

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF SITE ASSOCIATION OF INDUSTRY
(A COMPANY LIMITED BY GUARANTEE)
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

Opinion

We have audited the annexed financial statements of **SITE Association of Industry (A Company Limited By Guarantee)** which comprise the statement of financial position as at June 30, 2020, 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, statement of income and expenditure, the statement of changes in funds 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, 2020 and of the deficit, the changes in funds 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 Company's Annual Report 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 do 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 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 of this Other Information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management 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.

Management 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 to design audit procedures that are appropriate in the circumstances, but not for 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 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.

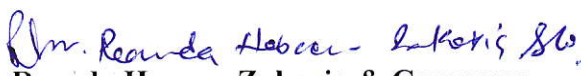
We communicate with the management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 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 **Farhan Ahmed Memon**.


Reanda Haroon Zakaria & Company
Chartered Accountants

Place: Karachi
Dated: 24 SEP 2020

SITE ASSOCIATION OF INDUSTRY
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2020

	<i>Note</i>	<i>2020</i> <i>Rupees</i>	<i>2019</i> <i>Rupees</i>
<u>ASSETS</u>			
Non-Current Assets			
Property and equipment	4	19,003,529	19,989,892
Long term deposits	5	18,090	18,090
		19,021,619	20,007,982
Current Assets			
Short term investments	6	9,000,000	9,000,000
Loans, advances, prepayments and other receivables	7	153,836	108,000
Tax refunds due from government		2,668,839	2,574,843
Interest receivable		16,554	28,798
Cash and bank balances	8	8,699,406	6,299,695
		20,538,635	18,011,336
Total Assets		39,560,254	38,019,318
<u>FUNDS AND LIABILITIES</u>			
Funds			
General Fund		3,867,522	4,618,835
Contingency Fund	9	2,919,398	-
Sub Soil Water Maintenance Fund	10	-	1,032,161
Social Welfare Fund	11	2,050,997	198,776
Site Crime Monitoring Fund	12	26,418	26,418
Site Self Security System Fund	13	16,492,973	21,657,982
		25,357,308	27,534,172
Non-Current Liabilities			
Security deposit from tenant		25,000	25,000
Current Liabilities			
Unearned annual subscription		5,748,375	5,211,005
Creditors for services	14	8,289,252	4,531,766
Accrued and other liabilities	15	140,319	717,375
		14,177,946	10,460,146
Contingencies & Commitments	16		
Total Funds and Liabilities		39,560,254	38,019,318

The annexed notes from 1 to 25 form an integral part of these financial statements.



 President



 Secretary General



 Chairman Finance Committee



**SITE ASSOCIATION OF INDUSTRY
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED JUNE 30, 2020**

	<i>Note</i>	2020 Rupees	2019 Rupees
<u>INCOME</u>			
Fees & subscription	17	7,855,630	7,341,902
Other income	18	1,458,896	1,669,940
		9,314,526	9,011,842
<u>EXPENDITURE</u>			
Salaries and other benefits		4,342,597	4,209,928
Gratuity		-	45,934
Entertainment		763,743	787,626
Utilities	19	741,107	940,922
Depreciation	4	1,412,151	1,535,651
Repairs and maintenance		658,809	390,905
Rent, rates and taxes		50,462	43,814
Fees & subscription	20	92,869	90,176
Postage, telephone and telegrams		427,502	304,595
Public relations		270,071	80,000
Printing and stationery		140,522	251,715
Conveyance expense		53,054	72,161
Sundry charges		295,268	121,893
Newspaper & periodicals		61,524	61,296
Audit fee		64,800	48,600
Bank charges		793	1,650
		9,375,272	8,986,866
(Deficit) / surplus for the year		(60,746)	24,976

The annexed notes from 1 to 25 form an integral part of these financial statements.



President



Secretary General



Chairman Finance Committee



SITE ASSOCIATION OF INDUSTRY
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF CHANGES IN FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	<i>General Fund</i>	<i>Contingency Fund</i>	<i>Sub Soil Water Maintenance Fund</i>	<i>Social Welfare Fund</i>	<i>Site Crime Monitoring Fund</i>	<i>Site Self Security System Fund</i>	<i>Total</i>
----- Rupees -----							
Balance as at July 01, 2018	170,159	4,774,689	2,834,000	141,726	14,561	6,463,196	37,781,129
Surplus for the year	24,976	-	-	-	-	-	24,976
Received during the year	-	11,637,811	-	57,050	318,427	24,067,122	36,080,410
Utilized during the year	-	(14,000,000)	(1,801,839)	-	(306,570)	(27,743,934)	(46,352,343)
Transfers during the year	4,423,700	(2,412,500)	-	-	-	18,871,598	-
Balance as at June 30, 2019	4,618,835	-	1,032,161	198,776	26,418	21,657,982	27,534,172
Deficit for the year	(60,746)	-	-	-	-	-	(60,746)
Received during the year	-	3,449,836	-	5,455,338	-	25,759,250	34,664,424
Utilized during the year	-	(562,599)	(1,000,000)	(3,603,117)	-	(31,614,826)	(36,780,542)
Transfers during the year	(690,567)	32,161	(32,161)	-	-	690,567	-
Balance as at June 30, 2020	3,867,522	2,919,398	-	2,050,997	26,418	16,492,973	25,357,308

The annexed notes from 1 to 25 form an integral part of these financial statements.



 President



 Secretary General



 Chairman Finance Committee



SITE ASSOCIATION OF INDUSTRY
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2020

	<i>Note</i>	2020 Rupees	2019 Rupees
A. CASH FLOWS FROM OPERATING ACTIVITIES			
(Deficit) / surplus for the year		(60,746)	24,976
Adjustments for:			
Depreciation		1,412,151	1,535,651
Profit on bank deposits and TFCs		(925,810)	(672,863)
Bank charges		793	1,650
Provision for gratuity		-	45,934
		426,388	935,348
(Increase) / decrease in current assets			
Loans, advances, prepayments and other receivables		(45,836)	252,505
Increase / (decrease) in current liabilities			
Unearned annual subscription		537,370	666,005
Creditors for services		3,757,486	2,257,535
Accrued and other liabilities		(577,056)	524,488
		3,671,964	3,700,533
Cash generated from operations		4,098,352	4,635,881
Bank charges paid		(793)	(1,650)
Gratuity paid		-	(483,034)
Taxes paid		(93,996)	(162,344)
Net cash generated from operating activities		4,003,563	3,988,853
B. CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure		(425,788)	(6,174,426)
Short term investment (TFCs) - net		-	8,650,000
Profit received on bank deposits and TFCs		938,054	658,355
Long term deposits - net		-	1,120
Net cash generated from investing activities		512,266	3,135,049
C. CASH FLOWS FROM FINANCING ACTIVITIES			
Specific Fund - net		-	(23,382,798)
Contingency Fund - net		2,919,398	(4,774,689)
Sub Soil Water Maintenance Fund - net		(1,032,161)	(1,801,839)
Social Welfare Fund - net		1,852,221	57,050
Site Crime Monitoring Fund - net		-	11,857
Site Self Security System Fund - net		(5,165,009)	15,194,786
General fund - net		(690,567)	4,423,700
Net cash used in financing activities		(2,116,118)	(10,271,933)
Net increase / (decrease) in cash and cash equivalents (A+B+C)		2,399,711	(3,148,031)
Cash and cash equivalents at the beginning		6,299,695	9,447,726
Cash and cash equivalents at the end	22	8,699,406	6,299,695


The annexed notes from 1 to 25 form an integral part of these financial statements.



 President



 Secretary General



 Chairman Finance Committee



***SITE ASSOCIATION OF INDUSTRY
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020***

1 LEGAL STATUS AND NATURE OF OPERATIONS

The Company was registered under the Companies Act VII of 1913 vide registration no 1441 of 1963 - 64 dated 22 July, 1963, subsequently superseded by Companies Ordinance, 1984 (Repealed with the enactment of Companies Act, 2017 on May 2017).

The principal activity of the Company is to promote, foster, encourage, protect and advance the interest of members engaged in industry.

The Company's registered office is situated at Aiwan - e - Sanat, H-16, Textile Avenue, SITE, Karachi.

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 for Small and Medium - Sized Entities (IFRS for SMEs) issued by the international Accounting Standard Boards (IASB) as notified under the Companies Act, 2017.
- Accounting Standards for Not for Profit Organizations (Accounting Standards 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 for SMEs or Accounting Standards for NPOs, 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 as otherwise disclosed. Further, accrual basis of accounting has been followed except for as disclosed in relevant policies stated hereunder.

2.3 Functional and presentation currency

The financial statements are presented in Pakistan Rupees, which is also The Company's functional currency.

2.4 Critical accounting estimates and judgments

The preparation of financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, 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 results of which form the basis of making the judgments about the 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 recognized in the period in which the estimate is 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.

Judgments made by management in the application of approved accounting standard as, applicable in Pakistan, that have significant effect on the financial statements and estimates with a significant risk of material judgment in the next year are as follows: -

a) *Property and equipment*

The Company estimates the rate of depreciation of property and equipment. Further, The Company reviews the value of the assets for possible impairment on an annual basis. Any change in the estimates in future years might affect the carrying amounts of the respective items of property and equipment with a corresponding effect on the depreciation charge and impairment.

3 *SIGNIFICANT ACCOUNTING POLICIES*

3.1 *Property and equipment*

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The depreciation is charged to the income using the reducing balance method at the rates specified in the relevant note to the financial statements. Full year's depreciation is charged on additions during the year, whereas no depreciation is charged in the year of disposal.

Maintenance and normal repairs are charged to statement of income and expenditure as and when incurred. Major renewals and improvements are capitalized and assets so replaced, if any, are written off.

Gain / (loss) on disposal of Property and equipment is recognized in the statement of income and expenditure.

3.2 *Impairment*

The Company assesses at each reporting date whether there is any indication that Property and equipment may be impaired. If such condition exists and where the carrying values exceeds the estimated recoverable amount, the assets or cash - generating units are written down to their recoverable amount and the differences are recognized in the statement of income and expenditure.

3.3 *Financial instrument*

All the financial assets and financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. Any gain or losses on derecognition of the financial assets and financial liabilities are taken to statement of income and expenditure currently. Financial assets are stated at their nominal value as reduced by the appropriate allowances for estimating irrecoverable amount. Mark up bearing financial liabilities are recorded at the gross proceeds received. Other financial liabilities are stated at their nominal value.

3.4 *Offsetting of financial assets and financial liabilities*

Financial asset and financial liability is set off and the net amount is reported in the statement of financial position if the Company has a legal right to set off the transaction and also intends either to settle on a net basis or to realize the asset and settle the liability simultaneously. Corresponding income on assets and charge on liability is also offset.



3.5 *Investment in TFCs*

Investments are stated at cost. Profit is recognized on accrual basis.

3.6 *Trade and other receivables*

Trade debts and other receivables are carried at original invoice amount less an estimate made for doubtful debts and other receivables based on a review of all outstanding amounts at the year end. Bad debts and other receivables are written off when identified.

3.7 *Advances, prepayments and deposits*

These are stated at the amounts originally disbursed. Provision is made for the amounts considered doubtful, if any, and the amounts considered irrecoverable are written off.

3.8 *Cash and cash equivalents*

For the purpose of statement of cash flows, cash and cash equivalents consist of cash in hand and balances with bank.

3.9 *Accrued and other liabilities*

Liabilities for amounts payable 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 Company.

3.10 *Taxation*

It is a Not for Profit Organization (NPO) and collectively formulates strategies on all issues of common interests and addresses business concerns of the members. Management is of the opinion that its income is not taxable being NPO, Thus no provision has been made in the financial statements for taxation.

3.11 *Staff retirement gratuity*

The Company operates an unfunded gratuity scheme for its employees. The deferred liability for gratuity payable has been accounted for in respect of those employees who have completed a period of five years or more, of their service as per service rules of the Company.

3.12 *Income*

Fees and subscription is recognized on accrual basis.

Interest income on savings accounts is recorded on accrual basis using effective interest rates.

Rental income is recognized on accrual basis.

3.13 *Related party transaction*

Transactions and contract with the related parties are based on the policy that all transactions between the Company and related parties are carried out at arm's length prices which are determined in accordance with the methods prescribed in the Companies Act, 2017.



4 **PROPERTY AND EQUIPMENT**

Description	Cost			Rate %	Accumulated depreciation			Written down value as at June 30, 2020
	As at July 1, 2019	Additions / (disposal)	As at June 30, 2020		As at July 1, 2019	Charge for the year / (disposal)	As at June 30, 2020	
	----- Rupees -----				----- Rupees -----			
Leased land - industry house	1,174,350	-	1,174,350	0%	-	-	-	1,174,350
Office building	6,482,074	-	6,482,074	5%	912,097	278,499	1,190,596	5,291,478
Site self security building	9,611,074	-	9,611,074	5%	480,554	456,526	937,080	8,673,994
Furniture and fixture	1,149,333	35,000	1,184,333	10%	571,039	61,329	632,368	551,965
Electric appliances	1,253,976	-	1,253,976	20%	912,402	68,315	980,717	273,259
Office equipment	2,340,316	349,772	2,690,088	10%	850,763	183,933	1,034,696	1,655,392
Postal franking machine	14,850	-	14,850	10%	14,850	-	14,850	-
Vehicles	1,214,899	-	1,214,899	20%	471,151	148,750	619,901	594,998
Library books	42,499	-	42,499	10%	39,066	343	39,409	3,090
Computer with printers	738,989	41,016	780,005	25%	488,708	72,824	561,532	218,473
Gas generator	120,000	-	120,000	20%	117,838	432	118,270	1,730
Diesel generator	1,368,500	-	1,368,500	20%	662,500	141,200	803,700	564,800
Rupees 2020	25,510,860	425,788	25,936,648		5,520,968	1,412,151	6,933,119	19,003,529
Rupees 2019	10,815,664	5,084,122	25,510,860		3,985,317	1,535,651	5,520,968	19,989,892

	<i>Note</i>	<i>2020 Rupees</i>	<i>2019 Rupees</i>
5 LONG TERM DEPOSITS			
<i>Against utilities</i>			
Sui Southern Gas Company Limited		15,350	15,350
Pakistan Telecommunication Company Limited		2,250	2,250
K - Electric		490	490
		<u>18,090</u>	<u>18,090</u>

6 SHORT TERM INVESTMENTS

In TFCs

Habib Metro Islamic Investment Certificates (H.I.I.C)	6.1	<u>9,000,000</u>	<u>9,000,000</u>
---	-----	------------------	------------------

6.1 This represent investment of Site Self Security Fund in Habib Metro Islamic Investment Certificates, having maturity of six month with Rollover facility amounting to Rs. 9.00 (2019: Rs. 9.00) Million.

	<i>Note</i>	<i>2020 Rupees</i>	<i>2019 Rupees</i>
7 LOANS, ADVANCES, PREPAYMENTS AND OTHER RECEIVABLES			
<i>Advances - considered good</i>			
To staff		42,500	42,500
<i>Prepayments</i>		45,836	-
<i>Other receivables</i>		65,500	65,500
		<u>153,836</u>	<u>108,000</u>

8 CASH AND BANK BALANCES

<i>Cash in hand</i>		1,041,843	16,975
<i>Cash at bank</i>			
- in savings accounts	8.1	7,390,356	5,025,166
- in current accounts		267,207	1,257,555
	8.2	<u>7,657,563</u>	<u>6,282,720</u>
		<u>8,699,406</u>	<u>6,299,695</u>

8.1 The savings accounts carries mark up at the rate of 7.13% (2019: 5.61%) per annum.

	<i>2020 Rupees</i>	<i>2019 Rupees</i>
8.2 This includes bank balance in respect of followings:		
Contingency Fund	1,027	99
Sub Soil Water Maintenance Fund	32,161	1,032,161
Social Welfare Fund	4,063,082	198,776
Site Crime Monitoring Fund	36,237	26,418
Site Self Security System Fund	1,776,925	1,103,671
	<u>5,909,432</u>	<u>2,361,125</u>

2

	<i>Note</i>	<i>2020 Rupees</i>	<i>2019 Rupees</i>
9 CONTINGENCY FUND			
Balance as at beginning of the year		-	5,159,111
Received during the year		3,449,836	11,637,811
Utilization of funds	9.1	(562,599)	(14,000,000)
Transfers during the year	9.2	32,161	(2,412,500)
Balance as at end of the year		<u>2,919,398</u>	<u>-</u>
9.1 Utilization of funds			
<i>Towards</i>			
Refund to Members		-	14,000,000
Legal expenses		562,599	-
		<u>562,599</u>	<u>14,000,000</u>
9.2 Transfers during the year			
To Specific Fund		-	2,412,500
From Sub Soil Water Maintenance Fund		32,161	-
		<u>32,161</u>	<u>2,412,500</u>
10 SUB SOIL WATER MAINTENANCE FUND			
Balance as at beginning of the year		1,032,161	2,834,000
Utilization of funds	10.1	(1,000,000)	(1,801,839)
Transfers during the year		(32,161)	-
Balance as at end of the year		<u>-</u>	<u>1,032,161</u>
10.1 Utilization of funds			
<i>Towards</i>			
Sub soil contractor		1,000,000	-
Refund to members		-	1,801,839
		<u>1,000,000</u>	<u>1,801,839</u>
10.2 Transfers during the year			
To Contingency Fund		<u>32,161</u>	<u>-</u>
11 SOCIAL WELFARE FUND			
Balance as at beginning of the year		198,776	141,726
Received during the year		5,455,338	57,050
Utilization of funds		(3,603,117)	-
Balance as at end of the year		<u>2,050,997</u>	<u>198,776</u>

		2020	2019
	<i>Note</i>	<i>Rupees</i>	<i>Rupees</i>
12 SITE CRIME MONITORING FUND			
Balance as at beginning of the year		26,418	14,561
Received during the year		-	318,427
Utilization of funds	12.1	-	(306,570)
		26,418	26,418

12.1 Utilization of funds

Towards

Remuneration	-	144,000
Entertainment	-	107,600
Others	-	54,970
	-	306,570

13 SITE SELF SECURITY SYSTEM FUND

Balance as at beginning of the year		21,657,982	6,463,196
Received during the year	13.1	25,759,250	24,067,122
Utilization of funds	13.2	(31,614,826)	(27,743,934)
Transfers during the year	9.1	690,567	18,871,598
Balance as at end of the year		16,492,973	21,657,982

13.1 Received during the year

Collections received	25,759,250	23,827,784
Profit on TFCs and bank account	-	239,338
	25,759,250	24,067,122

13.2 Utilization of funds

Towards

Rangers Security Guards (Private) Limited	25,249,400	24,545,400
Meeting expenses with Government Officials	-	445,897
Refund to Member	70,000	-
Fuel for Security Mobiles	2,038,255	1,263,904
Miscellaneous	1,073,032	932,895
Utilities	1,135,085	-
Repairs and maintenance	559,316	-
Site Crime Monitoring Cell	-	250,000
Withholding tax on bank account	69,657	305,838
Salaries	1,315,900	-
Entertainment	89,000	-
Bank Charges	15,181	-
	31,614,826	27,743,934

14 CREDITORS FOR SERVICES

This includes liabilities in respect of Rangers Security Guards (Private) Limited and Fuel for Security Mobiles amounting to Rs. 7.73 (2019: Rs. 4.09) Million and Rs. 0.44 (2019: Rs. 0.32) Million respectively and belong to Site Self Security System Fund.

LS

	<i>2020</i> <i>Rupees</i>	<i>2019</i> <i>Rupees</i>
15 ACCRUED AND OTHER LIABILITIES		
Accrued expenses	28,775	668,775
Audit fee payable	64,800	48,600
Wht payable	46,744	-
	<u>140,319</u>	<u>717,375</u>

16 CONTINGENCIES & COMMITMENTS

16.1 Contingencies

There is no contingency in respect of the following legal case on part of Site Association of Industries as this is instituted in the High Court of Sindh at Karachi to represent the Members of the Association:

<i>Name of the court, agency or authority</i>	<i>Description of the factual basis of the proceedings and relief sought</i>	<i>Principal parties</i>	<i>Date instituted</i>
16.1.1 Sindh High Court	Site Association and others have filed a petition in respect of challenging the notices to various industries in pursuance of the Sindh Environmental Quality Standards filed before the Honorable High Court of Sindh at Karachi. The said Petition is pending before the Honourable High Court of Sindh till next hearing.	SITE Association and Sindh Environmental Quality Standards	2017

16.2 Commitments

There are no commitments as at the date of statement of financial position (2019: nil).

	<i>Note</i>	<i>2020</i> <i>Rupees</i>	<i>2019</i> <i>Rupees</i>
17 FEES & SUBSCRIPTION			
Annual subscription fee		7,127,130	7,221,902
Others		728,500	120,000
		<u>7,855,630</u>	<u>7,341,902</u>

18 OTHER INCOME

Rental income	18.1	347,580	304,375
Profit on savings accounts		925,810	672,863
Miscellaneous		185,506	692,702
		<u>1,458,896</u>	<u>1,669,940</u>

18.1 This include amount in respect of rent of office premises in the association building rented out to All Pakistan Textile Processing Mills Association.

5

	2020 Rupees	2019 Rupees
19 UTILITIES		
<i>Gross</i>		
Electricity charges	1,620,515	2,085,074
Gas charges	94,550	77,536
Water charges	94,105	75,544
	1,809,170	2,238,154
<i>Charged to All Pakistan Textile Processing Mills Association</i>		
Electricity charges	68,881	224,582
<i>Charged to Site Self Security System Fund</i>		
Electricity charges	904,855	999,462
Gas charges	47,275	38,928
Water charges	47,052	34,260
	999,182	1,072,650
	741,107	940,922

20 FEES AND SUBSCRIPTION

Employers Federation of Pakistan	23,913	22,000
Karachi Chamber of Commerce and Industry	16,800	17,300
SECP fee	4,025	4,638
Miscellaneous fee	48,131	46,238
	92,869	90,176

21 FINANCIAL RISK MANAGEMENT POLICIES

The Company is exposed to a variety of financial risks: market risk (comprising currency risk, interest rate risk, and other price risk), liquidity risk and credit risk that could result in a reduction in the Company's net assets or a reduction in the income.

The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

21.1 Market risk

Market risk is the risk that the value of the financial instrument will fluctuate as a result of changes in market interest rates or the market price of securities due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market. At the reporting date the Company is not exposed to Market risk.

21.1.1 Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company, at present is not exposed to currency risk as its operations are geographically restricted to Pakistan and all transactions are carried out in Pak Rupees.

21.1.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. At the reporting date the Company is not exposed to interest rate risk.

LS

21.1.3 Price risk

The risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices of securities due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market. At the reporting date Company is not exposed to price risk.

21.2 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

The Company attempts to control credit risk by entering into transactions with diverse credit worthy counter parties by monitoring credit exposure.

The maximum exposure to credit risk as at June 30, 2020 is as follows: -

Description	June 30, 2020		June 30, 2019	
	Carrying amount	Maximum Exposure	Carrying amount	Maximum Exposure
----- Rupees -----				
Long term deposits	18,090	18,090	18,090	18,090
Short term investments	9,000,000	9,000,000	9,000,000	9,000,000
Advance to staff	42,500	42,500	42,500	42,500
Other receivables	65,500	65,500	65,500	65,500
Interest receivable	16,554	16,554	28,798	28,798
Cash at bank	7,657,563	7,657,563	6,282,720	6,282,720
	16,800,207	16,800,207	15,437,608	15,437,608

21.2.1 Financial instruments by category:

	2020 Rupees	2019 Rupees
Financial assets		
At cost		
Short term investment	9,000,000	9,000,000
At amortized cost		
Long term deposits	18,090	18,090
Advance to staff	42,500	42,500
Other receivables	65,500	65,500
Interest receivable	16,554	28,798
Cash and bank balances	8,699,406	6,299,695
	17,842,050	15,454,583
Financial liabilities		
At amortized cost		
Security deposit from tenant	25,000	25,000
Creditors	8,289,252	4,531,766
Accrued and other liabilities	93,575	717,375
	8,407,827	5,274,141

5

21.3 Liquidity Risk

Liquidity risk is the risk that the Company may encounter difficulty in raising funds to meet its obligations and commitments associated with financial instruments. The Company is not materially exposed to the liquidity risk as all obligations / commitments of the Company are short term in nature and restricted to the extent of available liquidity and all assets of the Company are readily disposable in the market.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date.

	<i>Carrying amount</i>	<i>Less than one year</i>	<i>More than one year</i>
	----- Rupees -----		
<i>As at June 30, 2020</i>			
Security deposit from tenant	25,000	-	25,000
Creditors for services	8,289,252	8,289,252	-
Accrued and other liabilities	93,575	93,575	-
	<u>8,407,827</u>	<u>8,382,827</u>	<u>25,000</u>
<i>As at June 30, 2019</i>			
Security deposit from tenant	25,000	-	25,000
Creditors	4,531,766	4,531,766	-
Accrued and other liabilities	717,375	717,375	-
	<u>5,274,141</u>	<u>5,249,141</u>	<u>25,000</u>

22 CASH AND CASH EQUIVALENTS

	<i>2020 Rupees</i>	<i>2019 Rupees</i>
Cash and bank balances	<u>8,699,406</u>	<u>6,299,695</u>

23 NUMBER OF EMPLOYEES

	<i>2020 Number</i>	<i>2019 Number</i>
Number of employees as at year end	<u>13</u>	<u>10</u>
Average number of employees during the year	<u>12</u>	<u>9</u>

24 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue by President of the Company on 24 SEP 2020.

25 GENERAL

25.1 Figures in these financial statements have been rounded off to the nearest rupee.

25.2 Prior year's figures in these financial statements have been re-arranged / re-classified, where necessary, for better presentation.


President


Secretary General


Chairman Finance Committee

