



Member since 1984
Chartered Accountants

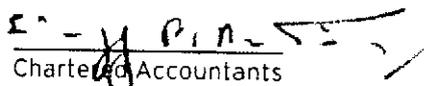
AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **LAHORE WASTE MANAGEMENT COMPANY** (the Company) as at **30 June 2014**, 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 except for changes as stated in note 4.1 of these financial statements, with which we concur;
 - 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 2014** 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).


Chartered Accountants

Engagement Partner: Naseem Akbar

Lahore: 28 October 2014

LAHORE WASTE MANAGEMENT COMPANY
 (A Company set up under section 42 of the Companies Ordinance, 1984)
BALANCE SHEET
 AS AT 30 JUNE 2014



ASSETS	Note	2014 Rupees	2013 Rupees
Non-current assets			
Property, plant and equipment	5	1,130,734,843	442,583,653
Intangible assets	6	541,315	262,573
Long term advances	7	-	1,261,849,156
Long term deposits		3,817,625	2,777,875
		<u>1,135,093,783</u>	<u>1,707,473,257</u>
Current assets			
Store and spares		9,669,702	17,768,116
Receivables against services	8	43,582,574	29,751,447
Advances	9	1,470,029,270	1,539,537,394
Short term prepayments		4,912,018	2,238,646
Accrued interest on bank deposits		1,949,668	-
Other receivables	10	36,419,759	45,843,216
Taxation		48,633,307	19,931,772
Cash and bank balances	11	2,079,587,571	1,427,166,725
		<u>3,694,783,869</u>	<u>3,082,237,316</u>
TOTAL ASSETS		<u>4,829,877,652</u>	<u>4,789,710,573</u>
FUND AND LIABILITIES			
Fund			
General fund		(6,966,683,889)	(2,620,046,878)
Non-current liabilities			
Deferred grants	12	7,673,974,510	2,639,847,360
Long term financing	13	3,874,392,010	4,528,524,160
		11,548,366,520	7,168,366,520
Current liabilities			
Trade and other payables	14	234,880,893	239,028,663
Accrued interest on financing		13,314,128	2,362,268
		248,195,021	241,390,931
TOTAL FUND AND LIABILITIES		<u>4,829,877,652</u>	<u>4,789,710,573</u>
CONTINGENCIES AND COMMITMENTS			
	15		

The annexed notes from 1 to 30 form an integral part of these financial statements.

Wahab

JW

John R. Kader

LAHORE WASTE MANAGEMENT COMPANY

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

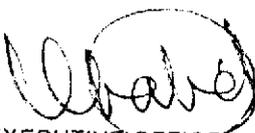
INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 30 JUNE 2014

	Note	2014 Rupees	2013 Rupees
Income from services	16	315,414,362	148,631,280
Amortization of grants	17	3,548,183,854	3,478,075,880
		3,863,598,216	3,626,707,160
Direct expenses	18	7,929,434,967	5,620,559,363
Gross deficit		(4,065,836,751)	(1,993,852,203)
Administrative expenses	19	198,022,868	148,611,270
Other operating expenses	20	601,060	4,569,768
		198,623,928	153,181,038
		(4,264,460,679)	(2,147,033,241)
Other income	21	265,875,147	197,556,294
Finance cost	22	348,051,479	373,104,673
Excess of expenditure over income before taxation		(4,346,637,011)	(2,322,581,620)
Taxation		-	-
Excess of expenditure over income		(4,346,637,011)	(2,322,581,620)

The annexed notes from 1 to 30 form an integral part of these financial statements.

32.


(CHIEF EXECUTIVE OFFICER)


(DIRECTOR)

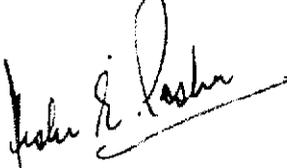
LAHORE WASTE MANAGEMENT COMPANY
(A Company set up under section 42 of the Companies Ordinance, 1984)
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2014

	2014 Rupees	2013 Rupees
Excess of expenditure over income	(4,346,637,011)	(2,322,581,620)
Other comprehensive income		
Total comprehensive income for the year	<u>(4,346,637,011)</u>	<u>(2,322,581,620)</u>

The annexed notes from 1 to 30 form an integral part of these financial statements.

J.M.


(CHIEF EXECUTIVE OFFICER)


(DIRECTOR)

LAHORE WASTE MANAGEMENT COMPANY

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

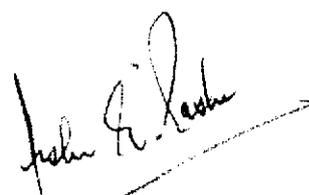
CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2014

	Note	2014 Rupees	2013 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Excess of expenditure over income before taxation		(4,346,637,011)	(2,322,581,620)
Adjustment for:			
Amortization of grants		(3,512,683,854)	(3,453,075,880)
Interest on bank deposit		(97,335,167)	(54,289,315)
Depreciation and amortization		30,128,892	20,673,548
Loss on disposal of property, plant and equipment		601,060	4,569,768
Finance cost		348,051,479	373,104,673
		<u>(7,577,874,601)</u>	<u>(5,431,598,826)</u>
Effect on cash flow due to working capital changes			
(Increase) / decrease in current assets:			
Store and spares		8,098,414	32,398,034
Trade debtors		(13,831,127)	(29,751,447)
Advances		69,508,124	(1,029,283,252)
Short term prepayments		(2,673,372)	(1,738,021)
Other receivables		9,423,457	(25,595,138)
(Decrease) / increase in trade and other payables		(4,147,770)	90,118,170
		<u>66,377,726</u>	<u>(963,851,654)</u>
Cash generated from operations		(7,511,496,875)	(6,395,450,480)
Interest received		95,385,499	54,289,315
Finance cost paid		(35,765)	(10,525)
Income tax paid		(28,701,535)	(10,690,863)
Net cash used in operating activities		<u>(7,444,848,676)</u>	<u>(6,351,862,553)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure incurred		(719,159,884)	(135,385,848)
Decrease in long term advances		1,261,849,156	1,286,920,477
Increase in long term deposits		(1,039,750)	(670,000)
Net cash from investing activities		<u>541,649,522</u>	<u>1,150,864,629</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Grants received during the year		3,175,620,000	3,082,344,000
Receipts against long term financing		4,380,000,000	2,908,126,520
Net cash from financing activities		<u>7,555,620,000</u>	<u>5,990,470,520</u>
Net increase in cash and cash equivalents		652,420,846	789,472,596
Cash and cash equivalents at the beginning of the year		1,427,166,725	637,694,129
Cash and cash equivalents at the end of the year	(11)	<u>2,079,587,571</u>	<u>1,427,166,725</u>

The annexed notes from 1 to 30 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 2014

	General Fund
	Rupees
Balance as at 01 July 2012	(297,465,258)
Total comprehensive income for the year ended 30 June 2013	(2,322,581,620)
Balance as at 30 June 2013	<u>(2,620,046,878)</u>
Total comprehensive income for the year ended 30 June 2014	(4,346,637,011)
Balance as at 30 June 2014	<u><u>(6,966,683,889)</u></u>

The annexed notes from 1 to 30 form an integral part of these financial statements.

32



(CHIEF EXECUTIVE OFFICER)



(DIRECTOR)