

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 7th Annual Report together with Audited Financial Statements of the Chamber for the year ended June 30th, 2014.

Operational and Financial Report:

Total income for the year was Rs.6.12 (M) as compared to last year income Rs.7.697 (M). The expenses for the year were Rs.4.30 (M) as compared to last year expenses Rs. 5.34 (M). Net surplus for the year was Rs.1.82 (M) as compared last year surplus Rs. 2.35 (M).

Property & equipments were Rs.9.39 (M) as compared last year Rs.9.09 (M). The Funds were Rs.25.50 (M) as compared last year Rs.23.68 (M).

Future Prospectus:

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

RAO & COMPANY
CHARTERED ACCOUNTANTS

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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, 2014 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, 2014, 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: 17 FEB 2016
Rahim Yar Khan.

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

RAHIM YAR KHAN CHAMBER OF COMMERCE AND INDUSTRY

BALANCE SHEET

As at 30 June 2014

	Note	2014 Rupees	2013 Rupees
NON-CURRENT ASSETS			
Property and equipment	3	9,391,359	9,098,010
Citizen Community Board Share	4	8,794,800	8,794,800
		18,186,159	17,892,810
CURRENT ASSETS			
Advance, deposit and receivables	5	545,533	545,563
Cash and bank balances	6	7,208,561	7,047,144
		7,754,094	7,592,707
		25,940,253	25,485,517
FUNDS AND LIABILITIES			
General fund		6,000,000	6,000,000
Building fund		4,000,000	4,000,000
Accumulated surplus		15,503,566	13,682,940
		25,503,566	23,682,940
CURRENT LIABILITIES			
Creditors	7	261,453	1,071,453
Accrued expenses	8	175,234	731,124
		436,687	1,802,577
Contingencies and commitments	9		
		25,940,253	25,485,517

The annexed notes form 1 to 12 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 2014

	2014 Rupees	2013 Rupees
<u>INCOME</u>		
Membership subscription		
Renewal Fee	5,380,000	6,088,000
Membership Fee	535,000	643,000
	5,915,000	6,731,000
Other income		
Income from Donation	-	790,000
Profit on Saving A/C	4,717	63,242
Recommendation Letter	202,300	112,500
	6,122,017	7,696,742
<u>EXPENDITURE</u>		
Staff salaries and benefits	1,572,782	1,714,199
Security Exp.	204,000	222,000
AGM & Election Expenses	-	61,770
Membership Card & Certificate exp.	186,250	130,000
Legal and Professional Exp	136,720	203,550
Printing and stationery	68,172	161,961
Postage and couriers	129,098	120,638
Telephone, fax and Internet	89,525	107,380
Entertainment Exp.	189,849	247,788
Audit fee	50,000	50,000
Bank charges	35	1,974
Newspaper and publications	32,540	143,772
Meetings, Saminars/Workshops	29,740	49,729
Office Rent	480,000	420,000
Travelling expenses	44,200	167,340
Electricity expenses	216,575	154,301
Gas Expenses	26,020	22,540
Repairs and maintenance	36,545	46,769
Publicity and Advertisement	40,470	55,090
Miscellaneous	37,401	63,376
Depreciation	128,469	146,220
Chairty & Donation	-	20,000
Website charges	4,000	4,000
New Building Staff salary expense.	420,000	420,000
chairman Adhoc Management Committee Exp.	179,000	399,554
Haji camp 2012	-	179,900
Generator exp	-	30,430
	4,301,391	5,344,281
Surplus for the year	1,820,626	2,352,461

The annexed notes form 1 to 12an 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 2014

	2014 Rupees	2013 Rupees
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus for the year	1,820,626	2,352,461
Adjustment of non-cash items		
Depreciation	128,469	146,220
Cash flow generated/(used) before working capital changes	1,949,095	2,498,681
Working capital changes:		
(Increase) / decrease in current assets		
Advance, deposit, receivables and prepayments	22,000	22,526
	22,000	22,526
Increase / (decrease) in current liabilities		
Creditors	(810,000)	765,900
Accrued expenses	(555,890)	385,152
Net cash generated from operations	(1,365,890)	1,151,052
Taxes paid	(21,970)	(22,755)
Net cash flows from operating activities	(1,387,860)	1,128,297
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Payment of C.C.B share	-	(8,794,800)
Fixed capital expenditure	(421,818)	(340,990)
Net cash used in investing activities	(421,818)	(9,135,790)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Net cash flows from financing activities	-	-
Net increase / (decrease) in cash and cash equivalents (A+B+C)	161,417	(5,486,286)
Cash and cash equivalents at the beginning of the year	7,047,144	12,533,430
Cash and cash equivalents at the end of the year	7,208,561	7,047,144

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SECRETARY GENERAL

SENIOR VICE PRESIDENT

PRESIDENT



RAHIM YAR KHAN CHAMBER OF COMMERCE & INDUSTRY

STATEMENT OF CHANGES IN FUNDS


For the year ended 30 June 2014

	General Fund	Building Fund	Accumulated surplus	Total
Balance as at 1st 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 1st july, 2013	6,000,000	4,000,000	13,682,940	23,682,940
Surplus for the year			1,820,626	1,820,626
Balance as at 30 june,2014	6,000,000	4,000,000	15,503,566	25,503,566

The annexed notes form 1 to 12an 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 2014

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 Medium Sized Entities (MSE's) issued by the Institute of Chartered Accountants of Pakistan and provision 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..



		2014	2013
		Rupees	Rupees
3 Property and equipment			
Operating fixed assets	3.1	7,823,792	7,878,461
Capital work in progress - Chamber building	3.2	1,567,567	1,219,549
		<u>9,391,359</u>	<u>9,098,010</u>

3.1 Operating fixed assets

	Freehold land	Furniture and fixture	Office equipments	Computers	Total
	----- Rupees -----				
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>
Year ended June 30, 2014					
Opening net book value	7,088,150	309,961	450,525	29,825	7,878,461
Additions	-	18,000	55,800	-	73,800
Disposals	-	-	-	-	-
Depreciation charge	-	(46,719)	(72,802)	(8,948)	(128,469)
Closing net book value	<u>7,088,150</u>	<u>281,242</u>	<u>433,523</u>	<u>20,877</u>	<u>7,823,792</u>
At June 30, 2014					
Cost	7,088,150	734,987	695,841	139,000	8,657,978
Accumulated depreciation	-	(453,745)	(262,318)	(118,123)	(834,186)
Net book value	<u>7,088,150</u>	<u>281,242</u>	<u>433,523</u>	<u>20,877</u>	<u>7,823,792</u>

Depreciation rates 0% 15% 15% 30%

		2014	2013
		Rupees	Rupees
3.2 Capital work in progress - Chamber building			
Opening balance		1,219,549	891,559
Additions during the year		348,018	327,990
		<u>1,567,567</u>	<u>1,219,549</u>



4 Citizen Community Board Share

This represent contribution made by the chamber towards citizen community board (CCB) under Rules ,2003 namely Rahim Yar Khan Chamb
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
contibute 20% of the estimate to CCB and remaining 80% is provided by the provincial Govt.

5 ADVANCES, DEPOSIT, RECEIVABLES AND PREPAYMENTS

	2014	2013
	Rupees	Rupees
Unsecured, considered good		
Advance tax	21,970	22,755
Income tax refund	138,281	115,526
Other Receivables	76,582	98,582
Security deposit	308,700	308,700
	<u>545,533</u>	<u>545,563</u>

6 CASH AND BANK BALANCES

Cheques & Cash in hand	9,083	14,444
Cash at banks		
In Current Account	7,080,003	6,942,136
In Saving account	119,475	90,564
	<u>7,199,478</u>	<u>7,032,700</u>
	<u>7,208,561</u>	<u>7,047,144</u>

7 Creditors

Ch Muhammad Saleem Bhullar	2,000	2,000
Crown Lifan Motorcycle	800	1,800
Ch Muhammad Ashraf	730	730
Gulam Yaseen	25,000	25,000
Ch. Abdul Samad	-	807,000
Syed Akbar Ghazi	96,000	96,000
Adnan Amin	1,400	13,400
Gillan Brothers	-	1,000
Rohi Motor	4,000	4,000
Flood Donation	14,523	14,523
Payable to members	8,000	32,000
Fayyaz Cotton (Pvt) Ltd	11,500	-
Mian Javed Iqbal	12,000	-
Haji Muhammad Ibrahim	3,500	-
Thar Seed Corporation	4,000	-
Un known income	78,000	74,000
	<u>261,453</u>	<u>1,071,453</u>

7.1

7.1 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 financ
statements so these are recorded as liability.



8 ACCRUED EXPENSES

Salary payable
Audit fee
Other expenses payable

-	392,272
100,000	50,000
75,234	288,852
<u>175,234</u>	<u>731,124</u>

9 CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments at balance sheet date.

10 NUMBER OF EMPLOYEES

Total number of employees as at 30, June

2014	2013
8	8

11 AUTHORISATION

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

10 FEB 2016

12 GENERAL

- a) Figures have been rounded of to the nearest Rupee.
- b) Corresponding figures been re-arranged & re-classified, whenever, necessary for the purpose of comparison.


SECRETARY GENERAL


SENIOR VICE PRESIDENT


PRESIDENT

