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**AUDITORS' REPORT
TO THE MEMBERS OF
RAWALPINDI WASTE MANAGEMENT COMPANY**

Opinion

We have audited the annexed financial statements of "RAWALPINDI WASTE MANAGEMENT COMPANY", which comprise the statement of financial position as at June 30, 2020 and statement of income and expenditure, the statement of comprehensive income, the statement of changes in funds, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, 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 the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of income and expenditure, the statement of comprehensive income, the statement of changes in fund, the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), 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, 2020 and of the loss, the other comprehensive loss, the changes in fund and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Relating to Going Concern

We draw attention to note 1.3 of the financial statements, which describes that during the year the company has incurred a loss of Rs. 1,548 million (FY 2019: Rs. 1,444 million) and accumulated losses have been increased to Rs. 8,813 million (FY 2019: Rs. 7,264 million) as at June 30, 2020. These events indicate that a material uncertainty exist that may cause significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017(XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statement.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.


Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) Proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) The statement of financial position, statement of income and expenditure, statement of comprehensive income, statement of changes in fund and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with books of account and returns;
- c) Investment made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) No zakat was deductible at source under the Zakat and Usher Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit of **Rawalpindi Waste Management Company** for the year ended June 30, 2020 resulting in this independent auditors' report is Iqbal Hussain.

Place: Islamabad
Dated: 21 February 2022


CROWE HUSSAIN CHAUDHURY & CO.
(CHARTERED ACCOUNTANTS) LLP



RAWALPINDI WASTE MANAGEMENT COMPANY
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2020

	Note	2020 Pak Rupees.....	2019
ASSETS			
NON CURRENT ASSETS			
Property and equipment	4	378,955,427	396,225,976
Intangible assets	5	1,555,078	2,579,694
Long term advances	6	60,000	65,000
Long term security deposits	7	1,450,000	1,450,000
		382,020,505	400,320,670
CURRENT ASSETS			
Stores and spares	8	20,325,193	10,892,128
Trade and other receivables - considered good	9	205,991,349	154,703,106
Grant receivables	10	12,062,475	12,062,475
Short term advances	11	13,641,425	12,562,576
Short term prepayments	12	6,830,194	1,252,245
Taxation - net	19	22,405,828	8,467,516
Cash and bank balances	13	1,437,708,153	1,265,036,188
		1,718,964,617	1,464,976,234
TOTAL ASSETS		2,100,985,122	1,865,296,904
FUND AND LIABILITIES			
FUND			
General fund - (deficit)		(8,813,418,575)	(7,264,525,812)
NON CURRENT LIABILITIES			
Deferred capital grant	14	6,465,439	7,662,079
Grants	15	399,148,674	474,761,088
Deferred income	16	1,556,488,295	1,450,420,475
Long term loan	17	7,116,920,325	4,793,301,411
		9,079,022,733	6,726,145,053
CURRENT LIABILITIES			
Current portion of long term loan	17	1,689,402,374	2,217,619,118
Trade and other payables	18	145,978,590	186,058,545
Taxation - net	19	-	-
		1,835,380,964	2,403,677,663
TOTAL FUND AND LIABILITIES		2,100,985,122	1,865,296,904
CONTINGENCIES AND COMMITMENTS			
	20		

The annexed notes from 1 to 34 form an integral part of these financial statements.


MANAGING DIRECTOR


CHIEF FINANCIAL OFFICER


DIRECTOR

