



**RUFI LAKE DRIVE RESIDENTS
WELFARE ASSOCIATION**

**ACCOUNTS FOR THE YEAR
ENDED JUNE 30, 2018**

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, 2018 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, 2018 and of its financial performance and for the year then ended.

12 OCT 2018

Karachi



CHARTED ACCOUNTANTS

RUFI LAKE DRIVE RESIDENTS WELFARE ASSOCIATION
BALANCE SHEET
AS AT 30TH JUNE 2018



	2018	2017
	Rupees	Rupees
ASSETS		
<u>Current Assets</u>		
Service Charges Receivable	16,890,500	18,704,750
Rent Receivable	81,000	179,700
Cash in Hand	105,150	229,188
Cash at Bank	3,099,115	1,433,696
	20,175,765	20,547,334
	20,175,765	20,547,334
 FUND & LIABILITIES		
<u>General Fund</u>		
Opening Balance	7,952,654	5,457,741
Excess of Receipts over Expenditure	2,041,381	2,494,913
	9,994,035	7,952,654
 <u>Current Liabilities</u>		
Payables against Contracts	513,959	837,059
Other payables	950,000	900,000
Security Deposit	40,000	40,000
Accrued Liabilities	8,677,771	10,817,621
	10,181,730	12,594,680
	20,175,765	20,547,334

The Annexed notes form an integral part of these accounts.



 President



 General Secretary



 Finance Secretary



RUFI LAKE DRIVE RESIDENTS WELFARE ASSOCIATION
INCOME & EXPENDITURE ACCOUNT
For the year Ended on 30th June 2018

	2018	2017
	Rupees	Rupees
<u>INCOME</u>		
Service Charges	27,134,240	31,471,100
Community Hall	270,000	127,000
Other Receipts	3,217,400	2,292,480
Stalls	834,000	178,300
	31,455,640	34,068,880
<u>LESS: EXPENDITURE</u>		
Lift Maintenance	2,585,000	1,310,000
Electricity Bills	5,879,655	14,147,865
Security Services	1,670,632	1,552,676
Cleaning Contract	1,780,000	1,429,000
Water purchased	1,864,500	5,437,550
Diesel purchased	302,205	201,535
Electric goods	1,777,317	949,666
Sanitary goods	1,664,260	950,040
Motor / Generator Repair	1,320,466	633,081
Stationary / Photocopies	96,534	39,895
CCTV Camera / Maint	43,550	-
Water Boring Expense	1,516,310	-
Tennis Court	895,110	5,000
Community Hall refund	40,000	20,000
Conveyance	13,390	6,460
Other expense	498,870	337,275
Building Color	1,459,570	105,690
Labor Charges	712,755	427,520
Mobile Card	7,750	5,000
Loan / Adv given	-	34,000
Bank Charges	115,470	103,274
Staff Salaries & Wages	4,876,815	4,118,750
Service charges adjustments	294,100	(240,310)
	29,414,259	31,573,967
 Excess of Receipts over Payments	<u>2,041,381</u>	<u>2,494,913</u>

The Annexed notes form an integral part of these accounts.



President



General Secretary



Finance Secretary



RUFI LAKE DRIVE RESIDENTS WELFARE ASSOCIATION
RECEIPTS & PAYMENTS ACCOUNT
For the year Ended on 30th June 2018

	2018	2017
	Rupees	Rupees
<u>Opning Blance as on 1st July 2017</u>		
Cash in Hand	229,188	80,200
Cash at Bank HBL 53507-03	1,352,561	797
Cash at Bank HBL 03764-03	81,135	190,974
ADD:RECEIPTS DURING THE YEAR	1,662,884	271,971
<u>Service Charges</u>		
Service Charges Received from Block A	1,757,000	2,004,750
Service Charges Received from Block B	2,671,690	4,419,000
Service Charges Received from Block C	3,896,800	3,761,000
Service Charges Received from Block D	2,538,300	2,515,000
Service Charges Received from Block E	1,440,000	1,995,000
Service Charges Received from Block F	1,367,500	1,563,500
Service Charges Received from Block G	1,365,500	1,626,200
Service Charges Received from Block H	1,716,350	1,559,250
Service Charges Received from Block I	1,602,250	1,804,500
Service Charges Received from Block J	2,975,500	3,534,400
Service Charges Received from Block K	2,946,750	3,260,550
Service Charges Received from Block L	2,856,600	3,427,950
	27,134,240	31,471,100
<u>OTHER RECEIPTS</u>		
Personal Loan	500,000	1,104,000
Cellphone Antenna	23,000	1,005,080
Community Hall	270,000	127,000
Water Plant Block B	234,000	116,400
Tuck Shop	118,600	67,000
Other (Stall Etc)	834,000	178,300
water boring Collection	1,034,500	-
Lift Replacement Collection	845,000	-
Building Colour Collection	81,000	-
Play Land	67,500	-
Shops	313,800	-
	4,321,400	2,597,780
Total Amount Available for Payments	<u>33,118,524</u>	<u>34,340,851</u>
Less:PAYMENTS MADE DURING THE YEAR		
Salaries & Wages	4,876,815	4,118,750
<u>Utilities</u>		
Lift Maintenance	2,585,000	1,310,000
Electricity Bills	5,879,655	14,147,865
Security Services	1,670,632	1,552,676
Cleaning Contract	1,780,000	1,429,000
	11,915,287	18,439,541

Chairman

Chairman

B. B. Khan

General Secretary

Amishi

Finance Secretary



Agnt

INCIDENTAL PAYMENTS:

Water purchased	1,864,500	5,437,550
Diesel purchased	302,205	201,535
Electric goods	1,777,317	949,666
Sanitary goods	1,664,260	950,040
Motor / Generator Repair	1,320,466	633,081
Stationary / Photocopies	96,534	39,895
CCTV Camera / Maint	43,550	5,000
Water Boring Expense	1,516,310	-
Tennis Court	895,110	-
Community Hall refund	40,000	20,000
Conveyance	13,390	6,460
Other expense	498,870	337,275
Building Color	1,459,570	105,690
Labor Charges	712,755	427,520
Mobile Card	7,750	5,000
Loan / Adv given	-	1,104,000
Loan returned	500,000	34,000
	12,712,587	10,256,712

FINANCIAL CHARGES

Bank Charges	115,470	103,274
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CLOSING BALANCE AS ON 30TH JUNE 2018

Cash in Hand	105,150	229,188
Cash at Bank HBL 53507-03	884,315	81,135
Cash at Bank HBL 03764-03	2,214,800	1,352,561
	3,204,265	1,662,884

ADJUSTMENTS (Consolidated)

ADD: Old Cheques Encashed	557,965	1441681
LESS: Cheques not Encashed	(263,865)	(1,681,991)

Total Amount Utilization

	33,118,524	34,340,851
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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, 2018**

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 Rufi 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.

