

AUDIT REPORT



MORE
RESOLVE TO BUILD

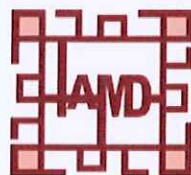
Motorway Operations and Rehabilitation Engineering
(Pvt) Ltd.

**Motorway Operations and Rehabilitation
Engineering (Private) Limited**

Audit for the year ended

30 June 2025

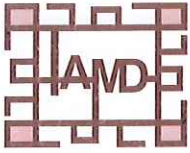
Submitted by:



H.A.M.D & Co.
Chartered Accountants

H.A.M.D & Co.
Chartered Accountants

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H.A.M.D & Co.
CHARTERED ACCOUNTANTS



INDEPENDENT AUDITOR'S REPORT

To the members of Motorway Operations and Rehabilitation Engineering (Private) Limited

Report on the Audit of Financial Statements

Opinion

We have audited the annexed financial statements of **Motorway Operations and Rehabilitation Engineering (Private) Limited** ("the Company"), which comprise the statement of financial position as at June 30, 2025, and the statement of profit or loss, the statement of 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 material accounting policy information 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, statement of profit or loss, the statement of 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 June 30, 2025 and of the Profit, total 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 Auditor's 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.

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.

Emphasis of Matter

We draw your attention to Note 4 of the financial statements, which outlines the restatement of prior period financial statements. The financial statements for the prior periods have been revised to reflect these adjustments, and the impact on previously reported figures is detailed in Note 4. Our opinion is not modified in respect of this matter.

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 the 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.

Report on Other Legal and Regulatory Requirements

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

- Proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- The statement of financial position, the statement of profit or loss, the statement of 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;
- Investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- No zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

Other Matter

The financial statements of the Company for the year ended June 30, 2024, were audited by Crowe Hussain Chaudhury & Co. Chartered Accountants, who expressed an unmodified opinion on those financial statements on October 15, 2024.

The engagement partner on the audit resulting in this independent auditor's report is Muhammad Asif Raza (FCA).



H.A.M.D & Co.

H.A.M.D & Co.

Chartered Accountants

Place: Islamabad

Date: November 19, 2025

UDIN: AR202510339NSOGYKAi1

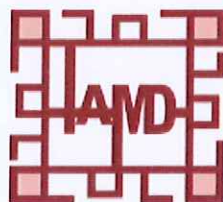
FINANCIAL STATEMENTS



Motorway Operations and Rehabilitation Engineering
(Pvt) Ltd.

Motorway Operations & Rehabilitation Engineering (Pvt) Limited

For the Year Ended
30-Jun-25



H.A.M.D & Co.
Chartered Accountants

H.A.M.D & Co.
Chartered Accountants

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Motorway Operations & Rehabilitation Engineering (Pvt) Limited

Statement of Financial Position

As at June 30, 2025

	Note	June 30, 2025 (Rupees)	Restated June 30, 2024 (Rupees)	Restated July 1, 2023 (Rupees)
ASSETS				
Non-Current Assets				
Property and equipment	5	230,053,399	250,514,202	228,369,303
Concession assets	6	2,093,225,084	5,240,788,647	8,393,329,571
Intangible assets	7	6,743,887,689	7,498,260,875	8,252,634,059
Deferred taxation net	8	284,431,233	-	-
		9,351,597,405	12,989,563,724	16,874,332,933
Current Assets				
Short-term Advances	9	9,707,824	344,469,926	339,306,327
Other receivables	10	4,392,126,367	6,795,686,453	5,167,846,196
Advance income tax	11	692,083,409	1,167,126,965	1,173,005,673
Short-term investments	12	500,130,383	455,918,115	387,390,516
Cash and bank balances	13	1,509,449,478	379,244,032	7,029,037
		7,103,497,461	9,142,445,491	7,074,577,749
TOTAL ASSETS		16,455,094,866	22,132,009,215	23,948,910,682
EQUITY AND LIABILITIES				
Share Capital and Reserves				
Issued, subscribed and paid up share capital	14	11,041,714,200	11,041,714,200	11,041,714,200
Unappropriated profit		1,106,235,094	1,083,055,559	1,941,193,378
		12,147,949,294	12,124,769,759	12,982,907,578
Non-Current Liabilities				
Long - term loan	15	-	1,234,271,511	2,680,594,574
Long - term liabilities	16	-	213,557,500	213,557,500
Long - term security deposits	17	243,293,653	197,893,416	179,723,899
Deferred taxation net	8	-	693,343,257	524,063,608
Lease Liability	18	274,089,586	283,246,680	289,105,823
Other deferred liability	19	294,292,852	265,009,322	238,639,642
		811,676,091	2,887,321,686	4,125,685,046
Current Liabilities				
Current portion of long - term loan	15	1,234,271,511	1,234,271,504	1,234,271,504
Current portion of long - term liabilities	16	-	3,093,179,842	3,093,179,842
Current portion of lease liability	18	9,157,095	5,859,142	3,039,397
Trade and other payables	20	2,252,040,875	1,902,703,927	1,364,937,177
Provision for taxation	21	-	883,903,355	1,144,890,138
		3,495,469,481	7,119,917,770	6,840,318,058
TOTAL EQUITY AND LIABILITIES		16,455,094,866	22,132,009,215	23,948,910,682
Contingencies and Commitments	22	-	-	-

The annexed notes from 1 to 39 form an integral part of these financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR

Motorway Operations & Rehabilitation Engineering (Pvt) Limited

Statement Of Profit Or Loss

For the year ended June 30, 2025

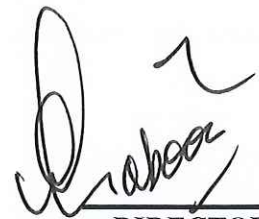
	Note	June 30, 2025 (Rupees)	Restated June 30, 2024 (Rupees)
Net Revenue			
Revenue from toll	23	5,956,662,941	8,572,868,060
Service area income	24	425,533,822	643,773,414
		6,382,196,763	9,216,641,474
Cost of Revenue	25	(8,611,702,344)	(6,384,958,869)
Gross profit		(2,229,505,581)	2,831,682,605
Administrative expenses	26	(229,813,825)	(195,947,213)
Finance costs	27	(400,098,680)	(836,352,324)
Other income	28	2,542,378,426	128,648,446
		1,912,465,921	(903,651,091)
Profit before taxation		(317,039,660)	1,928,031,514
Less: Provision for taxation	29	340,219,195	(1,240,329,345)
Profit after tax		23,179,535	687,702,169

The annexed notes from 1 to 39 form an integral part of these financial statements.

H.M.P



CHIEF EXECUTIVE OFFICER



DIRECTOR

Motorway Operations & Rehabilitation Engineering (Pvt) Limited

Statement of Comprehensive Income

For the year ended June 30, 2025

	June 30, 2025	Restated June 30, 2024
Note	<u>(Rupees)</u>	<u>(Rupees)</u>
Profit for the year	23,179,535	687,702,169
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u>23,179,535</u>	<u>687,702,169</u>

The annexed notes from 1 to 39 form an integral part of these financial statements.

H.M.D



CHIEF EXECUTIVE OFFICER



DIRECTOR

Motorway Operations & Rehabilitation Engineering (Pvt) Limited

Statement of Changes In Equity

For the year ended June 30, 2025

	Share capital	Accumulated Profit	Total
	(-----Pak Rupees-----)		
As previously stated			
Balance as at July 01, 2023	11,041,714,200	1,591,926,473	12,633,640,673
Adjustment on correction of errors	-	349,266,905	349,266,905
Restated			
Balance at July 01, 2023	11,041,714,200	1,941,193,378	12,982,907,578
Profit for the year	-	687,702,169	687,702,169
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	687,702,169	687,702,169
Dividend paid during the year	-	(1,545,839,988)	(1,545,839,988)
Balance at June 30, 2024	11,041,714,200	1,083,055,559	12,124,769,759
Balance at July 01, 2024	11,041,714,200	1,083,055,559	12,124,769,759
Profit or loss for the year	-	23,179,535	23,179,535
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	23,179,535	23,179,535
Dividend paid during the year	-	-	-
Balance at June 30, 2025	11,041,714,200	1,106,235,094	12,147,949,294

The annexed notes from 1 to 39 form an integral part of these financial statements.

H.M.P



CHIEF EXECUTIVE OFFICER



DIRECTOR

Motorway Operations & Rehabilitation Engineering (Pvt) Limited

Statement of Cash Flows

For the year ended June 30, 2025

	June 30, 2025	Restated June 30, 2024
Note	(Rupees)	(Rupees)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	(317,039,660)	1,928,031,514
<i>Adjustment for non-cash and non-operating items:</i>		
Depreciation expense of operating fixed asset	5.2 31,215,924	22,991,380
Depreciation expense of concession assets	6.2 3,147,563,563	3,152,540,924
Amortization expense of intangibles	7.1 754,373,186	754,373,184
Amortization of deposit money	28 (3,972,000)	(3,188,484)
Profit on bank deposits	28 (87,421,243)	(46,778,350)
Profit on investment	28 (63,163,260)	(70,867,514)
Interest on long-term loan-FWO	27 350,320,492	789,064,041
Unwinding of hand back cost	27 29,283,530	26,369,680
Interest expense on lease liability	27 20,494,658	20,918,603
	4,178,694,850	4,645,423,464
<i>Working capital adjustment:</i>		
Short-term Advances	9 334,762,101	(5,163,599)
Other receivables	10 2,403,560,085	(1,627,840,257)
Trade and other payables	20 353,308,947	537,766,750
	3,091,631,133	(1,095,237,106)
Net cash generated from operations	6,953,286,323	5,478,217,872
Taxes paid	11 (1,046,415,094)	(1,326,157,771)
Increase in long term security deposits	17 45,400,237	21,358,000
	(1,001,014,857)	(1,304,799,771)
Net cash generated from operating activities	5,952,271,466	4,173,418,101
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of operating fixed assets	5.2 (10,755,121)	(45,136,279)
Short term investments made during the year	12 (62,113,916)	(53,778,282)
Interest received on short term investments	28 81,064,908	56,118,197
Interest received on saving account	28 87,421,243	46,778,350
Net cash generated from investing activities	95,617,114	3,981,986
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long-term loan	15 (1,584,591,992)	(2,235,387,104)
Lease rental paid	18 (26,353,800)	(23,958,000)
Dividend paid	-	(1,545,839,988)
Repayment of other long - term financial liabilities	16 (3,306,737,342)	-
Net cash (used in) financing activities	(4,917,683,134)	(3,805,185,092)
Net increase in cash and cash equivalents during the year	1,130,205,446	372,214,995
Cash and cash equivalents at beginning of the year	379,244,032	7,029,037
Cash and cash equivalents at end of the year	1,509,449,478	379,244,032

The annexed notes from 1 to 39 form an integral part of these financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR

Motorway Operations & Rehabilitation Engineering (Pvt) Limited

Notes To The Financial Statements

For the year ended June 30, 2025

1 THE COMPANY AND ITS OPERATIONS

- 1.1 Motorway Operations and Rehabilitation Engineering (Private) Limited (the Company) was incorporated as private limited company on 11 April 2014 under the Companies Ordinance, 1984 (replaced by the Companies Act, 2017 with effect from 30 May 2017).

The Company is principally formed for the purpose of overlay and modernization of Lahore-Islamabad Motorway, herein referred as M-2, on a built, operate and transfer basis, pursuant to Concession Agreement dated 23 April 2014, entered into between National Highway Authority (NHA) and the Company (The Project) for a period of 20 years.

The Company further entered into Engineering, Procurement, and Construction (EPC) contract with Frontier Works Organization (FWO - the Parent Company) dated 11 December 2014 for completion of the Project. As per the provisions of EPC contract, the Project is being executed by FWO on behalf of the Company.

- 1.2 On 22 May 2014, the Company signed a Term Sheet with a Consortium of four banks to finance the development, designing, engineering and construction of the Project through a Syndicate Term Financing Facility (STFF) of Rs. 25,778 million, representing 70% of the total estimated project cost of Rs. 36,825 million, while remaining 30% to be injected in the form of equity by FWO. STFF has been repaid completely by the company in previous years.

The geographical location and address of the Company's business unit is as under:

- The registered office of the Company is situated at House No, 293-C, Peshawar Road, Rawalpindi.

2 BASIS OF PREPARATION

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 (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017.
- Islamic Financial Accounting Standards (IFAS) 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 provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

The Company has availed the relaxation granted by the Securities and Exchange Commission of Pakistan (SECP), from requirements of IFRIC 12 while preparing these financial statements. For the accounting policies, adopted by the Company in respect of its Service Concession Agreement with NHA, refer to notes 3.4.

H.A.M.U

Motorway Operations & Rehabilitation Engineering (Pvt) Limited

Notes To The Financial Statements

For the year ended June 30, 2025

2.2 Basis of Measurement

These financial statements have been prepared under historical cost convention, except as otherwise stated in respective policies and notes hereunder. In these financial statements, except for the amounts reflected in the statement of cash flows, all transactions have been accounted for on accrual basis.

2.3 Functional and presentation currency

These financial statements are presented in Pakistani Rupee (Rs. / Rupees) which is the Company's functional currency. Amounts presented in the financial statements have been rounded off to the nearest of Rs. / Rupees, unless otherwise stated.

2.4 Key judgment and estimates

The preparation of financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires the use of certain critical accounting estimates. In addition, it requires management to exercise judgement in the process of applying the Company's accounting policies. The areas involving a high degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are documented in the following accounting policies and notes, and relate primarily to:

- Useful lives, residual values and depreciation method of property and equipments - Note 3.2 & 5
- Useful lives, residual values and concession assets - Note 3.3 & 6
- Useful lives, residual values and amortization method of intangible assets - Note 3.5 & 7
- Estimation of provisions for hand back cost- Note 3.13
- Estimation of provisions - Note 3.15
- Estimation of contingent liabilities - Note 3.16
- Current income tax expense, provision for current tax and recognition of deferred tax asset - Note 3.17 & 29

The revisions to accounting estimates (if any) are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

3 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years for which financial information is presented in these financial statements, unless otherwise stated.

3.1 Changes in Accounting Standards, Interpretations and Pronouncement

Standards, Amendments and interpretations to existing standards that are not yet effective and have not been early adopted by company are as follows:

Descriptions		Effective date
IFRS-7	Financial Instruments Disclosures (Classification and measurements)	Jan -01-2026
IFRS-9	Financial Instruments (Classification and measurements of financial instruments)	Jan -01-2026
IFRS-18	'Presentation and Disclosure in Financial Statements	Jan -01-2027
IFRS S1	General Requirements for Disclosure of Sustainability-related Financial Information	July -01-2025
IFRS S2	General Requirements for Climate-related Disclosures.	July -01-2025

Motorway Operations & Rehabilitation Engineering (Pvt) Limited

Notes To The Financial Statements

For the year ended June 30, 2025

The management anticipates that adoption of above standards, amendments and interpretations in future periods, will have no material impact on financial statements other than the impact on Presentation or Disclosures.

Further, the following standards and interpretations have been issued by the International Accounting Standard Board (IASB), which are yet to be notified by the Securities and Exchange Commission of Pakistan (SECP), for the purpose of their applicability in Pakistan:

IFRS-1	First time adoption of International financial reporting standard
IFRS-17	Insurance contracts

The following interpretations issued by the IASB has been waived off by SECP:

IFRIC-12	Service concession arrangements
----------	---------------------------------

SRO 24(I)/2012 issued by SECP dated January 16, 2012 grants waiver with immediate effect grants waiver from IFRIC-12 requirements to all companies.

3.2 Property and equipment

Measurement

Items of operating fixed assets other than land, buildings, leasehold improvements and capital work in progress are measured at cost less accumulated depreciation and impairment loss (if any).

Land, buildings and leasehold improvements are measured at the cost less accumulated depreciation and impairment loss (if any).

Capital work in progress is stated at cost less impairment loss (if any).

Initial Recognition

All items of operating fixed assets are initially recorded at cost.

Subsequent Measurement

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 repairs and maintenance costs that do not meet the recognition criteria are charged to the statement of profit or loss as and when incurred.

Depreciation

Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation is charged using the straight line method at the rates specified in note 5.2. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale under IFRS 5 and the date that the asset is derecognized. Therefore, depreciation does not cease when the asset become idle or is retired from active use unless the asset is fully depreciated. However, under usage methods of depreciation the depreciation charge can be zero while there is no production. Depreciation is charged on asset on number of days the asset is used in the year of addition and also in the year of disposal.

Handwritten signature/initials

Motorway Operations & Rehabilitation Engineering (Pvt) Limited

Notes To The Financial Statements

For the year ended June 30, 2025

Impairment

The carrying values of assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amounts, the assets are written down to their recoverable amounts.

Disposal

Assets are derecognized when disposed off or when no future economic benefits are expected to flow from its use. Gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized on net basis within "other income" in the statement of profit or loss.

Judgements and estimates

The Company reviews the useful lives of operating fixed assets on a regular basis. Any change in estimates in future years might affect the carrying amounts of the respective items of operating fixed assets with a corresponding effect on the depreciation charge and impairment.

3.3 Concession assets

Concession assets are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes construction costs incurred on overlay and modernization of M-2 motorways, present value of the initial estimate of the hand back cost and borrowing costs relating to funds specifically borrowed for overlay and modernization of M-2.

Depreciation is charged to income applying the straight-line method at the rates mentioned in note 6 to these financial statements, whereby the cost of an asset is written off over its estimated useful life. Depreciation on additions is charged from the month of acquisition with no charge of depreciation in the month of disposal.

An item of concession assets is derecognized as per CAM agreement on April 2034, such assets will be fully written off at that date.

Application of waiver from requirement of IFRIC 12 "Service Concession Arrangement"

In accordance with S.R.O 24(1)/2012, dated 16 January 2012, the Company has availed exemption, granted by Securities and Exchange Commission of Pakistan (SECP), from requirements of IFRIC 12 while preparing these financial statements.

IFRIC 12 applies to public-to-private service concession arrangements if the grantor controls or regulates what services the operator must provide with the infrastructure, to whom it must provide them, and at what price; and the grantor controls through ownership, beneficial entitlement or otherwise any significant residual interest in the infrastructure at the end of the term of the arrangement.

Under the Company's Concession Agreement, IFRIC 12 would have required the Company not to recognize any infrastructure as part of its property, plant and equipment. The Company would have to account for its cost on overlay and modernization of M-2, disclosed in note 6 to the financial statements, as expenses in statement of profit or loss by reference to the stage of completion. The Company would also have been required to recognize revenue for these services at its fair value, normally calculated on the basis of cost and generally applicable margin on similar services, against an intangible asset, representing a right to charge toll from users of M-2 motorway. Borrowing attributable to arrangement would also have been capitalized as part of intangible asset.

U.A.M.O

Motorway Operations & Rehabilitation Engineering (Pvt) Limited

Notes To The Financial Statements

For the year ended June 30, 2025

The Company, however, has applied the waiver granted by SECP and is carrying its incurred cost of overlay and modernization of M-2 (including the related borrowing cost) as concession assets. Further, the Company has not bifurcated its revenue between consideration for overlay and modernization of M-2 and operation services for M-2.

Had the waiver not been granted by the SECP, the Company's property, plant and equipment would have been lower by Rs. 18,075 million. However, owing to practical complexities in the determination of fair value of the Company's services to NHA for overlay and modernization of M-2, the value of intangibles, revenue and cost of revenue cannot be estimated reliably.

3.4 Concession work-in-progress

Concession work-in-progress is stated at cost less accumulated impairment losses, if any. It consists of expenditure incurred in respect of tangible assets in the course of their construction and installation. Transfers are made to the relevant fixed assets category as and when assets are available for intended use. As per concession asset agreement between National Highway Authority (NHA) and the company, company has right to build, operate and transfer such assets upon completion to NHA on April 23, 2034. The company is required to pay periodic instalments as per agreed schedule. The company is entitled to collect the revenue from toll and service area rentals, which is subsequently outsourced to Frontier Works Organisation (FWO).

3.5 Intangible

Acquired

Intangible assets acquired separately are initially recognized at cost. After initial recognition, these are measured at cost less accumulated amortization and accumulated impairment losses. Costs associated with routine maintenance of intangible assets are recognized as an expense when incurred. However, costs that are directly attributable to identifiable intangible assets and which enhance or extend the performance of intangible assets beyond the original specification and useful life is recognized as capital improvement and added to the original cost of the intangible assets.

Amortization is charged so as to allocate the cost of assets over their estimated useful lives, using the straight-line method at the rates specified in note 5 to the financial statements.

Internally Generated

The cost of an internally generated intangible asset comprises all directly attributable costs necessary to create, produce and prepare the asset to be capable of operating in the manner intended by the management. After initial recognition, internally generated intangible assets are carried at cost less accumulated amortization and impairment losses.

Amortization is charged so as to allocate the cost of assets over their estimated useful lives, using the straight-line method at the rates specified in note 7 to the financial statements.

Development costs that are directly attributable to the design and testing of identifiable, controlled development project of an intangible asset are recognised as intangible assets when the following criteria are met:

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Notes To The Financial Statements

For the year ended June 30, 2025

- It is technically feasible to complete the intangible asset so that it will be available for use
- Management intends to complete the intangible asset and use or sell it;
- There is an ability to use or sell the intangible asset;
- It can be demonstrated how the intangible asset will generate probable future economic benefits adequate technical, financial and other resources to complete the development and to use or sell the intangible asset are available; and
- The expenditure attributable to the intangible asset during its development can be reliably

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use.

Research and development expenditure

Research and development expenditure that do not meet the criteria mentioned above are recognised as an expense incurred. Development costs previously recognised as an expenses are not recognised as an asset in a subsequent period. Such expenses are charged to 'administrative and general expenses' in the statement of profit or loss, as and when incurred.

Judgements and Estimates

The useful lives, residual values and amortization method are reviewed on a regular basis. The effect of any changes in estimate accounted for on a prospective basis.

3.6 Long term advances and other receivable

These are recognized at cost, which is the fair value of the consideration given. For measurement of loss allowance for advances, deposits and other receivables, the Company applies the IFRS 9 simplified approach to measure the expected credit losses.

3.7 Short-term investments

These are recognized under amortised cost model, which require assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other operating income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other operating gains/ (losses). Impairment losses are presented as separate line item in the profit or loss.

3.8 Cash and Cash Equivalent

Cash and cash equivalents in the statement of financial position comprise cash at banks and on hand and short-term highly liquid deposits with a maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

3.9 Long-term loan

These are recognized initially at fair value, less the attributable transactions costs. After initial recognition, these are subsequently measured at amortized cost using the Effective Interest Rate (EIR) method (Note 15). Gains and losses are recognized in the statement of profit or loss when the liabilities are derecognized.

Amortized cost is calculated by taking into account any discount or premium on acquisition, and fees or costs that are an integral part of the EIR. The amortization is included in finance costs in the statement of profit or loss.

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Notes To The Financial Statements

For the year ended June 30, 2025

3.10 Trade and other payables

Creditors and other payables

Creditors and other payables represent obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers and service providers. These are classified as current liabilities if payment is due within one year or within the normal operating cycle of the Company, whichever is longer.

Creditors and other payables are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method, where the impact of time value of money is material. In practice, due to their short-term nature, these are usually carried at undiscounted invoice amounts.

Accrued liabilities

Accrued liabilities include expenses incurred but not yet invoiced or paid at the reporting date. These are recognized when the Company has a present obligation arising from past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Other liabilities

Other liabilities include amounts due under various contractual and statutory obligations, as well as any other balances payable in the normal course of business. These are recognized when the Company has a present obligation as a result of past events and are measured at the amounts expected to be settled.

3.11 Borrowing costs

Mark-up, interest and other direct charges on borrowings that are attributable to the acquisition and/or construction of qualifying assets, are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. Capitalization of borrowing costs is suspended in the period during which active development is delayed due to, other than temporary interruption. All other mark-up, interest and related charges are charged to the statement of profit or loss.

3.12 Long - term security deposits

These are recognised at cost upon signing of contracts, most of them are refunded back to customers upon handing back of premises to the company.

3.13 Provision for hand back cost

Provision for hand back cost has been recognized as the Company has a legal obligation to submit the Transfer Bond to NHA, six months prior to the Concession End Date or immediately upon but not later than thirty days from the date of issuance of the Termination Notice. Provision for hand back cost is recognized at present value of higher of 10% of the expected operations and maintenance cost for a period of 5 years preceding the transfer date and Rs. 500 million. The cash flows have been discounted at a rate that reflects the risk specific to the hand back cost.

Subsequent to initial recognition, an unwinding expense relating to the provision is recognized as a finance cost, and the capitalized cost will be expensed as depreciation, over the useful life of overlay and modernization cost of M-2.

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While the provision is based on the best estimate of future costs and the pay-out period, there is uncertainty regarding both the amount and timing of incurrence of these costs. Any subsequent change in the present value of the estimated expenditure due to changes in the gross O&M cost or discount rates, is dealt with prospectively, and reflected as an adjustment to the provision and a corresponding adjustment to the concession asset. Cost for unwinding of provision for hand back cost is recognized during the year.

3.14 Lease liability

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase.

3.15 Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognized at present value using a pre-tax discount rate. The unwinding of the discount is recognized as finance cost in the statement of profit or loss.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

As the actual outflows can differ from estimates made for provisions due to changes in laws, regulations, public expectations, technology, prices and conditions, and can take place many years in the future, the carrying amounts of provisions are reviewed at each reporting date and adjusted.

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Notes To The Financial Statements

For the year ended June 30, 2025

to take account of such changes. Any adjustments to the amount of previously recognized provision is recognized in the statement of profit or loss unless the provision was originally recognized as part of cost of an asset.

3.16 Contingent liabilities

A contingent liability is disclosed when the Company has a possible obligation as a result of past events, whose existence will be confirmed only by the occurrence or non-occurrence, of one or more uncertain future events not wholly within the control of the Company; or the Company has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

3.17 Taxation

Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current Tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred Tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses and credits only if it is probable that future taxable amounts will be available to utilise those temporary differences and unused tax losses and credits.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

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Judgement and Estimates

Significant judgment is required in determining the income tax expenses and corresponding provision for tax. There are many transactions and calculations for which the ultimate tax determination is uncertain as these matters are being contested at various legal forums. The Company recognizes liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax assets and liabilities in the period in which such determination is made.

Further, the carrying amount of deferred tax assets is reviewed at each reporting date and is adjusted to reflect the current assessment of future taxable profits. If required, carrying amount of deferred tax asset is reduced to the extent that it is no longer probable that sufficient taxable profits to allow the benefit of part or all of that recognised deferred tax asset to be utilised. Any such reduction shall be reversed to the extent that it becomes probable that sufficient taxable profit will be available.

Off-setting

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

3.18 Method of preparation of cash flow statement

The cash flow statement is prepared using indirect method.

3.19 Interest income

Interest income is recognized when the Company's right to receive payment have been established and is recognized in profit or loss and included in other income.

3.20 Dividend income

Dividend income is recognised in statement of profit or loss as other income when:

- the company's right to receive payment has been established.
- is probable that economic benefit associated with dividend will flow to the company.
- the amount of dividend can be measured reliably.

3.21 Income recognition

(a) Revenue from toll

This represent amount agreed with FWO that is recognised on monthly basis. Revenue from toll is recognised as per requirements of IFRS-15 i.e.: Revenue from contract with customer. The Company has outsourced the process of collecting tolls from motor vehicles travelling on M-2 to FWO.FWO is obliged to pay fix amount as per NGR(Net Guaranteed Revenue) agreement between FWO and MORE (Private) Limited. Such income is recognised in Financial statements on monthly basis.

(b) Service area income

This represent fix amount received from FWO as per CAM (Commercial Activities Management) agreement between FWO and MORE (Private) Limited. Such amount is agreed to be paid quarterly in arrears. FWO collect rentals from service areas and MORE (Private) Limited is entitled to fix amount. Service area income is recognised as per requirements of IFRS-15 i.e.: Revenue from contract with customer. Such income is recognised in Financial statements on monthly basis.

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Notes To The Financial Statements

For the year ended June 30, 2025

3.22 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through Other Comprehensive Income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade debts, the Company initially 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. Trade debts are measured at the transaction price determined under IFRS 15.

In order for a financial asset to be classified and measured at amortised cost, or fair value through OCI it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified into following categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments)

The Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity and are not held for trading. The classification is determined on an instrument-by-instrument basis.

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Notes To The Financial Statements

For the year ended June 30, 2025

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
 - (a) the Company has transferred substantially all the risks and rewards of the asset, or
 - (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

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When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade debts and other receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial liabilities

Classification, initial recognition and subsequent measurement

The Company classifies its financial liabilities in the following categories:

- (i) at fair value through profit or loss; and
- (ii) other financial liabilities

The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value and, in the case of other financial liabilities, also include directly attributable transaction costs. The subsequent measurement of financial liabilities depends on their classification, as follows:

- (i) Financial liabilities at fair value through profit or loss include financial liabilities held-for-trading and financial liabilities designated upon initial recognition as being at fair value through profit or loss.

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- (ii) After initial recognition, other financial liabilities which are interest bearing are subsequently measured at amortized cost, using the effective interest rate method. Gain and losses are recognized in the profit or loss, when the liabilities are derecognized as well as through effective interest rate amortization process.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of a financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed is recognised in profit or loss.

Off-setting financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount reported in the statement of financial position, when there is legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis, or realize the assets and settle the liability simultaneously.

3.23 Employees' Provident Fund

The Company operates a provident fund scheme for its eligible employees with effect from 25 December 2019. Equal monthly contributions are made both by the Company and the employees at 8% of the basic salaries of the employees.

All investments in collective investment schemes, listed equity and listed debt securities out of provident fund have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

3.24 Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)
- Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the management of the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The management of the Company determines the policies and procedures for both recurring fair value measurement and for non-recurring measurement. For the purpose of fair value disclosures, the Company determines classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

The Company does not measure any of its assets or liabilities at fair value.

3.25 Current versus non-current classification

The Company presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification

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For the year ended June 30, 2025

4 RESTATEMENT

EXTRACTS

Statement of Profit or Loss

Note	June 30 2023	Increase/ (Decrease)	July 01, 2023 Restated	June 30 2024	Increase/ (Decrease)	July 01, 2024 Restated
	(---) Pak Rupees (---)					
	9,021,500,004	-	9,021,500,004	9,216,641,474	-	9,216,641,474
4.1	(4,816,937,196)	(15,493,245)	(4,832,430,441)	(6,384,014,432)	(944,437)	(6,384,958,869)
	(658,916,480)	-	(658,916,480)	(195,947,213)	-	(195,947,213)
4.2	(862,989,126)	-	(862,989,126)	(809,982,644)	(26,369,680)	(836,352,324)
4.3	108,490,373	503,181,075	611,671,448	128,648,446	-	128,648,446
	2,791,147,575	487,687,830	3,278,835,405	1,955,345,632	(27,314,117)	1,928,031,514
4.4	(1,199,221,102)	(145,922,512)	(1,345,143,614)	(1,102,054,041)	(138,275,304)	(1,240,329,345)
	1,591,926,473	341,765,318	1,933,691,791	853,291,591	(165,589,422)	687,702,169

Statement of Financial Position

Non-Current Assets						
Property and equipment	228,369,303	-	228,369,303	250,514,202	-	250,514,202
Concession assets	8,401,321,229	(7,991,658)	8,393,329,571	5,249,724,742	(8,936,095)	5,240,788,647
Intangible assets	8,252,634,059	-	8,252,634,059	7,498,260,875	-	7,498,260,875
	16,882,324,591	(7,991,658)	16,874,332,933	12,998,499,819	(8,936,095)	12,989,563,724
Current Assets						
Short-term Advances	339,306,327	-	339,306,327	344,469,926	-	344,469,926
Other receivables	5,167,846,196	-	5,167,846,196	6,795,686,453	-	6,795,686,453
Advance income tax	1,173,005,673	-	1,173,005,673	1,167,126,965	-	1,167,126,965
Short-term investments	387,390,516	-	387,390,516	455,918,115	-	455,918,115
Cash and bank balances	7,029,037	-	7,029,037	379,244,032	-	379,244,032
	7,074,577,749	-	7,074,577,749	9,142,445,491	-	9,142,445,491

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Notes To The Financial Statements

For the year ended June 30, 2025

4.1 RESTATEMENT OF COST OF SALES

During the current year, management identified prior period errors resulting in an overall increase in cost of sales amounting to Rs. 15,493,245. These adjustments include recognition of additional depreciation of Rs. 961,811 pertaining to the financial year ended June 30, 2023, where depreciation had been previously understated, and reclassification of Rs. 14,531,434 relating to operation and maintenance expenses that had been erroneously capitalized in prior years. Management also noted that depreciation amounting to Rs. 944,437 had been understated in the financial year ended June 30, 2024. All such errors have been identified and rectified through restatement of the respective reporting periods.

4.2 RESTATEMENT OF FINANCE COST

In prior years, the provision for handback cost had been fully unwound, although the related liability is not expected to be settled until 2034. During the current year, management identified this error and has restated the provision, as far as practicable, to properly reflect the unwinding of the discount over the appropriate period. As a result, finance cost for the year ended June 30, 2023, now includes an unwinding charge of Rs. 26,369,680 which was previously not recognized.

4.3 RESTATEMENT OF OTHER INCOME

As explained in Note 4.2, the provision for handback cost had been erroneously unwound in prior years. During the current year, management identified the error and has restated the financial statements to reverse the excess unwinding amounting to Rs. 503,181,075 in the relevant reporting periods.

4.4 RESTATEMENT OF PROVISION FOR TAXATION

As explained in Note 4.3, the reversal of the provision for handback cost has resulted in a increase of deferred tax expense and deferred tax liability of Rs. 145,922,512 for the financial year ended June 30, 2023, and Rs. 138,275,304 for the financial year ended June 30, 2024. These adjustments have been recognized through the restatement of the respective prior year figures.

4.5 RESTATEMENT OF CONCESSION ASSETS

In the financial year 2022, the cost of concession assets was erroneously reduced by the amount of interest cost recognized on the provision for handback obligations. As the interest cost should not have affected the carrying amount of the assets, the error has been identified and corrected through restatement of prior year figures. Consequently, the cost of concession assets decreased by Rs. 7,991,658 in 2023 and by Rs. 8,936,095 in 2024.

4.6 RESTATEMENT OF OTHER DEFERRED LIABILITY

As explained in Note 4.3, the provision for handback cost had been prematurely unwound in prior years, resulting in an excess unwinding of Rs. 503,181,075 recognized in 2023. Consequently, no unwinding impact was recorded in subsequent years. Following the correction of this error, the appropriate unwinding for the year ended June 30, 2024, has now been recognized in finance cost, as further detailed in Note 4.2.

4.7 RESTATEMENT OF UNAPPROPRIATED PROFIT

As explained in Notes 4.1 to 4.6, various prior period errors have been identified and corrected through restatements. The net cumulative impact of these adjustments has been recognized in unappropriated profit to reflect the corrections retrospectively in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

CHM.D

Motorway Operations & Rehabilitation Engineering (Pvt) Limited

Notes To The Financial Statements
For the year ended June 30, 2025

5.2 OPERATING FIXED ASSETS

	FREEHOLD				LEASEHOLD		Total
	Furniture and fitting	Office equipment	Computer equipment	Vehicle	Building		
COST							
As at July 01, 2023	4,741,879	990,852	2,698,931	-	288,317,032		296,748,694
Additions during the year	2,109,900	2,560,500	2,628,639	38,332,240	-		45,631,279
Disposal during the year	-	-	(137,255)	-	-		(137,255)
As at June 30, 2024	6,851,779	3,551,352	5,190,315	38,332,240	288,317,032		342,242,718
As at July 01, 2024	6,851,779	3,551,352	5,190,315	38,332,240	288,317,032		342,242,718
Additions during the year	321,463	1,098,800	855,015	8,479,843	-		10,755,121
Disposal during the year	-	(147,399)	(1,270,397)	-	-		(1,417,796)
As at June 30, 2025	7,173,242	4,502,753	4,774,933	46,812,083	288,317,032		351,580,043
ACCUMULATED DEPRECIATION							
As at July 01, 2023	3,664,037	800,202	2,627,931	-	61,782,221		68,874,391
Depreciation charge for the year	877,400	214,370	267,371	1,038,165	20,594,074		22,991,380
Adjustments on disposals	-	-	(137,255)	-	-		(137,255)
As at June 30, 2024	4,541,437	1,014,572	2,758,047	1,038,165	82,376,295		91,728,516
As at July 01, 2024	4,541,437	1,014,572	2,758,047	1,038,165	82,376,295		91,728,516
Depreciation charge for the year	513,164	573,727	1,055,140	8,479,819	20,594,074		31,215,924
Adjustments on disposals	-	(147,399)	(1,270,397)	-	-		(1,417,796)
As at June 30, 2025	5,054,601	1,440,900	2,542,790	9,517,983	102,970,369		121,526,644
WRITTEN DOWN VALUE							
As at June 30, 2024	2,310,342	2,536,780	2,432,268	37,294,075	205,940,737		250,514,202
As at June 30, 2025	2,118,641	3,061,853	2,232,143	37,294,100	185,346,663		230,053,399
Rates of Depreciation	20%	20%	33%	20%	7%		

7%

20%

33%

20%

20%

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Motorway Operations & Rehabilitation Engineering (Pvt) Limited

Notes To The Financial Statements

For the year ended June 30, 2025

6.2 CONCESSION ASSETS

	Buildings	Structures	Other Assets	Road Infrastructure	Equipment and Computer Accessories	Vehicles	Total
(-----Pak Rupees-----)							
COST							
As at July 01, 2023 (Restated)	547,693,448	1,794,281,278	1,227,782,450	23,556,139,717	2,942,548,406	980,811,354	31,049,256,654
Additions during the year	-	-	-	-	-	-	-
As at June 30, 2024	<u>547,693,448</u>	<u>1,794,281,278</u>	<u>1,227,782,450</u>	<u>23,556,139,717</u>	<u>2,942,548,406</u>	<u>980,811,354</u>	<u>31,049,256,654</u>
As at July 01, 2024	547,693,448	1,794,281,278	1,227,782,450	23,556,139,717	2,942,548,406	980,811,354	31,049,256,654
Additions during the year	1,275,505	-	-	-	-	-	1,275,505
As at June 30, 2025	<u>548,968,953</u>	<u>1,794,281,278</u>	<u>1,227,782,450</u>	<u>23,556,139,717</u>	<u>2,942,548,406</u>	<u>980,811,354</u>	<u>31,050,532,159</u>

ACCUMULATED DEPRECIATION

As at July 01, 2023 (Restated)	213,344,896	711,018,897	479,438,338	18,251,626,829	2,020,962,274	980,811,354	22,657,202,588
Charge for the year	31,102,647	103,173,898	69,621,986	2,654,809,202	293,833,191	-	3,152,540,924
As at June 30, 2024	<u>244,447,543</u>	<u>814,192,794</u>	<u>549,060,324</u>	<u>20,906,436,031</u>	<u>2,314,795,465</u>	<u>980,811,354</u>	<u>25,809,743,512</u>
As at July 01, 2024	244,447,543	814,192,794	549,060,324	20,906,436,031	2,314,795,465	980,811,354	25,809,743,512
Charge for the year	31,230,803	103,173,898	69,621,986	2,649,703,686	293,833,191	-	3,147,563,563
As at June 30, 2025	<u>275,678,346</u>	<u>917,366,692</u>	<u>618,682,309</u>	<u>23,556,139,717</u>	<u>2,608,628,656</u>	<u>980,811,354</u>	<u>28,957,307,075</u>

WRITTEN DOWN VALUE

As at June 30, 2024 (Restated)	303,245,905	980,088,483	678,722,127	2,649,703,686	627,752,941	-	5,239,513,142
As at June 30, 2025	<u>273,290,607</u>	<u>876,914,586</u>	<u>609,100,141</u>	<u>-</u>	<u>333,919,750</u>	<u>-</u>	<u>2,093,225,084</u>

Useful Life

14-18

14-18

14-18

9-12

10-12

5-7

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Motorway Operations & Rehabilitation Engineering (Pvt) Limited

Notes To The Financial Statements

For the year ended June 30, 2025

7.1 INTANGIBLES

	Guaranteed money	Software	Total
	(-----Pak Rupees-----)		
<u>COST</u>			
As at July 01, 2023	14,621,200,029	45,680,536	14,666,880,565
Additions during the year	-	-	-
As at June 30, 2024	14,621,200,029	45,680,536	14,666,880,565
As at July 01, 2023	14,621,200,029	45,680,536	14,666,880,565
Additions during the year	-	-	-
As at June 30, 2024	14,621,200,029	45,680,536	14,666,880,565
<u>ACCUMULATED AMORTIZATION</u>			
As at July 01, 2023	6,382,690,467	31,556,039	6,414,246,506
Charge for the year	749,805,130	4,568,054	754,373,184
As at June 30, 2024	7,132,495,597	36,124,093	7,168,619,690
As at July 01, 2024	7,132,495,597	36,124,093	7,168,619,690
Charge for the year	749,805,132	4,568,054	754,373,186
As at June 30, 2025	7,882,300,728	40,692,147	7,922,992,876
<u>WRITTEN DOWN VALUE</u>			
As at June 30, 2024	7,488,704,432	9,556,443	7,498,260,875
As at June 30, 2025	6,738,899,301	4,988,389	6,743,887,689
<i>Useful Life</i>	19.5	10	

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Motorway Operations & Rehabilitation Engineering (Pvt) Limited

Notes To The Financial Statements

For the year ended June 30, 2025

	Note	June 30, 2025 (Rupees)	June 30, 2024 (Rupees)
5 PROPERTY AND EQUIPMENT			
Capital work in process	5.1	-	-
Operating fixed assets (schedule annexed)	5.2	230,053,399	250,514,202
		230,053,399	250,514,202
5.1 Capital Work in Progress			
Opening balance		-	495,000
Add: Further capital expenditure		-	-
Less: Transfer to operating fixed assets		-	(495,000)
Closing balance		-	-
6 CONCESSION ASSETS (Restated)			
Capital Work in Progress - Concession Assets	6.1	-	1,275,505
Concession assets (schedule annexed)	6.2	2,093,225,084	5,239,513,142
		2,093,225,084	5,240,788,647
6.1 Capital Work in Progress - Concession Assets			
Opening balance		1,275,505	1,275,505
Add: Further capital expenditure		-	-
Less: Transfer to concession assets		(1,275,505)	-
Closing balance		-	1,275,505
7 INTANGIBLE ASSETS			
Intangible assets (schedule annexed)	7.1	6,743,887,689	7,498,260,875
8 DEFERRED TAXATION NET (Restated)			
Deferred tax Asset/(Liability)	8.1	284,431,233	(693,343,257)
8.1 Movement in deferred tax for the year:			
Net (liability) at the beginning of the year		(693,343,257)	(524,063,608)
Deferred tax income/(expense) for the year		977,774,490	(169,279,649)
Net deferred tax Asset/(Liability) at the end of year		284,431,233	(693,343,257)
8.2 Breakup of deferred tax asset/(liability) is as follows:			

	As at 1st July 2024	Recognized in Profit and Loss	As at 30th June 2025
	(-----Pak Rupees-----)		
Operating fixed assets	(81,934,651)	27,620,373	(54,314,278)
Concession assets	2,063,395,880	64,725,430	2,128,121,310
Intangibles	(2,577,401,938)	623,195,232	(1,954,206,706)
Other receivables	74,043,997	(74,043,997)	-
Other deferred liability	(284,197,816)	369,542,744	85,344,927
Lease liability	112,751,271	(33,265,291)	79,485,980
	(693,343,257)	977,774,490	284,431,233

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Motorway Operations & Rehabilitation Engineering (Pvt) Limited

Notes To The Financial Statements

For the year ended June 30, 2025

8.2 Breakup of deferred tax asset/(liability) is as follows: (continued)

	As at 1st July 2023	Recognized in Profit and Loss	As at 30th June 2024
	(-----Pak Rupees-----)		
Operating fixed assets	514,752	(82,449,403)	(81,934,651)
Concession assets	980,925,241	1,082,470,639	2,063,395,880
Intangibles	(1,574,832,641)	(1,002,569,298)	(2,577,401,938)
Other receivables	-	74,043,997	74,043,997
Other deferred liability	69,205,496	(353,403,312)	(284,197,816)
Lease liability	-	112,751,271	112,751,271
Trade and other payable	123,543	(123,543)	-
	(524,063,608)	(169,279,649)	(693,343,257)

Note June 30, 2025 June 30, 2024
(Rupees) (Rupees)

9 SHORT-TERM ADVANCES

To parent company:

Mobilization advance to FWO

Other advance to FWO

To others:

Advances to employees

Other advances

-	318,132,933
-	23,408,393
-	341,541,326
235,000	695,000
9,472,824	2,233,600
9,707,824	2,928,600
9,707,824	344,469,926

10 OTHER RECEIVABLES

Due from parent company:

Due from FWO

10.1	4,382,618,443	6,578,499,577
	4,382,618,443	6,578,499,577

Due from NHA on account of:

Consultancy expense

Joint audit fee

QAI Consultancy Variation Order-2

Allowance for expected credit losses

10.2	8,289,924	235,465,093
	1,218,000	9,548,000
	-	37,396,022
	-	(65,222,239)
	9,507,924	217,186,876

4,392,126,367	6,795,686,453
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10.1 This represents balance due from FWO, on account of collection of toll fee from commuters of M-2 on behalf of the Company, balance due from FWO on account of NGR and CAM agreement and other receivables from FWO.

10.2 This represents amount due from NHA on account of its 50% share of expenditure incurred by the Company, on account of services of the QAI consultancy, Joint Auditor of the Project.

H.M.D

Motorway Operations & Rehabilitation Engineering (Pvt) Limited

Notes To The Financial Statements

For the year ended June 30, 2025

10.3 The aging is as follows:

As at 30 June 2025:

Days Past Due

0 - 30

31 - 60

61 - 90

Over 90

Total

Due from FWO	Due From NHA	Total
(-----Pak Rupees-----)		

2,325,641,432	3,251,258	2,328,892,690
1,112,879,630	3,564,258	1,116,443,888
825,156,152	1,615,214	826,771,366
118,941,229	1,077,194	120,018,423
4,382,618,443	9,507,924	4,392,126,367

As at 30 June 2024:

Days Past Due

0 - 30

31 - 60

61 - 90

Over 90

Total

Due from FWO	Due From NHA	Total
(-----Pak Rupees-----)		

552,574,435	2,854,236	555,428,671
1,418,120,374	13,265,879	1,431,386,253
3,424,270,153	11,288,875	3,435,559,028
1,183,534,615	255,000,125	1,438,534,740
6,578,499,577	282,409,115	6,860,908,692

Note	June 30, 2025 (Rupees)	June 30, 2024 (Rupees)
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11 ADVANCE INCOME TAX

Advance tax

11.1	<u>692,083,409</u>	<u>1,167,126,965</u>
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11.1 Opening balance

Add: Further paid during the year

Less: Adjusted against income tax provision

Closing balance

	<u>1,167,126,965</u>	1,173,005,673
	<u>1,046,415,094</u>	1,326,157,771
21	<u>(1,521,458,650)</u>	(1,332,036,479)
	<u>692,083,409</u>	1,167,126,965

12 SHORT-TERM INVESTMENTS

Cost

Accrued mark-up

12.1	<u>462,848,859</u>	400,734,943
	<u>37,281,524</u>	55,183,172
	<u>500,130,383</u>	455,918,115

12.1 This investment represents Term Deposit Receipt (TDR), having a maturity period of 12 months and will mature on October 28, 2025 which was placed with Askari Bank Limited on October 28, 2024, at an expected rate of return 12 % per anum.

Note	June 30, 2025 (Rupees)	June 30, 2024 (Rupees)
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13 CASH AND BANK BALANCES

Cash in hand

Cash at banks in:

Saving accounts

	245,204	178,201
13.1	<u>1,509,204,274</u>	379,065,831
	<u>1,509,449,478</u>	<u>379,244,032</u>

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Motorway Operations & Rehabilitation Engineering (Pvt) Limited

Notes To The Financial Statements

For the year ended June 30, 2025

13.1 These carry mark up at the rate of 11.18% (2024: 20.50%) per annum.

This includes the amount of security deposits, amounting to PKR 243.29 million (2024: PKR 197.9 million) placed by the different parties with the Company (refer to note 17). This amount is restricted from being exchanged or used to settle a liability and is being maintained in the separate bank account.

	June 30, 2025 (Rupees)	June 30, 2024 (Rupees)
14 ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL		
14.1 Authoried share capital	11,047,530,000	11,047,530,000
110,475,300 (2024: 110,475,300) Ordinary Shares of Rs. 100/-		
14.2 Issued, subscribed and paid up share capital		
Fully paid in cash:		
110,417,142 (2024: 110,417,142) Ordinary Shares of Rs. 100/-	11,041,714,200	11,041,714,200

14.3 Authorised capital consist of 110,417,142 ordinary shares of Rs 100 each. All shares carry equal voting rights, right to bonus shares and dividend. FWO and its nominated directors hold 100% of shares in the Company at the end of the year.

	<i>Note</i>	June 30, 2025 (Rupees)	June 30, 2024 (Rupees)
15 LONG-TERM LOANS			
From parent company FWO	<i>15.1</i>	-	1,234,271,511
		-	1,234,271,511
15.1 From parent company FWO			
Opening balance	<i>15.2</i>	2,468,543,015	3,914,866,083
Less: Amount paid		(1,234,271,504)	(1,446,323,068)
Less: Current portion of long - term loan		(1,234,271,511)	(1,234,271,504)
		-	1,234,271,511

15.2 The Company has obtained loan from FWO in financial year 2021 amounting to PKR 6,171,357,522 in order to prepay the Lenders. The principal amount of the Loan shall be repaid in five instalments of PKR 1,234,271,504. Markup at the rate of KIBOR + 0.9% per annum shall be payable on the outstanding balance of the loan.

D.H.D

Motorway Operations & Rehabilitation Engineering (Pvt) Limited

Notes To The Financial Statements

For the year ended June 30, 2025

	June 30, 2025 (Rupees)	June 30, 2024 (Rupees)
16 LONG - TERM LIABILITIES		
Retention money payable		
Opening balance	213,557,500	213,557,500
Payment during the year	(213,557,500)	-
Closing Balance	-	213,557,500
Staggered Guarantee Payable		
Opening balance	3,093,179,842	3,093,179,842
Payment during the year	(3,093,179,842)	-
Closing Balance	-	3,093,179,842
Less: Current portion	-	(3,093,179,842)
	-	213,557,500

16.1 This represents retention money deducted from FWO (parent company), against IPCs submitted till year end.

16.2 This represents the amount payable to National Highway Authority (NHA) (Related party) on account of Staggered Guaranteed Payment (SGP) for grant of Motorway M-2 Concession rights.

	June 30, 2025 (Rupees)	June 30, 2024 (Rupees)
17 LONG - TERM SECURITY DEPOSITS		
Non-Utilizable		
Long-term security deposits	243,293,653	197,893,416
Less: Current portion of security deposits	-	-
	243,293,653	197,893,416
Utilizable		
Deposit received from Hascol Petroleum Limited	-	3,972,000
Less: Current portion utilizable security deposits	-	(3,972,000)
	-	-
	243,293,653	197,893,416

17.1 This represents security deposits received from different parties against provision of space / land at MSAs. The security deposits have not been discounted to their present value as the impact is considered to be immaterial to the financial statements.

17.2 This represents unamortized portion of amount received from Hascol Petroleum Limited under a filling service station agreement. An amount of PKR 39.72 million is refundable to Hascol Petroleum Limited if the Company breaches the terms of filling service station agreement, within first 10 years from the effective date of the agreement. Management expect that it will be able to comply with the requirements of the agreement and accordingly, the deposit received is being amortized over the remaining life of first 10 years of the agreement.

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Motorway Operations & Rehabilitation Engineering (Pvt) Limited

Notes To The Financial Statements

For the year ended June 30, 2025

	June 30, 2025 (Rupees)	June 30, 2024 (Rupees)
18 LEASE LIABILITY		
Lease liability against building	283,246,681	289,105,823
Less: Current portion of lease liability	(9,157,095)	(5,859,142)
	<u>274,089,586</u>	<u>283,246,680</u>
18.1 Balance at beginning	289,105,823	292,145,220
Unwinding of interest on lease liability	20,494,658	20,918,603
Payment made during the year	(26,353,800)	(23,958,000)
Balance at end	<u>283,246,681</u>	<u>289,105,823</u>
18.2 Maturity analysis of undiscounted lease payments:		
Less than 1 year	28,989,180	26,353,800
Between 1 and 5 years	147,992,663	134,538,784
Over 5 years	216,676,058	259,119,116
	<u>393,657,901</u>	<u>420,011,700</u>
18.3 Maturity analysis of discounted lease payments:		
Less than 1 year	28,989,180	26,353,800
Between 1 and 5 years	121,994,854	110,904,413
Over 5 years	132,262,647	151,847,610
	<u>283,246,681</u>	<u>289,105,823</u>
18.3 This lease agreement was entered into between FWO (Frontier Works Organisation) and MORE (Motorway Operation and Rehabilitation Engineering) Private Limited on July 01, 2020. Lease contract will end on April 30, 2034. For the avoidance of doubt, the lease payment shall be made on advance basis yearly. This contract requires lessee i.e.: MORE (Private) Limited to make monthly lease payments in an amount of Pkr 1.5 million which shall be subject to an annual increase of 10% at each financial year end.		
	June 30, 2025 (Rupees)	June 30, 2024 (Rupees)
19 OTHER DEFERRED LIABILITY		
Provision for hand back cost		
Balance at the beginning of the year	265,009,322	238,639,642
Unwinding of Hand Back Cost	29,283,530	26,369,680
	<u>294,292,852</u>	<u>265,009,322</u>
19.1 In accordance with the terms of the Concession Agreement, the Company is required to submit to the National Highway Authority (NHA) a Transfer Bond six months prior to the Concession End Date, or immediately upon, but not later than thirty (30) days from, the issuance of a Termination Notice. The Transfer Bond shall have a face value equivalent to the higher of (i) ten percent (10%) of the operations and maintenance (O&M) expenses incurred during the five years preceding the Transfer Date, or (ii) PKR 500 million. (Continued)		

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Motorway Operations & Rehabilitation Engineering (Pvt) Limited

Notes To The Financial Statements

For the year ended June 30, 2025

The purpose of the Transfer Bond is to secure the Company's obligations, liabilities, warranties, and responsibilities under the Concession Agreement with respect to ensuring that the Project Assets comply with the handback requirements as of the Transfer Date. NHA shall be entitled to encash the Transfer Bond in the event that the Company fails to meet the handback requirements in accordance with the terms of the Concession Agreement. Any excess amount remaining after NHA has defrayed the costs required to bring the Project Assets into compliance shall be refunded to the Company.

Based on the provisions of the Concession Agreement, the Company has estimated the required provision for the year 2034 at PKR 741,820,717. This estimate takes into account that, under the Concession Agreement, the Company (MORE) is required to carry out two overlays - the first in FY 2025-26 and the second in FY 2032-33. Considering these planned overlays, Management believes that the quality and condition of the Project Assets at the end of the concession period will remain satisfactory, requiring only minimal O&M expenditure to meet the handback standards. Accordingly, Management is of the view that its estimate for the Transfer Bond provision is reasonable and appropriate.

	Note	June 30, 2025 (Rupees)	June 30, 2024 (Rupees)
20 TRADE AND OTHER PAYABLES			
Trade creditors	20.1		
Payable to parent company		2,169,688,089	1,784,995,007
Due to other parties		2,307,834	4,395,859
		2,171,995,923	1,789,390,866
Other payables			
Withholding taxes payable		-	23,283
Bonus payable		-	5,402,336
Unearned income	17	-	3,972,000
Provident fund payable to employees		11,779,910	8,557,461
Others		68,265,042	95,357,981
		80,044,952	113,313,061
		2,252,040,875	1,902,703,927
20.1	This represents payable to FWO (Related Party) and the major amounts are payable in respect of operations, management and maintenance (OM&M), management fees, service area rentals, commercial activities management and services performed by Quality Assurance Inspector.		
21 PROVISION FOR TAXATION			
Opening balance		883,903,355	1,144,890,138
Charge for the year		637,555,295	1,071,049,696
Adjustment against advance tax		(1,521,458,650)	(1,332,036,479)
		-	883,903,355

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Motorway Operations & Rehabilitation Engineering (Pvt) Limited

Notes To The Financial Statements

For the year ended June 30, 2025

22 CONTINGENCIES AND COMMITMENTS

CONTINGENCIES

22.1 The Company is contesting amended assessments issued under section 122(5A) of the Income Tax Ordinance, 2001 for Tax Years 2016 to 2023. The disputed adjustments include disallowance of tax amortization and related unabsorbed balances, alleged additions on EPC activities, addition of toll-payable provisions under section 34(3), and disallowance of service-area costs. The Commissioner (Appeals) upheld the amended orders, while the ATIR decided depreciation and amortization matters in favour of the Company and remanded the remaining issues for fresh examination.

These proceedings remain pending at various stages. Based on legal advice and the technical merits of the case, management believes the remanded matters are defensible and no present obligation exists. Accordingly, no provision has been recognised in these financial statements.

22.2 The Assistant Commissioner Inland Revenue (ACIR) issued an order under section 162 of the Income Tax Ordinance, 2001, holding the Company liable for advance income tax of PKR 950 million under section 236A for Tax Year 2015. The Company contested the order before the Commissioner Inland Revenue (Appeals), who, through Order No. 92/2017 dated 25 July 2017, annulled the proceedings initiated by the ACIR. The Tax Department has subsequently filed an appeal before the Appellate Tribunal Inland Revenue, which remains pending as of the reporting date.

No provision has been recorded in these financial statements, as management, based on legal advice, believes that the impugned demand is unsustainable and that the appeal is expected to be decided in the Company's favour.

22.3 The Deputy Commissioner Inland Revenue (DCIR) issued an order under sections 161 and 205 of the Income Tax Ordinance, 2001 for Tax Year 2017, alleging non-deduction of withholding tax and raising a demand of PKR 561.19 million. On appeal, the Commissioner Inland Revenue (Appeals), vide order dated 15 April 2024, deleted the major portion of the demand relating to salaries, legal and professional fees, and CWIP expenditures, thereby upholding the Company's withholding treatment. The matter sustained only to the extent of payments made to FWO, against which the Company has filed an appeal before the Appellate Tribunal Inland Revenue, which is currently pending.

Management considers the remaining disallowance to be unfounded, arising from an incorrect interpretation of contractual arrangements rather than any non-compliance. Based on strong supporting documentation, consistent past assessments, and legal advice, management is confident of a favourable outcome and, accordingly, no provision has been recorded in these financial statements.

22.4 The Additional Commissioner Inland Revenue (ADCIR) issued a show cause notice under section 122(5A) of the Income Tax Ordinance, 2001 for Tax Year 2015, proposing a tax liability of PKR 3,179 million on the basis of the percentage-of-completion method under section 36. The Company challenged the notice before the Honourable Islamabad High Court, which suspended the proceedings through an order dated 11 October 2017. During the year, the Court remanded the matter to ADCIR, who dropped the section 36 proceedings but created a revised demand of PKR 800 million by disallowing certain expenses claimed in the return. The Company has appealed the revised order before the Commissioner Inland Revenue (Appeals), where the decision is pending.

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Motorway Operations & Rehabilitation Engineering (Pvt) Limited

Notes To The Financial Statements

For the year ended June 30, 2025

Based on legal advice, supporting documentation, and the merits of the case, management is confident of a favourable outcome. Accordingly, no provision has been recognised in these financial statements for the tax demand raised under the impugned notice.

22.5 The Company was served with a notice by the Punjab Revenue Authority (PRA) under the Punjab Sales Tax on Services Rules, 2015, dated 27 September 2021, relating to Operations and Maintenance services received from Frontier Works Organisation (FWO) during the year ended 30 June 2020, with an alleged tax demand of PKR 333,173,333. In response, the Company filed its submission, highlighting that FWO is exempt from taxation pursuant to Federal Board of Revenue Circular C.No.4(89)TP/2012 dated 9 January 2015 and Ministry of Law, Justice and Human Rights U.O No. 610/2014-Law-1 dated 9 January 2015. The exemption is grounded in Article 165 of the Constitution of the Islamic Republic of Pakistan, which provides that federal government property and income shall not be subject to provincial taxation. The Company reiterated these constitutional provisions in its responses during multiple hearings conducted by the Additional Commissioner (PRA), Rawalpindi.

Despite the Company's submissions, PRA issued an order covering the period from 1 July 2018 to 30 June 2020, raising a tax demand of PKR 658,949,667 inclusive of penalty. The Company filed an appeal before the Commissioner Appeals PRA, Lahore. Following multiple hearings, the Commissioner Appeals upheld the order of the Additional Commissioner (PRA). On 1 August 2024, the Company further filed an appeal before the Appellate Tribunal (PRA), Lahore. After multiple hearings, the Appellate Tribunal also upheld the ADC (PRA)'s order. The Company has now filed an appeal before the Lahore High Court, and the matter is currently pending hearing. Pending the outcome of this matter, no provision has been recognised in these financial statements, as management, in consultation with its legal advisors, is confident that the matter will be decided in favour of the Company.

22.6 COMMITMENTS

There is no outstanding commitment as at the end of current and prior year, unless elsewhere disclosed.

	June 30, 2025 (Rupees)	June 30, 2024 (Rupees)
23 REVENUE FROM TOLL		
Toll collection	10,303,862,547	9,367,147,782
NHA share @ 42.19%	(4,347,199,606)	(794,279,722)
Net toll collection	5,956,662,941	8,572,868,060
24 SERVICE AREA INCOME		
Service area rentals income	736,090,334	701,038,547
NHA share @ 42.19%	(310,556,512)	(57,265,133)
Net service area rentals	425,533,822	643,773,414

24.1 The Company earns its toll revenue under the Net Guaranteed Revenue Agreement entered into with its parent company, the Frontier Works Organization (FWO). In addition, the service area rental income is derived under the Commercial Activities Management Agreement with FWO, through which the Company manages and operates commercial activities within the designated service areas. All such revenue streams are received from FWO in accordance with the respective contractual terms and condition

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Motorway Operations & Rehabilitation Engineering (Pvt) Limited

Notes To The Financial Statements

For the year ended June 30, 2025

		June 30, 2025	Restated June 30, 2024
	<i>Note</i>	(Rupees)	(Rupees)
25 COST OF REVENUE			
Depreciation of concession asset	6.2	3,147,563,563	3,152,540,924
Amortization	7.1	754,373,186	754,373,183
Consultancy fee		93,459,627	-
Operations and Maintenance cost		4,279,769,572	1,813,346,753
Horticultural expense	25.1	13,290,000	39,120,000
MSA repair and maintenance expense		46,687,392	6,314,910
MSA Electricity		10,723,173	340,196,269
Fuel for Generator at MSA		1,170,410	36,251,993
Facility management expense		264,665,421	242,814,837
		8,611,702,344	6,384,958,869

25.1 Horticultural expenses included in Direct costs are paid to FWO (Parent company)

		June 30, 2025	June 30, 2024
	<i>Note</i>	(Rupees)	(Rupees)
26 ADMINISTRATIVE EXPENSES			
Salaries	26.1	58,082,631	88,872,015
Rent and utilities		1,700,839	9,858,420
Legal and professional		76,791,171	48,372,255
Vehicle running expense		10,602,052	11,228,276
Auditor's remuneration	26.2	1,035,000	978,600
Depreciation	5.2	10,621,850	2,397,306
Depreciation on leasehold asset	6.2	20,594,074	20,594,074
Bank charges		1,063,966	91,660
Repair and maintenance		14,919,732	1,920,682
Penalty and surcharge		-	2,364,430
Insurance		546,447	752,992
Miscellaneous expenses		7,315,402	3,288,465
Financial assistance		26,540,661	5,228,038
		229,813,825	195,947,213

26.1 Remuneration of Directors and Executives

Salary	2,812,500	2,925,000
Bonus	-	5,042,435
Other benefits	2,520,000	12,473,373
	5,332,500	20,440,808

26.2 Auditor's remuneration

Statutory audit	945,000	868,600
Out of pocket expense	90,000	110,000
	1,035,000	978,600

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Motorway Operations & Rehabilitation Engineering (Pvt) Limited

Notes To The Financial Statements

For the year ended June 30, 2025

	Note	June 30, 2025 (Rupees)	Restated June 30, 2024 (Rupees)
27 FINANCE COSTS			
Interest on long-term loan-FWO		350,320,492	789,064,041
Interest expense on lease liability		20,494,658	20,918,603
Unwinding of hand back cost		29,283,530	26,369,680
		400,098,680	836,352,324
28 OTHER INCOME			
<i>Income from financial assets</i>			
Profit on bank deposits		87,421,243	46,778,350
Profit on investment		63,163,260	70,867,514
<i>Income from other than financial assets</i>			
Amortization of deposit money	17.2	3,972,000	3,188,484
Sale of tyres		22,500	7,920
Penalty & Fines from MSAs		1,227,835	4,860,907
Adjustments of claims from NHA		2,070,294,632	-
Super tax refund from NHA		246,562,748	-
Reversal of allowance for expected credit losses	10	65,222,239	-
Other Income		4,491,969	2,945,271
		2,542,378,426	128,648,446
29 TAXATION			
Current tax expense		636,654,673	1,071,049,696
Prior year tax adjustment		900,622	-
Deferred tax (income)/expense		(977,774,490)	169,279,649
		(340,219,195)	1,240,329,345
29.1 Effective tax rate			
Profit before taxation		(317,039,660)	1,928,031,514
Income tax expense		636,654,673	1,071,049,696
		-201%	56%
29.2 Reconciliation of income tax expense and effective tax rate			
		June 30, 2025	June 30, 2025
		(Rupees)	%
Accounting (loss)/profit		(317,039,660)	-
Tax at the applicable rate of 29%		(91,941,501)	29%
Tax effect of inadmissible income and expenses		1,155,049,949	-364%
Tax effect of admissible income and expenses		(589,698,563)	186%
Super taxation		163,244,788	-51%
		636,654,673	-201%

29.3 Deferred tax on temporary differences are measured at the rate of 29% .

29.4 Management of the Company has provided sufficient tax provision in the financial statements in accordance with Income Tax Ordinance, 2001. Following is the comparison of tax provision as per accounts and income tax return for last 3 years:

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Motorway Operations & Rehabilitation Engineering (Pvt) Limited

Notes To The Financial Statements

For the year ended June 30, 2025

	Deemed assessment	Provision
Tax year 2024	1,071,950,318	1,071,049,696
Tax year 2023	1,334,249,701	1,334,249,701
Tax year 2022	1,010,258,924	1,010,258,924

30 FINANCIAL RISK MANAGEMENT

The Company office has exposure to the following risks;

- a) Credit risk
- b) Liquidity risk
- c) Market risk

Risk management framework

The Company's objective in managing risks is the creation and protection of stake holders' value. Risk is inherent in the Company's activities, but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. The process of risk management is critical to the Company's continuing to meet its objectives. The Company is exposed to credit risk, liquidity risk and market risk (which includes interest rate risk and price risk) arising from the financial instruments it holds.

a) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss, without taking to account of any collateral. Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would causes their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry. The Company's portfolio of financial instruments is broadly diversified and transactions are entered into with diverse credit-worthy counterparties thereby mitigating any significant concentrations of credit

Exposure to credit risk

Credit risk of the Company arises from deposits, advances and investments. The carrying amount of financial assets represents the maximum credit exposure. To reduce the exposure to credit risk, the Company has developed its own risk management policies and guidelines whereby they are reviewed by management and non performing instruments are tracked and recovery procedures are followed. The management continuously monitors the credit exposure towards the clients and makes allowance for expected credit loss against those balances having probability of default. The Company's management as part of risk management policies and guidelines, reviews clients' financial position, reviews their credit ratings, considers past experience and other factors, and obtains necessary collaterals to reduce credit risks. Further, credit risk on liquid funds is limited because the counter parties are banks with reasonably high credit ratings.

D.M.M.D

Motorway Operations & Rehabilitation Engineering (Pvt) Limited

Notes To The Financial Statements

For the year ended June 30, 2025

	June 30, 2025		June 30, 2024	
	Carrying amount	Maximum exposure	Carrying amount	Maximum exposure
	(-----Pak Rupees-----)			
Short-term investments	500,130,383	500,130,383	455,918,115	455,918,115
Bank balances	1,509,204,274	1,509,204,274	379,065,831	379,065,831
	<u>2,009,334,656</u>	<u>2,009,334,656</u>	<u>834,983,946</u>	<u>834,983,946</u>

Based on the past experience, record of recoveries, the Company believes that the past due amount do not require any provision or impairment loss.

The credit quality of Company's bank balances can be assessed with reference to external credit ratings as follows:

	Rating		June 30, 2025	June 30, 2024
	Short-term	Long-term	(Rupees)	(Rupees)
Private Sector Bank				
Meezan Bank Limited	AAA	A1+	26	26
Askari Bank Limited	AA+	A1+	1,509,204,248	379,065,805

b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected or difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient funds to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

	Contractual cash flows	Less than 1 year	Between 1 and 5 years	Over 5 years
	(-----Pak Rupees-----)			
As at June 30, 2025				
Long - term loan	1,234,271,511	1,234,271,504	-	-
Lease Liability	283,246,681	28,989,180	147,992,663	216,676,058
Other deferred liability	294,292,852	-	-	294,292,852
Trade and other payables	2,252,040,875	2,252,040,875	-	-
	<u>4,063,851,918</u>	<u>1,263,260,684</u>	<u>147,992,663</u>	<u>216,676,058</u>
As at June 30, 2024				
Long - term loan	2,468,543,015	1,234,271,504	1,234,271,511	-
Long - term liabilities	3,306,737,342	3,306,737,342	-	-
Lease Liability	289,105,822	26,353,800	134,538,784	259,119,116
Other deferred liability	265,009,322	-	-	265,009,322
Trade and other payables	1,902,703,927	1,902,703,927	-	-
	<u>6,064,386,179</u>	<u>4,567,362,646</u>	<u>1,368,810,295</u>	<u>259,119,116</u>

H.M.D

Motorway Operations & Rehabilitation Engineering (Pvt) Limited

Notes To The Financial Statements

For the year ended June 30, 2025

c) Market risk

Market risk is the risk that changes in market price, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments.

(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 in financial instruments that are denominated in foreign currencies i.e. in a currency other than the functional currency in which they are measured.

Presently the Company is not exposed to any foreign currency risk.

(ii) Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. Significant interest rate risk exposures are primarily managed by a mix of borrowings at fixed and variable interest rates. The Company's interest rate risk arises from short term cash finance facility. The company analyses its interest rate exposure on a regular basis by monitoring existing facilities against prevailing market interest rates and taking into accounts various other financing options available. At the reporting date the interest rate profile of the Company's significant interest bearing financial instruments was as follows:

	Effective Rate		Carrying amount	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
	%	%	(Rupees)	(Rupees)
Financial assets				
Bank balances-saving accounts	11.18%	20.50%	1,509,204,274	379,065,831
Short-term investments	12%	21.80%	500,130,383	455,918,115
Financial liabilities				
Long-term loan	15.8%	23.18%	1,234,271,511	2,468,543,015

Sensitivity Analysis

Long term loan are subject to interest at rate of KIBOR+0.9% . Effect on Interest expense, in case rate is increased or decreased by 1% is shown below:

	June 30, 2025	June 30, 2024
	(Rupees)	(Rupees)
Rate increased by 1%	796,954,681	920,213,965
Rate decreased by 1%	781,173,401	763,487,241

(iii) Other Price Risk

Price risk is 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 instruments traded in the market.

At the period end the Company is not exposed to price risk since there are no financial instruments whose fair value or future cash flows will fluctuate because of changes in market prices.

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Motorway Operations & Rehabilitation Engineering (Pvt) Limited

Notes To The Financial Statements

For the year ended June 30, 2025

(ii) Fair value hierarchy for financial instruments

As at 30 June 2025	Level 1	Level 2	Level 3	Total
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(-----Rupees-----)

Financial Assets:

Other receivables	-	-	4,392,126,367	4,392,126,367
Short-term investments	-	500,130,383	-	500,130,383
Cash and bank balances	1,509,449,478	-	-	1,509,449,478
	<u>1,509,449,478</u>	<u>500,130,383</u>	<u>4,392,126,367</u>	<u>6,401,706,228</u>

Financial Liabilities:

Long - term loan	-	-	1,234,271,511	1,234,271,511
Long - term security deposits	-	-	243,293,653	243,293,653
Lease Liability	-	-	283,246,681	283,246,681
Other deferred liability	-	-	294,292,852	294,292,852
Trade and other payables	-	-	2,252,040,875	2,252,040,875
	<u>-</u>	<u>-</u>	<u>4,307,145,571</u>	<u>4,307,145,571</u>

As at 30 June 2024

	Level 1	Level 2	Level 3	Total
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(-----Rupees-----)

Financial Assets:

Other receivables	-	-	6,795,686,453	6,795,686,453
Short-term investments	-	500,130,383	-	500,130,383
Cash and bank balances	379,244,032	-	-	379,244,032
	<u>379,244,032</u>	<u>500,130,383</u>	<u>6,795,686,453</u>	<u>7,675,060,867</u>

Financial Liabilities:

Long - term loan	-	-	2,468,543,015	2,468,543,015
Long - term liabilities	-	-	3,306,737,342	3,306,737,342
Long - term security deposits	-	-	197,893,416	197,893,416
Lease Liability	-	-	289,105,822	289,105,822
Other deferred liability	-	-	265,009,322	265,009,322
Trade and other payables	-	-	1,902,703,927	1,902,703,927
	<u>-</u>	<u>-</u>	<u>8,429,992,844</u>	<u>8,429,992,844</u>

32 CAPITAL RISK MANAGEMENT

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern so that it can continue to provide returns to shareholders and benefits to other stakeholders, and to maintain a strong capital base to support the sustained development of its business. The Company manages its capital structure, which comprises capital and reserves, by monitoring its return on net assets, and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend to shareholders, appropriation of amounts to capital reserves and /or issue new shares.

The Company monitors capital using the net debt to total capital ratio, which is total debt of the Company as reduced by cash and cash equivalents, divided by total equity plus the net debt. Equity comprises of share capital and, capital and revenue reserves. During the year, the Company's strategy was to maintain leveraged gearing. The net debt to equity ratio as at 30 June 2025 and 30 June 2024 were as follows:

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Motorway Operations & Rehabilitation Engineering (Pvt) Limited

Notes To The Financial Statements

For the year ended June 30, 2025

	June 30, 2025 (Rupees)	June 30, 2024 (Rupees)
Long - term loan	1,234,271,511	2,468,543,015
Total debt	1,234,271,511	2,468,543,015
Equity	12,147,949,294	12,124,769,759
Total Capital	13,382,220,805	14,593,312,774
Net debt to total equity	9	17

33 RELATED PARTY TRANSACTIONS

Frontier Work Organization (FWO) holds 100% of shares of the Company. Therefore, all the subsidiaries and associates of FWO are the related parties of the Company. Other related parties includes directors, key management personnel, entities over which directors are able to exercise significant influence and entities which are owned/controlled by the Government. Balances payable/receivable from related parties at the end of the year have been disclosed in their respective notes. Transactions during the year with FWO are as follows:

Name of Related party:	Nature of relationship	
Frontier Works Organization	Parent Entity	
Abdul Saboor Khan	Director	
Rashid Naseer Awan	CEO	
Muhammad Bilal Khalid	Retiring Director	
Hamaad Yousaf Malik	Retiring CEO	
	June 30, 2025 (Rupees)	June 30, 2024 (Rupees)
Payments to FWO on account of:		
Horticultural expense	13,290,000	39,120,000
Receipts from FWO on account of:		
Service area rentals	736,090,334	701,038,547
NGR	10,303,862,547	9,367,147,782
	11,039,952,881	10,068,186,329
Payable with FWO at year end:		
Long - term loan	1,234,271,511	2,468,543,015
Long - term liabilities	-	213,557,500
Lease Liability	283,246,681	289,105,823
Trade and other payables	2,169,688,089	1,784,995,007
	3,687,206,281	4,756,201,345
Receivable with FWO at year end:		
Other receivables	4,382,618,443	6,578,499,577

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Motorway Operations & Rehabilitation Engineering (Pvt) Limited

Notes To The Financial Statements

For the year ended June 30, 2025

	June 30, 2025 (Numbers)	June 30, 2024 (Numbers)
34 NUMBER OF EMPLOYEES	50	47
Number of Employees at the period end	48	48
Average Number of Employees during the period		

35 REMUNERATION OF THE CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES
 Details of the remuneration of the chief executive officer and directors are mentioned in note 26.1. The Company has no employee whose basic salary exceeds twelve hundred thousand rupees in a financial year, except for as disclosed below:

	June 30, 2025 (Rupees)	June 30, 2024 (Rupees)
Managerial remuneration	2,812,500	2,925,000
Allowances	2,520,000	17,166,049
	5,332,500	20,091,049

	June 30, 2025 (Numbers)	June 30, 2024 (Numbers)
Number of Directors	3	3
Number of Executives	1	1

36 CORRESPONDING FIGURES

Corresponding figures have been re-classified, re-arranged for better presentation of transactions and events for the purpose of comparison. However no significant reclassification has been made during the year.

37 GENERAL

Figures in these financial statements have been rounded off to the nearest Pak Rupee, unless otherwise stated.

38 EVENTS AFTER THE REPORTING PERIOD

There are no other significant events after the reporting period which may require adjustment of and/or disclosure in these financial statements.

39 AUTHORIZATION FOR ISSUE

These Financial statements were authorized for issue on _____ by the Board of directors of the Company.

H.M.D



 CHIEF EXECUTIVE OFFICER



 DIRECTOR