

**PAKISTAN ASSOCIATION OF FOOD
INDUSTRIES**

**Financial Statements
For the year ended 30 June 2025**

To the members of Pakistan Association of Food Industries**Report on the Audit of the Financial Statements****Opinion**

We have audited the annexed financial statements of **Pakistan Association of Food Industries (the Association)**, which comprise the statement of financial position as at **30th June 2025**, and the statement of comprehensive income, the statement of cash flows and the statement of changes in funds 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, the statement of profit or loss, the statement of other comprehensive income, the statement of cash flows and the statement of changes in equity 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 Association's affairs as at **30th June 2025** and its surplus, its cash flows and the changes in funds 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 Association 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 Directors' 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 do not express any form of assurance conclusion thereon.

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In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider when 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 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 Association'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 Association or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Association'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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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- 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 Association'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 Association 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 Association as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of comprehensive income, the statement of cash flows and the statement of changes in equity 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 Association's business; and
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980)

Other Matter

The financial statements of the Association for the year ended 30th June 2024 were audited by another auditor, who vide report dated 7 November 2024 expressed an unmodified opinion.

The engagement partner on the audit resulting in this independent auditor's report is Muhammad Jawwad Shekha.

Karachi.

Date: 23-October-2025

UDIN: AR202510388PDUj0cy5o

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Financial Statements for the year ended 30 June 2025

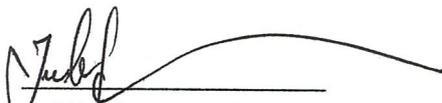
Statement of financial position

As at 30 June 2024

(Stated in PKR)

Assets	Note	2025	2024
Non-current assets			
Intangible asset	3	1,080,041	-
		1,080,041	-
Current assets			
Advance tax		244,084	
Cash and bank	4	3,016,480	25,000
		3,260,564	25,000
Total assets		4,340,605	25,000
Fund balances and liabilities			
Fund balance		1,473,340	(1,503,410)
		1,473,340	(1,503,410)
Current liabilities			
Accrued expenses and other liabilities	5	123,000	-
Due to related party	6	1,528,410	1,528,410
Provision for taxation		1,215,855	-
		2,867,265	1,528,410
Total fund balance and liabilities		4,340,605	25,000
Contingencies and commitments	7		

The annexed notes from 1 to 15 form an integral part of these financial statements.


Chief Executive Officer


Director

PAKISTAN ASSOCIATION OF FOOD INDUSTRIES
Financial Statements for the year ended 30 June 2025

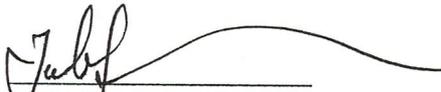
Statement of comprehensive income

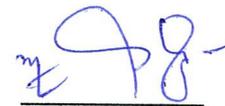
For the year ended 30 June 2025
(Stated in PKR)

	Note	2025	2024
Income			
Membership fee		4,444,084	-
		<u>4,444,084</u>	<u>-</u>
Expenses			
Auditor's remuneration	8	123,000	-
Legal and professional		80,600	-
Amortization expense		46,959	-
Finance cost	9	920	-
		<u>251,479</u>	<u>-</u>
Surplus before taxation		<u>4,192,605</u>	<u>-</u>
Taxation	10	(1,215,855)	-
Net surplus		<u>2,976,750</u>	<u>-</u>
Other comprehensive income:			
Other comprehensive income		-	-
Total comprehensive income for the year		<u>2,976,750</u>	<u>-</u>

The annexed notes from 1 to 15 form an integral part of these financial statements.

MEM


Chief Executive Officer


Director

PAKISTAN ASSOCIATION OF FOOD INDUSTRIES
Financial Statements for the year ended 30 June 2025

Statement of cashflow

For the year ended 30 June 2025

(Stated in PKR)

	2025	2024
Cash flow from operating activities		
Profit for the year before taxation	4,192,605	-
<i>Adjustments for non cash items:</i>		
Amortization	3 46,959	-
	4,239,564	-
working capital changes		
<i>(Increase)/decrease in current assets</i>		
Advances and other receivables	-	-
	-	-
<i>Increase / (decrease) in current liabilities</i>		
Accounts and other payable	123,000	-
Cashflow from operating activities	4,362,564	-
Tax paid	(244,084)	-
Net cashflow from operating activities	4,118,480	-
Cash flow from investing activities		
Intangible asset	(1,127,000)	-
Net cash used in investing activities	(1,127,000)	-
Net increase in cash and cash equivalents	2,991,480	-
Cash and cash equivalents at the beginning of the year	25,000	25,000
Cash and cash equivalents at the end of the year	3,016,480	25,000

The annexed notes from 1 to 15 form an integral part of these financial statements.

MEM


 Chief Executive Officer


 Director

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Statement of changes in funds

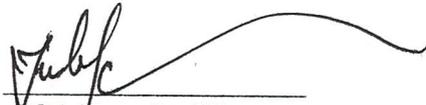
For the year ended 30 June 2025

(Stated in PKR)

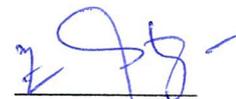
	General fund	Total
Balance at June 1 July 2024	(1,503,410)	(1,503,410)
Surplus for the year	2,976,750	2,976,750
Balance at 30 June 2025	<u>1,473,340</u>	<u>1,473,340</u>
Balance at June 1 July 2023	(1,503,410)	(1,503,410)
Surplus / (deficit) Deficit for the year	-	-
Balance at 30 June 2024	<u>(1,503,410)</u>	<u>(1,503,410)</u>

The annexed notes from 1 to 15 form an integral part of these financial statements.

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Chief Executive Officer



Director

PAKISTAN ASSOCIATION OF FOOD INDUSTRIES

Financial Statements for the year ended 30 June 2025

Notes to the financial statements

For the year ended 30 June 2025

1 Status and nature of activities

Pakistan Association of Food Industries (*the Association*) was incorporated in Pakistan as a Company limited by guarantee not having share capital on 20 November 2020 under section 42 of the Companies Act, 2017.

The primary objective of the Association is to provide a forum for regular consultation between members on matters of common interest pertaining to Food industries. It also aims to uniting its members in a common endeavor to safeguard and promote the business of food industries and to undertake such other activities as may be necessary for the welfare of its members. The registered office of the Association is situated at 12VC - 6, Claremont Road, Civil Lines, Karachi.

2 Basis of preparation and significant accounting policies and estimates

2.1 Basis of preparation

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 Standards for Small and Medium-sized Entities (IFRS for SMEs) issued by the International Accounting Standard Board (IASB) as notified by the Companies Act, 2017; and
- Accounting Standards for Not-For-Profit Organizations (Accounting Standard for NPOs) issued by the Institute of Chartered Accountants of Pakistan (ICAP) 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 the Accounting Standard for NPOs, the provisions 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. The financial statements are presented in Pakistan Rupee which is the project's functional currency.

2.3 Significant accounting policies

a) Intangible assets

Intangible assets are recognized when it is probable that future economic benefits attributable to the asset will flow to the entity and the cost of the asset can be measured reliably. Intangible assets are initially measured at cost and are subsequently carried at cost less accumulated amortization and any accumulated impairment losses.

Amortization is charged to the statement of profit and loss on a straight-line basis over the estimated useful life of the asset commencing from the month the asset is available for use.

Subsequent expenditures on intangible assets are capitalized only when they increase the future economic benefits of the specific asset; all other expenditures are recognized as incurred.

b) Cash and cash equivalents

Cash and cash equivalents comprise of cash in hand and bank balances.

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Financial Statements for the year ended 30 June 2025

c) Accrued expenses and other liabilities

Accrued expenses and other liabilities are amounts to be paid in the future for goods or services received whether or not billed to the Association.

d) Provisions

Provisions are recognized when the association has a present legal or constructive obligation as a result of past events, 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.

e) Taxation

In accordance with the provisions of Section 100 C of the Income Tax Ordinance 2001, income of the Association is subject to hundred percent tax credit. However, approval from commissioner is not obtained under section 2(36) of the Income Tax Ordinance, 2001 therefore, the income of the Association is taxable at corporate rates.

f) Income recognition

Income is recognized to the extent it is probable that the economic benefits will flow the Association and the amount of income can be measured reliably. Income is measured at the fair value of consideration received or receivable, and is recognized on the following basis.

Membership fee

Membership fee income is recognized on receipt basis.

2.3 Significant accounting estimates

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing 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 revisions affect both current and future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

a) Impairment of intangible asset

A decline in the value of intangible asset could have a significant effect on the amounts recognized in the financial statements.

Management assesses the impairment of intangible asset whenever events or changes in circumstances indicate that the carrying value may not be recoverable.

Factors that are considered important which could trigger an impairment review include the following:

- significant changes in the technology and regulatory environments.
- evidence from internal reporting which indicates that the economic performance of the asset is, or will be, worse than expected

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b) Useful lives of intangible asset

The management determines the estimated useful lives of its property and equipment / intangible asset for calculating depreciation / amortization. This estimate is determined after considering the expected usage of the asset or physical wear and tear. Management reviews the residual value and useful lives annually and future depreciation / amortization charge would be adjusted where the management believes the useful lives differ from previous estimates.

c) Income taxes

In making the estimates for income tax payable, the management looks at the applicable law and decisions of appellate authorities on certain issues in the past.

d) Contingencies and provisions

Significant estimates and judgements are being used by the management in accounting for contingencies and provisions relating to legal and taxation matters being contested at various forums based on applicable laws and the decisions / judgements.

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PAKISTAN ASSOCIATION OF FOOD INDUSTRIES
Financial Statements for the year ended 30 June 2025

(stated in PKR)

3	Intangible asset	Website	Website domain	Total
	<i>Cost</i>			
	Balance at 1 July	-	-	-
	Addition	517,500	609,500	1,127,000
	Balance at 30 June	517,500	609,500	1,127,000
	<i>Accumulated amortization</i>			
	Balance at 1 July	-	-	-
	<i>Rate of amortization</i>	10%	10%	
	Charge for the year	(21,563)	(25,396)	(46,959)
	Balance at 30 June	(21,563)	(25,396)	(46,959)
	Net book value	495,937	584,104	1,080,041
			2025	2024
4	Cash and bank			
	Current account		3,016,480	25,000
			3,016,480	25,000
5	Accrued expenses and other liabilities			
	Audit fee payable		123,000	-
			123,000	-
6	Due to related party			
	Payable to EBM		1,528,410	1,528,410
			1,528,410	1,528,410
6.1	This represent balances of the expenses paid by the EBM on behalf of the Association.			
7	Contingencies and commitments			
	There are no contingencies and commitments as at 30 June 2025 (June 2024: Nil).			
			2025	2024
8	Auditor's remuneration			
	Audit fee		100,000	-
	Sales tax		8,000	-
	Out of pocket		15,000	-
			123,000	-
9	Finance cost			
	Bank charges		920	-
			920	-
10	Taxation			
	Current tax		1,215,855	-
			1,215,855	-

10.1 The return of income of the Association is filed up till tax year 2024.

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PAKISTAN ASSOCIATION OF FOOD INDUSTRIES
Financial Statements for the year ended 30 June 2025

(stated in PKR)

11 Remuneration of Chief Executive, Directors

	2025		2024	
	Chief Executive	Director	Chief Executive	Director
Managerial remuneration	-	-	-	-
Other allowances	-	-	-	-
Total	-	-	-	-
Number of persons	1	3	1	3

11.1 The Chief executive Officer and Director of the Association are not remunerated.

12 Transactions with related parties

The related parties comprise of members, associated companies with or without common directors, directors of the Association and key management personnel those having authority and responsibility for planning, directing and controlling activities of the Association. The Association considers all members of its management team, including the Chief Executive Officer and Directors to be its key management personnel. All members works on voluntarily basis and no remuneration has been given to any member. Details of transactions with related parties entered during the year are described below.

Transactions with related parties	2025	2024
Nature of relationship	Nature of transaction	
Members	Membership fee	4,444,084
		-

The outstanding receivable and payable balances with related parties as at 30 June 2025 are included in their respective notes to the financial statements

13 Number of employees

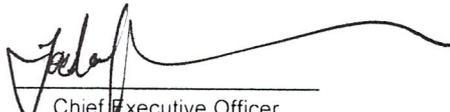
	2025	2024
Total number of employees at year end	-	-
Average number of employees for the year	-	-

14 General

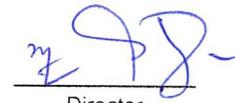
Figures have been rounded off to the nearest rupee.

15 Date of authorization

These financial statements have been authorized for issue on **23 OCT 2025** by the Board of directors of the Association.



Chief Executive Officer



Director

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