

# RAO & COMPANY

CHARTERED ACCOUNTANTS

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10/11-B,

Lamindara Colony,

P.O. Box 10

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, 2016 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, 2016, and of the **deficit**, 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).

Rahim Yar Khan

Date **24 SEP 2016**

*Rao & Co.*

**Rao & Company**

Chartered Accountants

Engagement Partner : Abdul Rafay, ACA

# RAHIM YAR KHAN CHAMBER OF COMMERCE AND INDUSTRY

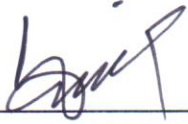
## BALANCE SHEET

As at 30 June 2016

	Note	2016 Rupees	2015 Rupees
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property and equipment	3	55,480,285	9,600,686
Citizen Community Board Share	4	-	8,794,800
Long term deposit	5	108,600	-
		<b>55,588,885</b>	<b>18,395,486</b>
<b>CURRENT ASSETS</b>			
Advance, deposit and receivables	6	598,649	572,269
Cash and bank balances	7	4,770,034	8,633,191
		<b>5,368,683</b>	<b>9,205,460</b>
		<b>60,957,568</b>	<b>27,600,946</b>
<b>FUNDS AND LIABILITIES</b>			
General fund		6,000,000	6,000,000
Building fund		4,000,000	4,000,000
Accumulated surplus		15,988,169	17,159,807
		<b>25,988,169</b>	<b>27,159,807</b>
<b>NON-CURRENT LIABILITIES</b>			
Deferred grant	8	34,612,163	-
<b>CURRENT LIABILITIES</b>			
Creditors	9	254,663	249,653
Accrued liabilities	10	102,573	191,486
		<b>357,236</b>	<b>441,139</b>
Contingencies and commitments	11	-	-
		<b>60,957,568</b>	<b>27,600,946</b>

The annexed notes from 1 to 15 form 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 2016

	NOTE	2016 Rupees	2015 Rupees
<b>INCOME</b>			
<b>Membership subscription</b>			
Renewal Fee		4,920,000	5,016,000
Membership Fee		575,000	500,000
		5,495,000	5,516,000
<b>Other income</b>			
Donation Chamber Income		725,000	-
Profit on Saving A/C		3,975	5,845
Recommendation Letter / Membership Card		376,620	218,400
		6,600,595	5,740,245
<b>LESS: EXPENDITURE</b>			
Staff salaries and benefits		2,486,331	1,922,088
Security Expense		332,161	205,500
AGM & Election Expenses		1,923,165	62,874
Membership Card & Certificate expense		133,000	266,250
Legal and Professional Expenses		178,600	79,460
Fee & Subscription		111,250	105,000
Printing and stationery		206,900	58,046
Postage and couriers		185,203	112,276
Telephone, fax and Internet		87,695	79,027
Entertainment Expenses		131,640	170,735
Audit fee		50,000	50,000
Bank charges		7,260	-
Newspaper and publications		38,220	31,831
Meetings, Seminars, Workshops		176,749	33,753
Office Rent		280,000	480,000
Travelling expenses		36,800	32,870
Electricity expenses		206,643	190,857
Gas Expenses		12,460	14,710
Repairs and maintenance		100,875	7,970
Publicity and Advertisement		119,600	40,150
Gifts & Souvenir		154,430	-
Miscellaneous		10,964	3,365
Renovation expense		90,280	-
Depreciation	12	446,065	115,358
Charity & Donation		138,900	3,418
Haji Camp 2016		67,810	-
Office Supplies		59,232	18,466
		7,772,233	4,084,004
(Deficit) / Surplus for the year		(1,171,638)	1,656,241

The annexed notes from 1 to 15 form 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 2016

	2016 Rupees	2015 Rupees
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Deficit) / Surplus for the year	(1,171,638)	1,656,241
<b>Adjustment of non-cash items</b>		
Depreciation	446,065	115,358
Cash flow generated/(used) before working capital changes	(725,573)	1,771,599
<b>Working capital changes:</b>		
<b>(Increase) / decrease in current assets</b>	-	-
<b>Increase / (decrease) in current liabilities</b>		
Creditors	5,010	(11,800)
Accrued expenses	(96,313)	16,252
	(91,303)	4,452
<b>Net cash generated from operations</b>	(816,876)	1,776,051
Taxes paid	(26,380)	(26,736)
<b>Net cash flows from operating activities</b>	(843,256)	1,749,315
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Fixed capital expenditure incurred	(3,019,901)	(324,685)
<b>Net cash used in investing activities</b>	(3,019,901)	(324,685)
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
<b>Net cash flows from financing activities</b>	-	-
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(3,863,157)	1,424,630
Cash and cash equivalents at the beginning of the year	8,633,191	7,208,561
Cash and cash equivalents at the end of the year	4,770,034	8,633,191

*The annexed notes from 1 to 15 form an integral part of these financial statements.*

  
SECRETARY GENERAL

  
SENIOR VICE PRESIDENT

  
PRESIDENT

# RAHIM YAR KHAN CHAMBER OF COMMERCE & INDUSTRY

## STATEMENT OF CHANGES IN FUNDS

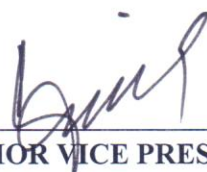
For the year ended 30 June 2016

	<b>General Fund</b>	<b>Building Fund</b>	<b>Accumulated surplus</b>	<b>Total</b>
Balance as at 30 June 2014	6,000,000	4,000,000	15,503,566	<b>25,503,566</b>
Surplus for the year	-	-	1,656,241	<b>1,656,241</b>
Balance as at 30 June 2015	<u>6,000,000</u>	<u>4,000,000</u>	<u>17,159,807</u>	<u><b>27,159,807</b></u>
Deficit for the year			(1,171,638)	<b>(1,171,638)</b>
<b>Balance as at 30 June 2016</b>	<u><b>6,000,000</b></u>	<u><b>4,000,000</b></u>	<u><b>15,988,169</b></u>	<u><b>25,988,169</b></u>

*The annexed notes from 1 to 15 form an integral part of these financial statements.*



SECRETARY GENERAL



SENIOR VICE PRESIDENT



PRESIDENT

		2016	2015
		Rupees	Rupees
<b>3 Property and equipment</b>			
Operating fixed assets	3.1	52,280,551	7,741,934
Capital work in progress - Chamber building	3	3,199,734	1,858,752
		<u>55,480,285</u>	<u>9,600,686</u>

### 3.1 Operating fixed assets

	Freehold land	Building	Electric installation	Furniture and fixture	Office equipment	Computers	Total
----- Rupees -----							
<b>Year ended June 30, 2016</b>							
Opening net book value	7,088,150	-		239,056	400,114	14,614	7,741,934
Additions	-	42,432,497	1,469,903	23,850	1,655,069	-	45,581,319
Disposals	-	-	-	-	-	-	-
Depreciation charge	-	(707,208)	(36,748)	(111,142)	(172,990)	(14,614)	(1,042,702)
Closing net book value	<u>7,088,150</u>	<u>41,725,289</u>	<u>1,433,155</u>	<u>151,764</u>	<u>1,882,193</u>	<u>-</u>	<u>52,280,551</u>
<b>At June 30, 2016</b>							
Cost	7,088,150	42,432,497	1,469,903	758,837	2,384,410	139,000	54,272,797
Accumulated depreciation	-	(707,208)	(36,748)	(607,073)	(502,217)	(139,000)	(1,992,246)
Net book value	<u>7,088,150</u>	<u>41,725,289</u>	<u>1,433,155</u>	<u>151,764</u>	<u>1,882,193</u>	<u>-</u>	<u>52,280,551</u>
<b>Depreciation rates</b>	0%	10%	15%	15%	15%	30%	
<b>Year ended June 30, 2015</b>							
Opening net book value	7,088,150	-	-	281,242	433,523	20,877	7,823,792
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>-</u>	<u>-</u>	<u>239,056</u>	<u>400,114</u>	<u>14,614</u>	<u>7,741,934</u>
<b>At June 30, 2015</b>							
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>-</u>	<u>-</u>	<u>239,056</u>	<u>400,114</u>	<u>14,614</u>	<u>7,741,934</u>
Depreciation rates	0%	-	-	15%	15%	30%	

### 3.2 Capital work in progress - Chamber building

	2016	2015
	Rupees	Rupees
Opening balance	1,858,752	1,567,567
Additions during the year	1,340,982	291,185
	<u>3,199,734</u>	<u>1,858,752</u>

		2016 Rupees	2015 Rupees
<b>4 CITIZEN COMMUNITY BOARD SHARE</b>			
Contribution for chamber building		-	8,794,800
This represent contribution made by the chamber towards citizen community board (CCB) under Rules, 2003 namely Rahim Yar Khan Chamber of Commerce & 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 contribute 20% of the estimate to CCB and remaining 80% is provided by the provincial Govt.			
<b>5 LONG TERM DEPOSIT</b>			
Deposit for electricity connection	5.1	108,600	-
5.1 This represent deposit to Multan Electric Power Company (MEPCO) for electricity connection.			
<b>6 ADVANCES, DEPOSIT, RECEIVABLES AND PREPAYMENTS</b>			
<b>Unsecured, considered good</b>			
Advance tax		26,380	26,736
Income tax refund		186,987	160,251
Security deposit		308,700	308,700
Other Receivables			
Flour Mills Association		20,582	20,582
Newsletter c/o Abdul Rauf		25,000	25,000
Receivable A/c Newsletter 2011-2012		3,500	3,500
Receivable A/c Newsletter Sep.-2012 Addition		21,000	21,000
SECP Advance Paid		6,500	6,500
		76,582	76,582.00
		<u>598,649</u>	<u>572,269</u>
<b>7 CASH AND BANK BALANCES</b>			
Cheques & Cash in hand		36	20,433
Cash at banks			
In Current Account		4,636,527	8,479,441
In Saving account		133,471	133,317
		4,769,998	8,612,758
		<u>4,770,034</u>	<u>8,633,191</u>
<b>8 DEFERRED GRANT</b>			
Government Grant for Citizen Community Board Building			
Grand received	8.1	35,208,800	-
Amortization:			
Opening		-	-
Amortization during the year		(596,637)	-
		(596,637)	-
		<u>34,612,163</u>	<u>-</u>
8.1 This represent grant received from Government of Punjab in respect of construction of building for Rahim Yar Chamber of Commerce and Industry being the 77.78% of total cost of building.			

9 Creditors	Note	2016 Rupees	2015 Rupees
Ch Muhammad Saleem Bhullar		2,000	2,000
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
Thar Seed Corporation		4,000	4,000
Ch. Zafar Ali & Company		4,000	4,000
Payable to members		8,000	8,000
Haji Muhammad Ibrahim		6,895	3,500
Fayyaz Cotton (Pvt) Ltd		2,138	8,500
Abdul Rauf Mukhtar		8,000	-
Shahid Brothers Cotton Ginners		5,000	-
Wali Sons Flour & General Mills		8,000	-
Nauman Ajwa Haj Umra Service		1,500	-
Flood Donation		-	14,523
Un known income	9.1	78,000	78,000
		<u>254,663</u>	<u>249,653</u>

9.1 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 liability.

#### 10 ACCRUED LIABILITIES

Audit fee		50,000	150,000
Contribution to CCB for Ryk Chamber Building		7,400	-
Accrued Expenses		45,173	-
Other expenses payable		-	41,486
		<u>102,573</u>	<u>191,486</u>

#### 11 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments at balance sheet date.

#### 12 DEPRECIATION

Depreciation	3.1	1,042,702	-
Amortization of government grant	8	(596,637)	-
		<u>446,065</u>	<u>-</u>

#### 13 NUMBER OF EMPLOYEES

Total number of employees as at 30 June	2016	2015
	<u>9</u>	<u>5</u>

#### 14 AUTHORISATION

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

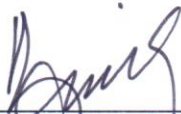
#### 15 GENERAL

15.1 Figures have been rounded of to the nearest Rupee.

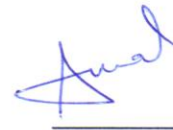
15.2 Corresponding figures been re-arranged & re-classified, whenever, necessary for the purpose of comparison.



SECRETARY GENERAL



SENIOR VICE PRESIDENT



PRESIDENT