

LANDHI ASSOCIATION OF
TRADE AND INDUSTRY
FINANCIAL STATEMENTS

For the year ended June 30, 2008

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **LANDHI ASSOCIATION OF TRADE AND INDUSTRY** as at June 30, 2008, 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, 2008 and of the deficit 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: 07 OCT 2008


HAROON ZAKARIA & COMPANY
CHARTERED ACCOUNTANTS

LANDHI ASSOCIATION OF TRADE AND INDUSTRY
BALANCE SHEET

AS AT JUNE 30, 2008

ASSETS	Note	2008 Rupees	2007 Rupees
NON-CURRENT ASSET			
Operating fixed assets - tangible	3	849,312	972,359
CURRENT ASSETS			
Prepayment and other receivable	4	120,500	137,500
Subscription receivable		65,000	-
Cash and bank balances	5	499,737	260,829
		685,237	398,329
TOTAL ASSETS		<u>1,534,549</u>	<u>1,370,688</u>
FUND AND LIABILITIES			
FUND			
GENERAL FUND	6	633,282	998,188
CURRENT LIABILITIES			
Loan from members	7	504,000	293,000
Advance subscription		332,767	10,000
Accrued and other liabilities		64,500	69,500
		901,267	372,500
TOTAL FUNDS AND LIABILITIES		<u>1,534,549</u>	<u>1,370,688</u>

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


Chairman


Senior Vice Chairman


Vice Chairman

LANDHI ASSOCIATION OF TRADE AND INDUSTRY
INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED JUNE 30, 2008

	Note	2008 Rupees	2007 Rupees
Income			
Annual Subscriptions		669,700	595,000
Admission Fee		95,000	-
Donations	8	218,000	1,019,000
		<u>982,700</u>	<u>1,614,000</u>
Expenditure			
Salaries and other benefits		572,100	613,500
Printing and stationery		12,270	6,470
Telephone and postage		71,526	85,730
Computer expenses		1,500	11,300
Utilities		25,900	35,330
Depreciation	3	148,147	176,928
Auditor's remuneration	9	31,000	5,500
Rent		239,000	204,000
Traveling and conveyance		24,500	37,500
Membership and subscription fee		6,800	3,500
Legal and professional charges		44,640	-
Repair and maintenance	10	81,200	7,636
Licence Renewal		-	85,000
Bank charges		900	300
Miscellaneous expenses		40,686	39,930
Madadgar Force expense	11	47,437	-
		<u>1,347,606</u>	<u>1,312,624</u>
Net surplus/loss transferred to general fund		<u><u>(364,906)</u></u>	<u><u>301,376</u></u>

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


Chairman


Senior Vice Chairman


Vice Chairman

LANDHI ASSOCIATION OF TRADE AND INDUSTRY
NOTES TO THE FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2008

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 "Accounting and Financial Reporting Standards for Small-Sized Entities (SSEs)" issued by Institute of Chartered Accountants of Pakistan (ICAP) and the requirements of the Companies Ordinance, 1984. Wherever the requirements of the Companies Ordinance, 1984 or the directives issued by Securities and Exchange Commission of Pakistan (SECP) differ with the requirements of these standards, the requirements of the Companies Ordinance, 1984 or the requirements of said directives take precedence.

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

Subscription is recorded on an accrual basis.

Donations are recorded on receipts basis.

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3 OPERATING FIXED ASSETS - TANGIBLE

Description	C O S T			Rate %	ACCUMULATED DEPRECIATION			Written down value as at June 30, 2008
	As at July 1, 2007	Addition	As at June 30, 2008		As at July 1, 2007	For the year	As at June 30, 2008	
Furniture and fixture	220,036	-	220,036	10	72,999	14,704	87,703	132,333
Air conditioners	181,000	-	181,000	10	83,923	9,708	93,631	87,369
Office equipments	29,500	-	29,500	10	13,823	1,568	15,391	14,109
Electric equipments	35,715	7,000	42,715	10	16,239	2,648	18,887	23,828
Computers	61,415	18,100	79,515	10	38,682	4,083	42,765	36,750
Assets - 15 Madadgar LANDHI								
Motor Cycle	420,000	-	420,000	20	84,000	67,200	151,200	268,800
Computer	60,000	-	60,000	30	18,000	12,600	30,600	29,400
Office equipments	80,000	-	80,000	20	16,000	12,800	28,800	51,200
Furniture and fittings	253,732	-	253,732	10	25,373	22,836	48,209	205,523
Rupees 2008	1,341,398	25,100	1,366,498		369,039	148,147	517,186	849,312
Rupees 2007	1,341,398	-	1,341,398		192,111	176,928	369,039	972,359

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	2008 Rupees	2007 Rupees
4 PREPAYMENT AND OTHER RECEIVABLE		
Prepaid rent	-	17,000
Receivable from LITE Development	120,500	120,500
	<u>120,500</u>	<u>137,500</u>
5 CASH AND BANK BALANCES		
Cash at bank in current account	493,735	255,320
Cash in hand	6,002	5,509
	<u>499,737</u>	<u>260,829</u>
6 GENERAL FUND		
Opening balance	998,188	696,812
Surplus/(Loss) for the year	(364,906)	301,376
Closing balance	<u>633,282</u>	<u>998,188</u>
7 LOAN FROM MEMBERS		
Globe Management (Pvt) Ltd.	1,000	13,000
Gul Ahmed Textile Mills Limited	380,000	140,000
Grand Industries Pvt. Ltd.	123,000	140,000
	<u>504,000</u>	<u>293,000</u>
8 DONATIONS		
Received during the year from Nagaria Textile	70,000	-
Received during the year from IIL	55,000	600,000
Received from Members	93,000	419,000
	<u>218,000</u>	<u>1,019,000</u>
9 AUDITOR'S REMUNERATION		
Audit fee	30,000	4,500
Out of pocket	1,000	1,000
	<u>31,000</u>	<u>5,500</u>

	2008 Rupees	2007 Rupees
10 REPAIR AND MAINTENANCE		
Particulars		
LATI Office AC repair charges	1,500	1,000
Lock repair charges of LATI	500	-
LATI office Paint charges	40,000	3,636
LATI Sign Board Charges	15,000	-
LATI website Charges	22,700	3,000
Internet Account refresh	1,500	-
	<u>81,200</u>	<u>7,636</u>
11 MADADGAR FORCE EXPENSE		
Vehicle Service & Oiling	5,000	-
Vehicle Maintenance	10,015	-
Window Glass repair	4,500	-
Paint and General repair	15,000	-
Tyre & Maintenance	12,922	-
	<u>47,437</u>	<u>-</u>

12 DATE OF AUTHORIZATION

These financial statements were authorized for issue on 07 OCT 2008 by the Managing Committee of the Company.

13 GENERAL

Figures have been rounded off to the nearest rupee.


Chairman


Senior Vice Chairman


Vice Chairman