

FEROZ AZIZ & COMPANY

Chartered Accountants

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**CIVIL SERVICES CO-OPERATIVE
HOUSING SOCIETY LIMITED**

**ACCOUNTS FOR THE YEAR ENDED
JUNE 30, 2011**

FEROZ AZIZ & COMPANY

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AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **Civil Services Co-operative Housing Society Limited (the 'Society')** as at June 30, 2011 and the related income and expenditure account, receipts and payments account and statement of changes in equity together with the notes forming part thereof (here-in-after referred to as the financial statements) for the year then ended.

It is the responsibility of the management to establish and maintain a system of internal control and prepare and present the financial statements in conformity with the approved accounting standards as applicable in Pakistan. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting policies used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we state that:

- (a) Clauses 67 & 68 of the Society's Bye-laws require annual distribution and allocation of profit in a prescribed manner. This includes annual distribution of dividends to members @ 7.5% of the capital. The Society has neither allocated the funds as prescribed in the above rule nor distributed dividends to members as the management considers it appropriate to retain the funds within the Society for expected expenditure on land acquisition and development.

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- (b) Society has invested its surplus funds in Term Deposits of scheduled banks as stated in relevant note. Clause 5(d) of the Society's Bye-laws, inter-alia, provides investment of funds in any bank approved by the Registrar of Co-operative Societies.

Except for the above, in our opinion, the financial statements present fairly in all material respect the financial position of the Society as at June 30, 2011 and its surplus and cash flows for the year then ended in accordance with the approved accounting standards as applicable in Pakistan.

31-12-, 2011



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CIVIL SERVICES CO-OPERATIVE HOUSING SOCIETY LIMITED

BALANCE SHEET AS ON JUNE 30, 2011

	Note	2011 Rupees	2010 Rupees
<u>Non-Current Assets</u>			
Furniture & office equipments	3	173,059	202,499
Advance against acquisition of land	4	12,583,333	12,442,333
		12,756,392	12,644,832
<u>Current Assets</u>			
Short term investments	5	280,000,000	210,000,000
Advance income tax	6	1,060,619	1,059,853
Others	7	305,290	302,050
Cash at banks	8	7,495,575	17,783,078
		288,861,484	229,144,981
		301,617,876	241,789,813
<u>Non-Current Liability</u>			
Advances from members against cost of land	9	254,349,395	220,612,195
<u>Equity</u>			
<u>Authorized Capital</u>			
1000 shares of Rs 100 each		100,000	100,000
<u>Issued, subscribed & paid up capital</u>			
1296 (2010 : 1032) shares of Rs 100 each fully paid in cash	10	129,600	103,200
Reserve and funds	11	44,712,119	13,886,923
Surplus for the year		2,426,762	7,187,495
		47,268,481	21,177,618
		301,617,876	241,789,813

Annexed notes 1 to 15 form an integral part of these financial statements.


Chairperson


Secretary


Committee Member



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CIVIL SERVICES CO-OPERATIVE HOUSING SOCIETY LIMITED INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED JUNE 30, 2011

	Note	2011 Rupees	2010 Rupees
INCOME			
Profit on term deposits	12	27,101,431	14,164,099
Members' admission fees		-	27,000
Profit on bank deposits	13	2,984	15,183
		27,104,415	14,206,282
EXPENDITURE			
Salaries and benefits		745,000	760,000
Printing and stationery		12,600	39,787
Bank charges		3,478	5,081
Postage		1,988	160,443
Web Expense		120,000	108,000
Internet Charges		12,566	17,711
Telephone		75,060	65,025
Repair & Maintenance		4,500	14,841
Entertainment		8,650	10,723
Conveyance		25,570	19,870
Depreciation		30,540	35,735
		1,039,952	1,237,216
Surplus for the year		26,064,463	12,969,066
Accumulated surplus brought forward		7,187,495	2,794,817
Surplus available for appropriation		33,251,958	15,763,883
Appropriations			
General reserve fund		3,325,196	1,576,388
Building fund		7,500,000	4,000,000
Amenity fund		5,000,000	3,000,000
Development fund special		15,000,000	-
		30,825,196	8,576,388
Accumulated surplus carried over		2,426,762	7,187,495

Annexed notes 1 to 15 form an integral part of these financial statements.


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CIVIL SERVICES CO-OPERATIVE HOUSING SOCIETY LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2011

	2011 Rupees	2010 Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Surplus for the year	26,064,463	12,942,066
<u>Adjustment for non cash item</u>		
Depreciation	30,540	35,735
Operating Surplus Working Capital Changes	<u>26,095,003</u>	<u>12,977,801</u>
<u>Decrease / (Increase) in assets</u>		
Advance against acquisition of land	(141,000)	-
Others	(3,240)	-
	<u>(144,240)</u>	<u>-</u>
<u>Increase / (Decrease) in Liabilities</u>		
Advances from members against cost of land	33,737,200	71,896,000
	<u>59,687,963</u>	<u>84,873,801</u>
Taxes paid	(766)	
Net cash generated from operating activities	<u>59,687,197</u>	<u>84,873,801</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Short term investments	(70,000,000)	(73,719,613)
Fixed assets purchased	(1,100)	(6,800)
Net cash generated from Investing activities	<u>(70,001,100)</u>	<u>(73,726,413)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Shares issued during the year	26,400	29,700
Net cash generated from Financing activities	<u>26,400</u>	<u>29,700</u>
Net decrease in cash & cash equivalent	<u>(10,287,503)</u>	<u>11,177,088</u>
Cash & Bank at the beginning of the year	17,783,078	6,605,990
Closing balance of Cash & Bank	<u><u>7,495,575</u></u>	<u><u>17,783,078</u></u>

Annexed notes 1 to 15 form an integral part of these financial statements.


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CIVIL SERVICES CO-OPERATIVE HOUSING SOCIETY LIMITED RECEIPTS & PAYMENTS ACCOUNTS FOR THE YEAR ENDED JUNE 30, 2011

	2011 Rupees	2010 Rupees
Opening balance as on July 1st	17,783,078	6,605,990
<u>Receipts during the year</u>		
Advance from members against cost of land	33,737,200	71,896,000
Profit on term deposits	27,101,431	14,164,099
Member's admission fees	-	27,000
Shares issued during the year	26,400	2,700
Profit on bank deposits	2,984	15,183
	60,868,015	86,104,982
	<u>78,651,093</u>	<u>92,710,972</u>
<u>Payments during the year</u>		
Salaries and benefits	745,000	760,000
Ground rent	141,000	-
Printing and stationery	12,600	39,787
Bank charges	3,478	5,081
Postage	1,988	160,443
Web expense	120,000	108,000
Internet charges	12,566	17,711
Telephone	75,060	65,025
Repair & Maintenance	4,500	14,841
Entertainment	8,650	10,723
Conveyance	25,570	19,870
Fixed capital expenditure	1,100	6,800
Advance income tax	766	719,613
Others	3,240	-
Short term investments	70,000,000	73,000,000
	<u>71,155,518</u>	<u>74,927,894</u>
Closing balance as on June 30th	<u>7,495,575</u>	<u>17,783,078</u>

Annexed notes 1 to 15 form an integral part of these financial statements.

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CIVIL SERVICES CO-OPERATIVE HOUSING SOCIETY LIMITED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2011

	Issued, Subscribed & Paid up Capital Rupees	Surplus Rupees	Total Rupees
Balance as at June 30, 2008	94,400	1,455,642	1,550,042
Shares issued during the year ended June 30, 2009	6,100	-	6,100
Surplus for the year ended June 30, 2009	-	6,649,710	6,649,710
Balance as at June 30, 2009	<u>100,500</u>	<u>8,105,352</u>	<u>8,205,852</u>
Shares issued during the year ended June 30, 2010	2,700	-	2,700
Surplus for the year ended June 30, 2010	-	12,969,066	12,969,066
Balance as at June 30, 2010	<u>103,200</u>	<u>21,074,418</u>	<u>21,177,618</u>
Shares issued during the year	26,400	-	26,400
Surplus for the year ended June 30, 2011	-	26,064,463	26,064,463
Balance as on June 30, 2011	<u><u>129,600</u></u>	<u><u>47,138,881</u></u>	<u><u>47,268,481</u></u>


Chairperson


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CIVIL SERVICES CO-OPERATIVE HOUSING SOCIETY LIMITED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2011

1. THE SOCIETY AND ITS LEGAL STATUS

Civil Services Co-operative Housing Society Limited Karachi is registered under Co-operative Societies Act, 1925 vide Registration Number K-1444 of 1991 dated March 7, 1991. The main object of the Society is to carry on the trade of building, and acquiring, buying, hiring, selling, letting, and developing land in accordance with Co-operative principles.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

These financial statements have been prepared in accordance with approved accounting standards, as applicable in Pakistan. Approved accounting standards comprise of Accounting and Financial Reporting Standards for Small-Sized Entities issued by the Institute of Chartered Accountants of Pakistan.

2.2 Overall valuation policy

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

2.3 Fixed assets

These are stated at cost less accumulated depreciation.

Depreciation on assets is charged to income applying the straight line method. Full year's depreciation is charged on additions during the year whereas no depreciation is charged in the year of disposal.

Maintenance and normal repairs are charged to income as and when incurred. Gains and losses on disposals of fixed assets are included in income currently.

2.4 Revenue recognition

Return on bank deposits and Investments are recognized on Receipt basis.

2.5 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purposes of cash flow statement, cash and cash equivalents comprise cash in hand, balances with banks on current and deposit accounts.

2.6 Off-setting of financial assets and financial liabilities

A financial asset and a financial liability is set off and the net amount is reported in the balance sheet if the company has a legal right to set off the transaction and also intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

2.7 Provisions

Provisions are recognized when the Society 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. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.



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HOUSING SOCIETY LIMITED

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3 FURNITURE AND OFFICE EQUIPMENTS

Description	C O S T			Rate %	D E P R E C I A T I O N			
	As at July 1, 2010	Addition during the year	As at June 30, 2011		As at July 1, 2010	For the year	As at June 30, 2011	Written Down Value as at June 30, 2011
	Rupees	Rupees	Rupees		Rupees	Rupees	Rupees	Rupees
Furniture & Fittings	76,800	-	76,800	15%	28,031	7,315	35,346	41,454
Office Equipments	222,900	1,100	224,000	15%	69,170	23,225	92,395	131,605
Total - 2011	299,700	1,100	300,800		97,201	30,540	127,741	173,059
Total - 2010	292,900	6,800	299,700		61,466	35,735	97,201	202,499

4 ADVANCE AGAINST ACQUISITION OF LAND

This includes Ground Rent paid to the Government amounting to Rs. 1,750,000 (2010 : 1,609,000/-).

	2011 Rupees	2010 Rupees
5 SHORT TERM INVESTMENT		
National Bank of Pakistan Term Deposit Certificates	191,000,000	210,000,000
Silk Bank Term Deposit Certificates	89,000,000	-
	280,000,000	210,000,000

5.1 Rate of return ranges from 12.85% to 13.55% per annum with maturity dates from September 24, 2011 to February 22, 2012.

6 ADVANCE TAX

Tax deducted on TDR Profit	1,059,829	1,059,486
Tax deducted on Cash Withdrawals	790	367
	1,060,619	1,059,853

7 OTHER RECEIVABLES

This includes Rs 228,300 representing 3 cheques of Rs 76,100/- received from members but returned uncleared by the bank. In the absence of particulars of members, the amount has been kept as 'Receivable'. This also includes Rs 76,990/- representing cheque issued for expenses but the nature of payment could not be ascertained.

8 CASH AND BANK BALANCES

National Bank of Pakistan - Current Account	7,461,365	17,749,091
Silk Bank - PLS Account	3,839	2
	7,465,204	17,749,093
Cash in Hand	30,371	33,985
	7,495,575	17,783,078



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HOUSING SOCIETY LIMITED

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9 <u>ADVANCES FROM MEMBERS AGAINST COST OF LAND</u>		2011 Rupees	2010 Rupees		
Opening Balance		220,612,195	148,716,195		
Received During the Year		33,737,200	71,896,000		
		254,349,395	220,612,195		
10 <u>ISSUED, SUBSCRIBED & PAID UP CAPITAL</u>					
Opening Balance		103,200	100,500		
Shares issued during the year		26,400	2,700		
		129,600	103,200		
11 <u>RESERVE AND FUNDS</u>		Opening balance	Appropriation for the year	Total	Total
General reserve fund	2,386,923	3,325,196	5,712,119	2,386,923	
Building fund	6,500,000	7,500,000	14,000,000	6,500,000	
Amenity fund	5,000,000	5,000,000	10,000,000	5,000,000	
Development fund special	-	15,000,000	15,000,000	-	
	13,886,923	30,825,196	44,712,119	13,886,923	
12 <u>INVESTMENT INCOME</u>					
National Bank of Pakistan - Term Deposits		22,382,556	11,296,905		
Silk Bank Limited - Term Deposits		4,718,875	2,867,194		
		27,101,431	14,164,099		
13 <u>PROFIT FROM BANK ACCOUNT</u>					
Saudi Pak Bank		-	3,990		
Silk Bank		2,984	11,193		
		2,984	15,183		

14 DATE OF AUTHORISATION FOR ISSUE


These financial statements were authorized for issue on _____ by the Society's Council.

15 GENERAL

15.1 Figures have been rounded off to nearest rupee

15.2 Prior year's figures have been re-grouped for the purpose of comparison, if required.


Chairperson


Secretary


Committee Member

