

AKD HOSPITALITY LIMITED
Condensed Interim Review Financials
For The Period Ended
31 December 2024
(UN-AUDITED)

COMPANY INFORMATION

BOARD OF DIRECTORS

Nadeem Saulat Siddiqui	Chairman
Huma Khurram Rashid Paracha	Chief Executive Officer
M. Siddiq Khokhar	
Kanwar Adeel Zaman	
Muhammad Sohail	
Aamir Nazir Dhedhi	
Uzma Piracha	

AUDIT COMMITTEE

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

HR & REMUNERATION COMMITTEE

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

RISK MANAGEMENT COMMITTEE

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

CHIEF FINANCIAL OFFICER

Faisal Kasbati

COMPANY SECRETARY

Syed Haris Ahmed

HEAD OF INTERNAL AUDIT

Muhammad Gulraiz

AUDITORS

M/s Riaz Ahmad Co., Chartered Accountants

SHARE REGISTRAR

C&K management Associate (Pvt) Ltd.

REGISTRATION NUMBER

0000027

NTN NUMBER

1335738-7

BANKERS

MCB Bank Limited
Bank Al Habib Limited
United Bank Limited

REGISTERED OFFICE

511, 5th Floor, Continental Trade Centre,
Main Clifton Road, Block 8, Clifton
Karachi, Pakistan.
Telephone: (92-21)35302977
Email: info@akdhospitality.com



Directors' Report

On behalf of the Board of Directors of AKD Hospitality Limited (the Company) we are pleased to present un-audited financial statements of the Company for the 2nd quarter and half year ended December 31, 2024.

During the period under review, the Company maintained gross turnover of PKR 3 million as compared to PKR 3 million for corresponding period during last year. Operating profit showed slight decrease from 45% to 40% due to increase in administrative expenses. Profit after tax increased from Rs.534,472/- to Rs. 853,209 /- and registered a increase of 60%.

The Basic earnings per share is reported during the period at Rs. 0.34 compared to Rs. 0.21 during corresponding period of the last year

Improving economic conditions and declining financing cost is expected to increase the economic activity in the country and this will result in increase in purchasing power of people which is expected to generate the growth in hospitality industry. However, the industry is facing various challenges and the Company is modifying its strategies to suit the conditions to ensure continuous operations in the best possible way.

The Company is working of new ideas of for attracting local and international tourists to the areas near large cities with easy access and good law and order situation.

The Company aim to promote environmental friendly tourism in the country recognizing the long term benefits of environmentally sustainable practices leading to sustainable economic growth for the Company and local economy. Reducing the waste generation, conserving natural resources, educating clientele will increase revenue and reduce operating expenses.

The Company provide consultancy services for the development of hospitality projects to affiliated company. The Company plan to expand such services to other potential clients within its primary line of business.

On behalf of the board, we extend our heartfelt appreciation to the shareholders, employees, and clients for their continued confidence and support during this time of challenges and look forward to a productive third quarter of the financial year.

Nadeem Saulat Siddiqui
Chairman

Huma Khurram Rashid Paracha
Chief Executive Officer

Karachi: February 28, 2024

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of AKD Hospitality Limited

Report on review of Condensed Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of AKD HOSPITALITY LIMITED ("the Company") as at 31 December 2024 and the related condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity, condensed interim statement of cash flows and notes to the financial statements for the six-months period then ended (here-in-after referred to as "condensed interim financial statements"). Management is responsible for the preparation and presentation of this interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review. The figures of the condensed interim statement of profit or loss and other comprehensive income for the three-months period ended 31 December 2024 and 31 December 2023 have not been reviewed and we do not express a conclusion on them as we are required to review only the cumulative figures for the six-months period ended 31 December 2024.

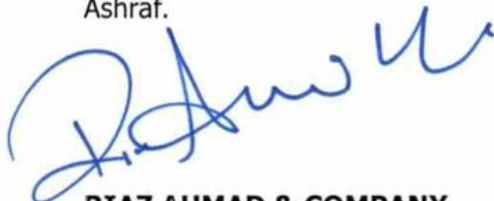
Scope of Review

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

Conclusion

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

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



RIAZ AHMAD & COMPANY
Chartered Accountants

KARACHI

DATE: 28 FEBRUARY 2025

UDIN: RR202410045BMlhdZxXg

AKD HOSPITALITY LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS AT 31 DECEMBER 2024

	Note	Unaudited 31 December 2024 Rupees	Audited 30 June 2024 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	4	815,301	862,539
Long-term investments	5	29,928,000	14,728,000
Long-term security deposit		20,000	20,000
		30,763,301	15,610,539
CURRENT ASSETS			
Trade debts	6	2,217,998	2,217,998
Advances		425,118	275,001
Other receivable	7	-	-
Bank balances		14,074,077	14,024,199
		16,717,193	16,517,198
TOTAL ASSETS		47,480,494	32,127,737
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital 100,000,000 (June 2024: 100,000,000) ordinary shares of Rupees 10 each		1,000,000,000	1,000,000,000
Issued, subscribed and paid-up share capital		25,072,733	25,072,733
Capital contribution		12,950,001	12,950,001
Reserves		1,319,029	(14,734,180)
TOTAL EQUITY		39,341,763	23,288,554
NON CURRENT LIABILITIES			
Deferred tax liability		149,056	155,612
		149,056	155,612
CURRENT LIABILITIES			
Trade and other payables	8	4,533,014	4,665,504
Contract liability		500,000	500,000
Provision for taxation and levy payable - net	9	479,699	1,041,105
Unclaimed dividend		2,476,962	2,476,962
		7,989,675	8,683,571
TOTAL LIABILITIES		8,138,731	8,839,183
Contingencies and commitments	10		
TOTAL EQUITY AND LIABILITIES		47,480,494	32,127,737

The annexed notes from 01 to 18 form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

AKD HOSPITALITY LIMITED

**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)
FOR THE SIX-MONTHS AND THREE-MONTHS PERIOD ENDED 31 DECEMBER 2024**

	Note	Six-Months Period Ended 31 December		Three-Months Period Ended 31 December	
		2024	2023	2024	2023
		Rupees	Rupees	Rupees	Rupees
Revenue	11	3,000,000	3,000,000	1,500,000	1,500,000
Expenses					
Administrative and general expenses		(1,791,375)	(1,636,906)	(2,492,439)	(1,136,140)
Allowance for expected credit loss		-	-	-	-
		(1,791,375)	(1,636,906)	(2,492,439)	(1,136,140)
Gross profit		1,208,625	1,363,094	(992,439)	363,860
Other income		-	-	-	-
Finance cost		-	-	-	-
		1,208,625	1,363,094	(992,439)	363,860
Provision for Sindh Workers' Welfare Fund		(24,172)	-	(24,172)	-
Profit / (loss) before levy and tax		1,184,453	1,363,094	(1,016,611)	363,860
Levy	12	(337,800)	-	(493,050)	-
profit / (loss) before income tax		846,653	1,363,094	(1,509,661)	363,860
Income tax	13	6,556	(828,622)	6,556	(176,456)
profit / (loss) after income tax		853,209	534,472	(1,503,105)	187,404
OTHER COMPREHENSIVE INCOME					
Items that will not be reclassified subsequently to profit or loss:					
- Unrealized gain arising on remeasurement of investments at 'fair value through other comprehensive income' - net		15,200,000	7,904,000	14,934,000	7,144,000
Items that may be reclassified subsequently to profit or loss		-	-	-	-
Other comprehensive income for the period		15,200,000	7,904,000	14,934,000	7,144,000
Total comprehensive income for the period		16,053,209	8,438,472	13,430,895	7,331,404
Earnings / (loss) per share - basic and diluted	14	0.34	0.21	(0.60)	0.07

The annexed notes from 01 to 18 form an integral part of these condensed interim financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

AKD HOSPITALITY LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE SIX-MONTHS PERIOD ENDED 31 DECEMBER 2024

Description	Issued, subscribed and paid-up share capital	Capital contribution	Reserves					Total Equity
			Capital Reserves		Revenue Reserves		Sub Total	
			Share premium	Fair value reserve on 'Fair value through other comprehensive income' investments	General Reserve	Accumulated Loss		
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Balance as at 30 June 2023 - Audited	25,072,733	9,750,001	20,891,600	(25,156,000)	752,000	(23,420,690)	(26,933,090)	7,889,644
Profit for the period	-	-	-	-	-	534,472	534,472	534,472
Other comprehensive income	-	-	-	7,904,000	-	-	7,904,000	7,904,000
Total comprehensive income for the period	-	-	-	7,904,000	-	534,472	8,438,472	8,438,472
Balance as at 31 December 2023 - Unaudited	25,072,733	9,750,001	20,891,600	(17,252,000)	752,000	(22,886,218)	(18,494,618)	16,328,116
Transactions with owners:								
-Capital contribution from sponsor during the period	-	3,200,000	-	-	-	-	-	3,200,000
Profit for the period	-	-	-	-	-	7,826,438	7,826,438	7,826,438
Other comprehensive loss	-	-	-	(4,066,000)	-	-	(4,066,000)	(4,066,000)
Total comprehensive income for the period	-	-	-	(4,066,000)	-	7,826,438	3,760,438	3,760,438
Balance as at 30 June 2024 - Audited	25,072,733	12,950,001	20,891,600	(21,318,000)	752,000	(15,059,780)	(14,734,180)	23,288,554
Profit for the period	-	-	-	-	-	853,209	853,209	853,209
Other comprehensive income	-	-	-	15,200,000	-	-	15,200,000	15,200,000
Total comprehensive income for the period	-	-	-	15,200,000	-	853,209	16,053,209	16,053,209
Balance as at 31 December 2024 - Unaudited	25,072,733	12,950,001	20,891,600	(6,118,000)	752,000	(14,206,571)	1,319,029	39,341,763

The annexed notes from 01 to 18 form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

AKD HOSPITALITY LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE SIX-MONTHS PERIOD ENDED 31 DECEMBER 2024

	Note	31 December 2024 Rupees	31 December 2023 Rupees
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		1,184,453	1,363,094
Adjustments for non cash items:			
Depreciation	4	47,238	53,670
Provision for Sindh Workers' Welfare Fund		24,172	-
Operating cashflows before working capital changes		1,255,863	1,416,764
Changes in working capital			
(Increase)/decrease in current assets			
Trade debts		-	(2,373,000)
Advances		(150,117)	(219,004)
Other receivable		-	2,400,000
Increase/(decrease) in current liabilities			
Trade and other payables		(156,663)	35,632
Contract liability		-	(100,000)
		(306,780)	(256,372)
Net working capital changes		949,083	1,160,392
Income tax paid		(899,205)	(497,357)
Net cash generated from operating activities		49,878	663,035
CASH FLOW FROM INVESTING ACTIVITIES			
		-	-
CASH FLOW FROM FINANCING ACTIVITIES			
Capital contribution		-	10,900,833
Net cash flow from financing activities		-	10,900,833
Net increase in cash and cash equivalents		49,878	11,563,868
Cash and cash equivalents at the beginning of the period		14,024,199	368,953
Cash and cash equivalents at the end of the period		14,074,077	11,932,821

The annexed notes from 01 to 18 form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

AKD HOSPITALITY LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX-MONTHS PERIOD ENDED 31 DECEMBER 2024

1. THE COMPANY AND ITS OPERATIONS

- 1.1** 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. During the prior years the Company through special resolution passed in its extra ordinary general meeting held on 01 February 2021 altered the Memorandum of Association by changing its name from "AKD Capital Limited" to "AKD Hospitality Limited" and its principal line of business from "the business of real estate / providing consultancy, projects financing and management, investment in listed securities and to engage in leasing" to "tourism business including hospitality business, motel, destination management services, developing and building tourism attractions and to undertake all ancillary business activities to provide end to end service solutions". The registered office of the Company is situated at 511, fifth floor Continental Trade Center, Clifton, Karachi.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

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

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

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

- 2.1.1** These condensed interim financial statements do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended 30 June 2024. These condensed interim financial statements are unaudited, however, have been subjected to limited scope review by the auditors and are being submitted to the shareholders as required by the Listed Companies (Code of Corporate Governance) Regulations, 2019 and Section 237 of the Companies Act, 2017.
- 2.1.2** The comparatives in the condensed interim statement of financial position presented in these condensed interim financial statements as at 31 December 2024 have been extracted from the annual audited financial statements for the year ended 30 June 2024, whereas the comparative in condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows are extracted from unaudited condensed interim financial statements for the six-months period ended 31 December 2023.

3. ACCOUNTING POLICIES

The accounting policies and methods of computations adopted for the preparation of these condensed interim financial statements are the same as applied in the preparation of the preceding audited annual published financial statements of the Company for the year ended 30 June 2024.

3.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of these condensed interim financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

During preparation of these condensed interim financial statements, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the preceding audited annual published financial statements of the Company for the year ended 30 June 2024.

		Unaudited 31 December 2024 Rupees	Audited 30 June 2024 Rupees
4. PROPERTY AND EQUIPMENT	Note		
Written down value at the beginning of the period/ year		862,539	969,881
Depreciation charged for the period/ year		(47,238)	(107,342)
Written down value at the closing of the period/ year		<u>815,301</u>	<u>862,539</u>
4.1	Depreciation is charged to administrative and general expenses.		
5. LONG TERM INVESTMENTS (Equity Instruments)			
Investment in equity securities - at 'fair value through other comprehensive income'			
Related parties:			
AKD REIT Management Company Limited - unquoted			
10,000 (June 2024: 10,000) fully paid ordinary shares of Rupees 10 each. Equity held 0.1% (June 2024: 0.1%) and Cost of Rupees 100,000 (June 2024: Rupees 100,000)	5.1	-	-
Creek Developers (Private) Limited - unquoted			
9,800 (June 2024: 9,800) fully paid ordinary shares of Rupees 10 each. Equity held 0.01% (June 2024: 0.01%) and Cost of Rupees 98,000 (June 2024: Rupees 98,000)	5.2	98,000	98,000
Others:			
Cnergyico Pk Limited - quoted			
3,800,000 (June 2024: 3,800,000) fully paid ordinary shares of Rupees 10 each. Equity held 0.07% (June 2024: 0.07%) and Cost of Rupees 35,948,000 (June 2024: 35,948,000)		29,830,000	14,630,000
		<u>29,928,000</u>	<u>14,728,000</u>
5.1	Investment in AKD REIT Management Company Limited has been fully impaired in prior years. The Company is required to seek prior approval from Securities & Exchange Commission of Pakistan before disposing of this investments.		
5.2	This represents investments in the ordinary shares of Creek Developers (Private) Limited (CDPL) that is in the process of building towers. CDPL is currently classified as a level 3 financial assets and is measured at fair value on reporting dates. However due to volatility in the underlying assumptions relevant to the valuation, there is a wide range of possible fair value measurement and cost is considered to represent the best estimate of fair value within that range. This Company is required to seek prior approval from Defense Housing Authority before disposing of this investment.		
6. TRADE DEBTS - Considered good & unsecured			
Related party:			
AKD REIT Management Company	6.1	<u>2,217,998</u>	<u>2,217,998</u>
6.1	This balance represents the billing made against services such as pre-feasibility or feasibility studies for establishing hospitality related businesses.		

- 6.2** The maximum aggregate amount receivable from AKD REIT Management Company at the end of any month during the period was Rupees 5.710 million (June 2024: Rupees 6.328 million).

		Unaudited 31 December 2024 Rupees	Audited 30 June 2024 Rupees
7. OTHER RECEIVABLE - Considered good & unsecured	Note		
Related Parties - Unsecured			
Creek Developers (Private) Limited (CDPL)	7.1	4,451,084	4,451,084
Less: Allowance for expected credit loss			
As at 01 July		(4,451,084)	(12,151,917)
Recognized during the period/year		-	-
Reversal made during the period/year		-	7,700,833
As at 31 December		(4,451,084)	(4,451,084)
		<u>-</u>	<u>-</u>

- 7.1** This represents the balance receivable of allocated share of common expenses.

- 7.2** The maximum aggregate amount receivable from CDPL at the end of any month during the period was Rupees 4.451 million (June 2023: Rupees 4.451 million) were impaired and provided for.

8. TRADE AND OTHER PAYABLES

Accrued liabilities		518,365	955,085
Payable to AKD Securities Limited	8.1	1,867,577	1,867,577
Overdue lease liability		810,000	810,000
Withholding tax payable		465,234	352,436
Sindh sales tax payable		363,523	196,264
Provision for workers' welfare fund		508,315	484,142
		4,533,014	4,665,504

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

9. PROVISION FOR TAXATION AND LEVY PAYABLE- NET

Provision for taxation - net

Advance income tax	1,216,750	1,216,750
Less: Provision for taxation	(1,216,750)	(1,216,750)
	<u>-</u>	<u>-</u>

Levy payable - net

Prepaid levy	912,970	575,170
Less: levy payable	(1,392,669)	(1,616,275)
	(479,699)	(1,041,105)
	(479,699)	(1,041,105)

10. CONTINGENCIES AND COMMITMENTS

10.2 Contingencies

- a)** There were no commitments outstanding as at the reporting date (June 2024: Nil).

10.3 Commitments

There were no commitments outstanding as at the reporting date (30 June 2024: Nil).

	Unaudited 31 December 2024 Rupees	Audited 31 December 2023 Rupees
11. REVENUE	<u>3,000,000</u>	<u>3,000,000</u>

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.

12. LEVY

Minimum tax	337,800	-
Prior year	-	-
	<u>337,800</u>	<u>-</u>

13. TAXATION

Current	-	(402,515)
Prior	-	(433,240)
Deferred tax	(6,556)	7,133
	<u>(6,556)</u>	<u>(828,622)</u>

14. EARNINGS/(LOSS) PER SHARE - BASIC AND DILUTED

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

	Unaudited		Unaudited	
	Six-Months Period Ended		Three-Months Period Ended	
	31 December	31 December	31 December	31 December
	2024	2023	2024	2023
	Rupees	Rupees	Rupees	Rupees
Earnings / (loss) for the period - Rupees	853,209	534,472	(1,503,105)	187,404
Number of ordinary shares in issue - Number	2,507,471	2,507,471	2,507,471	2,507,471
Earnings / (loss) per share - Rupees	0.34	0.21	(0.60)	0.07

15. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated undertakings, other related companies and key management personnel. The Company in the normal course of business carries out transactions with various related parties. Detail of transactions with related parties are as follows:

			Unaudited		Unaudited	
			Six-Months Period Ended		Three-Months Period Ended	
			31 December	31 December	31 December	31 December
			2024	2023	2024	2023
Related party	Relationship	Nature of transaction	Rupees	Rupees	Rupees	Rupees
i. AKD Securities Limited	Common directorship and 2.28% shareholding	Expenses credited	-	120,000	-	-
		Recovery of receivables	-	-	-	-
ii. R.A. Enterprises	Sponsor's interest	Recovery of receivables	-	2,400,000	-	-
iii. AKD REIT Management Company Limited	Associate	Revenue	3,450,000	3,000,000	1,725,000	1,500,000
		Recovery of receivables	3,450,000	904,000	1,725,000	904,000
iv. Mr. Aqeel Karim Dhedhi	Sponsor shareholder	Capital contribution	-	10,900,833	-	-

15.2 The receivable / payable balances with related parties as at 31 December 2024 are disclosed in the respective notes to the condensed interim financial statements.

16. FINANCIAL RISK MANAGEMENT

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

The condensed interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements and should be read in conjunction with the Company's audited annual financial statements for the year ended 30 June 2024.

17. DATE OF AUTHORISATION

These condensed interim financial statements were approved and authorized for issue on 28 FEB 2025 by the Board of Directors of the Company.

18. GENERAL

- No reclassification / rearrangement of the corresponding figures has been made during the period in these condensed interim financial statements.
- Figures have been rounded off to the nearest Rupee.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER