

**FINANCIAL STATEMENTS**

FOR THE YEAR ENDED JUNE 30, 2021

OF

**S.I.T.E. SUPERHIGHWAY  
ASSOCIATION OF INDUSTRY  
KARACHI**

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# **S.I.T.E. SUPERHIGHWAY ASSOCIATION OF INDUSTRY KARACHI**

## **Corporate Information**

### **EXECUTIVE COMMITTEE MEMBERS**

**President / Chief Executive**  
Nisar Ahmed Khan

#### **Executive Committee Members / Directors**

Sohail Ahmed Zakai  
Masood Pervaiz  
Jawed Iqbal  
Muhammad Jamil  
Syed Sardar Alam Zaidi  
Khurram Rehman  
Jamshed Ahmed Chandiwalla  
Shaheen Ilyas Sarwana  
Jawed Ali Ghor  
Choudhury Muhammad Riaz  
Nisar Ahmed Khan  
Muhammad Amir Sarfaraz

**Secretary**  
Mohammad Nadeem Khan

**Auditors**  
Mahmood Zuberi & Co.  
Chartered Accountants

**Registered Office**  
Plot No. A/169, S.I.T.E. Superhighway, Phase-I, Scheme-33,  
Gaddap Town, Karachi, Postal Code No. 75850.  
Phone # (92-21) 36880381-82, Fax # (92-21) 36880383

# S.I.T.E. SUPERHIGHWAY ASSOCIATION OF INDUSTRY KARACHI

## Directors' Report to the Members

Dear Members,

On behalf of the Board of Directors of S.I.T.E. Superhighway Association of Industry Karachi, it gives us pleasure to present to you the audited accounts of the Association for the year ended June 30, 2021.

### Financial Results

The financial results of the Association are given below:

	2021 Rupees
Income on account of:	
Annual subscription	4,135,000
Membership fee	715,000
Others	220,000
Contribution & donation from members	3,598,500
	<u>8,668,500</u>
Less: Expenditure	(5,718,812)
Surplus for the year	<u>2,949,688</u>

### Auditors

The present auditors M/s. Mahmood Zuberi & Co., Chartered Accountants, retire and being eligible, offer themselves for re-appointment. The Board of Directors has recommended appointment of M/s. Mahmood Zuberi & Co. Chartered Accountants as auditors for the next year 2021-22.

### Future Outlook

The Association is committed to give its full support to the Industrial Zone with sincerity, faith and organization for growth and prosperity.

### Acknowledgement

The Association strongly believes that its success is driven by the commitment and dedication of its members. We acknowledge the contribution of each and every member of the Association in areas of expertise. We would also like to express our thanks to the Members for their trust in our efforts and look forward for their continued patronage.

### Date of Approval and Authorization

The Directors' Report were approved and authorized for issue on August 20, 2021 by the Board of Directors of the Association.

We pray Al-Mighty Allah to guide and help us in our efforts to make the Association successful.

On behalf of the Board,

(Nisar Ahmed Khan)  
Chief Executive

(Masood Pervaiz)  
Director

Karachi: 20 AUG 2021





# MAHMOOD ZUBERI & CO.

## CHARTERED ACCOUNTANTS

142-Al Amna Plaza, Capri Cinema,  
M. A. Jinnah Road,  
KARACHI.

No. \_\_\_\_\_

Date: 20 AUG 2021

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF S.I.T.E. SUPERHIGHWAY ASSOCIATION OF INDUSTRY KARACHI

#### Report on the Audit of the Financial Statements

##### Opinion

We have audited annexed financial statements of S.I.T.E. SUPERHIGHWAY ASSOCIATION OF INDUSTRY KARACHI, which comprise the statement of financial position as at June 30, 2021, and the income and expenditure account and other comprehensive income, the statement of changes in general fund, the statement of cash flows for the year then ended, and notes to the financial statements, including 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 and expenditure account and other comprehensive income, the statement of changes in general fund and the statement of cash flows 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 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2021 and of the surplus and other comprehensive income, the changes in general fund and its cash flows for the year then ended.

##### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditors Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Boards for Accountants' 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 the basis of 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 requirements of Companies Act, 2017 (XIX of 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 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.

Board of directors is 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 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 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 as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risk 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 the 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 the 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 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 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 events in a manner that achieves fair presentation.

We communicate with 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 that in our opinion:

- a) proper books of account have been kept by the company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the income and expenditure account and other comprehensive income, the statement of changes in general fund and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure 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 and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Mahmood Ali Khar.

Place: Karachi

Date: 20 AUG 2021

**MAHMOOD ZUBERI & CO.**  
Chartered Accountants



# S.I.T.E. SUPERHIGHWAY ASSOCIATION OF INDUSTRY KARACHI

## STATEMENT OF FINANCIAL POSITION

As at June 30, 2021

	Notes	2021 Rupees	2020 Rupees
<b>ASSETS</b>			
<b>Non Current Assets</b>			
Property & Equipments	4	12,985,815	11,232,668
<b>Current Assets</b>			
Advances & receivables	5	99,182	146,950
Cash & bank balances	6	12,832,103	2,004,575
		12,931,285	2,151,525
<b>TOTAL ASSETS</b>		<b>25,917,100</b>	<b>13,384,193</b>
<b>FUND AND LIABILITIES</b>			
<b>Fund Account</b>			
General Fund		25,403,430	12,713,742
<b>Current Liabilities</b>			
Accrued liabilities	7	185,170	341,951
Other liabilities	8	328,500	328,500
		513,670	670,451
<b>TOTAL FUND &amp; LIABILITIES</b>		<b>25,917,100</b>	<b>13,384,193</b>
<b>Contingencies and Commitments</b>	9		

The annexed notes from 1 to 14 form an integral part of these financial statements.

  
Secretary

  
Vice President

  
Senior Vice President

  
President

Karachi: 20 AUG 2021





# S.I.T.E. SUPERHIGHWAY ASSOCIATION OF INDUSTRY KARACHI

## INCOME & EXPENDITURE ACCOUNT

For the year ended June 30, 2021

	Notes	2021 Rupees	2020 Rupees
<b>INCOME</b>			
Annual subscription		4,135,000	3,300,000
Membership fee		715,000	390,000
Others		220,000	100,000
Contribution & donation from members		3,598,500	907,600
		8,668,500	4,697,600
<b>EXPENDITURE</b>			
Salaries, allowances & benefits	10	1,900,838	1,846,450
Printing & stationery		213,780	135,468
Electricity expenses		332,424	337,026
Telephone expenses		94,470	73,970
Mobile expenses		9,350	11,300
Fuel & vehicle maintenance		71,503	27,120
Repair & maintenance		51,260	44,695
Fees & subscription		22,278	16,800
Legal & professional charges		15,000	15,000
Postage & courier		23,660	15,490
Conservancy & water expenses		141,104	108,845
Entertainment		75,740	44,229
Security, law & order facilitation		810,362	645,978
Conference, Seminar & media coverage		463,981	350,968
Auditor's remuneration	11	25,000	25,000
Miscellaneous		73,298	1,640
Bank charges		1,296	Nil
Depreciation		1,393,468	1,447,814
		5,718,812	5,147,793
<b>Surplus / (deficit) for the year</b>			
balance carried forward to general fund account		2,949,688	(450,193)

The annexed notes from 1 to 14 form an integral part of these financial statements.

Secretary

Vice President

Senior Vice President

President

Karachi: 20 AUG 2021





# S.I.T.E. SUPERHIGHWAY ASSOCIATION OF INDUSTRY KARACHI

## STATEMENT OF COMPREHENSIVE INCOME / (LOSS)

For the year ended June 30, 2021

	2021 Rupees	2020 Rupees
Surplus / (deficit) for the year	2,949,688	(450,193)
Other comprehensive income	Nil	Nil
Total comprehensive income / (loss) for the year	<u>2,949,688</u>	<u>(450,193)</u>

The annexed notes from 1 to 14 form an integral part of these financial statements.



Secretary

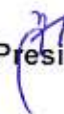
Vice President



Senior Vice President



President



Karachi: 20 AUG 2021


# S.I.T.E. SUPERHIGHWAY ASSOCIATION OF INDUSTRY KARACHI

## STATEMENT OF CHANGES IN GENERAL FUND ACCOUNT


For the year ended June 30, 2021

	General Fund Rupees	Total Rupees
Balance as at July 01, 2019	13,163,935	13,163,935
(Deficit) for the year	(450,193)	(450,193)
Other comprehensive income	Nil	Nil
<b>Balance as at June 30, 2020</b>	<b>12,713,742</b>	<b>12,713,742</b>
Fund contributed by members for construction of fire brigade station	9,740,000	9,740,000
Surplus / (deficit) for the year	2,949,688	2,949,688
Other comprehensive income	Nil	Nil
<b>Balance as at June 30, 2021</b>	<b>25,403,430</b>	<b>25,403,430</b>

The annexed notes from 1 to 14 form an integral part of these financial statements.

  
Secretary

  
Vice President

  
Senior Vice President

  
President



Karachi : 20 AUG 2021



# S.I.T.E. SUPERHIGHWAY ASSOCIATION OF INDUSTRY KARACHI


## STATEMENT OF CASH FLOWS


For the year ended June 30, 2021

	2021 Rupees	2020 Rupees
<b>Cash flow from Operating Activities</b>		
Surplus / (deficit) for the year	2,949,688	(450,193)
<b>Adjustment for non-cash charges and other items</b>		
Depreciation	1,393,468	1,447,814
<b>Cash flow from operating activities before working capital changes</b>	4,343,156	997,621
<b>Working capital changes</b>		
(Increase) / decrease in current assets		
Advances & receivables	47,768	244,826
Increase / (decrease) in current liabilities		
Accrued and other liabilities	(156,781)	196,541
	(109,013)	441,367
<b>Net cash flow / (used in) operating activities</b>	4,234,143	1,438,988
<b>Cash flow from Investing Activities</b>		
Capital work in progress	(2,363,265)	Nil
Fixed capital expenditure	(783,350)	(281,400)
<b>Net cash flow from Investing Activities</b>	1,087,528	1,157,588
<b>Cash flow from Financing Activities</b>		
Fund contributed by members	9,740,000	Nil
<b>Net increase / (decrease) in cash and cash equivalents</b>	10,827,528	1,157,588
<b>Cash and cash equivalents at the beginning of the year</b>	2,004,575	846,987
<b>Cash and cash equivalents at the end of the year</b>	<b>12,832,103</b>	<b>2,004,575</b>

The annexed notes from 1 to 14 form an integral part of these financial statements.

  
Secretary

  
Vice President

  
Senior Vice President

  
President

Karachi : 20 AUG 2021



# S.I.T.E. SUPERHIGHWAY ASSOCIATION OF INDUSTRY KARACHI

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2021

### 1. STATUS

The Association was registered under the Companies Ordinance, 1984 vide registration # 0074053 dated 24-11-2010 as a 'Company Limited by Guarantee' under section 42 of the Companies Ordinance, 1984 (now Companies Act, 2017) as non profit association. It was registered with unlimited number of members therefore it is Public Company within the meaning of Rule 6(4)(i) of the Companies (General Provisions & Forms) Rules, 1985 (now Companies Regulations, 2018).

The geographical location and address of the Association is located at Plot No. A/169, S.I.T.E. Superhighway, Phase-I, Scheme-33, Karachi.

Its main objects as per its Memorandum of Association include:

- a) To advance, develop, protect, safeguard and promote the rights, interest and privileges of the traders and industrialist in the area.
- b) To organize individuals, firms, companies and corporation engaged in various trade & industries in the area covered by its members.
- c) To render, technical, managerial, supervisory assistance to members.
- d) To elect or nominate members to represent the association on any local and public bodies.
- e) To raise funds to meet the expenses of the association and to sell, mortgage dispose off or otherwise deal with all or any part of property of the Association.

### 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 approved accounting and reporting standards applicable in Pakistan comprise of:

International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Boards (IASB) as notified under the Companies Act, 2017;

Accounting Standard for Not for Profit Organisations (Accounting Standard for NPOs) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017; and

Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards or the Accounting Standards for NPOs, the provisions of and directives issued under the Companies Act, 2017 have been followed.

#### 2.2 Significant transactions and events affecting the Association's Financial Position and Performance

All significant transactions and events that have affected the Association's statement of financial position and performance during the year have been adequately disclosed in the notes to these financial statements.

#### 2.3 Basis of preparation

These financial statements comprise of statement of financial position, income & expenditure account, statement of comprehensive income, statement of changes in general fund account and statement of cash flows together with explanatory notes and have been prepared under the 'historical cost convention' except as has been specifically stated below in respective notes.

#### 2.4 Functional and presentation currency

These financial statements have been prepared in Pak Rupees, which is the Association's functional currency. All financial information presented in Pak Rupees has been rounded to nearest rupee.



**2.5 Use of estimates and judgements**

The preparation of financial statements in conformity with approved accounting standards requires management to make estimates, assumptions and use judgements that affect the application of policies and report amount of assets and liabilities and income and expenses. Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revision to accounting estimates are recognized prospectively commencing from the period of revision.

**2.6 Financial Year**

The Association's financial year starts from July 01 and ends at June 30.

**3. SIGNIFICANT ACCOUNTING POLICIES**

**3.1 Property & equipments**

Property & equipments of the Association are stated at cost less accumulated depreciation. Depreciation is charged to income using the reducing balance method, whereby the cost of an asset is written off over its estimated life. Full year's depreciation is charged on assets acquired during the year, while no depreciation is charged in the year of disposal.

Maintenance and normal repairs are charged to income as and when incurred. However, major renewals and replacements are capitalized and the assets so replaced, if any are retired.

Gains and losses on disposal of assets are included in income currently.

**3.2 Receivables**

Receivables are recognized and arrived at original invoice amount less an allowance for any uncollectable amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified.

**3.3 Cash and cash equivalents**

Cash and cash equivalents are carried in the statement of cash flows at cost. Cash and cash equivalents comprise cash in hand and balances with banks.

**3.4 Accrued and other liabilities**

Liabilities are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Association.

**3.5 Transactions with related parties**

Transactions with related parties are duly authorized by the management and are recognized in accordance with the pricing method approved by the board of directors.

**3.6 Taxation**

Provision for taxation is based on current applicable rate of tax, exemptions and tax credits if any applicable as per Income Tax Ordinance, 2001.

**3.7 Revenue**

Revenue is recognized as soon as annual subscriptions, donations, membership, NOC, attestation of documents and others as and when received.

**3.8 Expenses**

All expenses are recognized in the income and expenditure account on accrual basis.

S.I.T.E. SUPERHIGHWAY ASSOCIATION OF INDUSTRY KARACHI

**4. Property & Equipments**

Property & Equipments

Capital work-in-progress – Fire Brigade Station

Note

2021  
Rupees

2020  
Rupees

4.1

10,622,550

11,232,668

2,363,265


Nil

12,985,815

11,232,668

**4.1 Property & Equipments**

**at Cost less Accumulated Depreciation**

Particulars	C O S T			RATE	DEPRECIATION			W.D.V. As on 30-06-2021
	As on 01-07-2020	Additions / (Deletions)	As on 30-06-2021		As on 01-07-2020	For the Year	As on 30-06-2021	
	(Rs.)	(Rs.)	(Rs.)	%	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Association Building & Masjid	15,360,735	Nil	15,360,735	10%	7,499,258	786,148	8,285,406	7,075,329
Fire Brigade Station	449,654	Nil	449,654	10%	66,656	38,300	104,956	344,698
Electricity Installation	1,376,693	Nil	1,376,693	15%	765,846	91,627	857,473	519,220
Computer Equipments	125,120	4,350	129,470	30%	107,540	6,579	114,119	15,351
Office Equipments	620,708	739,000	1,359,708	15%	347,500	151,831	499,331	860,377
Security Equipments	1,025,343	Nil	1,025,343	15%	585,821	65,928	651,749	373,594
Vehicles	2,242,460	Nil	2,242,460	15%	1,403,278	125,877	1,529,155	713,305
Electric Fittings	20,768	Nil	20,768	15%	14,407	954	15,361	5,407
Generator	1,145,000	Nil	1,145,000	15%	636,958	76,206	713,164	431,836
Furniture & Fixtures	909,630	40,000	949,630	15%	616,179	50,018	666,197	283,433
TOTAL 2021 ----->	<u>23,276,111</u>	<u>783,350</u>	<u>24,059,461</u>		<u>12,043,443</u>	<u>1,393,468</u>	<u>13,436,911</u>	<u>10,622,550</u>
 TOTAL 2020 ----->	<u>22,994,711</u>	<u>281,400</u>	<u>23,276,111</u>		<u>10,595,629</u>	<u>1,447,814</u>	<u>12,043,443</u>	<u>11,232,668</u>



S.I.T.E. SUPERHIGHWAY ASSOCIATION OF INDUSTRY KARACHI

	2021 Rupees	2020 Rupees
<b>5. Advances &amp; Receivables</b>		
Advance to employees	13,334	Nil
Other receivable	85,848	146,950
	<u>99,182</u>	<u>146,950</u>
<b>6. Cash &amp; Bank Balances</b>		
Cash in hand	27,785	21,600
Cash at banks	12,804,318	1,982,975
	<u>12,832,103</u>	<u>2,004,575</u>
<b>7. Accrued Liabilities</b>		
Audit & professional fee	175,000	160,000
Salaries & allowances	Nil	173,891
Utility bills	10,170	8,060
	<u>185,170</u>	<u>341,951</u>
<b>8. Other Liabilities</b>		
Accounts payables	315,000	315,000
Others	13,500	13,500
	<u>328,500</u>	<u>328,500</u>
<b>9. Contingencies and Commitments</b>		
There are no contingencies and commitments as on the date of financial statements.		
<b>10. Salaries, allowances &amp; benefits</b>	<u>1,900,838</u>	<u>1,846,450</u>
Chief Executive and Directors are not being paid remuneration.		
<b>11. Auditor's remuneration</b>		
Annual audit fee	20,000	20,000
Out of pocket expenses	5,000	5,000
	<u>25,000</u>	<u>25,000</u>
<b>12. Number of Employees</b>		

The total number of employees as at year end were 08 (2020: 07) and average number of employees were 07 (2020: 07).



S.I.T.E. SUPERHIGHWAY ASSOCIATION OF INDUSTRY KARACHI


**13. Date of Authorization**


These financial statements were authorized for issue on 20 AUG 2021 by the Board of Directors of the Association.

**14. General**

Corresponding figures have been rearranged and reclassified, wherever necessary for the purpose of comparison and for better presentation. However, no significant reclassification has been made during the year.

Amounts have been rounded off to the nearest thousands of Rupees.

  
Secretary

  
Vice President

  
Senior Vice President

  
President

Karachi : 20 AUG 2021

