



**RUFI LAKE DRIVE RESIDENTS
WELFARE ASSOCIATION**

**ACCOUNTS FOR THE YEAR
ENDED JUNE 30, 2017**

**A. G. HABIB & CO.
CHARTERED ACCOUNTANTS**

AUDITORS' REPORT TO THE MEMBERS

We have audited the accompanying financial statements of “**Rufi Lake Drive Residents Welfare Association**” which comprises of the balance sheet as at June 30, 2017 and the related receipts and expenditure account for the year then ended.

Management’s Responsibility for the Financial Statements

The Members are responsible for the preparation and fair presentation of these financial statements in conformity with the basis of preparation stated in the financial statements, and for such internal control as the Members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conduct our audit in accordance with the approved auditing standards as applicable in Pakistan. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedure to obtain audit evidence about the amounts and disclosures in the financial statements. The procedure selected on the auditor’s judgment, including the assessment of risk of material misstatement of the financial

statement, whether due to fraud or error. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Members, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statement present fairly, in all material respect, the financial position of the Association as at June 30, 2017 and of its financial performance and for the year then ended.

17 SEP 2017

Karachi



CHARTED ACCOUNTANTS

RUFILAKE DRIVE RESIDENTS WELFARE ASSOCIATION
BALANCE SHEET
AS AT 30TH JUNE 2017

	2017	2016
	Rupees	Rupees
ASSETS		
<u>Current Assets</u>		
Service Charges Receivable	18,704,750	22,590,805
Rent Receivable	179,700	276,250
Cash in Hand	229,188	80,200
Cash at Bank	1,433,696	191,771
	20,547,334	23,139,026
	<u>20,547,334</u>	<u>23,139,026</u>
FUND & LIABILITIES		
<u>General Fund</u>		
Opening Balance	5,457,741	5,236,110
Excess of Receipts over Expenditure	2,494,913	221,631
	7,952,654	5,457,741
<u>Current Liabilities</u>		
Payables against Contracts	837,059	9,609,104
Other payables	900,000	808,509
Security Deposit	40,000	80,000
Accrued Liabilities	10,817,621	7,183,672
	12,594,680	17,681,285
	<u>20,547,334</u>	<u>23,139,026</u>

The Annexed notes form an integral part of these accounts.



President



General Secretary



Finance Secretary



RUFILAKE DRIVE RESIDENTS WELFARE ASSOCIATION
INCOME & EXPENDITURE ACCOUNT
For the year Ended on 30th June 2017

	2017	2016
	Rupees	Rupees
<u>INCOME</u>		
Service Charges	31,471,100	21,849,250
Community Hall	127,000	162,500
Other Receipts	2,292,480	2,506,206
Stalls	178,300	62,470
	34,068,880	24,580,426
<u>LESS: EXPENDITURE</u>		
Lift Maintenance	1,310,000	1,500,000
Electricity Bills	14,147,865	8,671,944
Security Services	1,552,676	1,445,666
Cleaning Contract	1,429,000	1,054,803
Water purchased	5,437,550	4,938,760
Diesel purchased	201,535	191,770
Electric goods	949,666	372,288
Sanitary goods	950,040	764,187
Motor / Generator Repair	633,081	238,400
Stationary / Photocopies	39,895	19,628
CCTV Camera / Maint	5,000	13,155
Community Hall refund	20,000	13,000
Conveyance	6,460	1,400
Other expense	337,275	526,358
Building Color	105,690	59,135
Labor Charges	427,520	190,400
Mobile Card	5,000	13,540
Loan / Adv given	34,000	260,000
Bank Charges	103,274	68,282
Staff Salaries & Wages	4,118,750	4,075,437
Service charges adjustments	(240,310)	(59,358)
	31,573,967	24,358,795
Excess of Receipts over Payments	<u>2,494,913</u>	<u>221,631</u>

The Annexed notes form an integral part of these accounts.

Namin Habib

President

BB Khan

General Secretary

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Finance Secretary





RUFI LAKE DRIVE RESIDENTS WELFARE ASSOCIATION
RECEIPTS & PAYMENTS ACCOUNT
For the year Ended on 30th June 2017

	2017 Rupees	2016 Rupees
<u>Opning Blance as on 1st July 2016</u>		
Cash in Hand	80,200	19,773
Cash at Bank HBL 53507-03	797	1,617
Cash at Bank HBL 03764-03	190,974	28,950
	271,971	50,340
ADD:RECEIPTS DURING THE YEAR		
<u>Service Charges</u>		
Service Charges Received from Block A	2,004,750	1,266,500
Service Charges Received from Block B	4,419,000	2,194,500
Service Charges Received from Block C	3,761,000	2,893,750
Service Charges Received from Block D	2,515,000	2,010,500
Service Charges Received from Block E	1,995,000	1,449,000
Service Charges Received from Block F	1,563,500	1,111,500
Service Charges Received from Block G	1,626,200	1,117,000
Service Charges Received from Block H	1,559,250	1,087,000
Service Charges Received from Block I	1,804,500	1,270,500
Service Charges Received from Block J	3,534,400	2,535,750
Service Charges Received from Block K	3,260,550	2,173,250
Service Charges Received from Block L	3,427,950	2,740,000
	31,471,100	21,849,250
<u>OTHER RECEIPTS</u>		
Personal Loan	1,104,000	100,000
Cellphone Antenna	1,005,080	2,070,104
Community Hall	127,000	162,500
Water Plant Block B	116,400	237,102
Tuck Shop	67,000	99,000
Other (Stall Etc)	178,300	62,470
	2,597,780	2,731,176
Total Amount Available for Payments	34,340,851	24,630,766
Less:PAYMENTS MADE DURING THE YEAR		
Salaries & Wages	4,118,750	4,075,437
<u>Utillities</u>		
Lift Maintenance	1,310,000	1,500,000
Electricity Bills	14,147,865	8,671,944
Security Services	1,552,676	1,445,666
Cleaning Contract	1,429,000	1,054,803
	18,439,541	12,672,413


President


General Secretary


Finance Secretary



INCIDENTAL PAYMENTS:

Water purchased	5,437,550	4,938,760
Diesel purchased	201,535	191,770
Electric goods	949,666	372,288
Sanitary goods	950,040	764,187
Motor / Generator Repair	633,081	238,400
Stationary / Photocopies	39,895	19,628
CCTV Camera / Maint	5,000	13,155
Community Hall refund	20,000	13,000
Conveyance	6,460	1,400
Other expense	337,275	526,358
Building Color	105,690	59,135
Labor Charges	427,520	190,400
Mobile Card	5,000	13,540
Loan / Adv given	1,104,000	-
Loan returned	34,000	260,000
	10,256,712	7,602,021

FINANCIAL CHARGES

Bank Charges 103,274 68,282

CLOSING BALANCE AS ON 30TH JUNE 2017

Cash in Hand	229,188	80,200
Cash at Bank HBL 53507-03	81,135	797
Cash at Bank HBL 03764-03	1,352,561	190,974
	1,662,884	271,971

ADJUSTMENTS (Consolidated)

ADD: Old Cheques Encashed 1,441,681 631,137
LESS: Cheques not Encashed (1,681,991) (690,495)

Total Amount Utilization

34,340,851 **24,630,766**



President



General Secretary



Finance Secretary



**RUFI LAKE DRIVE RESIDENTS WELFARE ASSOCIATION
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

1. LEGAL STATUS AND OPERATIONS

The Organization was incorporated in Pakistan and registered with Provincial Assistan Registrar, Joint Stock Companies, Sindh, Karachi under Societies Registeation Act, XXI of 1860 against registration No. KAR No. 0376 of 1999. The Association is functioning in terms of its Memorandum of Association and Articles of Association registered on 12th March, 1999. Its Office is situated at Ruffi Lake Drive, Gulistan e Jauhar, Block-18, Karachi.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1. Accounting convention

These financial statements have been prepared under the historical cost convention without taking into account the effect of inflation or current cost.

2.2. Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan and the requirements of the Trust Deed. Approved accounting standards comprise of such International Accounting Standards as notified under the provisions of the Companies Ordinance, 1984. Wherever, the requirements of the Companies Ordinance, 1984 or directives issued by the Securities and Exchange Commission of Pakistan differ with the requirements of these standards, the requirements of Companies Ordinance, 1984 or the requirements of the said directives take precedence.

2.3. 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 its judgment in the process of applying the company's accounting policies. Estimates and judgments are continually evaluated and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods effective.

These estimates and judgments that have a significant effect on the financial statements are in respect of the following:

- (i) Determining the residual values and useful lives of assets and methods of depreciation
- (ii) Impairment of assets
- (iii) Recognition of taxation and deferred tax

2.4. Property, Plant and equipment

These are stated at cost less accumulated depreciation. Depreciation is provided on the historical cost on the diminishing balance method at the rates mentioned in relevant note, except of leasehold land which is not amortized. Acquisitions during the year are depreciated for the full year irrespective of the date of purchase and no depreciation is charged on assets in the year of their disposal. Maintenance and normal repairs are charges to profit & loss account as and when incurred; whereas major renewals and improvement are capitalized and the assets so replaced, if any, are retired.

2.5. Impairment of assets

At each Balance Sheet date, the carrying value of fixed assets is reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If such indications exist and where the carrying value exceeds the esteemed recoverable amount, the assets are written down to the recoverable amount.

2.6. Trade Debts

Trade debts originated by the Company are recognized and carried at original invoice amount less provision for any uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written-off when identified.

2.7. Taxation

Provision for current taxation is based on taxable income at the current rates of taxation after taking into account tax credits and rebates available.

2.8. Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provision are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

2.9. Stock in Trade

All stock, Except in transit, are value at the lower of cost and net realizable value cost is determined on an average basis and includes costs incurred in brining raw material to its present location and condition.

Stock in transit is stated at invoice price plus other charges paid thereon upto the balance sheet date.

Net realizable value signifies the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.



2.10. Cash & Cash Equivalents

For the purpose of the cash and cash equivalents consist of cash in hand, Cheques / Pay orders in hand, bank balance and these are set off against balance in running finance, if any

2.11. Financial Instruments

All financial assets and financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. All the financial assets are derecognized at the time when the company loses control of the contractual rights that comprise the financial assets. All financial liabilities are derecognized at the time when they are extinguished that is, when the obligation specified in the contract is discharged, cancelled, or expired. Any gain or loss on recognition / derecognizing of the financial assets and financial liabilities is taken to profit and loss account.

2.12. Offsetting of financial assets and financial liabilities

All financial asset(s) and financial liability(ies) is offset and the net amount reported in the balance sheet if the company has a legally enforceable right to set-off the recognized amount and intends either to settle on a net basis or to realize the assets and settle the liability simultaneously, if any, corresponding income and expenditure if any, are also netted off and reposted on a net basis in the profit and loss account.

2.13. Foreign Currencies Translation

Transactions in foreign currencies are translated into Pak Rupees (presentation currency) at the rates of exchange prevailing on the date of transactions. Monetary assets and liabilities denominated in foreign currencies are translated in to Pak rupees at the rates ruling at the balance sheet date. Exchange differences on foreign currency translations are included in profit and loss accounts.

2.14. Revenue Recognition

Revenue is recorded when the related services have been provided to the other party.
Other income is recognized on accrual basis.

2.12 Dividend and other appropriation of reserves

These are recognized in the period in which such dividend and appropriation are approved by the Board of Directors.

2.13. Finance leases

Leases that transfer substantially all the risks and rewards incidental to ownership of assets are classified as finance leases. Finance leases are capitalized at the inception of the lease term at the lower of fair value of the leased assets and the present value of minimum lease payments. The outstanding obligation under the lease less finance charges allocated to future period is shown as liability. Finance charges are allocated to accounting periods in a manner so as to provide a constant periodic rate of charge on the outstanding liability.

2.14. All arrears / defaults included

Arrears: Amounts not received upto three months are considered arrears.

Defaults: Amounts not received for three months and are continuously in arrears for more than three months are considered default in terms of Article-3 of Articles of Association.

Dues Against Closed Flats: The amounts of default also include dues in respect of Flats closed / locked for a long time and their owners are at abroad or residing somewhere else. Dues in respect of locked Flats have been worked out in full amount and are settled / paid when the owners come back and claim 50% rebate for locked Flat, as per provision, on the basis of electricity / gas bills showing no consumption, therefore, the amount of payment include the permissible rebate. Such cases are however documented.

Defaults Also Include: The default also include outstanding amount the cases where owners have sought time to clear due in lump sum and/ or making partial payments etc.

2.15. Rental Dues have been worked out on actual basis.

2.16. Payables [ongoing / current contracts] are actual amounts.

Old Payables are more than 10 to 5 year old outstanding in the books. Payment subject to scrutiny of claim based on substantive information / record.

Represent Security deposit held against rent agreements.

