



SINCE 1980

AL-KHAIR GADOON LTD.

Condensed Interim
Financial Statements
Half Year Ended

December
31, 2022
(Un-Audited)

**COMPANY INFORMATION****BOARD OF DIRECTORS:**

Muhammad Araf Sheikh	Chairman
Muhammad Naveed Sheikh	Chief Executive
Muhammad Anis Sheikh	Non-Executive Director
Mrs. Farzana Afzal	Non-Executive Director
Mrs. Fariha-Saeed	Non-Executive Director
Mrs. Nafisa Anis	Non-Executive Director
Mr. Asif Tajjal	Independent Director
Mr. Kamal Siddiqui	Independent Director

AUDIT COMMITTEE:

Mr. Kamal Siddiqui	Chairman
Mrs. Fariha-Saeed	Member
Mr. Asif Tajjal	Member
Mr. Chirwan Shikoh	Secretary

HUMAN RESOURCE & REMUNERATION COMMITTEE:

Mr. Kamal Siddiqui	Chairman
Mrs. Fariha-Saeed	Member
Mrs. Farzana Afzal	Member
Miss Samira Khatib	Secretary

CFO / CHIEF ACCOUNTANT:

Mr. Johnnie Chudbery

COMPANY SECRETARY:

Muhammad Anis Sheikh

AUDITORS:

M/s. Tahir Siddiqi & Co., Chartered Accountants.

LEGAL ADVISOR:

Mr. Umar Jamil (Delaware High Court)

SHARES REGISTRAR:

Stemas International (Pvt) Limited
103 Imperial Garden House, Main Boulevard,
Pangasinan-City, Clark Road, La Trinidad.

BANKERS:

Muscat Bank Limited
Bank Al-Jahli Limited,
Habbah Metropolitan Bank Limited
Alfalah Bank Limited
Saeed Bank Limited

REGISTERED OFFICE & FACTORY SITE:

10/1, 94A & 94B-Phase II, Industrial
Estate, Gadhoo Avenue,
District Swat, (K.P.K.)
Tel: (0918) 270540
Fax: (0918) 270578

CORPORATE OFFICE:

Al-Khair House,
40-T, Gadhoo B, Lahore,
Tel: (9992) 4311011
Fax: (992) 11714088, 3713719
Email: info@al-khairgroup.com
Website: www.al-khairgroup.com



**DIRECTORS' REVIEW REPORT
FOR THE HALF YEAR ENDED DECEMBER 31, 2022**

On behalf of the board of directors of the Company, we are pleased to present before you Condensed Interim Financial Statements of the Company for the half year ended December 31, 2022.

Operational Results

During the half year ended December 31, 2022, the Company remained on the track of progress and recorded net sales of Rs. 555,298,878 compared to Rs. 448,766,028 for the same period of last year with an increase of Rs. 107,291,212 (23.89%). During the period under review, the Company earned a gross profit of Rs. 248,641,278 and net profit of Rs. 1,362,000 as compared to gross profit of Rs.244,112,861 and net profit of Rs. 28,292,141 respectively for the same period of last year.

Future Outlook

The major threat to business especially at retail level is ever rising inflation and business prevailing in the country which has severely affected the purchasing power of customers resulting affecting the sales targets of items and allied products. The management of the Company is fully aware of state of affairs of the Company and economic conditions of the country in terms of inflation, prevailing downturn in the country, in addition to intense competition from existing players and new entrants which are major challenges to meet in coming times. Businesses are facing problems of high interest rates and hurdles in imports due to economic situation of the country.

The management of the Company is fully cognizant of the situation and will overcome through the strategies of improved operational efficiencies, synergies, best product mix management, effective cost control measures and better trade partnering with customers. The Company has been exhibiting strong performance against challenges over the years, for it vulnerability of increased competition, fluctuation in raw material prices or exchange rate. Operational excellence and management skills have positioned the Company for sustainable growth to meet challenges ahead. Being socially responsible, financially viable and operationally sound will remain the key objectives of the Company.

Appreciation

We would like to acknowledge and appreciate the devoted and cheery services of our workers, staff members of the management team. We are grateful to our bankers and other stakeholders. We also thank the continued co-operation extended by our customers and retailers who are the key element of our Company.


MERVIN M AFZAL SHEIKH
Chairman


MERVIN M AFZAL SHEIKH
Chief Executive

Lahore, February 24, 2023



**INDEPENDENT AUDITORS' REVIEW REPORT
TO THE MEMBERS OF AL-KHAIR GADOON LIMITED
REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS**

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Al-Khair Gadoon Limited as at December 31, 2022 and the related condensed interim statements of profit or loss and other comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows and notes to the financial statements for the six-month period then ended (hereinafter referred to as the "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 Palestine for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements (ISRE), "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 the 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 interim financial statements are not prepared, in all material aspects, in accordance with the accounting and reporting standards as applicable in Palestine for interim financial reporting.

The engagement partner on the review resulting in this independent auditor's review report is Sarah Taha Siddiqui.

Taha Siddiqui & Co.
Chartered Accountants

Laban | February 14, 2023
UD06RAC022022004940404


**COMPARISON OF CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT NOVEMBER 30, 2022**

		The Audited November 30 2022	Audited Nov. 30 2021
	Note	Bqeen	Bqeen
ASSETS			
NON-CURRENT ASSETS			
Property, Plant and Equipment	1	366,281,666 366,271,444	171,260,264 171,260,264
CURRENT ASSETS			
Stores and Spares		4,282,261	5,403,134
Stocks in Trade		299,134,000	292,010,266
Trade Debtors		49,774,000	55,400,211
Advances, Deposits and Prepayments		24,078,200	42,470,211
Advances/ Loans - Net		52,076,070	51,288,266
Cash and Bank Balances	11	78,981,437 89,211,260	17,739,460 68,360,211
TOTAL ASSETS		<u>827,444,034</u>	<u>537,750,214</u>
EQUITY AND LIABILITIES			
Authorized Capital			
11,000,000 Ordinary shares of 100.00 each		110,000,000	110,000,000
Issued, Subscribed and held up Capital		100,000,000	100,000,000
Capital Reserves - (Share Premium)		20,000,000	20,000,000
Unappropriated Profits		366,774,034	187,750,214
Shareholders' Equity		496,774,034	417,750,214
NON-CURRENT LIABILITIES			
Long Term Loans	4	8,224,200	11,171,000
Lease Liabilities		1,421,000	1,479,419
Deferred Liabilities		87,071,000	97,071,000
		96,716,200	110,721,419
CURRENT LIABILITIES			
Current portion of Long Term Loans	4	1,281,000	1,171,217
Lease Liabilities		871,500	860,260
Trade and Other Payables		610,888,000	617,249,487
Taxes Payable		84,000	121,767
Short Term Borrowings (to Current Bank)	7	66,687,000	175,633,264
		1,713,300	1,772,524
		265,526,800	296,907,467
CONTINGENCIES AND COMMITMENTS	8	-	-
TOTAL EQUITY AND LIABILITIES		<u>827,444,034</u>	<u>537,750,214</u>



MOHAMED M. AL-HARBI
CHAIRMAN



H. H. AL-SAYID
CHIEF EXECUTIVE



MOHAMED AL-HARBI
CHIEF FINANCIAL OFFICER

Issued February 24, 2023



**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME (CONTINUED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2022**

	Half Year Ended		Quarter Ended	
	July-Dec, 2022	July-Dec, 2021	Oct-Dec, 2022	Oct-Dec, 2021
	Riyals		Riyals	
Sales - net	28,992,000	48,780,000	20,004,781	28,190,000
Cost of sale	(187,234,722)	(200,247,000)	(204,284,021)	(222,220,000)
Gross profit	86,000,000	88,533,000	85,720,762	65,970,000
Administrative expenses	(24,966,000)	(20,407,000)	(16,024,000)	(17,290,000)
Distribution expenses	(23,880,000)	(21,220,000)	(23,880,000)	(21,220,000)
Operating profit	37,154,000	46,906,000	45,816,762	27,460,000
Finance cost	(24,280,000)	(23,700,000)	(20,224,000)	(23,700,000)
Other operating income	80,000	80,000	80,000	80,000
Profit before taxes	12,954,000	23,086,000	25,672,762	13,840,000
Income tax expenses	(2,400,000)	(2,800,000)	(2,400,000)	(2,800,000)
Profit after taxes	1,054,000	20,286,000	23,272,762	11,040,000
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	1,054,000	20,286,000	23,272,762	11,040,000
Earnings per share - before tax (Basic and diluted) - Report	1.22	1.29	0.81	1.00
Earnings per share - after tax (Basic and diluted) - Report	0.85	1.00	0.80	1.17

The enclosed notes form an integral part of these condensed interim financial statements.


MOHAMED FOAD HAMED
 CHAIRMAN


MOHAMED ELMAGHRABI
 CHIEF EXECUTIVE


MOHAMED ELMAGHRABI
 CHIEF FINANCIAL OFFICER

Cairo, February 24, 2023

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE HALF YEARLY ENDED DECEMBER 31, 2022

	Year	July-Dec 2022	July-Dec 2021
		Expans	Expans
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash (used in) / generated from operations	10	24,028,791	11,000,046
Finance cost (paid)		(24,814,265)	60,960,711
Taxes (paid) / refund received		(2,000,265)	(2,075,419)
Net cash (used in)/generated from operating activities		<u>1,214,261</u>	<u>8,924,328</u>
Cash flows from investing activities:			
Fixed capital expenditure		(2,600,000)	6,000,000
Net cash (used in)/investing activities		<u>(2,600,000)</u>	<u>6,000,000</u>
Cash flows from financing activities:			
Short term borrowings		(24,700,000)	1,000,000
Long Term Loans		(2,000,000)	6,000,000
Less: Dividends		(20,000)	-
Net cash generated / (used in) financing activities		<u>(26,700,000)</u>	<u>7,000,000</u>
Net (decrease) / increase in cash and cash equivalents		<u>1,814,261</u>	<u>21,924,328</u>
Cash and cash equivalents at the beginning of the year		<u>11,000,000</u>	<u>20,000,000</u>
Cash and cash equivalents at the end of the period		<u>12,814,261</u>	<u>41,924,328</u>

MOHAMED ELAL MENEH
MANAGING DIRECTORMOHAMED ELAL MENEH
MANAGING DIRECTORMOHAMED ELAL MENEH
MANAGING DIRECTOR

COMPARATIVE INTERIM STATEMENT OF CHANGES IN EQUITY (IN QATAR)
FOR THE HALF YEARLY PERIOD ENDED DECEMBER 31, 2022

	Issued, Subscribed			Total
	and Paid up Share Capital	Share Premium	Unappropriated Profits	
Balance as at July 2021 (No audit)	10,000,000	10,000,000	10,675,000	30,675,000
Comprehensive income for the year				
Profit for the period	-	-	10,701,200	10,701,200
Other comprehensive income (loss)	-	-	-	-
	-	-	10,701,200	10,701,200
Balance as at December 31, 2021 (No audit)	10,000,000	10,000,000	21,376,200	41,376,200
Balance as at July 2022 (No audit)	10,000,000	10,000,000	19,271,200	39,271,200
Comprehensive income for the period				
Profit for the period	-	-	1,000,000	1,000,000
Other comprehensive income (loss)	-	-	-	-
	-	-	1,000,000	1,000,000
Balance as at December 31, 2022 (No audit)	10,000,000	10,000,000	20,271,200	40,271,200



MOHAMMAD-AFZAL HAMEED
CHAIRMAN



MOHAMMAD-HUSEIN HAMEED
CHIEF EXECUTIVE



ZAYAD AL-HAZBANI
CHIEF FINANCIAL OFFICER

Dubai, February 04, 2023





NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE HALF YEARLY ENDED DECEMBER 31, 2022

1 LEGAL STATUS AND OPERATIONS

Al-Khair Gadoon Limited (the Company) was incorporated on August 27, 1998 as Private Limited Company under the Companies Ordinance, 1984 (the Ordinance) (now Companies Act, 2017) and converted into Public Limited Company on August 26, 1999 and is listed on the Pakistan Stock Exchange Limited. It is primarily engaged in manufacturing of flour and allied products. The company's registered office is located at 80/3, Phase-III, Industrial Estate , Gadoon Amroli/District Faisalabad-KPE and corporate office is located at Al-Khair House, 40-F, Chughtai B, Lahore. The manufacturing plant of the company is located at 80/3, Phase-III, Industrial Estate , Gadoon Amroli, District Faisal, KPE and 40-A, 40-B, Phase-III, Industrial Estate, Gadoon Amroli, District Faisal, KPE.

2 BASIS OF PREPARATION

2.1 STATEMENT OF COMPLIANCE

These condensed interim financial statements of the Company for the half year ended December 31, 2022 have been prepared in accordance with 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 comprises of:

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

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

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

2.3 The figures included in the condensed interim statement of profit or loss and other comprehensive income for the quarters ended December 31, 2022 and 2021 and the corresponding statement balance sheet have not been audited by the auditors of the Company, as they have reviewed the unconsolidated figures for the half years ended December 31, 2022 and 2021.

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 The accounting policies and methods of computation adopted in the preparation of these condensed interim financial statements are consistent with those applied in preparation of annual audited financial statements for the year ended June 30, 2022 except as indicated in note 3.2 (a) below.

3.2 Change in accounting standards, interpretations and amendments to published approved accounting and reporting standards

(C) Standards and amendments to published approved accounting and reporting standards which are effective during the half year ended December 31, 2022.

There were certain amendments to accounting and reporting standards which became mandatory for the company during the period. However, these amendments to the standards did not have any significant impact on the financial reporting of the company and therefore have not been disclosed in these condensed interim financial statements.

20) New standards and amendments to published approved accounting and reporting standards that are not yet effective

There are new standards and certain amendments and interpretations to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after Dec 31, 2023. However, these standards, amendments and interpretations will not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these condensed interim financial statements.

4. ACCOUNTING ESTIMATES AND JUDGEMENTS

- 4.1 The preparation of the condensed interim financial information in conformity with the approved accounting standards requires the use of certain accounting estimates. It also requires exercising 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. Actual results may differ from these estimates.
- 4.2 During the 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 uncertainty were the same as those that were applied to the audited annual financial statements for the year ended Dec 31, 2022.
- 4.3 The provision for taxation for the half year ended December 31, 2022 has been made on an estimated basis.

5. PROPERTIES, PLANT & EQUIPMENT

	31-Dec-22 (Un-audited) Report	30-Jun-22 Audited Report
Operating assets		
Book value at the beginning of the period / year	171,093,985	171,093,976
Addition during the period / year	1,447,400	1,447,400
Deletions during the period / year	-	-
	<u>172,541,385</u>	<u>172,541,376</u>
Depreciation charged during the period / year	<u>(16,099,795)</u>	<u>(16,721,892)</u>
Book value at the end of the period / year	<u>156,441,590</u>	<u>155,819,484</u>
	Additions	Deletions
5.1 Following additions were made during the period		
Plant and Machinery	899,000	-
Tools and Equipment	-	-
Office Equipment	10,000	-
Furniture and Fixtures	16,000	-
Computers	110,000	-
Vehicle	-	-
Vehicle (Leased)	<u>1,411,000</u>	<u>-</u>
	<u>1,425,000</u>	<u>-</u>

6. LONG TERM LOAN

	30-Jun-22 Un-audited Report	30-Jun-21 Audited Report
6.1 Long Term Loan (Shahd Bank)-Secured	1,131,000	1,200,000
Less: Current portion of long term loan	<u>(1,051,000)</u>	<u>(1,000,000)</u>
	<u>80,000</u>	<u>1,00,000</u>
6.2 Long Term Loan (BAFL)-Secured	1,113,000	-
Less: Current portion of long term loan-Secured	<u>(1,113,000)</u>	<u>(1,113,000)</u>
	<u>-</u>	<u>(1,113,000)</u>

There is no material change in the terms and conditions of the long-term loan as disclosed in the annual audited financial statements as at and for the year ended June 30, 2022.

The loan from bank, at initial has been fully paid and settled during this period.

7. SHORT TERM BORROWINGS

	30-Jun-22 Un-audited Report	30-Jun-21 Audited Report
BAFL - Finance Against Imported Goods	94,700,000	104,000,000
Less Short-Term Loan - Secured	<u>(70,000,000)</u>	<u>(70,000,000)</u>
	<u>24,700,000</u>	<u>34,000,000</u>

7.1 This represents the amount the loan received from directors to meet working capital requirement of the Company. It is unsecured and interest free which is repayable on demand.

8. CONTINGENCIES AND COMMITMENTS
8.1 Contingencies

There is no material change in the status of contingencies as reported in the financial statements for the preceding financial year ended June 30, 2022.

8.2 Commitments

Commitments in respect of issue of credit for raw materials as per financial data were Rs.25,000,000 (June 30, 2022 Rs. 10,000,000)

9. TRANSACTIONS WITH RELATED PARTIES

There were no related party transactions during the period.

The transactions with related parties are executed on arm's length prices. Directors are interested to the extent of their shareholding / shareholding. There is no change in nature of relationship with related parties as reported in the financial statements for the preceding financial year ended June 30, 2022.

	31-Jun-22 Un-audited Report	31-Jun-21 Un-audited Report
10. CASH GENERATED FROM OPERATIONS		
Profit before taxation	11,212,448	21,901,440
Adjustments to net cash flow:		
Depreciation on property, plant and equipment	6,888,179	6,641,079
Finance cost	<u>16,399,240</u>	<u>4,778,659</u>
Provision for loss Allowance	<u>(26,270)</u>	<u>(14,850)</u>
	<u>11,973,757</u>	<u>13,215,328</u>
Operating profit before working capital change	<u>27,236,205</u>	<u>35,116,768</u>

**Recurrent/Recurring Income and assets:**

Share and option	60,000	1,247,241
Stock exchange	17,000,000	1,700,000
Trade debt	5,000,000	1,000,000
Advances, deposits and prepayments	4,000,000	700,000
	<u>6,000,000</u>	<u>3,647,241</u>

Recurrent/Recurring Income and liabilities:

Trade and other payables	<u>(2,000,000)</u>	<u>(2,000,000)</u>
Net cash flow from Operating Activities	<u>(2,000,000)</u>	<u>(2,000,000)</u>

11. CASH AND BANKS

Cash in hand	1,000,000	5,000,000
Cash at banks	<u>1,000,000</u>	<u>10,000,000</u>
	<u>2,000,000</u>	<u>15,000,000</u>

12. FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

The carrying value of all financial assets and liabilities in these financial statements approximates their fair value.

13. FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks: market risk (including foreign currency risk, interest rate risk and other price risks), credit risk and liquidity risk.

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

There has been no change in Company's sensitivity to these risks since June 30, 2022 except for general exposure to fluctuations in foreign currency and interest rates. There have been no change in the risk management policies during the period.

There have been no significant changes in the business or economic circumstances during the period that would have affected the fair value of the financial assets of the Company. Further, no re-classification in the category of financial assets have been made since June 30, 2022.

14. GENERAL

Figures have been rounded off to the nearest rupee and previous period's figures have been reclassified where necessary.

15. DATE OF INTERIMIZATION

The Condensed interim financial statements were authorized for issue on February 24, 2022 by the board of directors of the company.

MOHAMMAD AFZAL MIRZA
CHAIRMAN

MOHAMMAD USMAN MIRZA
CHIEF EXECUTIVE

FARHAN ALI CHAUDHARY
CHIEF FINANCIAL OFFICER

Issued February 24, 2022

CONTACT US

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