

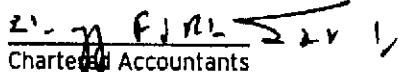
#### AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of LAHORE WASTE MANAGEMENT COMPANY (the Company) as at 30 June 2010, the related income and expenditure account, cash flow statement and statement of fund together with the notes forming part thereof, for the period then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

- a) in our opinion, proper books of account have been kept by the Company as required by the Companies Ordinance, 1984;
- b) in our opinion:
  - i) the balance sheet and income and expenditure account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;
  - ii) the expenditure incurred during the period was for the purpose of the Company's business; and
  - iii) the business conducted, investments made and the expenditure incurred during the period were in accordance with the objects of the Company.
- c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, income and expenditure account, cash flow statement and statement of fund together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and give the information required by the Companies Ordinance, 1984 in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2010 and of the deficit, its cash flows and changes in fund for the period then ended; and
- d) in our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980.

  
Chartered Accountants

Engagement Partner: Naseem Akbar

Lahore: 24 August 2011

**LAHORE WASTE MANAGEMENT COMPANY**  
 (a Company set up under section 42 of the Companies Ordinance, 1984)  
**BALANCE SHEET AS AT 30 JUNE 2010**

<b>ASSETS</b>	<b>Note</b>	<b>2010 Rupees</b>
<b>Non-current assets</b>		-
<b>Current assets</b>		-
<b>TOTAL ASSETS</b>		<u>-</u>
<b>FUND AND LIABILITIES</b>		
<b>Fund</b>		
General fund		348,480
<b>Non-current liabilities</b>		-
<b>Current liabilities</b>		
Trade and other payables	5	348,480
<b>TOTAL FUND AND LIABILITIES</b>		<u>-</u>
<b>CONTINGENCIES AND COMMITMENTS</b>	6	-

The annexed notes from 1 to 11 form an integral part of these financial statements.

  
 (CHIEF EXECUTIVE OFFICER)

  
 (DIRECTOR)

**LAHORE WASTE MANAGEMENT COMPANY**  
**(a Company set up under section 42 of the Companies Ordinance, 1984)**  
**INCOME AND EXPENDITURE ACCOUNT**  
**FOR THE PERIOD ENDED 30 JUNE 2010**

	<b>Note</b>	<b>2010 Rupees</b>
Administrative expenses	7	348,480
Deficit before taxation		<u>348,480</u>
Taxation		-
Deficit for the period		<u><u>348,480</u></u>

The annexed notes from 1 to 11 form an integral part of these financial statements.

  
(CHIEF EXECUTIVE OFFICER)

  
(DIRECTOR)

**LAHORE WASTE MANAGEMENT COMPANY**  
(a Company set up under section 42 of the Companies Ordinance, 1984)  
**CASH FLOW STATEMENT FOR THE PERIOD ENDED 30 JUNE 2010**

	Note	2010 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Deficit before taxation		(348,480)
Adjustment for non-cash charges and other items		-
Cash flows before working capital changes		<u>(348,480)</u>
Effect on cash flow due to working capital changes		
Increase in current liabilities:		
Increase in trade and other payables		348,480
<b>Cash used in operations</b>		<u>-</u>
Income tax paid		-
<b>Net cash used in operating activities</b>		<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		-
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		-
<b>Net increase in cash and cash equivalents</b>		<u>-</u>
Cash and cash equivalents at beginning of the period		-
<b>Cash and cash equivalents at the end of the period</b>		<u>-</u>

The annexed notes from 1 to 11 form an integral part of these financial statements.

  
(CHIEF EXECUTIVE OFFICER)

  
(DIRECTOR)

**LAHORE WASTE MANAGEMENT COMPANY**  
**(a Company set up under section 42 of the Companies Ordinance, 1984)**  
**STATEMENT OF FUND**  
**FOR THE YEAR ENDED 30 JUNE 2010**

	<b>General Fund</b>
	<b>Rupees</b>
Balance as at 19 March 2010	-
Deficit for the period	348,480
Balance as at 30 June 2010	<u>348,480</u>

The annexed notes from 1 to 11 form an integral part of these financial statements.

(CHIEF EXECUTIVE OFFICER)

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(DIRECTOR)



**LAHORE WASTE MANAGEMENT COMPANY**

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

**Ernst & Young Ford Rhodes Sidat Hyder**  
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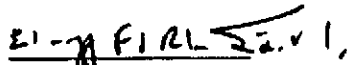
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It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

- a) in our opinion, proper books of account have been kept by the Company as required by the Companies Ordinance, 1984;
- b) In our opinion:
  - i) the balance sheet and income and expenditure account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;
  - ii) the expenditure incurred during the year was for the purpose of the Company's business; and
  - iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company.
- c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, income and expenditure account, cash flow statement and statement of fund together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and give the information required by the Companies Ordinance, 1984 in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2011 and of the deficit, its cash flows and changes in fund for the year then ended; and
- d) in our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980.

  
Chartered Accountants

Engagement Partner: Naseem Akbar

Lahore: 24 August 2011

**LAHORE WASTE MANAGEMENT COMPANY**  
(a Company set up under section 42 of the Companies Ordinance, 1984)  
**BALANCE SHEET AS AT 30 JUNE 2011**

ASSETS	Note	2011 Rupees	2010 Rupees
<b>Non-current assets</b>			
Plant and equipment	5	40,387,667	-
Intangible assets	6	267,470	-
Long term deposits		<u>1,501,875</u>	-
		<u>42,157,012</u>	-
<b>Current assets</b>			
Advances	7	1,153,989	-
Short term prepayments	8	500,625	-
Taxation		1,582,055	-
Cash and bank balances	9	<u>123,359,804</u>	-
		<u>126,596,473</u>	-
<b>TOTAL ASSETS</b>		<u><u>168,753,485</u></u>	<u>-</u>
<b>FUND AND LIABILITIES</b>			
<b>Fund</b>			
General fund		(60,824,782)	(348,480)
<b>Non-current liabilities</b>			
Long term financing	10	230,000,000	-
<b>Current liabilities</b>			
Trade and other payables	11	19,335,801	348,480
Interest payable on long term financing		<u>242,466</u>	-
		<u>19,578,267</u>	348,480
<b>TOTAL FUND AND LIABILITIES</b>		<u><u>168,753,485</u></u>	<u>-</u>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	12	-	-

The annexed notes from 1 to 21 form an integral part of these financial statements.

(CHIEF EXECUTIVE OFFICER)

(DIRECTOR)



**LAHORE WASTE MANAGEMENT COMPANY**  
**(a Company set up under section 42 of the Companies Ordinance, 1984)**  
**INCOME AND EXPENDITURE ACCOUNT**  
**FOR THE YEAR ENDED 30 JUNE 2011**

	Note	2011 Rupees	2010 Rupees
Income from services	13	21,000,000	-
Direct expenses	14	<u>64,179,557</u>	<u>-</u>
Gross deficit		(43,179,557)	-
Administrative expenses	15	<u>48,089,028</u>	<u>348,480</u>
		(89,268,585)	(348,480)
Other operating income	16	<u>9,361,414</u>	<u>-</u>
		(79,907,171)	(348,480)
Finance cost		<u>242,466</u>	<u>-</u>
Deficit before taxation		(80,149,837)	(348,480)
Taxation	17	326,665	-
Deficit for the year		<u>(80,476,302)</u>	<u>(348,480)</u>

The annexed notes from 1 to 21 form an integral part of these financial statements.

(CHIEF EXECUTIVE OFFICER)

(DIRECTOR)

**LAHORE WASTE MANAGEMENT COMPANY**  
(a Company set up under section 42 of the Companies Ordinance, 1984)  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2011**

	Note	2011 Rupees	2010 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Deficit before taxation		(80,149,637)	(348,480)
Adjustment for non-cash charges and other items:			
Depreciation and amortization		5,049,436	-
		<u>(75,100,201)</u>	<u>(348,480)</u>
Cash flows before working capital changes			
Effect on cash flow due to working capital changes (Increase) / decrease in current assets:			
Advances		(1,153,969)	-
Short term prepayments		(500,625)	-
Increase in trade and other payables		19,229,787	348,480
		<u>17,575,173</u>	<u>348,480</u>
Cash used in operations		(57,525,028)	-
Income tax paid		(1,908,720)	-
Net cash used in operating activities		(59,433,748)	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Long term deposits		(1,501,875)	-
Capital expenditure incurred		(45,704,573)	-
Net cash used in investing activities		(47,206,448)	-
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Receipts from long term financing		230,000,000	-
Net cash flow from financing activities		230,000,000	-
Net increase in cash and cash equivalents		123,359,804	-
Cash and cash equivalents at beginning of the year		-	-
Cash and cash equivalents at the end of the year	(9)	<u>123,359,804</u>	<u>-</u>

The annexed notes from 1 to 21 form an integral part of these financial statements.

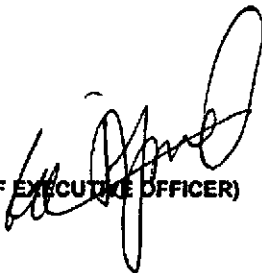
  
(CHIEF EXECUTIVE OFFICER)


  
(DIRECTOR)

**LAHORE WASTE MANAGEMENT COMPANY**  
**(a Company set up under section 42 of the Companies Ordinance, 1984)**  
**STATEMENT OF FUND**  
**FOR THE YEAR ENDED 30 JUNE 2011**

	<b>General Fund</b>
	<b>Rupees</b>
Balance as at 19 March 2010	-
Deficit for the period	(348,480)
Balance as at 30 June 2010	<u>(348,480)</u>
Deficit for the year	(80,476,302)
Balance as at 30 June 2011	<u><u>(80,824,782)</u></u>

The annexed notes from 1 to 21 form an integral part of these financial statements.

  
(CHIEF EXECUTIVE OFFICER)

*Phd.*  
  
(DIRECTOR)