



**LAHORE TRANSPORT COMPANY
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 June 2012**

Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants
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AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **LAHORE TRANSPORT COMPANY** as at 30 June 2012 and the related income and expenditure account, statement of comprehensive income and cash flow statement 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. The financial statement of the Company as at 30 June 2011 were audited by another auditor whose report dated 18 January 2012 expressed an unqualified opinion on these financial statements.

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 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 account and are further in accordance with accounting policies 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 and cash flow statement together with the notes forming part thereof conform with approved accounting and financial reporting 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 2012 and of the surplus and its cash flow for the year then ended; and
- (d) in our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980.

Ernst & Young Ford Rhodes Sidat Hyder

Chartered Accountants

Audit Engagement Partner: Farooq Hameed

Lahore: 31 October 2012

LAHORE TRANSPORT COMPANY
(a company set up under section 42 of the Companies Ordinance, 1984)

BALANCE SHEET AS AT 30 JUNE 2012

	Note	2012 Rupees	2011 Rupees
Non current assets			
Property, plant and equipment	5	27,181,036	36,078,710
Intangible assets	6	58,003	144,147
		27,239,039	36,222,857
Current assets			
Inventory - Buses for lease	7	1,575,763,209	-
Advances, deposits and prepayments	8	8,160,119	3,026,267
Accrued profit on bank balances		2,011,979	6,090,781
Accounts receivable	9	35,279,515	1,980,152
Receivable from operators	7	261,823,260	-
Cash and bank	10	250,775,892	393,650,151
		2,133,813,974	404,747,351
Less : Current liabilities			
Creditors, accrued and other liabilities	11	8,352,263	1,208,067
Subsidy payable	12	717,263,451	389,194,000
Performance guarantee		6,165,000	1,665,000
Loan against trust receipt	7	1,395,000,000	-
		2,126,780,714	392,067,067
Net current asset		7,033,260	12,680,284
Long Term Liabilities			
Provision for Gratuity	13.	14,309,695	4,829,765
		14,309,695	4,829,765
NET ASSETS		19,962,604	44,073,376
REPRESENTED BY: ACCUMULATED FUND			
Grant from Government of Punjab	14	14,274,243	38,385,015
Accumulated surplus		5,688,361	5,688,361
		19,962,604	44,073,376
CONTINGENCIES AND COMMITMENTS			
	15	-	-
		19,962,604	44,073,376

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


Chief Executive Officer


Director

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LAHORE TRANSPORT COMPANY
(a company set up under section 42 of the Companies Ordinance, 1984)

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 30 JUNE 2012

	Note	2012 Rupees	2011 Rupees
INCOME			
Grant from Government of Punjab			
- for operations	14	111,110,772	64,177,641
- for markup on loan against trust receipt		54,084,891	-
Other income	16	81,527,556	54,882,488
		<u>246,723,219</u>	<u>119,060,129</u>
EXPENDITURE			
Salaries, wages and benefits		128,220,830	83,304,938
Legal and professional charges		6,605,046	4,355,390
Rent		5,727,651	4,707,118
Utilities		3,128,185	2,233,497
Fuel		7,692,565	5,177,347
Travel, conveyance and lodging		9,944,449	1,759,901
Printing and stationery		1,641,323	1,765,323
Entertainment		1,851,643	1,306,937
Repairs and maintenance		2,093,860	1,239,745
Office supplies		233,682	232,823
Postage and delivery		52,884	33,741
Advertisement		4,345,512	1,209,602
Enforcement expense		1,298,367	101,270
Staff training		6,536,450	-
Vehicle repair and maintenance		1,361,053	812,795
Trackers monitoring fee		-	421,667
Insurance		389,188	379,717
Security services		896,771	564,721
Audit fee		550,000	500,000
Financial charges		54,492,102	975,462
Depreciation	5	8,242,596	7,032,694
Amortization of intangible assets	6	86,144	70,997
Other expense		1,332,918	874,444
		<u>246,723,219</u>	<u>119,060,129</u>
Surplus / deficit for the year			

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


Chief Executive Officer


Director

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LAHORE TRANSPORT COMPANY
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STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2012

	<u>2012</u> Rupees	<u>2011</u> Rupees
Surplus / deficit for the year	-	-
Other comprehensive income	-	-
Total comprehensive surplus for the period	<u>-</u>	<u>-</u>

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



Chief Executive Officer



Director

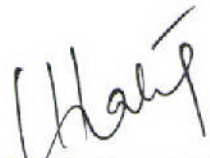
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CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2012

	Note	2012 Rupees	2011 Rupees
Cash flow from operating activities			
Cash used in operations	17	(82,779,288)	(67,744,220)
Lease to operators		(261,823,260)	-
Buses		(1,575,763,209)	-
Gratuity paid		(995,500)	-
Advance income tax paid		(5,498,540)	(981,148)
		<u>(1,926,859,797)</u>	<u>(68,725,368)</u>
Cash flows from investing activities			
(Additions) / Deletions of property, plant and equipment	5	1,625,809	(9,751,671)
Profit on bank deposits		54,790,278	10,942,302
		<u>56,416,087</u>	<u>1,190,631</u>
Cash flows from financing activities			
Subsidy Payable		328,069,451	389,194,000
Performance guarantee		4,500,000	1,665,000
Long term loans		1,395,000,000	-
		<u>1,727,569,451</u>	<u>390,859,000</u>
Net (decrease) / increase in cash and cash equivalents		<u>(142,874,259)</u>	<u>323,324,263</u>
Cash and cash equivalents at beginning of the period	10	393,650,151	70,325,887
Cash and cash equivalents at end of the period	10	<u>250,775,892</u>	<u>393,650,151</u>

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



Chief Executive Officer



Director

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