

THE MULTAN CHAMBER OF COMMERCE AND INDUSTRY
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2023

| | Note | 2023 Rupees | 2022 Rupees |
|--|------|--------------------|-------------------|
| ACCUMULATED FUND AND LIABILITIES | | | |
| Funds | | | |
| Accumulated fund | 4 | 44,179,411 | 38,509,026 |
| Capital reserves | | | |
| Surplus on revaluation of freehold land and building | 5 | 58,547,389 | 58,815,376 |
| | | 102,726,800 | 97,324,402 |
| Current liabilities | | | |
| Accrued and other liabilities | 6 | 1,022,196 | 1,837,450 |
| Total accumulated funds and liabilities | | <u>103,748,996</u> | <u>99,161,852</u> |
| ASSETS | | | |
| Non-current assets | | | |
| Property and equipment | 7 | 69,499,834 | 69,857,083 |
| Long term investment | 8 | - | 15,000,000 |
| | | 69,499,834 | 84,857,083 |
| Current assets | | | |
| Loans and advances | 9 | 202,000 | 452,000 |
| Tax refunds due from the Government | 10 | 3,281,979 | 2,509,766 |
| Cash and bank balances | 11 | 30,765,183 | 11,343,003 |
| | | 34,249,162 | 14,304,769 |
| Total assets | | <u>103,748,996</u> | <u>99,161,852</u> |
| Contingencies and commitments | 12 | | |

The annexed notes from 1 to 21 form an integral part of these financial statements.

PRESIDENT

MEMBER EXECUTIVE COMMITTEE

SECRETARY GENERAL

**THE MULTAN CHAMBER OF COMMERCE AND INDUSTRY
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED JUNE 30, 2023**

| | Note | 2023 Rupees | 2022 Rupees |
|-------------------------|-------------|------------------------|------------------------|
| Gross receipts | 13 | 17,192,450 | 15,193,500 |
| Administrative expenses | 14 | (15,612,890) | (14,513,329) |
| Other expenses | 15 | - | (12,400) |
| Finance cost | 16 | (8,286) | (12,238) |
| Other income | 17 | 3,831,123 | 1,801,536 |
| Surplus for the year | | <u>5,402,398</u> | <u>2,457,069</u> |

The annexed notes from 1 to 21 form an integral part of these financial statements.

**THE MULTAN CHAMBER OF COMMERCE AND INDUSTRY
STATEMENT OF CHANGES IN ACCUMULATED FUNDS
FOR THE YEAR ENDED JUNE 30, 2023**

| | Capital Reserve | Revenue Reserve | Total |
|---|----------------------------|----------------------------|--------------------|
| | Rupees | Rupees | Rupees |
| Balance as at June 30, 2021 | 59,097,467 | 35,769,866 | 94,867,333 |
| Surplus for the year | - | 2,457,069 | 2,457,069 |
| Transfer to accumulated profits on account of incremental depreciation | (282,091) | 282,091 | - |
| Balance as at June 30, 2022 | 58,815,376 | 38,509,026 | 97,324,402 |
| Surplus for the year | - | 5,402,398 | 5,402,398 |
| Transfer to accumulated profits on account of incremental depreciation | (267,987) | 267,987 | - |
| Balance as at June 30, 2023 | <u>58,547,389</u> | <u>44,179,411</u> | <u>102,726,800</u> |

The annexed notes from 1 to 21 form an integral part of these financial statements.

**THE MULTAN CHAMBER OF COMMERCE AND INDUSTRY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023**

| | 2023 | 2022 |
|--|-------------------|-------------------|
| | Rupees | Rupees |
| A. CASH FLOW FROM OPERATING ACTIVITIES | | |
| Surplus for the year | 5,402,398 | 2,457,069 |
| Adjustment for: | | |
| Depreciation on property and equipment | 933,419 | 944,192 |
| Loss on disposal on sale of property and equipments | - | 12,400 |
| | <hr/> | <hr/> |
| Operating cash flows before movements in working capital | 6,335,817 | 3,413,661 |
| Changes in working capital | | |
| (Increase) / decrease in Current Assets | | |
| Loans and advances | 250,000 | (322,462) |
| Tax refunds due from the government | (772,213) | (410,275) |
| (Decrease) / increase in current liabilities | | |
| Accrued and other liabilities | (815,254) | (2,355,157) |
| | <hr/> | <hr/> |
| Net cash generated from operating activities | 4,998,350 | 325,767 |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of property and equipment | (576,170) | (653,020) |
| Proceeds from sale of property and equipment | | 18,000 |
| Long term investments | 15,000,000 | (1,000,000) |
| | <hr/> | <hr/> |
| Net cash used in investing activities | 14,423,830 | (1,635,020) |
| Net increase in cash and cash equivalents (A+B) | 19,422,180 | (1,309,253) |
| Cash and cash equivalent at the beginning of the year | 11,343,003 | 12,652,256 |
| | <hr/> | <hr/> |
| Cash and cash equivalent at the end of the year | <u>30,765,183</u> | <u>11,343,003</u> |

The annexed notes from 1 to 21 form an integral part of these financial statements.

**THE MULTAN MCCI OF COMMERCE AND INDUSTRY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

1 CORPORATE AND GENERAL INFORMATION

1.1 Legal status and operations

The Multan Chamber of Commerce and Industry (MCCI) was registered in Pakistan as company limited by guarantee incorporated on September 15, 1959 under the Companies Act, 1913 (now Companies Act, 2017).

MCCI enjoys singular distinction of being the premier Chamber of Southern Punjab representing economic activities by virtue of its location in industrial and commercial companies of Southern Punjab and is affiliated with the Federation of Pakistan Chamber of Commerce and Industry. The objective of MCCI is to promote and protect the interest of Trade & Industry.

Geographical location and address of the Company

The registered office of MCCI is situated at Shahrah-e-Aiwane-e-Tijarat-o-Sannat, Multan.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The approved accounting and reporting standards applicable in Pakistan comprise of:

- Revised Accounting and Financial Reporting Standard for Small-Sized Entities (Revised AFRS for SSEs) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017;
- Accounting Standard for Not for Profit Organizations (Accounting Standard for NPOs) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the Revised AFRS for SSEs or the Accounting Standard for NPOs, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Basis of preparation

These financial statements have been prepared under the historical cost convention without any adjustment for the effect of inflation or fair values, except for land and building which have been measured at revalued amount.

2.3 Functional and presentation currency

These financial statements are presented in Pak Rupees which is the MCCI's functional currency.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

3.1 Property and equipment

Property, plant and equipment are stated at written down value except for land and building which is stated at revalued amount. Depreciation is recognized as an expense and is determined by applying the reducing balance method at the rates prescribed in the note 7 to these financial statements, in order to write off the cost over the useful lives of the assets, except for Crockery and Cutlery which is depreciated by using the straight line method.

Surplus on revaluation of land and building is credited to the surplus on revaluation account. Revaluation is carried out with sufficient regularity to ensure that the carrying amount of assets does not differ materially from the fair value.

In respect of additions and disposals during the year, depreciation is charged for the whole year in which the asset is available for use and no depreciation is charged in the year of disposal.

Minor repair and maintenance expenditure are recognized in the year in which they are incurred but major repair and maintenance expenditure are capitalized. Gains or losses on the disposal of assets are recognized as an income in the year in which they are incurred.

3.2 Accrued and other liabilities

Liabilities in respect of accrued and other liabilities are carried at cost, which is the fair value of the consideration to be paid in future for goods and services received.

3.3 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purposes of statement of cash flow, cash equivalents are short term highly liquid instruments that are readily convertible to known amounts of cash which are subject to insignificant changes.

3.4 Revenue recognition

Revenue from all sources of income are recognized on actual receipts basis.

| | Note | 2023 Rupees | 2022 Rupees |
|---|------|-------------------|-------------------|
| 4 ACCUMULATED FUND | | | |
| Opening balance | | 38,509,026 | 35,769,866 |
| Surplus for the year | | 5,402,398 | 2,457,069 |
| Incremental depreciation | | 267,987 | 282,091 |
| Closing balance | | <u>44,179,411</u> | <u>38,509,026</u> |
| 5 SURPLUS ON REVALUATION OF FREEHOLD LAND AND BUILDING | | | |
| Land | | 53,455,644 | 53,455,644 |
| Building | | 6,979,660 | 6,979,660 |
| | | 60,435,304 | 60,435,304 |
| Incremental depreciation on buildings: | | | |
| Opening balance | | (1,619,928) | (1,337,837) |
| for the year | | (267,987) | (282,091) |
| | | (1,887,915) | (1,619,928) |
| | | <u>58,547,389</u> | <u>58,815,376</u> |
| 6 ACCRUED AND OTHER LIABILITIES | | | |
| Audit fee payable | | 63,000 | 52,500 |
| Other payable | 6.1 | 512,084 | 845,477 |
| Payable to vendors | | 151,060 | 128,185 |
| E.O.B.I payable | | 12,000 | |
| Advance from companies | 6.2 | 277,000 | 299,700 |
| Salaries payable | | - | 457,767 |
| Tax payable on salaries | | 7,053 | 53,821 |
| | | <u>1,022,196</u> | <u>1,837,450</u> |

6.1 This represents amount received as donations to provide medicines, free education, food to needy people, and is maintained in separate bank account.

6.2 This represents amount received as advance from companies for visa letter recommendation fee and certificates attestation fee.

PROPERTY AND EQUIPMENT

| Particulars | Cost / revalued amount | | | Accumulated depreciation | | | Net book value as at June 30, 2023 | Rate |
|------------------------|------------------------|-------------------------|---------------------|--------------------------|---------------------|---------------------|------------------------------------|------|
| | As at July 01, 2022 | Additions / (Disposals) | As at June 30, 2023 | As at July 01, 2022 | Charge for the year | As at June 30, 2023 | | |
| | ----- Rupees ----- | | | | | | | % |
| Freehold land | 56,000,000 | - | 56,000,000 | - | - | - | 56,000,000 | - |
| Building | 12,621,200 | - | 12,621,200 | 2,341,154 | 514,002 | 2,855,156 | 9,766,044 | 5% |
| Furniture and fixtures | 1,396,939 | - | 1,396,939 | 1,177,473 | 21,947 | 1,199,420 | 197,519 | 10% |
| Electrical appliances | 6,442,935 | 576,170 | 7,019,105 | 3,973,148 | 304,596 | 4,277,744 | 2,741,361 | 10% |
| Vehicles | 1,770,500 | - | 1,770,500 | 923,676 | 84,682 | 1,008,358 | 762,142 | 10% |
| Motor cycles | 80,000 | - | 80,000 | 39,040 | 8,192 | 47,232 | 32,768 | 20% |
| | <u>78,311,574</u> | <u>576,170</u> | <u>78,887,744</u> | <u>8,454,491</u> | <u>933,419</u> | <u>9,387,910</u> | <u>69,499,834</u> | |

For comparative year

| Particulars | Cost / revalued amount | | | Accumulated depreciation | | | Net book value as at June 30, 2022 | Rate |
|------------------------|------------------------|-------------------------|---------------------|--------------------------|---------------------|---------------------|------------------------------------|------|
| | As at July 01, 2021 | Additions / (Disposals) | As at June 30, 2022 | As at July 01, 2021 | Charge for the year | As at June 30, 2022 | | |
| | ----- Rupees ----- | | | | | | | % |
| Freehold land | 56,000,000 | - | 56,000,000 | - | - | - | 56,000,000 | - |
| Building | 12,621,200 | - | 12,621,200 | 1,800,099 | 541,055 | 2,341,154 | 10,280,046 | 5% |
| Furniture and fixtures | 1,396,939 | - | 1,396,939 | 1,153,088 | 24,385 | 1,177,473 | 219,466 | 10% |
| Electrical appliances | 5,820,315 | 653,020 (30,400) | 6,442,935 | 3,698,728 | 274,420 | 3,973,148 | 2,469,787 | 10% |
| Vehicles | 1,770,500 | - | 1,770,500 | 829,584 | 94,092 | 923,676 | 846,824 | 10% |
| Motor cycle | 80,000 | - | 80,000 | 28,800 | 10,240 | 39,040 | 40,960 | 20% |
| | <u>77,688,954</u> | <u>622,620</u> | <u>78,311,574</u> | <u>7,510,299</u> | <u>944,192</u> | <u>8,454,491</u> | <u>69,857,083</u> | |

7.1 On July 01, 2011, MCCI elected to measure its freehold land and building (Classified as property and equipment) using the revaluation model.

Latest revaluation of MCCI's freehold land, buildings was determined at June 30, 2018 by an independent professionally qualified valuer Sama Engineers Associates listed on the panel of the Pakistan Bank Association. The valuation is based on an open market value.

The activity in the property markets in which these assets are located provides observable market data on which reliable fair value estimates can be derived. In determining the valuation, the valuer refers to current market conditions and recent sales transactions of similar properties.

The forced sale value of the revalued freehold land and building has been assessed at Rs. 47.6 million and Rs. 10.7 million respectively.

| | Note | 2023 Rupees | 2022 Rupees |
|--|---|----------------|-------------------|
| 8 LONG TERM INVESTMENT | | | |
| Term deposit receipts: | | | |
| U Micro Finance Bank Ltd. | 8.1 | <u>-</u> | <u>15,000,000</u> |
| 8.1 | MCCI has withdrawn Rs. 15 million from U Micro Finance Bank Limited during the year by approval of the President. | | |
| | Note | 2023 Rupees | 2022 Rupees |
| 9 LOANS AND ADVANCES | | | |
| Loans and advances to staff | | 202,000 | 602,000 |
| Prepayments | | | 100,000 |
| Provision for doubtful loans and advances to staff | | - | (250,000) |
| | | <u>202,000</u> | <u>452,000</u> |

| | Note | 2023 Rupees | 2022 Rupees |
|---|--|----------------|----------------|
| 10 TAX REFUNDS DUE FROM GOVERNMENT | | | |
| Opening balance | | 2,509,766 | 2,099,491 |
| Withholding tax deducted during the year on: | | | |
| Profit from fixed deposits | | 512,596 | 210,913 |
| Banks | | 143,389 | 122,929 |
| Vehicles-GLI | | 1,750 | 1,750 |
| Telephone bills | | 4,134 | 3,641 |
| Electricity bills | | 110,344 | 71,042 |
| | | 772,213 | 410,275 |
| | | 3,281,979 | 2,509,766 |
| 11 CASH AND BANK BALANCES | | | |
| Cash in hand | | 7,707 | 1,718 |
| Cash at Bank | | | |
| - current accounts | | 432,601 | 809,387 |
| - deposit account | | 30,324,875 | 10,531,898 |
| | | 30,765,183 | 11,343,003 |
| 11.1 | Deposit account carried profit at the rate of 16.6% to 21.5 % (2022: 6%) per annum | | |
| 12 CONTINGENCIES AND COMMITMENTS | | | |
| | There are no known contingencies and commitments as at June 30, 2023 (2022: nil) | | |
| | Note | 2023 Rupees | 2022 Rupees |
| 13 GROSS RECEIPTS | | | |
| Admission & membership fee | | 8,192,450 | 7,397,000 |
| Annual subscription | | 2,829,000 | 2,847,000 |
| Rental income | | 25,000 | 35,000 |
| Visa letter recommendation fee | | 2,257,500 | 1,442,500 |
| Certificates attestation fee | | 2,898,500 | 2,345,700 |
| Membership card fee | | - | 166,300 |
| Other contribution / donations | | 990,000 | 960,000 |
| | | 17,192,450 | 15,193,500 |
| 14 ADMINISTRATIVE EXPENSES | | | |
| Salaries and other benefits | | 7,446,497 | 6,633,754 |
| Utility charges | | 1,169,836 | 924,498 |
| Printing and stationary | | 437,187 | 333,378 |
| Entertainment | | 2,628,392 | 3,223,227 |
| Legal and professional charges | | 383,486 | 352,511 |
| Fee & Subscription | | 64,228 | 60,000 |
| Repair and maintenance | | 261,681 | 410,135 |
| Audit fee | | 84,110 | 52,500 |
| Travelling and conveyance | | 531,610 | 630,258 |
| Rent charges | | - | 46,525 |
| Depreciation charges | 7 | 933,419 | 944,192 |
| Architectural and structure design | | - | 60,000 |
| Advertisement / communication expenses | | 188,521 | 213,980 |
| Vehicle Insurance | | 36,450 | 24,300 |
| Crockery & Cutlery expenses | | 40,036 | 2,185 |
| Computer & electric expenses | | 256,550 | 48,640 |
| Newspaper, periodicals & postage | | 54,460 | 344,877 |
| Daily Allowance | | 33,999 | 20,987 |
| Miscellaneous expenses | | 730,588 | 187,382 |
| Media Coordination Charges | | 331,840 | - |
| | | 15,612,890 | 14,513,329 |

| | Note | 2023 Rupees | 2022 Rupees |
|--|------|-------------------|-------------------|
| 15 OTHER EXPENSES | | | |
| Loss on disposal | | - | 12,400 |
| 16 FINANCE COST | | | |
| Bank charges | | 8,286 | 12,238 |
| 17 OTHER INCOME | | | |
| Profit on Fixed deposit account | | 2,981,272 | 1,130,647 |
| Profit on bank deposits | | 807,639 | 619,997 |
| Gain on disposal | | - | - |
| Miscellaneous income | | 42,213 | 50,982 |
| | | <u>3,831,123</u> | <u>1,801,626</u> |
| 18 REMUNERATION OF MEMBERS AND EXECUTIVES | | | |
| | | 2023 | 2022 |
| | | Executives | Executives |
| Basic salary | | 1,843,182 | 1,568,184 |
| Medical allowance | | 184,318 | 156,816 |
| | | <u>2,027,500</u> | <u>1,725,000</u> |
| Number of Executives | | <u>1</u> | <u>1</u> |
| 19 NUMBER OF EMPLOYEES | | | |
| Number of employees as at June 30, | | 11 | 11 |
| Average number of employees during the year | | 11 | 11 |

20 DATE OF AUTHORIZATION

These financial statements were authorized for issue on September _____, 2023 by the executive committee of MCCI.

21 GENERAL

These financial statements have been rounded off to the nearest of Rupee.