,488
Office expenses		**141,567**	56,201
Repair and maintenance		**64,800**	-
Bank charges		**1,248**	2,572
		12,864,752	5,656,124

20.1 Remuneration of Directors and Executives

No remuneration have been paid to Chief Executive Officer and Directors during the year (2020: Nil).

20.2 Auditors' remuneration

		2021 Rupees	2020 Rupees
Audit services			
Audit fee		**440,000**	440,000
Half yearly review fee		**130,000**	130,000
		570,000	570,000
Non-audit services			
Code of Corporate Governance review fee		**41,000**	41,000
Other certification		**22,000**	22,000
		63,000	63,000
Out of pocket expenses		**59,500**	59,500
Sindh Sales tax		**55,400**	55,400
		747,900	747,900

21 TAXATION

	Note	2021 Rupees	2020 Rupees
Current tax	21.1	**280,000**	200,000
Prior year		**-**	-
Deferred tax	21.2	**340,219**	(259,231)
		620,219	(59,231)

21.1 Current tax

The Company has taxable loss for the year. The charge for current taxation is based on minimum tax chargeable under section 153(3)(b) of Income Tax Ordinance, 2001 after taking into account applicable tax credits, rebates and exemption available if any.

21.2 Deferred tax asset / (liability)

	Note	2021 Rupees	2020 Rupees
Deductible temporary differences			
- Liabilities subject to lease		222,585	-
Taxable temporary differences			
- Fair value adjustment relating to investment at FVTOCI		(1,355,033)	-
- Depreciation on property and equipment		(202,389)	(220,957)
- Right of use asset		(137,830)	-
		(1,695,252)	(220,957)
As at 30 June		(1,472,667)	(220,957)
- Available tax losses		1,869,721	213,240
		397,053	(7,717)
As at 01 July		-	(259,231)
Asset available for the year		397,053	7,717
Deferred tax asset not recognised	21.3	(2,092,305)	(7,717)
Deferred tax (liability) / asset recognised		(1,695,252)	-
Charge for the year		(1,695,252)	259,231

21.3 Deferred tax assets have not been recognised in respect of above items, because it is not probable that future taxable profits under normal tax regime will be available against which the Company can use the benefits therefrom.

21.4 Relationship between tax expense and accounting loss:

	2021	2020
Accounting loss before taxation	(9,234,837)	(2,927,578)
Tax @ 29% (2020: 29%)	(2,678,103)	(848,998)
Effect of:		
Accelerated depreciation	18,568	20,395
Leased assets	84,754	-
Liabilities written back	-	(66,278)
Reversal of allowance for expected credit loss	(372,515)	-
Allowance for expected credit loss	1,290,814	681,641
Minimum tax	1,936,481	413,240
	280,000	200,000

22 LOSS PER SHARE - BASIC AND DILUTED

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

	2021	2020
Loss for the year **(Rupees)**	(9,855,056)	(2,868,347)
Weighted average number of ordinary shares **(Number)**	2,507,471	2,507,471
Loss per share - basic & diluted **(Rupees)**	(3.93)	(1.14)

23 Reconciliation of movement of liability to cash flows arising from financing activities:

Unclaimed dividend

	2021	2020
As at 01 July	2,476,962	2,478,042
Dividend declared	-	-
Dividend paid	-	(1,080)
As at 30 June	2,476,962	2,476,962

24 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 and balances with related parties are as follows:

	Related party	Relationship with the Company	Nature of transaction and balances	2021 Rupees	2020 Rupees
i.	AKD Securities Limited	Common directorship and 2.28% shareholding	Expenses credited	**383,864**	372,078
			Paid/adjusted during the year	**(16,800)**	-
			Balance at year end	**915,783**	427,196
ii.	Creek Developers (Private) Limited	Common directorship and 0.01% shareholding	Expenses debited	-	346,911
			Balance at year end	**4,451,084**	4,451,084
iii.	R.A. Enterprises	Sponsor's interest	Consultancy fee	**2,400,000**	2,500,000
			Collection during the year	**3,500,000**	2,431,111
			Balance at year end	**2,400,000**	2,215,467
iv.	AKD Group Holdings Private Limited (Formerly Aqeel Karim Dhedhi Securities Private Limited)	Common directorship	Balance payable	**4,450,001**	-

25 FINANCIAL RISK MANAGEMENT

25.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, other price risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance.

Risk management is carried out by the Board of Directors (the Board). The Board provides principles for overall risk management, as well as policies covering specific areas such as currency risk, other price risk, interest rate risk, credit risk and liquidity risk.

a) Market risk

(i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies.

The Company is not exposed to this risk because there were no receivables and payables in any foreign currency as at the reporting date. Moreover, no transactions were carried out in any foreign currency during the year.

Sensitivity analysis of functional currency at reporting date is not required due to nil foreign currency nominated financial assets and liabilities at the reporting date.

(ii) Other price risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instrument traded in the market. The Company is not exposed to commodity price risk.

Sensitivity analysis

The table below summarizes the impact of increase / decrease in the Pakistan Stock Exchange (PSX) Index on the Company's profit after taxation for the year and on equity (fair value reserve). The analysis is based on the assumption that the equity index had increased / decreased by 5% with all other variables held constant and all the Company's equity instruments moved according to the historical correlation with the index:

Index	Impact on profit after taxation		Impact on equity (fair value reserve)	
	2021 Rupees	2020 Rupees	2021 Rupees	2020 Rupees
KSE 100 (5% increase)	-	-	**1,945,184**	1,037,124
KSE 100 (5% decrease)	-	-	**(1,945,184)**	(1,037,124)

(iii) Interest rate risk

This represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has no interest bearing liabilities at the reporting date.

b) Credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

Long term investments	**39,001,674**	20,840,480
Long-term deposit	**20,000**	20,000
Trade debts	**2,400,000**	2,215,467
Other receivables	-	4,451,084
Bank balances	**526,155**	161,236
	41,947,829	27,688,267

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rate:

Banks	Rating				
	Short Term	Long Term	Agency		
MCB Bank Limited	A1+	AAA	PACRA	**373,209**	8,172
United Bank Limited	A-1+	AAA	VIS	**4,179**	4,179
Bank Al-Habib Limited	A1+	AA+	PACRA	**148,767**	148,885
				526,155	161,236
Investments					
Creek Developers (Private) Limited	Unrated		-	**98,000**	98,000
Javedan Corporation Limited	A-1	A+	VIS	**38,903,674**	20,742,480
				39,001,674	20,840,480

Due to the Company's long standing business relationships with these counterparties and after giving due consideration to their strong financial standing, the management does not expect non-performance by these counterparties on their obligations to the Company. Accordingly, the credit risk is minimal.

c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Company manages liquidity risk by maintaining sufficient bank balance other liquid assets. At 30 June 2021, the Company had Rupees 0.526 million (2020: 0.161 million) bank balance. Following are the contractual maturities of financial liabilities, including interest payments. The amount disclosed in the table are undiscounted cash flows:

Contractual maturities of financial liabilities as at 30 June 2021

	Carrying Amount	Contractual Cash Flows	6 month or less	6 months to 12 months	More than 1 year
	Rupees	Rupees	Rupees	Rupees	Rupees
Trade and other payables	**1,954,146**	**1,954,146**	**1,954,146**	-	-
Short term borrowing	**4,450,001**	**4,450,001**	**4,450,001**	-	-
Liabilities against lease	**767,533**	**810,000**	**405,000**	**135,000**	**270,000**
Unclaimed dividend	**2,476,962**	**2,476,962**	**2,476,962**	-	-
	9,648,642	**9,691,109**	**9,286,109**	**135,000**	**270,000**

Contractual maturities of financial liabilities as at 30 June 2020

Trade and other payables	1,321,718	1,321,718	1,321,718	-	-
Unclaimed dividend	2,476,962	2,476,962	2,476,962	-	-
	3,798,680	3,798,680	3,798,680	-	-

25.2 Recognized fair value measurements - financial assets

(i) Fair value hierarchy

Judgments and estimates are made in determining the fair values of the financial instruments that are recognized and measured at fair value in these financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the following three levels. An explanation of each level follows underneath the table:

Recurring fair value measurements	Level 1	Level 2	Level 3	Total
As at 30 June 2021	Rupees	Rupees	Rupees	Rupees
Investments at 'fair value through other comprehensive income'	**38,903,674**	-	**98,000**	**39,001,674**
As at 30 June 2020				
Investments at 'fair value through other comprehensive income'	20,742,480	-	98,000	20,840,480

The above table does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amounts are a reasonable approximation of fair value. Due to short term nature, carrying amounts of certain financial assets and financial liabilities are considered to be the same as their fair value.

There were no transfers between levels 1 and 2 for recurring fair value measurements during the year. Further there was no transfer in and out of level 3 measurements.

The Company's policy is to recognize transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

(ii) Valuation techniques used to determine fair values

Specific valuation techniques used to value financial instruments include the use of quoted market prices or dealer quotes for similar instruments and the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

25.3 Recognized fair value measurements - non-financial assets

There were no any non-financial assets as at 30 June 2021 (2020: Nil) for the recognized fair value measurement.

25.4 Financial instruments by categories

As at 30 June 2021	At 'fair value through other comprehensive income'	At amortized cost	Total
	Rupees	Rupees	Rupees
Assets as per statement of financial position			
Long-term investments	**39,001,674**	**-**	**39,001,674**
Long-term deposit	**-**	**20,000**	**20,000**
Bank balances	**-**	**526,155**	**526,155**
	39,001,674	**546,155**	**39,547,829**
Liabilities as per statement of financial position			
Trade and other payables	**-**	**1,954,146**	**1,954,146**
Short term borrowing	**-**	**4,450,001**	**4,450,001**
Lease liabilities	**-**	**767,533**	**767,533**
Unclaimed dividend	**-**	**2,476,962**	**2,476,962**
	-	**9,648,642**	**9,648,642**
As at 30 June 2020			
Assets as per statement of financial position			
Long-term investments	20,840,480	-	20,840,480
Long-term deposit	-	20,000	20,000
Trade debts	-	2,215,467	2,215,467
Advances & Prepayment	-	79,334	79,334
Other receivables	-	4,451,084	4,451,084
Bank balances	-	161,236	161,236
	20,840,480	6,927,121	27,767,601
Liabilities as per statement of financial position			
Trade and other payables	-	1,321,718	1,321,718
Unclaimed dividend	-	2,476,962	2,476,962
	-	3,798,680	3,798,680

25.5 Offsetting financial assets and financial liabilities

As on reporting date, recognized financial instruments are not subject to off setting as there are no enforceable master netting arrangements and similar agreements.

26 CAPITAL RISK MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders and issue new shares or sell assets. The Company's strategy, remained unchanged from last year.

27 NUMBER OF EMPLOYEES

The number of employees during the year is as follows:

	2021		2020	
	At year end	**Average**	**At year end**	**Average**
Number of employees	**6**	**6**	5	3

27.1 All employees are hired on temporary contract basis. Therefore, the Company has not so far established any staff retirement benefit scheme. The Company intends to hire permanent employees after the commencement of primary commercial operations.

28 DATE OF AUTHORIZATION

These financial statements were approved and authorized for the issue on __________ 2021 by the Board of Directors of the Company.

29 CORRESPONDING FIGURES

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 reclassification / rearrangement of the corresponding figures have been made during the year in these financial statements.

30 GENERAL

Figures have been rounded off to the nearest Rupee, unless otherwise stated.

Chief Financial Officer **Director** **Chief Executive Officer**