

PAKISTAN SOCIETY OF CIVIL ENGINEERS

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF PAKISTAN SOCIETY OF CIVIL ENGINEERS

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **PAKISTAN SOCIETY OF CIVIL ENGINEERS** (the company), which comprise the statement of financial position as at June 30, 2021, and the statement of income and expenditure, the statement of cash flows, the statement of changes in fund for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of income and expenditure, the statement cash flows and the statement of changes in fund 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, 2021 and of income, its cash flow and the changes in fund for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the international standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the other information. The other information comprises the information included in the annual report, but those 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

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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, 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 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 is 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 IASs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risk 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 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.

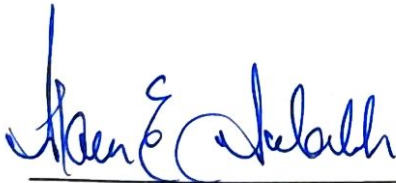
We communicate with those charged with governance and the board of directors, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

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

- (a) Proper books of accounts 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 cash flows and 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 accounts and returns;
- (c) Investment made, expenditure incurred and guarantees extended during the year were for the purpose of the company's business; and
- (d) No zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on audit resulting in this independent auditor's report is Shan Ibrahim. 62



Alam & Aulakh
Chartered Accountants

ALAM & AULAKH.
CHARTERED ACCOUNTANTS

PAKISTAN SOCIETY OF CIVIL ENGINEERS
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2021

	Note	2021	2020
-----Rupees-----			
ASSETS			
NON-CURRENT ASSETS			
CURRENT ASSETS			
Cash and bank balances	3	297,009	131,600
		<u>297,009</u>	<u>131,600</u>
		<u>297,009</u>	<u>131,600</u>
FUNDS AND LIABILITIES			
Accumulated deficit		<u>(1,663,312)</u>	<u>(1,689,066)</u>
CURRENT LIABILITIES			
Loan from associated company	4	1,836,223	1,810,666
Accruals and other payables	5	124,098	10,000
		<u>297,009</u>	<u>131,600</u>
		<u>297,009</u>	<u>131,600</u>

The annexed notes from 1 to 11 form an integral part of these financial statements.

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Fahim Khan

CHIEF EXECUTIVE

Wasim Q. L.

DIRECTOR

PAKISTAN SOCIETY OF CIVIL ENGINEERS
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED JUNE 30, 2021

	NOTE	2021 Rupees	2020 Rupees
INCOME			
Donations	6	165,409	76,150
EXPENDITURE			
Website development charges		-	95,000
Printing and stationery		39,000	39,003
Fee & subscription		36,500	45,300
Postage and courier		-	1,200
Legal & professional		30,000	-
Events and seminars		-	5,600
Advertisement and publicity		-	5,100
Entertainment		21,155	79,307
Telephone & internet		3,000	-
Audit fee		10,000	10,000
		139,655	280,510
SURPLUS / (DEFICIT) FOR THE YEAR		25,754	(204,360)

The annexed notes from 1 to 11 form an integral part of these financial statements.

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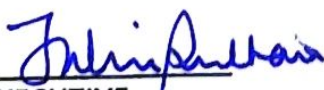

CHIEF EXECUTIVE


DIRECTOR

PAKISTAN SOCIETY OF CIVIL ENGINEERS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2021

	2021	2020
	-----Rupees-----	
Cash flows from operating activities		
Surplus/(deficit) for the year	25,754	(204,360)
Adjustments for non-cash items		
Financial charges	-	-
Operating profit before working capital changes	<u>25,754</u>	<u>(204,360)</u>
Increase / (decrease) in current liability:		
Accruals & other payables	114,098	10,000
Cash generated/used in operations	<u>139,852</u>	<u>(194,360)</u>
Financial charges paid	-	-
Cash used in operating activities	<u>139,852</u>	<u>(194,360)</u>
Cash flows from investing activities	<u>-</u>	<u>-</u>
Cash flows from financing activities		
Increase in loan from associated company	25,557	225,210
Cash generated from financing activities	<u>25,557</u>	<u>225,210</u>
Net increase in cash and cash equivalents	<u>165,409</u>	<u>30,850</u>
Cash and cash equivalents at the beginning of the year	131,600	100,750
Cash and cash equivalents at the end of the year	<u>297,009</u>	<u>131,600</u>

The annexed notes from 1 to 11 form an integral part of these financial statements.



CHIEF EXECUTIVE



DIRECTOR

PAKISTAN SOCIETY OF CIVIL ENGINEERS
STATEMENT OF CHANGES IN FUND
FOR THE YEAR ENDED JUNE 30, 2021

DESCRIPTION	Rupees
Balance as at July 01, 2019	(1,484,706)
Deficit for the year ended June 30, 2020	(204,360)
Balance as at June 30, 2020	<u>(1,689,066)</u>
Balance as at 01 July, 2020	(1,689,066)
Surplus for the year ended June 30, 2021	25,754
Balance as at June 30, 2021	<u>(1,663,312)</u>

The annexed notes from 1 to 11 form an integral part of these financial statements.

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CHIEF EXECUTIVE


DIRECTOR

**PAKISTAN SOCIETY OF CIVIL ENGINEERS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

1. The society and its activities

Pakistan Society for Civil Engineers (the Society) was incorporated in Pakistan on 7th June, 2016 under section 42 of the repealed Companies Ordinance 1984 (repealed with enactment of the Companies Act 2017, on 30 May 2017) as a company limited by guarantee not having share capital.

The purpose of the Society is to foster the advancement of the discipline of civil engineering by enhancing knowledge, competitiveness, quality ethics and sustainability, also the purpose of the society is to encourage and provide the means of continued professional learning and growth of its members and also to make efforts for enhancing the stature of civil engineers and to contribute toward public policy and issues related to civil engineering.

1.2 Geographical location and address of business are as follows:

offices	Address
---------	---------

- | | |
|----------------------|--------------------------------------------------------------|
| 1. Registered office | 38, Sector-1 B-1 Township Lahore, in the province of Punjab. |
|----------------------|--------------------------------------------------------------|

2. Summary of significant accounting policies

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

2.1 Basis of preparation

a) Statement of compliance

These financial statements have been prepared in accordance with the standards issued by Institute of Chartered Accountants of Pakistan (ICAP) for "Not for Profit" organisation, as applicable in Pakistan and the requirements of the Companies Act 2017. In case requirements differ, the provisions or directives of the Companies Act 2017 shall prevail.

b) Accounting convention

These financial statements have been prepared under the historical cost convention basis.

c) Accrual basis of accounting

These financial statements have been prepared on accrual basis.

2.2 Cash and bank balances

Cash and cash equivalents comprise cash in hand and cash at bank on current account.

2.3 Loan from associated company

Loan is initially recognized at cost. Subsequently, no discounting effect is recorded since it is equity in nature.

**PAKISTAN SOCIETY OF CIVIL ENGINEERS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

2.4 Accrual and other payables

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

2.5 Income recognition

Donation from members and other sources is recognized when a cheque received from members and others.

2.6 Expenditure

Expenditure incurred are in accordance with the objectives of the Society and relates to current reporting period.

2.7 Provisions

Provisions are recognized when the Society has a present obligation (legal or constructive) as a result of past events, if 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.

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PAKISTAN SOCIETY OF CIVIL ENGINEERS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2021

		2021 Rupees	2020 Rupees
3 Cash and bank balances			
Cash in hand		-	-
Cash at bank - current		297,009	131,600
		<u>297,009</u>	<u>131,600</u>
4 Loan from associated company			
Loan from associated company	4.1	1,836,223	1,810,666
		<u>1,836,223</u>	<u>1,810,666</u>
4.1	Working capital requirement of the company is initially fulfilled by the associated company. Loan is repayable on demand (2020: same as mentioned). Company intends to repay the loan before the next financial reporting period. Loan is interest free and unsecured (2020: Same as mentioned)		
5 Accruals and other payables			
Audit fee		10,000	10,000
Others		114,098	-
		<u>124,098</u>	<u>10,000</u>
6 Donations			
Donations		165,409	76,150
		<u>165,409</u>	<u>76,150</u>
7 Number of employees			
Number of employees as at year end.		-	-
Average number of employees during the year		-	-
8 Remuneration of chief executive, directors and other executives			
No remuneration were paid to chief executive, directors and other executives during the year (2020: same as mentioned)			
9 Related party transaction			
Related party comprise of associated company. Transactions with related party during the year, except for remuneration of key management personnel, are disclosed as follows:			

Name	Relationship with party	Amount of transaction (Rs)	Payable as on 30 June 2021	Payable as on 30 June 2020
Associate	Associated company	25,557	1,836,223	1,810,666

9.1 Maximum aggregate of loan payable to associated company in any month during the year reached in June 2021 that is equal to Rs. 1,836,223 (2020: 1,810,666)

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PAKISTAN SOCIETY OF CIVIL ENGINEERS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

2021
Rupees

2020
Rupees

10 Date of authorization for issue

These financial statements were authorized for issue on _____ by the Board of Directors of the Society.

11 General

Figures have been rounded off to the nearest rupee.

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CHIEF EXECUTIVE


DIRECTOR