



H.A.M.D & Co
CHARTERED ACCOUNTANTS



June 06, 2024

The Circle Registrar,
Cooperative Societies Department
F-8 Markaz, Islamabad

RE: Audit of Accounts for the year 2023

FEDERATION OF EMPLOYEES COOPERATIVE HOUSING SOCIETY

Respected Sir,

In Pursuance to our appointment as auditors of the above-named society vide Letter No.554/CR/ICT/B Dated March 15, 2024, we have completed the audit of accounts of **FEDERATION OF EMPLOYEES COOPERATIVE HOUSING SOCIETY** (the "society") for the year ended **June 30, 2023**.

Please find attached with this letter;

- The Audit report for the financial year 2023
- The Financial Statements for the financial year 2023

Assuring you of our best Services and Cooperation.

Yours truly,

H.A.M.D & Co.

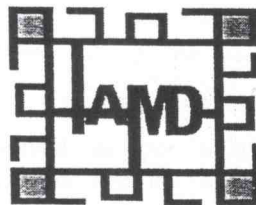


Muhammad Asif Raza, FCA
Principal
H.A.M.D & Co.
Chartered Accountants

AUDITOR'S REPORT
For the year ended 30 June 2023

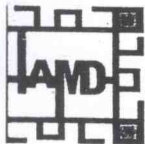
Federation of Employees Cooperative Housing Society

Submitted by:



H.A.M.D & Co
Chartered Accountants

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H.A.M.D & Co
CHARTERED ACCOUNTANTS



Ref: Audit/LFR/FECHL/01

Date: June 4, 2024

The Circle Registrar,
Co-operative Societies Department,
Islamabad Capital Territory (ICT),
Islamabad.

FEDERATION OF EMPLOYEES COOPERATIVE HOUSING SOCIETY-ISLAMABAD
AUDIT REPORT FOR THE YEAR ENDED JUNE 30, 2023

In pursuance to our appointment as auditors of the above-named Society, vide your letter Ref No. 554/CR/ICT/B dated 15th March, 2024, we have completed the audit of financial statements of **Federation Of Employees Cooperative Housing Society Limited, Islamabad** (the "Society"), for the year ended June 30, 2023.

We are enclosing herewith our Audit Report along with audited financial statement, as **Annexure "A"**, comprising of Statement of Financial Position and Statement of Income & Expenditure for the year ended June 30, 2023.

Our comments and reservations on these financial statements and related affairs of the Society are summarized in the following paragraphs.

1. The Society and Its Operation

The Society is registered under the Cooperative Societies Act, 1925 on 6th Feb 1985 vide registration No.279. The objects of the Society are to promote the economic and social interest of its members on the principles of cooperation, self-help, on no profit and no loss basis and more particularly to lay-out, establish and maintain a residential colony for its members and to arrange or otherwise acquire land, houses, buildings or other property for the purpose of carrying out the objectives of the Society. Its area of operation is restricted to Capital Territory of Islamabad and Rawalpindi Division.

2. Managing Committee

The details of the managing committee during the year under audit were as follows:

2.1 Managing Committee Status:

The managing committee was dissolved as per bylaws No. 31(4) vide notification No.3244/CR/ICT/B dated 28th August, 2020 and the Assistant Commissioner (Saddar) ICT, Islamabad was appointed as Administrator of the society for the period of 60 days or until holding of fresh elections of Society.

The composition of the Managing Committee at the time of notification was as under:

Sr. No.	Name	Designation
1.	Mr. Muhammad Azizullah Khan	President
2.	Dr. Ghulam Rasool Khan Khattak	Vice President
3.	Mr. Liaquat Ali	Secretary
4.	Mr. Jahangir Akhtar	Treasurer
5.	Mr. Asim Khurshid	Executive Member
6.	Mr. Syed Sadiq Hussain Shah	Executive Member
7.	Mr. Sahab Uddin Shah	Executive Member
8.	Mr. Muhammad Jamshaid	Executive Member
9.	Mr. Wajid Bhatti	Executive Member

Further, in continuation of the notification No. 3244/CR/ICT/B dated 28th August, 2020, the Administrator remained in position vide (Rule No. 59 ICSR. 2018) in place of bylaws No. 31(4), which was notified through corrigendum Notification No. 3922/CR/ICT/B dated 6th October, 2020. Later on, the same managing committee was restored vide notification No. 4313/CR/ICT/B dated 22nd December, 2020.

Notification No. 4313/CR/ICT/B dated 22nd December, 2020, restoring the former committee was withdrawn and the management committee was again dissolved. The earlier Notification No.3244/CR/ICT/B dated 28th August, 2020 and corrigendum Notification No.3922/CR/ICT/B dated 6th October, 2020 were restored vide Notification No. 118/CR/ICT/B dated 4th January, 2021 and Ms. Sania Hameed Assistant Commissioner (Sadder) ICT was appointed as Administrator of FECHS Islamabad.

Notification No. 118/CR/ICT/B. dated 4th January, 2021 was also withdrawn subsequently and the former managing committee was again restored vide Notification No. 514/CR/ICT/B dated 21st January, 2021.

Consequent upon the order of the Honorable High Court Islamabad dated 31th May, 2021 in the writ petition No. 775/2021 dated 26th February, 2021, the management committee was again dissolved vide Notification No. 3576/CR/ICT/B dated 15th June and Mr. Abdullah Khan, Assistant Commissioner (Potohar) ICT, Islamabad was appointed as Administrator of the Society for the period of 60 days or until holding of fresh elections of the Society. The Society was under the administrative charge as at June 30, 2021.

Managing committee:

The managing Committee was elected vide notification no. 6849/CR/ICT/B and the official notification of the Managing Committee was issued on **02nd November 2021**.

The composition of the managing Committee at the time of notification was as under:

Sr. No.	Name	Designation
1.	Dr. Muhammad Azizullah Khan	President
2.	Ghulam Rasool Khan Khattak	Vice President
3.	Syed Sadiq Hussain Shah	General Secretary
4.	Dr. Fatah Ullah Khan	Treasurer
5.	Muhammad Atiq Raja	Executive Member
6.	Muhammad Faheem	Executive Member
7.	Rohan Akbar	Executive Member
8.	Malik Abdur Rehman Masood	Executive Member
9.	Rashid Mahmood	Executive Member

It is clarified that the audit observations are arranged according to the importance and significance of the matters and before we move to our observations, certain relevant key statistics are provided for better understanding and comprehension.

Location and area of land

The Society has acquired land measuring 443 Kanals 15.5 Marlas at Sector E-11 and 349 Kanals at Sector O-9 for the housing schemes directly from the owners/land suppliers at the total cost of Rs.293,396,360/- (including registration fee and CVT expenditure). Further land and related issues in detail are enumerated in para 16 of this report.

Status of plots

4.1 Plots allotted and un-allotted

As per management, the society has total 849 plots of various sizes and out of total plots 841 plots have been allotted to the members in both schemes of the Society. Certificate from the management regarding status of plot allotted and un-allotted is attached as per annexure to this report.

4.2 Statistics of plots transferred during the year

During the financial year under audit, 115 plots were transferred to their new owners and accordingly the management transferred their membership after charging requisite transfer fee. The amount charged on account of transfer fee has been credited to transfer fee account as income of the Society. Certificate from the management regarding transfers of plots is attached as per annexure to this report.

Layout plan and NOC status

5.1 E-11 Scheme

Earlier the Society has obtained approval of revised Layout Plan (LOP) from Capital Development Authority vide its letter dated 5th March, 2008 for Sector E-11 housing Scheme which was later suspended vide letter No. CDA/PLW-HS(90)E-11/FECHS/2009/ dated 27th December, 2010 due to irregularities and violations.

Later on, the management once again submitted approval/restoration letter to CDA vide letter No. FECH: 003/AQ/CDA/E-11 dated 04-02-2016 and finally three revised as built LOPs were submitted to CDA vide letter no.FECHS:201/LOP/Residentia/CDA/E-11 dated 18-11-2022, along the revised Layout Plan, meeting certain conditions for approval of layout plan (LOP). The letter is attached as per annexure to this report. Approval of the layout plan has not been obtained from CDA till 30th June, 2023.

5.2 O-9 Scheme

The Society has not obtained approval of LOP for Sector O-9 Housing Scheme.

It is pertinent to mention with great concern that the Society's management has allotted plots to the members of the Society prior to obtain approval of Master Plan from the concerned authorities. Whereas, according to bye-laws, allotment of plots will not be made till the approval of Master plan of the housing scheme from the concerned authority. When once the allotment is so made, the allotted plot or its side or its area shall not be changed without the prior consent of the affected members. If any change is otherwise inevitable, the approval of the General Body Meeting and Registrar, ICT, Islamabad will be compulsory. We are of the opinion that the management of the Society has neglected the same. As discussed in para 4.1 above of this report, the management has already allotted the plots in violation of the said provision, whereas NOC and approval of Master Plan is still pending. *It is strongly recommended that management should take due diligence and steps to get the activities in line with the provisions of the Cooperative Societies Act, 1925 and Bye-laws of the Society. Further, the Society's management may look into the matter with serious concern and take necessary steps to expedite the process of obtaining approval of LOP and NOC's with respect to both of housing schemes on top priority basis.*

Share money / Share capital

Rs. 86,200

There is no movement in this account during the year under audit.

Authorized share capital of the Society consists of undetermined number of shares of Rs. 1,000 each. The liability of every member is restricted to ten times of the value of the shares purchased.

No individual member shall hold shares, the value of which exceeds Rs. 20,000/- or 1/5th of the total share capital of the Society, whichever is less. If an individual member, by inheritance or otherwise, come in possession of more than the maximum holding permitted by this rule, the Managing Committee shall have the power to sell the excess number or purchase them for the Society.

7. Accumulated surplus

Movement during year under this account is as follows:

Rs. 10,742,146

Description	Ref. No.	2023 Rupees	2022 Rupees
Balance at the beginning of the year		29,609,027	28,742,461
Add: Income during the year	7.1	48,522,009	49,523,634
Less: Expenditure during the year	7.2	(67,388,889)	(48,560,783)
Less: Transferred to reserve fund/Adjustment		-	(96,285)
Balance at the end of the year		10,742,147	29,609,027

7.1 The total income/receipts amounted to Rs. 48,522,009 during the year and mostly comprises of Transfer fee, Conservancy bills, Interest income, Building plan approval fee and penalty Income. We checked the income earned during the year on test basis with the supporting documents and we found the result satisfactory.

During the audit it came to our knowledge that the Society owns a commercial property namely "Federation plaza" which was vacant as at June 30, 2021, except for the first floor which was rented out in March, 2021. However, the same first floor was vacated from the lessee, which was suitable for office use. The other three floors were also renovated and rented out to Mr. Amjad Ali w.e.f. 01-11-2022 for the Rs.450,000/- per month.

7.2 The Society has incurred expenses to the tune of Rs. 66,888,889 and mostly comprises of salaries and allowances, maintenance E-11, maintenance Lohi Bhair, utility expense, garbage expense, consultancy fee and Legal and professional charges. We have checked the expenses on test basis and found the result satisfactory.

Reserve fund

Balance represents the reserve fund as on 30th June, 2023. During the year the Society has transferred Rs. 146,285/- to general reserves. As per applicable provisions of bye-laws, the Society has created a reserve fund of 10% of surplus arising during the years.

Member's deposits

Movement during year under this account is as follows:

Rs. 917,882,386

Description	Lohi Bhair Phase [Rupees] 9.1	E-11 Phase [Rupees] 9.2	E-11 Northern Commercial [Rupees] 9.3	Total [Rupees]
Balance at the beginning of the year	169,299,612	594,027,292	154,769,381	918,096,286
Add: Addition during the year	21,700	-	264,400	286,100
Less: Refund during the year	-	(500,000)	-	(500,000)
Balance at the end of the year	169,321,312	593,527,292	155,033,781	917,882,386

9.1 Under the head of members' deposits for Lohi Bhair; the additions during the year represents the deposits against cost of land and additional development charges from the members. The additions were checked on test basis with the supporting documents and have found the same in order.

- 9.2 Under the head of members' deposits for E-11; the additions during the year represents the deposits against cost of land from the members. The additions and refunds were checked on test basis with the supporting documents and have found the same in order.
- 9.3 There is no movement in this head of account during the year under audit. Balance represents the charges received for underground basement from the members of affiliated land at the rate of Rs. 7,000/sq. yard for construction of underground parking in commercial plots.

10. **Masjid fund**

Rs. 24,891,773

Movement during year under this account is as follows:

Description	E-11 Phase Rupees	Lohi Bhair Rupees	Total Rupees
Balance at the beginning of the year	19,906,847	3,451,784	23,358,631
Add: Addition during the year	1,243,142	290,000	1,533,142
Less: Refunds during the year	-	-	-
Balance at the end of the year	21,149,989	3,741,784	24,891,773

The addition during the year represents the voluntary contribution by members for the construction of Masjid in society.

1. **Refundable securities**

Rs. 8,572,169

Movement during year under this account is as follows:

Description	2023 Rupees	2022 Rupees
Balance at the beginning of the year	8,522,169	6,971,969
Add: Addition during the year	1,405,000	1,700,200
Less: Refunds during the year	(1,355,000)	(150,000)
Balance at the end of the year	8,572,169	8,522,169

The balance represents the security deposited by members at the time of submission of approval of map and refunded at the time of completion of construction to secure any potential default on part of members of the Society.

2. **Accounts payable**

Rs. 5,839,116

The break-up of this account is as follows:

Description	Ref No.	2023 Rupees	2022 Rupees
Security deposit Federation Plaza	12.1	1,000,000	1,000,000
Earnest Money	12.2	252,000	642,772
Karcon (Pvt.) Limited	12.3	1,067,492	1,067,492
M/s. Zoma (Pvt.) Limited	12.4	190,000	190,000

M/S. Designman	12.6	23,600	* 23,600
Mr. Anjum Aqeel	12.7	700,000	700,000
Retention money	12.8	1,474,480	1,252,368
M/s. Town Planning	12.9	13,811	13,811
Loan from Members	12.10	138,717	-
Accounts Payables		959,016	1,459,175
Balance at end of the year		5,839,116	6,369,218

- a) Serial no. 12.1 represents the security deposit received from the tenant against four floors of Federation plaza rented in the past.
- b) Serial no. 12.2 to 12.7 represents the brought forward balances from the last many years: management has stated that neither of the counter parties has ever claimed any such amount. In view of the same, probe into past record is suggested for taking appropriate action for the settlement or write back of these outstanding balances after complying due procedures.
- c) Serial no. 12.8 represents the securities deduction from the running bills of the contractors against the work done and payable by the Society at the time of completion of the contracts in accordance with terms and conditions of the contracts executed. This amount is appearing in the books for last many years and the management needs to take action for either paying it off to the contractor or writing back in the books of accounts.
- d) Serial no. 12.9 represents the brought forward balance from last many years in respect of engineering consultancy services rendered by the M/s. Town Planning. This account also needs to be either paid off to the contractor or written back in the books of account, as appropriate.
- e) Serial No. 12.10 represents loans received from members in cash to meet the operational expenses during the period from March 2021 to June 2021. Further, no approval has been taken from the Registrar of the Cooperative Societies for these loans, as prescribed in the FECHS Bye-Laws made under the Cooperative Societies Act, 1925. The management explained that during the period from March 2021 to June 2021, there was no managing committee of the Society and also there was no administrator appointed by the Registrar of the Cooperative Societies.

3. Accrued & other payables

Rs. 1,994,934

The breakup of this account is as follows:

Description	Ref No.	2023 Rupees	2022 Rupees
Withholding tax payable	13.1	-	587,669
Gratuity payable	13.2	1,035,904	1,289,750
Audit fee payable	13.3	959,030	500,000
Total		1,994,934	2,377,419

- 3.1 This represents the brought forward balance of gratuity payable. However, management has stated that in the past years, provision was created by the accountant, whereas there are no such rules and policies for gratuity. As per last year auditor's report, the management has stated that in future it will be written off from the books after complying due procedure. Whereas compliance has not been made yet. The matter is highlighted for the information of the concerned for necessary action.
- 3.2 This represents the annual audit fee payable by the society for the year ended 30th June 2023.

4. Fixed assets

Rs. 17,112,739

The movement during year under this account is as follows:

Description	2023 Rupees	2022 Rupees
Opening balance cost		
Addition during the year	18,119,872	13,505,294
(Deletion) during the year	7,335,401	4,614,578
Closing balance cost	-	-
Opening balance accumulated depreciation	25,455,273	18,119,872
Depreciation for the year	(6,357,164)	(5,005,407)
Closing balance depreciation	(1,985,369)	(1,351,757)
Written down value	(8,342,534)	(6,357,164)
	17,112,739	11,762,708

Additions during the year have been verified from the supporting documents on test basis and found the same in order.

It has been observed that Society is not maintaining fixed assets register properly since inception. Further, an itemized stock register of fixed asset is being maintained by the Society, therefore the Society is suggested to maintain an adequate record of fixed assets which at minimum must indicate following particulars:

- Detailed description of each item.
- Original cost of the item, Date of its acquisition, Classification of the item.
- The location and/or the custodian of the item.
- The rate of depreciation, Accumulated depreciation, Depreciation charge for the period.
- The department / cost center / product to which the depreciation is charged.
- Date of revaluation (if any) and Revalued amount (if any) of the items.
- Depreciation on revalued amount.
- Accumulated depreciation on the revalued amount.

The updating of fixed assets register will lead to improve the accuracy of accounting records of fixed assets and for the efficiency of operation.

5. Capital work in progress [CWIP]

There is no movement in this head of account during the last many years.

Rs. 17,088,767

6. Land cost

6.1 There is no movement in this account during the year under audit. Further the Society has acquired land measuring 443 Kanal 15.5 Marla at E-11 and 349 Kanal at 0-9 directly from the owners/land suppliers at the total cost of Rs. 293,396,360 (including registration fee and CVT expenditure). The management has stated that all the land purchased is under possession of the Society. Certificate of total land is obtained and attached as per annexure to this report.

Rs. 294,397,760

6.2 Land of school and related issues

Before we proceed with our comments, for clarity and convenience, we feel appropriate to give certain facts which were also reported in the previous auditors' reports as under:

6.2.1 The plot reserved for school was illegally converted into a commercial plot and allotted to Mr. Raja Abid Hussain by the ex-management. Neither any payment was received in the Society's account nor any record available.

6.2.2 The above mentioned case was reported in the 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.

7.2
7.3

There is no movement in this head of account during the year under audit.

The additions represent various bills raised by Al-Rehman Art, Haji M. Wali, Saif Engineering Services and others during the year. We have verified the payments during the year on test basis with the supporting documents and found the same in order.

8.

Masjid Cost

Rs. 30,930,426

Movement during year under this account is as follows:

Description	E-11 Phase Rupees	Lohi Bhair Rupees	Total Rupees
Balance at beginning of the year	24,194,900	6,192,054	30,386,954
Add: Addition during the year	-	575,272	575,272
Less: Refund during the year	(31,800)	-	(31,800)
Balance at end of the year	24,163,100	6,767,326	30,930,426

This represents the cost incurred against various miscellaneous bills along-with staff salaries of masjid at E-11 and 0-9 schemes of the Society. We have verified the payments during the year on test basis with the supporting documents and found the same in order.

9.

Receivables and advances

Rs. 9,116,290

The breakup of this account is as follows:

Description	Ref. No.	2023 Rupees	2022 Rupees
Col (R) Aftab Iqbal	19.1	1,480,005	1,480,005
Khyber Estate Services	19.2	1,146,800	1,146,800
Mahmood Corporation	19.3	700,000	700,000
Omer Farooq Engineering	19.4	268,679	268,679
Advance tax	19.5	7,589,713	4,572,896
Advance to employees against salary	19.6	1,526,577	1,634,827
Advances for Expenses	19.7	-	4,366,160
Gross receivables at end of the year		12,711,774	14,169,367
Provision for doubtful debts	19.8	(3,595,484)	(3,595,484)
Balance at end of the year		9,116,290	10,573,883

- Serial no, 19.1 to 19.4 represents the long outstanding receivables and management is of the opinion that their recovery is doubtful and hence a provision of Rs. 3,595,484 has been created in compliance to the recommendation by the previous auditors.
- Serial no. 19.5 represents the income tax withheld by banks on profits.
- Serial no. 19.6 represents the advance to employees against salary.
- Serial no. 19.7 represents the advances given to E-11 and 0-9 staff for expenses.
- Serial no 19.8 represents the provision for doubtful debts for old outstanding balances against the parties and individuals referred from serial no. 19.1 to 19.4.

Deposits and prepayments

Rs. 2,384,901

The movement during year under this account is as follows:

Description	2023 Rupees	2022 Rupees
Balance at the beginning of the year	809,965	695,377
Add: Additions during the year	1,895,380	1,893,710
Less: Adjustments during the year	(320,444)	(1,779,122)
Balance at the end of the year	2,384,901	809,965

This head of account includes advances to staff for maintenance work, security against locker and other security deposits as at 30th June 2023.

Cash and bank balance

Rs. 65,649,823

The breakup of this account is as follows:

Description	2023 Rupees	2022 Rupees
Cash in hand	20,185	58,638
Cash with banks	65,629,638	111,955,217
Total	65,649,823	112,013,855

1.1 Cash in hand is reported Rs 20,185/- as per the financial statements and books of accounts. It is clarified that we couldn't verify the cash in hand on 30th June 2023 due to our appointment subsequent to the balance sheet date. Further, transactions made in cash and cash related issues are enumerated in detail in para 27.6 of this report.

1.2 Bank balances were duly verified with the bank statements: in case of any differences between balance as per books and bank, bank reconciliation statements were obtained. Also we have circulated the letters to the Society's bankers for direct confirmation which were confirmed by banks except for the dormant accounts.

2. List of defaulters

The management of the Society has stated that no member was declared defaulter during the year under audit.

3. Taxation matters

The Society has obtained its national tax number as required under prevailing laws and governing rules. In this regard, the management has stated that the quarterly statements of withholding tax have been filed regularly as under the provisions of Income Tax Ordinance 2001.

4. Litigation status

A certificate from the Society regarding current litigation has been obtained and annexed as per annexure to this report.

5. Accounting system and books of account

The Society has prepared books of accounts on Microsoft Excel and on pirated Peachtree accounting software.

Internal Audit Committee

As per clause 22B of the Cooperative Societies Act, 1925, every housing Society, in addition to the audit of accounts under section 22, shall also get the accounts audited by an internal audit committee comprising at least three members of the Society other than the members of its managing committee as may be appointed by its general body with their consent. However the Society constitutes an internal audit committee whereas no internal audit was conducted in accordance with the provision of relevant section.

Compliance to audit guidelines and other directions

The business of the Society has been conducted according to the Cooperative principles and sound business practices except for the matters/observations stated in our report which may have an effect on the results and state of affairs of the Society.

The Annual General Meeting (AGM) was held on 03-07-2022 after the last AGM held on 24-04-2019. This practice should regularly observe while keeping in view the previous of cooperative societies act 1925 section 12, Annual general meeting. Every society shall within a period of three months after the date fixed for making up its accounts for the year under the rules for the time being in force call a general meeting of its members.

The Society has not established any sub-committees during the year under audit.

The Society has paid honorarium to the members of management committee. Certificate of monthly rate of honorarium is attached as per annexure to this report.

The management has certified that the powers of staff are limited up to their job designations and no further extra powers were delegated to any employee.

The society has no internal audit committee

As per section 22-B of Societies Act 1925 Every housing and producers' society, in addition to the audit of accounts under section 22, shall also get the accounts audited by an internal audit committee comprising at least three members of the society other than the members of its managing committee as may be appointed by the general body with their consent.

Recommendation:

The society should establish an internal audit committee to avoid internal controls weakness.

The Society has been circulating various notices to the members during the year.

A certificate regarding current litigation has been obtained and annexed as per annexure to this report.

The Society has not established a provident fund for its members and not invested under the provision of section 37 of society's act 1925.

According to section 41 of Societies Act 1925 any society may establish a provident fund for its members out of contributions from such members in accordance with by-laws made by the society in this behalf and may contribute to such provident fund from its net profits, after the prescribed payments have been made to the reserve fund, provided that such provident fund shall not be used in the business of the society but shall be invested under the provisions of section 37; and provided further, that no part of such provident fund shall be considered as an asset of the society.

The Society has prepared books of accounts on Microsoft Excel and pirated Peachtree accounting software.

Recommendation:

The society should use a customize software for bookkeeping. Reason pirated software has no life. And society will lost the accounting data in future.

The society has no soft record of computerized record of its members.

Recommendation:

Society should prepare the computerized record of its members both in hard and soft forms for betterment of record keeping.

28. Appendices to this Report

Sr. No.	Description	Appendix
1	Auditors' Report along with audited financial statements	"A"
2	Copy - Registration certificate	"B"
3	Copy - Bye-laws	"C"
4	Copy - Notifications of the managing committee	"D"
5	Certificate - List of Managing Committee Members	"E"
6	Certificate - List of staff	"F"
7	Certificate - Managing Committee meetings held during the year	"G"
8	Certificate - AGM held during the year	"H"
9	Certificate - Cash in hand as at 30 th June 2023	"I"
10	Certificate - Bank Accounts Balances as at 30 th June 2023	"J"
11	Certificate - Plots allotted / un-allotted up to 30 th June 2023	"K"
12	Certificate - Plots transferred during the year	"K"
13	Certificate - Land purchased up to 30 th June 2023	"K"
14	Certificate - Total Land Purchased	"L"
15	Certificate - Plot cancelled and restored during the year	"M"
16	Certificate - No defaulters	"M"
17	Certificate - No Affectees	"M"
18	Certificate - No sub-committee established during the year	"M"
19	Certificate - Honorarium paid to managing committee	"N"
20	Certificate - List of member	"O"
21	Copy - Letter for approval of LOP	"P"
22	Copy - Letter for cancellation of LOP	"Q"
23	Copy - Society map	"R"

We are not aware of any other matter of importance that we feel should be reported to you but we will be pleased to give any further information and explanation that you may require. Finally, we wish to place on record our appreciation for the cooperation extended to us by the management and staff of the Society during the course of our audit.

Yours faithfully,

H.A.M.D & Co.
H.A.M.D & Co.
CHARTERED ACCOUNTANTS
ISLAMABAD



Date: June 04, 2024

Copy to:

1. The Secretary, Federation of Employees Cooperative Housing Society Limited, Islamabad

Federation of Employees Cooperative Housing Society Limited
Statement of Financial Position
As at June 30, 2023

	Note	2023 Rupees	2022 Rupees
EQUITY AND LIABILITIES			
Share capital and reserves			
		<u>1,000</u>	<u>1,000</u>
Share Capital	4	86,200	86,200
Retained Earning	5	9,475,605	28,989,981
Reserve Fund		2,750,904	2,408,334
		12,312,709	31,484,516
Non Current Liabilities			
Members Deposit	6	917,882,385	918,096,285
Masjid Fund	7	24,891,773	23,358,631
Refundable Securities	8	8,572,169	8,522,169
		951,346,327	949,977,085
Current Liabilities			
Accounts Payable	9	5,839,116	6,369,218
Accrued & Other Payables	10	2,035,904	2,377,419
Provision for Taxation		1,225,571	619,045
		9,100,591	9,365,682
Contingencies and commitments			
		-	-
		<u>972,759,628</u>	<u>990,827,284</u>
ASSETS			
Non-Current Assets			
Operating Fixed Assets	11	17,112,739	11,762,708
CWIP		17,088,767	17,088,767
Land Cost	12	294,397,760	294,397,760
Development Cost	13	536,078,921	513,793,393
Masjid Cost	14	30,930,426	30,386,954
		895,608,613	867,429,582
Current assets			
Receivables & Advances	15	9,116,290	10,573,883
Deposits and Prepayments	16	2,384,901	809,965
Cash & Bank Balances	17	65,649,822	112,013,855
		77,151,014	123,397,702
		<u>972,759,628</u>	<u>990,827,284</u>

The annexed notes from 1 to 22 form an integral part of these financial statements.

HAMD




Federation of Employees Cooperative Housing Society Limited
Statement of Incomes and Expenditures
For the year ended June 30, 2023

	Note	2023 Rupees	2022 Rupees
Income	18	48,522,009	49,523,634
Expenditure	19	(67,429,859)	(48,560,783)
Surplus/ Deficit before Tax		(18,907,851)	962,851
Tax Expense for the year		(606,525)	(619,045)
Surplus/ Deficit after Tax for the year		(19,514,376)	343,805
Prior Year Adjustment			
Transfer to reserve fund		-	(96,285)
		(19,514,376)	247,520
Deficit/Surplus for the previous years		28,989,982	28,742,462
Surplus/Deficit carried forward to Balance Sheet		9,475,607	28,989,982

The annexed notes from 1 to 22 form an integral part of these financial statements.

HAMD


Finance Secretary


President

Federation of Employees Cooperative Housing Society Limited
Notes to the Financial Statements
For the year ended June 30, 2023

1 THE SOCIETY AND ITS OBJECTS

- 1.1 The Society is registered under the Cooperative Societies Act, 1925 vide registration certificate no. 120 dated 12th June 1973. The area of operation is restricted to Islamabad Capital Territory. The object of the Society are to promote the economic interest of its members or the principles of cooperation, self help, on no profit & no loss basis, and more particularly. To lay out, establish and maintain a residential colony for its members, if need be, to extend it and take other necessary steps for this purpose.
- 1.2 These financial statements have been prepared for the period June 30, 2022.

2 BASIS OF PREPARATION

These financial statements have been prepared under the historical cost convention unless otherwise specifically stated.

2.1 Statement of compliance

These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan and the requirements of Societies Act & Approved accounting standards for cooperative societies as applicable in Pakistan

2.2 Functional and presentation currency

These financial statements are presented in Pak Rupees, which is the Company's functional currency.

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 Accounting convention

These accounts have been prepared under the historical cost convention.

3.2 Liabilities

These are recognized when it is probable that an economic outflow of benefits will occur and the quantification of that benefit can be done.

3.3 Fixed assets and depreciation

Operating fixed assets except freehold land are stated at cost less accumulated depreciation. Depreciation is charged to profit and loss account applying the reducing balance method over its estimated useful life at the rates specified in note 8 to the financial statements. Depreciation on additions to operating fixed assets is charged from the month in which they are available for use while no depreciation is charged for the month in which property, plant and equipment is disposed off. The useful lives and depreciation methods are reviewed on periodic intervals to ensure that the methods and period of depreciation charged during the year are consistent with the expected pattern of economic benefits from items of operating fixed assets. Gains or losses on disposal of operating fixed assets, if any, are recognized in the income of the relevant year, as and when incurred.

3.4 Revenue recognition

Revenue is measured at the fair value of the consideration received and represent amounts received for goods and services provided in the normal course of business.

3.5 Share

Every member will have to purchase at least one full share amounting to Rs.1,000/- which will be paid in lump sum at the time of admission. No individual member shall hold shares, the value of which exceeds Rs.20,000 or 1/5 th of the total share capital of society, whichever is less.

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Federation of Employees Cooperative Housing Society Limited
Notes to the Financial Statements
For the year ended June 30, 2023

3.6 Cash and bank balances

These represents the liquid cash available with the Society in different forms.

3.7 Provisions

Provisions are recognized in the balance sheet when the Society has a present, legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of obligation can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

3.8 Taxation

Income tax expense represents current tax expense. Provision for current taxation is based on taxable income at the current rates of taxation after taking into account tax credits and tax rebates, if any.

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Federation of Employees Cooperative Housing Society Limited
Fixed Assets Schedule
For the year ended June 30, 2023

11.1

Description	COST			Rate	ACCUMULATED DEPRECIATION			Written Down Value As at June 30, 2023
	As at July 01, 2022	Additions	As at June 30, 2023		As at July 01, 2022	For the Year	As at June 30, 2023	
Buildings	10,116,749	5,113,507	15,230,256	10%	3,281,736	1,194,852	4,476,588	10,753,668
Computer equipment	482,079	234,306	716,385	30%	357,793	107,578	465,370	251,015
Office equipment	3,777,481	1,637,960	5,415,441	10%	1,336,085	407,936	1,744,021	3,671,420
Furniture and fixtures	3,598,663	349,628	3,948,291	10%	1,275,050	267,324	1,542,374	2,405,917
Office Use Vehicle	144,900	-	144,900	20%	106,500	7,680	114,180	30,720
Rupees (2023)	18,119,872	7,335,401	25,455,273		6,357,164	1,985,369	8,342,534	17,112,739
Rupees (2022)	13,505,294	4,614,578	18,119,872		5,005,407	1,351,757	6,357,164	11,762,708

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[Signature]

President

Federation of Employees Cooperative Housing Society Limited
Notes to the Financial Statements
For the year ended June 30, 2023

	Note	2023 Rupees	2022 Rupees
4 SHARE MONEY			
Opening Balance as at 01.07.2022		86,200	86,200
Addition during the year		-	-
Closing Balance as at 30.06.2023		<u>86,200</u>	<u>86,200</u>
5 RETAINED EARNINGS			
ACCUMULATED SURPLUS / (DEFICIT)			
Opening Balance as at 01.07.2022		28,989,981	28,742,461
Income during the year		48,522,009	49,523,634
Expenditure during the year		(67,429,859)	(48,560,783)
Adjustment for transfer to reserve		-	(96,285)
Provision for Taxation		(606,525)	(619,045)
Closing Balance as at 30.06.2023		<u>9,475,606</u>	<u>28,989,981</u>
6 MEMBERS DEPOSITS			
Lohi Bher Phase	6.1	169,321,312	169,299,612
E-11 Phase	6.2	593,527,292	594,027,292
E-11 Northern Commercial Area	6.3	155,033,781	154,769,381
		<u>917,882,385</u>	<u>918,096,285</u>
6.1 Members Deposits Lohi Bher			
Opening Balance as at 01.07.2022		169,299,612	167,098,179
Addition during the year		21,700	2,201,433
Deletion/ refund during the year		-	-
Closing Balance as at 30.06.2023		<u>169,321,312</u>	<u>169,299,612</u>
6.2 Members Deposits-E 11			
Opening Balance as at 01.07.2022		594,027,292	594,027,292
Addition during the year		-	-
Deletion/ refund during the year		(500,000)	-
Closing Balance as at 30.06.2023		<u>593,527,292</u>	<u>594,027,292</u>
6.3 Members Deposits-Northern Commercial			
Opening Balance as at 01.07.2022		154,769,381	154,769,381
Addition during the year		264,400	-
Deletion/ refund during the year		-	-
Closing Balance as at 30.06.2023		<u>155,033,781</u>	<u>154,769,381</u>
7 MASJID FUND			
E-11 Phase	7.1	21,149,989	19,906,847
Lohi Bher Phase	7.2	3,741,784	3,451,784
		<u>24,891,773</u>	<u>23,358,631</u>

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Federation of Employees Cooperative Housing Society Limited
Notes to the Financial Statements
For the year ended June 30, 2023

	Note	2023 Rupees	2022 Rupees
7.1 E 11			
Opening Balance as at 01.07.2022		19,906,847	18,433,307
Addition during the year		1,243,142	1,473,540
Closing Balance as at 30.06.2023		<u>21,149,989</u>	<u>19,906,847</u>
7.2 Lohi Bher			
Opening Balance as at 01.07.2022		3,451,784	3,082,784
Addition during the year		290,000	369,000
Closing Balance as at 30.06.2023		<u>3,741,784</u>	<u>3,451,784</u>
8 REFUNDABLE SECURITIES			
Opening Balance as at 01.07.2022		8,522,169	6,971,969
Addition during the year		1,405,000	1,700,200
Refunded during the year		(1,355,000)	(150,000)
Closing Balance as at 30.06.2023		<u>8,572,169</u>	<u>8,522,169</u>
9 ACCOUNTS PAYABLES			
Opening Balance as at 01.07.2022		6,369,218	6,945,463
Addition during the year		-	1,213,755
Deletion/ paid during the year		(530,102)	(1,790,000)
Closing Balance as at 30.06.2023		<u>5,839,116</u>	<u>6,369,218</u>
9.1 Breakup of this account is as follows:			
Accounts payable		959,016	1,459,175
Loan from members		138,717	-
Security deposit Federation Plaza		1,000,000	1,000,000
Karcon (Pvt.) limited		1,067,492	1,067,492
M/s Zoma (Pvt.) Limited		190,000	190,000
Diamond Boring & co.		20,000	20,000
M/s. Designman		23,600	23,600
Mr. Anjum Aqeel		700,000	700,000
Retention money		1,474,480	1,252,368
M/s. Town Planning		13,811	13,811
Earnest Money		252,000	642,772
		<u>5,839,116</u>	<u>6,369,218</u>
10 ACCRUED & OTHER PAYABLES			
Withholding Tax Payables		-	587,669
Gratuity Payable		1,035,904	1,289,750
Audit Fee Payable		1,000,000	500,000
		<u>2,035,904</u>	<u>2,377,419</u>

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Federation of Employees Cooperative Housing Society Limited
Notes to the Financial Statements
For the year ended June 30, 2023

	Note	2023 Rupees	2022 Rupees
11 FIXED ASSETS			
Written down value as at 30.06.2022	11.1	<u>17,112,739</u>	<u>11,762,708</u>
The Schedule of Fixed Assets is attached.			
12 LAND COST			
Opening Balance as at 01.07.2022		294,397,760	293,396,360
Addition during the year		-	1,001,400
Deletion during the year			-
Closing Balance as at 30.06.2023		<u>294,397,760</u>	<u>294,397,760</u>
13 DEVELOPMENT COST			
E-11 Phase	13.1	236,156,674	226,626,079
E-11 Northern Commercial	13.2	165,395,473	160,710,448
Lohi Bher Phase	13.3	134,526,774	126,456,866
		<u>536,078,921</u>	<u>513,793,393</u>
13.1 Development Cost at E 11			
Opening Balance as at 01.07.2022		226,626,079	221,496,080
Addition during the year		9,530,595	5,129,999
Deletion during the year		-	-
Closing Balance as at 30.06.2023		<u>236,156,674</u>	<u>226,626,079</u>
13.2 Development Cost at E 11 Northern Commercial			
Opening Balance as at 01.07.2022		160,710,448	136,921,736
Addition during the year		4,685,025	23,788,712
Deletion during the year		-	-
Closing Balance as at 30.06.2023		<u>165,395,473</u>	<u>160,710,448</u>
13.3 Development Cost at Lohi Bher			
Opening Balance as at 01.07.2022		126,456,866	124,383,702
Addition during the year		8,069,908	2,073,164
Deletion during the year		-	-
Closing Balance as at 30.06.2023		<u>134,526,774</u>	<u>126,456,866</u>
14 MASJID COST			
Masjid E-11 Phase		24,163,100	24,194,900
Masjid Lohi Bher Phase		6,767,326	6,192,054
Closing Balance as at 30.06.2023		<u>30,930,426</u>	<u>30,386,954</u>
15 RECEIVABLES & ADVANCES			
A/R Col. (R) Aftab Iqbal		1,480,005	1,480,005
A/R Khyber Estate Services		1,146,800	1,146,800
A/R Mehmood Corporation		700,000	700,000
A/R Omer Farooq Engineering		268,679	268,679
WHT Deducted Receivable		7,589,713	4,572,896
Employee Advances - Salary		1,526,577	1,634,827
Provision for Doubtful Debts		(3,595,484)	(3,595,484)
Advances for Expenses		-	4,366,160

Federation of Employees Cooperative Housing Society Limited
Notes to the Financial Statements
For the year ended June 30, 2023

	Note	2023 Rupees	2022 Rupees
16 DEPOSITS & PREPAYMENTS			
Opening Balance as at 01.07.2022		809,965	695,377
Addition during the year		1,895,380	1,893,710
Less: Refunded/ adjusted during the year		(320,444)	(1,779,122)
Closing Balance as at 30.06.2023		<u>2,384,901</u>	<u>809,965</u>
17 CASH AND BANK			
Cash in Hand		20,185	58,638
Cash at Bank			
ABL 526170023 (LB), EBC Plaza, E-11, Islamabad		219,484	10,270,858
ABL Profit Plus Deposit 9343-2Civic Centre Melody Branch , ISB.		100	100
ABL 526190021 (E-11), EBC Plaza, E-11, Islamabad		559,287	6,882,081
ABL 526190044 (E-11) EBC Plaza , E-11 Islamabad Conservancy		6,816	6,816
NBP P&L Sharing A/C 21790-3 Civic Centre Branch G-6 , ISB.		216,485	216,485
NBP P&L Sharing A/C 21789-6 Civic Centre Branch G-6 , ISB.		34,512	34,512
Punjab Prov Cop Bank 1177 GPO Chowk, Saddar , Rawalpindi.		59	59
BAHL 0185-0981-000598-018 E-11		(318,377)	4,544,305
BAHL 0185-0072-000598-018 O-9		(88,728)	
Term Deposit Account		<u>65,000,000</u>	<u>90,000,000</u>
		<u>65,649,823</u>	<u>112,013,855</u>
18 INCOME			
Registration Fee		1,520,137	524,300
Transfer Fees		5,910,961	11,306,671
Possession Fees		996,750	811,100
Demarcation Fee		60,000	40,000
Penalty Income		68,000	970,000
Urgent Fee		415,000	410,000
Annual Fund		600,000	1,233,300
Building Plan Approval Fee		1,321,526	1,053,501
Interest Income		12,148,748	9,677,029
Completion Certificate Fee		1,033,000	1,755,250
Other Miscellaneous Income		1,858,853	2,964,450
Other income		85,605	-
Recovery of electricity expenses		179,850	-
Subdivision Fee		-	500,000
Conservancy Bills		17,455,703	15,696,904
Surcharge		472,875	1,831,129
Rental Income		<u>4,395,000</u>	<u>750,000</u>
		<u>48,522,009</u>	<u>49,523,634</u>

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Federation of Employees Cooperative Housing Society Limited
Notes to the Financial Statements
For the year ended June 30, 2023

	Note	2023 Rupees	2022 Rupees
19 EXPENDITURES			
Advertising Expense		2,752,327	488,374
AGM Expenses		258,973	1,432,098
Audit Fee		500,000	1,779,375
Election Expense		-	68,340
Bank Charges		31,322	13,703
Court Charges		73,400	41,000
Entertainment and Meals Expenses		398,243	285,497
Legal & Professional Expenses		845,543	226,821
Consultancy		2,495,619	1,382,962
Maintenance E-11		7,254,312	7,258,445
Maintenance Lohi Bher		3,488,855	1,403,767
Maintenance NC & Federation Plaza		560,040	102,990
Office Supplies		131,470	140,416
Postage and Telephone Expenses		33,480	23,530
Printing and Stationery		504,888	323,506
Rent, Rates & Taxes		95,400	-
Repair and Maintenance Expenses		185,563	233,655
Salaries Expenses		9,068,880	7,620,931
Travel and Conveyance Expenses		339,820	213,540
Utilities Expenses		18,576,758	11,096,709
Newspaper & Periodicals		5,480	5,050
Garbage Expenses		6,444,891	4,990,235
Fringe Benefits		413,396	307,398
Security Charges		6,311,158	6,203,898
Other Expenses		149,540	421,785
Meeting Allowance		1,664,845	1,145,000
Masjid Expense		2,860,287	-
Depreciation		1,985,369	1,351,757
Tax Expense		-	-
		<u>67,429,859</u>	<u>48,560,783</u>

20 EVENTS AFTER THE REPORTING PERIOD

There are no other significant events after the reporting period which may require adjustment of and / or disclosure in these financial statements.

21 DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been authorized for issue on _____ by the Board of the Society.

22 GENERAL

Figures have been rounded off to the nearest rupee.

HAMD

M. Khan

[Signature]