

FEROZ AZIZ & COMPANY

Chartered Accountants

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CIVIL SERVICES CO-OPERATIVE HOUSING SOCIETY LIMITED

**FINANCIAL STATEMENTS FOR THE YEAR ENDED
JUNE 30, 2021**

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AUDITORS REPORT TO THE MEMBERS

We have examined the annexed statement of financial position of **CIVIL SERVICES CO-OPERATIVE HOUSING SOCIETY LIMITED** Karachi as at **June 30, 2021** and the related income and expenditure account, the statement of cash flows, the statement of changes in equity for the year then ended together with the notes forming part thereto.

These financial statements are the responsibility of the Society's management. Our responsibility is to express an opinion on these financial statements based on our audit. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances and we report 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.

Except for above, in our opinion and to the best of our information and according to the explanation given to us, the Balance Sheet and the related Income and Expenditure Accounts, which are in agreement with the books of account, exhibit respectively a fair view of state of the Society's affairs as at **June 30, 2021** and of the surplus for the year ended on the date.

November 10th, 2021


CHARTERED ACCOUNTANTS


CIVIL SERVICES CO-OPERATIVE HOUSING SOCIETY LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2021

	Note	2021 Rupees	2020 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	3	2,116,789	1,970,040
Advance against acquisition of land	4	787,809,894	374,972,176
		789,926,683	376,942,216
CURRENT ASSETS			
Short term investments	5	161,898,630	411,898,630
Advance income tax	6	21,823,762	16,906,354
Prepaid & other receivables	7	499,540	425,040
Cash and bank balances	8	123,319,488	12,837,367
		307,541,420	442,067,391
		1,097,468,103	819,009,607
EQUITY AND LIABILITIES			
AUTHORIZED CAPITAL			
1000 shares of Rs.100 each		100,000	100,000
ISSUED, SUBSCRIBED & PAID-UP CAPITAL			
1296 (2020: 1296) shares of Rs.100 each fully paid in cash	9	129,600	129,600
Reserves and funds	10	229,989,038	202,754,516
Accumulated surplus		2,426,762	2,426,762
		232,545,400	205,310,878
NON-CURRENT LIABILITIES			
Advances from members against cost of land	11	788,298,529	594,130,797
CURRENT LIABILITIES			
Accrued expenses		98,010	98,010
Retention money		22,811,694	4,785,939
Sales tax payable		22,898,355	11,235,968
Withholding tax		30,816,117	3,448,017
		76,624,176	19,567,934
		1,097,468,103	819,009,607

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, 2021

	Note	2021 Rupees	2020 Rupees
INCOME			
Profit on term deposits	12	27,701,704	31,557,377
Profit on bank deposits	13	5,788,031	3,673,148
		33,489,735	35,230,525
EXPENDITURE			
Salaries and benefits		2,050,244	2,438,450
Printing and stationery		22,580	65,228
Bank charges		1,545	750
Postage		119,956	186,924
Web Expense		135,600	146,335
Internet Charges		6,210	10,084
Telephone		52,840	39,611
Legal and Professional		-	218,010
Audit Fee		108,000	-
Fuel Expenses		20,100	18,900
Office Expenses		61,160	13,970
Electric charges		82,811	27,547
Repair & Maintenance		25,030	14,320
Entertainment		30,700	17,699
Office rent		955,700	936,540
AGM Expense		624,600	693,679
Conveyance		3,000	2,000
Testing Charges		699,531	-
Office Maintenance		704,000	-
Depreciation		373,551	347,654
Advertisement		178,155	395,070
		6,255,212	5,572,771
Surplus for the year		27,234,522	29,657,754
Accumulated surplus brought forward		2,426,762	2,426,762
Surplus available for appropriation		29,661,284	32,084,516
Appropriations			
General reserve fund		2,723,452	2,965,775
Building fund		8,170,357	8,897,326
Amenity fund		8,170,357	8,897,326
Development fund special		8,170,357	8,897,326
		27,234,522	29,657,754
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
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2021

	2021 Rupees	2020 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Accumulated surplus	27,234,522	29,657,754
<u>Adjustment for non-cash item</u>		
Depreciation	373,551	347,654
Operating Surplus before Working Capital Changes	27,608,073	30,005,408
<u>Decrease / (Increase) in Current Assets</u>		
Advance against acquisition of land	(412,837,718)	(103,067,123)
Prepaid & other receivables	(74,500)	11,898,630
	(412,912,218)	(91,168,493)
<u>Increase / (Decrease) in Current Liabilities</u>		
Advances from members against cost of land	194,167,732	179,096,500
Current liabilities	57,056,242	19,469,924
	(134,080,171)	137,403,339
Taxes paid	(4,917,408)	(5,818,357)
Net cash (used in) generated from operating activities	(138,997,579)	131,584,982
CASH FLOWS FROM INVESTING ACTIVITIES		
Short term Investment	250,000,000	(161,898,630)
Fixed assets purchased	(520,300)	(2,045,580)
Net cash generated from (used in) Investing activities	249,479,700	(163,944,210)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net increase / (decrease) in cash & cash equivalent	110,482,121	(32,359,228)
Cash and cash equivalents at the beginning of year	12,837,367	45,196,596
Cash and cash equivalents at the end of year	123,319,488	12,837,367

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, 2021

	Issued, subscribed & paid-up capital Rupees	Accumulated Surplus Rupees	Reserves and funds					Total Rupees
			General reserve fund Rupees	Building fund Rupees	Amenity fund Rupees	Development fund special Rupees	Total Rupees	
Balance as on June 30, 2019	129,600	2,426,762	18,550,583	52,515,393	48,515,393	53,515,393	173,096,762	175,653,124
Surplus for the year	-	29,657,754	-	-	-	-	-	29,657,754
Appropriation for the year	-	(29,657,754)	2,965,775	8,897,326	8,897,326	8,897,326	29,657,754	-
Balance as on June 30, 2020	129,600	2,426,762	21,516,358	61,412,719	57,412,719	62,412,719	202,764,516	205,310,878
Surplus for the year	-	27,234,522	-	-	-	-	-	27,234,522
Appropriation for the year	-	(27,234,522)	2,723,452	8,170,357	8,170,357	8,170,357	27,234,522	-
Balance as on June 30, 2021	129,600	2,426,762	24,239,811	69,583,076	65,583,076	70,583,076	229,989,038	232,545,400

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


Chairperson


Secretary


Committee Member

CIVIL SERVICES CO-OPERATIVE HOUSING SOCIETY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

1. THE SOCIETY AND ITS LEGAL STATUS

- 1.1** 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.
- 1.2** The COVID-19 outbreak has affected commercial operations globally. However, there are no material implications of COVID-19 on the company's operations that require specific disclosure in the financial statements.

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of Compliance

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

- Revised Accounting and Financial Reporting Standard for the Small-sized Entities (Revised AFRS for SSEs) 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, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Accounting convention

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 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 PROPERTY, PLANT AND EQUIPMENT

Description	C O S T			D E P R E C I A T I O N				Written Down Value as at June 30, 2021
	As at July 1, 2020	Addition during the year	As at June 30, 2021	Rate %	As at July 1, 2020	For the year	As at June 30, 2021	
	Rupees	Rupees	Rupees		Rupees	Rupees	Rupees	
Furniture & Fittings	264,480	300,000	564,480	15%	119,280	66,780	186,060	378,420
Office Equipment	320,000	220,300	540,300	15%	233,904	45,959	279,863	260,437
Vehicles	1,745,000	-	1,745,000	15%	261,750	222,488	484,238	1,260,763
Software	300,580	-	300,580	15%	45,087	38,324	83,411	217,169
Total - 2021	2,630,060	520,300	3,150,360		660,020	373,551	1,033,571	2,116,789
Total - 2020	584,480	2,045,580	2,630,060		312,366	347,654	660,020	1,970,040

	2021 Rupees	2020 Rupees
4 ADVANCE AGAINST ACQUISITION OF LAND		
Opening Balance	374,972,176	271,905,053
Development Expenses	412,837,718	103,067,123
	<u>787,809,894</u>	<u>374,972,176</u>
5 SHORT TERM INVESTMENTS		
National Bank of Pakistan Term Deposit Certificates	161,898,630	411,898,630
	<u>161,898,630</u>	<u>411,898,630</u>
5.1	Rate of return ranges from 6.35% to 6.60% per annum with maturity dates from July 01, 2020 to June 30, 2021.	
6 ADVANCE TAX		
Tax deducted on Profit	21,609,491	16,692,083
Tax deducted on Cash Withdrawals	199,271	199,271
Advance vehicle tax	15,000	15,000
	<u>21,823,762</u>	<u>16,906,354</u>
7 PREPAID AND OTHER RECEIVABLES		
Prepaid rent	429,250	354,750
Other receivables	70,290	70,290
	<u>499,540</u>	<u>425,040</u>
8 CASH AND BANK BALANCES		
Cash at Bank		
National Bank of Pakistan - PLS Account	174,007	101,520
National Bank of Pakistan - Current Account	123,035,468	12,640,584
Silk Bank - PLS Account	4,442	4,442
	<u>123,213,917</u>	<u>12,746,546</u>
Cash in Hand	105,572	90,822
	<u>123,319,488</u>	<u>12,837,367</u>
9 ISSUED, SUBSCRIBED & PAID-UP CAPITAL		
1296 shares of 100 each fully paid in cash	129,600	129,600
	<u>129,600</u>	<u>129,600</u>

10 RESERVES AND FUNDS

Description	Balance as at June 30, 2020	Appropriation for the year	Balance as at June 30, 2021	Balance as at June 30, 2020
	(-----Rupees-----)			
General reserve fund	21,516,358	2,723,452	24,239,811	21,516,358
Building fund	61,412,719	8,170,357	69,583,076	61,412,719
Amenity fund	57,412,719	8,170,357	65,583,076	57,412,719
Development fund special	62,412,719	8,170,357	70,583,076	62,412,719
Total	202,754,516	27,234,522	229,989,038	202,754,516

11 ADVANCES FROM MEMBERS AGAINST COST OF LAND

Opening Balance	594,130,797	415,034,297
Received During the Year	195,717,732	180,407,600
Refund During the Year	(1,550,000)	(1,311,100)
	<u>788,298,529</u>	<u>594,130,797</u>

12 PROFIT ON TERM DEPOSITS

National Bank of Pakistan - Term Deposits	27,701,704	31,557,377
	<u>27,701,704</u>	<u>31,557,377</u>

13 PROFIT ON BANK DEPOSITS

National Bank Limited - PLS Account	5,788,031	3,673,148
	<u>5,788,031</u>	<u>3,673,148</u>

14 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorized for issue on November 10th 2021 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