

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **M/S RAHIM YAR KHAN CHAMBER OF COMMERCE & INDUSTRY** as at June 30, 2010 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 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 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 affairs as at June 30, 2010, 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: **22 SEP 2010**
Rahim Yar Khan.

Rao & Co.
RAO & COMPANY
CHARTERED ACCOUNTANTS

Audit Engagement Partner
Nisar Ahmed FCA



RAHIM YAR KHAN CHAMBER OF COMMERCE AND INDUSTRY
BALANCE SHEET
AS ON JUNE 30, 2010

PROPERTY AND ASSETS	Note	2010 Rupees	2009 Rupees
NON-CURRENT ASSETS			
Property and equipments	3	5,604,407	482,349
CURRENT ASSETS			
Advance, deposit and receivables	4	428,964	333,190
Cash and bank balances	5.	5,723,486	1,019,452
		6,152,450	1,352,642
		11,756,857	1,834,991
FUNDS AND LIABILITIES			
General fund		6,000,000	1,500,000
Building Fund		3,600,000	
Accumulated surplus		1,670,134	179,393
		11,270,134	1,679,393
CURRENT LIABILITIES			
Creditors	6	249,792	17,600
Accrued expenses	7.	236,931	137,998
		11,756,857	1,834,991

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, 2010

	2010 Rupees	2009 Rupees
INCOME		
Membership subscription		
SUBSCRIPTION		
Renewal Fee	5,352,000	-
Membership Fee	3,096,000	1,495,000
Membership Card Fee	101,800	-
	8,549,800	1,495,000
Other income		
Income from Donation	968,303	-
Profit on Saving A/C	145,521	-
Waste Sale	-	60,390
Mcci Award	33,000	1,455
	9,696,624	1,556,845
EXPENDITURE		
Staff salaries and benefits	742,326	606,484
Meeting expenses	716,818	93,560
Fee & Subscription	156,000	116,000
Legal and Professional Exp	52,520	30,730
Printing and stationery	106,026	98,507
Postage and couriers	170,011	39,110
Telephone and fax	60,485	42,003
Entertainment	59,123	33,104
Audit fee	45,000	25,000
Bank charges	646	727
Newspaper and publications	191,057	14,185
Seminars/Workshops	338,527	1,395
Office Rent	270,000	240,000
Travelling expenses	60,110	32,289
Electricity expenses	125,829	121,186
Gas Expenses	5,400	7,690
Repairs and maintenance	21,563	14,475
Publicity and Advertisement	426,173	33,625
Miscellaneous	56,057	59,715
Depreciation	99,212	90,829
Charity & Donation	-	50,000
Website charges	3,000	3,000
	3,705,883	1,753,614
Surplus/(Deficit) for the year	5,990,741	(196,769)

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, 2010

	General Fund	Building Fund	Accumulated surplus/(Deficit)	Total
Balance as at 1st July, 2008	-	-	1,876,162	1,876,162
Surplus/(Deficit) for the year June 30,2009	-	-	(196,769)	(196,769)
Transfer to General Fund	1,500,000	-	(1,500,000)	-
Balance as at 1st July, 2009	1,500,000	-	179,393	1,679,393
Surplus/(Deficit) for the year June 30,2010	-	-	5,990,741	5,990,741
Transfer to General Fund	4,500,000	-	(4,500,000)	-
Received During The Year	-	3,600,000	-	3,600,000
Balance as at June 30, 2010	6,000,000	3,600,000	1,670,134	11,270,134

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, 2010

	2010 Rupees	2009 Rupees
Cash flow from operating activities		
Surplus/(Deficit) for the year	5,990,741	(196,769)
Adjustment of non-cash items		
Depreciation	99,212	90,829
Cash flow generated/(used) before working capital changes	6,089,953	(105,940)
Working capital changes:		
(Increase) / decrease in current assets		
Advance, deposit, receivables and prepayments	(95,774)	55,970
	(95,774)	55,970
Increase / (decrease) in current liabilities		
Creditors	232,192	(62,670)
Accrued expenses	98,933	58,005
Net cash from/(used in) operating activities	6,325,304	(54,635)
Cash flow from investing activities		
Addition in property and equipments	(5,221,270)	(17,030)
Net cash used in investing activities	(5,221,270)	(17,030)
Cash flow from financing activities		
Donation for building fund	3,600,000	
NET CASH FROM FINANCING ACTIVITIES		
Net (decrease)/ increase in cash and cash equivalents (A+B+C)	4,704,034	(71,665)
Cash and cash equivalents at the beginning of the year	1,019,452	1,091,117
Cash and cash equivalents at the end of the year	5,723,486	1,019,452

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, 2010

1 STATUS

The Chamber was formed in July 2007 as a limited liability company 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. The chamber was granted license No.125 dated 13-5-2007 u/s 3 (2) (b) of the Trade Organization Ordinance 2007 certificate of incorporation was issued on 27-01-2010 by the Company Registration Office, Multan.

1.1 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 SIGNIFICANT ACCOUNTING POLICIES

2.1 ACCOUNTING CONVENTION

These accounts have been prepared under the historical cost convention.

2.2 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. No depreciation is charge in the year of disposal. 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.

2.3 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.

2.4 REVENUE RECOGNITION

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

2.5 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.

2.6 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.

2.7 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.

2.8 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..

RAHIM YAR KHAN CHAMBER OF COMMERCE AND INDUSTRY
FOR THE YEAR ENDED 30TH JUNE, 2010

3. PROPERTY AND EQUIPMENT

Description	Cost as at July 01, 2009	Addition / (Deletion)	Cost as at June 30, 2010	Accumulated depreciation as on July 01, 2009	Depreciation for the year	Accumulated depreciation as on June 30, 2010	W. D. V as at June, 30, 2010	Rate
TANGIBLE								
Land free hold		5,012,550					5,012,550	
Furniture and fixtures	582,150	48,500	630,650	158,967	66,577	225,544	405,106	15%
Office equipments	39,430	81,620	121,050	9,860	11,392	21,252	99,798	15%
Computer	60,400	78,600	139,000	30,804	21,243	52,047	86,953	30%
Total (Rupees)	681,980	5,221,270.0	5,903,250	199,631	99,212	298,843	5,604,407	-
2009 Rupees	664,950	17,030	681,980	108,803	90,829	199,631	482,349	-

4. ADVANCE DEPOSIT & OTHER RECEIVABLE

- Unsecured, considered good
- Advance tax
- Other Receivables
- Security deposit

	2010 Rupees	2009 Rupees
	45,904	18,576
	78,360	11,114
	304,700	303,500
	428,964	333,190

	2010 Rupees	2009 Rupees
5. CASH AND BANK BALANCES		
Cash in hand	43,962	45,238
Cash at banks		-
in Saving Account	679,524	974,214
in PLS account - Term deposit 3 Months.	5,000,000	-
	<u>5,723,486</u>	<u>1,019,452</u>
6 CREDITORS		
Ch.Riaz Ahmed	7,600	12,600
Ch.Muhammad Saleem	13,154	-
Tajikstan Delegation	25,000	-
Al-Mukhtar Flour Mills	-	5,000
Australia Delegation	204,038	-
	<u>249,792</u>	<u>17,600</u>
7. ACCRUED EXPENSES		
Salary payable	96,771	57,785
Audit fee	45,000	50,000
Telephone	4,728	3,270
Electricity	54,448	8,363
Other expenses payable	35,984	18,580
	<u>236,931</u>	<u>137,998</u>

8. DATE OF AUTHORIZATION FOR ISSUE


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

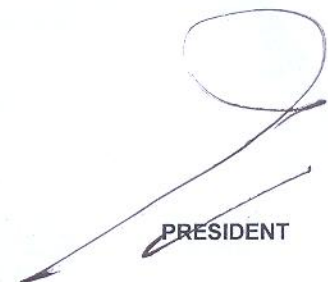
22 SEP 2010

9. GENERAL

Figures have been rounded to nearest rupee.


SECRETARY GENERAL


VICE PRESIDENT


PRESIDENT