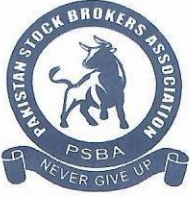


PAKISTAN STOCK BROKERS ASSOCIATION

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2024



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, 2024, together with the audit report thereon.

Result:

Financial Highlights are given below:

	Amount in Rupees
Income	11,431,492/-
Expenses	10,779,356/-
Excess of Income over Expenses	652,136/-

AUDITORS:

The present auditors M. Saleem Associates – Chartered Accountants retire and offer themselves for reappointment for the year 2025.

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



M. Saleem Associates

Chartered Accountant ♦ Audit Tax Advisory

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 2024**, 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 30th June 2024 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.





M. Saleem Associates

Chartered Accountant ♦ Audit Tax Advisory

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.

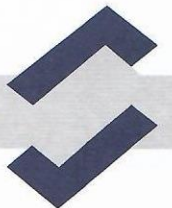
We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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: 05 SEP 2024
UDIN: AR202410289nNOe0ovcl



**PAKISTAN STOCK BROKERS ASSOCIATION
STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2024**

	Note	2024 -----(<i>Rupees</i>)-----	2023
<u>ASSETS</u>			
<u>TANGIBLE FIXED ASSESTS</u>			
Property, plant & equipments	3	1,720,688	1,975,728
<u>CURRENT ASSETS</u>			
Term deposit certificate	4	500,000	4,000,000
Advances, deposits & other receivables	5	1,854,184	1,091,849
Cash & bank balances	6	5,558,001	667,560
		7,912,185	5,759,409
TOTAL		9,632,873	7,735,137

REPRESENTED BY

NON-CURRENT LIABILITIES

Employees' benefits	7	1,800,000	554,400
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RESERVES & FUNDS

Accumulated surplus brought forward		7,180,737	6,763,722
Excess of income over expenses		652,136	417,015
General fund		7,832,873	7,180,737
TOTAL		9,632,873	7,735,137

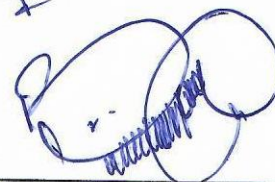
CONTINGENCIES & COMMITMENTS

8

The annexed notes form an integral part of these financial statements



CHAIRMAN



SECRETARY GENERAL

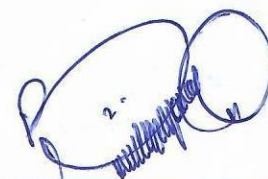
**PAKISTAN STOCK BROKERS ASSOCIATION
INCOME & EXPENDITURE ACCOUNTS
FOR THE YEAR ENDED 30TH JUNE 2024**

	Note	2024 -----(<i>Rupees</i>)-----	2023
<u>INCOME</u>			
Member subscription renewal / annual fees	9	10,820,000	6,900,000
Member subscription initial / admission fees	10	80,000	80,000
Other income	11	531,492	381,278
		11,431,492	7,361,278
<u>EXPENDITURE</u>			
Salaries, wages & benefits		5,574,060	2,496,183
Gratuity		1,245,600	194,400
Miscellaneous		-	400
Printing & stationary		39,457	90,152
Depreciation		297,040	741,012
Communication		130,119	89,126
Entertainment		326,111	518,856
Auditors' remuneration		41,040	-
Repairs & maintenance		78,180	570,715
Fuel & conveyance		337,680	427,811
Traveling & accommodations		2,315,051	1,483,904
I.T expense		86,818	94,469
Legal & professional		121,935	111,260
Fees & subscription		82,000	54,825
Insurance		87,500	61,250
Water expense		16,200	9,900
Bank charges		565	-
		10,779,356	6,944,263
Excess of income over expenditures for the year		652,136	417,015

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 2024

	2024	2023
	----- <i>(Rupees)</i> -----	
Cash Flows From Operating Activities		
Excess of income over expenditures for the year	652,136	417,015
Adjustments for items not involving movement of funds:		
Depreciation on operating fixed assets	297,040	741,012
Provision for gratuity	1,245,600	194,400
Net cash flow before working capital changes	<u>2,194,776</u>	<u>1,352,427</u>
(Increase)/ decrease in current assets		
Term deposit certificate	3,500,000	(4,000,000)
Advance, deposits & other receivables	-	(3,200)
	<u>3,500,000</u>	<u>(4,003,200)</u>
Increase/(decrease) in current liabilities		
Other payables	-	(95,040)
	<u>-</u>	<u>(95,040)</u>
Advance tax deducted during the year	(762,334)	(354,079)
Net cash flow from operating activities	<u>4,932,442</u>	<u>(3,099,892)</u>
Cash flows from investing activities		
Capital expenditure incurred during the year	(42,000)	(187,479)
Net cash flow from investing activities	<u>(42,000)</u>	<u>(187,479)</u>
Net increase/(decrease) in cash and cash equivalents	4,890,442	(3,287,371)
Cash and cash equivalent at the beginning of the year	667,560	3,954,930
Cash and cash equivalent at the end of the year	<u><u>5,558,001</u></u>	<u><u>667,560</u></u>

The annexed notes form an integral part of these financial statements



 CHAIRMAN

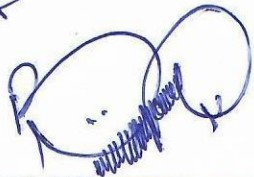

 SECRETARY GENERAL

**PAKISTAN STOCK BROKERS ASSOCIATION
STATEMENT OF CHANGES IN RESERVE & FUNDS
FOR THE YEAR ENDED 30TH JUNE 2024**

Particular	Income &Expenditure Account
	----(Rupees)----
Balance as at June 30, 2022	6,763,722
Excess of income over expenses for the year 2023	417,015
Balance as at June 30, 2023	<u>7,180,737</u>
Excess of income over expenses for the year 2024	652,136
Balance as at June 30, 2024	<u><u>7,832,873</u></u>

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 2024

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 Expenditure

All expenditure are recognized on payment basis except retirement benefits.

2.6 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.

2.7 Taxation

Association, being a non-profit organization is approved by the Commissioner under Section 2(36) of the Income Tax Ordinance, 2001. Hence, no provision for income tax is made in these accounts.

2.8 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.

2.9 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.

2.10 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.

2.11 Defined benefit plans (Retirement benefit)


Employees, after completion of five years of service, shall be entitled to gratuity on leaving the company's employment. Gratuity shall be paid on the basis of one month's last drawn monthly gross salary for each completed year of service.

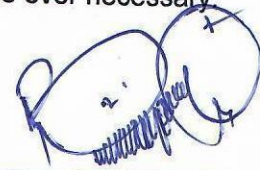
The amount of Gratuity paid to the employee shall be with deduction of prevailing taxes.

No Gratuity entitlement shall arise if an employee is dismissed from services or leaves employment without due notice to the company. ✕

	Note	2024 ----- <i>(Rupees)</i> -----	2023
3	<u>PROPERTY, PLANT & EQUIPMENTS</u>		
	As per schedule attached	<u>1,720,688</u>	<u>1,975,728</u>
4	<u>TERM DEPOSIT CERTIFICATE</u>		
	Bank Islami Pakistan Ltd.	<u>500,000</u>	<u>4,000,000</u>
4.1	It carries markup on TDR @ 16% per anum.		
5	<u>ADVANCES, DEPOSITS & OTHER RECEIVABLES</u>		
	Advance income tax	1,850,984	1,088,649
	Advances & deposits	3,200	3,200
		<u>1,854,184</u>	<u>1,091,849</u>
5.1	<u>Advance income tax</u>		
	Opening balance	1,088,649	734,570
	Paid during the year	762,334	354,079
		<u>1,850,984</u>	<u>1,088,649</u>
6	<u>CASH & BANK BALANCES</u>		
	Cash in hand	783	-
	Cash at bank	5,557,218	667,560
		<u>5,558,001</u>	<u>667,560</u>
7	<u>EMPLOYEES' BENEFITS</u>		
	Gratuity		
		<u>1,800,000</u>	<u>554,400</u>
7.1	Movement in provision for staff gratuity		
	Opening balance	554,400	360,000
	Provision for gratuity	1,245,600	194,400
	Closing balance	<u>1,800,000</u>	<u>554,400</u>
8	<u>CONTINGENCIES AND COMMITMENTS</u>		
	There are no contingencies and commitments outstanding at the balance sheet date.		
9	<u>MEMBERSHIP SUBSCRIPTION RENEWAL / ANNUAL FEE</u>		
	Annual fee Jan-Dec 2023	550,000	6,900,000
	Annual fee Jan-Dec 2024	10,270,000	-
		<u>10,820,000</u>	<u>6,900,000</u>
10	<u>MEMBER SUBSCRIPTION INITIAL / ADMISSION FEE</u>		
	Admission fee @ Rs. 5,000/- each	<u>80,000</u>	<u>80,000</u>
11	<u>OTHER INCOME</u>		
	Bank profit	179,169	104,578
	TDR profit	352,323	23,030
	Publications	-	253,670
		<u>531,492</u>	<u>381,278</u>
11.1	It carries markup on TDR @ 16% per anum.		
11.2	<u>PUBLICATIONS</u>		
	Advertisement for Diary	-	558,070
	Printing expenses	-	(304,400)
		<u>-</u>	<u>253,670</u>

Note	2024 ----- (Rupees) -----	2023
12 REMUNERATION TO SECRETARY GENERAL		
Salary, benefits & allowances	<u>4,733,461</u>	<u>2,111,683</u>
No. of persons	<u>1</u>	<u>1</u>
The Secretary General is provided free use of company cars.		
13 NUMBER OF EMPLOYEES		
Number of employees as at 30th June	<u>3</u>	<u>3</u>
14 APPROVAL OF FINANCIAL STATEMENTS		
The financial statements were approved by the Executive Committee and authorized for issue on <u>05 SEP 2024</u> .		
15 GENERAL		
- 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 2024**

3 PROPERTY, PLANT & EQUIPMENTS

PARTICULARS	COST			DEPRECIATION				WRITTEN DOWN VALUE AS ON 30/06/2024
	As On 01/07/2023	ADDITION	AS ON 30/06/2024	As On 01/07/2023	RATE %	FOR THE YEAR	AS ON 30/06/2024	
Office equipment's	401,854	42,000	443,854	260,146	33%	26,169	286,315	157,539
Furniture & fixture	59,000	-	59,000	14,780	20%	8,367	23,147	35,853
Vehicle	2,983,000	-	2,983,000	1,193,200	20%	262,504	1,455,704	1,527,296
Total	3,443,854	42,000	3,485,854	1,468,126		297,040	1,765,166	1,720,688

For comparative period

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
Total	3,256,375	187,479	3,443,854	727,114		741,012	1,468,126	1,975,728

