

**CIVIL SERVICE CO-OPERATIVE
HOUSING SOCIETY LIMITED
ACCOUNTS FOR THE YEAR ENDED
JUNE 30, 2016**

FEROZ AZIZ & COMPANY

Chartered Accountants

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AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **CIVIL SERVICES CO-OPERTATIVE HOUSING SOCIETY LIMITED (the 'Society')** as at June 30, 2016 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 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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FEROZ AZIZ & COMPANY

Chartered Accountants

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- (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, 2016 and its surplus and cash flows for the year then ended in accordance with the approved accounting standards as applicable in Pakistan.

Dated: _____

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CHARTERED ACCOUNTANTS



CIVIL SERVICES CO-OPERATIVE HOUSING SOCIETY LIMITED
BALANCE SHEET
AS ON JUNE 30, 2016

	Note	2016 Rupees	2015 Rupees
<u>Non-Current Assets</u>			
Furniture & office equipments	3	89,210	104,953
Advance against acquisition of land	4	271,705,053	271,705,053
		271,794,263	271,810,006
<u>Current Assets</u>			
Short term investments	5	275,000,000	265,000,000
Advance income tax	6	5,970,915	3,239,625
Others	7	452,360	655,468
Cash at banks	8	4,695,736	11,142,017
		286,119,011	280,037,110
		557,913,274	551,847,116
<u>Non-Current Liability</u>			
Advances from members against cost of land	9	429,037,297	438,700,097
<u>Current Liability</u>			
Accrued Expense		325,000	260,000
<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 (2015 : 1296) shares of Rs 100 each fully paid in cash	10	129,600	129,600
Reserve and funds	11	125,994,615	110,330,657
Surplus for the year		2,426,762	2,426,762
		128,550,977	112,887,019
		557,913,274	551,847,116

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, 2016

INCOME	Note	2016 Rupees	2015 Rupees
Profit on term deposits	12	16,638,429	22,563,055
Members' admission fees		-	-
Profit on bank deposits	13	31,621	2,170,028
		16,670,050	24,733,083
EXPENDITURE			
Salaries and benefits		600,000	645,000
Printing and stationery		1,520	14,210
Bank charges		700	700
Postage		2,330	2,260
Web Expense		147,200	158,920
Internet Charges		13,714	10,605
Telephone		31,900	33,470
Legal and Professional		-	-
Audit Expense		65,000	65,000
Fuel Expenses		12,600	14,300
Miscellaneous		-	-
Office Expenses		21,900	28,790
Repair & Maintenance		8,235	36,370
Entertainment		10,100	9,835
Office rent		72,000	-
Conveyance		3,150	-
Depreciation		15,743	18,522
		1,006,092	1,037,982
Other Expense			
Advertisement		-	114,960
		-	114,960
Surplus for the year		15,663,958	23,580,141
Accumulated surplus brought forward		2,426,762	2,426,762
Surplus available for appropriation		18,090,720	26,006,903
Appropriations			
General reserve fund		1,566,396	2,358,014
Building fund		4,699,187	7,074,042
Amenity fund		4,699,187	7,074,042
Development fund special		4,699,187	7,074,042
		15,663,958	23,580,141
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
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CIVIL SERVICES CO-OPERATIVE HOUSING SOCIETY LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2016

CASH FLOW FROM OPERATING ACTIVITIES	2016 Rupees	2015 Rupees
Surplus for the year	15,663,958	23,580,141
<u>Adjustment for non cash item</u>		
Depreciation	15,743	18,522
Operating Surplus Working Capital Changes	15,679,701	23,598,663
<u>Decrease / (Increase) in assets</u>		
Advance against acquisition of land	-	-
Others	203,108	440,082
	203,108	440,082
<u>Increase / (Decrease) in Liabilities</u>		
Advances from members against cost of land	(9,662,800)	(12,730,279)
Accrued Expense	65,000	65,000
	6,285,009	11,373,466
Taxes paid	(2,731,290)	(216,503)
Net cash generated from operating activities	3,553,719	11,156,963
CASH FLOW FROM INVESTING ACTIVITIES		
Short term Investment Encashed	(10,000,000)	(45,000,000)
Fixed assets purchased	-	-
Net cash generated/ (used) from Investing activities	(10,000,000)	(45,000,000)
Net increase / (decrease) in cash & cash equivalent	(6,446,281)	(33,843,037)
Cash & Bank at the beginning of the year	11,142,017	44,985,054
Closing balance of Cash & Bank	4,695,736	11,142,017

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, 2016**

	Issued, Subscribed & Paid up Capital Rupees	Surplus Rupees	Total Rupees
Balance as on June 30, 2014	129,600	89,177,278	89,306,878
Surplus for the year ended June 30, 2015	-	23,580,141	23,580,141
Balance as on June 30, 2015	<u>129,600</u>	<u>112,757,419</u>	<u>112,887,019</u>
Surplus for the year ended June 30, 2016		15,663,958	15,663,958
Balance as on June 30, 2016	<u><u>129,600</u></u>	<u><u>128,421,377</u></u>	<u><u>128,550,977</u></u>


Chairperson


Secretary


Committee Member

CIVIL SERVICES CO-OPERATIVE HOUSING SOCIETY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

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, 2015	Addition during the year	As at June 30, 2016	Rate %	As at July 1, 2015	For the year	As at June 30, 2016	Written Down Value as at June 30, 2016
	Rupees	Rupees	Rupees		Rupees	Rupees	Rupees	Rupees
Furniture & Fittings	76,800	-	76,800	15%	55,161	3,246	58,407	18,393
Office Equipments	252,000	-	252,000	15%	168,686	12,497	181,183	70,817
Total - 2016	328,800	-	328,800		223,847	15,743	239,590	89,210
Total - 2015	328,800	-	328,800		205,325	18,522	223,847	104,953

4 ACQUISITION OF LAND, DUTIES AND DEVELOPMENT EXPS.

	2016 Rupees	2015 Rupees
Opening Balance		
Land Cost	227,499,999	227,499,999
Consultancy Cost	2,688,094	2,688,094
Development Expenses	876,000	876,000
Govt. Duties and Ground Rent	40,640,960	40,640,960
	271,705,053	271,705,053

5 SHORT TERM INVESTMENT

	2016 Rupees	2015 Rupees
National Bank of Pakistan Term Deposit Certificates	275,000,000	265,000,000
Silk Bank Term Deposit Certificates	-	-
	275,000,000	265,000,000

5.1 Rate of return ranges from 5.65% to 6.40% per annum with maturity dates from July 01, 2015 to June 30, 2016.

6 ADVANCE TAX

Tax deducted on Profit	5,958,463	3,236,848
Tax deducted on Cash Withdrawals	12,453	2,778
	5,970,915	3,239,625

7 OTHER RECEIVABLES

Profit Receivable	382,070	585,178
Members Cheques Return	228,300	228,300
Unrecorded Expenses	76,990	76,990
Members Cheques Received	(235,000)	(235,000)
	452,360	655,468

8 CASH AND BANK BALANCES

National Bank of Pakistan - Current Account	3,961,538	10,405,829
National Bank of Pakistan - PLS Account	683,457	654,999
Silk Bank - PLS Account	4,442	4,442
	4,649,437	11,065,269
Cash in Hand	46,299	76,748
	4,695,736	11,142,017

9 <u>ADVANCES FROM MEMBERS</u>			2016	2015
<u>AGAINST COST OF LAND</u>			Rupees	Rupees
Opening Balance			438,700,097	451,430,376
Received During the Year			2,252,200	4,119,721
Refund During the Year			(11,915,000)	(16,850,000)
			<u>429,037,297</u>	<u>438,700,097</u>
10 <u>ISSUED, SUBSCRIBED & PAID UP CAPITAL</u>				
Opening Balance			129,600	129,600
			<u>129,600</u>	<u>129,600</u>
11 <u>RESERVE AND FUNDS</u>	Opening balance	Appropriation for the year	2016 Rupees	2015 Rupees
General reserve fund	12,273,973	1,566,396	13,840,369	12,273,973
Building fund	33,685,561	4,699,187	38,384,749	33,685,561
Amenity fund	29,685,561	4,699,187	34,384,749	29,685,561
Development fund special	34,685,561	4,699,187	39,384,749	34,685,561
	<u>110,330,657</u>	<u>15,663,958</u>	<u>125,994,615</u>	<u>110,330,657</u>
12 <u>INVESTMENT INCOME</u>				
National Bank of Pakistan - Term Deposits			16,638,429	22,563,055
			<u>16,638,429</u>	<u>22,563,055</u>
13 <u>PROFIT FROM BANK ACCOUNT</u>				
National Bank Limited - PLS Account			31,621	2,170,028
			<u>31,621</u>	<u>2,170,028</u>


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