

RAZA SIDDQUI & CO. CHARTERED ACCOUNTANTS



INDEPENDENT AUDITOR'S REPORT

**To the members of All Pakistan Security Agencies Association,
Report on the Audit of the Financial Statements,**

Opinion

We have audited the annexed financial statements of all Pakistan Security Agencies Association (the Association), which comprise the statement of financial position as at June 30, 2021 and the statement of income and expenditure, the statement of changes in funds, the statement of cash flows for the year then ended, and notes to the financial statements, 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 purposes 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 and the statement of income and expenditure, the statement of changes in funds, 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, the changes in 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 *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 Standards Board 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 a basis for our opinion.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If based on the work we



have performed, we conclude that there is a material misstatement therein, we are required to report the fact. We have nothing to report in this regard.

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 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.

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 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 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 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 omissions, 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.



RAZA SIDDIQUI & CO.
CHARTERED ACCOUNTANTS

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 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 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 statement of income and expenditure, the statement of changes in funds 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).


Raza Siddiqui & Co.,
Chartered Accountants.



Date: 29 SEP 2021

ALL PAKISTAN SECURITY AGENCIES ASSOCIATION
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2021

	Note	2021 -----Rupees-----	2020
ASSETS			
Non-Current Assets			
Property, plant and equipments	4	1,736,786	1,705,520
Long term deposits	5	528,000	528,000
		2,264,786	2,233,520
Current assets			
Tax refund due from the government-Net	6	146,667	122,765
Advance and other receivable	7	1,168,518	1,168,518
Short term investments	8	2,650,584	2,650,584
Cash and bank balance	9	7,932,728	5,833,244
		11,898,497	9,775,111
Total Assets		14,163,283	12,008,631
FUND AND LIABILITIES			
General fund	10	14,135,783	11,973,011
Current liabilities			
Trade and other payables	11	27,500	35,620
Contingencies and commitments	12	-	-
Total fund and liabilities		14,163,283	12,008,631

The annexed notes form 1 to 21 form an integral part of this financial statements.



CHIEF EXECUTIVE



DIRECTOR



**ALL PAKISTAN SECURITY AGENCIES ASSOCIATION
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED JUNE 30, 2021**

	Note	2021 -----Rupees-----	2020
Income	13	10,751,714	5,287,616
Administrative expenses	14	(8,823,282)	(5,576,691)
Other expenses	15	(5,802,453)	(5,355,996)
Other income	16	<u>6,036,793</u>	<u>6,613,701</u>
Surplus before taxation		2,162,772	968,629
Taxation		-	(280,903)
Surplus after taxation		<u><u>2,162,772</u></u>	<u><u>687,727</u></u>

The annexed notes form 1 to 21 form an integral part of this financial statements.



CHIEF EXECUTIVE



DIRECTOR



**ALL PAKISTAN SECURITY AGENCIES ASSOCIATION
STATEMENT OF CHANGES IN FUNDS
FOR THE YEAR ENDED JUNE 30, 2021**

	GENERAL FUND	TOTAL
	-----Rupees-----	
Balance as on June 30, 2018	11,194,781	11,194,781
Surplus for the year	90,502	90,502
Balance as on June 30, 2019	11,285,283	11,285,283
Surplus for the year	687,727	687,727
Balance as on June 30, 2020	11,973,010	11,973,010
Surplus for the year	-	-
Balance as on June 30, 2020	11,973,010	11,973,010

The annexed notes form 1 to 21 form an integral part of this financial statements.



CHIEF EXECUTIVE



DIRECTOR



ALL PAKISTAN SECURITY AGENCIES ASSOCIATION (GUARANTEE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

1 CORPORATE AND GENERAL INFORMATION

The Association was incorporated as a company limited by guarantee not having share capital under certificate of incorporation bearing No. K-08214 of 2001-23002 on February 07, 2001 issued under section 42 under the Companies Ordinance, 1984 (Now Companies Act, 2017). The association is engaged in creating better understanding and coordination amongst security companies. The registered office of the company is situated at office No.603 Hannan Centre, Plot No.55, Block-7 & 8, Darul Aman Co-operative Society, Shahra-e-Faisal, Karachi.

1.1 Summary of significant events and transactions in the current reporting period

The Company's financial position and performance was affected by the transaction during the reporting period:

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 accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standard for the Small and Medium Sized Entities (IFRS for SMEs) issued by the International Accounting Standard Board 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 Revised IFRS for SMEs, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except for investments held at fair value through profit or loss which are measured at fair value and as stated in respective policy notes.

These financial statements have been prepared under the accrual basis of accounting except for cash flow information.

2.3 Critical assumptions and estimates

The preparation of financial statements in conformity with approved accounting standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The areas where required assumptions and estimates are significant to the Association's financial statements or where judgement was exercised in application of accounting policies are as follows:



	Note
a) Useful lives of depreciable assets	3.1
b) Provision for taxation	3.4
c) Impairment of assets	3.9

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated:

3.1 Property, plant and equipment

Property, plant and equipment including all additions are stated at cost or revalue amount less accumulated depreciation and impairment loss, if any.

Depreciation is calculated so as to write-off the assets over their expected economic lives under the diminishing balance method at rates given in note 4 to the financial statements.

Depreciation is charged from the month the assets are available for use while no depreciation is charged in the month in which the asset is disposed off.

The profit or loss on disposal or retirement of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is recognized as other operating income or expense. Maintenance and normal repairs are charged to income. Major renewals and improvements are capitalised.

The assets residual value and useful lives are reviewed and adjusted, if appropriate, at each balance sheet date. Expenditure incurred subsequent to the initial acquisition of assets are capitalised only when it increases the future economic lives embodied in the items of property, plant and equipment.

3.2 Trade debts and other receivables

Trade debts and other receivables are stated at cost less impairment losses, if any.

3.3 Trade and other payables

Liabilities for trade and other payables are carried at cost, which is the fair value of the consideration to be paid in

3.4 Taxation

Current

The charge for current tax is based on taxable income at current rates of taxation after taking into account tax credits and rebates available, if any.

Deferred taxation

The company does not account for deferred taxation.

3.5 Revenue recognition

Revenue is recorded on bills made to the customers.

3.6 Cash and cash equivalents

Cash and cash equivalents comprise cash balances, Term Deposit Receipts, maturing within three months from the date of placement, other short term highly liquid investment that are readily convertible to know amount of cash and which are subject to an insignificant risk of change in value.



3.7 Financial assets and liabilities

Financial assets and financial liabilities are recognised when the ASSOCIATION becomes a party to the contractual provisions of the instrument. All financial assets and financial liabilities are initially measured at cost which is the fair value of the consideration given and received respectively. These financial assets and liabilities are subsequently measured at fair value, amortised cost or cost, as the case may be.

3.8 Off-setting of financial assets and liabilities

A financial asset and a financial liability is offset and the net amount is reported in the balance sheet if the ASSOCIATION has a legally enforceable right to set-off the recognised amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

3.9 Impairment

The carrying amount of the association assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated and accordingly an impairment loss is recognized in the profit and loss account for the carrying amount of the asset that exceeds its recoverable amount.



4 PROPERTY PLAN AND EQUIPMENT

	Furniture and Fixture	Office Equipment	Weapon	Generator	Total
	----- (Rupees) -----				
Net Carrying Value Basis					
Year ended June 30, 2021					
Opening net book value (NBV)	512,232	909,775	278,231	5,282	1,705,520
Addition (at cost)	62,000	104,300	57,942	-	224,242
Disposal (at NBV)	-	-	-	-	-
Depreciation charge	(57,423)	(101,408)	(33,617)	(528)	(192,976)
Closing net book value (NBV)	516,809	912,668	302,555	4,754	1,736,786
Gross carrying value basis					
Year ended June 30, 2021					
Cost	857,238	1,862,509	367,087	35,200	3,122,034
Accumulated depreciation	(340,429)	(949,841)	(64,532)	(30,446)	(1,385,248)
Net book value (NBV)	516,809	912,668	302,555	4,754	1,736,786
Net Carrying Value Basis					
Year ended June 30, 2020					
Opening net book value (NBV)	475,185	849,278	-	5,869	1,330,331
Addition (at cost)	84,566	145,425	309,145	-	539,136
Disposal (at NBV)	-	-	-	-	-
Depreciation charge	(47,518)	(84,928)	(30,915)	(587)	(163,948)
Closing net book value (NBV)	512,232	909,775	278,231	5,282	1,705,520
Gross carrying value basis					
Year ended June 30, 2020					
Cost	795,238	1,758,209	309,145	35,200	2,897,792
Accumulated depreciation	(283,006)	(848,434)	(30,915)	(29,918)	(1,192,272)
Net book value (NBV)	512,232	909,775	278,231	5,282	1,705,520
Depreciation rate per annum	10%	10%	10%	10%	

ALL PAKISTAN SECURITY AGENCIES ASSOCIATION
NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021	2020
		-----Rupees-----	
5 LONG TERM DEPOSITS			
Deposit again rent		<u>528,000</u>	<u>528,000</u>
6 TAX REFUND DUE FROM THE GOVERNMENT-NET			
Opening balance		<u>122,765</u>	403,668
Tax deducted during the year		<u>23,902</u>	-
		<u>146,667</u>	403,668
Less: Provision for the year		-	(280,903)
		<u>146,667</u>	<u>122,765</u>
7 ADVANCE AND OTHER RECEIVABLE			
Advances		<u>1,168,518</u>	<u>1,168,518</u>
7.1 The above balance is unsecured and considered good.			
8 SHORT TERM INVESTMENTS			
Term deposits - Barclays Bank		<u>2,650,584</u>	<u>2,650,584</u>
8.1 The Association has made short term investment in term deposit receipts with Barclays Bank PLC,			
9 CASH AND BANK BALANCE			
APSAA			
Cash at bank-Savings accounts			
Cash at Karachi banks	9.1	<u>4,832,317</u>	3,115,556
Cash at Lahore banks	9.1	<u>435,470</u>	441,396
Cash at Barclays bank		<u>90,321</u>	70,288
Cash in hand		<u>293,102</u>	135,430
		<u>5,651,210</u>	3,762,670
Training School			
Cash at bank - in current account		<u>2,281,518</u>	2,070,574
		<u>7,932,728</u>	<u>5,833,244</u>
9.1 The association has made deposits in profit & loss sharing accounts which carries mark-up at 6% to 8% (2020: 6% to 8%).			



	Note	2021	2020
		-----Rupees-----	
10 GENERAL FUND			
Opening balance		11,973,011	11,285,284
Surplus/(deficit) for the year		2,162,772	687,727
		<u>14,135,783</u>	<u>11,973,011</u>
11 TRADE AND OTHER PAYABLES			
Accrued liabilities		27,500	35,620
		<u>27,500</u>	<u>35,620</u>
12 CONTINGENCIES AND COMMITMENTS			
12.1 Contingencies			
There were no contingencies at the year end (2020: Nil)			
12.2 Commitments			
There were no commitments at the year end (2020: Nil)			
13 INCOME			
Monthly / annual contribution		10,655,262	5,213,491
Interest income		96,452	74,125
		<u>10,751,714</u>	<u>5,287,616</u>
14 ADMINISTRATIVE EXPENSES			
Salaries and allowances		1,834,362	2,629,622
Electricity expenses		171,100	98,152
Bank charges		24,200	18,256
Office expense		55,312	45,125
Depreciation	4	135,083	114,763
Meeting expenses		440,737	370,512
Conveyance		112,300	65,230
Printing & Stationary		108,584	85,725
Telephone		174,243	101,402
Entertainment expense		40,802	34,578
Repair and maintenance		208,315	132,210
Postage expenses		261,949	219,086
Lawyer fees		1,722,840	-
Audit fee		27,500	25,000
Fees and subscription		198,978	147,391
Other forum expense		48,968	31,174
Advertisement		77,748	45,165
Rent		1,554,630	1,413,300
Other expense		1,625,632	-
		<u>8,823,282</u>	<u>5,576,691</u>



	Note	2021	2020
		-----Rupees-----	
15 OTHER EXPENSES			
APSAA Training School Expenses:			
Salaries and allowances		959,800	849,800
Ammunition		3,071,400	3,202,900
Depreciation	4	57,893	49,184
General expenses		86,802	75,480
Office expense		176,791	141,433
Entertainment		50,359	41,278
Repair and maintenance		28,400	420,380
Advertisement		117,530	98,765
Miscellaneous expenses		497,318	421,456
Printing and postage		48,438	42,120
Bank charges		15,180	13,200
Other expense		692,541	-
		<u>5,802,453</u>	<u>5,355,996</u>
16 OTHER INCOME			
APSAA Training School Income:			
Fees revenue		5,894,230	6,449,112
Interest income		142,563	164,589
		<u>6,036,793</u>	<u>6,613,701</u>

17 TRANSACTIONS WITH RELATED PARTIES

Related parties comprise subsidiary, associated companies, where directors also hold directorship, retirement benefits fund and key management personnel. Outstanding balance are disclosed in the respective notes while there were no transactions with the related parties during the year.

18 REMUNERATION OF CHIEF EXECUTIVE AND DIRECTOR

No remuneration has been paid during the year (2020: Nil)

19 NUMBER OF EMPLOYEES

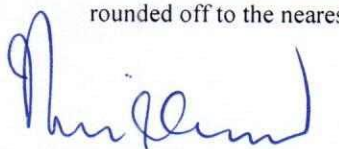
	2021	2020
Average number of employees during the year	<u>13</u>	<u>13</u>
Number of employees at year end	<u>13</u>	<u>13</u>

20 DATE OF AUTHORIZATION

These financial statements were authorized for issue by the Board of Directors of the Association in their meeting held on 29 SEP 2021

21 GENERAL

Figures have been rearranged and reclassified where necessary for the purpose of better presentation and have been rounded off to the nearest rupee.


CHIEF EXECUTIVE




DIRECTOR