

RAR MULTIBIZ SERVICES (PRIVATE) LIMITED
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

1. Corporate and general information

"M/s Rar Multibiz Services (Private) Limited "The Company" was incorporated on **May 19, 2014** as a private limited under Companies Ordinance 1984 and repealed by Companies Act 2017 now. It deals in sales & purchase of equipment relating to information technologies. The company also develops IT software's including their maintenance services. The registered office of the company is situated at office no 07, 3rd floor, vip plaza, I-8 markaz Islamabad.

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:

* **Revised Accounting and Financial Reporting Standard for Small Sized Entities (Revised AFRS for SSEs) issued by the Institute of Chartered Accountants of Pakistan 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 Revised AFRS for SSEs, 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 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

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates. These financial statements are presented in Pakistani Rupees, which is the Company's functional and presentation currency.

2.4 Critical accounting estimates and judgments

The preparation of financial statements in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amount of assets, liabilities, income and expenses. The estimates and associated assumptions 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 judgments 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 if the revision affect only that period, or in the period of revision and future periods if the revision affect both current and future periods. The area involving higher degree of judgments or complexity or area where assumptions and estimates are significant to the financial statements is estimation of useful life of assets.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Property and equipment

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciation on property and equipment is provided for using the reducing balance method at the rates specified in note 4. Depreciation on additions is charged for the full month in which an asset is available for use and on disposals up to the month immediately preceding the month of disposal, to better reflect the pattern of utilization of economic benefits derived from the asset.

Depreciation commences when the asset is available for intended use and continues till the asset is derecognized.

Normal repairs and maintenance are charged to statement of profit or loss as and when incurred, while major renewals and replacements are capitalized. Any gain or loss arising on disposal of property and equipment is taken to the statement of profit or loss.

3.2 Intangible assets

Intangible assets, which are non-monetary assets without physical substance, are recognized at cost, which comprises purchase price and other directly attributable expenditures relating to their implementation and customization. It includes cost incurred in acquiring scientific or technical knowledge, system licenses, computer software, intellectual property, market knowledge and trademarks. These costs are amortized over their estimated useful life using straight line method at rates given under note 5 starting from the year of capitalization of assets. Any gain or loss is recognized in statement of profit or loss when the asset is disposed off.

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3.3 Impairment of assets

The carrying amounts of the Company's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of such asset is estimated. Impairment losses are recognized in the statement of profit or loss. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit or loss.

3.4 Trade debts

Trade debts are carried at original invoice amount less an estimate made for doubtful receivables based on review of outstanding amounts at the period end. Balances considered bad and irrecoverable are written off when identified.

3.5 Advances, deposit prepayments and other receivable

Advances, deposit, prepayments and other receivable are included in current assets, except for having maturities greater than twelve months after the reporting date, which are classified as non-current assets.

3.6 Income tax refundable

These are stated at actual amount of taxes paid which are adjustable in future tax periods against total tax liabilities of those periods.

3.7 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of the statement of cash flows, cash and cash equivalents comprise of cash in hand and bank balances.

3.9 Accrued and other liabilities

Accrued and other liabilities are measured at fair value of the consideration to be paid in the future for goods and services received whether billed to the company or not

3.10 Due to director

This amount is recognized when received from director or expenses incurred by director on behalf of the Company.

3.11 Provision and contingencies

The assessment of the contingencies inherently involves the exercise of significant judgement as the outcome of the future events cannot be predicted with certainty. The Company, based on the availability of the latest information, estimates the value of contingent assets and liabilities which may differ on the occurrence / non-occurrence of the uncertain future events.

3.12 Revenue recognition

Revenue is recognized when it is probable that the economic benefits will flow to the Company and the revenue can be measured reliably. Revenue is measured at fair value of the consideration received or receivable and accordingly it is recognized at the time of issuance of invoice to customers.

3.13 Taxation

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.

3.14 Financial instruments

All financial assets and liabilities are initially measured at cost which is the fair value of consideration given and received respectively. These are subsequently measured at fair value or amortized cost, as the case may be.

All financial assets and financial liabilities are recognized at the time when the company becomes a party to the contractual provisions of the instrument. All the financial assets are derecognized at the time when the company loses control of the contractual rights that comprise the financial assets. All financial liabilities are derecognized at the time when the obligation is extinguished, discharged, cancelled or expired. Any gain or loss on recognition / de-recognition of the financial assets and financial liabilities is taken to statement of profit or loss. At the end of each reporting period, the company assesses whether there is objective evidence of impairment of any financial assets that are measured at cost or amortised cost. If there is objective evidence of impairment, the company recognises an impairment loss in the statement of profit or loss immediately.

If, in a subsequent period, the amount of an impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the impairment loss previously recognised is reversed either directly or by adjusting an allowance account to the extent that the reversal does not result in carrying amount of the financial asset (net of any allowance account) that exceeds what the carrying amount would have been had the impairment loss not previously been recognised. The reversal of impairment loss is recognized in the statement of profit or loss immediately.

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3.15 Offsetting of financial assets and financial liabilities

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

RAR MULTIBIZ SERVICES (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2023

	NOTE	2023 Rupees	2022 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	4	91,437	109,051
Intangible assets	5	-	-
		91,437	109,051
CURRENT ASSETS			
Trade debtors	6	-	-
Deposit, prepayment and other receivable	7	2,560,000	166,040
Tax assets	8	96,176	-
Cash and bank balances	9	3,752,278	6,333,414
		6,408,454	6,499,454
TOTAL ASSETS		6,499,891	6,608,505
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
10,000 ordinary shares of Rs 100 each		1,000,000	1,000,000
Issued, subscribed and paid-up share capital	10	10,000	10,000
Share deposit money		990,000	990,000
Revenue reserve - accumulated loss		5,465,891	5,337,095
		6,465,891	6,337,095
NON-CURRENT LIABILITIES			
Loan from director	11	-	-
CURRENT LIABILITIES			
Trade creditors, accrued and other liabilities	12	34,000	271,410
TOTAL LIABILITIES		34,000	271,410
CONTINGENCIES AND COMMITMENTS	13	-	-
TOTAL EQUITY AND LIABILITIES		6,499,891	6,608,505

The annexed notes, from 1 to 24, from an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR