

**CIVIL SERVICE CO-OPERATIVE
HOUSING SOCIETY LIMITED
ACCOUNTS FOR THE YEAR ENDED
JUNE 30, 2012**

FEROZ AZIZ & COMPANY

Chartered Accountants

211, Business Arcade,
Block 6, P.E.C.H.S,
Shahrah-e-Faisal,
Karachi.

Telephone : (92-21) 34382086-87
Fax : (92-21) 34382085
E-mail : fazco@cyber.net.pk

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **CIVIL SERVICES CO-OPERTAIVE HOUSING SOCIETY LIMITED** (the 'Society') as at June 30, 2012 and related profit and loss account and statement of changes in equity 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 purpose 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 state that:

- (a) Clauses 67 & 68 of the society's Bye-laws require annual distribution and allocation of profit in a prescribed manner. This include 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 consider it appropriate to retain the funds within the society for expected expenditure on land acquisition and development.

Cont....



FEROZ AZIZ & COMPANY

Chartered Accountants

2

(b) As per Bye-laws Clause 3 Sub clause 2(b) authorised Share shall not at any one time exceed Rs.100,000/- from the issue of shares without the sanction of General meeting of the society, at that time Paid up Share Rs 129,600/-, which is exceed the limit of authorised share

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, 2012 and its surplus and cash flows for the year then ended in accordance with the approved accounting standards as applicable in Pakistan.

Dated: _____



CIVIL SERVICES CO-OPERATIVE HOUSING SOCIETY LIMITED
BALANCE SHEET
AS ON JUNE 30, 2012

	Note	2012 Rupees	2011 Rupees
<u>Non-Current Assets</u>			
Furniture & office equipments	3	170,900	173,059
Advance against acquisition of land	4	268,790,959	12,583,333
		268,961,859	12,756,392
<u>Current Assets</u>			
Short term investments	5	-	280,000,000
Advance income tax	6	1,701,401	1,060,619
Others	7	70,290	305,290
Cash at banks	8	163,354,405	7,495,575
		165,126,097	288,861,484
		434,087,956	301,617,876
<u>Non-Current Liability</u>			
Advances from members against cost of land	9	380,680,795	254,349,395
<u>Current Liability</u>			
Accrued Expense		65,000	-
<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 (2011 : 1296) shares of Rs 100 each fully paid in cash	10	129,600	129,600
Reserve and funds	11	50,785,799	44,712,119
Surplus for the year		2,426,762	2,426,762
		53,342,161	47,268,481
		434,087,956	301,617,876

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


 Chairperson

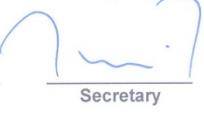

 Secretary


 Committee Member

CIVIL SERVICES CO-OPERATIVE HOUSING SOCIETY LIMITED
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2012

	Note	2012 Rupees	2011 Rupees
INCOME			
Profit on term deposits	12	5,007,123	27,101,431
Members' admission fees		-	-
Profit on bank deposits	13	2,741,425	2,984
		7,748,548	27,104,415
EXPENDITURE			
Salaries and benefits		960,000	745,000
Printing and stationery		61,597	12,600
Bank charges		9,356	3,478
Postage		69,633	1,988
Web Expense		137,000	120,000
Internet Charges		15,850	12,566
Telephone		54,880	75,060
Legal and Professional		70,000	-
Audit Expense		65,000	-
Fuel Expenses		35,228	-
Miscellaneous		1,050	-
Office Expenses		11,804	-
Repair & Maintenance		3,000	4,500
Entertainment		17,431	8,650
Conveyance		-	25,570
Depreciation		30,159	30,540
		1,541,988	1,039,952
Other Expense			
Advertisement		132,880	-
		132,880	-
Surplus for the year		6,073,680	26,064,463
Accumulated surplus brought forward		2,426,762	7,187,495
Surplus available for appropriation		8,500,442	33,251,958
Appropriations			
General reserve fund		607,368	3,325,196
Building fund		1,822,104	7,500,000
Amenity fund		1,822,104	5,000,000
Development fund special		1,822,104	15,000,000
		6,073,680	30,825,196
Accumulated surplus carried over		2,426,762	2,426,762

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

  
 Chairperson Secretary Committee Member

CIVIL SERVICES CO-OPERATIVE HOUSING SOCIETY LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2012

	2012 Rupees	2011 Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Surplus for the year	6,073,680	26,064,463
<u>Adjustment for non cash item</u>		
Depreciation	30,159	30,540
Operating Surplus Working Capital Changes	<u>6,103,839</u>	<u>26,095,003</u>
<u>Decrease / (Increase) in assets</u>		
Advance against acquisition of land	(256,207,626)	(141,000)
Others	235,000	(3,240)
	<u>(255,972,626)</u>	<u>(144,240)</u>
<u>Increase / (Decrease) in Liabilities</u>		
Advances from members against cost of land	126,331,400	33,737,200
Accrued Expense	65,000	
	<u>(123,472,387)</u>	<u>59,687,963</u>
Taxes paid	(640,783)	(766)
Net cash generated/ (used) from operating activities	<u>(124,113,170)</u>	<u>59,687,197</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Short term Investment Encashed	280,000,000	(70,000,000)
Fixed assets purchased	(28,000)	(1,100)
Net cash generated from Investing activities	279,972,000	(70,001,100)
Net increase / (decrease) in cash & cash equivalent	<u>155,858,830</u>	<u>(10,287,503)</u>
Cash & Bank at the beginning of the year	7,495,575	17,783,078
Closing balance of Cash & Bank	<u>163,354,405</u>	<u>7,495,575</u>

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


 Chairperson


 Secretary


 Committee Member

CIVIL SERVICES CO-OPERATIVE HOUSING SOCIETY LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2012

	Issued, Subscribed & Paid up Capital	Surplus	Total
	Rupees	Rupees	Rupees
Balance as at June 30, 2010	103,200	21,074,418	21,177,618
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 at June 30, 2011	<u>129,600</u>	47,138,881	47,268,481
Surplus for the year ended June 30, 2012	-	6,073,680	6,073,680
Balance as on June 30, 2012	<u>129,600</u>	<u>53,212,561</u>	<u>53,342,161</u>


Chairperson


Secretary


Committee Member

CIVIL SERVICES CO-OPERATIVE HOUSING SOCIETY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012

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 Investment

Investment recorded as per IAS 39

2.5 Revenue recognition

Return on bank deposits and Investments are recognized on Accrual basis

2.6 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.

2.7 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.

2.8 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.

3 FURNITURE AND OFFICE EQUIPMENTS

Description	C O S T				D E P R E C I A T I O N			
	As at July 1, 2011	Addition during the year	As at June 30, 2012	Rate %	As at July 1, 2011	For the year	As at June 30, 2012	Written Down Value as at June 30, 2012
Furniture & Fittings	Rupees 76,800	Rupees -	Rupees 76,800	15%	Rupees 35,346	Rupees 6,218	Rupees 41,564	Rupees 35,236
Office Equipments	224,000	28,000	252,000	15%	92,395	23,941	116,336	135,664
Total - 2012	<u>300,800</u>	<u>28,000</u>	<u>328,800</u>		<u>127,741</u>	<u>30,159</u>	<u>157,900</u>	<u>170,900</u>
Total - 2011	<u>299,700</u>	<u>1,100</u>	<u>300,800</u>		<u>97,201</u>	<u>30,540</u>	<u>127,741</u>	<u>173,059</u>

4 ACQUISITION OF LAND, DUTIES AND DEVELOPMENT EXPs.

	2012	2011
	Rupees	Rupees
Opening Balance		
Land Cost	227,499,999	10,833,323
Development Expenses	650,000	-
Govt. Duties and Ground Rent	40,640,960	1,750,000
	<u>268,790,959</u>	<u>12,583,323</u>

5 SHORT TERM INVESTMENT

	2012	2011
	Rupees	Rupees
National Bank of Pakistan Term Deposit Certificates	-	191,000,000
Silk Bank Term Deposit Certificates	-	89,000,000
	<u>-</u>	<u>280,000,000</u>

6 ADVANCE TAX

Tax deducted on Profit	1,698,624	1,059,829
Tax deducted on Cash Withdrawals	2,778	790
	<u>1,701,401</u>	<u>1,060,619</u>

7 OTHER RECEIVABLES

Members Cheques Return	228,300	228,300
Unrecorded Expenses	76,990	76,990
Members Cheques Received	(235,000)	-
	<u>70,290</u>	<u>305,290</u>

8 CASH AND BANK BALANCES

National Bank of Pakistan - Current Account	5,316,566	7,461,365
National Bank of Pakistan - PLS Account	158,000,000	-
Silk Bank - PLS Account	4,442	3,839
	<u>163,321,007</u>	<u>7,465,204</u>
Cash in Hand	33,398	30,371
	<u>163,354,405</u>	<u>7,495,575</u>

CIVIL SERVICES CO-OPERATIVE
HOUSING SOCIETY LIMITED

7

			2012 Rupees	2011 Rupees
9	<u>ADVANCES FROM MEMBERS AGAINST COST OF LAND</u>			
Opening Balance			254,349,395	220,612,195
Received During the Year			132,516,300	33,737,200
Refund During the Year			(6,184,900)	-
			380,680,795	254,349,395
10	<u>ISSUED, SUBSCRIBED & PAID UP CAPITAL</u>			
Opening Balance			129,600	103,200
Shares issued during the year			-	26,400
			129,600	129,600
11	<u>RESERVE AND FUNDS</u>	Opening balance	Appropriation for the year	2012 Rupees
General reserve fund	5,712,119	607,368	6,319,487	5,712,119
Building fund	14,000,000	1,822,104	15,822,104	14,000,000
Amenity fund	10,000,000	1,822,104	11,822,104	10,000,000
Development fund special	15,000,000	1,822,104	16,822,104	15,000,000
	44,712,119	6,073,680	50,785,799	44,712,119
12	<u>INVESTMENT INCOME</u>			
National Bank of Pakistan - Term Deposits			3,646,521	22,382,556
Silk Bank Limited - Term Deposits			1,360,603	4,718,875
			5,007,123	27,101,431
13	<u>PROFIT FROM BANK ACCOUNT</u>			
National Bank Limited - PLS Account			2,741,425	-
Silk Bank			-	2,984
			2,741,425	2,984
14	<u>DATE OF AUTHORISATION FOR ISSUE</u>			
These financial statements were authorized for issue on _____ by the Society's Council.				
15	<u>GENERAL</u>			
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