

**PAKISTAN SOFTWARE EXPORT BOARD
(GUARANTEE) LIMITED**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

AUDITED BY



MUNIFF ZIAUDDIN & CO
Chartered Accountants

**AUDITORS' REPORT
TO THE MEMBERS**

Member Firm of BKR International

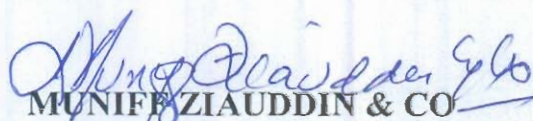
We have audited the annexed balance sheet of **PAKISTAN SOFTWARE EXPORT BOARD (GUARANTEE) LIMITED** as at 30 June 2015 and the related profit and loss account, cash flow statement and statement of changes in funds together with the notes forming part thereof for the year then ended and we state that we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.

It is the responsibility of the company's management to establish and maintain a system of internal control and prepare and present the above said financial statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance 1984. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted the audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining on test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that;

- a) In our opinion, proper books of accounts have been kept by the company as required by the Companies Ordinance, 1984.
- b) In our opinion;
 - i) the balance sheet and profit and loss account together with the notes forming part thereof have been drawn up in conformity with the Companies Ordinance, 1984 and are in agreement with the books of accounts and further in accordance with accounting policies consistently applied;
 - ii) the expenditure incurred during the year was for the purpose of the company's business; and
 - iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the company;
- c) In our opinion and to the best of our information and according to the explanations given to us the balance sheet, profit and loss account, cash flow statement and statement of changes in funds together with notes forming part thereof conform with approved accounting standards as applicable in Pakistan and give the information required by the Companies Ordinance 1984, in the manner so required and respectively give true and fair view of the state of the company's affairs as at 30 June 2015 and of the profit, its cash flows and changes in funds for the year then ended; and
- d) In our opinion no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980.

Islamabad.07-12-2015


MUNIFF ZIAUDDIN & CO
Chartered Accountants
(Sardar Shahid Farid, FCA)

PAKISTAN SOFTWARE EXPORT BOARD (GUARANTEE) LIMITED
BALANCE SHEET
AS AT 30 JUNE 2015

	Note	AMOUNT (Rupees) 2015	AMOUNT (Rupees) 2014
<u>FUNDS & LIABILITIES</u>			
FUNDS			
General fund		69,560,519	64,034,364
PSDP & other projects' fund	4	670,076,959	675,209,706
		739,637,478	739,244,070
NON-CURRENT LIABILITIES			
Staff benefits	5	28,105,873	25,354,318
Deferred grants	6	410,323,695	428,750,607
		438,429,568	454,104,925
CURRENT LIABILITIES			
Trade & other payables	7	26,591,475	24,990,527
Liabilities relating to PSDP & other projects		162,700	-
Provision for taxation		-	261,583
		26,754,175	25,252,110
CONTINGENCIES & COMMITMENTS			
	8	-	-
		1,204,821,221	1,218,601,105
<u>PROPERTY & ASSETS</u>			
NON-CURRENT ASSETS			
Property, plant & equipment	9	419,458,226	434,867,226
Assets relating to PSDP & other projects	10	670,061,493	670,004,018
Long term security deposits		1,477,665	1,462,915
Deferred taxation	11	67,155	3,477,195
		1,091,064,539	1,109,811,354
CURRENT ASSETS			
Trade receivables		6,244,332	5,870,991
Advances, prepayments & other receivables	12	11,157,355	6,942,995
Assets relating to PSDP & other projects	13	178,166	5,205,688
Cash & bank balances	14	96,176,829	90,770,077
		113,756,682	108,789,751
		1,204,821,221	1,218,601,105

Annexed notes form an integral part of these financial statements.


CHIEF EXECUTIVE


DIRECTOR

PAKISTAN SOFTWARE EXPORT BOARD (GUARANTEE) LIMITED
PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2015

	Note	AMOUNT (Rupees) 2015	AMOUNT (Rupees) 2014
REVENUE			
Federal government grant	6	62,289,538	55,922,333
Amortization of deferred grant - in kind	6	18,137,374	18,718,984
Revenue from bandwidth and related services		40,007,891	37,042,187
Registration and renewal fee		19,143,000	18,990,000
Other income	15	7,645,886	5,950,471
		147,223,689	136,623,975
EXPENDITURE			
Salaries, allowances & benefits		65,178,557	59,509,371
Data node bandwidth & related charges		17,440,573	17,021,351
Travelling & conveyance		653,776	483,447
Advertisement & publicity		486,451	678,362
Communication		1,757,754	1,825,765
Utilities		4,218,090	3,740,908
Rent, rates & taxes		8,473,090	8,530,551
Vehicle running expenses		441,927	995,145
Fee & subscription		247,216	221,099
Printing & stationary		552,830	652,162
Newspaper & periodicals		36,858	8,947
Exhibitions & seminars		10,414,772	1,946,070
Repair & maintenance		2,656,158	3,074,937
Foreign & inland training		2,954,518	-
Auditors' remuneration		150,000	130,000
Legal & professional charges		232,500	315,000
Entertainment		669,700	194,411
Advance income tax written off		-	308,410
Bad debts written off		1,552,992	-
Depreciation of deferred grant - in kind	9.1	18,137,374	18,718,984
Depreciation	9.1	1,392,883	1,277,904
Exchange loss		5,606	69,658
Bank charges		42,360	23,975
		137,695,985	119,726,457
Profit before taxation		9,527,704	16,897,518
Taxation	16	(4,001,549)	(8,707,522)
Profit after taxation		5,526,155	8,189,996


CHIEF EXECUTIVE


DIRECTOR

PAKISTAN SOFTWARE EXPORT BOARD (GUARANTEE) LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2015

	AMOUNT (Rupees) 2015	AMOUNT (Rupees) 2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	9,527,704	16,891,518
<i>Adjustment for non-cash items</i>		
Federal Government grant	(62,289,538)	(55,922,333)
Amortization of deferred grant - in kind	(18,137,374)	(18,718,984)
Profit on bank deposits	(5,322,854)	(5,082,997)
Bad debts written off	1,552,992	
Depreciation	1,392,883	1,277,904
Amortization of deferred grant - in kind	18,137,374	18,718,984
Provision for medical facility	1,729,880	1,595,416
Provision for gratuity	4,483,735	4,649,008
Provision for employees' earned leaves	(1,413,790)	1,243,590
	<u>(59,866,692)</u>	<u>(52,239,412)</u>
Loss before changes in working capital	(50,338,988)	(35,341,894)
<i>Changes in working capital</i>		
(Increase) / decrease in current assets		
- Trade receivables	(1,926,333)	1,693,526
- Advances, prepayments & other receivables	(2,415,652)	(1,041,218)
	(4,341,985)	652,308
Increase / (decrease) in current liabilities		
- Trade & other payables	1,600,948	(1,121,681)
	<u>(2,741,037)</u>	<u>(469,373)</u>
Cash used in operations	(53,080,025)	(35,811,267)
Federal Government grant received	62,000,000	55,577,000
Profit on bank deposits received	5,304,505	5,080,929
Income tax paid	(2,633,451)	(1,383,838)
Medical facility paid	(1,737,428)	(1,077,589)
Gratuity paid	(310,842)	(799,650)
Net cash generated from operating activities	<u>9,542,759</u>	<u>21,585,585</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant & equipment	(4,121,257)	(2,138,845)
Long term security deposits	(14,750)	37,850
	<u>(4,136,007)</u>	<u>(2,100,995)</u>
NET INCREASE IN CASH & CASH EQUIVALENTS	<u>5,406,752</u>	<u>19,484,590</u>
CASH & CASH EQUIVALENTS AT BEGINNING OF THE YEAR	<u>90,770,077</u>	<u>71,285,487</u>
CASH & CASH EQUIVALENTS AT END OF THE YEAR	<u><u>96,176,829</u></u>	<u><u>90,770,077</u></u>


CHIEF EXECUTIVE


DIRECTOR

PAKISTAN SOFTWARE EXPORT BOARD (GUARANTEE) LIMITED
STATEMENT OF CHANGES IN FUNDS
FOR THE YEAR ENDED 30 JUNE 2015

	AMOUNT IN RUPEES		
	General fund	PSDP & other projects' fund	Total
Balance as at 30 June 2013	55,844,368	704,484,326	760,328,694
Profit for the year ended 30 June 2014	8,189,996	-	8,189,996
PSDP and other projects' fund received during the year ended 30 June 2014	-	4,997,500	4,997,500
Expenditure incurred on PSDP and other projects during the year ended 30 June 2014	-	(34,272,120)	(34,272,120)
Balance as at 30 June 2014	64,034,364	675,209,706	739,244,070
Profit for the year	5,526,155		5,526,155
PSDP and other projects' fund received during the year	-	4,040,500	4,040,500
Expenditure incurred on PSDP and other projects during the year	-	(9,173,247)	(9,173,247)
	<u>69,560,519</u>	<u>670,076,959</u>	<u>739,637,478</u>


CHIEF EXECUTIVE


DIRECTOR

PAKISTAN SOFTWARE EXPORT BOARD (GUARANTEE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

1. STATUS & NATURE OF BUSINESS

Pakistan Software Export Board (Guarantee) Limited ("the company") was incorporated in Pakistan under the Companies Ordinance, 1984 on 13 June 1998 as company limited by guarantee not having share capital to carry on business activities previously performed by the Pakistan Software Export Board more independently, effectively and dynamically. The registered office of the company is situated at 2nd Floor, Evacuee Trust Complex, Sector F-5/1, Islamabad. The company is fully owned and controlled by the Federal Government through Ministry of Information Technology.

The principal objective of the Company is to make Pakistan a preferred destination for the business process outsourcing, placing Pakistan as a key player in the global information technology market, creating an environment that is conducive for IT business in the country and develop and strengthen domestic IT industry through various support programs and projects to deliver higher value added services and enhance IT and IT enabled services (ITeS) export from Pakistan.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the Accounting and Financial Reporting Standards for Medium-Sized Entities as applicable in Pakistan and the requirements of the Companies Ordinance, 1984. In case requirements differ the provision or directive of the Companies Ordinance, 1984 shall prevail.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of presentation

These financial statements have been prepared under the historical cost convention except as otherwise stated in the respective policies and notes given hereunder.

3.2 Significant accounting estimates and judgments

The preparation of financial statements in conformity with the Accountants and Financial Reporting Standards for Medium-Sized Entities issued by the Institute of Chartered Accountants of Pakistan requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumption are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgment about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised.

Significant areas requiring the use of management estimates in these financial statements relate to the useful lives of depreciable assets, provision for doubtful receivables and provision for taxation. However, assumptions and judgments made by management in the application of accounting policies that have significant effect on the financial statements are not expected to result in material adjustment to the carrying amounts of the assets and liabilities in the next year. m

3.3 Deferred grants

Deferred grants represents the amount received from Government of Pakistan through Ministry of Information Technology. Government grants are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions. Fair value signifies the amount received in cash and current market value in case of grant received in kind.

Government grants relating to expenses are deferred and thereafter recognized in the profit & loss account over the period necessary to match them with the expenses that they are intended to compensate.

Government grants relating to property, plant and equipment are recognized as deferred grants and credited to the profit & loss account over the useful lives of the related assets.

3.4 Revenue recognition

Revenue is recognized when it is probable that the economic benefits associated with the transaction will flow to the company and the amount of revenue and the associated cost incurred or to be incurred can be measured reliably, on the following basis

- i) Revenue from bandwidth and related service is recognized on the basis of billing to the customers.
- ii) Annual registration and renewal fee is recognized on cash basis.
- iii) Return on deposits with banks is recognized on time proportion basis taking into account the amounts outstanding and the applicable rate of return.

3.5 Foreign exchange

These financial statements are prepared in Pak rupees, which is the company's functional currency. All monetary assets and liabilities denominated in foreign currencies are translated into Pak rupees at the rates of exchange prevailing at the balance sheet date, while the transactions in foreign currency during the year are initially recorded in functional currency at the rates prevailing at the transaction date. All non monetary items are translated into Pak rupees at the exchange rates prevailing on the date of transaction or on the date when fair values are determined. Gain and losses on settlement and translation at the year end are recognized in the profit & loss account.

3.6 Staff benefits

Medical facility

Employees are entitled to medical facility allowance as determined in accordance with service regulations of the company. During the year employees can get their actual medical expenses reimbursed and remaining balance of unused entitlement, if any, is forwarded to succeeding years which employees can get reimbursed in succeeding years or can encash on termination / resignation from the service.

Gratuity scheme

The company operates an unfunded gratuity scheme for its employees. Provision for gratuity is made annually to cover obligation under the scheme on the basis of forty five days basic pay for each respective completed year of service.

Employees' earned leaves

The company accounts for the liability in respect of employees' earned leaves in the year in which these are earned. Provision to cover the obligation is made using the current salary level of employees.

3.7 Taxation

Current

Provision for tax is based on taxable income for the year determined in accordance with the prevailing law of taxation of income. The charge for tax is calculated using the prevailing tax rate or tax rates expected to apply to the surplus for the year if earned. The charge for tax includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary timing differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are recognized for all the taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse, based on tax rates that have been enacted.

3.8 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. The cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, and any directly attributable costs of bringing the asset to the working condition for its intended use; any trade discounts and rebates are deducted in arriving at the purchase price.

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 benefit associated with the item will flow to the company and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to profit & loss account during the year in which they are incurred.

Depreciation on property, plant and equipment is charged to profit & loss account on reducing balance method, except lease hold land which is depreciated on straight line method, at the rates given in relevant note so as to write off the cost /depreciated amount of the assets over their estimated useful lives. Depreciation on addition is charged from the month in which the assets are available for use and on deletions up to the month in which the assets are de-recognized / disposed off. *m*

An item of property, plant and equipment is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising de-recognition of the asset is included in the profit & loss account in the year the asset is de-recognized.

3.9 Impairment of assets

The carrying value of the company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amount is estimated and impairment losses are recognized in the profit & loss account.

3.10 Provisions

Provisions are recognized when the company has a present legal and constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations and a reliable estimate can be made of the amount of obligation.

3.11 Public Sector Development Programme (PSDP) Projects

Grants related to PSDP and other projects are categorized separately as these cannot be used for other purposes.

3.12 Financial instruments

Financial assets and liabilities are recognized when the company becomes a party to the contractual provisions of the instrument, the particular recognition methods adopted are disclosed in the individual policy statements associated with each item. The company de-recognizes the financial assets and liabilities when it ceases to be a party to such contractual provisions of the instrument. The company recognizes the regular way purchases or sale of financial assets using settlement date

The particular measurement methods adopted are disclosed in the following individual policy statements with each item:

a) Trade and other receivables

Trade debts and other receivables are carried at original invoice value less an estimate made for doubtful debts based on review of all outstanding amounts at the year end. Bad debts are written off when identified.

b) Trade and other payables

Liabilities for trade and other payables are carried at cost which is fair value of the consideration to be paid in the future for goods and services received.

c) Cash and cash equivalents

Cash in hand and at banks are carried at fair value. For the purpose of cash flow statement, cash and cash equivalents comprise of cash in hand cash with banks in current and saving accounts.

3.13 Off setting

Financial assets and liabilities are set off and the net amount is reported in the balance sheet, if the company has the legally enforceable right to set off the recognized amounts and the company intends to settle either on a net basis or realized the assets and settle the liability simultaneously. *m*

		AMOUNT (Rupees) 2015	AMOUNT (Rupees) 2014
4. PSDP & OTHER PROJECTS' FUND			
Balance as at 01 July		675,209,706	704,484,326
Add:			
Received during the year			
- Received from National ICT R&D Fund		4,040,500	4,762,500
- Liability written-off		-	235,000
		4,040,500	4,997,500
Less:			
Expenditure	4.1	(9,173,247)	(11,159,617)
Grant of Mobile Lab returned to World Bank		-	(22,677,014)
Amounts transferred to PSEB		-	(383,822)
Assets transferred to PSEB		-	(51,667)
		(9,173,247)	(34,272,120)
Balance as at 30 June		<u>670,076,959</u>	<u>675,209,706</u>
4.1 This represents the expenditure of 2 (2014 : 3) projects executed and operated by Pakistan Software Export Board (Guarantee) Limited during the year.			
5. STAFF BENEFITS			
Medical facility	5.1	2,395,442	2,402,990
Gratuity	5.2	19,801,748	15,628,855
Employees' earned leaves	5.3	5,908,683	7,322,473
		<u>28,105,873</u>	<u>25,354,318</u>
5.1 Medical facility			
Balance as on 01 July		2,402,990	1,885,163
Charge for the year		1,729,880	1,595,416
Benefits paid during the year		(1,737,428)	(1,077,589)
Net liability as on 30 June		<u>2,395,442</u>	<u>2,402,990</u>
5.2 Gratuity			
Balance as on 01 July		15,628,855	11,779,497
Charge for the year		4,483,735	4,649,008
Benefits paid during the year		(310,842)	(799,650)
Net liability as on 30 June		<u>19,801,748</u>	<u>15,628,855</u>
5.3 Employees' earned leaves			
Balance as on 01 July		7,322,473	6,078,883
Charge for the year		599,473	1,251,517
Reversed during the year		-	(7,927)
Benefits paid during the year		(2,013,263)	-
Net liability as on 30 June		<u>5,908,683</u>	<u>7,322,473</u>

		AMOUNT (Rupees) 2015	AMOUNT (Rupees) 2014
6. DEFERRED GRANTS			
Government grants - in cash	6.1	1,919,566	2,209,104
Government grants others - in kind	6.2	408,404,129	426,541,503
		<u>410,323,695</u>	<u>428,750,607</u>

6.1 Government grants

		2015			
		Opening	Grants received during the year	Grants amortized during the year	Balance
Capital		2,209,104	-	(289,538)	1,919,566
Revenue		-	62,000,000	(62,000,000)	-
2015		<u>2,209,104</u>	<u>62,000,000</u>	<u>(62,289,538)</u>	<u>1,919,566</u>
2014		<u>2,554,437</u>	<u>55,577,000</u>	<u>(55,922,333)</u>	<u>2,209,104</u>

6.2 Government grants others - in kind

		2015			
		Opening	Grants received during the year	Grants amortized during the year	Balance
In kind		426,541,503	-	(18,137,374)	408,404,129
		<u>426,541,503</u>	<u>-</u>	<u>(18,137,374)</u>	<u>408,404,129</u>
2014		<u>445,208,820</u>	<u>51,667</u>	<u>(18,718,984)</u>	<u>426,541,503</u>

6.2.1 Grants received in kind represent Public Sector Development Programme (PSDP) and other projects' assets acquired by Pakistan Software Export Board (Guarantee) Limited upon completion of projects.

7. TRADE & OTHER PAYABLES

Pakistan Telecommunication Company Limited	7.1	9,000,000	9,000,000
Advances from customers		7,877,655	6,781,646
Accrued liabilities		9,622,916	8,978,322
Other payables		90,904	230,559
		<u>26,591,475</u>	<u>24,990,527</u>

7.1 This represents amount payable to Pakistan Telecommunication Company Limited against data node equipment acquired and bandwidth services. m

8. CONTINGENCIES & COMMITMENTS

The company has no significant contingencies and commitments.

9. PROPERTY, PLANT & EQUIPMENT

	LEASE HOLD LAND	FURNITURE & FITTINGS	OFFICE & ELECTRIC EQUIPMENT	COMPUTER & RELATED EQUIPMENT	DATA NODE EQUIPMENT & INSTALLATION	VEHICLES	TOTALS
As at 01 July 2013							
Cost	503,228,063	9,524,512	8,597,282	18,698,787	33,948,751	4,495,015	578,492,410
Accumulated depreciation	(73,956,108)	(5,738,110)	(4,007,303)	(15,655,621)	(22,545,634)	(3,916,032)	(125,818,808)
Net book value	<u>429,271,955</u>	<u>3,786,402</u>	<u>4,589,979</u>	<u>3,043,166</u>	<u>11,403,117</u>	<u>578,983</u>	<u>452,673,602</u>
Year ended 30 June 2014							
Opening net book value	429,271,955	3,786,402	4,589,979	3,043,166	11,403,117	578,983	452,673,602
Additions	-	69,666	319,592	503,175	1,147,412	99,000	2,138,845
Transfers:							
Cost	-	51,935	-	167,000	-	-	218,935
Accumulated depreciation	-	(23,400)	-	(143,868)	-	-	(167,268)
	-	28,535	-	23,132	-	-	51,667
Depreciation charge	(15,769,575)	(382,985)	(475,790)	(833,618)	(2,400,973)	(133,947)	(19,996,888)
Closing net book value	<u>413,502,380</u>	<u>3,501,618</u>	<u>4,433,781</u>	<u>2,735,855</u>	<u>10,149,556</u>	<u>544,036</u>	<u>434,867,226</u>
As at 01 July 2014							
Cost	503,228,063	9,622,713	8,916,874	19,225,094	35,096,163	4,594,015	580,682,922
Accumulated depreciation	(89,725,683)	(6,121,095)	(4,483,093)	(16,489,239)	(24,946,607)	(4,049,979)	(145,815,696)
Net book value	<u>413,502,380</u>	<u>3,501,618</u>	<u>4,433,781</u>	<u>2,735,855</u>	<u>10,149,556</u>	<u>544,036</u>	<u>434,867,226</u>
Year ended 30 June 2015							
Opening net book value	413,502,380	3,501,618	4,433,781	2,735,855	10,149,556	544,036	434,867,226
Additions	-	157,569	3,393,189	498,544	71,955	-	4,121,257
Depreciation charge	(15,769,575)	(357,457)	(501,592)	(756,919)	(2,035,907)	(108,807)	(19,530,257)
Closing net book value	<u>397,732,805</u>	<u>3,301,730</u>	<u>7,325,378</u>	<u>2,477,480</u>	<u>8,185,604</u>	<u>435,229</u>	<u>419,458,226</u>
As at 01 July 2015							
Cost	503,228,063	9,780,282	12,310,063	19,723,638	35,168,118	4,594,015	584,804,179
Accumulated depreciation	(105,495,258)	(6,478,552)	(4,984,685)	(17,246,158)	(26,982,514)	(4,158,786)	(165,345,953)
Net book value	<u>397,732,805</u>	<u>3,301,730</u>	<u>7,325,378</u>	<u>2,477,480</u>	<u>8,185,604</u>	<u>435,229</u>	<u>419,458,226</u>
Depreciation rates per annum (%)	3.117% - 3.141%	10%	10%	25%	20%	20%	

9.1 Depreciation related to assets purchased out of Government grants
 Depreciation related to assets purchased out of own income

Depreciation related to assets acquired from PSDP and other projects
 Depreciation charge for the year

	NOTE	2015	2014
	6	Rupees 289,538	Rupees 345,333
		1,103,345	932,571
		1,392,883	1,277,904
	6	18,137,374	18,718,984
		19,530,257	19,996,888

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10. ASSETS RELATING TO PSDP & OTHER PROJECTS

Operating fixed assets
Advance to Civil Aviation Authority against purchase of land

	2015	2014
	Rupees	Rupees
10.1	57,475	-
	670,004,018	670,004,018
	670,061,493	670,004,018

10.1 OPERATING FIXED ASSETS

	FURNITURE & FITTINGS	OFFICE & ELECTRIC EQUIPMENT	COMPUTERS & RELATED EQUIPMENT	DATA NODE EQUIPMENT & INSTALLATION	VEHICLES	TOTAL
As at 01 July 2013						
Cost	51,935	-	167,000	-	-	218,935
Accumulated depreciation	(23,400)	-	(143,868)	-	-	(167,268)
Net book value	<u>28,535</u>	<u>-</u>	<u>23,132</u>	<u>-</u>	<u>-</u>	<u>51,667</u>
Year ended 30 June 2014						
Opening net book value	28,535	-	23,132	-	-	51,667
Transfers:						
Cost	(51,935)	-	(167,000)	-	-	(218,935)
Accumulated depreciation	23,400	-	143,868	-	-	167,268
	(28,535)	-	(23,132)	-	-	(51,667)
Depreciation charge	-	-	-	-	-	-
Closing net book value	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
As at 01 July 2014						
Cost	-	-	-	-	-	-
Accumulated depreciation	-	-	-	-	-	-
Net book value	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Year ended 30 June 2015						
Opening net book value	-	-	-	-	-	-
Additions	-	-	72,600	-	-	72,600
Transfers:						
Cost	-	-	-	-	-	-
Accumulated depreciation	-	-	-	-	-	-
Depreciation charge	-	-	(15,125)	-	-	(15,125)
Closing net book value	<u>-</u>	<u>-</u>	<u>57,475</u>	<u>-</u>	<u>-</u>	<u>57,475</u>
Depreciation rates per annum (%)						
	10	10	25	20	20	

or

	AMOUNT (Rupees) 2015	AMOUNT (Rupees) 2014
11. DEFERRED TAXATION		
The liability / (asset) for deferred taxation originated due to timing differences relating to:		
Taxable temporary difference		
Accelerated tax depreciation allowance	2,177,457	2,182,855
Deductible temporary differences		
Available tax losses	(2,244,612)	(5,660,050)
	<u>(67,155)</u>	<u>(3,477,195)</u>
12. ADVANCES, PREPAYMENTS & OTHER RECEIVABLES		
Advances to employees against;		
- salaries and benefits	8,481,223	3,686,222
- expenses	80,001	60,000
	8,561,224	3,746,222
Advance income tax	1,780,359	-
Prepayments	360,373	3,068,190
Other receivables	455,399	128,583
	<u>11,157,355</u>	<u>6,942,995</u>
13. ASSETS RELATING TO PSDP & OTHER PROJECTS		
Advances against expenses	8,175	30,600
Cash at banks, current accounts, Pak Rupees	169,991	5,175,088
	<u>178,166</u>	<u>5,205,688</u>
14. CASH & BANK BALANCES		
Cash in hand	35,205	46,329
Cash at bank		
- current accounts, Pak rupees	21,647	84,166
- savings accounts, Pak rupees	95,275,694	89,821,836
- savings accounts, US dollars	844,283	817,746
	96,141,624	90,723,748
	<u>96,176,829</u>	<u>90,770,077</u>
15. OTHER INCOME		
Income from financial assets		
Profit on bank deposits	5,322,854	5,082,997
Income from non-financial assets		
Exhibition participation fee	2,235,910	210,500
Miscellaneous	87,122	656,974
	2,323,032	867,474
	<u>7,645,886</u>	<u>5,950,471</u>

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	AMOUNT (Rupees) 2015	AMOUNT (Rupees) 2014
16. TAXATION		
Current	591,509	856,434
Deferred	3,410,040	7,851,088
	<u>4,001,549</u>	<u>8,707,522</u>

17. NUMBER OF EMPLOYEES		
Total number of employees as at 30 June	<u>66</u>	<u>66</u>

18. REMUNERATION OF CHIEF EXECUTIVE

The aggregate amount charged in the financial statements for the year in respect of remuneration and other benefits to the Chief Executive of the company are:

Number of person(s)	<u>1</u>	<u>1</u>
Managerial remuneration	3,045,710	228,296
Allowances		
House rent allowance	1,167,645	102,734
Conveyance	1,262,406	161,974
Others	173,173	78,700
	<u>5,648,934</u>	<u>571,704</u>

19. DATE OF AUTHORIZATION

These financial statements were authorized for issue by the Board of Directors of the company on 07-12-2015



CHIEF EXECUTIVE



DIRECTOR