

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 8th Annual Report together with Audited Financial Statements of the Chamber for the year ended June 30th, 2015.

Operational and Financial Report:

Total income for the year was Rs.5.74 (M) as compared to last year income Rs.6.12 (M). The expenses for the year were Rs.4.08 (M) as compared to last year expenses Rs.4.30 (M). Net surplus for the year was Rs.1.65 (M) as compared last year surplus Rs.1.82 (M).

Property & equipments were Rs.9.60 (M) as compared last year Rs. 9.39 (M). The Funds were Rs.27.15 (M) as compared last year Rs.25.50 (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 Auditors M/S Rao & Co., Chartered Accountants had retired at the close of members Annual Meeting dated 12-12-2015 and has also been reappointed in the said meeting as the auditors for the year 2015-2016.

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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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, 2015 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, 2015, 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.

Raw G Co.
RAO & COMPANY
CHARTERED ACCOUNTANTS
Audit Engagement Partner

RAHIM YAR KHAN CHAMBER OF COMMERCE AND INDUSTRY

BALANCE SHEET

As at 30 June 2015

	Note	2015 Rupees	2014 Rupees
NON-CURRENT ASSETS			
Property and equipment	3	9,600,686	9,391,359
Citizen Community Board Share	4	8,794,800	8,794,800
		18,395,486	18,186,159
CURRENT ASSETS			
Advance, deposit and receivables	5	572,269	545,533
Cash and bank balances	6	8,633,191	7,208,561
		9,205,460	7,754,094
		27,600,946	25,940,253
FUNDS AND LIABILITIES			
General fund		6,000,000	6,000,000
Building fund		4,000,000	4,000,000
Accumulated surplus		17,159,807	15,503,566
		27,159,807	25,503,566
CURRENT LIABILITIES			
Creditors	7	249,653	261,453
Accrued expenses	8	191,486	175,234
		441,139	436,687
Contingencies and commitments	9	-	-
		27,600,946	25,940,253

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

INCOME AND EXPENDITURE ACCOUNT

For the year ended 30 June 2015

	2015 Rupees	2014 Rupees
<u>INCOME</u>		
Membership subscription		
Renewal Fee	5,016,000	5,380,000
Membership Fee	500,000	535,000
	5,516,000	5,915,000
Other income		
Profit on Saving A/C	5,845	4,717
Recommendation Letter / Membership Card	218,400	202,300
	5,740,245	6,122,017
<u>EXPENDITURE</u>		
Staff salaries and benefits	1,502,088	1,572,782
Security Exp.	205,500	204,000
AGM & Election Expenses	62,874	-
Membership Card & Certificate exp.	266,250	186,250
Legal and Professional Exp	79,460	136,720
Fee & Subscription	105,000	-
Printing and stationery	58,046	68,172
Postage and couriers	112,276	129,098
Telephone, fax and Internet	75,027	89,525
Entertainment Exp.	170,735	189,849
Audit fee	50,000	50,000
Bank charges	-	35
Newspaper and publications	31,831	32,540
Meetings, Saminars/Workshops	33,753	29,740
Office Rent	480,000	480,000
Travelling expenses	32,870	44,200
Electricity expenses	190,857	216,575
Gas Expenses	14,710	26,020
Repairs and maintenance	7,970	36,545
Publicity and Advertisement	40,150	40,470
Miscellaneous	3,365	37,401
Depreciation	115,358	128,469
Chairty & Donation	3,418	-
Website charges	4,000	4,000
New Building Staff salary expense.	420,000	420,000
Chairman Adhoc Management Committee Exp.	-	179,000
Office Supplies	18,466	-
	4,084,004	4,301,391
Surplus for the year	1,656,241	1,820,626

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 2015

	2015 Rupees	2014 Rupees
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus for the year	1,656,241	1,820,626
Adjustment of non-cash items		
Depreciation	115,358	128,469
Cash flow generated/(used) before working capital changes	1,771,599	1,949,095
Working capital changes:		
(Increase) / decrease in current assets		
Advance, deposit, receivables and prepayments	-	22,000
	-	22,000
Increase / (decrease) in current liabilities		
Creditors	(11,800)	(810,000)
Accrued expenses	16,252	(555,890)
Net cash generated from operations	4,452	(1,365,890)
Taxes paid	(26,736)	(21,970)
Net cash flows from operating activities	(22,284)	(1,387,860)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(324,685)	(421,818)
Net cash used in investing activities	(324,685)	(421,818)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Net cash flows from financing activities	-	-
Net increase / (decrease) in cash and cash equivalents (A+B+C)	1,424,630	161,417
Cash and cash equivalents at the beginning of the year	7,208,561	7,047,144
Cash and cash equivalents at the end of the year	<u>8,633,191</u>	<u>7,208,561</u>

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

STATEMENT OF CHANGES IN FUNDS

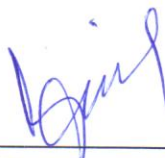
For the year ended 30 June 2015

	General Fund	Building Fund	Accumulated surplus	Total
Balance as at 1st July, 2013	6,000,000	4,000,000	13,682,940	21,330,479
Surplus for the year	-	-	1,820,626	1,820,626
Balance as at 1st july, 2014	6,000,000	4,000,000	15,503,566	23,151,105
Surplus for the year			1,656,241	1,656,241
Balance as at 30 june,2015	6,000,000	4,000,000	17,159,807	24,807,346


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 2015

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..



		2015	2014
		Rupees	Rupees
3 Property and equipment			
Operating fixed assets	3.1	7,741,934	7,823,792
Capital work in progress - Chamber building	3.2	1,858,752	1,567,567
		<u>9,600,686</u>	<u>9,391,359</u>

3.1 Operating fixed assets

	Freehold land	Furniture and fixture	Office equipments	Computers	Total
	----- Rupees -----				
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>

Year ended June 30, 2015

Opening net book value	7,088,150	281,242	433,523	20,877	7,878,461
Additions	-	-	33,500	-	33,500
Disposals	-	-	-	-	-
Depreciation charge	-	(42,186)	(66,909)	(6,263)	(115,358)
Closing net book value	<u>7,088,150</u>	<u>239,056</u>	<u>400,114</u>	<u>14,614</u>	<u>7,741,934</u>

At June 30, 2015

Cost	7,088,150	734,987	729,341	139,000	8,691,478
Accumulated depreciation	-	(495,931)	(329,227)	(124,386)	(949,544)
Net book value	<u>7,088,150</u>	<u>239,056</u>	<u>400,114</u>	<u>14,614</u>	<u>7,741,934</u>

Depreciation rates	0%	15%	15%	30%
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		2015	2014
		Rupees	Rupees
3.2 Capital work in progress - Chamber building			
Opening balance		1,567,567	1,219,549
Additions during the year		291,185	348,018
		<u>1,858,752</u>	<u>1,567,567</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 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 require to contibute 20% of the estimate to CCB and remaining 80% is provided by the provincial Govt.

5 ADVANCES, DEPOSIT, RECEIVABLES AND PREPAYMENTS

	2015	2014
	Rupees	Rupees
Unsecured, considered good		
Advance tax	26,736	21,970
Income tax refund	160,251	138,281
Other Receivables	76,582	76,582
Security deposit	308,700	308,700
	572,269	545,533

6 CASH AND BANK BALANCES

Cheques & Cash in hand	20,433	9,083
Cash at banks		
In Current Account	8,479,441	7,080,003
In Saving account	133,317	119,475
	8,612,758	7,199,478
	8,633,191	7,208,561

7 Creditors

Ch Muhammad Saleem Bhullar	2,000	2,000
Crown Lifan Motorcycle	-	800
Ch Muhammad Ashraf	730	730
Gulam Yaseen	25,000	25,000
Syed Akbar Ghazi	96,000	96,000
Adnan Amin	1,400	1,400
Rohi Motor	4,000	4,000
Flood Donation	14,523	14,523
Payable to members	8,000	8,000
Fayyaz Cotton (Pvt) Ltd	8,500	11,500
Mian Javed Iqbal	-	12,000
Haji Muhammad Ibrahim	3,500	3,500
Thar Seed Corporation	4,000	4,000
Ch. Zafar Ali & Company	4,000	-
Un known income	78,000	78,000
	249,653	261,453

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 financial statements so these are recorded as liabilty.



8 ACCRUED EXPENSES

Audit fee

150,000

100,000

Other expenses payable

41,486

75,234

191,486

175,234

9 CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments at balance sheet date.

10 NUMBER OF EMPLOYEES

2015

2014

Total number of employees as at 30, June

5

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

