

Rahim Yar Khan Chamber of Commerce & Industry

SHAHBAZPUR ROAD, RAHIM YAR KHAN, PAKISTAN

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Directors' Report

The board of Directors of **Rahim Yar Khan Chamber of Commerce and Industry** is pleased to present its 6th Annual Report together with Audited Financial Statements of the Chamber for the year ended June 30th, 2013.

Operational and Financial Report:

Total income for the year was Rs.7.697 (M) as compared to last year income Rs.13.75 (M). The expenses for the year were Rs.5.34 (M) as compared to last year expenses Rs.5.66 (M). Net surplus for the year was Rs.2.35 (M) as compared last year surplus Rs. 8.09 (M)

Property & equipments were Rs.9.09 (M) as compared last year Rs. 8.90 (M). The Funds were Rs.23.68 (M) as compared last year Rs. 21.33 (M).

Future Prospects:

Efforts are being made to construct Chamber's own Building which will help to provide better services to members of Chamber.

Auditors:

The existing Auditors M/S Rao & Co. Chartered Accountants retire at the close of members Annual Meeting and have offered themselves for re-appointment.

Sheikh Amad-Ud-Din
President

Rahim Yar Khan Chamber of Commerce and Industry

WORKING TOGETHER FOR BETTER FUTURE

RAO & COMPANY

CHARTERED ACCOUNTANTS

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Rahim Yar Khan.
PAKISTAN

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **RAHIM YAR KHAN CHAMBER OF COMMERCE & INDUSTRY ('the Association')** as at June 30, 2013 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 Association'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 Association 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 Association's affairs as at June 30, 2013, 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 Usher Ordinance, 1980. (XVIII of 1980).

Date: **10 FEB 2016**
Rahim Yar Khan.

Rao & Co.
RAO & COMPANY
CHARTERED ACCOUNTANTS
Audit Engagement Partner
ABDUL RAFAY.ACA

RAHIM YAR KHAN CHAMBER OF COMMERCE AND INDUSTRY

BALANCE SHEET

As at 30 June 2013

	Note	2013 Rupees	2012 Rupees
NON-CURRENT ASSETS			
Property and equipments	3	9,098,010	8,903,240
Citizen Community Board Share	4	8,794,800	-
		17,892,810	8,903,240
CURRENT ASSETS			
Advance, deposit and receivables	5	545,563	545,334
Cash and bank balances	6	7,047,144	12,533,430
		7,592,707	13,078,764
TOTAL ASSETS		25,485,517	21,982,004
FUNDS AND LIABILITIES			
General fund		6,000,000	6,000,000
Building fund		4,000,000	4,000,000
Accumulated surplus		13,682,940	11,330,479
		23,682,940	21,330,479
CURRENT LIABILITIES			
Creditors	7	1,071,453	305,553
Accrued expenses	8	731,124	345,972
		1,802,577	651,525
Contingencies and commitments	9		
TOTAL LIABILITIES		25,485,517	21,982,004

The annexed notes form 1 to 9 an integral part of these financial statements.


SECRETARY GENERAL


SENIOR VICE PRESIDENT


PRESIDENT



RAHIM YAR KHAN CHAMBER OF COMMERCE & INDUSTRY

INCOME AND EXPENDITURE ACCOUNT

For the year ended 30 June 2013

	2013	2012
	Rupees	Rupees
<u>INCOME</u>		
Membership subscription		
Renewal Fee	6,088,000	6,956,000
Membership Fee	643,000	5,330,000
	6,731,000	12,286,000
Other income		
Income from Donation	790,000	790,000
Profit on Saving A/C	63,242	368,602
Recommendation Letter	112,500	46,500
Mcci Award/ Delegation	-	266,628
	7,696,742	13,757,730
<u>EXPENDITURE</u>		
Staff salaries and benefits	1,714,199	1,447,923
chairman Salary and allowance	399,554	-
Security Exp.	222,000	57,312
AGM & Election Expenses	61,770	812,068
Membership Card & Certificate exp.	130,000	233,650
Legal and Professional Exp	203,550	144,940
Printing and stationery	161,961	204,279
Postage and couriers	120,638	307,175
Telephone and fax	107,380	108,185
Entertainment	247,788	182,775
Audit fee	50,000	50,000
Bank charges	1,974	1,274
Newspaper and publications	143,772	361,590
Meetings, Saminars/Workshops	49,729	530,698
Office Rent	420,000	330,000
Travelling expenses	167,340	83,071
Electricity expenses	154,301	97,643
Gas Expenses	22,540	12,280
Repairs and maintenance	46,769	93,020
Publicity and Advertismen	55,090	332,813
Miscellaneous	63,376	88,040
Depreciation	146,220	136,658
Chairty & Donation	20,000	41,800
Website charges	4,000	4,000
Building salary expense.	420,000	-
Haji camp 2012	179,900	-
Generator exp	30,430	-
	5,344,281	5,661,194
Surplus for the year	2,352,461	8,096,536

The annexed notes form 1 to 9 an integral part of these financial statements.

SECRETARY GENERAL

SENIOR VICE PRESIDENT

PRESIDENT



RAHIM YAR KHAN CHAMBER OF COMMERCE & INDUSTRY

CASH FLOW STATEMENT

For the year ended 30 June 2013

	2013	2012
	Rupees	Rupees
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus for the year	2,352,461	8,096,536
Adjustment of non-cash items		
Depreciation	146,220	136,658
Asset discarded during the year (WDV)	-	4,138
Cash flow generated/(used) before working capital changes	<u>2,498,681</u>	<u>8,237,332</u>
Working capital changes:		
(Increase) / decrease in current assets		
C.C.B share 20%	(8,794,800)	-
Advance, deposit, receivables and prepayments	<u>(229)</u>	<u>303,306</u>
	(8,795,029)	303,306
Increase / (decrease) in current liabilities		
Creditors	765,900	(222,870)
Accrued expenses	<u>385,152</u>	<u>234,530</u>
Net cash flows from operating activities	1,151,052	11,660
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	<u>(340,990)</u>	<u>(404,272)</u>
Net cash used in investing activities	(340,990)	(404,272)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Donation received for Building fund	-	-
Net cash flows from financing activities	-	-
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(5,486,286)	8,148,026
Cash and cash equivalents at the beginning of the year	12,533,430	4,385,404
Cash and cash equivalents at the end of the year	<u><u>7,047,144</u></u>	<u><u>12,533,430</u></u>

The annexed notes form 1 to 9 an integral part of these financial statements.

SECRETARY GENERAL

SENIOR VICE PRESIDENT

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RAHIM YAR KHAN CHAMBER OF COMMERCE & INDUSTRY


STATEMENT OF CHANGES IN FUNDS


For the year ended 30 June 2013

	General Fund	Building Fund	Accumulated surplus	Total
Balance as at 1st July, 2011	6,000,000	4,000,000	3,233,943	13,233,943
Surplus for the year	-	-	8,096,536	8,096,536
Balance as at 01st July, 2012	6,000,000	4,000,000	11,330,479	21,330,479
Surplus for the year			2,352,461	2,352,461
Balance as at 30 June, 2013	6,000,000	4,000,000	13,682,940	23,682,940

The annexed notes form 1 to 9 an integral part of these financial statements.


SECRETARY GENERAL


SENIOR VICE PRESIDENT


PRESIDENT



RAHIM YAR KHAN CHAMBER OF COMMERCE & INDUSTRY

Notes to the financial statements

For the year ended 30 June 2013

1. STATUS

Rahim Yar Khan Chamber of Commerce & Industry ('the Chamber') was formed in July 2007 and incorporated as a company limited by guarantee in January 2010 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 has been granted license to work as trade organization under section 42 of the Companies Ordinance, 1984.

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.

Significant accounting estimates and judgments

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise judgment, estimates and assumptions in the process of applying accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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- Useful lives of property, plant and equipment (note: 2)
- Provision against doubtful receivables

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 capitalized. 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 and other income 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..



		2013	2012
		Rupees	Rupees
3. Property and equipment			
Operating fixed assets	3.1	7,878,461	8,011,681
Capital work in progress - Chamber building	3.2	1,219,549	891,559
		<u>9,098,010</u>	<u>8,903,240</u>

3.1 Operating fixed assets

	Freehold land	Furniture and fixture	Office equipments	Computers	Total
	----- Rupees -----				
As at 1 July 2010					
Cast	5,012,550	630,650	121,050	139,000	5,903,250
Accumulated depreciation	-	(225,544)	(21,252)	(52,047)	(298,843)
Net book value	<u>5,012,550</u>	<u>405,106</u>	<u>99,798</u>	<u>86,953</u>	<u>5,604,407</u>

Year ended 30 June 2011

Opening net book value	5,012,550	405,106	99,798	86,953	5,604,407
Additions	2,075,600	50,237	251,733	-	2,377,570
Disposals	-	-	-	-	-
Depreciation charge	-	(67,663)	(30,247)	(26,086)	(123,996)
Closing net book value	<u>7,088,150</u>	<u>387,680</u>	<u>321,284</u>	<u>60,867</u>	<u>7,857,981</u>

Year ended June 30, 2012

Opening net book value	7,088,150	387,680	321,284	60,867	7,857,981
Additions	-	23,100	271,396	-	294,496
Disposals	-	-	(4,138)	-	(4,138)
Depreciation charge	-	(59,885)	(58,513)	(18,260)	(136,658)
Closing net book value	<u>7,088,150</u>	<u>350,895</u>	<u>530,029</u>	<u>42,607</u>	<u>8,011,681</u>

At June 30, 2012

Cost	7,088,150	703,987	640,041	139,000	8,571,178
Accumulated depreciation	-	(353,092)	(110,012)	(96,393)	(559,497)
Net book value	<u>7,088,150</u>	<u>350,895</u>	<u>530,029</u>	<u>42,607</u>	<u>8,011,681</u>

Year ended June 30, 2013

Opening net book value	7,088,150	350,895	530,029	42,607	8,011,681
Additions	-	13,000	-	-	13,000
Disposals	-	-	-	-	-
Depreciation charge	-	(53,934)	(79,504)	(12,782)	(146,220)
Closing net book value	<u>7,088,150</u>	<u>309,961</u>	<u>450,525</u>	<u>29,825</u>	<u>7,878,461</u>

At June 30, 2013

Cost	7,088,150	716,987	640,041	139,000	8,584,178
Accumulated depreciation	-	(407,026)	(189,516)	(109,175)	(705,717)
Net book value	<u>7,088,150</u>	<u>309,961</u>	<u>450,525</u>	<u>29,825</u>	<u>7,878,461</u>

Depreciation rates	0%	15%	15%	30%
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3.2 Capital work in progress - Chamber building

	2013	2012
	Rupees	Rupees
Opening balance	891,559	781,783
Additions during the year	327,990	109,776
	<u>1,219,549</u>	<u>891,559</u>



	2013 Rupees	2012 Rupees
4. Citizen Community Board Share		
This represent contribution made by the chamber towards citizen community board (CCB) under Rules ,2003 namely Rahim Yar Khan Chamber of Commerece & Industry , Citizen Community Board , RYK Khan established for construction of new chamber building. The total estimate of chamber building cost is Rs. 43.974 million/- according to approval by the Chief Minister Punjab the Chamber is required to contibute 20% of the estimate to CCB and remaining 80% is provided by the provincial Govt.		
5. ADVANCES, DEPOSIT, RECEIVABLES AND PREPAYMENTS		
Unsecured, considered good		
Advance tax	138,281	115,526
Other Receivables	98,582	123,108
Security deposit	308,700	306,700
	<u>545,563</u>	<u>545,334</u>
6. CASH AND BANK BALANCES		
Cheques & Cash in hand	14,444	411,827
Cash at banks		
In Current Account	6,942,136	9,482,879
In Saving account	90,564	2,638,724
	<u>7,032,700</u>	<u>12,121,603</u>
	<u>7,047,144</u>	<u>12,533,430</u>
7. Creditors		
Ch Muhammad Saleem Bhullar	2,000	2,000
Crown Lifan Motorcycle	1,800	1,800
Ch Muhammad Ashraf	730	2,230
Gulam Yaseen	25,000	25,000
Ch. Abdul Samad	807,000	-
Syed Akbar Ghazi	96,000	96,000
Adnan Amin	13,400	-
Gillan Brothers	1,000	-
Rohi Motor	4,000	-
Flood Donation	14,523	64,523
Payable to members	32,000	44,000
Un known income	74,000	70,000
	<u>1,071,453</u>	<u>305,553</u>

This represent credits in the bank accounts of the chamber the basis of wich is un known to the management till the authorization of these financial statements so these are recorded as liability.



8. ACCRUED EXPENSES

Salary payable

392,272

119,596

Audit fee

50,000

50,000

Other expenses payable

288,852

176,376

731,124

345,972

9. CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments at balance sheet date.

10. NUMBER OF EMPLOYEES

2013

2012

Total number of employees as at 30, June

8

9

11. AUTHORISATION

The financial statements were approved by the Executive Committee of Chamber in their meeting held on 17 FEB 2015.

SECRETARY GENERAL

SENIOR VICE PRESIDENT

PRESIDENT

