



UTILITY STORES CORPORATION OF PAKISTAN
(PRIVATE) LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED
JUNE 30, 2017



COMPANY SECRETARY OFFICE
*Utility Stores Corporation
of Pakistan (Private) Limited*

BDO Ebrahim & Co. Chartered Accountants

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AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of Utility Stores Corporation of Pakistan (Private) Limited ("the Company") as at June 30, 2017 and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity 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 and after due verification, we report that:

- 1) The title of leasehold land and building at Roti Plant, Karachi acquired by the Company in 1999 from Privatization Commission, Government of Pakistan at a revalued amount of Rs. 571.846 million has not been transferred in the name of the Company.
- 2) Interest free long term loan amounting to Rs. 500 million from Ministry of Industries and Production has not been shown at the amortized cost as required by the International Accounting Standard 39 "Financial Instruments: Recognition and Measurement". The impact of amortization cannot be quantified at the yearend due to lack of relevant information. Further, we have not received reply against balance confirmation sent to Ministry of Industries and Production. In the absence of the required documentation and confirmations, we are unable to satisfy ourselves as to the existence, completeness and accuracy of this liability.
- 3) In the absence of proper inventory software system, quantitative data to track quantity of goods sold has not been maintained by the Company, consequently, we are unable to obtain assurance on the completeness of item-wise sales.

Except for the effects of adjustments in respect of matters stated above:

- (a) in our opinion, proper books of accounts have been kept by the Company as required by the Companies Ordinance, 1984;



