



**INDEPENDENT AUDITORS' REPORT**  
**TO THE MEMBERS OF**  
**INSTITUTE OF URBANISM**

**OPINION**

We have audited the accompanying financial statements of **Institute of Urbanism** (*the Organization*) registered under the Companies Act, 2017 which comprise the statement of financial position as at June 30, 2025, the statement of receipts and payment, statement of cash flows and statement of changes in funds for the period from October 29, 2024 to June 30, 2025, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the association present fairly, in all material respects, the financial position of the Organization as at June 30, 2025, its financial performance and statement of changes in funds for the period from October 29, 2024 to June 30, 2025 in accordance with the requirements of the Companies Act, 2017.

**BASIS FOR OPINION**

We conducted our audit in accordance with the International Standards on Auditing (ISAs). 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 cooperative society in accordance with the ethical requirements that are relevant to our audit of financial statements in Pakistan, and we have fulfilled our other responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**EMPHASIS OF MATTER**

We draw attention to Note 2 to the financial statements, which describe the basis of accounting. The financial statements are prepared for the internal use of members using specified accounting policies. Our opinion is not modified in respect of this matter.

**RESPONSIBILITIES OF MANAGEMENT AND MANAGING COMMITTEE FOR THE FINANCIAL STATEMENTS**

Management is responsible for the preparation of the financial statements in accordance with the requirements of Companies Act, 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 co-operative society's ability to continue as a going concern and using the going concern basis of accounting unless management either intends to liquidate the co-operative society or to cease operations or has no realistic alternative but to do so.

Managing Committee is responsible for overseeing the co-operative society'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. Our reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs 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, 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 Firm'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 Firm'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 Firm 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 managing committee 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.

The engagement partner on the audit resulting in this independent auditor's report is **Muhammad Ishaq, ACA**.

*Muhammad Ishaq & Co.*



**Muhammad Ishaq & Co.,**  
**Chartered Accountants**  
**Islamabad**

**Date: October 16, 2025**

**INSTITUTE OF URBANISM  
STATEMENT OF FINANCIAL POSITION  
AS AT JUNE 30, 2025**

	NOTE	2025 -----Rupees-----
<b>ASSETS</b>		
<b>NON CURRENT ASSETS</b>		
Property and equipment	4	-
<b>CURRENT ASSETS</b>		
Advances deposits and accounts receivables		-
Cash and bank balances		-
<b>TOTAL ASSETS</b>		-
<b>CAPITAL AND LIABILITIES</b>		
<b>CAPITAL</b>		
General fund	5	-
<b>CURRENT LIABILITIES</b>		
Deferred Grant Income - Restricted		-
Accruals and other liabilities		-
<b>TOTAL CAPITAL AND LIABILITIES</b>		-

*The annexed notes form an integral part of these financial statements.*

MIC

**CEO**

**Director**

**INSTITUTE OF URBANISM  
STATEMENT OF INCOME AND EXPENDITURE  
FOR THE YEAR ENDED JUNE 30, 2025**

	2025
NOTES	-----Rupees-----
<b>INCOME</b>	
Grant - unrestricted	-
Grant - restricted	-
Receipt For General Expenses	<u>350,000</u>
<b>EXPENDITURE</b>	
Program expenses	-
General and administrative expenses	<u>(350,000)</u>
	<u>(350,000)</u>
(Deficit) / Surplus for the year	<u>-</u>
Tax expense	<u>-</u>
Net (deficit) / surplus	<u><u>-</u></u>

*The annexed notes form an integral part of these financial statements.*

MIC

**CEO**

**Director**

**INSTITUTE OF URBANISM  
STATEMENT OF CHANGES IN GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2025**

	Surplus / Deficit	Total
	-----Rupees-----	
Accumulated surplus / (deficit) as at July 01, 2024	-	-
(Deficit) for the year	-	-
Accumulated (deficit) as at June 30, 2025	-	-

*The annexed notes form an integral part of these financial statements.*

MVC

**CEO**

**Director**

**INSTITUTE OF URBANISM  
STATEMENT OF CASH FLOW  
FOR THE YEAR ENDED JUNE 30, 2025**

	2025
	-----Rupees-----
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	
(Deficit) / Surplus for the year	-
Adjustments for non cash items	
Depreciation	-
Operating profit before working capital changes	-
<b>Changes in working capital:</b>	
Advances deposits and other receivables	-
Accrued and other liabilities	-
Deferred Grant Income - Restricted	-
Cash generated from operations	-
Taxes paid	-
Net cash (used) in / generated from operating activities	-
Net (decrease) increase in cash and cash equivalents	-
Cash and cash equivalents at the beginning of the year	-
<b>Cash and cash equivalents at the end of the year</b>	-

MK

*The annexed notes form an integral part of these financial statements.*

**CEO**

**Director**

**INSTITUTE OF URBANISM  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025**

---

**1 CORPORATE AND GENERAL INFORMATION**

The Institute of Urbanism (the "Entity") is situated at Office No. 02, Second Floor, Taimoor Chambers, Fazal ul Haq Road, Blue Area. The Entity was incorporated in October 29, 2024 under the Companies Act, 2017, as a non-profit, non-government organization.

**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: Revised Accounting and Financial Reporting Standards the Small-Sized Entities (Revised AFRS for SSEs) issued by the Institute of Chartered Accountant of Pakistan.

**2.2** The financial statements are prepared for the internal use of members using specified accounting policies of cash basis.

**2.3 FUNCTIONAL AND PRESENTATION CURRENCY**

These financial statements are presented in Pakistan Rupee (Rupees) which is the Company's functional currency. Amounts presented in the financial statements have been rounded off to the nearest of Rupees, unless otherwise stated.

**2.4 ACCOUNTING ESTIMATES AND JUDGEMENTS**

The preparation of financial statements in conformity with the approved Accounting and Financial Reporting Standards of Small-Sized Entities (SSEs) issued by the Institute of Chartered Accountants of Pakistan require management to make judgments, estimates and assumptions that affect 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 judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from those estimates. The areas involving a high degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are documented in the following accounting policies and notes, and relate primarily to:

**a) Useful lives of property, plant & equipment**

The useful lives, residual values and depreciation method are reviewed on a regular basis. The effect of any changes in estimate is accounted for on a prospective basis.

**b) Income Taxes**

The company takes into accounts the current income tax law and the decision taken by the appellate authorities. Instances where the Authority's view differs from the view taken by the income tax department at the assessment stage and where the authority considers that its views on the terms of material nature is in accordance with the law, the amount is shown as contingent liability.

MIC

**INSTITUTE OF URBANISM  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025**

---

**3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies adopted in the preparation of the financial statements are given below,

**3.1 Property, Plant and Equipment**

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses if any.

Depreciation is charged using the reducing balance method using rates specified in note 4.

Depreciation on additions is charged from the month in which the asset is put in use and on disposal up to the month the respective asset was in use.

Maintenance and normal repairs are charged to income as and when incurred while cost of major replacements and improvements, if any, are capitalized.

Gain and losses on disposal of fixed assets are included in the profit and loss account.

**3.2 Impairment**

An assessment is made at each balance sheet date to determine whether there is any indication of impairment or reversal of previous impairment. In the event that an asset's carrying amount exceeds its recoverable amount, the carrying amount is reduced to the recoverable amount and an impairment loss is recognized in the income and expenditure account. A previously-recognized impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount, however not to an amount higher than the carrying amount that would have been determined (net of amortization or depreciation), had no impairment losses been recognized for the asset in prior years. Reversal of impairment loss is restricted to the original cost of the asset.

**3.3 Other receivables**

Other receivables are stated initially at their fair value, subsequent to initial recognition these are stated at their amortized cost as reduced by appropriate provision for impairment. Known impaired receivables are written off, while receivables considered doubtful of recovery are fully provided for.

**3.4 Cash and Cash Equivalents**

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of cash flow statement, cash and cash equivalent comprise of cash in hand and bank balances.

**3.5 Grants**

**Restricted grant**

Grant received for specific purposes are classified as restricted grant. Such grant is transferred to income and expenditure account as grant income to the extent of actual expenditure incurred there against. Expenditures incurred against committed grant but not received is accrued and recognised in income and is reflected as grant receivable only if conditions of agreement are met. Unspent portion of such grant are reflected as restricted grant in the balance sheet.

**Unrestricted grant**

Grants received without any conditions are recognized as income during the year of receipt.

**3.6 Taxation**

Tax on taxable income is charged on rates as prescribed in Income Tax Ordinance 2001.

*MLC*

**INSTITUTE OF URBANISM  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025**

**4 PROPERTY AND EQUIPMENT**

PARTICULARS	COST		RATE	ACCUMULATED DEPRECIATION		WDV As at June 30, 2025
	July 01, 2024	Additions (Disposals) June 30, 2025		July 01, 2024	Depreciation for (Disposals) the year June 30, 2025	
	-----Pak Rupees-----					
Furniture and fixtures	-	-	%	-	-	-
Office equipment	-	-	10	-	-	-
			10	-	-	-
2025	-	-		-	-	-

MIC

**INSTITUTE OF URBANISM**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

	2025
	-----Rupees-----
<b>5 GENERAL FUND</b>	
Opening balance	-
Funds introduced	-
(Deficit) / Surplus for the year	-
	-----
	-----
<b>6 NUMBER OF EMPLOYEES</b>	
Total employees at the year end	0
Average employees during the year	0
	-----
	-----

**7 AUTHORISATION FOR ISSUE**

These financial statements were approved by the Director and authorised for issue on October 16, 2025

**8 CORRESPONDING FIGURES**

Corresponding figures have not been presented, as these are the first financial statements prepared from the date of incorporation.

*MU*

**CEO**

**Director**