



SAEED KAMRAN & CO.

(Chartered Accountants)
Formerly H Y K

February 19, 2023

The Circle Registrar (Audit)
Cooperative Societies Department,
Punjab, Lahore.

**SUBJECT: AUDIT OF ALFALAH COOPERATIVE HOUSING SOCIETY LIMITED, LAHORE FOR
THE YEAR ENDED JUNE 30, 2023**

Dear Sir,

In compliance with your letter No. RCS/Allo-23/831 Dated: 24 November, 2023 we have completed the audit of the financial statements of **ALFALAH COOPERATIVE HOUSING SOCIETY LIMITED** for the year ended June 30, 2023. The responsibility for the preparation of financial statements is of the management of the society. Our responsibility is to express an opinion on these financial statements.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain the reasonable assurance about whether the financial statements are free of any material misstatement.

As an important secondary audit objective to provide constructive assistance to the management in the form of systems recommendations and advice on matters of financial management, by means of this report, we draw attention of the management, towards certain weaknesses in accounting procedures and practices, alongside suggesting remedial action for modification / improvement and necessary compliance.

As part of our examination of the financial statements, we have made a study and evaluation of the Society's system of internal accounting control to the extent we considered necessary to evaluate the system as required by International Auditing Guidelines. The purpose of such evaluation is to establish a basis for reliance on the system of internal accounting control in determining the nature, timing and extent of the auditing procedures necessary for expressing an opinion on the financial statements and to assist us in planning and performing our examination of the financial statements. Our study and





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evaluation made for the limited purpose described above disclosed the following matters, which we now bring to your attention: -

1. BACKGROUND AND LEGAL STATUS:

The **BANK ALFALAH EMPLOYEEES COOPERATIVE HOUSING SOCIETY LIMITED, LAHORE** was registered under the Cooperative Societies Act 1925 vide registration No, 1389 dated 6th December 2004. The society operates within the area of Lahore, Punjab. The current registered office of the society is located at **100/A3, Gulberg-III, Lahore**. The Site of the Society is situated at Mauza Hayr and Mauza Tatley, Lahore Cantt, Bedian Road, Lahore.

The main object of the society is to promote the economic interests of its members on principle of cooperation and more particularly:

1. To layout, establish and maintain a residential colony for its members, if need be, to extend it and take other necessary steps for this purpose.
2. To arrange, buy or otherwise acquire land, houses, buildings or other property, moveable or immovable by purchase, lease, mortgage, acquired under land acquisition act or otherwise for the purpose of carrying out the objectives of the society provided that:
 - Under the rule 27 and 54, prior approval of registrar, Punjab, will be necessary for all these activities.
 - The determination of the site for housing scheme will be with the prior approval of general meeting and registrar, Punjab.
 - Any amendment or alteration/change in the housing scheme will be similarly subject to the decision of general meeting and registrar, Punjab.
3. To bring into existence and to construct, manage and maintain works like roads, water supply, sewerage, electricity, sui-gas, telephone services and other construction of various kinds like schools, dispensary, mosque, amusement parks, civic centers, provision of transport, graveyard. etc. for the benefit and convenience of the members residing in the colony. These will be subject to regulation of the local bodies, development authorities and at par or better than their standards. *(Copy of Registration Certificate is attached as Annexure "B" and Copy of Bye-laws is attached at Annexure "C").*





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2. **PERSENT MANAGEMENT COMMITTEE:**

As per section 63 of Bye-Laws of the society, the management committee shall consist not less than nine and not more than thirteen members above the age of 21 years including a President, a Vice President, a General Secretary, a Finance Secretary and a Member. The Management Committee shall be elected for a term of three years. However, members of committee will not be eligible to hold office for more than two consecutive terms subject to approval of Registrar for which the society member will give detailed justification. **(Copy of Notification of Managing Committee by Cooperative Department is attached as Annexure "D")**

The management committee was elected vide notification No. 551-56-ARL/H-1 dated:06-06-2022. The Composition of the present management committee is as under:

Sr#	Name	Designation	CNIC No.	Membership No.
1	Tahir Khurshid S/o Khurshid Alam Sheikh R/o House No. 367-IH, P.A.F Falcon Society, Gulberg III Lahore	President	35202- 2186337-1	04480
2	Sohail Rashid S/o Khalid Rashid R/o House No. 218-B, Punjab Cooperative Housing Society, Defense Road, Lahore	Vice President	35202- 2516276-1	04321
3	Muhammad Tanveer S/o Muhammad Sharif R/o House No. 105-J, Johar Town Lahore	General Secretary	35202- 4554130-1	00585
4	Muhammad Umer Malik S/o Malik Mohammad Sagir-ud-Din	Finance Secretary	35202- 2560918-5	00903



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	R/o House No 666, Block-A, LDA Avenue Raiwind Road, Lahore			
5	Khalil Ahmad Khan S/o Tasleem Ahmed Khan R/o House No. 70 Street No. 1, Sector-B, Safari Park, Bahria Town, Lahore	Executive Member	35201- 3693424-9	00429
6	Muhammad Atique S/o Muhammad Rafiq Dogar R/o House No. 302-FF, Street No. 09, Phase-IV, DHA, Cantt, Lahore	Executive Member	61101- 6070913-1	04289
7	Mehran Abbas S/o Mian Muhammad Shahbaz R/o 64/A, Al-shah Din Palace, Gulshan Ravi, Lahore	Executive Member	35202- 0565312-7	01087
8	Ayesha Mussadaque W/o Mussadaque Hamid R/o House No. 34-B, Block-E-1, Gulberg III Lahore	Executive Member	35202- 7235272-4	01859
9	Ahmad Haseeb Jilani S/o Maqbool Subhani Khawaja R/o House No. 02, Hassan Street Eden College Road, Iqbal Park, Cantt Lahore	Executive Member	35202- 5385762-9	01494

3. LOCATION AND AREA OF LAND:

The society is located in the area of Mauza Hayr and Mauza Tatley, Lahore Cantt, Bedian Road, Lahore. Total Area of land owned by the society as at June 30, 2023 was 5842 Kanals, 0 Marla and 46 Sq. Ft. (Copy of Form Alif Bay Jeem is attached as Annexure "E")





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4. LAND AND RELATED MATTERS:

The Society is in process of approval of initial layout plan from Lahore Development Authority. Layout plan **has not been approved** hence no specific plots have been allotted to the members.

5. COST OF LAND

Rs. 2,020,242,361 /-

The account stood as under as at 30 June 2023:

Description	Total as at 30-06-2023
Opening as at 01 July, 2022	2,020,242,361
Additions/Receipts during the year	-
Deletions/Payments during the year	-
Closing balance as at 30 June, 2023	2,020,242,361

5.1 No movement observed under this head during the period under audit.

6. LAND DEVELOPMENT CHARGES

Rs. 57,261,262/-

The account stood as under as on 30 June 2023:

Description	Total as at 30-6-2023
Opening as at 01 July 2022	56,226,262
Addition during the year	1,035,000
Deletion during the year	-
Closing Balance as at 30 June 2023	57,261,262



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- 6.1 Additions during the year mainly pertains to Girdawari of society land amounting Rs. 600,000/- and Rs. 400,000/- paid for payment of AKS shajra.

7. OPERATING FIXED ASSETS

Rs. 744,314/-

The account stood as under as at 30 June 2023:

Description	Total as at 30-06-2023
Opening as at 01 July, 2022	9,237,198
Additions during the year	265,816
Disposal during the year	(147,968)
Less: Accumulated Depreciation	(8,610,732)
Closing balance as at 30 June, 2023	744,314

- 7.1 Additions during the year mainly pertains to acquisition of Honda Bike amounting Rs. 170,416/- and Rs. 72,000/- for Shot Guns Respectively.
- 7.2 The detailed movement in Operating Fixed Assets is annexed with financial Statements.
- 7.3 Fixed asset register is not properly maintained by the society.



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8. INTANGIBLES

Rs. 5,279/-

The account stood as under as on 30 June 2023:

Description	Total as at 30-6-2023
Opening as at 01 July 2022	6,598
Addition during the year	-
Amortization charged during the year	(1,319)
Closing Balance as at 30 June 2023	5,279

8.1 No addition observed under this head during the period under audit.

9. ADVANCES AND OTHER RECEIVABLES

Rs. 31,328,669/-

The account stood as under as at 30 June 2023:

Description	Total as at 30-06-2023
Advance against Purchase of land 9.1	6,901,321
Advance to Staff against salary 9.2	1,369,984
Advance to staff against Imprest 9.3	45,000
Security deposit 9.4	900,000
Other advances 9.5	300,000
Advance tax 9.6	21,812,364
TOTAL	31,328,669



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9.1. This head represents Advances against purchase of land. Following are the balances outstanding since many years detail of which is stated as below.

Name of the Party	Advance amount Rs.	Ageing (Days)
Waqar Hassan	4,040,521	More Than 10 Years
Mr. Manzoor Ahmad	1,000,000	More Than 10 Years
Mr. Muhammad Ishaq Chohan	1,529,500	More Than 06 Years
Tahir Mahmood Asghar	330,300	More Than 06 Years
Qasim Rafiq	1,000	Clearly Trivial
TOTAL	6,901,321	

- Advance pertains to Mr. Waqar Hassan amounting Rs. 4,040,521/- is under litigation in the civil court, Lahore which is disclosed in the note 13.2 to the financial statements.
- Advance pertains to Mr. Manzoor Ahmed amounting Rs. 1,000,000/- and Mr. Muhammad Ishaq Chohan amounting Rs. 1,529,500/- was an outstanding balance since long time. We were of the view that the management should make provision against these balances.
- Advance pertains to Mr. Tahir Mahmood Asghar amounting Rs. 330,300/- pertains to Registry Stamp Papers for the Exchange of land.



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9.2 ADVANCE TO STAFF AGAINST SALARY

Rs. 1,369,984/-

The account stood as under as at 30 June 2023:

Description	Total as at 30-06-2023
Opening as at 01 July, 2022	32,328
Additions during the year	2,317,352
Deductions during the year	(979,696)
Closing balance as at 30 June, 2023	1,369,984

9.3 ADVANCE TO STAFF AGAINST IMPREST

Rs. 45,000/-

The account stood as under as at 30 June 2023:

Description	Total as at 30-06-2023
Opening as at 01 July, 2022	25,300
Additions during the year	716,255
Adjustment during the year	(696,555)
Closing balance as at 30 June, 2023	45,000

9.4 SECURITY DEPOSIT

Rs. 900,000/-

The account stood as under as at 30 June 2023:

Description	Total as at 30-06-2023
Opening as at 01 July, 2022	660,000





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Additions during the year	270,000
Payments/Adjustments during the year	(30,000)
Closing balance as at 30 June, 2023	900,000

- Additions during the year mainly pertains to PSO Fuel station, Defense Road, Lahore.

9.5 OTHER ADVANCES

Rs. 300,000/-

The account stood as under as at 30 June 2023:

Description	Total as at 30-06-2023
Opening as at 01 July, 2022	200,000
Additions during the year	100,000
Refund during the year	-
Closing balance as at 30 June, 2023	300,000

- Advance pertains to M/s. SKP Consulting Limited amounting Rs. 200,000/- was an outstanding balance for more than 10 years. The management of the society should make provision against this balance.

9.6 ADVANCE INCOME TAX

Rs. 21,812,364/-

The account stood as under as at 30 June 2023:

Description	Total as at 30-06-2023
Opening as at 01 July, 2022	14,838,466
Tax deducted during the year	7,194,392
Tax adjusted during the year	(220,494)
Closing balance as at 30 June, 2023	21,812,364



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- Additions during the year mainly pertains to advance tax deducted on Utility Bills and Profit on Debt respectively.
- Withholding taxes deducted against different heads adjusted against tax liability.

10. CASH & BANK BALANCES

Rs. 301,399,083/-

Head of Accounts	Ref	2023	2022
Cash in hand	10.1	10,315	250,513
Cash at bank	10.2		
Bank Al-Falah Limited Gulberg Branch, Lahore		100,547,762	29,525,893
Bank Al-Falah Limited Cavalry Branch, Lahore		NIL	25,831
Askari Islamic Bank Limited, IBB Gulberg Branch Lahore		NIL	22,571
Faysal Bank Limited, Upper Mall Branch, Lahore		NIL	15,951
Dubai Islamic Bank Pakistan Limited, Urdu Bazar Branch, Lahore		75,615,391	66,870,871
Habib Metropolitan Bank Limited, Wapda Town Branch Lahore		NIL	100,000,000
Soneri Bank Limited, Circular Road Branch, Lahore		125,225,615	110,373,11
Allied Bank Limited, Allah Hoo Chowk Branch, Lahore		NIL	N/A
Total of Cash and Bank balances		301,399,083	307,084,740



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- 10.1 Certificate of cash in hand as at 30 June 2023 was received and is attached as per **Annexure-F** but we did not physically verify cash in hand as on 30 June 2023 since our appointment as auditors was made after year-end.
- 10.2 Bank confirmations were sent and responses are received from those banks. After inspection of confirmations, balances as per bank confirmation reconciled with balances as per accounts of society except Bank Alfalah Limited Gulberg Branch, however a reconciliation statement was provided to us by the management in this regard. The table below shows the balances as per accounts of the society and those of the bank and difference in their balances.

Confirmation Status				
	Name	Balance as per Accounts	Balance as per Bank Confirmation	Difference
1	Bank Al-Falah Limited Gulberg Branch, Lahore	100,547,762	100,109,262	438,500
2	Bank Al-Falah Limited Cavalry Branch, Lahore	NIL	Not Received	-
3	Askari Islamic Bank Limited, IBB Gulberg Branch Lahore	NIL	Not Received	-
4	Faysal Bank Limited, Upper Mall Branch, Lahore	NIL	Not Received	-
5	Dubai Islamic Bank Pakistan Limited, Urdu Bazar Branch, Lahore	75,615,391	75,615,391	Nil
6	Habib Metropolitan Bank Limited, Wapda Town Branch Lahore	NIL	Not Received	-
7	Soneri Bank Limited, Circular Road Branch, Lahore	125,225,615	125,225,615	Nil
8	Allied Bank Limited, Allah Hoo Chowk Branch, Lahore	NIL	Not Received	-



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11. SHARE CAPITAL

Rs. 4,666,000 /-

The account stood as under as on June 30, 2023:

Description	Total as at 30-6-2023
Opening as at 01 July 2022	4,635,000
Addition during the year	31,000
Refund during the year	-
Closing Balance as at 30 June 2023	4,666,000

- As per Bye Laws of the society, Member desirous to have **Residential plots** will have to purchase at least one full share at Rs.1,000/- which will be paid lump sum at the time of admission. The number of shares to be held with reference to area of land/plot acquired or to be acquired in any way shall be as under:

1) Up to 15 Marla's (3360 Sqft)	One Shares
2) 16 to 30 Marla's (6720 Sqft)	Two Shares
3) 31 Marla's to 60 Marla's (13500 Sqft)	Four Shares
4) More than 60 Marla's	Five Shares

- As per Bye Laws of the society, Member desirous to have **Commercial plots** will have to purchase shares at Rs.1000/- each. The number of shares to be held with reference to area of land/plot acquired or to be acquired in any way shall be as under:

1) Up to 3 Marla's	Five Shares
2) Above 3 Marla's to 5 Marla's	Seven Shares
3) More than 5 Marla's	Ten Shares

All shares shall be fully paid up.



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- 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, comes in possession of more than the maximum holding permitted by this Bye Laws, the Managing Committee shall have the power to sell the excess number in purchase them for the society.
- Liability of every member is restricted up-to 10 times of the value of the shares purchased.
- During the year the society has received share money in respect of shares purchased by value of Rs. 1,000/- per share.
- Detail of share capital as required by the audit TORs –Residential: Performa – A & Commercial: Performa – B is attached as **Annexure "G"**.

12. ACCUMULATED FUNDS

Rs. 66,562,093 /-

The account stood as under as on June 30, 2023:

Description	Total as at 30-6-2023
Opening as at 01 July 2022	68,561,450
Deficit for the year	(1,999,357)
Closing Balance as at 30 June 2023	66,562,093

- As per Bye-Laws of the society 10% of the surplus is allocated to indivisible reserve of the society but during the period under audit the society has deficit.
- As the society was in deficit so we are of the opinion that the management should take necessary steps to curtail the avoidable expenditures.





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13. MEMBER'S DEPOSIT FOR LAND

Rs. 2,342,024,943/-

The account stood as under as on June 30, 2023:

Description	Total as at 30-6-2023
Opening as at 01 July 2022	2,335,752,943
Addition during the year	6,272,000
Refund during the year	-
Closing Balance as at 30 June 2023	2,342,024,943

14. CURRENT LIABILITIES

Rs. 869,367/-

The account stood as under as on 30 June 2023:

Description	Total as at 30-06-2023
Accrued Expenses 14.1	41,738
PSO Petrol Pump 14.2	189,722
Audit fee 14.3	320,000
Retainership Fee	49,600
Retention money - M.A. Construction	92,464
Retention money - NESPAK	121,500
Provision for taxation 14.4	54,343
TOTAL	869,367



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14.1 ACCRUED EXPENSES

Rs. 41,738/-

The account stood as under as at 30 June 2023:

Description	Total as at 30-06-2023
Opening as at 01 July, 2022	22,458
Addition during the year	399,571
Payment during the year	(418,851)
Closing balance as at 30 June, 2023	41,738

14.2

PSO PETROL PUMP

Rs. 189,722/-

The account stood as under as at 30 June 2023:

Description	Total as at 30-06-2023
Opening as at 01 July, 2022	-
Addition during the year	1,491,264
Payment during the year	(1,301,542)
Closing balance as at 30 June, 2023	189,722

14.3

AUDIT FEE PAYABLE

Rs. 320,000/-

The account stood as under as at 30 June 2023:

Description	Total as at 30-06-2023
Opening as at 01 July, 2022	525,000
Addition during the year	320,000
Payment during the year	(525,000)
Closing balance as at 30 June, 2023	320,000



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14.4

PROVISION FOR TAXATION

Rs. 54,343/-

The account stood as under as at 30 June 2023

Description	Total as at 30-06-2023
Opening as at 01 July, 2022	101,316
Tax expense for the year 2023	54,343
Tax paid & adjusted during the year	(101,316)
Closing balance as at 30 June, 2023	54,343

15.

INCOME AND EXPENDITURE ACCOUNT

Income	Rs. 2023	Percentage
Admission Fee	1,422,000	2.77%
Transfer Fee	2,630,000	5.13%
Other receipts	295,458	0.58%
Bank Profit	46,909,323	91.52%
Total Income	51,256,781	100%
Expenditures		
Salaries and allowances	22,899,687	43.04%
Administrative Expenses	30,288,780	56.93%
Financial Charges	13,328	0.03%
Total Expenditures	53,201,795	100%



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16. ANNUAL GENERAL MEETING U/S 12 OF THE COOPERATIVE SOCIETYS ACT 1925

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. During the course of audit, **No** annual general meeting was duly held.

17. TAX MATTERS

The management of the society explained us that they got registered with FBR and obtained registration # 3225243. The income tax return for the year ending 30 June 2023 was filed by the society. **(NTN Certificate and ATL Certificate is attached as Annexure "H")**

18. BOOKS OF ACCOUNTS

The society maintained proper books of accounts on an accounting software. **(Financial Statements are attached as Annexure "A")**

19. LIST OF MEMBERS OF THE SOCIETY

As per the Audit TOR 15, list of members contained all particulars as required by the department. **(Members List is attached as per Annexure "I")**

20. LEGAL ADVISOR'S AND THEIR PROFESSIONAL CHARGES

The society appointed Mr. Mazhar Farooq Advocate and Mr. Khalid Ishaq Advocate as legal advisors. The society paid Rs. 30,000/- and 40,000 respectively per month as retainership to each of them. Mr. M. Mazhar Farooq is responsible for follow up of legal cases pending before different Courts of Law on behalf of society; whereas the society takes services of Mr. Khalid Ishaq for legal opinions on different legal and operational matters pertaining to Punjab Cooperative Department. **(Certificate is attached as Annexure "Q")**



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21. GENERAL

1) INTERNAL AUDIT COMMITTEE

There is an internal audit committee constituted under 22-B of co-operative society Act 1925. The society has provided us Internal audit Report in this regard.

2) ACCOUNTING POLICY

The accounting policy is disclosed in the note 2 of the financial statements.

3) LITIGATION CASES

The certificate of pending Litigations is attached as per *Annexure "J"*.

4) LIST OF EMPLOYEES

The list of employees of the Society is attached as per *Annexure "K"*.

5) LIST OF MANAGEMENT COMMITTEE MEETINGS

List is attached as Annexure "L".

6) DETAIL OF DEFAULTER MEMBERS

Defaulter members appeared in the Member's list.

7) PURCHASE AND SALE OF ELECTRICITY IN BULK

The society has no arrangement to purchase electricity in bulk from LESCO.

8) OPINION ON HUMAN RESOURCES

The total strength of management and the staff of the society are 37. All the employees are hired on contractual basis. Employees files have been properly maintained by the society.



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- 9) **PREVIOUS YEAR AUDIT REPORT-COMPLIANCE STATUS**
Previous year audit report observations were not called by the department.
- 10) **AREA & DISTRIBUTION OF LAND**
The society has open land in its possession hence area & distribution of land was not prepared by the management.
- 11) **AUDIT MEMO**
Audit Memo is attached as *Annexure "M"*.
- 12) **CO-OPERATIVE SOCIETY CHECKLIST**
Checklist is attached as Annexure "N".
- 13) **INTERNAL CONTROL MECHANISM**
During the course of audit, we evaluated the internal controls implemented by the management of society which was found satisfactory.
- 14) **CERTIFICATE OF LAND TITLE**
Certificate is attached as *Annexure "O"*.
- 15) **BUDGET FORECAST 2022-2023**
Budget Forecast was prepared by the society. Budget forecast is attached as *Annexure "P"*.



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16) **TENDERS FOR DEVELOPMENT WORK**

No tenders for development work were awarded during the year as development work has not started yet.

**Subject to the effects of the matters and except for the effects of the adjustments
As stated in the preceding paragraphs we state that:**

- a) We have obtained all the information and explanation, which we required.
- b) In our opinion proper books of accounts have been kept by the society as required by cooperative societies act, 1925 and the Rules of the society.
- c) Except for the possible effects of the matter describe in the audit report such Balance sheet and Income and expenditure account for the year ended June 30, 2023 exhibit a fair view of the state of the affairs of the society according to the information given to us and as shown by books of the accounts of the society.
- d) In our opinion, activities carried out, and expenditures incurred during the period under audit were in accordance with the by-laws of the society.
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.

Saeed Kamran & Co.

(Chartered Accountants)

CC:

1. Deputy Registrar (Lahore)
2. President & General Secretary of Alfalah Cooperative Housing Society Limited- Lahore

ALFALAH COOPERATIVE HOUSING SOCIETY LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2023

Annexure A

	Note	2023 Rupees	2022 Rupees
ASSETS			
Non Current Assets			
Cost of land	3	2,020,242,361	2,020,242,361
Land development charges	4	57,261,262	56,226,262
Operating fixed assets	5	744,314	750,344
Intangible assets	6	5,279	6,598
		<u>2,078,253,216</u>	<u>2,077,225,565</u>
Current Assets			
Advances and other receivables	7	31,328,669	22,657,415
Accrued income - bank profit		3,141,435	2,844,411
Cash and bank balances	8	301,399,083	307,084,740
		<u>335,869,187</u>	<u>332,586,566</u>
TOTAL ASSETS		<u>2,414,122,403</u>	<u>2,409,812,131</u>
CAPITAL AND LIABILITIES			
Share Capital and Reserves			
Share capital	9	4,666,000	4,635,000
Accumulated funds	10	66,562,093	68,561,450
		<u>71,228,093</u>	<u>73,196,450</u>
Non Current Liabilities			
Members' deposit for land	11	2,342,024,943	2,335,752,943
Current Liabilities			
Trade and other payables	12	869,367	862,738
Contingencies and Commitments			
	13		
TOTAL CAPITAL AND LIABILITIES		<u>2,414,122,403</u>	<u>2,409,812,131</u>

PRESIDENT

GENERAL SECRETARY

FINANCE SECRETARY



ALFALAH COOPERATIVE HOUSING SOCIETY LIMITED
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 Rupees	2022 Rupees
Income			
Admission fee	14	1,422,000	2,214,000
Transfer fee	15	2,630,000	5,692,000
Other receipts		295,458	199,295
Bank profit	16	46,909,323	27,017,008
		<u>51,256,781</u>	<u>35,122,303</u>
Expenditure			
Salaries and allowances	17	22,899,687	19,085,927
Administrative expenses	18	30,288,780	18,164,942
Financial charges - bank charges		13,328	13,698
		<u>(53,201,795)</u>	<u>(37,264,567)</u>
(Deficit) / Surplus before Taxation		<u>(1,945,014)</u>	<u>(2,142,264)</u>
Taxation		(54,343)	(101,316)
Net (Deficit) / Surplus for the Year		<u>(1,999,357)</u>	<u>(2,243,580)</u>

PRESIDENT

GENERAL SECRETARY

FINANCE SECRETARY



ALFALAH COOPERATIVE HOUSING SOCIETY LIMITED
RECEIPT AND PAYMENT ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2023

RECEIPTS		PAYMENTS	
	2,023 Rupees	2022 Rupees	
Opening Balances			
Cash in hand	250,513	129,620	
Cash in banks	306,834,227	306,087,563	
	307,084,740	306,217,183	
Capital Receipts			
Deposit from members	6,272,000	8,196,500	
Share money	31,000	21,000	
	6,303,000	8,217,500	
Revenue Receipts			
Income from admission fee	1,422,000	2,214,000	
Transfer fee	2,630,000	5,692,000	
Other receipts	295,458	199,295	
Bank profit	46,909,323	27,017,008	
Advances and other receivables	-	-	
Trade and other payables	6,629	48,557	
	51,263,410	35,170,860	
Capital Payments			
Payment against purchase of assets	265,816	454,732	
Payment against land development charges	1,035,000	415,000	
Payment against purchase of land	-	656,000	
	1,300,816	1,525,732	
Revenue Payments			
Salaries, allowances and benefits	22,899,687	19,085,927	
Uniforms	255,795	191,600	
Office rent	3,498,000	2,184,000	
Legal and professional charges	11,817,700	8,386,499	
Fees, cess and taxes	539,806	723,074	
Vehicle running and maintenance	3,282,732	1,122,818	
Postage and telephone	203,921	188,044	
Utilities	858,142	743,096	
Printing and stationery	426,290	266,490	
Advertisement	325,500	123,000	
Entertainment	958,679	509,019	
Repairs and maintenance	1,284,004	732,196	
Arms and ammunitions	38,250	11,500	
Auditor's remuneration	745,000	275,000	
Generator running and maintenance	212,000	73,188	
Software and web maintenance charges	187,950	215,500	
Newspapers and periodicals	10,800	6,010	
Travelling and conveyance	1,324,576	474,384	
Office Expenses	1,416,287	928,324	
Site expenses	2,630,183	770,138	
Taxation	54,343	101,316	
Bank charges	13,328	13,698	
Advances and other receivables	8,671,254	2,208,274	
Accrued income - bank profit	297,024	1,661,976	
Trade and other payables	-	-	
	61,951,251	40,995,071	
Closing Balances			
Cash in hand	10,315	250,513	
Cash at banks	301,388,768	306,834,227	
	301,399,083	307,084,740	
	364,651,150	349,605,543	

PRESIDENT

GENERAL SECRETARY

~~FINANCE SECRETARY~~



ALFALAH COOPERATIVE HOUSING SOCIETY LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

1 Status and Operations

The Alfalah Cooperative Housing Society Limited (the Society) was registered with the Registrar Cooperative Societies Punjab, Lahore on December 6, 2004 vide registration no. 1389, under the provision of the Cooperative Societies Act, 1925. The main objective of the society is to purchase land, develop it for onward allotment of residential and commercial plots to members as approved by the Managing Committee of the Society.

The registered office of the Society is situated at 100-A, Gulberg-3, Lahore. The Society is situated at Mauza Hayr and Mauza Tatley, Lahore Cantt, Bedian Road, Lahore.

2 Basis of Preparation

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:

- International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SMEs); and
- Provisions of and directives issued under the Cooperative Societies Act, 1925 and Cooperative Societies Rules, 1927.

In case requirements differ, the provisions of and directives issued under the Cooperative Societies Act, 1925 and Cooperative Societies Rules, 1927 shall prevail.

2.2 Significant accounting policies

These financial statements have been prepared under the historical cost convention.

2.2.1 Fixed assets

These are stated at cost less accumulated depreciation. Depreciation is calculated using the straight line method. Depreciation is charged on additions during the year. No depreciation charged in the year of disposal.

2.2.2 Cost of land

Cost of land includes purchase price and other costs in bringing the land to its present condition. Cost of land comprises the purchase price, other taxes, registry charges, legal charges (stamp papers), registry commission, costs directly attributable to acquisition and other similar costs in determining the cost of land.

2.2.3 Members' deposit for land

Members' deposit for land is recognized on cash basis.

2.2.4 Cash and cash equivalents

Cash and cash equivalents are carried at cost. For the purpose of statement of cash flows, cash and cash equivalents comprise cash in hand and cash at banks in savings accounts.

2.2.5 Trade and other payables

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid or given in future for goods and services received or to be delivered or for any other amount, whether or not billed to the Society.

ALFALAH COOPERATIVE HOUSING SOCIETY LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

2.2.6 Revenue recognition

- Fees for admission of member into the Society are recognized when received.
- Fees for transfer of ownership of property in the name of member of the Society are recognized when received.
- Profit on bank deposits is recognized on an accrual basis.
- Miscellaneous / other income is recognized when received.

2.2.7 Taxation

Provision for current taxation is based on taxable income for the year determined in accordance with the prevailing law for taxation and is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year, if enacted. The charge for current tax also includes adjustments where considered necessary, to provision for tax made in previous years arising from assessments finalized during the current year for such years. Income tax expense is recognized in the income and expenditure account.

	Note	2023 Rupees	2022 Rupees
3 Cost of Land			
Opening balance		2,020,242,361	2,019,586,361
Purchased / transferred during the year		-	656,000
Closing balance		<u>2,020,242,361</u>	<u>2,020,242,361</u>
4 Land Development Charges			
Opening balance		56,226,262	55,811,262
Additions during the year		1,035,000	415,000
Closing balance		<u>57,261,262</u>	<u>56,226,262</u>

ALFALAH COOPERATIVE HOUSING SOCIETY LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

5 Operating fixed assets

Particulars	Cost				Rate	Depreciation				As at June 30, 2023
	As at June 30, 2022	Additions	Disposal	As at June 30, 2023		As at June 30, 2022	Charge for the year	Disposal	As at June 30, 2023	
	Rupees				%	Rupees				
Vehicles	3,525,174	170,416	147,968	3,547,622	15	3,331,117	84,637	147,968	3,267,786	279,836
Furniture and fixture	1,543,800			1,543,800	15	1,456,503	24,300		1,480,803	62,997
Office equipment	1,297,569	95,400		1,392,969	15	1,028,850	71,610		1,100,460	292,509
Computers	1,567,465			1,567,465	30	1,462,025	72,332		1,534,357	33,108
Sign board	231,518			231,518	20	116,688	18,966		155,654	75,864
Diesel genset	1,071,672			1,071,672		1,071,672			1,071,672	
Total Rupees 2023	9,237,198	265,816	147,968	9,355,046		8,486,855	271,845	147,968	8,610,732	744,314
Total Rupees 2022	8,782,466	454,732		9,237,198		8,247,441	239,413		8,486,854	750,344

5.1 Fully depreciated assets amount to Rs. 7,858,748

5.2 There have been disposal of two Motor Bikes during the year.

ALFALAH COOPERATIVE HOUSING SOCIETY LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 Rupees	2022 Rupees
6 Intangible Assets			
Net Carrying Value			
Net carrying value - opening balance		6,598	8,247
Additions during the year		-	-
		6,598	8,247
		(1,319)	(1,649)
Amortization during the year		5,279	6,598
Net carrying value as at June 30, 2022			
6.1 It represent cost of accounting software.			
6.2 Amortization charge for the year has been allocated to administrative expenses. This is depreciated at the rate of 20%			
7 Advances and Other Receivables			
Purchase of land		6,901,321	6,901,321
Staff against salary		1,369,984	32,328
Staff against imprest		45,000	25,300
Security deposit		900,000	660,000
Other advances		300,000	200,000
Advance tax	7.1	21,812,364	14,838,466
		31,328,669	22,657,415
7.1 Advance tax		20,015,393	13,023,345
Bank profits		71,699	71,699
Cash withdrawal		334,939	353,089
Utilities		74,173	74,173
Motor vehicles		1,316,160	1,316,160
Immovable property		21,812,364	14,838,466
8 Cash and Bank Balances			
Cash in hand		10,315	250,513
Cash at banks -in savings accounts		301,388,768	306,834,227
		301,399,083	307,084,740
9 Share Capital			
Movement during the year is as under:			
Opening balance		4,635,000	4,614,000
Received during the year		31,000	21,000
Refunded / adjusted during the year		-	-
Closing balance		4,666,000	4,635,000
9.1 Every member will have to purchase at least one full share amounting to Rs. 1,000 which will be paid lump sum at the time of admission.			
9.2 Member desiring to have residential plots will have to purchase share(s) at following rates:			
Size of plot	Shares to be purchased		
Upto 15 marla	One share		
16 to 30 marla	Two shares		
31 to 60 marla	Four shares		
More than 60 marla	Five shares		
(These measures will be as per local revenue scale)			

ALFALAH COOPERATIVE HOUSING SOCIETY LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

9.3 Members desirous to have commercial plots will have to purchase shares at the following rates:

Size of plot	Shares to be purchased
Upto 3 marlas	Five shares
3 to 5 marlas	Seven shares
More than 5 marlas	Ten shares

	Note	2023 Rupees	2022 Rupees
10 Accumulated Funds			
Opening balance		68,561,450	70,805,030
Surplus / deficit for the year		(1,999,357)	(2,243,580)
		<u>66,562,093</u>	<u>68,561,450</u>
11 Members' Deposit for Land			
Opening balance		2,335,752,943	2,327,556,443
Members' deposit against cost of land		6,272,000	8,196,500
		<u>2,342,024,943</u>	<u>2,335,752,943</u>
Less: Adjustment during the year		-	-
Closing balance		<u>2,342,024,943</u>	<u>2,335,752,943</u>
11.1 There are 2112 (2022: 2037) active members as at the reporting date. During the year 158 (2022: 246) members were added and 83 (2022: 267) members left. Installments due from members as at June 30, 2023 amounts to Rs. 69,712,300.			
12 Trade and Other Payables			
Accrued expenses	12.1	41,738	22,458
Other payables	12.2	773,286	738,964
Provision for taxation		54,343	101,316
		<u>869,367</u>	<u>862,738</u>
12.1 Accrued expenses			
Sul gas bill		1760	2,430
Electric bill		28678	10,528
Telephone bill		10410	9,500
Newspaper Bill		890	-
WASA bill		-	-
		<u>41,738</u>	<u>22,458</u>
12.2 Other payable			
PSO Petrol Pump		189,722	-
Audit fee		320,000	525,000
TCS		49,600	-
Retainership Fee		92,464	92,464
Retention money - M.A. Construction		121,500	121,500
Retention money - NESPAK		<u>773,286</u>	<u>738,964</u>

13 Contingencies and Commitments

Contingencies

13.1 ACHS Vs. Global Infrastructure (Private) Limited

During 2007, ACHS issued a General Power of Attorney in favour of Global Infrastructure (Pvt) Ltd. concerning 25 Acre land. The Society filed a Civil Suit for cancellation of the sale deed on 17.06.2014. The Land was provided by the Land Provider Mr. Waqar Hassan. Initially, the Society made an agreement with the Land Provider on 17.07.2004 for provision of 200 Acre land @ Rs. 2,675,000 per Acre. Later on, he signed Supplementary Agreement on 25.08.2005 for provision of total 600 Acre land @ Rs. 3,100,000 per Acre. The Society feels that the revised rate should be applicable on enhanced/additional 400 Acres. However, the Land Provider had not signed the modifications in Clause 6 which was signed by four Representatives of the Society. Therefore, the dispute of (200 x Rs. 400,000) Rs. 80 million has arisen. The Land Provider wants to adjust the 25 Acre land against the said dispute which is pending in the court. The Contingent Loss relating to 25 Acre land amounts to Rs. 69,154,791, if not mutually agreed by both parties through negotiation and the court decision comes in favor of Mr. Waqar Hasan (Land Provider)

13.2 ACHS Vs. Mst. Nazia Tajammal Farooq

Initially the Society purchased land in the name of Managing Committee members so that the public might not know that a society was purchasing land for its housing scheme. This was in order to avoid false escalation in the price. About 15 kanal land was purchased through a sale deed in the name of Mr. Tajammal Farooq, the then General Secretary of the Society. Before this land could be mutated in the name of Mr. Tajammal Farooq, a third party went to civil court claiming they made an agreement for the purchase of land with the land owner prior to this transaction and thus they had a priority right. The case is still pending in the court. Meanwhile, Mr. Tajammal Farooq passed away and his family refused to acknowledge any right of the Society on the above-mentioned land. Thus the Society filed this case against legal heirs of Mr. Tajammal Farooq and got a stay order so that the legal heirs of Mr. Tajammal Farooq might not make a compromise with the litigants in the other suit against them. Neither the title of the land nor the possession is with the Society. Contingent loss relating to 15 kanal of land amounts to Rs. 4,000,000.

13.3 ACHS Vs. Muhammad Ashraf etc.

(Suit for the possession along-with Permanent Injunction.)

The Society purchased 12-Kanal land in AbaadiDeh of village Tatley. This land has been encroached upon by Muhammad Ashraf etc. and the Society has filed a civil suit against them for ejection. As the land falls in residential area (Lal Lakeer) therefore, ownership of this land is not recorded in the revenue record. This case is fixed in the court of Mr. Muhammad Ahmad Khan civil judge for awaiting order of superior court

13.4 Application to Boarder Area Committee for regularization of 2,805 Kanals and 6 Marlas.

The Society has submitted applications to Boarder Area Committee Farid Court House Lahore in Mouza Tatlay and Mouza Hair, District Lahore as per GHQ regularization Policy i.e. "Policy for Verification of Sale / Purchase and Transfer of Border Area Lands - 2021". Total area under the border area which requires regularization is 2,805 Kanals and 6 Marlas.

There are no other major contingencies as at June 30, 2023.

Commitments

There are no major commitments as at June 30, 2023.

ALFALAH COOPERATIVE HOUSING SOCIETY LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 Rupees	2022 Rupees
14 Admission Fee			
Admission Fee		1,422,000	2,214,000
15 Transfer fee			
Transfer fee	15.1	2,630,000	5,692,000

15.1 This fee is collected at the time of transfer of ownership of plot files from one buyer to the other. As per the minutes of meeting of Members of Managing Committee, the transfer fee is decided in the following manner:

Size of Plot	Fee Per Plot
4 Marla (Commercial)	24,000
5 Marla (Residential)	8,000
10 Marla (Residential)	12,000
1 Kanal (Residential)	24,000
2 Kanal (Residential)	40,000

	Note	2023 Rupees	2022 Rupees
16 Bank Profit			
Bank Al Falah Limited		8,565,555	3,039,815
Askani Islamic Bank Limited		709	653
Faysal Bank Limited		1,302	900
Dubai Islamic Bank Pakistan Limited		10,749,528	5,446,420
Habib Metropolitan Bank Limited		6,318,494	9,193,152
Soneri Bank Limited		18,342,123	9,336,068
Allied Bank Limited		2,931,612	
		46,909,323	27,017,008
17 Salaries and Allowances			
Staff salaries:			
- Staff salaries		21,675,434	18,942,158
- Staff welfare		1,224,253	143,769
		22,899,687	19,085,927

ALFALAH COOPERATIVE HOUSING SOCIETY LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

18 Administrative Expenses

Uniforms	255,795	191,600
Legal and professional	11,817,700	8,386,499
Office rent	3,498,000	2,184,000
Fees, cess and taxes	539,806	723,074
Vehicle running and maintenance	3,282,732	1,122,818
Postage and telephone	203,921	188,044
Utilities	858,142	743,096
Printing and stationery	426,290	266,490
Advertisement	325,500	123,000
Entertainment	958,679	509,019
Repairs and maintenance	1,284,004	732,196
Arms and ammunitions	38,250	11,500
Auditor's remuneration	745,000	275,000
Generator running and maintenance	212,000	73,188
Software and web maintenance charges	187,950	215,500
Newspapers and periodicals	10,800	6,010
Travelling and conveyance	1,324,576	474,384
AGM Expenses	1,416,287	928,324
Site expenses	2,630,183	770,138
Depreciation	271,845	239,413
Amortization	1,320	1,649
	<u>30,288,780</u>	<u>18,164,942</u>

19 Number of Employees

Number of employees as at June 30

Average number of employees during the year

2023	2022
37	36
37	37

20 Remuneration to the Members of Managing Committee

No remuneration is paid to the Members of Managing Committee.

21 Date of Authorization for Issue

These financial statements have been authorized for issue by the Managing Committee of the Society on February _____, 2024

22 General

- Figures have been rounded off to the nearest rupee.
- Corresponding figures have been re-arranged / reclassified wherever necessary to reflect more appropriate presentation of events and transactions for the purpose of comparison and better presentation.

PRESIDENT

GENERAL SECRETARY

FINANCE SECRETARY

