

FEDERATION OF EMPLOYEES COOPERATIVE HOUSING SOCIETY LTD,
ISLAMABAD
AUDIT REPORT
FROM 1ST JULY 2013 TO 30TH JUNE 2014

Submitted to:
Circle Registrar
Cooperative Societies
Islamabad Capital Territory
Islamabad.

The society was registered on February 06, 1985 against registration No.279 under section 10 of Cooperative societies Act 1925 and its area of operation was restricted to the Federal Territory Islamabad.

The audit includes examining on test basis evidence supporting the amounts in records and such test and auditing procedures and practices as were considered necessary in the circumstances. Our work however was restricted to the information stated and available in the records, which have been prepared and maintained by the society.

Our observations and comments are as follows:

1. BOOKS OF ACCOUNTS

Following is a list of the books required under bye-laws to be maintained and the level of compliance by the society:

SrNo.	Books Required as per Bye- Laws	Level of Compliance
1	Members Register	Maintained
2	Cash Book	Maintained
3	Ledger	Maintained
4	Installment Register	Maintained
5	Minute book	Maintained
6	Stock Register	Maintained
7	Register Showing Property Held	Maintained
8	Supporting Invoices, Receipts etc.	Maintained

4. **MASJID FUND**

4.1	Movement in E-11 is as under:	<u>Rupees</u>
	Opening balance as at July 1 st , 2013	1,774,381/-
	Addition during the year	7,537,077/-
	Balance as on 30 th June, 2014	<u>9,311,458/-</u>

4.2 **Movement in Lohi Bher is as under:**

Opening balance as at July 1 st , 2013	390,500/-
Addition during the year	1,099,250/-
Balance as on 30 th June, 2014	<u>1,489,750/-</u>

5. **REFUNDABLE SECURTIES (MEMBERS)**

5.1	Movement in this account is as under:	<u>Rupees</u>
	Opening balance as at July 1 st , 2013	923,420/-
	Addition during the year	968,000/-
	Refunded during the year	(60,000/-)
	Balance as on 30 th June, 2014	<u>1,831,420/-</u>

6. **ACCOUNTS PAYABLE**

6.1 Break up of this account is given below:

Particulars	2014	2013
Diamond Boring and Co.	20,000/-	20,000/-
M/S Iqbal and Sons.	3,042,876/-	3,042,876/-
M/S Karcon (Pvt) Ltd.	1,067,492/-	1,067,492/-
M/S Designman.	23,600/-	23,600/-
M/S Town Planning.	13,811/-	13,811/-
M/S Zoma (Pvt) Ltd.	190,000/-	190,000/-
Payable to Anjum Aqeel.	700,000/-	700,000/-
M/S X Con (Pvt) Ltd.(6.2)	713,750/-	0
M/S SKB Eng& Construction.(6.2)	2,447,682/-	2,250,000/-
TOTAL	8,219,211/-	7,307,779/-

6.2 The amounts represent the Bid Money received & Retention Money deducted from the running bills of the Contractors M/s SKB Eng & Construction, M/s X Con (Pvt) against the work done.

2. **SHARE CAPITAL**

- 2.1 There is no movement in this account Rupees
Balance as on 30th June, 2014 86,200/-
- 2.2 Authorized share capital of the society consists of the unlimited number of shares of Rs.100/-and 1000/- each.
- 2.3 The liability of the members is limited to ten times of the value of share held.

3. **MEMBERS' DEPOSITS**

- 3.1 **Movement in Lohi Bher is as under:** Rupees
Opening balance as at July 1st, 2013 105,322,899/-
Addition during the year 19,694,261/-
Balance as on 30th June, 2014 125,017,160/-
- 3.2 **Movement in E-11 is as under:**
Opening balance as at July 1st, 2013 504,098,483/-
Addition during the year 17,916,425/-
Balance as on 30th June, 2014 522,014,908/-
- 3.3 **Movement in E-11 Northern Commercial Area is as under:**
Opening balance as at July 1st, 2013 19,510,295/-
Addition during the year 17,408,310/-
Balance as on 30th June, 2014 36,918,605/-
- 3.4 **There is no movement in Motorway City:**
Balance as on 30th June, 2014 264,400/-
- 3.5 Movement in Lohi Bher and E-11schemes represent amounts received from members on account of cost of land and development charges.
- 3.6 The Management Committee of the society has allotted 7 Shops through auction during the course of audit .Detail is as under. (Attached)

Name	Description	Total Price
M .Hassan Khan	Shop No 5 (Ground)	5,900,000/-
Riffat Mehmood	Shop No 6 (Ground)	6,605,000/-
Malik Sajid Anwar	Shop No 7 (Ground)	6,125,000/-
M.Imran Uppal	1,2,3,4, (Basement)	14,900,000/-

shg

7. **ACCRUED AND OTHER PAYABLE**

7.1 Breakup of this account is given below:

Particulars	2014	2013
Accrued & Other Expenses.	810,500/-	945,732/-
Salaries and other benefits payable	1,264,688/-	1,562,387/-
Withholding Tax Payable	926,071/-	644,103/-
TOTAL	3,001,259/-	3,152,222/-

8. **FIXED ASSETS**

8.1 Breakup of this account is given below:

Particulars	2014
Land	293,396,360/-
Buildings	565,826/-
Computer Equipment	51,707/-
Office Equipment	243,790/-
Furniture and Fixture	261,171/-
Vehicle	55,920/-
TOTAL	294,574,774/-

9. **LAND OF SCHOOL**

9.1 The Plot reserved for school was illegally converted into a commercial plot and allotted to Mr. Raja Abid Husain by the ex-management. Neither any payment received in the society accounts nor any record is available.

9.2 The above mentioned case was reported in audit report of 2008-09 and 2009-10. Finally the action has been taken by the Federal Investigation Agency and registered FIR on 08-05-2012. Furthermore it is also mentioned in the FIR that due to fraudulent sale of plot loss of Rs.143.4 million has been caused to the society.

9.3 In 2009 new management committee of the society was elected by the members of the society. The new elected committee of society passed a resolution in its first annual general meeting held of 25th October, 2009. The resolution passed is as under:

“The President explained the position of commercial plot no. 19. It was allotted against land compensation and sold in the market as commercial plot. The present owner has offered Rs. 25 million and the full cost of construction

of mosque on the land to be provided by the society. The cost would be used to buy land for the school campus.”

The objections raised in the last year audit report against the Management Committee elected in the year 2009 are justified by them through following points.

- 9.3.1 The President of the Committee explained that they issue show-cause notices to the owners of the plots for cancellation on 04-02-2009 but the “Registrar’s Nominee” Captain ® Farid-ud-Din Mustafa, Assistant Commissioner (Industrial Area), Islamabad directed the committee to seek remedy against the illegalities, irregularities of Ex-Management Committee at the appropriate forum and restored the plots to the owners by declaring them as “Bonafide Purchaser’s”. (Annexure attached)
- 9.3.2 So, in the light of above mentioned direction, the Committee withdraw the show-cause notice to cancel the ownership.
- 9.3.3 The President further explained that a plot of about 2.3 Kanal that was reserved for petrol pump has converted for school due to which the requirement of school plot has also been fulfilled.
- 9.3.4 The President also explained that a sum of Rs.5 Million has received from the said party for the construction of mosque as well. Committee of the society failed to receive the construction cost of the mosque from Mr. Shayan Mehmood.

10. DEVELOPMENT COST E-11 & NORTHERN COMMERCIAL AREA

- 10.1 Break up of this account is given below:

Particulars	2014	2013
Electrification	37,374,053/-	37,374,053/-
Sewerage	1,094,394/-	1,094,394/-
Gas Supply	1,128,504/-	1,128,504/-
Consultants	2,351,016/-	2,351,016/-
Surveyor Charges	72,000/-	72,000/-
Salaries site staff	3,389,962/-	3,389,962/-
Other Development Cost (10.2)	175,031,776/-	156,682,086/-
Northern Commercial Area (10.3)	26,245,095/-	990,544/-
TOTAL	246,686,800/-	203,082,559/-

- 10.2 In due course of audit it was observed that an amount of Rs 15,675,000/- was paid to M/s X Con for the construction of FECHS Plaza and remaining amount paid to AR- Rehman and Syed Fiber Glass.
- 10.3 In due course of audit it was observed that an amount of Rs 25,254,551/-/- was paid to M/s SKB Eng. & Construction for underground parking.

10.4 Payments made on above mentioned accounts were checked with bank statements, vouchers and bills and found in order.

11 DEVELOPMENT COST LOHI BHAIR

11.1 Breakup of this account is given below:

Particulars	2014	2013
Electrification	14,564,065/-	14,564,065/-
Gas Supply	16,736,117/-	16,736,117/-
Consultants	1,445,638/-	1,445,638/-
Salaries site staff	1,411,231/-	1,411,231/-
Other Development Cost (11.2)	56,375,519/-	56,067,179/-
TOTAL	90,532,570/-	90,224,230/-

11.2 Payments made on above mentioned account were checked with bank statements, vouchers and bills and found in order.

12 MUSJID COST

12.1 Breakup of this account is given below:

Particulars	2014	2013
Musjid E 11 Phase	8,860,318/-	-----
Musjid Lohi Bher Phase	3,308,472/-	-----
TOTAL	12,168,790/-	-----

12.2 In due course of audit it was observed that an amount of Rs 8,860,318/- was paid to Ittehad Steel and Other Contractors for construction of Masjid E 11.

12.3 In due course of audit it was observed that an amount of Rs 3,308,472/- was paid to Adeel Shehbaz Steel Mil and Other Contractors for construction of Lohi Bher Masjid.

13 RECEIVABLES & ADVANCES

13.1 The movement in this account and breakup of the accounts is given below:

Particulars	2014	2013
Col. (R) Aftab Iqbal	1,480,005/-	1,480,005/-
Khyber Estate Services	1,146,800/-	1,146,800/-
Mehmood Corporation	700,000/-	700,000/-
Omer Farooq Engineering	268,679/-	268,679/-
Electricity / Water Consumers – (E-11)	1,969,360/-	1,969,360/-

Advances to Staff	50,000/-	24,500/-
Tax Deducted at Source	1,417,831/-	910,118/-
Conservancy E11 & Lohi Bher	540,730/-	-----
TOTAL	7,573,405/-	6,499,462/-

14 DEPOSITS AND PREPAYMENTS

14.1 The movement in this accounts and breaks up of the account is given below:

Particulars	2014	2013
Locker's Security	600/-	600/-
Security Deposits	35,000/-	35,000/-
Prepaid Rent (E-11)	332,000/-	488,000/-
Miscellaneous Advances	1,091,617	-----
TDR (Allied Bank)	73,584,000	-----
TOTAL	75,042,617/-	523,600/-

15 CASH & BANK BALANCES

15.1 Breakup of this account is given below:

Particulars	2014	2013
Cash in hand	72,615/-	40,513/-
ABL A/C 526170023	194,892/-	14,640,476/-
ABL A/C 526190021	25,636/-	52,638,846/-
ABL A/C 526190044	581,735/-	-----
ABL A/C 9343-2	100/-	100/-
NBP A/C 21790-3	216,485/-	216,485/-
NBP A/C 21789-6	34,512/-	34,512/-
PPCBL A/C 1177	59/-	59/-
MCFC A/C 269	79,810/-	79,810/-
MCFC A/C 267	35,037/-	35,037/-
TOTAL	1,240,881/-	67,685,838/-

Place: Rawalpindi
Date: December 1, 2014


Shehzad Malik & Co
Cost & Management Accountants

FEDERATION OF EMPLOYEES COOPERATIVE HOUSING SOCIETY LIMITED, ISLAMABAD

**BALANCE SHEET
AS AT 30.06.2014**

	Note	2014 RUPEES	2013 RUPEES
<u>CAPITAL & LIABILITIES</u>			
Share Capital	1	86,200	86,200
Retained Earning (Accumulated Surplus / (Deficit))	2	19,665,466	19,795,711
		19,751,666	19,881,911
<u>Members Deposits</u>			
Lohi Bher Phase	3.1	125,017,160	105,322,899
E-11 Phase	3.2	522,014,908	504,098,483
E-11 Northren Commercial Area	3.3	36,918,605	19,510,295
Motorway City Phase	3.4	264,400	264,400
		684,215,073	629,196,077
<u>Masjid Fund</u>			
E-11 Phase	4.1	9,311,458	1,774,381
Lohi Bher Phase	4.2	1,489,750	390,500
		10,801,208	2,164,881
Refunable Securities	5	1,831,420	923,420
<u>CURRENT LIABILITIES</u>			
Accounts Payable	6	8,219,211	7,307,779
Accrued & Other Payables	7	3,001,259	3,152,222
		11,220,470	10,460,001
		727,819,837	662,626,290
<u>PROPERTY & ASSETS</u>			
<u>Fixed Assets</u>			
	8	1,178,414	1,214,241
Land Cost	9	293,396,360	293,396,360
<u>Development Cost</u>			
E-11 Phase	10.1	220,441,705	202,092,015
E-11 Northren Commercail	10.2	26,245,095	990,544
Lohi Bhair Phase	10.3	90,532,570	90,224,230
		337,219,370	293,306,789
<u>Masjid Cost</u>			
Masjid E-11 Phase	11	8,860,318	-
Masjid Lohi Bher Phase		3,308,472	-
		12,168,790	-
<u>CURRENT ASSETS</u>			
Receivables & Advances	12	7,573,405	6,499,462
Deposits & Prepayments	13	75,042,617	523,600
Cash & Bank balances	14	1,240,881	67,685,838
		83,856,903	74,708,900
		727,819,837	662,626,290

The annexed notes form an integral part of these Financial Statements.


Finance Secretary



President

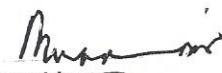
FEDERATION OF EMPLOYEES COOPERATIVE HOUSING SOCIETY LIMITED, ISLAMABD

**INCOME & EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 30.06.2014**

	2014 RUPEES	2013 RUPEES
INCOME		
Revenues	962,500	127,000
Registration Fee	-	172,000
Application Fees	7,275,788	3,601,584
Transfer Fees	693,404	461,208
Possession Fees	61,000	60,000
Demarcation Fee	7,018,587	1,345,555
Penalty Income	270,000	40,000
Urgent Fee	753,710	4,000
Annual Fund	2,791,008	3,283,458
Building Plan Approval Fee	4,859,511	3,646,638
Interest Income	978,565	448,181
Completion Certificate Fee	456,056	209,582
Other Mics Income	17,822	-
Subdivision Fee	400,000	-
Amalgamation Fee	6,215,796	4,314,960
Conservancy Bills	2,384,289	-
Finance Charges income	193,134	-
Main Boulevard Charges	<u>35,331,170</u>	<u>17,714,166</u>
EXPENDITURE		
Advertising Expense	148,835	71,750
AGM Expenses	671,271	239,427
Audit Fee	440,000	290,000
Bank Charges	12,524	11,064
Court Charges	67,438	20,000
Daily Allowance	-	273,183
Entertainment and Meals Exp	229,190	59,608
Honorarium	900,000	150,000
Income Tax	78,538	-
Legal & Professional Expense	1,763,000	2,867,660
Consultancy	1,922,519	926,404
Maintenance E-11	17,382,409	8,187,080
Maintenance Lohi Bher	6,041,888	2,329,493
Office Supplies	85,904	77,084
Postage and Telephone Expense	157,318	80,562
Printing and Stationery	242,661	119,434
Rent or Lease Expense	842,400	543,000
Repair and Maintenance Expense	114,200	78,306
Salaries Expense	3,228,875	1,332,816
Staff Training	160,000	-
Travel and Conveyance Expense	66,155	108,195
Utilities Expense	272,839	87,262
Fringe Benefits	66,618	555,113
Other Expense	196,847	-
Depreciation	369,986	297,986
Prior Year Adjustment	-	(849,844)
Total Expenditure	<u>35,461,415</u>	<u>17,855,583</u>
	(130,245)	(141,417)
		(285,832)
Income Tax Adjustment	(130,245)	(427,249)
Surplus/ Deficit for the year	<u>19,795,711</u>	<u>20,222,960</u>
Deficit/Surplus for the previous years	<u>19,665,466</u>	<u>19,795,711</u>
Surplus/Deficit carried forward to Balance Sheet		

The annexed notes form an integral part of these Financial Statements.


Finance Secretary


President

FEDERATION OF EMPLOYEES COOPERATIVE HOUSING SOCIETY LIMITED
PROPERTY, PLANT AND EQUIPMENT
AS AT JUNE 30, 2014

Description	COST		Rate of Depreciation Per Annum	ACCUMULATED DEPRECIATION			Written Down Value As at June 30, 2014
	As at July 01, 2013	Additions		As at June 30, 2014	For the Year	As at June 30, 2014	
Buildings	975,569	-	10%	312,186	97,557	409,743	565,826
Computer equipment	131,934	83,900	30%	99,377	64,750	164,127	51,707
Office equipment	410,662	85,017	15%	177,537	74,352	251,889	243,790
Furniture and fixtures	700,306	95,342	15%	415,130	119,347	534,477	261,171
Office Use Vehicle	-	69,900	20%	-	13,980	13,980	55,920
Rupees (2014)	2,218,471	334,159		1,004,230	369,986	1,374,216	1,178,414
Rupees (2013)	2,218,471	-		706,244	297,986	1,004,230	1,214,241

NOTE:- land cost has been arranged for the purpose of comparison



Finance Secretary



President

FEDERATION OF EMPLOYEES COOPERATIVE HOUSING SOCIETY LIMITED , ISLAMABAD.
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30.06.2014

	<u>2014</u> <u>RUPEES</u>	<u>2013</u> <u>RUPEES</u>
1 SHARE MONEY		
Opening Balance as at 01.07.2013	86,200	86,200
Addition during the year	-	-
Closing Balance as at 30.06.2014	<u>86,200</u>	<u>86,200</u>
2 RETAINED EARNINGS		
<u>ACCUMULATED SURPLUS / (DEFICIT)</u>		
Opening Balance as at 01.07.2013	19,795,711	20,222,960
Addition during the year	(130,245)	(427,249)
Closing Balance as at 30.06.2014	<u>19,665,466</u>	<u>19,795,711</u>
3 MEMBERS DEPOSITS		
3.1 Members Deposits-O-9		
Opening balance as at 1.07.2013	105,322,899	95,130,855
Addition during the year	19,694,261	10,192,044
Closing balance as at 30.06.2014	<u>125,017,160</u>	<u>105,322,899</u>
3.2 Members Deposits-E 11		
Opening balance as at 1.07.2013	504,098,483	503,873,483
Addition during the year	17,916,425	225,000
Closing balance as at 30.06.2014	<u>522,014,908</u>	<u>504,098,483</u>
3.3 Members Deposits-Northern Commercial		
Opening balance as at 1.07.2013	19,510,295	12,277,252
Addition during the year	17,408,310	7,233,043
Closing balance as at 30.06.2014	<u>36,918,605</u>	<u>19,510,295</u>
3.4 Members Deposits Against Land in Motorway City		
Opening balance as at 1.07.2013	264,400	264,400
Addition during the year	-	-
Less Refund during the year	-	-
Closing balance as at 30.06.2014	<u>264,400</u>	<u>264,400</u>

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30.06.2014

	<u>2014</u>	<u>2013</u>
	<u>RUPEES</u>	<u>RUPEES</u>
4 Masjid Fund		
4.1 E 11		
Opening balance as at 1.07.2013	1,774,381	1,414,074
Addition during the year	<u>7,537,077</u>	<u>360,307</u>
Closing balance as at 30.06.2014	<u>9,311,458</u>	<u>1,774,381</u>
4.2 Lohi Bher		
Opening balance as at 1.07.2013	390,500	220,500
Addition during the year	<u>1,099,250</u>	<u>170,000</u>
Closing balance as at 30.06.2014	<u>1,489,750</u>	<u>390,500</u>
5 Refunable Securites		
Opening Balance as at 1.07.2013	923,420	713,420
Addition during the year	968,000	240,000
Refunded during the year	<u>(60,000)</u>	<u>(30,000)</u>
Closing balance as at 30.06.2014	<u>1,831,420</u>	<u>923,420</u>
6 Account Payable		
Opening balance as at 1.07.2013	7,307,779	5,391,316
Addition during the year	1,942,575	2,250,000
Deletion during the year	<u>(1,031,143)</u>	<u>(333,537)</u>
Closing balance as at 30.06.2014	<u>8,219,211</u>	<u>7,307,779</u>
7 ACCRUED & OTHER PAYABLES		
Accrued Expenses	-	945,732
Salaries and Other Benfits Payable	-	1,562,387
Withholding Tax Payables	926,071	644,103
Graduity Payable	1,264,688	-
Other Payable	<u>810,500</u>	<u>-</u>
TOTAL	<u>3,001,259</u>	<u>3,152,222</u>

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30.06.2014

	<u>2014</u> <u>RUPEES</u>	<u>2013</u> <u>RUPEES</u>
8 <u>FIXED ASSETS</u>		
Written down value as at 30.06.2014	<u>1,178,414</u>	<u>1,214,241</u>
The Schedule of Fixed Assets is attached.		
9 <u>LAND COST</u>		
Opening balance as at 1.07.2013	293,396,360	293,396,360
Addition/ deletion during the year	-	-
Closing balance as at 30.06.2014	<u>293,396,360</u>	<u>293,396,360</u>
10 <u>DEVELOPMENT COST</u>		
10.1 Development Cost at E 11		
Opening balance as at 1.07.2013	202,092,015	200,867,840
Addition/ deletion during the year	<u>18,349,690</u>	<u>1,224,175</u>
Closing balance as at 30.06.2014	<u>220,441,705</u>	<u>202,092,015</u>
10.2 Development Cost at E 11 Northren Commercial		
Opening balance as at 1.07.2013	990,544	-
Addition/ deletion during the year	<u>25,254,551</u>	<u>990,544</u>
Closing balance as at 30.06.2014	<u>26,245,095</u>	<u>990,544</u>
10.3 Development Cost at LOHI BHER		
Opening balance as at 1.07.2013	90,224,230	86,633,541
Addition/ deletion during the year	<u>308,340</u>	<u>3,590,689</u>
Closing balance as at 30.06.2014	<u>90,532,570</u>	<u>90,224,230</u>
11 <u>Masjid Cost</u>		
Masjid E-11 Phase	8,860,318	-
Masjid Lohi Bher Phase	<u>3,308,472</u>	-
Closing balance as at 30.06.2014	<u>12,168,790</u>	-

FEDERATION OF EMPLOYEES COOPERATIVE HOUSING SOCIETY LIMITED , ISLAMABAD.
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30.06.2014

	<u>2014</u> <u>RUPEES</u>	<u>2013</u> <u>RUPEES</u>
12 RECEIVABLES & ADVANCES		
Opening balance as at 1.07.2013	6,499,462	4,843,215
Addition/ deletion during the year	1,073,943	1,656,247
Closing balance as at 30.06.2014	<u>7,573,405</u>	<u>6,499,462</u>
13 DEPOSITS & PREPAYMENTS		
Opening balance as at 1.07.2013	523,600	1,042,600
Addition during the year	74,996,000	1,248,000
Less: Refund	(476,983)	(1,767,000)
Closing balance as at 30.06.2014	<u>75,042,617</u>	<u>523,600</u>
14 CASH IN HAND & BANK BALANCES		
Cash in Hand	72,615	40,513
Cash at Bank		
ABL 526170023 (LB), EBC Plaza, E-11, Islamabad	194,892	14,640,476
ABL Profit Plus Deposit 9343-2Civic Center Melody Branch , ISB.	100	100
ABL 526190021 (E-11), EBC Plaza, E-11, Islamabad	25,636	52,638,846
ABL 526190044 (E-11) EBC Plaza , E-11 Islamabad Conservency	581,735	
NBP P&L Sharing A/C 21790-3 Civic Center Branch G-6 , ISB.	216,485	216,485
NBP P&L Sharing A/C 21789-6 Civic Center Branch G-6 , ISB.	34,512	34,512
Punjab Prov Cop Bank 1177 GPO Chowk, Saddar , Rawalpindi.	59	59
Saving A/C MCFC A/C 267 390, Shadman,Link Tail Road , Lahore.	35,037	35,037
Saving A/C MCFC A/C 269 390, Shadman,Link Tail Road , Lahore.	79,810	79,810
	<u>1,240,881</u>	<u>67,685,838</u>