

COEUS SOLUTIONS (PVT.) LIMITED

ACCOUNTS FOR THE YEAR ENDED JUNE 30, 2020

INDEPENDENT AUDITORS' REPORT

To the members of Cocus Solutions (Pvt) Limited Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **Cocus Solutions (Pvt) Limited ("the Company")**, which comprises statement of financial position as at June 30, 2020, 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 a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose 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, statement of changes in equity and 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, 2020 and of the profit, the 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 the Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting standards as applicable in Pakistan, the requirements of the 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. The Board of directors is responsible for overseeing the company's financial reporting process.

Auditors' 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.

Report on Other Legal and Regulatory Requirements:

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

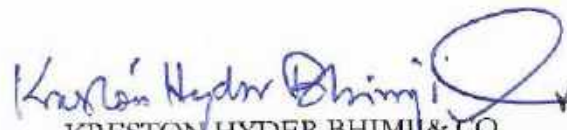
- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows (together 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;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

Other Matter

Management of the same Company has prepared another set of financial statements in accordance with International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 and the auditor has issued an unmodified report dated October 01, 2020 on those financial statements.

The engagement partner on the audit resulting in this independent auditor's report is Syed Aftab Hameed, FCA.

LAHORE: 01 NOV 2021

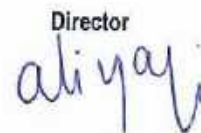

KRESTON HYDER BHIMJI & CO.
CHARTERED ACCOUNTANTS

COEUS SOLUTIONS (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2020

	Note	2020 (Rupees)	2019 (Rupees)
Assets			
Non-current assets			
Property, plant and equipment	4	12,736,876	8,249,473
Long term deposits - against ijarah facilities	5	2,196,881	2,877,440
		14,933,757	11,126,913
Current assets			
Trade receivables - unsecured and considered good	6	36,521,000	13,276,114
Advances, deposits and prepayments	7	3,993,249	2,749,162
Income tax refund due from government	8	1,713,870	1,387,946
Cash and bank balances	9	14,423,428	27,717,294
		56,651,547	45,130,516
TOTAL ASSETS		71,585,304	56,257,429
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital			
Issued, subscribed and paid up capital	10	1,000,000	1,000,000
Revenue reserve			
Un-appropriated profit		61,741,247	46,935,301
		62,741,247	47,935,301
Current liabilities			
Trade and other payables	11	8,844,057	8,322,128
Contingencies and commitments			
	12		
TOTAL EQUITY AND LIABILITIES		71,585,304	56,257,429

The annexed notes from 1 to 25 form an integral part of these financial statements.

Chief Executive


Director


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COEUS SOLUTIONS (PRIVATE) LIMITED
STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED JUNE 30, 2020

	Note	2020 Rupees	2019 Rupees
Revenue	13	156,487,539	142,253,105
Direct cost	14	(110,778,152)	(102,600,801)
Gross profit		45,709,387	39,652,304
Operating expenses			
Administrative and general expenses	15	(32,079,020)	(25,704,472)
Operating profit		13,630,367	13,947,832
Other income	16	1,253,386	2,200,132
Finance costs	17	(77,807)	(70,941)
Profit before taxation		14,805,946	16,077,023
Taxation	18	-	-
Profit after taxation for the year		14,805,946	16,077,023

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The annexed notes from 1 to 25 form an integral part of these financial statements.

Chief Executive

Director

COEUS SOLUTIONS (PRIVATE) LIMITED
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2020

	<u>2020</u> <u>Rupees</u>	<u>2019</u> <u>Rupees</u>
Profit after taxation for the year	14,805,948	16,077,023
Other comprehensive income:	-	-
Total comprehensive income for the year	<u>14,805,948</u>	<u>16,077,023</u>

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The annexed notes from 1 to 25 form an integral part of these financial statements.

Chief Executive



Director



COEUS SOLUTIONS (PRIVATE) LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2020

	Share capital	Revenue reserve	Total equity
	Issued, subscribed and paid up capital	Unappropriated profit	
	Ordinary shares		
 Rupees		
Balance at July 01, 2018	1,000,000	30,858,278	31,858,278
Profit for the year	-	16,077,023	16,077,023
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	16,077,023	16,077,023
Balance at June 30, 2019	1,000,000	46,935,301	47,935,301
Balance at July 01, 2019	1,000,000	46,935,301	47,935,301
Profit for the year	-	14,805,946	14,805,946
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	14,805,946	14,805,946
Balance at June 30, 2020	1,000,000	61,741,247	62,741,247

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The annexed notes from 1 to 25 form an integral part of these financial statements.

Chief Executive


Director


COEUS SOLUTIONS (PRIVATE) LIMITED
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2020

	Note	2020 Rupees	2019 Rupees
Cash flows from operating activities			
Profit after taxation for the year		14,805,946	16,077,023
Adjustments for non-cash income and expenses:			
Depreciation of property, plant and equipment		2,689,895	1,971,995
Exchange gain		(1,253,386)	(2,200,132)
Finance costs		77,807	70,941
		<u>16,320,262</u>	<u>15,919,827</u>
Changes in working capital:			
Trade receivables - unsecured and considered good		(21,991,500)	(626,166)
Advances, deposits and prepayments		(1,244,087)	(615,991)
Trade and other payables		521,929	(1,128,213)
Cash (used in) / generated from operations		<u>(6,393,396)</u>	<u>13,549,457</u>
Long term deposits		680,559	525,360
Income tax paid		(325,924)	(383,079)
Finance cost paid		(77,807)	(70,941)
Net cash (outflow) / inflow from operating activities		<u>(6,116,568)</u>	<u>13,640,797</u>
Cash flows from investing activities			
Payments for acquisition of property, plant and equipment		<u>(7,177,298)</u>	<u>(1,595,991)</u>
Net cash (outflow) from investing activities		<u>(7,177,298)</u>	<u>(1,595,991)</u>
Cash flows from financing activities			
Net cash flow from financing activities		-	-
Net (decrease) / increase in cash and cash equivalents		<u>(13,293,866)</u>	<u>12,044,806</u>
Cash and cash equivalents at the beginning of the year		<u>27,717,294</u>	<u>15,672,488</u>
Cash and cash equivalents at the end of the year	9	<u>14,423,428</u>	<u>27,717,294</u>

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The annexed notes from 1 to 25 form an integral part of these financial statements.

Chief Executive


Director


COEUS SOLUTIONS (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

1 Corporate and general information

1.1 Legal status and operations

Coeus Solutions (Private) Limited was incorporated on 27th day of December 2013 as a private limited liability company in Pakistan under the Companies Ordinance 1984 (repealed with the enactment of the Companies Act, 2017 on May 30, 2017).. The company's registered office is located at 6-Commercial Zone, 2nd Floor, Liberty Market, Gulberg III, Lahore, Punjab. It is principally engaged in the business of providing all kinds of information technology and software development services.

1.2 Summary of significant events and transactions in the current reporting period

There is no significant event or transaction affecting the Company's financial position and performance.

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 Standard for Small and Medium-sized Entities (IFRS for SMEs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

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

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention, except for certain items as disclosed in the relevant accounting policies below.

2.3 Functional and presentation currency

These financial statements are presented in Pakistan 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 judgements 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, plant and equipment
- Impairment of trade receivables – Note 3.3
- Impairment of financial assets other than trade receivables – Note 3.4
- Current income tax expense, provision for current tax - Note 3.8
- Estimation of provisions - Note 3.9
- Estimation of Contingencies - Note 3.10

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.

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3 Summary of significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, except for the changes as explained below.

3.1 Property, plant and equipment

Initial recognition

All items of property, plant and equipment are initially recorded at cost.

Subsequent measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment loss (if any).

Depreciation

Depreciation is charged to income by applying the reducing balance method at the rates specified in note-4. Depreciation is being charged on the basis of period of use i.e. no depreciation is provided on assets in the month in which these are sold while charge for the full month is made in which these are purchased and available for its intended use.

The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and

Disposal

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognized as other income in the statement of profit or loss.

Judgment and estimates

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

3.2 Impairment of non-financial assets other than inventories

The assets that are subject to depreciation or amortization are assessed at each reporting date to determine whether there is any indication that the assets are impaired. If there is an indication of possible impairment, the recoverable amount of the asset is estimated and compared with its carrying amount.

An impairment loss is recognized if the carrying amount of an asset exceeds its estimated recoverable amount. The impairment loss is recognized in the statement of profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

An impairment loss is reversed only to the extent that the asset carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. The Company recognizes the reversal immediately in the statement of profit or loss, unless the asset is carried at a revalued amount in accordance with the revaluation model. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

3.3 Trade and other receivables

Measurement

Trade receivables and other receivables are recognized at transaction price less an allowance for impairment.

Impairment

A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is recognized in the statement of profit or loss. Bad debts are written-off in the statement of profit or loss on identification.

Judgments and estimates

The allowance for doubtful debts of the Company is based on the ageing analysis and management's continuous evaluation of the recoverability of the outstanding receivables. In assessing the ultimate realization of these receivables, management considers, among other factors, the creditworthiness and the past collection history of each customer.

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3.4 Impairment of financial assets other than trade receivables

The financial assets other than those that are carried at fair value are assessed at each reporting date to determine whether there is any objective evidence of their impairment. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, and that loss event(s) had an impact on the estimated future cash flows of that asset that can be estimated reliably.

The impairment loss is recognized immediately in the statement of profit or loss and the carrying amount of the related financial asset is reduced accordingly. An impairment loss is reversed only if the reversal can be related objectively to an event occurring after the impairment loss was recognized.

3.5 Borrowings

Measurement

Loans are measured at amortized cost using the effective interest method.

Overdrafts are repayable in full on demand and are initially measured and subsequently stated at face value (the amount of the loan).

Interest

Interest expense is recognized on the basis of the effective interest method and is included in finance costs.

Interest-free loan

In case the loan is interest-free or carries interest below the prevalent market rate, it is initially recognized at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. The difference between the discounted present value and actual receipt is recognised as finance income. Subsequently, the interest-free loan is measured at amortized cost, using the effective interest rate method, this involves unwinding of discount, such that at the repayment date, the carrying value of obligation equals the amount to be repaid. The unwinding of discount is included in finance costs in the statement of profit or loss.

3.6 Leases

At its inception, a lease is classified as either a finance lease or an operating lease. Finance leases transfer substantially all the risks and rewards of ownership. All other leases are classified as operating leases.

Finance leases

Finance leases are capitalized at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is apportioned between the liability and finance charges using the effective interest method. Rental obligations, net of finance charges, are included in borrowings in the statement of financial

Operating leases

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease. Minimum lease payments receivable under operating leases are recognised as revenue on a straight-line basis over the term of the lease.

3.7 Trade and other payables

Trade payables are obligations under normal short-term credit terms. These are measured at the undiscounted amount of cash to

3.8 Income tax

Income tax comprises of current tax and deferred tax.

Income tax expense is recognised in the statement of profit and loss except to the extent that it relates to items recognized in other comprehensive income or directly in equity (if any), in which case the tax amounts are recognized directly in other comprehensive income or equity.

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Current tax

Current tax is the expected tax payable on the taxable income for the year, calculated using rates enacted or substantively enacted by the end of the reporting period. The calculation of current tax takes into account tax credit and tax rebates, if any, and is inclusive of any adjustment to income tax payable or recoverable in respect of previous years.

No Provision for taxation has been made in these accounts as income of the Company from export of IT services or IT enabled services is exempt under clause 133 Part I of second schedule of the Income Tax Ordinance, 2001.

Deferred tax

A deferred tax liability is recognised for all temporary differences that are expected to increase taxable profit in the future. Deferred tax assets are recognised for all temporary differences that are expected to reduce taxable profit in the future, and the carry forward of unused tax losses.

The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities using the tax rates enacted at the balance sheet date.

Judgment 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 during the ordinary course of business.

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 if there is a legally enforceable right to set off current tax assets against current tax liabilities, and they relate to income taxes levied by the same tax authority.

However, income of the Company from export of IT services or IT enabled services is exempt under clause 133 Part I of second schedule of the Income Tax Ordinance, 2001 up to June 30, 2019 (i.e. tax year 2019).

3.9 Provisions

Provisions are recognised 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 recognised 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 recognised at present value using a pre-tax discount rate. The unwinding of the discount is recognised 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 recognised 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 to take account of such changes. Any adjustments to the amount of previously recognised provision is recognised in the statement of profit or loss unless the provision was originally recognised as part of cost of an asset.

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Provision for warranty obligations

All goods sold by the Company are warranted to be free of manufacturing defects for a period of one year. Provisions for warranty costs are recognised at the date of sale of the relevant products, at the management's best estimate of the expenditure required to settle the Company's obligation.

3.10 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.

3.11 Off-setting of financial assets and liabilities

Financial assets and financial liabilities are off-set and the net amount is reported in the statement of financial position if the Company has a legally enforceable right to set-off the recognized amounts and intends either to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

3.12 Revenue recognition

Revenue is recognised to the extent the Company has delivered goods or rendered services under an agreement, the amount of revenue can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the Company.

Revenue is measured at the fair value of the consideration received or receivable, exclusive of sales tax and trade discounts.

Rendering of services

Revenue from rendering of services is recognised in proportion to the stage of completion of transaction at the reporting date. The stage of completion is based on the survey of the work performed.

3.13 Foreign currency transactions and translations

Transactions in foreign currencies are recorded at the rates of exchange ruling on the date of the transaction. All monetary assets and liabilities denominated in foreign currencies are translated into Pakistan Rupees at the rate of exchange ruling on the balance sheet date and exchange differences, if any, are charged in the statement of profit or loss.

3.14 Related party transactions

All transactions arising in the normal course of business, are conducted at arm's length at normal commercial rate on the same terms and conditions as third party transactions using valuation modes as admissible, except in rarely extreme circumstances where, subject to approval of the Board of Directors, it is in the interest of the company to do so.

3.15 Staff retirement benefits

The company operates an unrecognized provident fund scheme for its employees. Equal monthly contributions by the company and employees at the rate of 5% of the basic salary are made to Employees' Provident Fund.

3.16 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the period in which the dividends are approved by the company's shareholders.

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4 Property, plant and equipment

Particulars	Cost			Rate	Depreciation		Written down value as at 30-Jun-20
	As at 1-Jul-19	Additions	As at 30-Jun-20		As at 1-Jul-19	Charge for the year	
Furniture and fixtures:	7,225,400	355,252	7,590,652	15%	3,709,982	581,448	4,271,430
Office equipment	1,942,100	410,500	2,352,600	15%	798,631	211,864	1,342,105
Computers	6,682,527	3,288,548	9,951,073	30%	3,896,106	1,580,983	4,493,984
Vehicles	1,694,000	3,133,000	4,827,000	15%	889,835	355,600	1,245,435
Rupees - 2020	17,544,027	7,177,298	24,721,325		9,294,554	2,689,895	11,984,449

Particulars	Cost			Rate	Depreciation		Written down value as at 30-Jun-19
	As at 1-Jul-18	Additions	As at 30-Jun-19		As at 1-Jul-18	Charge for the year	
Furniture and fixtures	6,908,295	317,105	7,225,400	15%	3,120,313	589,869	3,709,982
Office equipment	1,818,358	125,742	1,942,100	15%	511,828	186,803	798,631
Computers	5,571,383	1,111,144	6,682,527	30%	2,837,553	1,058,553	3,896,103
Vehicles	1,652,000	42,000	1,694,000	15%	752,866	136,970	889,835
Rupees - 2020	15,948,036	1,595,991	17,544,027		7,222,559	1,971,995	9,294,554

4.1 Depreciation has been allocated as under:

Notes	2020	2019
	Rupees	Rupees
Direct cost	13 1,882,927	1,380,397
Administrative and general expenses	14 806,968	591,598
	2,689,895	1,971,995

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	Note	2020 (Rupees)	2019 (Rupees)
5 Long term deposits - against Ijarah facilities		2,196,881	2,877,440
6 Trade receivables - unsecured and considered good		36,521,800	13,276,114
7 Advances, deposits and prepayments			
Advances to employees-considered good		3,853,887	2,570,825
Security deposits		27,700	20,500
Prepayments		111,662	157,837
		3,993,249	2,749,162
8 Income tax refund due from government			
Opening balance		1,387,946	1,024,867
Add: Paid / deducted during the year		325,924	363,079
		1,713,870	1,387,946
Less: Provision for the year	18	-	-
		1,713,870	1,387,946
	Note	2020 (Rupees)	2019 (Rupees)
9 Cash and bank balances			
Cash on hand:			
Local currency		13,692	112,567
Foreign currency (euros)		-	379,657
		13,692	492,224
Bank balances:			
Current accounts		14,409,736	27,225,070
		14,423,428	27,717,294
10 Share capital			
Authorized share capital			
10,000 (2019: 10,000) ordinary shares of Rupees 100/- each		1,000,000	1,000,000
Issued, subscribed and paid up capital			
	Note	2020 Rupees	2019 Rupees
		1,000,000	1,000,000
10.1 The shareholders are entitled to receive all distributions including dividends and other entitlements in the form of bonus and right shares as and when declared by the Company. All shares carry one vote per share without restriction.			
11 Trade and other payables			
Creditors		923,073	590,494
Accrued liabilities		7,454,600	7,061,141
Payable to provident fund		-	509,793
Withholding tax payable		172,508	74,450
Auditors' remuneration payable		86,250	86,250
Other payables		207,626	-
		8,844,057	8,322,128
12 Contingencies and commitments			
Contingencies			
There are no material known contingencies outstanding against the company as at the reporting date (2019: nil).			
Commitments			
Company is committed to pay the following:			
Ijarah leases			
Within one year		1,760,844	1,750,844
Later than one year but within five years		3,915,008	5,675,852
		5,675,852	7,426,696

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	Notes	2020 Rupees	2019 Rupees
13 Revenue			
Export of services		<u>158,487,539</u>	<u>142,253,105</u>
14 Direct cost			
Salaries, wages and other benefits	14.1	95,919,827	90,457,852
Outsourcing cost		3,914,736	2,622,392
Rent, rates and taxes		3,101,767	2,429,937
Entertainment		1,446,039	1,869,947
Communication		1,186,014	1,182,205
Utilities		1,004,085	1,073,258
Oil and lubricants		62,292	135,788
Ijarah rentals		1,317,200	832,864
Repair and maintenance		943,265	616,160
Depreciation	4	1,882,927	1,380,397
		<u>110,778,152</u>	<u>102,600,801</u>
14.1	Salaries, wages and other benefits include Rs. 2,826,067 (2019: Rs. 2,429,167) in respect contribution to employees' provident fund by the Company.		
15 Administrative and general expenses			
Salaries, wages and other benefits	15.1	16,965,554	12,444,187
Rent, rates and taxes		1,329,329	1,041,401
Ijarah rentals		1,121,648	942,044
Communication		508,292	508,659
Utilities		430,322	459,957
Oil and lubricants		26,697	58,195
Entertainment		619,731	801,406
Travelling and conveyance		2,882,105	1,910,422
Repair and maintenance		938,293	981,569
Printing and stationery		30,422	49,615
Auditor's remuneration	15.2	86,250	86,250
Legal and professional charges		450,250	280,250
Fees and subscription		802,841	352,045
Newspaper and periodicals		6,300	6,647
Charity and donations		4,274,446	4,451,335
Depreciation	4	806,968	591,598
Miscellaneous expenses		799,572	760,882
		<u>32,079,020</u>	<u>25,704,472</u>
15.1	Salaries, wages and other benefits include Rs. 404,510 (2019: Rs. 278,235) in respect contribution to employees' provident fund by the Company.		
15.2 Auditors' remuneration			
Audit services			
Annual audit fee		78,750	78,750
Out of pocket expenses		7,500	7,500
		<u>86,250</u>	<u>86,250</u>
16 Other income			
Foreign exchange gain		<u>1,253,386</u>	<u>2,200,132</u>
17 Finance costs			
Bank charges		<u>77,807</u>	<u>70,941</u>
18 Taxation			
Current tax			

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No Provision for taxation has been made in these accounts as income of the Company from export of IT services or IT enabled services is exempt under clause 133 Part I of second schedule of the Income Tax Ordinance, 2001.

19	Earnings Per Share		2020	2019
	Basic			
	Profit attributable to ordinary shareholders	Rupees	<u>14,805,946</u>	<u>16,077,023</u>
	Weighted average number of ordinary shares	Numbers	<u>10,000</u>	<u>10,000</u>
	Earnings per share - basic	Rupees	<u>1,481</u>	<u>1,608</u>

Diluted

There is no dilutive effect on the basic earnings per share.

20 **Related Parties**

The related parties of the Companies are as follows:

<u>Names of related parties</u>	<u>Relationship</u>	<u>Basis of relationship (percentage)</u>
Muhammad Ahsan Naseem	Director / CEO	50%
Ali Naqi Shaheen	Director	50%

21 **Remuneration of chief executive, directors and executives**

	2020			2019		
	Chief Executive	Directors	Executives	Chief Executive	Directors	Executives
 Rupees					
Managerial remuneration	-	-	1,253,076	-	-	2,934,761
Fees	-	-	-	-	-	-
Bonus	-	-	-	-	-	458,500
Housing and utilities	-	-	692,124	-	-	1,821,319
	-	-	<u>1,945,200</u>	-	-	<u>5,014,580</u>
Number of persons	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>2</u>

22 **Basic financial instruments**

	Fair value through profit or loss		Amortized cost		Total	
	2020	2019	2020	2019	2020	2019
 (Rupees)					
Financial assets						
Trade receivables - unsecured and considered good	-	-	36,521,000	13,276,114	36,521,000	13,276,114
Advances, deposits and prepayments	-	-	3,881,587	2,591,325	3,881,587	2,591,325
Cash and bank balances	-	-	14,423,428	27,717,294	14,423,428	27,717,294
	-	-	<u>54,826,015</u>	<u>43,584,733</u>	<u>54,826,015</u>	<u>43,584,733</u>
Financial liabilities						
Trade and other payables	-	-	8,844,057	8,322,128	8,844,057	8,322,128
	-	-	<u>8,844,057</u>	<u>8,322,128</u>	<u>8,844,057</u>	<u>8,322,128</u>

23 **Number of employees**

	2020 Number	2019 Number
Total employees of the Company at the year end	<u>88</u>	<u>88</u>
Average employees of the Company during the year	<u>88</u>	<u>86</u>

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24 Corresponding figures

Corresponding figures have been rearranged and reclassified, wherever considered necessary, however no major rearrangements take place during the year.

25 Authorization for issue

01 NOV 2021

These financial statements were approved by the Company's Board of Directors and authorized for issue on _____

Chief Executive


Director
