

Ref. No. C/576

20th May 2010

Chief Auditor
Cooperative Societies Punjab
Cooperative Bank House, Bank Square
Shahrah-e-Quaid-e-Azam
Lahore.

**RE: INSTITUTE OF NUCLEAR MEDICINES ONCOLOGY ('INMOL')
EMPLOYEES COOPERATIVE HOUSING SOCIETY LIMITED
AUDIT OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009**

Dear Sir,

We are pleased to inform you, that as per the requirement of your letter No. RCS/AUDIT/Allo/2668 dated 26 November 2009 we have completed the audit of annexed balance sheet of INMOL Employees Cooperative Housing Society Limited ('the Society'), Lahore as at 30 June 2009 and the income and expenditure account for the year then ended [here-in-after referred to as the "financial statements"]. 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 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.

It is clarified that the matters, which are being reported in this report, came to our attention during the course of normal audit procedures, which is based on test check and therefore should be relied upon to that extent only, as stated.

1. BACKGROUND AND LEGAL STATUS

The Society was registered on 25 January 1989 under the Co-operative Societies Act, 1925 vide certificate # 1290. The Society operates within the area of Lahore district and has only one phase with land area measuring 1,100 Kanals and 17 Marlas.

The main object of the Society is to establish and develop a residential colony in Lahore for its members and to acquire land, buildings or other properties whether moveable or immoveable by sale, lease or mortgage for the purposes of carrying out the objectives of the Society.

