

# RAO & COMPANY

CHARTERED ACCOUNTANTS

Tel: 068-5870216

Fax: 068-5870616

Office: 10/11-B,  
Zamindara Colony,  
Rahim Yar Khan,

E-mail: raoandco\_ryk@hotmail.com

## AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **RAHIM YAR KHAN CHAMBER OF COMMERCE & INDUSTRY** as at June 30, 2008 and the related income and expenditure account, cash flow statement, and statement of changes in funds together with the notes forming part thereof for the year then ended 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 our audit.

It is the responsibility of the Chamber's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosure in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by the management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides reasonable basis for our opinion and, after due verification, we report that:

- a) in our opinion, proper books of account have been kept by the Chamber as required by the Companies Ordinance, 1984;
- b) in our opinion :-
  - i. the balance sheet and income and expenditure account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of accounts and are further in accordance with accounting policies consistently applied;
  - ii. the expenditure incurred during the year was for the purpose of the Chamber's business; and
  - iii. the business conducted, investments made and the expenditures incurred during the year were in accordance with the object of the Chamber.
- c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, income and expenditure account, cash flow statement and statement of changes in funds together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan and give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Chamber's affairs as at June 30, 2008, and of the surplus, its cash flows and changes in funds for the year then ended; and
- d) In our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980. (XVIII of 1980).

Date: **20 AUG 2009**  
Rahim Yar Khan.

Audit Engagement Partner



*Rao & Co.*  
RAO & COMPANY  
CHARTERED ACCOUNTANTS

NISAR AHMED(FCA)

**RAHIM YAR KHAN CHAMBER OF COMMERCE AND INDUSTRY  
BALANCE SHEET  
AS ON JUNE 30, 2008**

	Note	2008 Rupees
<b>PROPERTY AND ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property and equipments	3	556,148
<b>CURRENT ASSETS</b>		
Advance, deposit and receivables	4.	389,160
Cash and bank balances	5.	1,091,117
		1,480,277
		2,036,425
<b>FUNDS AND LIABILITIES</b>		
General fund		-
Accumulated surplus		1,876,162
		1,876,162
<b>CURRENT LIABILITIES</b>		
Creditors	6.	80,270
Accrued expenses	7.	79,993
		2,036,425

The annexed notes form an integral part of these financial statements.

  
SECRETARY GENERAL

  
VICE PRESIDENT

  
PRESIDENT



**RAHIM YAR KHAN CHAMBER OF COMMERCE & INDUSTRY  
INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED JUNE 30, 2008**

	2008 Rupees
<b>INCOME</b>	
<b>Membership subscription</b>	
SUBSCRIPTION	
Renewal Fee	895,000
Admission Fee	-
Membership Fee	1,955,000
	2,850,000
<b>Other income</b>	
Income from Donation	191,800
	3,041,800
<b>EXPENDITURE</b>	
Staff salaries and benefits	362,546
Legal and Professional Exp	30,080
Printing and stationery	33,578
Postage and couriers	10,553
Telephone and fax	32,529
Entertainment	22,278
Audit fee	25,000
Bank charges	11,809
Newspaper and publications	4,876
Seminars/Workshops	148,000
Office Rent	240,000
Travelling expenses	12,950
Electricity expenses	20,045
Repairs and maintenance	18,655
Publicity and Advertisement	58,914
Miscellaneous	25,023
Depreciation	108,803
	1,165,639
Surplus/(Deficit) for the year	1,876,162

The annexed notes form an integral part of these financial statements.

  
SECRETARY GENERAL

  
VICE PRESIDENT

  
PRESIDENT





**RAHIM YAR KHAN CHAMBER OF COMMERCE & INDUSTRY**  
**STATEMENT OF CHANGES IN FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2008**

	General Fund	Accumulated surplus	Total
	-----Rupees-----		
Surplus for the year June 30, 2008	-	1,876,162	1,876,162
Balance as at June 30, 2008	-	1,876,162	1,876,162

The annexed notes form an integral part of these financial statements.



  
**SECRETARY GENERAL**

  
**VICE PRESIDENT**

  
**PRESIDENT**

**RAHIM YAR KHAN CHAMBER OF COMMERCE & INDUSTRY**  
**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED JUNE 30, 2008**

	<b>2008</b> <b>Rupees</b>
<b>Cash flow from operating activities</b>	
Surplus/(Deficit) for the year	1,876,162
<b>Adjustment of non-cash items</b>	
Depreciation	108,803
Cash flow generated before working capital changes	<u>1,984,964</u>
<b>Working capital changes:</b>	
<b>(Increase) / decrease in current assets</b>	
Advance, deposit, receivables and prepayments	(389,160)
	<u>(389,160)</u>
<b>Increase / (decrease ) in current liabilities</b>	
Creditors	80,270
Accrued expenses	79,993
<b>Net cash from/(used in) operating activities</b>	<u>1,756,067</u>
<b>Cash flow from investing activities</b>	
Addition in property and equipments	(664,950)
<b>Net cash used in investing activities</b>	<u>(664,950)</u>
Net (decrease)/ increase in cash and cash equivalents	<u>1,091,117</u>
Cash and cash equivalents at the beginning of the year	-
Cash and cash equivalents at the end of the year	<u><u>1,091,117</u></u>

The annexed notes form an integral part of these financial statements.

  
**SECRETARY GENERAL**

  
**VICE PRESIDENT**

  
**PRESIDENT**



**RAHIM YAR KHAN CHAMBER OF COMMERCE & INDUSTRY**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED JUNE 30, 2008**

**1. STATUS**

The Chamber was formed in July 2007 as a limited liability company (proposed) under the provisions of the Companies Ordinance, 1984 with prime objects to unite the members in their common approach on all matters concerning the members.

- 1.1 The Trade Organization Ordinance 2007 has been promulgated. On application of the chamber, the Director Trade organisation has granted licence under section 42 of the Companies Ordinance, 1984. The Chamber has submitted documents for Incorporation of Company u/s 42 of the Company ordinance, 1984 before the Company Registration office, Multan. However Incorporation certificate has not been issued to date

**2. SIGNIFICANT ACCOUNTING POLICIES**

**2.1 STATEMENT OF COMPLIANCE**

These financial statements have been prepared in accordance with approved accounting standards, as applicable in Pakistan. Approved accounting standards comprise of Accounting and Financial Reporting Standard for Small-Sized Entities (SSEs) issued by the Institute of Chartered Accountants of Pakistan and provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

**2.2 ACCOUNTING CONVENTION**

These accounts have been prepared under the historical cost convention.

**2.3 PROPERTY AND EQUIPMENT**

These are stated at cost less accumulated depreciation. Depreciation is charged to income applying the diminishing balance method at the rates specified in the schedule. Depreciation for addition and deletion is charged for the number of months, these are used during the year. Minor repairs and maintenance are charged to current expenses, while major Renewals and Improvements are capitalised. Any gain or loss on disposal is charged to current year's revenue.

**2.4 INVESTMENT**

Investments are classified as held to maturity, which are securities with a fixed maturity that the Chamber has the intent and ability to hold until maturity.

All investments are initially recognized at cost.

**2.5 REVENUE RECOGNITION**

Subscription, and Donation income are recognized as and when received. Return on investment is recorded on accrual basis.

**2.6 PROVISION**

Provision are recognized in the balances sheet when the Chamber has legal or constructive obligation as a result of past events and it is probable that out flow of economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. However, provisions are reviewed at each balance sheet date and adjusted to reflect current best estimate.

## 2.7 IMPAIRMENT LOSS

The carrying amounts of the Chamber's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment loss. Impairment losses, if any, are recognized as expense in the income and expenditure account.

## 2.8 CASH AND CASH EQUIVALENTS

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of cash flow statements, cash and cash equivalents comprises of cash in hand, balance with banks and short term investments realizable within a year.

## 2.9 INCOME TAX

Rahim Yar Khan Chamber of Commerce & Industry is a non-profitable organization. However, necessary approval in this regard from Tax Authorities has not been obtained.



### 3. PROPERTY AND EQUIPMENT

Description	Cost as at July 01, 2007	Addition / (Deletion)	Cost as at June 30, 2008	Charged on	Depreciation for the year	Accumulated depreciation as on June 30, 2008	Written down value on June 30, 2008	Rate
<b>TANGIBLE</b>								
Furniture and fixtures	570,150	-	570,150	570,150	85,523	85,523	484,628	15%
Office equipments	34,400	-	34,400	34,400	5,160	5,160	29,240	15%
Computer	60,400	-	60,400	60,400	18,120	18,120	42,280	30%
<b>Total (Rupees)</b>	<b>664,950</b>	<b>-</b>	<b>664,950</b>	<b>664,950</b>	<b>108,803</b>	<b>108,803</b>	<b>556,148</b>	

2008  
Rupees

### 4. ADVANCES, DEPOSIT, RECEIVABLES AND PREPAYMENTS

Unsecured, considered good

Advance tax

Other Receivables

Security deposit

3,955
81,705
303,500
<u>389,160</u>





2008  
Rupees

**5. CASH AND BANK BALANCES**

Cash in hand 987  
Cash at banks - in current accounts 1,090,130

1,091,117

**6. Creditors**

Riaz Ahmed 25,674  
Mian Muhammad Ahmed 1,860  
Mr. Naseer Tariq 5,800  
Al-Mukhtar Flour Mills 46,936  
80,270

**7. ACCRUED EXPENSES**

Salary payable 39,200  
Audit fee 25,000  
Telephone 2,820  
Electricity 1,620  
Other expenses payable 11,353  
79,993

**8. DATE OF AUTHORIZATION FOR ISSUE**

The Managing Committee of the Association authorized these financial statement for issue on 15 AUG 2007

**9. GENERAL**

Figures have been rounded to nearest rupee.

  
SECRETARY GENERAL

  
VICE PRESIDENT

  
PRESIDENT

