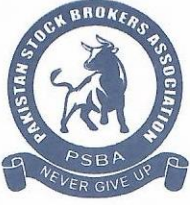


**PAKISTAN STOCK BROKERS ASSOCIATION**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2023**



# 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 ending June 30, 2023, together with the audit report thereon.

### **Result:**

Financial Highlights are given below:

	Amount in Rupees
Income	7,361,278/-
Expenses	6,944,263/-
Excess of Income over Expenses	417,015/-

### **AUDITORS:**

The present auditors M. Saleem Associates – Chartered Accountants retire and offer themselves for reappointment for the year 2024.

### **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 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 2023**, and the Income & Expenditure account, statement of changes in reserve & funds, 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 Income & Expenditure account, the statement of changes in reserve & funds, 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 2023 and of the Income & Expenditure account, the changes in reserve & funds and its cash flow for the year then ended.

### Basis of Opinion

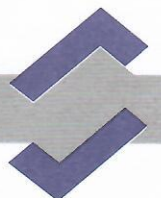
We conducted our audit in accordance with International Standard on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the 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 Income & Expenditure account, the statement of changes in reserve & funds, 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: 09 AUG 2023

UDIN: AR202310289KuG9HP7Jm



**PAKISTAN STOCK BROKERS ASSOCIATION  
STATEMENT OF FINANCIAL POSITION  
AS AT 30TH JUNE 2023**

		For the year ended 2023	For the period ended 2022
	Note	-----( <i>Rupees</i> )-----	
<b><u>ASSETS</u></b>			
<b><u>TANGIBLE FIXED ASSESTS</u></b>			
Property, plant & equipments	3	1,975,728	2,529,261
<b><u>CURRENT ASSETS</u></b>			
Term deposit certificate		4,000,000	-
Advances , deposits & other receivables	4	1,091,849	734,570
Cash & bank balances	5	667,560	3,954,930
		5,759,409	4,689,501
<b>TOTAL</b>		<b><u>7,735,137</u></b>	<b><u>7,218,762</u></b>

**REPRESENTED BY**

**CURRENT LIABILITIES**

Other payables	6	-	95,040
Employees' benefits	7	554,400	360,000
		554,400	455,040

**RESERVES & FUNDS**


Accumulated surplus brought forward		6,763,722	5,430,075
Excess of income over expenses		417,015	1,333,647
General fund		7,180,737	6,763,722
<b>TOTAL</b>		<b><u>7,735,137</u></b>	<b><u>7,218,762</u></b>

**CONTINGENCIES & COMMITMENTS**

8

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

  
\_\_\_\_\_  
CHAIRMAN

  
\_\_\_\_\_  
SECRETARY GENERAL

**PAKISTAN STOCK BROKERS ASSOCIATION  
INCOME & EXPENDITURE ACCOUNTS  
FOR THE YEAR ENDED 30TH JUNE 2023**

For the year ended 2023 For the period ended 2022

Note

-----*(Rupees)*-----

**INCOME**

	Note	For the year ended 2023	For the period ended 2022
Member subscription renewal / annual fees	9	6,900,000	7,000,000
Member subscription initial / admission fees	10	80,000	15,000
Other income	11	381,278	480,669
		7,361,278	7,495,669

**EXPENDITURE**

Salaries, wages & benefits	2,496,183	2,822,318
Gratuity	194,400	360,000
Miscellaneous	400	9,680
Printing & stationary	90,152	22,110
Depreciation	741,012	684,877
Communication	89,126	93,843
Entertainment	528,756	167,659
Auditors' remuneration	-	41,040
Repairs & maintenance	570,715	29,620
Fuel & conveyance	427,811	139,394
Traveling & accommodations	1,483,904	798,803
I.T & web	94,469	82,882
Legal & professional	111,260	758,500
Fees & subscription	54,825	60,710
Training & development	-	39,750
Insurance	61,250	50,837
	6,944,263	6,162,023

Excess of income over expenditures for the year

**417,015**

**1,333,647**

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

  
CHAIRMAN

  
SECRETARY GENERAL

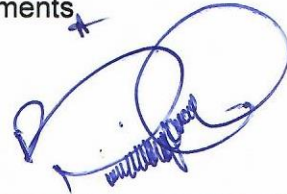
**PAKISTAN STOCK BROKERS ASSOCIATION  
STATEMENT OF CASH FLOW  
FOR THE YEAR ENDED 30TH JUNE 2023**

	For the year ended <b>2023</b>	For the period ended <b>2022</b>
	----- <i>(Rupees)</i> -----	
<b>Cash Flows From Operating Activities</b>		
Excess of income over expenditures for the year	417,015	1,333,647
<b>Adjustments for items not involving movement of funds:</b>		
Depreciation on operating fixed assets	741,012	684,877
Provision for gratuity	194,400	360,000
<b>Net cash flow before working capital changes</b>	<u>1,352,427</u>	<u>2,378,523</u>
<b>(Increase)/ decrease in current assets</b>		
Term deposit certificate	(4,000,000)	-
Advance , deposits & other receivable	(3,200)	3,005,000
	<u>(4,003,200)</u>	
<b>Increase/(decrease) in current liabilities</b>		
Other payables	(95,040)	23,040
	<u>(95,040)</u>	23,040
Advance tax deducted at source	(354,079)	(189,316)
<b>Net cash flow from operating activities</b>	<u>(3,099,892)</u>	<u>5,217,247</u>
<b>Cash flows from investing activities</b>		
Capital expenditure incurred during the year	(187,479)	(3,045,190)
<b>Net cash flow from investing activities</b>	<u>(187,479)</u>	<u>(3,045,190)</u>
Net increase in cash and cash equivalents	(3,287,371)	2,172,057
Cash and cash equivalent at the beginning of the year	3,954,930	1,782,873
<b>Cash and cash equivalent at the end of the year</b>	<u><u>667,560</u></u>	<u><u>3,954,930</u></u>

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



CHAIRMAN



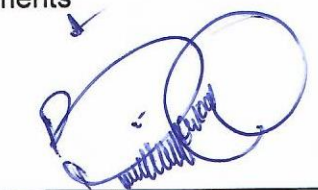
SECRETARY GENERAL

**PAKISTAN STOCK BROKERS ASSOCIATION  
STATEMENT OF CHANGES IN RESERVE & FUNDS  
FOR THE YEAR ENDED 30TH JUNE 2023**

Particular	Income &Expenditure Account
	----(Rupees)----
Balance as at June 30, 2021	5,430,075
Excess of income over expenditures for the period 2022	<u>1,333,647</u>
Balance as at June 30, 2022	6,763,722
Excess of income over expenses for the year 2023	<u>417,015</u>
<b>Balance as at June 30, 2023</b>	<b><u>7,180,737</u></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 YEAR ENDED 30TH JUNE 2023**

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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 receipt basis. Other income is recognized on receipt basis.

**2.5 Cash and bank balances**

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.

## **2.9 Defined benefit plans (Retirement benefit)**

The company operates a defined benefit plan comprising of an unfunded gratuity scheme covering all permanent employees, under which of benefits are paid on cessation of employment subject to a minimum qualifying period of service.

	Note	2023 ----- <i>(Rupees)</i> -----	2022
<b>3</b>	<b><u>PROPERTY, PLANT &amp; EQUIPMENTS</u></b>		
	As per schedule attached	<u>1,975,728</u>	<u>2,529,261</u>
<b>4</b>	<b><u>ADVANCES, DEPOSITS &amp; OTHER RECEIVABLES</u></b>		
	Advance income tax	1,088,649	734,570
	Advances & deposits	3,200	-
		<u>1,091,849</u>	<u>734,570</u>
<b>5</b>	<b><u>CASH &amp; BANK BALANCES</u></b>		
	Cash at bank	<u>667,560</u>	<u>3,954,930</u>
<b>6</b>	<b><u>OTHER PAYABLES</u></b>		
	Payable to auditor	-	41,040
	Payable to legal advisor	-	54,000
		<u>-</u>	<u>95,040</u>
<b>7</b>	<b><u>EMPLOYEES' BENEFITS</u></b>		
	Gratuity	7.1 <u>554,400</u>	<u>360,000</u>
<b>7.1</b>	<b>Movement in provision for staff gratuity</b>		
	Opening balance	360,000	-
	Provision for gratuity	194,400	360,000
	Closing balance	<u>554,400</u>	<u>360,000</u>
<b>8</b>	<b><u>CONTINGENCIES AND COMMITMENTS</u></b>		
	There are no contingencies and commitments outstanding at the balance sheet date.		
<b>9</b>	<b><u>MEMBERSHIP SUBSCRIPTION RENEWAL / ANNUAL FEE</u></b>		
	Annual fee Rs. 50,000/- for Jan-Dec 2023	<u>6,900,000</u>	<u>7,000,000</u>
<b>10</b>	<b><u>MEMBER SUBSCRIPTION INITIAL / ADMISSION FEE</u></b>		
	Admission fee Rs. 5,000/- each	<u>80,000</u>	<u>15,000</u>
<b>11</b>	<b><u>OTHER INCOME</u></b>		
	Bank profit	104,578	46,569
	TDR profit	11.1 23,030	-
	Publications	11.2 253,670	434,100
		<u>381,278</u>	<u>480,669</u>
<b>11.1</b>	It carries markup on TDR (15 sept 2022 to 15 oct 2022) @ 16% .		
<b>11.2</b>	<b><u>PUBLICATIONS</u></b>		
	Advertisement for Diary	558,070	793,200
	Printing expenses	(304,400)	(359,100)
		<u>253,670</u>	<u>434,100</u>

Note	2023	2022
	------(Rupees)-----	
<b>12 NUMBER OF EMPLOYEES</b> Number of employees as at 30th June	<u>3</u>	<u>3</u>
<b>13 APPROVAL OF FINANCIAL STATEMENTS</b> The financial statements were approved by the Executive Committee and authorized for issue on <u>09 AUG 2023</u> .		
<b>14 GENERAL</b> - Figures have been rounded off to the nearest rupee. - Comparative figures have been rearranged & reclassified where ever necessary.		



CHAIRMAN



SECRETARY GENERAL

**PAKISTAN STOCK BROKERS ASSOCIATION  
DEPRECIATION SCHEDULE  
AS AT 30TH JUNE 2023**

**3 PROPERTY, PLANT & EQUIPMENTS**

PARTICULARS	COST			DEPRECIATION				WRITTEN DOWN VALUE AS ON 30/06/2023
	As On 01/07/2022	ADDITION	AS ON 30/06/2023	As On 01/07/2022	RATE %	FOR THE YEAR	AS ON 30/06/2023	
Office equipment's	258,475	143,379	401,854	127,534	33%	132,612	260,146	141,708
Furniture & fixture	14,900	44,100	59,000	2,980	20%	11,800	14,780	44,220
Vehicle	2,983,000	-	2,983,000	596,600	20%	596,600	1,193,200	1,789,800
<b>Total</b>	<b>3,256,375</b>	<b>187,479</b>	<b>3,443,854</b>	<b>727,114</b>		<b>741,012</b>	<b>1,468,126</b>	<b>1,975,728</b>

**For comparative period**

PARTICULARS	COST			DEPRECIATION				WRITTEN DOWN VALUE AS ON 30/06/2022
	As On 01/07/2021	ADDITION	AS ON 30/06/2022	As On 01/07/2021	RATE %	FOR THE YEAR	AS ON 30/06/2022	
Office equipment's	211,185	47,290	258,475	42,237	33%	85,297	127,534	130,941
Furniture & fixture	-	14,900	14,900	-	20%	2,980	2,980	11,920
Vehicle	-	2,983,000	2,983,000	-	20%	596,600	596,600	2,386,400
<b>Total</b>	<b>211,185</b>	<b>3,045,190</b>	<b>3,256,375</b>	<b>42,237</b>		<b>684,877</b>	<b>727,114</b>	<b>2,529,261</b>