

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **LAHORE WASTE MANAGEMENT COMPANY** (the Company) as at **30 June 2015**, the related income and expenditure account, statement of comprehensive income, cash flow statement and statement of fund together with the notes forming part thereof, for the year 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 conduct 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 accounts 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 accounts 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, statement of comprehensive income, 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 2015** and of the deficit, its cash flows, comprehensive income 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 (XVIII of 1980).

*Ernst & Young Ford Rhodes Sidat Hyder*

Chartered Accountants  
Engagement Partner: Farooq Hameed  
Lahore: 09 November 2015

**LAHORE WASTE MANAGEMENT COMPANY**

(A Company set up under section 42 of the Companies Ordinance, 1984)

**BALANCE SHEET**

AS AT 30 JUNE 2015

ASSETS	Note	2015 Rupees	2014 Rupees
<b>Non-current assets</b>			
Property, plant and equipment	5	1,804,896,230	1,255,446,690
Intangible assets	6	2,067,087	541,315
Long term deposits		3,842,625	3,817,625
		<u>1,810,805,942</u>	<u>1,259,805,630</u>
<b>Current assets</b>			
Store and spares		5,434,260	9,669,702
Receivables against services	7	116,672,284	43,582,574
Advances	8	1,305,889	1,345,317,434
Short term prepayments		2,948,011	4,912,018
Accrued interest on bank deposits		979,279	1,949,668
Other receivables	9	35,819,381	36,419,759
Taxation		68,911,182	48,633,307
Cash and bank balances	10	3,586,031,318	2,079,587,571
		<u>3,818,201,604</u>	<u>3,570,072,033</u>
<b>TOTAL ASSETS</b>		<u><u>5,629,007,546</u></u>	<u><u>4,829,877,663</u></u>
<b>FUND AND LIABILITIES</b>			
<b>Fund</b>			
General fund		(11,448,548,063)	(6,966,683,889)
<b>Non-current liabilities</b>			
Deferred grants	11	9,293,642,017	7,673,974,510
Long term financing	12	7,486,999,254	3,874,392,010
		16,780,641,271	11,548,366,520
<b>Current liabilities</b>			
Trade, accrued and other payables	13	259,574,277	234,880,904
Accrued interest on financing		37,340,061	13,314,128
		296,914,338	248,195,032
<b>TOTAL FUND AND LIABILITIES</b>		<u><u>5,629,007,546</u></u>	<u><u>4,829,877,663</u></u>
<b>CONTINGENCIES AND COMMITMENTS</b>	14		

The annexed notes from 1 to 29 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 2015**

	Note	2015 Rupees	2014 Rupees
Income from services	15	397,103,766	315,414,362
Amortization of grants	16	3,932,398,805	3,548,183,854
		<u>4,329,502,571</u>	<u>3,863,598,216</u>
Direct expenses	17	8,281,619,613	7,929,434,967
Gross deficit		<u>(3,952,117,042)</u>	<u>(4,065,836,751)</u>
Administrative expenses	18	244,807,966	198,022,868
Other operating expenses	19	-	601,060
		<u>244,807,966</u>	<u>198,623,928</u>
		<u>(4,196,925,008)</u>	<u>(4,264,460,679)</u>
Other income	20	314,919,886	265,875,147
Finance cost	21	599,859,052	348,051,479
Excess of expenditure over income before taxation		<u>(4,481,864,174)</u>	<u>(4,346,637,011)</u>
Taxation	22	-	-
Excess of expenditure over income		<u>(4,481,864,174)</u>	<u>(4,346,637,011)</u>

The annexed notes from 1 to 29 form an integral part of these financial statements.

  
(CHIEF EXECUTIVE OFFICER)

  
(DIRECTOR)

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**LAHORE WASTE MANAGEMENT COMPANY**

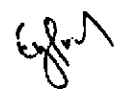
**(A Company set up under section 42 of the Companies Ordinance, 1984)**

**STATEMENT OF COMPREHENSIVE INCOME**

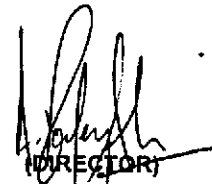
**FOR THE YEAR ENDED 30 JUNE 2015**

	2015 Rupees	2014 Rupees
Excess of expenditure over income	(4,481,864,174)	(4,346,637,011)
Other comprehensive income	-	-
<b>Total comprehensive income for the year</b>	<u>(4,481,864,174)</u>	<u>(4,346,637,011)</u>

The annexed notes from 1 to 29 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 2015**

CASH FLOWS FROM OPERATING ACTIVITIES	Note	2015 Rupees	2014 Rupees
Excess of expenditure over income before taxation		(4,481,864,174)	(4,346,637,011)
Adjustment for:			
Return on bank deposits		(177,100,172)	(97,335,167)
Depreciation	(5)	58,187,079	29,773,933
Amortization	(6)	822,178	354,959
Loss on disposal of property, plant and equipment		-	601,060
Finance cost		24,025,933	10,951,860
		<u>(4,575,929,156)</u>	<u>(4,402,290,366)</u>
Effect on cash flow due to working capital changes (Increase) / decrease in current assets:			
Store and spares		4,235,442	8,098,414
Receivable against services		(73,089,710)	(13,831,127)
Advances		1,344,011,545	69,508,124
Short term prepayments		1,964,007	(2,673,372)
Other receivables		500,378	9,423,457
Increase / (Decrease) in trade, accrued and other payables		24,693,373	(4,147,770)
		<u>1,302,315,035</u>	<u>66,377,726</u>
Cash used in operations		(3,273,614,121)	(4,335,912,640)
Interest received		178,070,561	95,385,499
Finance cost paid		-	-
Income tax paid		(20,277,875)	(28,701,535)
<b>Net cash used in operating activities</b>		<u>(3,115,821,435)</u>	<u>(4,269,228,676)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital expenditure incurred		(609,984,569)	(719,159,884)
Decrease in long term advances		-	1,261,849,156
Increase in long term deposits		(25,000)	(1,039,750)
<b>Net cash (used in) / from investing activities</b>		<u>(610,009,569)</u>	<u>541,649,522</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Receipts against long term financing		5,232,274,751	4,380,000,000
<b>Net cash from financing activities</b>		<u>5,232,274,751</u>	<u>4,380,000,000</u>
Net increase in cash and cash equivalents		1,506,443,747	652,420,846
Cash and cash equivalents at the beginning of the year		2,079,587,571	1,427,166,725
Cash and cash equivalents at the end of the year	(10)	<u>3,586,031,318</u>	<u>2,079,587,571</u>

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(CHIEF EXECUTIVE OFFICER)

  
(DIRECTOR)

**LAHORE WASTE MANAGEMENT COMPANY**

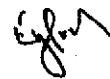
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**STATEMENT OF CHANGES IN FUND**

**FOR THE YEAR ENDED 30 JUNE 2015**

	General Fund
	Rupees
Balance as at 01 July 2013	(2,620,046,878)
Total comprehensive income for the year ended 30 June 2014	(4,346,637,011)
Balance as at 30 June 2014	<u>(6,966,683,889)</u>
Total comprehensive income for the year ended 30 June 2015	(4,481,864,174)
Balance as at 30 June 2015	<u><u>(11,448,548,063)</u></u>

The annexed notes from 1 to 29 form an integral part of these financial statements.



(CHIEF EXECUTIVE OFFICER)



(DIRECTOR)