



EY Ford Rhodes  
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LA/3633/17  
25 January 2017

The Board of Directors  
Lahore Waste Management Company  
Lahore

Dear Sirs

**FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016**

We are pleased to enclose the two copies of the above duly signed by us.

Yours faithfully

*EY Ford Rhodes*

Encls:



**Building a better  
working world**

**Lahore Waste Management Company**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
30 JUNE 2016**

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## AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **LAHORE WASTE MANAGEMENT COMPANY** (the Company) as at **30 June 2016**, the related income and expenditure account, statement of comprehensive income, cash flow statement and statement of changes in 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 changes in 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 2016** and of the deficit, its comprehensive income, 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 (XVIII of 1980).



Chartered Accountants

Engagement Partner: Farooq Hameed

Lahore: 23 January 2017

**LAHORE WASTE MANAGEMENT COMPANY**  
**(A Company set up under section 42 of the Companies Ordinance, 1984)**  
**BALANCE SHEET**  
**AS AT 30 JUNE 2016**

<b>ASSETS</b>	<b>Note</b>	<b>2016 Rupees</b>	<b>2015 Rupees</b>
<b>Non-current assets</b>			
Property, plant and equipment	5	1,755,968,906	1,804,896,230
Intangible assets	6	1,727,789	2,067,087
Long term deposits		3,797,625	3,842,625
		<u>1,761,494,320</u>	<u>1,810,805,942</u>
<b>Current assets</b>			
Store and spares		4,346,751	5,434,260
Receivables against services	7	309,152,707	116,672,284
Advances	8	2,625,487	1,305,889
Short term prepayments		2,050,961	2,948,011
Accrued interest on bank deposits		1,455,525	979,279
Other receivables	9	74,036,531	35,919,381
Tax refunds due from government	10	72,247,193	68,911,182
Cash and bank balances	11	3,152,847,590	3,586,031,318
		<u>3,618,762,745</u>	<u>3,818,201,604</u>
<b>TOTAL ASSETS</b>		<u><b>5,380,257,065</b></u>	<u><b>5,629,007,546</b></u>
<b>FUND AND LIABILITIES</b>			
<b>Fund</b>			
General fund		(17,163,771,023)	(11,448,548,063)
<b>Non-current liabilities</b>			
Deferred grants	12	9,717,412,285	9,293,642,017
Long term financing	13	12,563,228,986	7,486,999,254
		<u>22,280,641,271</u>	<u>16,780,641,271</u>
<b>Current liabilities</b>			
Trade, accrued and other payables	14	183,732,500	259,574,277
Accrued interest on financing		79,654,317	37,340,061
		<u>263,386,817</u>	<u>296,914,338</u>
<b>TOTAL FUND AND LIABILITIES</b>		<u><b>5,380,257,065</b></u>	<u><b>5,629,007,546</b></u>
<b>CONTINGENCIES AND COMMITMENTS</b>	15		

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 2016

	Note	2016 Rupees	2015 Rupees
Income from services	16	383,542,058	397,103,766
Amortization of grants	17	4,701,197,667	3,932,398,805
		<u>5,084,739,725</u>	<u>4,329,502,571</u>
Direct expenses	18	9,313,891,417	8,281,619,613
Gross deficit		<u>(4,229,151,692)</u>	<u>(3,952,117,042)</u>
Administrative expenses	19	313,244,345	244,807,966
		<u>(4,542,396,037)</u>	<u>(4,196,925,008)</u>
Other income	20	160,618,160	314,919,886
Finance cost	21	1,333,445,083	599,859,052
Excess of expenditure over income before taxation		<u>(5,715,222,960)</u>	<u>(4,481,864,174)</u>
Taxation	22	-	-
Excess of expenditure over income		<u><u>(5,715,222,960)</u></u>	<u><u>(4,481,864,174)</u></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)**

**STATEMENT OF COMPREHENSIVE INCOME**

**FOR THE YEAR ENDED 30 JUNE 2016**

	<b>2016</b>	<b>2015</b>
	<b>Rupees</b>	<b>Rupees</b>
Excess of expenditure over income	<b>(5,715,222,960)</b>	<b>(4,481,864,174)</b>
Other comprehensive income	-	-
Total comprehensive income for the year	<b><u>(5,715,222,960)</u></b>	<b><u>(4,481,864,174)</u></b>

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

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**(CHIEF EXECUTIVE OFFICER)**

*[Signature]*  
**(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 2016**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>Note</b>	<b>2016 Rupees</b>	<b>2015 Rupees</b>
Excess of expenditure over income before taxation		(5,715,222,960)	(4,481,864,174)
Adjustment for:			
Return on bank deposits		(157,611,471)	(177,100,172)
Depreciation	(5)	79,998,883	58,187,079
Amortization	(6)	1,243,698	822,178
Finance cost		42,314,256	24,025,933
		<u>(5,749,277,594)</u>	<u>(4,575,929,156)</u>
<b>Effect on cash flow due to working capital changes</b>			
(Increase) / decrease in current assets:			
Store and spares		1,087,509	4,235,442
Receivable against services		(192,480,423)	(73,089,710)
Advances		(1,319,598)	1,344,011,545
Short term prepayments		897,050	1,964,007
Other receivables		(38,117,150)	500,378
Increase / (Decrease) in trade, accrued and other payables		<u>(75,841,777)</u>	<u>24,693,373</u>
		<u>(305,774,389)</u>	<u>1,302,315,035</u>
Cash used in operations		<u>(6,055,051,983)</u>	<u>(3,273,614,121)</u>
Interest received		157,135,225	178,070,561
Income tax paid		<u>(3,336,011)</u>	<u>(20,277,875)</u>
<b>Net cash used in operating activities</b>		<u>(5,901,252,769)</u>	<u>(3,115,821,435)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital expenditure incurred		(31,071,559)	(609,984,569)
Intangible Assets		(904,400)	-
Decrease/ (Increase) in long term deposits		45,000	(25,000)
<b>Net cash used in investing activities</b>		<u>(31,930,959)</u>	<u>(610,009,569)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Receipts against long term financing		5,500,000,000	5,232,274,751
<b>Net cash from financing activities</b>		<u>5,500,000,000</u>	<u>5,232,274,751</u>
<b>Net (decrease) / increase in cash and cash equivalents</b>		<u>(433,183,728)</u>	<u>1,506,443,747</u>
Cash and cash equivalents at the beginning of the year		3,586,031,318	2,079,587,571
Cash and cash equivalents at the end of the year	(11)	<u>3,152,847,590</u>	<u>3,586,031,318</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)**

**STATEMENT OF CHANGES IN FUND**

**FOR THE YEAR ENDED 30 JUNE 2016**

	<b>General Fund</b>
	<b>Rupees</b>
Balance as at 30 June 2014	(6,966,683,889)
Total comprehensive income for the year ended 30 June 2015	(4,481,864,174)
Balance as at 30 June 2015	<u>(11,448,548,063)</u>
Total comprehensive income for the year ended 30 June 2016	(5,715,222,960)
Balance as at 30 June 2016	<u><u>(17,163,771,023)</u></u>

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

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(CHIEF EXECUTIVE OFFICER)

  
(DIRECTOR)