

**AUDITED  
FINANCIAL STATEMENT  
FOR THE PERIOD  
ENDED  
JUNE 30, 2021**



**PAKISTAN STOCK BROKERS ASSOCIATION**

**Address:**

**Phone: +92 – 21 – 32401278-79**

**Email: [secretariat@psba.pk](mailto:secretariat@psba.pk)**

**Mezzanine Floor, Trading Hall, Stock Exchange Building, off. I.I Chundrigar Road,  
Karachi.**

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**[www.psba.pk](http://www.psba.pk)**



# PAKISTAN STOCK BROKERS ASSOCIATION

(A company setup under section 42 of the Companies Act 2017)

Regd Office: Mezzanine Floor, Trading Hall, Stock Exchange Building, Stock Exchange Road,  
Off I.I Chundrigar Road, Karachi.

Tel: 021-32401278, E-mail: secretariat@psba.pk, Web: www.psba.pk, Fax: 021-32401279

## DIRECTOR'S REPORT

The Executive Committee/Board of Directors takes pleasure in presenting the Annual Report and the Audited Financial Statements for the period ended June 30, 2021, together with the Audit Report thereon.

### RESULTS:

Financial Highlights are given below:

	Amount in Rupees
Income	11,229,128/-
Expenses	5,799,053/-
Excess of Income over Expenses	5,430,075/-

### AUDITORS:

The present auditors M. Saleem Associates - Chartered Accountants retire and offer themselves for re-appointment for the year 2022.

### ACKNOWLEDGMENT:

I would like to place on record my appreciation of the remarkable work done by the PSBA team, the Office Bearers, members of the Executive Committee, and the Secretariat of PSBA. I thank them for their dedication to taking the PSBA to its new heights. I also congratulate all the members for this progress of PSBA. Together with our members, we will work towards the goal of winning the trust in the Capital Market by strengthening self-regulation.

We also promise to increase our efforts to make this platform effective for our members where a collective and coordinated effort is made to resolve the matters and to promote the Stock Brokerage Industry, in accordance with the Vision and Mission of PSBA.

For and on behalf of the Executive Committee/Board of Directors

Aqeel Karim Dhedhi  
Chairman





## **INDEPENDENT AUDITOR'S REPORT**

To the members of Pakistan Stock Brokers Association

Report on the Audit of the Financial statements

### **Opinion**

We have audited the annexed financial statements of **Pakistan Stock Brokers Association (the Association)**, which comprise the statement of financial position as at **30 June 2021**, and the statement of profit & loss account, statement of changes in equity, statement of other comprehensive income, the statement of cash flows for the year then ended, and notes to the financial statement, 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 profit & loss account, the statement of changes in reserve & funds, statement of other comprehensive income and the statement of cash flow 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. In the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30<sup>th</sup> June 2021 and of the profit & other comprehensive income, the changes in equity and its cash flow for the year then ended.

### **Basis of Opinion**

We conducted our audit in accordance with International Standard 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 Standard Board for Accountant's 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.

### **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 requirement of Company 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 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.

Boards of directors are 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 this financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, 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 omission, 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 the 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 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 event in a manner that achieves fair presentation.

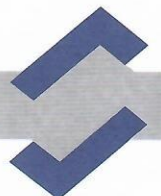
We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### **Report on Other Legal and Regulatory Requirements**

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

- a) proper books of accounts have been kept by the Company as required by the Companies Act, 2017;
- b) the statement of financial position, the profit & loss account, the statement of changes in equity, statement of other comprehensive income and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 and are in agreement with the books of accounts and returns;
- c) investments made, expenditures 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 Ushr Ordinance, 1980.

**M.SALEEM ASSOCIATES**  
**CHARTERED ACCOUNTANTS,**  
**Mr. Muhammad Saleem**  
**Karachi: 20 AUG 2021**



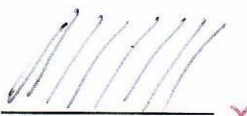


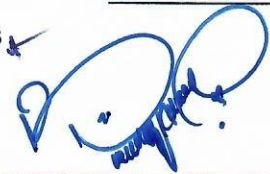


**PAKISTAN STOCK BROKERS ASSOCIATION  
INCOME & EXPENDITURE ACCOUNTS  
FOR THE PERIOD ENDED 30TH JUNE 2021**

	Note	2021 ----(Rupees)----
<b><u>INCOME</u></b>		
Member subscription renewal / annual fees	8	10,050,000
Member subscription initial / admission fees	9	715,600
Other Income	10	463,528
		11,229,128
<b><u>EXPENDITURE</u></b>		
Salary & Wages expense		1,796,500
Miscellaneous		20,203
Stationary expense		18,375
Depreciation expense		42,237
Communication		125,748
Entertainment expense		106,508
Printing expense		24,930
Auditors' remuneration		27,000
Repair & maintenance		50,220
Conveyance expense		41,414
Traveling expense		339,370
Traveling accommodations		1,078,798
I.T expense		86,467
Legal & professional charges		545,000
Incorporation expense		197,683
Pre-Incorporation expenses		1,248,600
Fees & Subscription		50,000
		5,799,053
Excess of income over expenses		<u><u>5,430,075</u></u>

The annexed notes form an integral part of these financial statements

  
CHAIRMAN

  
SECRETARY GENERAL

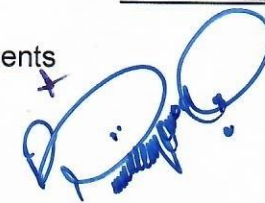
PAKISTAN STOCK BROKERS ASSOCIATION  
STATEMENT OF CASH FLOW  
FOR THE PERIOD ENDED 30TH JUNE 2021

2021  
----(Rupees)----

<b>Cash Flows From Operating Activities</b>	
Excess of income over expenses	5,430,075
<b>Adjustments for items not involving movement of funds:</b>	
Depreciation on operating fixed assets	42,237
<b>Net cash flow before working capital changes</b>	<u>5,472,312</u>
<b>(Increase)/ decrease in current assets</b>	
Advance , deposits & other receivable	(3,550,254)
<b>Increase/(decrease) in current liabilities</b>	
Other payables	72,000
<b>Net cash flow from operating activities</b>	<u>1,994,058</u>
<b>Cash flows from investing activities</b>	
Capital expenditure incurred during the year	(211,185)
<b>Net cash flow from investing activities</b>	<u>(211,185)</u>
Net (decrease) in cash and cash equivalents	1,782,873
<b>Cash and cash equivalent at the end of the year</b>	<u><u>1,782,873</u></u>

The annexed notes form an integral part of these financial statements

  
CHAIRMAN

  
SECRETARY GENERAL

**PAKISTAN STOCK BROKERS ASSOCIATION  
STATEMENT OF CHANGES IN RESERVE & FUNDS  
FOR THE PERIOD ENDED 30TH JUNE 2021**

Particular	Income &Expenditure Account
	----(Rupees)----
Excess of income over expenses for the year 2021	5,430,075
<b>Balance as at June 30, 2021</b>	<b>5,430,075</b>

The annexed notes form an integral part of these financial statements

  
CHAIRMAN

  
SECRETARY GENERAL



**PAKISTAN STOCK BROKERS ASSOCIATION**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30TH JUNE 2021**

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**1 LEGAL STATUS AND NATURE OF BUSINESS**

Pakistan Stock Brokers Association (PSBA) has been established on February 3, 2020, and formally incorporated on July 27, 2020 u/s 42 of Companies Act, 2017 as a company limited by guarantee. PSBA aims to protect the rights of its members. While representing their interests with legislators, regulators and other organizations. PSBA keep their members informed on industry trends and provide unique opportunities to its members for their better understanding on the issue likely to affect their business. PSBA is committed to promote good will and fostering high standards of integrity in accordance with its founding principle, and playing an active role in presenting problems of its members and safeguarding their interest through constant dialogue with all the relevant authorities.

**1.1 Registered Office:**

Mezzanine Floor, Trading Hall, Stock Exchange Building, Stock Exchange Road, Off I.I Chundrigarh Road, Karachi.

**2 SIGNIFICANT ACCOUNTING POLICIES**

**2.1 Statement of Compliance**

These accounts have been prepared in accordance with the requirements of the Companies Act 2017 and the Accounting Standards for Non Profit Organization as applicable in Pakistan.

**2.2 Basis of Preparation**

These Accounts have been prepared under the historical cost convention.

**2.3 Tangible fixed assets**

These are stated at cost less accumulated depreciation and accumulated impairment losses except for freehold land and capital work in progress, which are stated at cost. Depreciation is provided on a diminishing balance method at the rate mentioned in the relevant note. Depreciation is charged full in the year of purchase and non in the year of sale. Maintenance and normal repairs are charged to profit and the loss account as and when incurred, while major renewals and improvements are capitalized. Gains or losses on disposals of fixed assets, if any, are included in income currently.

**2.4 Revenue recognition**

Annual contribution, admission fees are recorded on cash basis. Other income is recognized on receipt basis.

**2.5 Cash and cash equivalent**

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

## **2.6 Provisions**

Provisions are recognized when the Association has a legal or constructive obligation as a result of past events and 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.

## **2.7 Provisions against the bad debts, advances and other receivables**

The Association reviews the recoverability of its trade debts, advances and other receivables to assess amount of bad debts and provision required there against annual basis.

## **2.8 Financial instruments**

All the financial assets and financial liabilities are recognized at the time when the Association becomes a party to the contractual provisions of the instrument. Financial assets are derecognized at the time when the Association loss control of the contractual rights that comprise of financial assets. All financial liabilities are derecognized at the time when they are extinguished that is, when the obligation specified in the contract is discharged, cancelled or expired. Any gains or losses on derecognizing of financial assets and financial liabilities are taken to profit and loss account currently.



	Note	2021 ----(Rupees)----
<b>3</b>		
<b><u>PROPERTY, PLANT &amp; EQUIPMENT</u></b>		
As per schedule attached		<u>168,948</u>
<b>4</b>		
<b><u>ADVANCES, DEPOSITS &amp; OTHER RECEIVABLE</u></b>		
Advance for vehicle		3,005,000
Advance income tax		545,254
		<u>3,550,254</u>
<b>5</b>		
<b><u>CASH &amp; CASH EQUIVALENTS</u></b>		
Cash in hand		7,600
Cash at bank		1,775,273
		<u>1,782,873</u>
<b>6</b>		
<b><u>OTHER PAYABLES</u></b>		
Payable to Auditor		27,000
Payable to Legal advisor		45,000
		<u>72,000</u>
<b>7</b>		
<b><u>CONTINGENCIES AND COMMITMENTS</u></b>		
There are no contingencies and commitments outstanding at the balance sheet date.		
<b>8</b>		
<b><u>MEMBERSHIP SUBSCRIPTION RENEWAL / ANNUAL FEE</u></b>		
Annual fee Rs. 25,000/- for Jul-Dec 2020 from 116 members		2,900,000
Annual fee Rs. 50,000/- for Jan-Dec 2021 from 143 members		7,150,000
		<u>10,050,000</u>
<b>9</b>		
<b><u>MEMBER SUBSCRIPTION INITIAL / ADMISSION FEE</u></b>		
Admission fee Rs. 5,000/- each from 143 members		715,000
Admission fee Rs. 100/- each from 6 members on re-admission		600
		<u>715,600</u>
<b>10</b>		
<b><u>OTHER INCOME</u></b>		
Profit on BIPL		46,078
Publications	10.1	417,450
		<u>463,528</u>
<b>10.1</b>		
<b><u>PUBLICATIONS</u></b>		
Advertisement for Diary		631,750
Printing expenses		(214,300)
		<u>417,450</u>



**11 NUMBER OF EMPLOYEES**

Number of employees as at 30th June

2

**12 APPROVAL OF FINANCIAL STATEMENTS**

The financial statements were approved by the Executive Committee and authorized for issue on 20 AUG 2021.

**13 GENERAL**

- Figures have been rounded off to the nearest rupee.
- Comparative figures have been rearranged where ever necessary.



CHAIRMAN



SECRETARY GENERAL

**PAKISTAN STOCK BROKERS ASSOCIATION  
DEPRECIATION SCHEDULE  
AS AT 30TH JUNE 2021**

**3 PROPERTY, PLANT & EQUIPMENTS**

PARTICULARS	COST		DEPRECIATION			WRITTEN DOWN VALUE AS ON 30/06/2021
	ADDITION	AS ON 30/06/2021	RATE %	FOR THE YEAR	AS ON 30/06/2021	
LED	24,200	24,200	20%	4,840	4,840	19,360
HP Laserjet Printer	32,985	32,985	20%	6,597	6,597	26,388
Laptop	85,000	85,000	20%	17,000	17,000	68,000
Air Conditioner	69,000	69,000	20%	13,800	13,800	55,200
<b>Total</b>	<b>211,185</b>	<b>211,185</b>		<b>42,237</b>	<b>42,237</b>	<b>168,948</b>