

**NATIONAL TESTING SERVICE-
PAKISTAN
AUDITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 2023**

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF NATIONAL TESTING SERVICE-PAKISTAN
REPORT ON AUDIT OF FINANCIAL STATEMENTS**

Opinion

We have audited the annexed financial statements of **NATIONAL TESTING SERVICE-PAKISTAN**, which comprise the statement of financial position as at June 30, 2023, the statement of income and expenditure, the statement of comprehensive income, the statement of changes in fund, 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 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, the statement of income and expenditure, the statement of comprehensive income, the statement of changes in fund 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, 2023 and of the surplus, other comprehensive income, the changes in fund 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 (ICAP) 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.

Emphasis of Matter Paragraph

1. We draw attention to note 15 to the financial statements, which describes the uncertainty related to the outcome of tax contingencies. Our Opinion is not modified in respect of this matter.
2. We draw attention to note 28 to the financial statements, which describe the restatement of comparative figures related to contract asset. Our Opinion is not modified in respect of this matter.

Other Matter Paragraph

The financial statements of National Testing Service-Pakistan, for the year ended June 30, 2022, were audited by another auditors who expressed an unmodified opinion on those statements on November 17, 2022.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises director's report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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.

Boards of directors are responsible for overseeing the Company's financial reporting process.

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.

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 income and expenditure, the statement of comprehensive income, the statement of changes in fund 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, expenditures incurred and guarantees extended during the year were for the purpose of the Company's business; and



IJAZ TABUSSUM & CO.
CHARTERED ACCOUNTANTS

d) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Mr. Ijaz Akber-FCA.

Islamabad

Date: 17-11-2023

HLB IJAZ TABUSSUM & CO.

Chartered Accountants

UDIN Number: AR202310415XclZKkGsN

NATIONAL TESTING SERVICE - PAKISTAN
(A Company under Section 42 of the Companies Act, 2017)
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2023

		2023	Restated 2022	Restated 2021
	Note	Rupees	Rupees	Rupees
ASSETS				
Non-current assets				
Property and equipment	4	826,778,240	874,573,177	949,940,837
Intangible assets	5	560,000	1,120,000	1,680,000
Deferred taxation	6	-	-	5,788,899
		<u>827,338,240</u>	<u>875,693,177</u>	<u>957,409,736</u>
Current assets				
Advances, deposits and prepayments	7	57,572,408	37,238,476	16,621,148
Tax refundable from Government - net	8	6,979,050	4,840,894	15,685,503
Accounts receivables	9	46,347,137	119,571,068	39,419,817
Other assets	10	236,349,572	233,510,620	249,245,682
Cash and bank balances	11	387,455,720	326,307,360	381,156,289
		<u>734,703,887</u>	<u>721,468,418</u>	<u>702,128,439</u>
Total assets		<u><u>1,562,042,127</u></u>	<u><u>1,597,161,595</u></u>	<u><u>1,659,538,175</u></u>
FUNDS AND LIABILITIES				
Fund account				
Members subscription account		10,000	10,000	10,000
Additional subscription	12	598,252,471	598,252,471	598,252,471
Accumulated surplus		662,990,918	685,037,738	650,532,096
		<u>1,261,253,389</u>	<u>1,283,300,209</u>	<u>1,248,794,567</u>
Non-current liabilities				
Deferred taxation	6	40,107,517	18,982,399	-
Deferred liabilities	13	30,347,208	18,221,648	14,282,385
		<u>70,454,725</u>	<u>37,204,047</u>	<u>14,282,385</u>
Current liabilities				
Accrued and other liabilities	14	230,334,013	276,657,339	396,461,223
Total funds and liabilities		<u><u>1,562,042,127</u></u>	<u><u>1,597,161,595</u></u>	<u><u>1,659,538,175</u></u>
Contingencies and commitments	15			

The annexed notes from 1 to 30 form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR

NATIONAL TESTING SERVICE - PAKISTAN
(A Company under Section 42 of the Companies Act, 2017)
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED JUNE 30, 2023

		2023	2022
	Note	Rupees	Rupees
Income			
Test fee income - net	16	436,155,057	345,277,054
Expenditure			
Direct expenses	17	(189,828,951)	(210,750,048)
		246,326,106	134,527,006
Administrative expenses	18	(274,617,470)	(231,415,847)
		(28,291,364)	(96,888,841)
Operating deficit			
Other income	19	42,104,511	175,018,486
Finance cost	20	(742,294)	(895,543)
Net surplus before tax		13,070,853	77,234,102
Provision for taxation	21	(30,710,694)	(43,065,155)
Net (deficit) / surplus after tax		(17,639,841)	34,168,947

The annexed notes from 1 to 30 form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR

NATIONAL TESTING SERVICE - PAKISTAN
(A Company under Section 42 of the Companies Act, 2017)
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2023

	2023	2022
	Rupees	Rupees
(Deficit) / surplus for the year	(17,639,841)	34,168,947
Items that will not be subsequently reclassified to profit or loss		
Re-measurement gain on defined benefit plan	(6,207,013)	474,219
Related tax impact	1,800,034	(137,524)
Other comprehensive (loss) / income for the year - net of tax	(4,406,979)	336,695
Total comprehensive (loss) / income for the year	(22,046,820)	34,505,642

The annexed notes from 1 to 30 form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR

NATIONAL TESTING SERVICE - PAKISTAN
(A Company under Section 42 of the Companies Act, 2017)
STATEMENT OF CHANGES IN FUND
FOR THE YEAR ENDED JUNE 30, 2023

	Subscription account	Additional subscription	Accumulated (loss) / surplus	Total
	----- Rupees -----			
Balance as of July 01, 2021	598,252,471	10,000	650,532,096	1,248,794,567
Surplus for the year	-	-	34,168,947	34,168,947
Other comprehensive income - net of tax	-	-	336,695	336,695
Total comprehensive income for the year	-	-	34,505,642	34,505,642
Balance as of June 30, 2022	598,252,471	10,000	685,037,738	1,283,300,209
Balance as of July 01, 2022	598,252,471	10,000	685,037,738	1,283,300,209
Deficit for the year	-	-	(17,639,841)	(17,639,841)
Other comprehensive loss - net of tax	-	-	(4,406,979)	(4,406,979)
Total comprehensive loss for the year	-	-	(22,046,820)	(22,046,820)
Balance as at June 30, 2023	598,252,471	10,000	662,990,918	1,261,253,389

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The annexed notes from 1 to 30 form an integral part of these financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR

NATIONAL TESTING SERVICE - PAKISTAN
(A Company under Section 42 of the Companies Act, 2017)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 Rupees	2022 Rupees
CASH FLOW FROM OPERATING ACTIVITIES			
Surplus/(deficit) before taxation		13,070,853	77,234,102
Adjustment for non-cash items:			
Depreciation	4.1.3	69,554,228	82,747,870
Amortization	5	560,000	560,000
(Gain)/ loss on disposal of fixed asset		16,669	(2,258,000)
Adjustment for Retained Earning		-	-
(Reversal)/increase of/in provision for doubtful security deposits		7,354,356	(18,674,694)
(Reversal)/increase of/in provision for doubtful account receivables		2,067,680	(78,537,819)
Provision for gratuity		5,043,866	3,098,930
Provision for leave encashment		2,212,293	1,480,551
Operating cash generated before working capital charges		99,879,945	65,650,940
Working capital changes:			
(Increase)/decrease in current assets:			
Advances, deposits & prepayments		(27,688,285)	(1,942,634)
Accounts receivables		71,156,251	(1,613,432)
Other assets		(2,838,954)	87,768,331
		40,629,012	84,212,265
(Decrease)/increase in current liabilities:			
Accrued & other liabilities		(46,323,326)	(191,837,153)
Cash generated (used in)/from operating activities		94,185,631	(41,973,948)
Transfer of long term loans		-	-
Benefits paid during the year		(1,337,612)	(166,000)
Income tax paid/withheld		(9,923,697)	(7,586,772)
Net cash flow (used)/generated from operating activities		82,924,322	(49,726,720)
CASH FLOW FROM INVESTING ACTIVITIES			
Acquisition of property and equipment		(21,775,961)	(7,380,210)
Sale proceeds of property and equipment		-	2,258,000
Decrease in capital work in progress		-	-
Net cash used in investing activities		(21,775,961)	(5,122,210)
CASH FLOW FROM FINANCING ACTIVITIES			
Net (decrease)/increase in cash and cash equivalent		61,148,361	(54,848,930)
Cash and cash equivalents at the beginning of the year		326,307,359	381,156,289
Cash and cash equivalents at the end of the year	11	387,455,720	326,307,359

The annexed notes from 1 to 30 form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR

NATIONAL TESTING SERVICE - PAKISTAN
(A Company under Section 42 of the Companies Act, 2017)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

1 CORPORATE AND GENERAL INFORMATION

1.1 Legal Status and Operations

National Testing Service - Pakistan (the "Company") is a Public Sector Company registered with Registrar of companies of Securities & Exchange Commission of Pakistan (SECP), Islamabad under section 42 of companies ordinance 1984 (Repealed with the enactment of Companies Act, 2017). The principle activity of the Company is to provide testing & assessment services for admission and recruitment. The registered office of the organization is situated at Plot No. 96, Street No. 4, Sector H-8/1 Islamabad 44000, Pakistan.

The promoter institution of the Company is COMSATS University Islamabad and Ministry of Science & Technology is its administrative Ministry.

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;
- Accounting Standard for Not for Profit Organizations (Accounting Standard for NPOs) 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 IFRS Standards or the Accounting Standard for NPOs, 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 historical cost convention except for the liabilities related to defined benefit plan, gratuity and compensated leave absences which are stated at present value of the defined benefit plan liability, determined through actuarial valuation and lease liability which is measured at present value.

2.3 Functional and presentation currency

These financial statements are presented in Pakistani Rupees, which is the Company's functional and presentation currency.

2.4 Significant estimates and judgments

The preparation of financial statements in conformity with the accounting and reporting standards requires management to make judgments, estimates and assumptions that effect the application of policies and reported amounts of assets and 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 the other sources. Actual results may differ from these estimates.

The estimates and assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that period, or in the period of revision or future periods if the revision affects both current and future periods. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are as follows:

- assumptions and estimates used in determining the recoverable amount, residual values and useful lives of property and equipment (note 3.1.1);
- assumptions and estimates used in determining lease term and incremental borrowing rate of right of-use assets and corresponding lease liabilities (note 3.1.3);
- assumptions and estimates used in determining the useful lives and residual values of intangible assets (note 3.1.2);
- assumptions and estimates used in calculating the provision for impairment for account receivables (note 3.10.4);
- deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be

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NATIONAL TESTING SERVICE - PAKISTAN
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

available against which the assets may be utilized (note 3.4);

- assumptions and estimates used in determining current income under relevant tax law and the decisions of appellate authorities on certain cases issued in the past (note 3.4);
- assumptions and estimates used in disclosure and assessment of provisions (note 3.7);
- assumptions and estimates used in disclosure and assessment of contingent liabilities (note 3.8);
- assumptions and estimates used in determining current income under relevant tax law and the decisions of appellate authorities on certain cases issued in the past (note 3.4); and
- assumptions and estimates used in determining the present value of for defined benefit plan obligation and other long term employment benefits (note 3.6).

2.5 New accounting standards, interpretations and amendments

2.5.1 Following are the standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company. These standards, amendments and interpretations are anticipated to have no significant impact on the Company's Financial Statements other than certain additional disclosures.

2.5.2 Standards, interpretations and amendments to existing standards not yet effective

The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective from the dates mentioned below:

	Effective date (annual periods beginning on or after)
IAS 1 Presentation of Financial Statements (Amendments)	January 1, 2023
IAS 12 Income Taxes (Amendments)	January 1, 2023
IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors	January 1, 2023
IFRS 4 Insurance Contracts (Amendments)	January 1, 2023
IAS 16 Property, Plant and Equipment (Amendments)	January 1, 2022
IAS 37 Provisions, Contingent Liabilities and Contingent Assets (Amendments)	January 1, 2022
IFRS 3 Business Combinations (Amendments)	January 1, 2022
IAS 41 Agriculture (Amendments)	January 1, 2022
IFRS 9 Financial Instruments (Amendments)	January 1, 2022
IFRS 16 Leases (Amendments)	January 1, 2022

The following new standards and interpretations have been issued by the International Accounting Standards Board (IASB), which have not been adopted locally by the Securities and Exchange Commission of Pakistan (SECP):

IFRS 1 First Time Adoption of International Financial Reporting Standards
 IFRS 17 Insurance Contracts

The following interpretation issued by the International Accounting Standards Board (IASB) has been waived by the Securities and Exchange Commission of Pakistan (SECP):

IFRIC 12 Service concession arrangements

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Significant accounting policies applied in the preparation of these financial statements are the same as those applied in earlier period presented in these financial statements.

3.1 Property and equipment

3.1.1 Owned

Fixed assets except for freehold land and capital work in progress are stated at historical cost less accumulated depreciation and impairment losses, if any. Freehold land and capital work in progress is stated at cost less impairment loss, if any.

Depreciation on fixed assets is charged to statement of income and expenditures using the straight line method so as to write off the depreciable amount of an asset over its estimated useful life after taking into account their residual values. Leasehold land is amortized over the lease period extendable upto 99 years. The assets' residual values and useful lives are reviewed at each financial year end and adjusted if impact

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(A Company under Section 42 of the Companies Act, 2017)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

on depreciation is significant.

Depreciation on additions to property and equipment is charged from the year in which an asset is acquired or capitalized, while no depreciation is charged for the year in which the asset is disposed off.

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 repair and maintenance costs are charged to receipts and expenditures statement during the period in which they are incurred.

Gains or losses on disposal of assets, if any, are included in the statement of income and expenditure as and when incurred.

3.1.2 Intangible assets

Intangible assets are stated at cost less accumulated amortization and impairment losses, if any. Subsequent cost on intangible assets is capitalized only when it increases the future economic benefits embodied in the specific assets to which it relates. All other expenditures are expensed as incurred.

Amortization is charged to the statement of income and expenditure on a straight line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Amortization on additions to intangible assets is charged from the month in which an item is acquired or capitalized while no amortization is charged for the month in which the item is disposed off.

3.1.3 Leased assets

At inception of a contract, Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

Leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, Company's incremental borrowing rate.

Lease payments include fixed payments, variable lease payments that are based on an index or a rate amounts expected to be payable by the lessee under residual value guarantees, the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option, less any lease incentives receivable. The extension and termination options are incorporated in determination of lease term only when Company is reasonably certain to exercise these options.

The lease liability is subsequently measured at amortized cost using the effective interest rate method. It is remeasured when there is a change in future lease payments arising from a change in fixed lease payments or an index or rate, change in Company's estimate of the amount expected to be payable under a residual value guarantee, or if Company changes its assessment of whether it will exercise a purchase, extension or termination option. The corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in the statement of income and expenditure if the carrying amount of right-of-use asset has been reduced to zero.

The right-of-use asset is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received. The right-of-use asset is depreciated on a straight line method over the lease term as this method most closely reflects the expected pattern of consumption of future economic benefits. The right-of-use asset is reduced by impairment losses, if any, and adjusted for certain remeasurement of the lease liability.

3.2 Revenue recognition

Revenue is recognized at an amount that reflects the consideration, to which the Company expect to be entitled in exchange for transferring of services to its customers. Revenue from operations of the Company is recognized when the service is provided, and when the performance obligation is satisfied. Receivable is recognized when the services are provided to customers as this is the point in time that the consideration is unconditional because only passage of time is required before the payment is due. The Company recognizes contract liabilities for consideration received in respect of unsatisfied performance obligations

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NATIONAL TESTING SERVICE - PAKISTAN
(A Company under Section 42 of the Companies Act, 2017)
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and reports these amounts as 'unearned income' in the statement of financial position.

3.3 Trade and other payables

Liabilities for trade and other amounts payable are measured at cost which is the fair value of the consideration to be paid in the future for goods and services received whether billed to the Company or not.

3.4 Taxation

Taxation for the year comprises current and deferred tax. Taxation is recognized in the statement of income and expenditure except to the extent that it relates to items recognized directly in equity or in other comprehensive income.

Current Tax

Provision for current taxation is based on taxable income at the current rates of tax after taking into account applicable tax credits, rebates, losses and exemptions available, if any.

Deferred Tax

Deferred tax is accounted for using the liability method in respect of all taxable temporary 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 taxable temporary differences and deferred tax assets are recognized 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 assets are reviewed at each reporting date and are reduced to the extent that is no longer probable that the related tax benefit will be realized.

Unrecognized deferred income tax assets are reassessed at each date of statement of financial position and are recognised to the extent that it becomes probable that future taxable profit will allow deferred tax asset to be recovered.

- Deferred tax assets and liabilities are measured at the tax rate that are expected to apply to the year when the asset is utilized or the liability is settled, based on the tax rates that have been enacted or substantially enacted at the financial position date.

3.5 Cash and cash equivalents

Cash and cash equivalents comprises of cash in hand, cheques and pay orders in hand, balances with banks and highly liquid short term investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of change in value with maturity of three months or less from the date of acquisition.

3.6 Employees benefits

The Company operates unfunded gratuity and leave encashment schemes for all its employees who have completed the minimum qualifying period of service as defined under the scheme. Provision is made annually to cover obligations under the scheme on the basis of actuarial valuation and is charged to income. The most recent valuation was carried out as at June 30, 2023 using the "Projected Unit Credit Method". Actuarial gains or losses, if any, are recognized immediately in OCI. The results of actuarial valuation are summarized in note 13 to these financial statements.

3.6.1 Gratuity

- The Company operates an unfunded gratuity scheme for its regular employees. The scheme pays a lump sum benefit to members on leaving the Company's service after minimum of 4 years. The benefit is calculated by using the formulae: Last drawn basic salary multiplied by number of completed years of service.

3.6.2 Leave encashment scheme:

The Company operates an unfunded leave encashment scheme for all of its employees. The employees of the Company are entitled to take 24 days of earned leave every year. The unutilized leaves is accumulated upto a maximum of 90 days. Leave encashment is made on the last drawn basic salary.

3.7 Provisions

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

3.8 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, one or more uncertain future

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(A Company under Section 42 of the Companies Act, 2017)
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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.

3.9 Account receivables and other receivables

Account receivables and other receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing component in which case such are recognised at fair value. The Company holds the account receivables with the objective of collecting the contractual cash flows and therefore measures the account receivables subsequently at amortized cost using the effective interest rate method.

3.10 Financial instruments

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 they are extinguished that is, when the obligation specified in the contract is discharged, cancelled, or expires. Any gains or losses on de-recognition of the financial assets and financial liabilities are taken to the statement of income and expenditure.

3.10.1 Financial Assets

The Company classifies its financial assets into following three categories:

- fair value through other comprehensive income (FVOCI);
- fair value through profit or loss (FVTPL); and
- measured at amortized cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. A financial asset is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

(i) Amortized cost

Assets that are held for collection of contractual cash flows where those cash flow represents solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets, impairment losses, foreign exchange gains and losses, and gain or loss arising on derecognition are recognised directly in income and expenditure.

(ii) Fair value through other comprehensive income

Financial assets at fair value through other comprehensive income are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets 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.

(iii) Fair value through profit or loss

Assets that do not meet the criteria for amortized cost or fair value through other comprehensive income or assets that are designated at fair value through profit or loss using fair value option, are measured at fair value through profit or loss. A gain or loss on debt investment that is subsequently measured at fair value through profit or loss is recognised in income and expenditure in the period in which it arises.

Recognition and derecognition

Regular way purchases and sales of financial assets are recognized on trade-date, the date on which Company commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and Company has transferred substantially all the risks and rewards of ownership.

Measurement

At initial recognition, Company measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in statement of income and expenditure.

Debt instruments

Company subsequently measures all debt instruments at amortized cost as assets are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. Interest

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income from these financial assets is included in other income using the effective interest rate method.

- * Any gain or loss arising on derecognition is recognized directly in statement of income and expenditure and presented in other income /(loss).

Impairment of financial assets

Company recognises loss allowances for Expected Credit Losses (ECLs) in respect of financial assets measured at amortized cost.

Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- * - other debt securities and bank balance for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on Company's historical experience and informed credit assessment and including forward-looking information.

- * Company assumes that the credit risk on a financial asset has increased significantly if it is more than past due for a reasonable period of time. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which Company is exposed to credit risk.

3.10.2 Financial Liabilities

The Company classifies its financial liabilities in the following categories:

- at fair value through profit or loss; and
- 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:

a) Fair value through profit or loss

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. The Company has not designated any financial liability upon recognition as being at fair value through profit or loss.

b) Amortized cost

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 statement of profit or loss, when the liabilities are derecognized as well as through effective interest rate amortization process.

3.10.3 Offsetting

A financial asset and financial liability is off-set and the net amount is reported in the statement of financial position when there is a legally enforceable right to set-off the transaction and also there is an intention to settle on a net basis or to realize the asset and settle the liability simultaneously.

3.10.4 Impairment of financial assets:

The Company assesses on a forward looking basis the Expected Credit Losses (ECL) associated with its debt instruments carried at amortized cost and FVTOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Following are financial instruments that are subject to the ECL model:

- Trade debts
- Loans, advances and deposits
- * - Cash and bank balances

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General approach for loans, advances and deposits, and cash and bank balances

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information (adjusted for factors that are specific to the counterparty, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate). As for the exposure at default for financial assets, this is represented by the assets' gross carrying amount at the reporting date. Loss allowances are forward-looking, based on 12 month expected credit losses where there has not been a significant increase in credit risk rating, otherwise allowances are based on lifetime expected losses.

Expected credit losses are a probability weighted estimate of credit losses. The probability is determined by the risk of default which is applied to the cash flow estimates. In the absence of a change in credit rating, allowances are recognized when there is reduction in the net present value of expected cash flows. On a significant increase in credit risk, allowances are recognized without a change in the expected cash flows, although typically expected cash flows do also change; and expected credit losses are rebased from 12 month to lifetime expectations.

Simplified approach for account receivables and security deposits

The Company recognizes life time ECL on account receivables and security deposits, using the simplified approach. The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes.
- reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

As the Company applies simplified approach in calculating ECLs for account receivables and security deposits, the Company does not track changes in credit risk, but instead recognized a loss allowance based on life time ECLs at each reporting date. ECLs on these financial assets are estimated using a provision matrix approach adjusted for forward looking factors specific to the debtors and economic environment. The management has changed its estimate regarding loss given default during the year due to improvement in collection pattern of past due balances. The result of this change in estimate is disclosed in note 7 and note 9.

The Company recognizes an impairment gain or loss in the statement of income and expenditure for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognized in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

3.11 Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognized in the income and expenditure statement.

An impairment loss recognized in the prior periods is assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's 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.

4 PROPERTY AND EQUIPMENT
Operating assets

	2023	2022
Note	Rupees	Rupees
4.1	826,778,240	874,573,177
	<u>826,778,240</u>	<u>874,573,177</u>

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4.1 Property and equipment

	Freehold land	Leasehold land	Building on hold land	Building on free lease hold land	Computers and accessories	Furniture and fixtures	Electric appliances	Office equipment	Mobile & wireless sets	Vehicles	Total
Cost											
Balance as at July 01, 2022	25,673,000	55,801,418	113,812,452	889,885,263	43,790,918	22,943,267	94,127,852	12,445,965	785,212	33,591,367	1,292,856,714
Addition during the year	-	-	-	-	18,462,338	1,981,913	-	1,331,710	-	-	21,775,961
Disposals during the year	-	-	-	-	-	-	-	-	(49,999)	-	(49,999)
Balance as at Jun 30 2023	25,673,000	55,801,418	113,812,452	889,885,263	62,253,256	24,925,180	94,127,852	13,777,675	735,213	33,591,367	1,314,582,676
Depreciation/amortization											
Balance as at July 01, 2022	-	5,936,321	54,623,523	176,864,687	38,661,440	14,706,281	93,302,090	8,566,461	751,872	24,870,862	418,283,537
Disposals during the year	-	-	-	-	-	-	-	-	(33,329)	-	(33,329)
Charge for the year	-	593,632	5,690,623	44,912,015	10,987,528	2,248,954	825,762	2,438,179	16,669	1,840,866	69,554,228
Balance as at Jun 30 2023	-	6,529,953	60,314,146	221,776,702	49,648,968	16,955,235	94,127,852	11,004,640	735,212	26,711,728	487,804,436
Carrying value as at Jun 30, 2023	25,673,000	49,271,465	53,498,306	668,108,561	12,604,288	7,969,945	-	2,773,035	1	6,879,639	826,778,240
Annual rate of Depreciation	0%	99 years	5%	5%	33.33%	10%	20%	20%	33.33%	10%	
Cost											
Balance as at July 01, 2021	25,673,000	55,801,418	113,812,452	886,858,397	49,726,761	21,773,283	94,960,048	11,383,346	790,252	32,375,367	1,293,154,324
Addition during the year	-	-	-	3,026,866	874,940	1,169,984	-	1,092,420	-	1,216,000	7,380,210
Adjustments/Transfers/Disposal	-	-	-	-	(6,810,783)	-	(832,196)	(29,800)	(5,040)	-	(7,677,819)
Balance as at Jun 30 2022	25,673,000	55,801,418	113,812,452	889,885,263	43,790,918	22,943,267	94,127,852	12,445,966	785,212	33,591,367	1,292,856,715
Depreciation/amortization											
Balance as at July 01, 2021	-	5,352,760	48,932,900	131,952,673	40,237,811	12,411,954	77,471,381	6,346,617	723,583	19,783,808	343,213,487
Adjustments/Transfers/Disposal	-	-	-	-	(6,810,783)	-	(832,196)	(29,800)	(5,040)	-	(7,677,819)
Charge for the year	-	583,561	5,690,623	44,912,015	5,234,412	2,294,327	16,662,905	2,249,644	33,329	5,087,054	82,747,870
Balance as at Jun 30, 2022	-	5,936,321	54,623,523	176,864,688	38,661,440	14,706,281	93,302,090	8,566,461	751,872	24,870,862	418,283,538
Carrying value as at Jun 30, 2022	25,673,000	49,865,097	59,188,929	713,020,575	51,294,778	8,236,986	825,762	3,879,505	33,340	8,720,505	874,573,177
Annual rate of Depreciation	0%	99 years	5%	5%	33.33%	10%	20%	20%	33.33%	10%	

4.1.1 Gross carrying amount of fully depreciated assets that are still in use is Rs. 140,565,766 (2022: Rs. 129,937,525)

4.1.2 The Government through Prime Minister's Secretariat has approved the allotment of land for the national testing service Pakistan through letter no 30115 dated November 27, 2007. Presently, the land is in possession and use of the Company, however the administrative formalities relating to transfer of title of the land is still pending. The management of the Company is hopeful to initiate and complete the process soon.

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4.1.3 Depreciation charged for the year

Direct expenses
Administrative expenses

Note	2023 Rupees	2022 Rupees
17	22,526,085	32,153,450
18	47,028,143	50,594,420
	<u>69,554,228</u>	<u>82,747,870</u>

5 INTANGIBLE ASSETS

Cost
Accumulated amortization
Net book value

5.1	2,100,000	2,100,000
5.1	(1,540,000)	(980,000)
	<u>560,000</u>	<u>1,120,000</u>

5.1 Movement in cost and accumulated amortization is as follow:

Cost:

Balance at the beginning of the year
Balance at the end of the year

2,100,000	2,100,000
<u>2,100,000</u>	<u>2,100,000</u>

Accumulated amortization:

Balance at the beginning of the year
Charge during the year
Balance at end of the year
Net book value

980,000	420,000
560,000	560,000
(1,540,000)	(980,000)
<u>560,000</u>	<u>1,120,000</u>

5.2 Value of intangibles include cost of ERP Financials software. Amortization of intangible has been recorded at a rate of 26.67% (2022: 26.67%) per annum.

6 DEFERRED TAXATION

Deferred tax liability
Deferred tax asset
Net deferred tax liability/(asset)

Note	2023 Rupees	2022 Rupees
6.1	51,566,648	51,559,943
6.2	(11,459,130)	(32,577,544)
	<u>40,107,517</u>	<u>18,982,399</u>

6.1 Preferred tax liability on taxable temporary differences:

Accelerated depreciation/amortization allowance

<u>51,566,648</u>	<u>51,559,943</u>
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6.2 Deferred tax asset on deductible temporary differences:

Provision against doubtful debts
Advance, deposits and prepayments
Deferred liabilities

(599,627)	(23,145,529)
(2,132,762)	(4,147,737)
(8,726,741)	(5,284,278)
<u>(11,459,130)</u>	<u>(32,577,544)</u>

6.3 Movement in deferred taxation

The balance of deferred tax is in respect of following temporary differences:

Deferred tax liabilities/(assets)	Balance as at June 01, 2022	Recognized in/through		Balance as at June 30, 2023
		Statement of income and expenditure	Other comprehensive income	

-----Rupees-----

Effect of taxable temporary differences

Accelerated depreciation 51,559,943 6,705 - 51,566,648

Effect of deductible temporary differences

Provision against doubtful debts (23,145,529) 22,545,902 - (599,627)
Advance, deposits and prepayments (4,147,737) 2,014,975 - (2,132,762)
Deferred liabilities (5,284,278) (1,642,429) (1,800,034) (8,726,741)
Deferred tax liability 18,982,399 22,925,153 (1,800,034) 40,107,518

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Deferred tax liabilities/(assets)	Balance as at July 01, 2021	Recognized in/through		Balance as at June 30, 2022
		Statement of income and expenditure	Other comprehensive income	
-----Rupees-----				
Effect of taxable temporary differences				
Accelerated depreciation	53,341,002	(1,781,059)	-	51,559,943
Effect of deductible temporary differences				
Advance, deposits and prepayments	(9,066,512)	4,918,775	-	(4,147,737)
Provision against doubtful debts	(45,921,497)	22,775,968	-	(23,145,529)
Deferred liabilities	(4,141,892)	(1,279,910)	137,524	(5,284,278)
Deferred tax (asset)/liability	(5,788,899)	24,633,774	137,524	18,982,399

7 ADVANCES, DEPOSITS & PREPAYMENTS

	Note	2023 Rupees	2022 Rupees
Advance to employees			
- for official expenses	7.1	1,512,880	1,276,010
- for personal use	7.2	159,866	219,866
Advance to supplier		4,163,747	2,386,100
Security deposits	7.3	49,053,428	30,665,918
Prepaid expenses	7.4	2,682,487	1,690,582
Cash margin against guarantees	15.2.1	-	1,000,000
		<u>57,572,408</u>	<u>37,238,476</u>

7.1 Advances written off amounting to Rs. 540,000 (2022: Rs. Nil) during the year.

7.2 This represents loan paid to employees according to the Company policy.

7.3 Security deposits

Security deposits	70,710,322	44,968,459
Less: Provision for doubtful security deposits (ECL)	(21,656,894)	(14,302,541)
Closing balance	<u>49,053,428</u>	<u>30,665,918</u>

7.4 This represents an amount of Rs. 1,307,624 (2022: Rs. 1,208,131) paid to COMSATS for web hosting services to the Company.

8 TAX REFUNDABLE FROM GOVERNMENT - NET

	Note	2023 Rupees	2022 Rupees
Opening balance		4,840,894	15,685,503
Tax withheld during the year		9,923,697	7,586,772
Provision for the year	21	(7,785,541)	(18,431,381)
Closing balance		<u>6,979,050</u>	<u>4,840,894</u>

9 ACCOUNTS RECEIVABLES - UNSECURED

Test receivable---Balochistan	9,204,086	10,000,048
Test receivable---Federal	49,013,460	106,640,968
Test receivable---KPK	2,351,534	1,627,029
Test receivable---Punjab	54,073,838	60,090,207
Test receivable---Sindh	12,684,068	20,259,585
Test receivable---AJK	900,000	765,400
Total receivable	<u>128,226,986</u>	<u>199,383,237</u>
Less: Provision for doubtful receivables	9.1 <u>(81,879,849)</u>	<u>(79,812,169)</u>
	<u>46,347,137</u>	<u>119,571,068</u>

9.1 Provision for doubtful receivables

Opening balance	79,812,169	158,349,988
Provision for the year	2,067,680	(78,537,819)
Closing balance	<u>81,879,849</u>	<u>79,812,169</u>

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		Restated 2023 Rupees	Restated 2022 Rupees
10 OTHER ASSETS	Note		
FBR tax recoveries	10.1	235,279,972	230,848,327
*GST input tax--Federal and other provinces		-	2,579,472
Sales tax refundable--Balochistan		1,069,600	82,821
		<u>236,349,572</u>	<u>233,510,620</u>

10.1 It includes recovery made by tax department through attachment of bank account amounting Rs. 4.43 million, Rs. 127.3 million, Rs. 10.5 million, Rs. 23.2 million and Rs. 69.7 million of the Company for tax year 2011, 2012, 2013, 2015, 2016 and 2017 against income tax demand amounting to Rs. 158.8 million, Rs. 493.7 million, Rs. 23.2 million and Rs. 1,518.3 million created u/s 140, 124, 124 of the Income Tax Ordinance 2001 and u/s 34 of Sales Tax Act, 1990 respectively. The Company is in appeal against the department as disclosed in note 15.1.1 and 15.1.3. The management of the Company, along its legal advisor, believe that the recovery proceedings conducted by the Department were illegal, mala fide and are liable to be set aside. Accordingly, being entitled to a refund in respect of the recovered amount, a receivable in this respect has been recognised.

		2023 Rupees	2022 Rupees
11 CASH AND BANK BALANCES	Note		
Cash at bank		83,909,783	827,920
-Current account - Local currency			
-Saving account			
Local currency	11.1	301,340,551	5,889,518
Foreign currency	11.1	2,205,386	2,138,083
		<u>303,545,937</u>	<u>8,027,601</u>
		<u>387,455,720</u>	<u>8,855,521</u>
TDRs		-	-
Pay orders in hand		-	317,451,839
		<u>387,455,720</u>	<u>326,307,360</u>

11.1 The balances in saving accounts carry interest rates ranging from 13% to 18% (2022: 0.21% to 12.25%) annually.

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12 ADDITIONAL SUBSCRIPTION

This represents value of net assets transferred to the Company from NTS Project "Comsats Institute of Information Technology" in 2013.

13 DEFERRED LIABILITIES

Defined benefit plan - gratuity
Provision for leave encashment
Benefits due but not paid (Payables)

Note	2023 Rupees	2022 Rupees
13.1	23,014,913	12,909,114
13.2	7,077,295	5,312,534
	255,000	
	<u>30,347,208</u>	<u>18,221,648</u>

13.1 Gratuity scheme

Present value of defined benefit obligation
Payables

13.1.1	23,014,913	12,909,114
	1,935,920	1,680,920
	<u>24,950,833</u>	<u>14,590,034</u>

13.1.1 Changes in present value of defined benefit obligation

Opening balance
Current service cost
Past service cost
Interest cost on defined benefit obligation
Benefits due but not paid (Payables)
Benefits paid
Remeasurements:
Actuarial (gain)/losses from changes in financial assumptions
Experience adjustments
Present value of defined benefit obligation

12,909,114	10,394,403
2,241,636	2,039,141
1,136,793	-
1,665,437	1,059,789
(255,000)	-
(890,080)	(110,000)
(1,851,231)	117,535
8,058,244	(591,754)
<u>23,014,913</u>	<u>12,909,114</u>

13.1.2 Changes in net liability

Opening balance
Expense chargeable to statement of income and expenditure
Remeasurements chargeable in other comprehensive income
Benefits paid
Present value of defined benefit obligation

14,590,034	12,503,323
5,043,866	3,098,930
6,207,013	(474,219)
(890,080)	(538,000)
<u>24,950,833</u>	<u>14,590,034</u>

13.1.3 Expenses to be charged to statement of income and expenditure

Current service cost
Past service cost
Interest cost on defined benefit obligation

2,241,636	2,039,141
1,136,793	
1,665,437	1,059,789
<u>5,043,866</u>	<u>3,098,930</u>

13.1.4 Key statistics of membership data of the gratuity

Total number of employees
Total eligible salary (rupees)
Average age (years)
Average service (years)
Average entry age (years)

2023	2022
104	108
3,685,475	2,302,535
39.8	39.3
7.5	6.3
32.3	32.9

13.1.5 Significant actuarial assumptions

Discount rate used for interest cost in statement of income and expendit
Discount rate used for year end obligation
Average duration of obligation
Rate of increase in eligible salary
Expected mortality rate
Expected withdrawal rate
Retirement assumption

13.50%	10.25%
15.75%	13.50%
10.46 Years	11 Years
14.75%	12.50%
SLIC 2001-2005 Setback 1 year	
Age Based	
60 Years	

13.1.6 Sensitivity analysis

The analysis was carried out on significant actuarial assumptions, such as discount rate and salary increase rate as set out in Note 13.1.5. The impact of changing these assumptions are as under:

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	2023	2022
	Rupees	Rupees
Discount rate + 100 bps	20,799,913	11,600,432
Discount rate - 100 bps	25,613,943	14,458,919
Salary increase + 100 bps	25,672,489	14,483,423
Salary increase - 100 bps	20,713,170	11,557,122
The average duration of the defined benefit obligation	10.46 years	11 years
13.1.7 Estimated expenses to be charged to statement of income and expenditure for the year 2024		
		2024
		Rupees
Current Service cost		3,428,493
Past service cost		3,533,751
Amount chargeable to statement of income and expenditure		6,962,244
	2023	2022
13.1.8 Total Remeasurements chargeable in Other Comprehensive Income		
Actuarial (gains)/losses from changes in demographic assumptions	-	-
Actuarial (gains)/losses from changes in financial assumptions	(1,851,231)	117,535
Experience Adjustments	8,058,244	(591,754)
	6,207,013	(474,219)
	2023	2022
13.2 Provision for leave encashment	Note	Rupees
Present value of defined benefit obligation	13.2.1	7,077,295
Payables		5,312,534
		-
		537,803
		7,077,295
13.2.1 Changes in present value of defined benefit obligation		
Opening balance		5,312,534
Current service cost		3,887,983
Interest cost on defined benefit obligation		441,497
Benefits due but not paid (payable)		336,876
Benefits paid		686,984
Remeasurements:		395,648
Actuarial (gains)/losses from changes in financial assumptions		-
Experience adjustments		(447,532)
Present value of defined benefit obligation		(56,000)
		(522,963)
		45,010
		1,606,775
		703,017
		7,077,295
		5,312,534
13.2.2 Changes in net liability		
Opening balance		5,850,337
Expense chargeable to statement of income and expenditure		4,674,036
Benefits paid		2,212,293
Present value of defined benefit obligation		1,480,551
		(985,335)
		(304,250)
		7,077,295
		5,850,337
13.2.3 Expenses to be charged to statement of income and expenditure		
Current service cost		441,497
Gains and losses arising of present value of defined benefit obligation		336,876
Interest cost on defined benefit obligation		686,984
		395,648
		1,083,812
		748,027
		2,212,293
		1,480,551
	2023	2022
13.2.4 Key statistics of membership data of leave encashment scheme		
Total number of employees	102	109
Total eligible salary (rupees)	3,598,750	2,822,535
Average age (years)	39.7	39.4
Average service (years)	7.5	6.3
Average entry age (years)	32.2	33.1

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13.2.5 Significant actuarial assumptions

	2023	2022
Discount rate used for interest cost in statement of income and expenditure	13.50%	10.25%
Discount rate used for year end obligation	15.75%	13.50%
Average duration of obligation	10 Years	10 Years
Rate of increase in eligible salary	14.75%	12.50%
Expected mortality rate	SLIC 2001-2005 Setback 1 year	
Expected withdrawal rate	Age Based	
Retirement assumption	60 Years	

13.2.6 Sensitivity analysis

The analysis was carried out on significant actuarial assumptions, such as discount rate and salary increase rate as set out in note 13.2.5. The impact of changing these assumptions are as under:

	2023 Rupees	2022 Rupees
Discount rate + 100 bps	6,425,055	4,831,562
Discount rate - 100 bps	7,842,773	5,877,587
Salary increase + 100 bps	7,835,411	5,868,050
Salary increase - 100 bps	6,421,566	4,832,211
The average duration of the defined benefit obligation	10 years	10 years

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		2023	Restated 2022
	Note	Rupees	Rupees
14 ACCRUED AND OTHER LIABILITIES			
Payables	14.1	55,688,473	51,041,813
Retention money	14.2	3,414,094	2,773,450
Unearned income		90,226,947	135,282,638
Accrued Expenses		981,000	-
Income tax withheld		1,151,969	1,134,281
Employee old age benefit (EOBI)		253,500	255,000
Benefit due but not paid		2,218,720	2,218,720
Sales tax federal and provinces	14.3	64,084,005	62,348,447
Auditors' remuneration		951,200	1,068,654
Payable to employees' provident fund		1,152,070	617,782
Test fee refundable		-	-
Unclaimed invigilation fee	14.4	8,681,724	19,916,554
GST input tax--Federal and other provinces		1,530,311	-
		230,334,013	276,657,339

- 14.1** This includes outstanding payments to institutes/vendors against various services amounting to Rs. 34,480,636 (2022: Rs. 11,198,516). Payables also include a provision for taxation amounting to Rs. 24,797,332/- against order of Appellate Tribunal Inland Revenue relating to tax year 2015 under section 122(5A) of income tax ordinance, 2001.
- 14.2** The amount represent the retention money maintained in a separate bank account as per section 217 of Companies Act, 2017.
- 14.3** This includes sales tax output of Rs. 52.888 million which is expected to be adjusted/settled after the conclusions of litigation as disclosed in Note 15.1.6.
- 14.4** This represents invigilation fee payments credited in bank accounts of the Company as invigilators have not claimed these amounts since 2019.

15 CONTINGENCIES AND COMMITMENTS

15.1 Contingencies

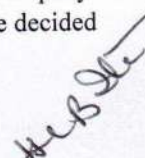
- 15.1.1** A raid was conducted on the Company's office by the Director I & I under Section 175 of the Income Tax Ordinance, 2001 (the Ordinance) on October 30, 2017. Consequent to the above raid, information was forwarded to the Commissioner Inland Revenue, LTU, Islamabad regarding alleged non-declaration of receipts for the tax years 2012-2016. The Deputy Commissioner Inland Revenue (DCIR) accordingly issued show cause notices for amendment proceedings and passed amended orders on December 30, 2017, thereby leaving the appellant condemned unheard.

Assessments for the tax years 2011 to 2016 were amended by the DCIR, charging tax on gross receipts/ bank credits of the Company including interbank transactions and reversals as unexplained income under section 111(1)(d)(ii) / 122(5) of the Ordinance. The receipts for the project period for the tax year 2011, 2012 and 2013 (up to May 2013), which represented the period when 'National Testing Service' was working under the control and Management of COMSATS Institute of Information Technology, Islamabad, were also taxed in the hands of the Company. Revised assessments resulted in Income tax demand aggregating Rs. 3,300,133,740. Tax department also charged penalties equal to tax from tax year 2012 to 2016 under section 181(12)/ 122(5) of the Ordinance through order dated 31 January 2018 aggregating to Rs. 3,300,133,740. Being aggrieved, the Company filed separate appeals before the Commissioner Inland Revenue Appeals (CIR(A)) and the assessments were remanded back to the DCIR for making re-assessment after giving opportunity of being heard. The appellate orders of CIR(A) were contested by the Company as well as tax department through cross appeals before Appellate Tribunal Inland Revenue (ATIR). The management based on tax consultant advice, is hopeful that cross appeals pending before ATIR shall be decided in favor of the Company.

Out of this demand, tax department has coercively recovered Rs. 137,841,986 from Company's bank account by disregarding stay of ATIR granted in respect of such demand. The recovery was challenged before the Honorable High Court in Writ Petition No. 3401/2015 and based on consultant advice, the management is hopeful that the recovery shall be declared illegal.

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- 15.1.2** Income tax demand amounting Rs. 25,356,484 was created in terms of Section 161/205 of the Ordinance for tax year 2015. The assessment was remanded back by the first appellate authority and cross appeals are pending before ATIR. The management is hopeful of a favorable outcome as the assessment was made on estimate basis, in haste and without affording opportunity of being heard.
- 15.1.3** Income tax demand amounting Rs. 23,259,341 was created in terms of Section 124/122(5A) of the Ordinance for Tax Year 2015 by disallowing provincial sales tax and salaries under section 21 (m) through order dated 28/06/2019. The CIR remanded back the order despite submission of evidence and for Tax Year 2013, . The Company filed appeal before ATIR to the extent of addition under section 21 (m) through ITA 1250/IB/2019 dated 30/09/2020, however, the department took up the same proceedings in the last week of the current financial year and again repeated the same order and ignoring the evidence on record. The management filed appeal before the CIR for which we are hopeful that the case shall be decided in favor of the Company
- 15.1.4** Income tax demand amounting Rs. 499,638,230 was created in terms of Section 124/122(5A) of the Ordinance for Tax Year 2013 by disallowing Additional Members Subscription under section 111(1)(a) through order dated 28/06/2019. The CIR remanded back the order despite submission of evidence. The Company filed appeal through ITA 1249/IB/2019 dated 30/09/2020 before ATIR which was decided in favor of the company by holding that addition under section 111 is not maintainable , however, the department took up the same proceedings in the last week of the current financial year and again repeated the same order and ignoring the evidence on record. The management filed appeal before the CIR for which we are hopeful that the case shall be decided in favor of the Company.
- 15.1.5** Income tax demand amounting Rs. 48,481,380 was created in terms of Section 124/122(5A) of the Ordinance for Tax Year 2011 by adding the "NTS Project Receipts" in the receipts of NTS Pakistan which was made operative in May 2013 and further addition was made under section 111(1)(d)(ii). The CIR remanded back the order dated 06-08-2018. In the reassessment proceedings, the department again confronted the same addition. On objection, the department though admitted that addition under section 111(1)(d)(ii) was not attracted, however, made same addition under section 111(1)(b) without issuance of show cause notice to the Company through order dated 30-06-2021. The Company has filed appeal before ATIR for which we are hopeful that the case shall be decided in favor of the Company.
- 15.1.6** On the basis information received from the Directorate General of Intelligence and Investigation, in consequence of raid and confiscation of records, order-in-original was passed against the Company creating sales tax on services demand of Rs. 707,517,918 and 100% penalty of Rs. 707,517,918 from year 2015 to 2017. The first appeal submitted before CIR(A) was rejected by confirming the order-in-original. The Company has filed appeal before the ATIR, which is pending adjudication. The management is hopeful of a favorable outcome on consultant's advice. Tax department has coercively recovered Rs. 69,746,999 from the Company's bank account in respect of these demands. The recovery was challenged before the Honorable High Court and based on consultant advice, the management is hopeful that the recovery shall be declared illegal
- 15.1.7** Demand of Rs. 28 million is raised by Employee Old Age Benefit Institution (EOBI) . The Company has filed an appeal before Board of Trustees of EOBI which is pending adjudication. The management is confident that the ultimate outcome of the appeal would be in favour of the Company, inter alia on the basis of the advice of the legal counsel and the relevant laws and facts.
- 15.1.8** The case of Company vs Elementary and Secondary Education for which Rs.72,041,407 (2022: Rs. 72,041,407) is pending adjudication before the Peshawar High Court against the decision of Additional District and Session Judge, Peshawar. The outcome of the decision is uncertain but the adverse outcome of the decision will only result in the retest of the position in the disputed regions. The management is confident that the ultimate outcome of the appeal would be in favour of the Company, inter alia on the basis of the advice of the legal counsel and the relevant laws and facts.
- 15.1.9** There are some litigations filed against the Company, in most of which the Company is involved as proforma defendant/respondent and has no direct financial impact even if cases are decided against the Company. Management is of the opinion that the Company has good prima facie cases and cases are likely to be decided in favor of Company and so no provision is made for these litigations in these financial statements.
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15.2 Commitments

15.2.1 The bank has issued two letter of guarantees each of Rs. 500,000 in 2022 and Rs. 1,000,000 in 2021 on behalf of Company in favour of State Bank of Pakistan (client) with expiry date of February 28, 2025.

16 TEST FEE INCOME

Fee from tests - Balochistan
 Fee from tests - Federal
 Fee from tests - KPK
 Fee from tests - Punjab
 Fee from tests - Sindh
 Fee from tests - AJK
 International product
 NTS product
 Less: sales tax

Note	2023 Rupees	2022 Rupees
	9,420,939	10,672,591
	232,267,708	90,263,193
	6,121,329	11,843,466
	100,909,623	142,342,682
	72,976,620	38,773,354
	1,468,661	1,066,001
	759,728	249,394
	79,233,065	102,907,869
16.1	(67,002,616)	(52,841,495)
	<u>436,155,057</u>	<u>345,277,054</u>

16.1 Sales tax

Sales tax - Balochistan
 Sales tax - Federal
 Sales tax - KPK
 Sales tax - Punjab
 Sales tax - AJK
 Sales tax - Sindh

	2023 Rupees	2022 Rupees
	1,228,818	1,392,077
	42,965,624	26,644,284
	291,492	563,975
	13,918,569	19,633,473
	202,573	147,035
	8,395,540	4,460,651
	<u>67,002,616</u>	<u>52,841,495</u>

17 DIRECT EXPENSES

Salaries, wages and benefits
 Postage and courier
 Test stationery printed
 Repair and maintenance
 Travelling
 Data entry charges
 Invigilation
 ETS project expenses
 Advertisement
 Centre charges
 Contents development -MCQ prep & review
 Miscellaneous
 Other test administration expenses
 Depreciation

Note	2023 Rupees	2022 Rupees
18.1	47,367,484	48,501,910
	4,748,660	7,126,713
	11,397,191	9,244,664
	2,284,936	1,138,083
	1,846,308	1,111,078
	823,201	1,381,218
	46,316,483	57,377,726
	1,170,323	-
	-	1,682,643
	30,708,890	43,335,560
	9,238,020	3,275,995
	-	4,421,008
	11,401,370	-
4.1.3	22,526,085	32,153,450
	<u>189,828,951</u>	<u>210,750,048</u>

18 ADMINISTRATIVE EXPENSES

Salaries, wages and benefits
 Directors' remuneration
 Office supplies
 Insurance expense
 Rent, rates and taxes
 Communication charges
 Printing and stationery
 Repair and maintenance
 Travelling expense
 Fuel expense
 Utilities
 Scholarships and sponsorships
 Security charges office
 Advertisement and publicity

Note	2023 Rupees	2022 Rupees
18.1	126,941,020	100,732,210
23.2	2,070,000	1,312,000
	8,248,595	6,610,617
	5,938,062	4,460,416
	5,205,826	4,688,774
	2,440,036	4,602,738
	339,734	1,800,503
	7,620,852	4,391,200
	1,063,972	927,163
	11,853,743	7,636,162
	20,425,114	17,444,181
	1,807,310	2,968,750
	5,874,001	5,588,713
	3,977,057	471,892

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	Note	2023 Rupees	2022 Rupees
Legal and professional charges		5,282,490	7,454,198
Auditors' remuneration	18.2	831,200	1,068,654
Depreciation	4.1.3	47,028,143	50,594,420
Amortization	5.1	560,000	560,000
Allowance for expected credit loss		9,422,033	-
Gardening & planting		110,000	-
Loss on theft of mobile phone		16,669	-
Miscellaneous Office		713,479	877,044
Entertainment		6,848,134	7,226,212
		<u>274,617,470</u>	<u>231,415,847</u>
18.1 This includes other employment benefits			
Gratuity	13.1.3	5,043,866	3,098,930
Contributory provident fund	18.1.1	2,888,091	2,657,798
Leave encashment	13.2.3	2,212,293	1,480,551
Employees' old age benefits		2,596,170	2,184,354
		<u>12,740,420</u>	<u>9,421,633</u>
18.1.1 All the investment out of provident fund trust have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the rules formulated for the purpose.			
18.2 AUDITORS' REMUNERATION	Note	2023 Rupees	2022 Rupees
Audit fee		800,000	835,140
Out of pocket expenses		31,200	83,514
Statutory certifications		-	150,000
		<u>831,200</u>	<u>1,068,654</u>
19 OTHER INCOME			
Profit on bank deposits		20,616,877	7,686,599
Miscellaneous income	19.1	5,034,114	62,707,475
Gain on sale of assets		-	2,258,000
Other income	19.2	478,500	4,661,827
Interest Income		1,200	-
Recognition of outstanding liability as other income	19.3	15,973,820	-
Exchange gain/(loss)		-	492,072
Reversal of provision expected credit losses		-	97,212,513
		<u>42,104,511</u>	<u>175,018,486</u>
19.1 Miscellaneous income includes unclaimed fees from students who have not applied for refund after cancellation of tests.			
19.2 Other income includes income raised from collection of hand bags and mobiles during NTS test.			
19.3 Under Section 34 sub section 35 of Income tax Ordinance 2001, liabilities outstanding for more than 3 years need to be recognised as other income.			
20 FINANCE COST	Note	2023 Rupees	2022 Rupees
Bank charges		<u>742,294</u>	<u>895,543</u>
21 TAXATION			
Provision for taxation:			
Current year	21.1	7,785,541	18,431,381
Prior year		-	-
		<u>7,785,541</u>	<u>18,431,381</u>
Deferred tax	6.3	22,925,153	24,633,774
		<u>30,710,694</u>	<u>43,065,155</u>
21.1 Numerical reconciliation between applicable tax rate and average effective tax rate has not been provided as the Company was subject to alternate corporate tax in the current year.			

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22 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

22.1 Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Note	Carrying amount		Fair value				
	Amortized cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Rupees							
June 30, 2023							
Financial assets not measured at fair value							
9	46,347,137	-	46,347,137	-	-	-	-
7	49,053,428	-	49,053,428	-	-	-	-
11	387,455,720	-	387,455,720	-	-	-	-
Total	482,856,285	-	482,856,285	-	-	-	-
Financial liabilities not measured at fair value							
14	68,988,991	-	68,988,991	-	-	-	-
June 30, 2022							
Financial assets not measured at fair value							
9	119,571,068	-	119,571,068	-	-	-	-
7	30,665,918	-	30,665,918	-	-	-	-
11	326,307,360	-	326,307,360	-	-	-	-
Total	476,544,346	-	476,544,346	-	-	-	-
Financial liabilities not measured at fair value							
14	75,055,471	-	75,055,471	-	-	-	-

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22.2 Financial instruments and financial risk management

Determination of fair values

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods:

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined 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).

Transfers between levels of the fair value hierarchy are recognized at the end of the reporting period during which the change has occurred.

Non – derivative financial assets

The fair value of non-derivative financial assets is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. This fair value is determined for disclosure purposes.

Non – derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

Financial risk management

The Company has exposures to the following risks from their use of financial instruments:

Credit risk

Liquidity risk

Market risk

Risk management framework

The Board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations

22.3 Credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties fail to perform as contracted and arises principally from receivables. The Company's policy is to enter into financial contracts with reputable counter parties in accordance with the internal guidelines and regulator requirements.

22.4 Exposure to credit risk

The carrying amounts of the financial assets represent the maximum credit exposures before any credit enhancements. The carrying amounts of financial assets exposed to credit risk at reporting date are as under:

	2023 Rupees	2022 Rupees
Accounts receivables	46,347,137	119,571,068
Deposits	49,053,428	30,665,918
Bank balances	387,455,720	326,307,360
	<u>482,856,285</u>	<u>476,544,346</u>

22.4.1 Aging of Accounts receivables as at reporting date was as:

	2023		2022	
	Gross debts	Allowance for ECL	Gross debts	Allowance for ECL
	Rupees			
Within maturity	2,485,999	24,860	23,267,710	4,215,095
-Within 31 to 90 days	3,448,242	103,447	2,108,279	512,737
-Within 91-180 days	8,276,864	413,843	6,921,200	2,042,520
-Within 181-365 days	1,224,747	85,732	10,143,071	3,415,542
-Above 365 days	112,791,135	81,251,966	156,942,977	69,626,275
	<u>128,226,987</u>	<u>81,879,848</u>	<u>199,383,237</u>	<u>79,812,169</u>

The movement in the allowance for expected credit losses in respect of accounts receivable and security deposits during the year was as follows:

	2023 Rupees	2022 Rupees
Accounts receivable		
Balance at beginning of the year	79,812,169	158,349,988
Impairment (reversal)/charge on financial assets during the year	2,067,679	(78,537,819)
Balance at end of year	<u>81,879,848</u>	<u>79,812,169</u>

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Security deposits		
Balance at beginning of the year	14,302,541	32,977,235
Impairment (reversal)/charge on financial assets during the year	7,354,353	(18,674,694)
Balance at end of year	<u>21,656,894</u>	<u>14,302,541</u>

Concentration of credit risk

Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their abilities to meet contractual obligation to be similarly affected by the changes in economic, political or other conditions. The Company believes that it is not exposed to major concentration of credit risk.

22.5 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to manage liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Following is the maturity analysis of financial liabilities:

	Carrying amount	Contractual cash flows	Six months	One to two years	Two to five years	Over five years
	Rupees					
2023						
Accrued and other liabilities	68,988,991	68,988,991	68,988,991	-	-	-
2022						
Accrued and other liabilities	75,055,471	75,055,471	75,055,471	-	-	-

22.6 Market risk

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

a) Currency risk

Currency risk is the risk that the value of the financial instruments will fluctuate due to changes in foreign exchange rates. The Company's exposure to currency risk is limited to balance in bank account amounting to Rs. 2,205,386 (2022: Rs. 2,108,083).

b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has no interest rate risk profile as it has no interest bearing financial instrument at balance sheet date.

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect statement of income and expenditure.

Cash flow sensitivity analysis

As the Company has fixed rate instruments therefore no sensitivity analysis is presented.

23 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	Chief Executive		Directors		Executives	
	2023	2022	2023	2022	2023	2022
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Managerial remuneration	7,666,310	6,180,000	2,070,000	1,312,000	4,681,586	3,876,240
Insurance	-	-	-	-	-	-
Fuel	1,886,400	540,000	-	-	943,200	540,000
	<u>9,552,710</u>	<u>6,720,000</u>	<u>2,070,000</u>	<u>1,312,000</u>	<u>5,624,786</u>	<u>4,416,240</u>
No. of persons	1	1	7	6	1	1

23.1 The Chief Executive has been provided with free use of Company's owned and maintained car in accordance with his terms of employment.

23.2 The Directors of the Company are entitled to receive Rs. 20,000 per person per board and/or board's committee meeting.

23.3 Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of entity. The Company considers all members of their management team, including Chief Executive Officer and Directors to be its key management personnel. There are no transactions with key management personnel other than under their terms of employments or entitlements.

24 NUMBER OF EMPLOYEES

Number of employees at year end
Average number of employees during the year

	2023	2022
	Number	Number
	176	175
	<u>176</u>	<u>175</u>

25 EVENTS AFTER THE END OF REPORTING DATE

There were no significant adjustable events subsequent to June 30, 2023, which may require an adjustment to the financial statements or additional disclosure.

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The figures have rounded off to the nearest rupee.