



Grant Thornton

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AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **Punjab Municipal Development Fund Company** ("the Company") as at **June 30, 2015** and related income and expenditure account, statement of comprehensive income, cash flow statement and statement of changes in fund balances 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 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 together with the notes thereon has been drawn up in conformity with the Companies Ordinance, 1984, and is in agreement with the books of account and is 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 balances 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 June 30, 2015 and of the surplus, total comprehensive income, its cash flows and changes in fund balances for the year then ended; and
- (d) in our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980.

Grant Thornton Anjum Rahman

CHARTERED ACCOUNTANTS

Audit Engagement Partner: Imran Afzal

Lahore

Date: *October 8, 2015*

Chartered Accountants

Member of Grant Thornton International Ltd

Offices in Karachi & Islamabad

PUNJAB MUNICIPAL DEVELOPMENT FUND COMPANY

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



Balance Sheet

As at June 30, 2015

| | Note | 2015 (Rupees) | 2014 (Rupees) |
|---|------|--------------------|--------------------|
| FUNDS | | | |
| Other funds (General) | | 38,847,931 | 48,514,603 |
| Total | | 38,847,931 | 48,514,603 |
| REPRESENTED BY | | | |
| Assets | | | |
| Non-current | | | |
| Property and equipment | 7 | 3,626,252 | 2,440,701 |
| Long term deposits | 8 | 398,500 | 736,000 |
| Total non-current assets | | 4,024,752 | 3,176,701 |
| Current | | | |
| Advances, prepayments and other receivables | 9 | 4,759,039 | 6,329,695 |
| Cash and bank balances | 10 | 64,087,166 | 44,609,638 |
| Total current assets | | 68,846,205 | 50,939,333 |
| Liabilities | | | |
| Current | | | |
| Trade and other payables | 11 | 34,023,026 | 5,601,431 |
| Total current liabilities | | 34,023,026 | 5,601,431 |
| Net current assets | | 34,823,179 | 45,337,902 |
| Total | | 38,847,931 | 48,514,603 |
| Contingencies and commitments | 12 | | |

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

GABX

Chief Executive/Managing Director

Director

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PUNJAB MUNICIPAL DEVELOPMENT FUND COMPANY

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



Income and Expenditure Account

For the year ended June 30, 2015

| | Note | 2015 (Rupees) | 2014 (Rupees) |
|--|------|--------------------|--------------------|
| INCOME | | | |
| Grant amortised | 6 | 91,014,603 | 37,321,746 |
| Revenue (Services rendered) | 13 | 21,448,400 | |
| Other income | 14 | 16,564,373 | 16,121,749 |
| Total income | | 129,027,376 | 53,443,495 |
| EXPENDITURE | | | |
| Staff salaries and benefits | | 52,121,982 | 47,059,825 |
| Consultants fee | | 16,261,483 | 6,412,027 |
| Security services | | 418,701 | 305,639 |
| Travelling and conveyance | | 4,584,031 | 1,151,143 |
| Rent, rates and taxes | | 4,142,168 | 3,728,250 |
| Insurance | | 483,493 | 224,958 |
| Printing and stationery | | 1,137,453 | 1,165,396 |
| Repairs and maintenance | | 3,985,053 | 4,449,519 |
| Postage and internet | | 562,540 | 435,914 |
| Utilities | | 1,926,735 | 1,457,030 |
| Legal and professional charges | | 150,000 | 150,000 |
| Fees and subscription | | 99,887 | 74,452 |
| Advertisement | | 321,535 | 149,248 |
| Publicity and awareness campaign and trainings | | 133,722 | 336,589 |
| Entertainment | | 300,651 | 261,865 |
| Bank charges | | 9,035 | 3,846 |
| Audit fee | | 350,000 | 350,000 |
| Other expenses | | 533,903 | 318,214 |
| Depreciation | 7 | 402,330 | 5,046,095 |
| Total expenditure before Taxation | | 87,924,702 | 73,080,010 |
| Taxation | 15 | 2,254,743 | - |
| Expenditure after Taxation | | 90,179,445 | 73,080,010 |
| Expenditure charged to IBRD | 5 | - | (19,636,515) |
| Expenditure charged to other funds | | (90,179,445) | (53,443,495) |
| Net surplus / (deficit) for the year after taxation | | 38,847,931 | - |

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

gpc

[Signature]

Chief Executive/Managing Director

[Signature]

Director

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