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**INSTITUTE OF NUCLEAR MEDICINES
ONCLOGY ('INMOL') EMPLOYEES
COOPERATIVE HOUSING SOCIETY LIMITED
LAHORE**

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2011**

Kamran & Co.
Chartered Accountants

A member firm of
INPACT Asia Pacific an
international network of
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KAMRAN & CO.
CHARTERED ACCOUNTANTS

A member firm of
INPACT Asia Pacific
an international network
of independent
professional accountants



Ref. No. C/781

19th December 2011

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

**RÈ: INSTITUTE OF NUCLEAR MEDICINES ONCOLOGY ("INMOL")
EMPLOYEES COOPERATIVE HOUSING SOCIETY LIMITED, LAHORE
AUDIT OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011**

Dear Sir,

We are pleased to inform you that we have completed the audit of financial statements of INMOL Employees Cooperative Housing Society Limited, Lahore ("the Society") for the year ended 30 June 2011 and are enclosing herewith a copy of the financial statements and the auditors' report, along with the following annexures:

1. Certificate of cases in litigation
2. Prescribed audit memo
3. Copy of registration certificate
4. Certified copy of Bye-Laws
5. Certificate of changes in Bye-Laws
6. List of management committee members
7. List of management committee meetings / Date of AGM
8. Copy of election notification
9. List of staff
10. Certificate of cash in hand as at 30th June 2011
11. Certificate of members in default
12. Land performa
13. Copy of map of the Society
14. List of members

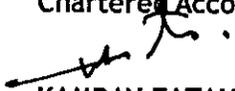
Annexure

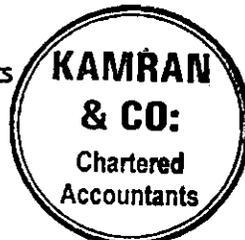
A
B
C
D
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G & H
I
J
K
L
M
N
O

Kindly acknowledge receipt.

Yours faithfully,

For: Kamran & Co.
Chartered Accountants


KAMRAN FATAH
FCA



cc: District Officer Cooperatives, 168 - Multan Road, Lahore.
Secretary, INMOL Employees Cooperative Housing Society Limited, Lahore.

Ref. No. C/576

Dated: 19th December 2011

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, LAHORE
AUDIT OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

Dear Sir,

We are pleased to inform you, that as per the requirement of your letter No. RCS/AUDIT/Allo/3088 dated 15 July 2011 we have completed the audit of annexed balance sheet of INMOL Employees Cooperative Housing Society Limited ('the Society'), Lahore as at 30 June 2011 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.

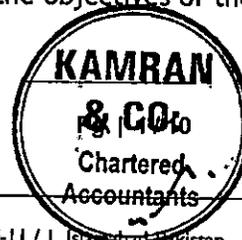
As an important secondary audit objective to provide constructive assistance to the management in the form of systems recommendations and advice on matters of financial management, by means of this report, we draw attention of the management, towards certain weaknesses in accounting procedures and practices, 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 developed 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.





2. BOOK KEEPING, ACCOUNTING PROCEDURES AND PRACTICES

The management should take necessary initiative for shifting its manual accounting system into a computerized accounting system. Although, the presently maintained accounting system does serve the purpose but is not sufficient in providing timely, elaborate and more extended accounting information because of its limitation in methodology and recording techniques. Conversion of manual accounting system in computerized accounting system will provide the Society with the following three main advantages.

- **First**, computerized accounting system simplifies the record keeping process. Transactions are recorded in electronic forms and at the same time posted electronically to General and subsidiary ledger accounts.
- **Second**, computerized accounting system is generally more accurate than manual system.
- **Third**, computerized accounting system provides management with current account balance information to support decision making, since account balances are posted as the transaction occurs.

3. SHARE MONEY

	30/Jun/11 Rupees	30/Jun/10 Rupees
The movement in above head of account is as under:		
Balance at the beginning of the year	1,173,500	1,170,000
Add: Received during the year	4,500	4,000
Less: Refunded / Adjusted during the year	-	(500)
Balance at the end of the year	<u>1,178,000</u>	<u>1,173,500</u>

- a) The capital of the Society consists of un-limited number of shares of the value of Rs. 500 each under Clause 17 of the Bye-Laws of the Society, which will be paid in lump sum at the time of admission to the Society.
- b) Every member of the Society is required to have at least one (1) share of the Society. No individual member shall hold share, the value of which exceeds Rs. 20,000 or one fifth (1/5th) of the total capital of the Society, whichever is less as per clause 18 of the Bye-Laws of the Society.
- c) If an individual member by inheritance or otherwise, comes in possession in more than the maximum holding permitted by the rule, the managing committee shall have the power to sell the excess number or purchase them for the Society.
- d) The liability of each member is limited to ten (10) times of the value of shares held by a member of the Society.

4. RESERVE FUND

The movement in above head of account is as under:		
Balance at the beginning of the year	1,691,825	1,626,761
Add: Transferred to reserve fund	-	65,064
Balance at the end of the year	<u>1,691,825</u>	<u>1,691,825</u>





- a) This represents the amount transferred to reserve fund at the rate of 10% under section 39(2) of the Cooperative Societies Act, 1925.

5. ACCUMULATED SURPLUS:

	30/Jun/11 Rupees	30/Jun/10 Rupees
The movement in above head of account is as under:		
Balance at the beginning of the year	14,261,448	14,640,847
Add: Net profit/(loss) after appropriations 5.1	(1,523,747)	422,916
Less: Prior year adjustment	(7,514)	(802,315)
Balance at the end of the year	<u>12,730,187</u>	<u>14,261,448</u>

5.1 The profit for the year after appropriation is calculated as under:

Profit/(loss) for the year	(1,342,250)	650,640
Less: Provision for taxation	(181,497)	(162,660)
Less: Transferred to reserve fund	-	(65,064)
Balance at the end of the year	<u>1,523,747</u>	<u>422,916</u>

6. MEMBERS' DEPOSITS

	30/Jun/11 Rupees	30/Jun/10 Rupees
The break-up of above head of account is as under:		
Cost of:		
- Land 6.1	65,912,392	64,883,792
- Development 6.2	63,758,238	61,843,288
Additional development		
- Initial development deposits 6.3	15,268,740	15,268,740
- Subsequent development deposits 6.4	23,973,485	23,973,485
Plots		
- Corner 6.5	1,587,507	1,572,507
- Commercial 6.6	250,000	250,000
Mosque fund 6.7	318,000	278,000
Sui gas charges 6.8	7,405,500	4,325,000
Defaulters 6.9	18,701,750	18,701,750
Stamp duty 6.10	20,000	238,000
	<u>197,195,612</u>	<u>191,334,562</u>





6.1 Cost of land

	30/Jun/11 Rupees	30/Jun/10 Rupees
The movement in above head of account is as under:		
Balance at beginning of the year	64,883,792	63,592,672
Add: Received during the year	1,178,600	1,331,220
Less: Refunded / Adjusted during the year	(150,000)	(40,100)
Balance at end of the year	<u>65,912,392</u>	<u>64,883,792</u>

6.2 Cost of development

The movement in above head of account is as under:		
Balance at beginning of the year	61,843,288	59,622,658
Add: Received during the year	2,064,950	2,333,750
Less: Refunded / Adjusted during the year	(150,000)	(113,120)
Balance at end of the year	<u>63,758,238</u>	<u>61,843,288</u>

6.3 Additional development

The movement in above head of account is as under:		
Balance at beginning of the year	15,268,740	15,268,740
Balance at end of the year	<u>15,268,740</u>	<u>15,268,740</u>

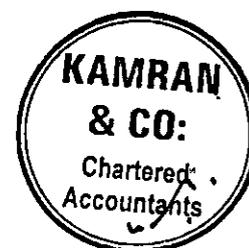
- a) The land development charges received by the Society from its members were not enough to meet the actual cost of land development. The Society in its Annual General Meeting held on 29 March 1998 decided that further development charges would be received from the members to meet the development cost, which are termed as additional development charges. The rates applied as per land area are as under:

<i>Size of plots</i>	30/Jun/11 Rupees	30/Jun/10 Rupees
- upto 5 marlas	10,000	10,000
- upto 10 marlas	20,000	20,000
- upto 1 Kanal and above	40,000	40,000

6.4 Subsequent development

The movement in above head of account is as under:		
Balance at beginning of the year	23,973,485	23,933,485
Add: Received during the year	-	40,000
Balance at end of the year	<u>23,973,485</u>	<u>23,973,485</u>

- a) The Society in its Annual general Meeting held on 21 October 2001 decided that further development charges would be received. The development expenses were not enough to meet the actual cost of land development so these are termed as subsequent development charges. The rates applied as per land area are as under:





Size of plots

- upto 5 marlas
- upto 10 marlas
- upto 1 Kanal and above

	30/Jun/11 Rupees	30/Jun/10 Rupees
	15,000	15,000
	30,000	30,000
	60,000	60,000

6.5 Cornor plots

The movement in above head of account is as under:

Balance at beginning of the year	1,572,507	1,572,507
Add: Received during the year	15,000	-
Balance at end of the year	1,587,507	1,572,507

This represents an additional amount which Society charged to its members who had plots situated at the corner of the blocks.

6.6 Commercial plots

The movement in above head of account is as under:

Balance at beginning of the year	250,000	250,000
Balance at end of the year	250,000	250,000

This represents the brought forward balance without any movement during the year. This represents the amount received from Mr. Afzal Pervaiz bearing membership No.744 against land measuring 2.5 marlas (commercial plot) in the year 1997. The Society has not made the allotment yet for the commercial plots and the matter is still pending. Moreover, we were not provided with explanations as to why the said amount was received when there were no plans by the Society for demarcation of commercial plots.

6.7 Mosque fund

The movement in above head of account is as under:

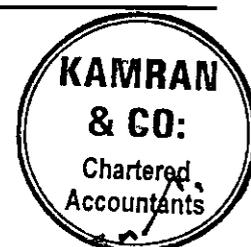
Balance at beginning of the year	278,000	252,000
Add: Received during the year	40,000	26,000
Balance at end of the year	318,000	278,000

- a) This represents the amount received from members at the time of transfer of plot, irrespective of its size.
- b) In Annual General Meeting dated 27 September 2009 a resolution was passed to increase mosque funds from Rs. 2,000/- to Rs. 5,000/-

6.8 Sui gas charges

The movement in above head of account is as under:

Balance at beginning of the year	4,325,000	-
Add: Received during the year	3,080,500	4,325,000
Balance at end of the year	7,405,500	4,325,000





- a) Society is collecting this amount in installments and there is no criterion to collect this fund.
- b) In Annual General Meeting dated 27 September 2009 a resolution was passed to collect Sui gas charges from members of the Society at the rate of Rs. 40,000/- per kanal.

6.9 Deposits from defaulters

	30/Jun/11 Rupees	30/Jun/10 Rupees
The movement in above head of account is as under:		
Balance at beginning of the year	18,701,750	18,701,750
Balance at end of the year	18,701,750	18,701,750

- a) The Society in its Annual General Meeting held on 18th September 2005 decided that the membership of those members who have not paid their additional development charges which were levied by its Annual General Meeting held on 29 March 1998 and further substantiated by the decision of district Officer Co-operative ('DOC') dated 8th December 2004 should stand cancelled. It was also decided that the amount received from defaulters may be refunded after deducting 10% of the amount or Rs. 5,000 whichever is higher.
- b) The DOC in his above order has directed the Society that it should deal the cases of defaulting members in such a way that fair treatment be provided to all members. The Society had not adjusted the full amount till the conclusion of the fiscal year 2011.

6.10 Stamp duty

The movement in above head of account is as under:		
Balance at beginning of the year	238,000	-
Add: Received during the year	-	238,000
Less: Refunded / Adjusted during the year	(218,000)	-
Balance at end of the year	20,000	238,000

- a) Amount shows 2% charges of stamp duty against transfer of plots from members.

7. TRADE AND OTHER PAYABLES

The break-up of above head of account is as under:

Retention money	7.1	-	316,829
Accrued expenses		1,323	24,564
Withholding tax payable		-	481
		1,323	341,874

7.1 Retention money

Balance at beginning of the year	316,829	316,829
Less: Refunded / Adjusted during the year	(316,829)	-
	-	316,829





It is observed that the Society has not incorporated the adjustments of accrued expenses as on 30 June 2011. Furthermore, the expenses relating to preceding year are incorporated in current year. For instance, the audit fee related to 2009 is booked in the current year.

8. PROVISION FOR TAXATION

	30/Jun/11 Rupees	30/Jun/10 Rupees
The movement in above head of account is as under:		
Balance at beginning of the year	162,660	646,109
Add: Provision for the year	181,497	162,660
Less: Refunded / Adjusted during the year	(344,157)	(646,109)
Balance at the end of the year	-	162,660

9. OPERATING FIXED ASSETS

The detailed movement in operating fixed assets is provided in the financial statements of the Society.

- a) The Society constructed a site office for Rs. 1,643,605/- without any contract. We were informed by the management that the Management Committee decided to construct the said building under the supervision of the Society's engineers. This decision was made without any estimate of the cost of construction and without calling any quotations for comparative analysis. It is suggested that the said amount should be approved by the Managing Committee.
- b) The Society is maintaining a tangible fixed assets register which was incomplete as to the description and quantities of each asset item. However, the Society had completed the same, subsequent to the date of these accounts.

10. LAND

Cost of land	70,633,050	70,633,050
	<u>70,633,050</u>	<u>70,633,050</u>

11. LAND DEVELOPMENT

The movement in above head of account is as under:

Balance at beginning of the year	114,847,654	106,134,764
Add: Expenditure incurred during the year	714,078	8,712,890
Balance at the end of the year	<u>115,561,732</u>	<u>114,847,654</u>

As per Para 10.2 to the last year auditor's report, this year again the Society is not maintaining the supplier register. It is suggested that the supplier register should be maintained, to have better control on supplies.





12. ADVANCES AND OTHER RECEIVABLES

The break-up of above head of account is as under:

	30/Jun/11 Rupees	30/Jun/10 Rupees
Advance to employees	260,000	40,000
Advance income tax	326,748	476,108
Profit accrued on deposits	123,622	17,640
	710,370	533,748

13. CASH AND BANK BALANCES

- a) The detailed break-up of cash and bank balances is provided in notes to the financial statements.
- b) Staff members are not allowed to use cash directly for any expense without recording the same in cash book. It was found that in certain cases cash received from members was directly utilized for expenses without any permission. This depicts lack of control over cash movements, which can result in misappropriation of funds. We strongly recommend that management may take steps to apply proper controls over the use of cash in respect of expenses, so as to ensure transparency in the handling of CASH.

14. GENERAL

- a) Vehicles log books were not updated on daily basis on prescribed format and the maintenance of vehicles were not recorded in log books. It is appreciated that the log books are subsequently maintaining on prescribed format.
- b) The Society has not conducted the internal audit for the year. Furthermore, the Society has not constituted internal audit committee in violation of section 22-B of the Cooperative Societies Act, 1925.
- c) Attendance register of employees are not maintained in the society office and at the site office. Higher salaries are being given on estimation basis. Also salary sheets were not prepared on prescribed format.

15. INTERNAL CONTROLS

We appreciate management's efforts in maintaining moderate level of discipline in all the spheres of activities, although we feel appropriate to keep informing management about some essential internal controls for further improvements at appropriate levels.

i. Segregation of Duties

One of the prime means of control is the separation of those responsibilities or duties, which would, if combined, enable one individual to record and process a complete transaction. Segregation of duties reduces the risk of intentional manipulation or error and increases the element of checking. Functions, which should be separated, include those of authorization, execution, custody and recording of a transaction.





ii. Authorization and Approval

All transactions should require authorization or approval by an appropriate responsible person.

iii. Supervision

Any system of internal control should include the supervision by responsible officials of day-to-day transactions and recording thereof.

iv. Management

These are the controls exercised by the management outside the day-to-day routine of the system. They include the overall supervisory controls exercised by management, the review of management accounts and comparison thereof with budgets, the internal audit function and any other review procedures.

Specific control procedures include:

- Reporting, reviewing and approving reconciliation's;
- Checking the arithmetical accuracy of the records;
- Maintaining and reviewing control accounts and trial balances;
- Approving and controlling of documents;
- Comparing the results of cash and inventory counts with accounting records;
- Comparing and analyzing the financial results with budgeted accounts.

v. Organization

Society should have a plan of their organization, defining and allocating responsibilities and identifying lines of reporting for all aspects of the society's operations, including controls. The delegation of authority and responsibility should be clearly specified.

vi. Physical

These are concerned mainly with the custody of assets and involve procedures and security measures designed to ensure that access to assets is limited to authorized personnel.

16. LITIGATION POSITION

A certificate of pending cases is attached as per Annexure "A".

17. AUDIT MEMO

Audit memo dully filled in, is attached as per Annexure "B".

18. REGISTRATION CERTIFICATE

A copy of registration certificate is attached as per Annexure "C".

19. COPY OF BYE LAWS

A copy of bye laws is attached as per Annexure "D".

20. CERTIFICATE OF NO AMENDMENT IN BYE LAWS

Certificate that there is no amendment in Bye Laws is attached as per Annexure "E".



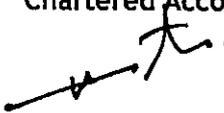


21. **LIST OF MANAGING COMMITTEE MEMBERS**
List of managing committee members is attached as per Annexure "F".
22. **LIST OF MANAGING COMMITTEE MEETINGS / DATE OF ANNUAL GENERAL MEETING**
List of managing committee meetings is attached as per Annexure "G" and certificate of date of annual general meeting is attached as per Annexure "H"
23. **COPY OF ELECTION NOTIFICATION**
A copy of election notification is attached as per Annexure "I".
24. **LIST OF STAFF**
List of staff is attached as Annexure "J".
25. **CASH IN HAND CERTIFICATE**
Certificate of cash in hand is attached as per Annexure "K".
26. **CERTIFICATE OF DEFAULTERS**
Certificate that there is no defaulter as regards to members is attached as per Annexure "L".
27. **LAND PERFORMA**
Detail of land in prescribed performa is attached as per Annexure "M".
28. **SOCIETY'S MAP**
The map of the Society is attached as per Annexure "N".
29. **LIST OF MEMBERS**
List of members is attached as per Annexure "O".

We wish to place on record our appreciation of the cooperation extended to us by the management and staff of the Society during the course of our audit.

Yours faithfully,

For: Kamran & Co.
Chartered Accountants


[KAMRAN FATAH]
FCA



cc: District Office Cooperatives, 168 - Multan Road Lahore.
Secretary, INMOL Employees Cooperative Housing Society Limited, Lahore.

INSTITUTE OF NUCLEAR MEDICINES ONCOLOGY ('INMOL')
EMPLOYEES COOPERATIVE HOUSING SOCIETY LIMITED, LAHORE
BALANCE SHEET
AS AT 30 JUNE 2011

CAPITAL AND LIABILITIES	Note	30/Jun/11	30/Jun/10	ASSETS	Note	30/Jun/11	30/Jun/10
		Rupees	Rupees			Rupees	Rupees
SHARE MONEY AND RESERVES							
Share money	3	1,178,000	1,173,500	NON-CURRENT ASSETS			
Reserve fund	4	1,691,825	1,691,825	Fixed assets	9	2,587,624	1,087,104
Accumulated surplus	5	12,730,187	14,261,448	Cost of land	10	70,633,050	70,633,050
		15,600,012	17,126,773	Land development	11	115,561,732	114,847,654
						188,782,406	186,567,808
MEMBERS' DEPOSITS							
Members' deposits	6	197,195,612	191,334,562	CURRENT ASSETS			
		197,195,612	191,334,562	Advances and other receivables	12	710,370	533,748
				Cash and bank balances	13	23,304,171	21,864,313
						24,014,541	22,398,061
CURRENT LIABILITIES							
Trade and other payables	7	1,323	341,874				
Provision for taxation	8	-	162,660				
		1,323	504,534				
		<u>212,796,947</u>	<u>208,965,869</u>			<u>212,796,947</u>	<u>208,965,869</u>

The annexed notes form an integral part of these financial statements.

Yasmina Liaq
 PRESIDENT

PRESIDENT
 INMOL EMPLOYEES COOPERATIVE
 HOUSING SOCIETY (REGD) LAHORE

SWR
 FINANCE SECRETARY

FINANCE SECRETARY
 INMOL EMPLOYEES COOPERATIVE
 HOUSING SOCIETY (REGD) LAHORE



INSTITUTE OF NUCLEAR MEDICINES ONCOLOGY ('INMOL')
EMPLOYEES COOPERATIVE HOUSING SOCIETY LIMITED, LAHORE
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2011

	Note	30/Jun/11 Rupees	30/Jun/10 Rupees
INCOME			
Fee	14	117,900	119,740
Other income	15	1,747,331	2,992,078
		<u>1,865,231</u>	<u>3,111,818</u>
EXPENDITURE			
Salaries and allowances		1,043,700	948,000
Security guards		663,298	464,450
Printing and stationery		32,048	29,152
Postage and telegram		31,652	15,802
Traveling and conveyance		27,700	16,331
Entertainment		190,451	145,450
Vehicle running and maintenance		200,315	195,876
Advertisement		77,700	3,290
Electricity		158,947	226,099
Telephone		12,323	15,150
Repairs and maintenance		62,871	79,331
Legal and professional charges		334,500	100,000
Charity and donation		50,000	600
Bank charges		2,889	50,212
Zakat		102,536	-
Depreciation		151,630	118,798
Miscellaneous		64,921	52,637
		<u>3,207,481</u>	<u>2,461,178</u>
Surplus / (Deficit) for the year		(1,342,250)	650,640
Less: Transferred to reserve fund		-	65,064
Accumulated surplus / (Deficit) for the year		<u>(1,342,250)</u>	<u>585,576</u>
Provision for taxation		(181,497)	(162,660)
Surplus / (Deficit) for the year after taxation		<u>(1,523,747)</u>	<u>422,916</u>
Accumulated surplus brought forward		14,261,448	14,640,847
		<u>12,737,701</u>	<u>15,063,763</u>
Prior year adjustment		(7,514)	(802,315)
Accumulated surplus transferred to balance sheet		<u>12,730,187</u>	<u>14,261,448</u>

The annexed notes form an integral part of these financial statements.

Masooma Riaz
PRESIDENT

**PRESIDENT
INMOL EMPLOYEES COOPERATIVE
HOUSING SOCIETY (REGD) LAHORE.**

[Signature]
FINANCE SECRETARY

KAMRAN & CO:
Chartered Accountants

**FINANCE SECRETARY
INMOL EMPLOYEES COOPERATIVE
HOUSING SOCIETY (REGD) LAHORE.**

**INSTITUTE OF NUCLEAR MEDICINES ONCOLOGY ('INMOL')
EMPLOYEES COOPERATIVE HOUSING SOCIETY LIMITED, LAHORE
RECEIPT AND PAYMENT ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2011**

RECEIPTS	30/Jun/11 Rupees	30/Jun/10 Rupees	PAYMENTS	30/Jun/11 Rupees	30/Jun/10 Rupees
Beginning balances			Capital payments		
Cash in hand	-	16	Share money	-	500
Cash at banks	21,864,313	2,315,654	Members' deposits		
	<u>21,864,313</u>	<u>2,315,670</u>	Land	150,000	-
Capital receipts			Development	150,000	-
Share money	4,500	4,000	Stamp Duty	218,000	-
Members' deposits			Retention money refunded	316,829	-
Land	1,178,600	1,251,120	Other liabilities	481	-
Development	2,064,950	2,205,630	Withholding taxes paid	-	59,668
Subsequent development	-	40,000	Fixed assets acquired	1,652,150	42,100
Corner plot	15,000	-	Development expenses	714,078	8,712,890
Mosque fund	40,000	26,000	TDR Certificates	-	10,000,000
Defaulters	-	238,000	Inter bank transfers	18,795,000	-
Sui gas charges	3,080,500	4,325,000	Income taxes paid	201,711	519,970
Encashment of short term investment	-	30,000,000	Advances to employees	220,000	-
Inter bank transfers	18,795,000	-		<u>22,418,249</u>	<u>19,335,128</u>
Advances recovered from employees	-	16	Revenue payments		
	<u>25,178,550</u>	<u>38,089,766</u>	Salaries and allowances	1,067,541	948,000
Revenue receipts			Security guards	663,298	464,450
Fee			Printing and stationery	32,048	29,152
Membership	27,000	18,000	Postage and telegram	31,652	15,802
Transfer	90,000	65,000	Traveling and conveyance	27,700	16,331
Admission	900	500	Entertainment	190,451	145,450
Possession charges	-	33,000	Vehicle running and maintenance	200,315	195,876
Surcharge	-	3,240	Advertisement	77,700	3,290
	<u>117,900</u>	<u>119,740</u>	Electricity	158,947	202,132
Other income	-	100	Telephone	12,323	15,150
Bank profit	1,618,869	918,251	Repairs and maintenance	62,871	79,331
Profit on investments	-	2,073,727	Legal and professional charges	334,500	100,000
Miscellaneous	22,480	-	Charity and donation	50,000	-
	<u>1,641,349</u>	<u>2,992,078</u>	Bank charges	2,889	50,212
			Zakat	102,536	-
			Miscellaneous	64,921	52,637
				<u>3,079,692</u>	<u>2,317,813</u>
			Ending balances		
			Cash at banks	23,304,171	21,864,313
				<u>23,304,171</u>	<u>21,864,313</u>
	<u>48,802,112</u>	<u>43,517,254</u>		<u>48,802,112</u>	<u>43,517,254</u>

The annexed notes form an integral part of these financial statements.

Masooma Riaz
PRESIDENT

PRESIDENT
INMOL EMPLOYEES COOPERATIVE
HOUSING SOCIETY (REGD) LAHORE

[Signature]

FINANCE SECRETARY

FINANCE SECRETARY
INMOL EMPLOYEES COOPERATIVE
HOUSING SOCIETY (REGD) LAHORE



INSTITUTE OF NUCLEAR MEDICINES ONCOLOGY ('INMOL')
EMPLOYEES COOPERATIVE HOUSING SOCIETY LIMITED, LAHORE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

1 BACK GROUND AND LEGAL STATUS

INMOL Employees Cooperative Housing Society Limited (the "Society") Lahore; was registered under the Cooperative Societies Act, 1925 vide registration certificate no. 1290 dated 25 January 1989. The Society has developed only one Phase having land area of 1100 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below:

2.1 Basis of preparation

These accounts have been prepared under historical cost convention.

2.2 Fixed assets

Fixed assets are stated at cost less accumulated depreciation and impairment, if any. Depreciation is charged to income by applying rates specified in the fixed assets note to the financial statements. Major repairs and renewals and improvements are capitalized while normal repairs and maintenance is charged to income in the year, in which it is incurred. Gain or loss on disposal of fixed assets is charged to income in the year of disposal.

2.3 Revenue recognition

Revenue is recognized on receipt basis.

3 SHARE MONEY

Balance at beginning of the year

Add: Received during the year

Less: Refunded / Adjusted during the year

Balance at end of the year

	30/Jun/11 Rupees	30/Jun/10 Rupees
	1,173,500	1,170,000
	4,500	4,000
	<u>1,178,000</u>	<u>1,174,000</u>
	-	(500)
	<u><u>1,178,000</u></u>	<u><u>1,173,500</u></u>

3.1 The capital of the society consists of unlimited number of shares of the value of Rs. 500 each under clause 17 of the Bye-Laws of the Society, which will be paid in lump sum at the time of admission to the Society.

3.2 Every member of the Society is required to have at least one (1) share of the Society. No individual member shall hold shares, the value of which exceeds Rs. 20,000 or one fifth (1/5) of the total capital of the Society, whichever is less as per clause 18 of the Bye-Laws of the Society.

3.3 If an individual member by inheritance or otherwise, comes in possession in more than the maximum holding permitted by the rule, the managing committee shall have the power to sell the excess number or purchase them for the Society.

3.4 The liability of each member is limited to ten (10) times of the value of shares held by a member of the society.

INSTITUTE OF NUCLEAR MEDICINES ONCOLOGY ('INMOL')
EMPLOYEES COOPERATIVE HOUSING SOCIETY LIMITED, LAHORE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

		30/Jun/11 Rupees	30/Jun/10 Rupees
4 RESERVE FUND			
Balance at beginning of the year		1,691,825	1,626,761
Add: Surplus during the year (at the rate of 10% of surplus)		-	65,064
Balance at end of the year		<u>1,691,825</u>	<u>1,691,825</u>
5 ACCUMULATED SURPLUS			
Balance at beginning of the year		14,261,448	14,640,847
Add: Profit / (loss) for the year after appropriation	- note 5.1	(1,523,747)	422,916
		<u>12,737,701</u>	<u>15,063,763</u>
Less: Prior year adjustment		(7,514)	(802,315)
Balance at end of the year		<u>12,730,187</u>	<u>14,261,448</u>
5.1 Profit for the year after appropriation			
Profit for the year		(1,342,250)	650,640
Less: Income tax provision for the year		(181,497)	(162,660)
Less: Transfer to reserve fund (at the rate of 10% of the surplus)		-	(65,064)
		<u>(1,523,747)</u>	<u>422,916</u>
6 MEMBERS' DEPOSITS			
The following is the break-up of members' deposits against:			
Cost of:			
- Land	- note 6.1	65,912,392	64,883,792
- Development	- note 6.2	63,758,238	61,843,288
Additional development			
- Initial development deposits	- note 6.3	15,268,740	15,268,740
- Subsequent development deposits (second)	- note 6.4	23,973,485	23,973,485
Plots			
- Corner	- note 6.5	1,587,507	1,572,507
- Commercial	- note 6.6	250,000	250,000
Mosque fund	- note 6.7	318,000	278,000
Sui gas charges	- note 6.8	7,405,500	4,325,000
Defaulters	- note 6.9	18,701,750	18,701,750
Stamp duty	- note 6.10	20,000	238,000
		<u>197,195,612</u>	<u>191,334,562</u>
6.1 Cost of land			
Balance at beginning of the year		64,883,792	63,592,672
Add: Received during the year		1,178,600	1,331,220
		<u>66,062,392</u>	<u>64,923,892</u>
Less: Refunded / Adjusted / Transferred during the year		(150,000)	(40,100)
Balance at end of the year		<u>65,912,392</u>	<u>64,883,792</u>

INSTITUTE OF NUCLEAR MEDICINES ONCOLOGY ('INMOL')
EMPLOYEES COOPERATIVE HOUSING SOCIETY LIMITED, LAHORE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

	30/Jun/11 Rupees	30/Jun/10 Rupees
6.2 Cost of development		
Balance at beginning of the year	61,843,288	59,622,658
Add: Received during the year	2,064,950	2,333,750
	<u>63,908,238</u>	<u>61,956,408</u>
Less: Refunded / Adjusted / Transferred during the year	(150,000)	(113,120)
Balance at end of the year	<u>63,758,238</u>	<u>61,843,288</u>
6.3 Additional development		
Balance at beginning of the year	15,268,740	15,268,740
Balance at end of the year	<u>15,268,740</u>	<u>15,268,740</u>
6.4 Subsequent development		
Balance at beginning of the year	23,973,485	23,933,485
Add: Received during the year	-	40,000
Balance at end of the year	<u>23,973,485</u>	<u>23,973,485</u>
6.5 Corner plot		
Balance at beginning of the year	1,572,507	1,572,507
Add: Received during the year	15,000	-
Balance at end of the year	<u>1,587,507</u>	<u>1,572,507</u>
6.6 Commercial plot		
Balance at beginning of the year	250,000	250,000
Balance at end of the year	<u>250,000</u>	<u>250,000</u>
6.7 Mosque fund		
Balance at beginning of the year	278,000	252,000
Add: Received during the year	40,000	26,000
Balance at end of the year	<u>318,000</u>	<u>278,000</u>
6.8 Sui gas charges		
Balance at beginning of the year	4,325,000	-
Add: Received during the year	3,080,500	4,325,000
Balance at end of the year	<u>7,405,500</u>	<u>4,325,000</u>
6.9 Deposits from defaulters		
Balance at beginning of the year	18,701,750	18,701,750
Balance at end of the year	<u>18,701,750</u>	<u>18,701,750</u>
6.10 Stamp duty		
Balance at beginning of the year	238,000	-
Add: Deposited during the year	-	238,000
Less: Refunded / Adjusted during the year	(218,000)	-
Balance at end of the year	<u>20,000</u>	<u>238,000</u>

6.10.1 Amount shows 2% charges of stamp duty on transfer of plots collected from members.

INSTITUTE OF NUCLEAR MEDICINES ONCOLOGY ('INMOL')
EMPLOYEES COOPERATIVE HOUSING SOCIETY LIMITED, LAHORE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

		30/Jun/11 Rupees	30/Jun/10 Rupees
7	TRADE AND OTHER PAYABLES		
	Retention money	-	316,829
	Accrued expenses	1,323	24,564
	Other Liability	-	481
		<u>1,323</u>	<u>341,874</u>
	7.1 Retention money		
	Balance at beginning of the year	316,829	316,829
	Less: Refunded / Adjusted during the year	(316,829)	-
	Balance at end of the year	<u>-</u>	<u>316,829</u>
8	PROVISION FOR TAXATION		
	Balance at beginning of the year	162,660	646,109
	Add: Provision for the year	181,497	162,660
	Less: Refunded / Adjusted during the year	(344,157)	(646,109)
	Balance at end of the year	<u>-</u>	<u>162,660</u>

INSTITUTE OF NUCLEAR MEDICINES ONCOLOGY ('INMOL')
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

9 FIXED ASSETS

9.1 Reconciliation of carrying values at end of the year

PARTICULARS	COST		DEPRECIATION		BOOK VALUE		Annual rate of dep. % age	
	As on 1 Jul 10	Additions (Deletions)	As on 30 Jun 11	As on 1 Jul 10	For the Year	As on 30 Jun 11		As on 30 Jun 11
Own tangible assets								
Building at site office	150,000	1,643,605	1,793,605	98,918	46,870	145,788	1,647,817	5
Furniture and fixtures	86,198	-	86,198	45,012	4,119	49,131	37,067	10
Electric goods	37,715	1,545	39,260	29,193	1,963	31,156	8,104	20
Office equipment	221,620	7,000	228,620	147,445	7,418	154,863	73,757	10
Motor vehicles	764,113	-	764,113	272,303	49,181	321,484	442,629	10
Tractor	542,590	-	542,590	122,715	41,988	164,703	377,887	10
Bicycles	5,033	-	5,033	4,579	91	4,670	363	20
Total	1,807,269	1,652,150	3,459,419	720,165	151,630	871,795	2,587,624	

9.2 Reconciliation of carrying values at beginning of the year

PARTICULARS	COST		DEPRECIATION		BOOK VALUE		Annual rate of dep. % age	
	As on 1 Jul 09	Additions (Deletions)	As on 30 Jun 10	As on 1 Jul 09	For the Year	As on 30 Jun 10		As on 30 Jun 10
Own tangible assets								
Building at site office	150,000	-	150,000	96,229	2,689	98,918	51,082	5
Furniture and fixtures	86,198	-	86,198	40,436	4,576	45,012	41,186	10
Electric goods	35,715	2,000	37,715	27,313	1,880	29,193	8,522	20
Office equipment	219,520	2,100	221,620	139,203	8,242	147,445	74,175	10
Motor vehicles	771,063	(6,950)	764,113	217,658	54,645	272,303	491,810	10
Tractor	504,590	38,000	542,590	76,062	46,653	122,715	419,875	10
Bicycles	5,033	-	5,033	4,466	113	4,579	454	20
Total	1,772,119	35,150	1,807,269	601,367	118,798	720,165	1,087,104	

INSTITUTE OF NUCLEAR MEDICINES ONCOLOGY ('INMOL')
EMPLOYEES COOPERATIVE HOUSING SOCIETY LIMITED, LAHORE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

	30/Jun/11 Rupees	30/Jun/10 Rupees
10 LAND		
Cost of land	70,633,050	70,633,050
	<u>70,633,050</u>	<u>70,633,050</u>
11 LAND DEVELOPMENT		
Balance at beginning of the year	114,847,654	106,134,764
Add: Expense incurred during the year	714,078	8,712,890
Balance at end of the year	<u>115,561,732</u>	<u>114,847,654</u>
12 ADVANCES AND OTHER RECEIVABLES		
Advances to employees against expenses	260,000	40,000
Advance income tax	326,748	476,108
Profit accrued on deposits	123,622	17,640
	<u>710,370</u>	<u>533,748</u>
13 CASH AND BANK BALANCES		
With banks		
- On current accounts	86,005	16,263
- On saving accounts	23,218,166	21,848,050
	<u>23,304,171</u>	<u>21,864,313</u>
14 FEES		
Membership	27,000	18,000
Transfer	90,000	65,000
Admission	900	500
Professional charges	-	33,000
Surcharge	-	3,240
	<u>117,900</u>	<u>119,740</u>
15 OTHER INCOME		
Bank profit	1,724,851	918,251
Profit on investments	-	2,073,727
Miscellaneous	22,480	100
	<u>1,747,331</u>	<u>2,992,078</u>

16 FIGURES

Comparative figures have been re-arranged and re-classified wherever necessary for the purposes of comparison. However, no major re-arrangements and re-classifications have been made in these financial statements.

Masooma Riaz
 PRESIDENT

PRESIDENT
 INMOL EMPLOYEES COOPERATIVE
 HOUSING SOCIETY (REGD) LAHORE.

[Signature]

FINANCE SECRETARY

FINANCE SECRETARY
 INMOL EMPLOYEES COOPERATIVE
 HOUSING SOCIETY (REGD) LAHORE.



LIST OF LEGAL CASES PENDING DURING THE YEAR ENDING 30-06-2011

SR. #	PARTICULARS	NO. OF AWARDS REMAINING TO BE EXECUTED AT THE CLOSE OF THE AUDIT	TIME BARRED? (YES / NO)	REMARKS
1.	Mr. M. M. K. Changzi ✓	VS IECHS	No	Pending in the court of Registrar Co-Operatives, Lahore
2.	Mr. Rashid Nazir	VS IECHS	No	Pending with DOC / Dy. Registrar Co-operatives, Lahore
3.	Mr. Tariq Nazir	VS IECHS	No	Pending with DOC / Dy. Registrar Co-operatives, Lahore
4.	Rafi Butt	VS IECHS	No	Pending with DOC / Dy. Registrar Co-operatives, Lahore
5.	Mr. Imtiaz Adalat	VS IECHS	No	Pending with DOC / Dy. Registrar Co-operatives, Lahore
6.	Dr. Mehboob A Ch	VS IECHS	No	Pending with DOC / Dy. Registrar Co-operatives, Lahore
7.	Mrs. Najma Akhtar Ch	VS IECHS	No	Pending with DOC / Dy. Registrar Co-operatives, Lahore
8.	Mr. Arif Haider	VS IECHS	No	Pending with DOC / Dy. Registrar Co-operatives, Lahore
9.	Mrs. Tasneem Zakia	VS IECHS	No	Pending with DOC / Dy. Registrar Co-operatives, Lahore
10.	Mr. Tanveer Ahmed S/o M. Sadiq (Late) ✓	VS IECHS	No	Pending with DOC / Dy. Registrar Co-operatives, Lahore
11.	Mehro Najeeb	VS IECHS	No	Pending with DOC / Dy. Registrar Co-operatives, Lahore

(M) MUHAMMAD SALEEM AKHTAR
GENERAL SECRETARY
Accountants

KAMRAN & CO:
Chartered Accountants



KAMRAN & CO.
Chartered Accountants

AUDIT MEMO PROFORMA UNDER ITEM NO. 23 OF
INSTRUCTIONS FOR AUDIT OF COOPERATIVE SOCIETIES

A. District	Lahore
B. Name of Society	Inmol Employees Cooperative Housing Society Limited
C. Date of its registration	25 th January 1989
D. Classification, with authority	Housing Society-Deputy Registrar Lahore
E. No. Of members	728
F. Date on which audit was completed	19 th December 2011
1- From what date upto what date has the audit now been made?	01-07-2010 to 30-06-2011
2- Have any important points in the last audit Note been neglected by the Bank/Society?	See our audit report.
3- Does the Bank/Society possess a copy of the Act, Rules and its bylaws?	Yes
4- Has the Bank/Society acquired membership of Punjab Cooperative Union, Ltd.; Lahore and paid its annual contribution?	Yes
5- i) Have new members been duly admitted & enrolled?	Yes
ii) Are their written applications in order?	Yes
iii) Have the nomination, under Rule 12 of the Cooperative Societies Rules, 1927, been made?	Yes
6- i) Does the Bank/Society maintain Register of Members?	Yes
ii) Does the cashbook show that all members have paid their share-money and entrance Fee?	Yes



INMOL EMPLOYEES COOPERATIVE HOUSING SOCIETY LIMITED

- iii) How many defaulters are there?
Enlist them with the amount of default. 6
Rs. 384,805
7. i) Are resignations of the members in order? N.A.
- ii) Are any resignations due to dissatisfaction with the working or management of the Society? N.A.
8. Are repayments of outside borrowing made punctually? If not, give details of default. Yes
9. Verify the calculation of 'Mark up in, atleast, ten cases and report its result. Yes
- a) Deposit Account N.A.
- b) Loan Account Yes
10. i) What is the extent of liability of members and of the Bank/Society under the by-laws? 10 Times of the value of the shares held by members as per Bye-law No. 9
- ii) Has it been exceeded and, if so, to what extent? N.A.
11. Has the maximum credit limit of members and the society approved by the competent authority been exceeded in any case? N.A.
12. Give a list of loans granted to members of the Managing Committee and the staff of the Bank/Society. Are recoveries correctly made? N.A.
13. Does the Bank/Society keep a register of loan applications and is it correctly written up? N.A.
14. Are bonds in order and registered, where necessary? N.A.



- | | |
|--|------|
| 15. Are repayments punctual? When extensions are given, are they granted for valid reasons after proper enquiry? | N.A. |
| 16. Examine the loan register and prepare a list, under section 22(2) of the Act, showing debts overdue for more than one month, without permission of Managing Committee. | N.A. |
| 17. What is the amount of overdue mark up? Is it taken into consideration while calculating profits? | N.A. |
| 18. Give the following details of arbitration cases under Section 54 of the Act:- | |
| a) No. of cases outstanding at the close of last audit. | 14 |
| b) No. of fresh cases referred to Arbitration during the course of audit. | Nil |
| c) No. of cases disposed of during the period of audit. | 3 |
| d) Amount partially recovered during the period of audit, though the award may yet be pending. | No |
| e) No. of cases pending at the close of audit. | 11 |
| f) No. of awards remaining to be executed at the close of the audit. | None |
| g) Has any case become time barred? | No |



19. Enclose a list of estimated doubtful and bad debts of the Bank/Society. Have debts been adequately provided in the Bad Debts Reserve? N.A.
20. i) Count the Cash in hand and sign the cashbook. Cash in hand certificate has been obtained showing 'NIL' balance.
- ii) Are daily balances correctly struck? Is the cashbook signed regularly by a person authorised by the Bye-Laws? Yes
- iii) Has an unduly large balance been kept in hand for an un-necessarily long period? If so, what is the explanation of the Managing Committee, Manager and the Custodian of the cash? Yes
See our audit report.
21. i) What was the total profit/(loss) earned in previous year? Rs. 650,640 (2009-2010)
- ii) How was it allocated to:-
- | | |
|-------------------------|--------|
| 1. Statutory Reserve | 65,064 |
| 2. Bad Debts | Nil |
| 3. Building Fund | Nil |
| 4. Depreciation Reserve | Nil |
| 5. Dividend | Nil |
| 6. Income Tax | Nil |
| 7. Common Good Fund | Nil |
| 8. Any other Fund | Nil |
22. See that any Securities or script held by the Society are in order and its bank pass books upto date? N.A.
23. Has any breach of the law, Rules or by-laws occurred? See our audit report.
24. Have any amendment, in By-laws of the Bank/Society been made without approval of the Competent Authority? No.



KAMRAN & CO.
Chartered Accountants

- | | |
|--|--|
| 25. What is the date of last Annual General Meeting and Special General Meeting? | Date of A.G.M. 31-10-2010 |
| 26. i) How many Committee Meetings have been held since the last audit and are minutes duly recorded? | 09-Minutes are duly recorded |
| ii) When the present Managing Committee was elected? Discuss about the eligibility and validity of their election or continuance under by- laws of the Bank/Society. | 16-05-2011
[Three years] |
| 27. 1) Do the receipt of shares and debentures shown in the share and debenture register, correspond to the entries in the cashbook? | N.A. |
| 2) What rate of dividend was last declared? | N.A. |
| 3) Have certificate been issued for all shares and debentures? | No |
| 4) What is the total amount of unpaid dividends? | N.A. |
| a) For previous year | N.A. |
| b) For current year | N.A. |
| c) What action is being taken to reduce (a)? | N.A. |
| Give reason for delay. | |
| 5. i) Is a General Ledger maintained? | Yes |
| ii) Are all necessary accounts kept therein? | Yes |
| 6. Are any installments from shares or debenture holders overdue for payment? What action is being taken ? | N.A. |
| 28. Has the institution some housing project for its members? If so give the following information's: - | Yes |
| a) Name of the Housing Project/Colony with location. | INMOL Employees Cooperative Housing Society Limited, Village Deo-Khurd-o-Kalan, District Lahore. |
| b) Total area of land purchased with cost. | 1100 kanals 17 marlas |

INMOL EMPLOYEES COOPERATIVE HOUSING SOCIETY LIMITED



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- | | |
|---|--|
| c) Total No. of residential plots planned. | 858 |
| d) No. of plots allotted to members with their size. | 494 1 Kanal
237 10 marlas
127 5 marlas |
| e) No. of plots left to be allotted With their size. | 26 1 Kanal |
| f) Average cost of land per Kanal with and without development charges separately. | Rs. 63,776/- without development
Rs. 135,394/- with development |
| g) No. of houses constructed by the members. | Nil |
| h) Indicate problems faced or being faced by the institution in the provision of residential colony. | NA |
| 29. General remarks and suggestions by the Auditors, including report under Section 22-A of the Cooperative Societies Act 1925. | General Remarks and suggestions are as per audit report. |

