



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF VETERANS ENCLAVE LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **VETERANS ENCLAVE LIMITED** ("the Company"), which comprise the statement of financial position as at June 30, 2023, and statement of income & expenditure, the statement of comprehensive income, the statement of cash flows, the statement of changes in fund for the period 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, statement of profit or loss, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2023 and of the loss, the changes in equity and its cash flows for the period 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 and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017(XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.



In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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.



ISHFAQ & TAYYABA
Chartered Accountants

Ishfaq & Tayyaba
Chartered Accountants
Address: Office No. 418,
Street 56, I-8/3, Islamabad,
0333/9168591-051-4860003.
Email: Ishfaq.ca@gmail.com

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

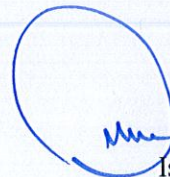
Based on our audit, we further report that in our opinion:

- 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, statement of profit or loss, statement of income & expenditure, the statement of comprehensive income, the statement of cash flows, the statement of changes in fund together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the period were for the purpose of the Company's business; and
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Mr. Ishfaq Ahmed FCA.

UDIN: AR202310550aZecWmorx

Date:
Islamabad


Ishfaq & Tayyaba
Chartered Accountants

VETERANS ENCLAVE LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2023

	Note	2023 (Rupees)
ASSETS		
Non-current Assets		
Land at cost	4	410,787,714
Capital work in progress / development cost	5	799,945,410
Operating fixed assets	6	1,196,843
		1,211,929,967
Current Assets		
Advances and deposits	7	5,348,000
Refundable tax	8	4,781,066
Cash and bank balances	9	1,187,505
		11,316,571
TOTAL ASSETS		1,223,246,538
EQUITY AND LIABILITIES		
Equity		
Share capital	10	92,600
Retained earnings		(311,592,164)
		(311,499,564)
Non-Current Liabilities		
Contractual liability for project		805,968,612
Current Liabilities		
Accrued expenses		185,980
Short term contractual obligation	11	413,901,584
Account payables	12	295,343,641
Other payables	13	19,346,285
		728,777,490
TOTAL EQUITY AND LIABILITIES		1,223,246,538

The annexed notes forms an integral part of these financial statements.


CHIEF EXECUTIVE


DIRECTOR

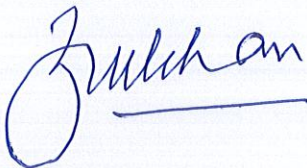
VETERANS ENCLAVE LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME


FOR THE PERIOD STARTING FROM MAY 24, 2023 TO JUNE 30, 2023

		2023
	Note	(Rupees)
Revenue		-
Admin and operating expenses	14	11,470,459
Operating loss for the period		<u>(11,470,459)</u>
Other income	15	63,908
Loss before taxation		<u>(11,406,551)</u>
Taxation		-
Loss after taxation		<u><u>(11,406,551)</u></u>

The annexed notes forms an integral part of these financial statements.



CHIEF EXECUTIVE



DIRECTOR

VETERANS ENCLAVE LIMITED**STATEMENT OF CASH FLOWS****FOR THE PERIOD STARTING FROM MAY 24, 2023 TO JUNE 30, 2023**

	Note	2023 (Rupees)
CASH FLOW FROM OPERATIONS		
Loss before taxation		(11,406,551)
Adjustment for: Depreciation	6	136,973
		<u>(11,269,578)</u>
Working Capital Changes		
Deletion / (additions) in advances and deposits		(4,936,730)
Additions / (Deletions) in contractual liability for project		67,303,238
Additions / (Deletions) in short term contractual obligation		(34,580,929)
Additions / (Deletions) in account payable		14,697,120
Additions / (Deletions) in accrued and other payables		71,394
		42,554,093
Tax paid during the period		(13,739)
Net cash flow from operating activities		31,270,776
CASH FLOW FROM INVESTING ACTIVITIES		
Additions to land at cost		(30,917,538)
Additions to development cost		(467,280)
Net cash flow from operating activities		(31,384,818)
CASH FLOW FROM FINANCING ACTIVITIES		
Net cash flow from financing activities		-
Net Cash Generated During the Year		(114,042)
Cash and Bank Balance as at beginning of the period	9	1,333,816
Cash and Bank Balance as at end of the period		<u>1,219,774</u>

The annexed notes forms an integral part of these financial statements.


CHIEF EXECUTIVE
DIRECTOR

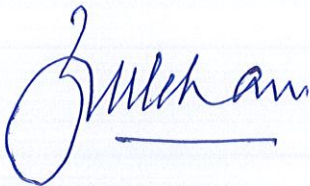
VETERANS ENCLAVE LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD STARTING FROM MAY 24, 2023 TO JUNE 30, 2023

		<i>Amount in Rupees</i>	
	Share Capital	Retained Earnings	Total
Balances as at May 24, 2023	-	-	-
Balances transferred from erstwhile VCHS	92,600	(352,600,983)	(352,508,383)
Balance as at May 24, 2023	92,600	(352,600,983)	(352,508,383)
Adjustment in payment certificates	-	52,415,370	52,415,370
Loss for the period	-	(11,406,551)	(11,406,551)
Balance as at June 30, 2023	92,600	(311,592,164)	(311,499,564)

The annexed notes forms an integral part of these financial statements.



CHIEF EXECUTIVE



DIRECTOR

VETERANS ENCLAVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD STARTING FROM MAY 24, 2023 TO JUNE 30, 2023

1 STATUS AND NATURE OF BUSINESS:

The Company was incorporated as a public limited company on May 24, 2023 with Company Registration Office, Islamabad having Company Universal Incorporation Number (CUIN) 0230475.

The principle line of business of the Company is to develop sites and plots and to erect and construct houses, multistory buildings, housing estate development including but not limited to run, takeover, carry on business of erstwhile Veterans Cooperative Housing Society with all its assets, liabilities, land, NOC's, contracts, agreements, commitments, allotment of plots and all allied works.

The registered office of the Company is situated at Office No. 06, 3rd Floor, Masood Arcade, IJP Road, Rawalpindi.

The assets, share capital, reserves and liabilities taken over by Veterans Enclave Limited from erstwhile Veterans Cooperative Housing Society is mentioned in Note 16.

2 BASIS OF PREPARATION

2.1 STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

International Financial Reporting Standard for Small and Medium Sized Entities (IFRS for SMEs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and

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

2.2 BASIS OF MEASUREMENT

These financial statements have been prepared under the historical cost convention without making any adjustments for the effect of inflation or current values.

VETERANS ENCLAVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD STARTING FROM MAY 24, 2023 TO JUNE 30, 2023

2.3 REPORTING CURRENCY

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

2.4 GOING CONCERN ASSUMPTION- APPROPRIATENESS

Company has incurred a net loss of Rs. 11,406,551 during the period ended June 30, 2023 and accumulated loss of Rs. 311,592,164. The current financial position and other circumstances, the Company's ability to continue as going concern depends upon its economically viable values of its Project's land which is around 11 times more than the land valued at cost as per D.C evaluation. However, fair value of developed land is around 2 times more than the evaluated land. By keeping in view the assesment of project's assets, the current accumulated loss is approximately 3 % of project's assets. The Management of the Company is confident that the Company will be able to resume economically viable operations by identifying the alternative sources of Technology zones and Mining Sector. Keeping in view of the above mentioned management assumption, these financial statement have been prepared on the basis of going concern assumption.

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 TAXATION

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

3.2 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment, are stated at cost less accumulated depreciation and any identified impairment loss. Cost includes direct cost, related overheads and mark up.

Depreciation on all property , plant and equipment is charged on reducing balance method so as to write off the depreciable amount of an asset over its useful estimated life at the rates mentioned in the schedule.

Full year depreciation is charged in the year of purchase and no depreciation is charged in the year of disposal. Any gain or loss on disposal is charged to profit or loss for the year.

Maintenance and normal repairs are charged to profit or loss as and when incurred. Renewals and improvements are capitalized when it is probable that respective future economic benefits will flow to the Company and the cost of the item can be measured reliably, and the assets so replaced, if any, are retired.

VETERANS ENCLAVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD STARTING FROM MAY 24, 2023 TO JUNE 30, 2023

3.3 CAPITAL WORK IN PROGRESS

Capital work-in-progress are stated at cost and consist of expenditure incurred, advances made and other costs directly attributable to operating fixed assets in the course of their construction and installation. Cost also includes applicable borrowing costs, if any. Transfers are made to relevant operating fixed assets category as and when assets are available for use intended by management.

3.4 RELATED PARTY TRANSCATIONS

Transactions involving related parties arising in the normal course of business are conducted at arm's length at normal commercial rates on the same terms and conditions as third party transactions using valuation modes as admissible.

3.5 FINANCIAL ASSETS AND LIABILITIES


A financial asset and a financial liability is offset and the net amount is reported in the balance sheet if the Company has a legally enforceable right to set-off the recognized amounts and intends either to settle on a net basis or to realize the assets and settle the liability simultaneously.

3.6 CONTINGENT LIABILITY

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

3.7 CASH AND CASH EQUIVALENTS

For the purpose of cash flow statement, cash and cash equivalents comprise of cash in hand and bank balances.



VETERANS ENCLAVE LIMITED

NOTES TO FINNACIAL STATEMENTS

FOR THE PERIOD STARTING FROM MAY 24, 2023 TO JUNE 30, 2023

	2023
	(Rupees)
	Note
Note 4	
Project Land	
Land at cost	<u>410,787,714</u>

The management of the Company has filed an application for correction of legal title before the Additional Deputy Commissioner - Revene, Rawalpindi. The concerned officers has passed the orders for correction of legal title of project land on October 09, 2023 and November 16,2023.

Note 5

Capital Work in Progress

Capital Work in Progress / Development Cost	<u>799,945,410</u>
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The management of the Company has capitalized the development cost incurred on the project land such as earth work, road work, sewerage, drainage work, allied development and maintenance works.

Note 6

Operating Fixed Assets

Operating fixed assets	<u>1,196,843</u>
<i>Schedule attached</i>	

VETERANS ENCLAVE LIMITED

NOTES TO FINNACIAL STATEMENTS

FOR THE PERIOD STARTING FROM MAY 24, 2023 TO JUNE 30, 2023

		2023
	Note	(Rupees)
Note 7		
Advances and Deposits		
Advances to employees	7.1	188,000
Security deposit - against tenancy agreements		210,000
Advance for correction of land title and related services		4,950,000
		<u>5,348,000</u>

7.1 This represent the advances given to staff / employees and carries no interest / mark-up.

Note 8

Refundable Tax

Refundable income tax		<u>4,781,066</u>
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Note 9

Cash and bank balances

Cash in hand		190,255
Cash at bank		
- Current deposits		811,916
- Saving deposits		185,334
		997,250
		<u>1,187,505</u>

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VETERANS ENCLAVE LIMITED**NOTES TO FINNACIAL STATEMENTS****FOR THE PERIOD STARTING FROM MAY 24, 2023 TO JUNE 30, 2023**

	2023
	(Rupees)
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Note 10	Note
Share Capital	
<i>Authorized Share Capital</i>	
100,000 Ordinary shares of Rs. 100/- each	10,000,000
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Issued, subscribed and paid-up capital	
926 Ordinary shares of Rs. 100/- each	92,600
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Note 11	
Short term contractual obligation	
Payment obligations against payment certificates	336,300,000
Payment obligation against refund certificates	77,601,584
	413,901,584
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Note 12	
Account payables	
Payable against development work	60,043,271
Payable against land acquisition and related matters	182,881,478
Payable against operational expenses	27,207,542
Payable against professional and other services	25,211,350
	295,343,641
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Note 13	
Other Payables	
- retention money	10,431,757
- withholding tax	8,914,528
- provision for taxation	-
	19,346,285
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VETERANS ENCLAVE LIMITED

NOTES TO FINNACIAL STATEMENTS

FOR THE PERIOD STARTING FROM MAY 24, 2023 TO JUNE 30, 2023

	2023
	(Rupees)
	Note
Note 14	
Admin and Operational Expenses	
Staff salaries	654,336
Travelling and conveyance	66,230
Utilities	62,277
Repairs and maintenance	45,950
Rent, rates and taxes	39,000
Communication	15,222
Meals and refreshments	55,762
Printing and stationery	47,375
Vehicle running expenses	216,110
Legal and professional charges	9,420,000
Audit Fee	75,000
Depreciation	136,973
Insurance	11,270
Security Services	618,556
Miscellaneous expenses	5,540
Bank charges	858
	<u>11,470,459</u>

Note 15

Other Income

Bank Profit	43,908
Transfer Fee	20,000
	<u>63,908</u>



VETERANS ENCLAVE LIMITED**NOTES TO FINNACIAL STATEMENTS****FOR THE PERIOD STARTING FROM MAY 24, 2023 TO JUNE 30, 2023**

	2023
	(Rupees)
Note 16	
ASSETS, LIABILITIES AND EQUITY TAKEN OVER ON MAY 24, 2023	
ASSETS	
Non-current Assets	
Land at cost	382,175,176
Capital work in progress / development cost	799,478,130
Operating fixed assets	1,333,816
	1,182,987,122
Current Assets	
Deposits	221,270
Advances to Employees	190,000
Advance Tax	4,767,327
Cash and bank balances	547,033
	5,725,630
TOTAL ASSETS	1,188,712,752
EQUITY AND LIBILITIES	
Equity	
Share capital	92,600
Retained earnings	(352,600,983)
	(352,508,383)
Non-Current Liabilities	
Contractual liability for project	738,665,374
Current Liabilities	
Accrued expenses	149,840
Short term contractual obligation	502,448,369
Account payable	280,646,521
Other payables	19,311,031
	802,555,761
TOTAL EQUITY AND LIAILITIES	1,188,712,752

VETERANS ENCLAVE LIMITED

NOTES TO FINNACIAL STATEMENTS

FOR THE PERIOD STARTING FROM MAY 24, 2023 TO JUNE 30, 2023

2023

Note (Rupees)

Note 17

TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The related parties and associated undertakings of the Company comprise of associated companies, directors and key management personnel. Transactions with related parties other than remuneration to key management personnel under the terms of their employment are as follows:

Advances

Opening balance	-
Additions: Correction of land titles and related services	4,950,000
Deletions	-
Closing balance	<u>4,950,000</u>

Accounts Payable

Opening balance	272,010,753
Additions: Services rendered	31,571,538
Payments made	<u>25,650,000</u>
Closing balance	<u>277,932,291</u>

The names of related parties with whom the Company has entered into transaction or had agreements/arrangments in place, during the period:

Name of Related Party

Basis of Relationship

Consolidated Perfect Engineers(Pvt) Ltd

Associated Company

The Company has not paid any remuneration to its key management personnel during the period.

VETERANS ENCLAVE LIMITED

NOTES TO FINNACIAL STATEMENTS

FOR THE PERIOD STARTING FROM MAY 24, 2023 TO JUNE 30, 2023

	2023
	(Rupees)
Note	
Note 18	
NUMBER OF EMPLOYEES	
Total employees of the Company at the period end	<u>10</u>
Average employees of the Company during the period	<u>10</u>

Note 19

GENERAL

Figures have been rounded off to nearest rupees

These financial statements were authorized by the board of directors for issuance on _____



CHIEF EXECUTIVE



DIRECTOR

VETERANS ENCLAVE LIMITED
 NOTES TO FINANCIAL STATEMENTS
 FOR THE PERIOD STARTING FROM MAY 24, 2023 TO JUNE 30, 2023

Note 6

Operating Fixed Asset

Amount in Pak. Rupees

Particulars	Cost			Rate (%)	Accumulated Depreciation			Net Book Value As at June 30, 2023		
	As at May 24, 2023	Addition	Deletion		As at June 30, 2023	As at May 24, 2023	Depreciation Charge		Deletion	
Furniture / Fixture	997,922	-	-	10	997,922	502,275	49,896	-	552,171	445,751
Office Equipment	379,950	-	-	10	379,950	369,104	10,845	-	379,949	1
Site Office	1,320,200	-	-	5	1,320,200	852,321	33,005	-	885,326	434,874
Tube well	1,245,000	-	-	20	1,245,000	1,244,999	-	-	1,244,999	1
Computer Equipment	559,212	-	-	20	559,212	497,211	12,400	-	509,611	49,601
Vehicles	3,407,414	-	-	25	3,407,414	3,407,412	-	-	3,407,412	2
Electrical Appliances	737,861	-	-	10	737,861	440,421	30,827	-	471,248	266,613
June 30, 2023	8,647,559	-	-		8,647,559	7,313,743	136,973	-	7,450,716	1,196,843

o.j.