



## DIRECTORS' REPORT

The Board of Directors of AKD Hospitality Limited is pleased to presents un-audited financial statements for the quarter ended 31<sup>st</sup> March 2023.

During the period the company registered a net loss after tax of Rupees 1.096 million. Operating results for the period are favorable as compared to the net loss (Rupees 2.116 million) after tax during the same period of last year.

During the quarter, the Company default segment shifted to normal counter with effect from 16<sup>th</sup> March 2023 as informed by PSX through its letter dated 15<sup>th</sup> March 2023.

### Future Outlook:

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

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

For and on behalf of the Board

Chief Executive Officer



Chairman

Date: 27<sup>th</sup> April 2023



**AKD HOSPITALITY LIMITED**

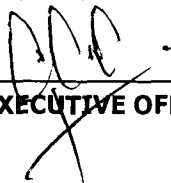
**QUARTERLY ACCOUNTS FOR THE PERIOD ENDED  
31<sup>ST</sup> MARCH 2023**


**(UN-AUDITED)**

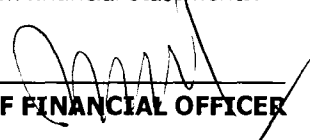
**AKD HOSPITALITY LIMITED**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)**  
**AS AT 31 MARCH 2023**

|  | Note | (Un-Audited)<br>31 March<br>2023<br>Rupees | (Audited)<br>30 June<br>2022<br>Rupees |
|--|------|--|--|
| <b>ASSETS</b>  |      |  |  |
| <b>NON-CURRENT ASSETS</b>  |      |  |  |
| Property and equipment   | 5    | 1,000,449                                  | 1,092,155                              |
| Right of use assets  | 6    | 67,500                                     | 237,639                                |
| Long-term investments  | 7    | 13,246,000                                 | 20,390,000                             |
| Long-term deposit  |      | 20,000                                     | 20,000                                 |
|  |      | <u>14,333,949</u>                          | <u>21,739,794</u>                      |
| <b>CURRENT ASSETS</b>  |      |  |  |
| Trade debts  | 8    | 678,000                                    | -                                      |
| Advance and prepayments  | 9    | 192,314                                    | 41,645                                 |
| Other receivable   |      | 3,900,000                                  | 2,851,845                              |
| Advance income tax   |      | 2,338,250                                  | 2,327,190                              |
| Bank balances  |      | 201,093                                    | 178,768                                |
|  |      | <u>7,309,657</u>                           | <u>5,399,448</u>                       |
|  |      | <u>21,643,606</u>                          | <u>27,139,242</u>                      |
| <b>EQUITY AND LIABILITIES</b>  |      |  |  |
| <b>SHARE CAPITAL AND RESERVES</b>  |      |  |  |
| Authorized share capital<br>100,000,000 (30 June 2021: 100,000,000) ordinary<br>shares of Rupees 10 each |      | <u>1,000,000,000</u>                       | <u>1,000,000,000</u>                   |
| Issued, subscribed and paid-up share capital   |      | 25,072,733                                 | 25,072,733                             |
| Reserves   |      | (20,712,140)                               | (12,471,261)                           |
| <b>TOTAL EQUITY</b>  |      | <u>4,360,593</u>                           | <u>12,601,472</u>                      |
| <b>NON CURRENT LIABILITIES</b>   |      |  |  |
| Lease liability  |      | -  | -                                      |
| Deferred tax liability   |      | 177,650                                    | 185,422                                |
|  |      | <u>177,650</u>                             | <u>185,422</u>                         |
| <b>CURRENT LIABILITIES</b>   |      |  |  |
| Trade and other payables   |      | 3,756,119                                  | 3,028,491                              |
| Short term borrowing from associate  |      | 8,150,001                                  | 6,350,001                              |
| Provision for taxation   |      | 1,912,283                                  | 1,696,283                              |
| Current & overdue portion of lease liability   |      | 809,999                                    | 800,612                                |
| Unclaimed dividend   |      | 2,476,962                                  | 2,476,962                              |
|  |      | <u>17,105,364</u>                          | <u>14,352,349</u>                      |
| <b>TOTAL LIABILITIES</b>   |      | <u>-</u>                                   | <u>-</u>                               |
| Contingencies and commitments  |      | -  | -                                      |
| <b>TOTAL EQUITY AND LIABILITIES</b>  |      | <u>21,643,606</u>                          | <u>27,139,242</u>                      |

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

  
**CHIEF EXECUTIVE OFFICER**


  
**DIRECTOR**

  
**CHIEF FINANCIAL OFFICER**

**AKD HOSPITALITY LIMITED**  
**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**(UNAUDITED)**  
**FOR THE NINE-MONTHS PERIOD ENDED 31 MARCH 2023**

|   | Note      | Nine-months period ended |                     | Three-months period ended |                    |
|---|-----------|--------------------------|---------------------|---------------------------|--------------------|
|   |           | 31 March<br>2023         | 31 March<br>2022    | 31 March<br>2023          | 31 March<br>2022   |
|   |           | Rupees                   | Rupees              | Rupees                    | Rupees             |
| <b>INCOME</b>   |           |                          |                     |                           |                    |
| Revenue   |           | 800,000                  | -                   | 600,000                   | -                  |
| <b>EXPENSES</b>   |           |                          |                     |                           |                    |
| Administrative and general expenses   |           | (3,079,264)              | (3,645,969)         | (1,082,904)               | (976,768)          |
| Allowance for expected credit loss  |           | (500,000)                | -                   | -                         | -                  |
| Finance cost  |           | (9,387)                  | (26,943)            | (1,589)                   | (7,581)            |
| Other income  |           | 1,900,000                | 1,500,000           | 400,000                   | 500,000            |
| <b>LOSS BEFORE TAXATION</b>   |           | <b>(888,651)</b>         | <b>(2,172,912)</b>  | <b>(84,493)</b>           | <b>(484,349)</b>   |
| Taxation  |           |                          |                     |                           |                    |
| - Current   |           | (216,000)                | (80,000)            | (80,000)                  | -                  |
| - Prior   |           | -                        | 87,640              | -                         | -                  |
| - Deferred tax  |           | 7,772                    | 48,826              | -                         | -                  |
| <b>LOSS AFTER TAXATION</b>  |           | <b>(1,096,879)</b>       | <b>(2,116,446)</b>  | <b>(164,493)</b>          | <b>(484,349)</b>   |
| <b>OTHER COMPREHENSIVE (LOSS)/INCOME</b>  |           |                          |                     |                           |                    |
| <b>Items that will not be reclassified subsequently to profit or loss:</b>  |           |                          |                     |                           |                    |
| - Unrealized (loss)/gain arising on remeasurement of investments at 'fair value through other comprehensive income' - net |           | (7,144,000)              | (17,117,983)        | (874,000)                 | (6,080,000)        |
| <b>Items that may be reclassified subsequently to profit or loss:</b>   |           | -                        | -                   | -                         | -                  |
| <b>Other comprehensive (loss)/income for the period</b>   |           | <b>(7,144,000)</b>       | <b>(17,117,983)</b> | <b>(874,000)</b>          | <b>(6,080,000)</b> |
| Total comprehensive (loss)/gain for the period  |           | <b>(8,240,879)</b>       | <b>(19,234,429)</b> | <b>(1,038,493)</b>        | <b>(6,564,349)</b> |
| <b>Loss per share - basic and diluted</b>   | <b>10</b> | <b>(0.44)</b>            | <b>(0.84)</b>       | <b>(0.07)</b>             | <b>(0.19)</b>      |

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

  
**CHIEF EXECUTIVE OFFICER**

  
**DIRECTOR**

  
**CHIEF FINANCIAL OFFICER**

**AKD HOSPITALITY LIMITED**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)**  
**FOR THE NINE-MONTHS PERIOD ENDED 31 MARCH 2023**

| Description  | Issued,<br>subscribed<br>and paid-up<br>share capital | Reserves          |   |                    |                     | Sub Total           | Total Equity      |
|--|---|-------------------|---|--------------------|---------------------|---------------------|-------------------|
|  |   | Capital Reserves  |   | Revenue Reserves   |                     |                     |                   |
|  |   | Share<br>premium  | Fair value<br>reserve on<br>'Fair value<br>through other<br>comprehensive<br>income'<br>investments | General<br>Reserve | Accumulated Loss    |                     |                   |
| Rupees   | Rupees  | Rupees            | Rupees  | Rupees             | Rupees              | Rupees              |                   |
| <b>Balance as at 30 June 2021 - Audited</b>                            | <b>25,072,733</b>                                     | <b>20,891,600</b> | <b>9,485,234</b>  | <b>752,000</b>     | <b>(24,158,979)</b> | <b>6,969,855</b>    | <b>32,042,588</b> |
| <b>Total comprehensive income for the period</b>                       |   |                   |   |                    |                     |                     |                   |
| Loss for the period  | -   | -                 | -   | -                  | (2,116,446)         | (2,116,446)         | (2,116,446)       |
| Other comprehensive loss   | -   | -                 | (17,117,983)  | -                  | -                   | (17,117,983)        | (17,117,983)      |
|  | -   | -                 | (17,117,983)  | -                  | (2,116,446)         | (19,234,429)        | (19,234,429)      |
| Gain realized on disposal of investment in equity instrument at FVTOCI | -   | -                 | (8,517,251)   | -                  | 8,517,251           | -                   | -                 |
| <b>Balance as at 31 March 2022 - Unaudited</b>                         | <b>25,072,733</b>                                     | <b>20,891,600</b> | <b>(16,150,000)</b>   | <b>752,000</b>     | <b>(17,758,174)</b> | <b>(12,264,574)</b> | <b>12,808,159</b> |
| <b>Total comprehensive loss for the period</b>                         |   |                   |   |                    |                     |                     |                   |
| Loss for the period  | -   | -                 | -   | -                  | (700,687)           | (700,687)           | (700,687)         |
| Other comprehensive profit   | -   | -                 | 494,000   | -                  | -                   | 494,000             | 494,000           |
|  | -   | -                 | 494,000   | -                  | (700,687)           | (206,687)           | (206,687)         |
| <b>Balance as at 30 June 2022 - Audited</b>                            | <b>25,072,733</b>                                     | <b>20,891,600</b> | <b>(15,656,000)</b>   | <b>752,000</b>     | <b>(18,458,861)</b> | <b>(12,471,261)</b> | <b>12,601,472</b> |
| <b>Total comprehensive loss for the period</b>                         |   |                   |   |                    |                     |                     |                   |
| Loss for the period  | -   | -                 | -   | -                  | (1,096,879)         | (1,096,879)         | (1,096,879)       |
| Other comprehensive Loss   | -   | -                 | (7,144,000)   | -                  | -                   | (7,144,000)         | (7,144,000)       |
|  | -   | -                 | (7,144,000)   | -                  | (1,096,879)         | (8,240,879)         | (8,240,879)       |
| <b>Balance as at 31 March 2023 - Unaudited</b>                         | <b>25,072,733</b>                                     | <b>20,891,600</b> | <b>(22,800,000)</b>   | <b>752,000</b>     | <b>(19,555,740)</b> | <b>(20,712,140)</b> | <b>4,360,593</b>  |

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

  
**CHIEF EXECUTIVE OFFICER**

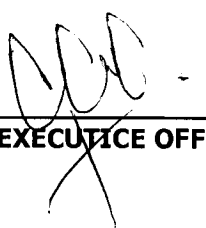
  
**DIRECTOR**

  
**CHIEF FINANCIAL OFFICER**

**AKD HOSPITALITY LIMITED**  
**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)**  
**FOR THE NINE-MONTHS PERIOD ENDED 31 MARCH 2023**

|   | <b>31 March<br/>2023<br/>Rupees</b> | <b>31 March<br/>2022<br/>Rupees</b> |
|---|-------------------------------------|-------------------------------------|
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>                  |                                     |                                     |
| Loss before taxation  | (888,651)                           | (2,172,912)                         |
| <b>Adjustments for non cash items:</b>                      |                                     |                                     |
| Depreciation  | 91,706                              | 280,320                             |
| Amortization  | 170,139                             | -                                   |
| Finance cost  | 9,387                               | 26,943                              |
| Operating cash used before working capital changes          | (617,419)                           | (1,865,649)                         |
| <b>Changes in working capital</b>                           |                                     |                                     |
| <b>Increase in current assets</b>                           |                                     |                                     |
| Trade debts   | (678,000)                           | 600,000                             |
| Advance and prepayments                                     | (150,669)                           | (162,984)                           |
| Other receivable  | (1,048,155)                         | (632,658)                           |
| <b>Increase in current liabilities</b>                      |                                     |                                     |
| Trade and other payables                                    | 727,628                             | (504,510)                           |
|   | (1,149,196)                         | (700,152)                           |
| <b>Net working capital changes</b>                          | (1,766,615)                         | (2,565,801)                         |
| Income tax paid   | (11,060)                            | (1,328,750)                         |
| <b>Net cash used in operating activities</b>                | (1,777,675)                         | (3,894,551)                         |
| <b>CASH FLOW FROM INVESTING ACTIVITIES</b>                  |                                     |                                     |
| Purchase of investment                                      | -                                   | (35,948,000)                        |
| Proceeds from sale of investment                            | -                                   | 37,797,408                          |
| <b>Net cash flow from investing activities</b>              | -                                   | 1,849,408                           |
| <b>CASH FLOW FROM FINANCING ACTIVITIES</b>                  |                                     |                                     |
| Short term borrowing from associate                         | 1,800,000                           | 1,700,000                           |
| <b>Net cash flow from financing activity</b>                | 1,800,000                           | 1,700,000                           |
| <b>Net (decrease)/increase in cash and cash equivalents</b> | 22,325                              | (345,143)                           |
| Cash and cash equivalents at the beginning of the period    | 178,768                             | 526,155                             |
| <b>Cash and cash equivalents at the end of the period</b>   | 201,093                             | 181,012                             |

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

  
**CHIEF EXECUTIVE OFFICER**

  
**DIRECTOR**

  
**CHIEF FINANCIAL OFFICER**

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)  
FOR THE QUARTER ENDED 31ST MARCH 2023**

**1. THE COMPANY AND ITS BUSINESS**

AKD Hospitality Limited ("the Company") was incorporated as a Public Limited Company in the year 1936 under Companies Act, 1913 (Now the Companies Act, 2017). Shares of the Company are 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. During the quarter PSX informed vide its letter dated 15th March 2023, the Company default segment shifted to normal counter with effect from 16th March 2023.

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 2022. Comparative figures of the balance sheet are extracted from the annual financial statements for the year ended June 2022 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 31 March 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 2022.

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 2022.

## 5 PROPERTY AND EQUIPMENT

| Description                     | Furniture & fixtures | Office equipment | Computer equipment | Vehicles       | Lockers      | Total            |
|---------------------------------|----------------------|------------------|--------------------|----------------|--------------|------------------|
|                                 | Rupees               | Rupees           | Rupees             | Rupees         | Rupees       | Rupees           |
| <b>At 30 June 2021</b>          |                      |                  |                    |                |              |                  |
| 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                  | <u>752,813</u>       | <u>316,228</u>   | <u>4,529</u>       | <u>154,434</u> | <u>3,836</u> | <u>1,231,840</u> |
| <b>Year ended 30 June 2022</b>  |                      |                  |                    |                |              |                  |
| Opening net book value          | 752,813              | 316,228          | 4,529              | 154,434        | 3,836        | 1,231,840        |
| Addition - at cost              | -                    | -                | -                  | -              | -            | -                |
| Depreciation charge             | (75,281)             | (31,623)         | (1,510)            | (30,887)       | (384)        | (139,685)        |
| Closing net book value          | <u>677,532</u>       | <u>284,605</u>   | <u>3,019</u>       | <u>123,547</u> | <u>3,452</u> | <u>1,092,155</u> |
| <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                  | <u>677,532</u>       | <u>284,605</u>   | <u>3,019</u>       | <u>123,547</u> | <u>3,452</u> | <u>1,092,155</u> |
| <b>Period ended 31 Mar 2023</b> |                      |                  |                    |                |              |                  |
| Opening net book value          | 677,532              | 284,605          | 3,019              | 123,547        | 3,452        | 1,092,155        |
| Addition - at cost              | -                    | -                | -                  | -              | -            | -                |
| Depreciation charge             | (50,815)             | (21,345)         | (755)              | (18,532)       | (259)        | (91,706)         |
| Closing net book value          | <u>626,717</u>       | <u>263,260</u>   | <u>2,264</u>       | <u>105,015</u> | <u>3,193</u> | <u>1,000,449</u> |
| <b>At 31 Mar 2023</b>           |                      |                  |                    |                |              |                  |
| Cost                            | 3,991,830            | 1,622,644        | 1,878,265          | 5,122,500      | 41,500       | 12,656,739       |
| Accumulated depreciation        | (3,365,113)          | (1,359,384)      | (1,876,001)        | (5,017,485)    | (38,307)     | (11,656,290)     |
| Net book value                  | <u>626,717</u>       | <u>263,260</u>   | <u>2,264</u>       | <u>105,015</u> | <u>3,193</u> | <u>1,000,449</u> |
| <b>Depreciation rate</b>        | <b>10%</b>           | <b>10%</b>       | <b>33.33%</b>      | <b>20%</b>     | <b>10%</b>   |                  |



|   |  |                  |                     |  |
|---|--|------------------|---------------------|--|
| <b>6. Right of use assets</b>                   |  |                  | <b>31-Mar-23</b>    | <b>30-Jun-22</b>                                 |
|   |  |                  | <b>Rupees</b>       | <b>Rupees</b>                                    |
| <b>Cost</b>                                     |  |                  | <b>712,915</b>      | 712,915  |
| Accumulated depreciation                        |  |                  | <b>(645,415)</b>    | (475,276)  |
| Net book value as at 31 March 2022              |  |                  | <b>67,500</b>       | 237,639  |
| <b>6.1 Movement in accumulated depreciation</b> |  |                  |                     |  |
| Opening balance for the period/year             |  |                  | <b>237,639</b>      | 475,277  |
| Depreciation charges for the period / year      |  |                  | <b>(170,139)</b>    | (237,638)  |
| Closing balance for the period/year             |  |                  | <b>67,500</b>       | 237,639  |
| <b>Annual rate of depreciation (%)</b>          |  |                  | <b>33.33%</b>       | 33.33%   |
| <b>7. INVESTMENT AVAILABLE FOR SALE</b>         |  |                  |                     |  |
|   | <b>31-Mar-23</b>   | <b>30-Jun-23</b> | <b>31-Mar-23</b>    | <b>30-Jun-22</b>                                 |
|   | <b>Qty</b>   | <b>Qty</b>       | <b>Rupees</b>       | <b>Rupees</b>                                    |
|   | <b>9,800</b>   | 9,800            | <b>98,000</b>       | 98,000   |
|   |  |                  |                     | Creek Developer<br>Private Limited -<br>unquoted |
|   | <b>3,800,000</b>   | 3,800,000        | <b>35,948,000</b>   | 35,948,000                                       |
|   |  |                  | <b>(22,800,000)</b> | (15,656,000)                                     |
|   |  |                  |                     | Effect of Re-Measurement<br>to fair value        |
|   |  |                  | <b>13,246,000</b>   | <b>20,390,000</b>                                |
| <b>8. TRADE DEBTS</b>                           |  |                  | <b>31-Mar-23</b>    | <b>30-Jun-22</b>                                 |
|   |  |                  | <b>Rupees</b>       | <b>Rupees</b>                                    |
| AKD REIT Management Company Limited             |  | <b>Note</b>      | <b>678,000</b>      | -  |
|   |  | 8.1              |                     |  |
| <b>8.1</b>                                      | This balance represents the billing made under service agreement for provision of services regarding review of third party pre-feasibility or feasibility studies to establish hospitality related business and other ancillary services to the related party. |                  |                     |  |
| <b>9. ADVANCES AND SHORT TERM DEPOSITS</b>      |  |                  | <b>31-Mar-23</b>    | <b>30-Jun-22</b>                                 |
|   |  |                  | <b>Rupees</b>       | <b>Rupees</b>                                    |
| Advance & Prepayments                           |  |                  | <b>192,314</b>      | 41,645   |

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

|  | <b>31-Mar-23<br/>Rupees</b> | 31-Mar-22<br>Rupees |
|--|-----------------------------|---------------------|
| Profit \ (Loss) for the period             | <b>(1,096,879)</b>          | (2,116,446)         |
| Weighted average number of ordinary shares | <b>2,507,471</b>            | 2,507,471           |
| Earning/(Loss) per share                   | <b>(0.44)</b>               | (0.84)              |

**11. DATE OF AUTHORIZATION**

This condensed interim financial information was authorized for issue on 27-04-2023 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**