

**PAKISTAN SOCIETY OF CIVIL ENGINEERS**

**AUDITED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2023**

**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, 2023 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, 2023 and of the profit, 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:

- (a) Proper books of accounts have been kept by the Society 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 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;
- (c) Investment made, expenditure incurred and guarantees extended during the year were for the purpose of the Society's business; and
- (d) 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**

Place: Lahore

Date:

UDIN: AR202310049u8aTwXNIP

PAKISTAN SOCIETY OF CIVIL ENGINEERS  
STATEMENT OF FINANCIAL POSITION  
AS AT JUNE 30, 2023

	Note	2023 Rupees	2022 Rupees
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and bank balances	4	110,959	79,409
		<b>110,959</b>	<b>79,409</b>
		<b>110,959</b>	<b>79,409</b>
<b>FUNDS AND LIABILITIES</b>			
Accumulated surplus/deficit		<b>58,802</b>	<b>(1,919,572)</b>
<b>CURRENT LIABILITIES</b>			
Loan from associated company	5	-	1,877,352
Accruals and other payables	6	25,000	121,629
Provision for taxation		27,157	-
		<b>110,959</b>	<b>79,409</b>

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, 2023

		2023	2022
	NOTE	Rupees	Rupees
<b>INCOME</b>			
Donations	7	2,172,523	89,800
<b>EXPENDITURE</b>			
Printing and stationery expenses		41,750	18,200
Legal and professional expenses		-	460
Entertainment expenses		13,792	-
Donations		47,450	307,400
Audit fee expenses		25,000	20,000
Miscellaneous expense		39,000	-
		<b>166,992</b>	<b>346,060</b>
<b>SURPLUS/(LOSS) BEFORE TAXATION</b>		<b>2,005,531</b>	<b>(256,260)</b>
Taxation		(27,157)	-
<b>SURPLUS/(LOSS) AFTER TAXATION</b>		<b>1,978,374</b>	<b>(256,260)</b>

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

  
CHIEF EXECUTIVE



  
DIRECTOR

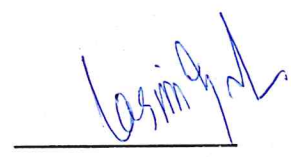
PAKISTAN SOCIETY OF CIVIL ENGINEERS  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2023

	2023 Rupees	2022 Rupees
<b>Cash flows from operating activities</b>		
Surplus/(deficit) for the year	2,005,531	(256,260)
<b>Adjustments for non-cash items</b>		
Financial charges	-	-
<b>Operating profit before working capital changes</b>	<b>2,005,531</b>	<b>(256,260)</b>
(decrease)/increase in current liability:		
Accruals and other payables	(96,629)	(2,469)
<b>Cash generated/used in operations</b>	<b>1,908,902</b>	<b>(258,729)</b>
Taxes paid	-	-
<b>Cash used in operating activities</b>	<b>1,908,902</b>	<b>(258,729)</b>
<b>Cash flows from investing activities</b>	<b>-</b>	<b>-</b>
<b>Cash flows from financing activities</b>		
Decrease in loan from associated company	(1,877,352)	41,129
<b>Cash generated from financing activities</b>	<b>(1,877,352)</b>	<b>41,129</b>
<b>Net increase in cash and cash equivalents</b>	<b>31,550</b>	<b>(217,600)</b>
Cash and cash equivalents at the beginning of the year	79,409	297,009
<b>Cash and cash equivalents at the end of the year</b>	<b>110,959</b>	<b>79,409</b>

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, 2021	(1,663,312)
Surplus for the year ended June 30, 2022	(256,260)
<b>Balance as at June 30, 2022</b>	<b>(1,919,572)</b>
Balance as at 01 July, 2022	(1,919,572)
Surplus for the year ended June 30, 2023	1,978,374
<b>Balance as at June 30, 2023</b>	<b>58,802</b>

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, 2023**

**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, 2023**

**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, 2023**

		<b>2023</b>	<b>2022</b>
		<b>Rupees</b>	<b>Rupees</b>
<b>4 Cash and bank balances</b>			
Cash in hand		-	-
Cash at bank - current		110,959	79,409
		<b>110,959</b>	<b>79,409</b>
<b>5 Loan from associated company</b>			
Loan from associated company	<b>5.1</b>	-	1,877,352
		-	<b>1,877,352</b>
<b>5.1</b>	Working capital requirement of the company is initially fulfilled by the associated company. Loan is repayable on demand (2022: same as mentioned). Company intends to repay the loan before the next financial reporting period. Loan is interest free and unsecured (2022: same as mentioned)		
<b>6 Accruals and other payables</b>			
Audit fee payable		25,000	20,000
Others payable		-	101,629
		<b>25,000</b>	<b>121,629</b>
<b>7 Donations</b>			
Donations		2,172,523	89,800
		<b>2,172,523</b>	<b>89,800</b>
<b>8 Number of employees</b>			
Number of employees as at year end.		-	-
Average number of employees during the year		-	-
<b>9 Remuneration of chief executive, directors and other executives</b>			
No remuneration were paid to chief executive, directors and other executives during the year (2022: same as mentioned)			
<b>9.1 Number of persons</b>			
Chief executive office		1	1
Directors		1	1

*Handwritten signature/initials*

PAKISTAN SOCIETY OF CIVIL ENGINEERS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023

**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 2023	Payable as on 30 June 2022
Associate	Associated company	(1,877,352)	-	1,877,352

**10.1** Maximum aggregate of loan payable to associated company in any month during the year reached in June 2023 that is equal to Rs. 0 (2022: 1,877,352)

**11 Date of authorization for issue**

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

**12 General**

Figures have been rounded off to the nearest rupee.

  
CHIEF EXECUTIVE



  
DIRECTOR