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**NATIONAL ENGINEERING SERVICES
PAKISTAN (PRIVATE) LIMITED**

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2015**

EY Ford Rhodes
Chartered Accountants
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **National Engineering Services Pakistan (Private) Limited** (the Company) as at **30 June 2015** and the related statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended 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 our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of any material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

- (a) in our opinion, proper books of account have been kept by the Company as required by the Companies Ordinance, 1984;
- (b) in our opinion:
 - i) the balance sheet and statement of comprehensive income together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied, except for the changes as stated in Note 2.1 with which we concur;
 - ii) the expenditure incurred during the year was for the purpose of the Company's business; and
 - iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;
- (c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2015 and of the total comprehensive income, its cash flows and changes in equity for the year then ended; and
- (d) In our opinion, no Zakat deductible at source under the Zakat and Ushr Ordinance, 1980.

Without qualifying our opinion, we draw attention to note 9 to the financial statements which describes the uncertainties related to the outcome of litigation between the company and Punjab Revenue Authority regarding applicability of Punjab Sales Tax Act on Services.



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The annual financial statements of the company for the year ended 30 June 2014 were audited by another firm of Chartered Accountants whose report dated 26 November 2015 expressed an unmodified opinion with emphasis of matter paragraph.

Ernst & Young Farooq Hameed Side Hy)

Chartered Accountants
Audit Engagement Partner: Farooq Hameed
Lahore: 27 June 2016

NATIONAL ENGINEERING SERVICES PAKISTAN (PRIVATE) LIMITED
BALANCE SHEET
AS AT JUNE 30, 2015

	Note	2015	2014
----- (Rupees in '000) -----			
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized capital 500,000 (2014: 500,000) ordinary shares of Rs 10 each		5,000	5,000
Issued, subscribed and paid up capital	5	1,500	1,500
Revenue reserves		9,351,843	8,289,116
		<u>9,353,343</u>	<u>8,290,616</u>
NON-CURRENT LIABILITIES			
Employee retirement and other benefits	6	682,035	624,039
Liabilities against assets subject to finance lease	7	1,233	2,356
CURRENT LIABILITIES			
Trade and other payables	8	1,215,696	996,558
Provision for taxation		456,262	272,423
		<u>1,671,958</u>	<u>1,268,981</u>
CONTINGENCIES AND COMMITMENTS			
	9		
		<u>11,708,569</u>	<u>10,185,992</u>
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	10	1,203,705	1,238,955
Intangible assets	11	7,871	1,938
Investment property	12	15,000	15,000
Investments	13	5,315	5,298
Investment in associates	14	50,749	47,464
Loans and advances	15	6,559	6,446
Long term security deposits		32,475	33,893
Deferred taxation	16	240,404	207,985
		<u>1,562,078</u>	<u>1,556,979</u>
CURRENT ASSETS			
Drawing and stationery stores		5,465	6,236
Contract fee receivable	17	7,033,029	6,045,851
Advances, deposits and prepayments	18	587,367	630,218
Interest accrued		4,153	5,105
Other receivables		207,007	113,171
Short term investments	19	1,251,500	731,313
Cash and bank balances	20	1,057,970	1,097,119
		<u>10,146,491</u>	<u>8,629,013</u>
		<u>11,708,569</u>	<u>10,185,992</u>

The annexed notes 1 to 34 form an integral part of these financial statements.


 Chief Executive


 Director

