

**PAKISTAN SOCIETY OF CIVIL ENGINEERS
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30TH 2022**

**INDEPENDENT AUDITORS' 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 Society), which comprise the statement of financial position as at June 30, 2022 the statement of income and expenditure, the statement of cash flows, statement of changes in funds 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 of cash flows and the statement of changes funds 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 Society's affairs as at June 30, 2022 and of the loss, cash flows and changes in funds 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 *auditors'* responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Society 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 Auditors' 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 auditors' 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, 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 Society'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 Society or to cease operations, or has no realistic alternative but to do so.

Board of directors is responsible for overseeing the Society's financial reporting process.

Auditors' 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 auditors' 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 Society'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 Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events are conditions may cause the Society 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.

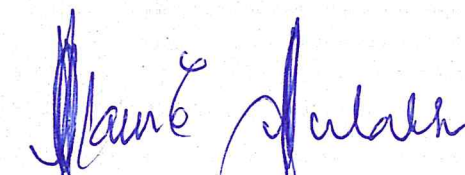
We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

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

- Proper books of accounts have been kept by the Society as required by the Companies Act, 2017 (XIX) of 2017);
- The statement of financial position, the statement of income and expenditure, the statement of cash flows and the statement of changes funds 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;
- Investment made, expenditure incurred and guarantees extended during the year were for the purpose of the Society's business; and
- No zakat was deductible at source under the Zakat and Ordinance, 1980 (XVIII of 1980).

The engagement partner on audit resulting in this independent auditors' report is Shan Ibrahim.



ALAM AND AULAKH
CHARTERED ACCOUNTANTS

Alam & Aulakh
Chartered Accountants

Place: Lahore

Date: *October 7, 2022*

UDIN: AR202210049qo91jpA20

PAKISTAN SOCIETY OF CIVIL ENGINEERS
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2022

	Note	2022 Rupees	2021 Rupees
<u>ASSETS</u>			
NON-CURRENT ASSETS			
CURRENT ASSETS			
Cash and bank balances	4	79,409	297,009
		79,409	297,009
		79,409	297,009
<u>FUNDS AND LIABILITIES</u>			
Accumulated deficit		(1,919,572)	(1,663,312)
CURRENT LIABILITIES			
Loan from associated company	5	1,877,352	1,836,223
Accruals and other payables	6	121,629	124,098
		79,409	297,009

The annexed notes from 1 to 12 form an integral part of these financial statements.


CHIEF EXECUTIVE




DIRECTOR

**PAKISTAN SOCIETY OF CIVIL ENGINEERS
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED JUNE 30, 2022**

	NOTE	2022 Rupees	2021 Rupees
INCOME			
Donations	7	89,800	165,409
EXPENDITURE			
Printing and stationery expenses		18,200	39,000
Fee and subscription expenses		-	36,500
Legal and professional expenses		460	30,000
Entertainment expenses		-	21,155
Telephone and internet expenses		-	3,000
Donations		307,400	-
Audit fee expenses		20,000	10,000
		346,060	139,655
SURPLUS FOR THE YEAR		(256,260)	25,754

The annexed notes from 1 to 12 form an integral part of these financial statements.


CHIEF EXECUTIVE




DIRECTOR

**PAKISTAN SOCIETY OF CIVIL ENGINEERS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022**

	2021 Rupees	2021 Rupees
Cash flows from operating activities		
Surplus/(deficit) for the year	(256,260)	25,754
Adjustments for non-cash items		
Financial charges	-	-
Operating profit before working capital changes	(256,260)	25,754
(decrease)/increase in current liability:		
Accruals & other payables	(2,469)	114,098
Cash generated/used in operations	(258,729)	139,852
Financial charges paid	-	-
Cash used in operating activities	(258,729)	139,852
Cash flows from investing activities	-	-
Cash flows from financing activities		
Increase in loan from associated company	41,129	25,557
Cash generated from financing activities	41,129	25,557
Net increase in cash and cash equivalents	(217,600)	165,409
Cash and cash equivalents at the beginning of the year	297,009	131,600
Cash and cash equivalents at the end of the year	79,409	297,009

The annexed notes from 1 to 12 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, 2022**

DESCRIPTION	Rupees
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>
Balance as at 01 July, 2021	(1,663,312)
Surplus for the year ended June 30, 2022	(256,260)
Balance as at June 30, 2022	<u>(1,919,572)</u>

AS

The annexed notes from 1 to 12 form an integral part of these financial statements.


CHIEF EXECUTIVE




DIRECTOR

**PAKISTAN SOCIETY OF CIVIL ENGINEERS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

1 The society and its activities

Pakistan Society of 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 Statement of compliance

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

- International Financial Reporting Standard for small and medium size entities (IFRS for SMEs) issued for International Accounting Standard Board (IASB) as notified under the companies act, 2017;
- Accounting standard not for profit organisation (Accounting Standard for NPOs) issued by the Institute of Chartered Accountants of Pakistan as notified 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 differs from the IFRS stands for SMEs or Accounting standard for NPOs, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Accounting convention

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

2.3 Accrual basis of accounting

These financial statements have been prepared on accrual basis.



**PAKISTAN SOCIETY OF CIVIL ENGINEERS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Cash and bank balances

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

3.2 Loan from associated company

Working capital requirement of the society is initially fulfilled by the associated company. Loan is repayable on demand. The society intends to repay the loan before the next financial reporting period. Loan is interest free and unsecured (2020: Same terms)

3.3 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.

3.4 Income recognition


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

3.5 Expenditure

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

3.6 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.



PAKISTAN SOCIETY OF CIVIL ENGINEERS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

		2022 Rupees	2021 Rupees
4 Cash and bank balances			
Cash in hand		-	-
Cash at bank - current		79,409	297,009
		79,409	297,009
5 Loan from associated company			
Loan from associated company	5.1	1,877,352	1,836,223
		1,877,352	1,836,223
5.1	Working capital requirement of the company is initially fulfilled by the associated company. Loan is repayable on demand (2021: same as mentioned). Company intends to repay the loan before the next financial reporting period. Loan is interest free and unsecured (2021: same as mentioned)		
6 Accruals and other payables			
Audit fee		20,000	10,000
Others		101,629	114,098
		121,629	124,098
7 Donations			
Donations		89,800	165,409
		89,800	165,409
8 Number of employees			
Number of employees as at year end.		-	-
Average number of employees during the year		-	-

9 Remuneration of chief executive, directors and other executives

No remuneration were paid to chief executive, directors and other executives during the year (2021: same as mentioned)

10 Related party transaction


Related parties comprise of associated undertakings, directors and their close family members and key management personnel of the Company. Transactions with related parties during the period, except for remuneration of key management personnel, are disclosed as follows:

Name	Relationship with party	Amount of transaction (Rs)	Payable as on 30 June 2022	Payable as on 30 June 2021
Associate	Associated company	41,129	1,877,352	1,836,223

10.1 Maximum aggregate of loan payable to associated company in any month during the year reached in June 2022 that is equal to Rs. 1,877,352 (2021: 1,836,223)

**PAKISTAN SOCIETY OF CIVIL ENGINEERS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

11 Date of authorization for issue

These financial statements were authorized for issue on October 7, 2022 by the Board of Directors of the Society. 

12 General

Figures have been rounded off to the nearest rupee.


CHIEF EXECUTIVE




DIRECTOR