

LANDHI ASSOCIATION OF
TRADE INDUSTRY

Financial Statements

For the year ended June 30, 2007

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of LANDHI ASSOCIATION OF TRADE INDUSTRY as at June 30, 2007, and the related income and expenditure account 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 purposes of our audit.

It is the responsibility of the Company'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 disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a 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 Company as required by the Companies Ordinance, 1984;
- (b) in our opinion:
- (i) the balance sheet and profit and loss 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 account and are further in accordance with accounting policies consistently applied;
 - (ii) the expenditure incurred during the year was for the purpose of the Company's business; and
 - iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;
- (c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet and income and expenditure account 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 Company's affairs as at June 30, 2007 and of the surplus for the year then ended; and
- (d) in our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980.

Place: Karachi

Dated: 15 AUG 2007


HAROON ZAKARIA & COMPANY
CHARTERED ACCOUNTANTS

A Member firm of

msi LEGAL & ACCOUNTING
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LANDHI ASSOCIATION OF TRADE INDUSTRY

BALANCE SHEET
AS AT JUNE 30, 2007

	Note	2007 Rupees	2006 Rupees
ASSETS			
NON-CURRENT ASSET			
Operating fixed assets - tangible	3	972,359	307,805
CURRENT ASSETS			
Prepayment and other receivable	4	137,500	145,500
Cash and bank balances	5	260,829	366,007
		398,329	511,507
TOTAL ASSETS		<u>1,370,688</u>	<u>819,312</u>
FUND AND LIABILITIES			
FUND			
GENERAL FUND	6	998,188	696,812
CURRENT LIABILITIES			
Loan payable to Ex-Chairman		13,000	18,000
Loan payable to Chairman		280,000	-
Advance subscription		10,000	-
Accrued and other liabilities		69,500	104,500
		372,500	122,500
TOTAL FUNDS AND LIABILITIES		<u>1,370,688</u>	<u>819,312</u>

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


Chairman


Vice Chairman

LANDHI ASSOCIATION OF TRADE INDUSTRY

INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2007

	Note	2007 Rupees	2006 Rupees
Income			
Membership fee and subscriptions		595,000	140,000
Donations	7	1,019,000	989,000
Fee for issuing NOC		-	648,800
		<u>1,614,000</u>	<u>1,777,800</u>
Expenditure			
Salaries and other benefits		613,500	632,500
Printing and stationery		6,470	1,920
Telephone and postage		85,730	74,566
Computer expenses		11,300	11,375
Utilities		35,330	30,150
Depreciation	3	176,928	42,219
Auditor's remuneration	8	5,500	5,500
Rent		204,000	204,000
Traveling and conveyance		37,500	22,200
Membership and subscription fee		3,500	-
Legal and professional charges		-	22,000
Entertainment		-	60,480
News paper expenses		-	3,000
Repair and maintenance		7,636	-
Renewal License		85,000	-
Bank charges		300	-
Office renovation		-	253,861
Miscellaneous expenses		39,930	15,136
		<u>1,312,624</u>	<u>1,378,907</u>
Net surplus transferred to general fund		<u>301,376</u>	<u>398,893</u>

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


Chairman


Vice Chairman

3. OPERATING FIXED ASSETS - TANGIBLE

Description	C O S T			Rate	ACCUMULATED DEPRECIATION				Written down value as at June 30, 2007
	As at July 1, 2006	Addition	As at June 30, 2007		As at July 1, 2006	For the year	As at June 30, 2007		
Furniture and fixture	192,286	27,750	220,036	10	56,662	16,337	72,999	147,037	
Air conditioners	181,000	-	181,000	10	73,137	10,786	83,923	97,077	
Office equipments	29,500	-	29,500	10	12,081	1,742	13,823	15,677	
Electric equipments	35,715	-	35,715	10	14,075	2,164	16,239	19,476	
Computers	61,415	-	61,415	10	36,156	2,526	38,682	22,733	
Assets - 15 Madadgar S.I.T.E									
Motor Cycle	-	420,000	420,000	20	-	84,000	84,000	336,000	
Computer	-	60,000	60,000	30	-	18,000	18,000	42,000	
Office equipments	-	80,000	80,000	20	-	16,000	16,000	64,000	
Furniture and fittings	-	253,732	253,732	10	-	25,373	25,373	228,359	
Rupees 2007	499,916	841,482	1,341,398		192,111	176,928	369,039	972,359	
Rupees 2006	425,530	74,386	499,916		149,892	42,219	192,111	307,805	

**NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED JUNE 30, 2007**

1. LEGAL STATUS AND NATURE OF BUSINESS

Landhi Association of Trade Industry (the Association) was incorporated in Pakistan on June 20, 1975 as a limited Company under the Companies Act, 1913, (now Company Ordinance, 1984). Whereby, every member undertakes to contribute to the assets of the Association, in the event of the same being wound up, such amount as may be required, not exceeding Rs. 25 or, in case of this liability becoming unlimited, such other amount as may be required. The main object of the Association is to promote and safeguard the rights and interests of the trade and industrial in Sindh.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Accounting convention

These financial statements have been prepared under the historical cost convention.

2.2 Statement of compliance

These financial statements have been prepared in accordance with the requirement of the Company Ordinance, 1984.

2.3 Operating fixed assets

Operating assets are stated at cost less accumulated depreciation.

Depreciation on operating assets is charged to income applying reducing balance method, whereby the cost of an assets is written off over its estimated useful life at the rates specified in relevant note. A full year's depreciation is charged on additions during the year, while no depreciation is charged on assets disposed off during the year.

Maintenance and normal repairs are charged to income as and when incurred. Major renewals and improvements are capitalized.

Gain or losses on disposal, if any, are included in income currently.

2.4 Creditors, accrued expenses and other liabilities

Liabilities for trade and other amounts payable are stated at their nominal values.

2.5 Revenue recognition

Revenue is recorded on receipt basis.

	Note	2007 Rupees	2006 Rupees
4. PREPAYMENT AND OTHER RECEIVABLE			
Prepaid rent		17,000	17,000
Receivable from LITE Development	4.1	<u>120,500</u>	<u>128,500</u>
		<u>137,500</u>	<u>145,500</u>
4.1 This represents amount paid on behalf of LITE development.			
5. CASH AND BANK BALANCES			
Cash at bank in current account		255,320	359,646
Cash in hand		<u>5,509</u>	<u>6,361</u>
		<u>260,829</u>	<u>366,007</u>
6. GENERAL FUND			
Opening balance		696,812	297,919
Surplus for the year		<u>301,376</u>	<u>398,893</u>
Closing balance		<u>998,188</u>	<u>696,812</u>
7. DONATIONS			
Donation received during the year.		600,000	1,007,000
Donation for 15 Madadgar Centre		<u>419,000</u>	<u>(18,000)</u>
		<u>1,019,000</u>	<u>989,000</u>
8. AUDITOR'S REMUNERATION			
Audit fee		4,500	4,500
Out of pocket		<u>1,000</u>	<u>1,000</u>
		<u>5,500</u>	<u>5,500</u>

9. DATE OF AUTHORIZATION

These financial statements were authorized for issue on 15 AUG 2007 by the Managing Committee of the Company.

10. GENERAL

Figures have been rounded off to the nearest rupee.



Chairman



Vice Chairman