

# AUDITORS' REPORT

## TO THE MEMBERS OF THE BOARD OF PRIVATISATION COMMISSION

We have audited the annexed balance sheet of Privatisation Commission ("the Commission") as at June 30, 2009 and the related income and expenditure account and cash flow statement together with the notes forming part thereof (here-in-after referred to as the financial statements), for the year then ended.

It is the responsibility of the Commission's management to establish and maintain a system of internal control, and prepare and present the financial statements in conformity with the approved accounting standards as applicable in Pakistan and the requirements of the Privatisation Commission Ordinance, 2000. Our responsibility is to express an opinion on these financial statements based on our audit.

Our audit did not include review of the privatisation procedures and decision making process of the Commission and accordingly this audit does not provide assurance in this respect. We conducted our audit in accordance with generally accepted auditing standards. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosure in the financial statements. An audit also includes assessing the accounting policies used and significant estimates made by management, as well as, evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

Significant amounts of the receivables from privatised entities and buyers of privatised entities are under litigation, arbitration and negotiation for settlement. Pending outcome of the litigation, arbitration and negotiation, we could not obtain satisfaction that the provisions made against these receivables were adequate and that the receivables were realisable at the amounts presented in these financial statements.

Except for the effects of the adjustments, if any, as might have been determined to be necessary had we been able to satisfy ourselves with respect to the matter referred to preceding paragraph, we report that;

- a) in our opinion, proper books of accounts have been kept by the Commission as required by the Privatisation Commission Ordinance, 2000.
- b) in our opinion:
  - (i). the balance sheet and income and expenditure account together with the notes thereon have been drawn up appropriately and are in agreement with the books of accounts and are further in accordance with the accounting policies consistently applied;
  - (ii). the expenditure incurred during the year was for the purpose of the Commission's operations; and
  - (iii) the business conducted, investments made and the expenditures incurred during the year were in accordance with the objects of the Commission.
- 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 and cash flow statement together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan and respectively give a true and fair view of the state of the Commission's affairs as at June 30, 2009 and of the income and its cash flows for the year then ended;

Without further qualifying our opinion we draw attention to the contingencies disclosed in the note 16 to the financial statements, the ultimate outcome of which cannot presently be determined and, hence, pending the resolution thereof, no provision has been made there-against in the financial statements of the current year.

Chartered Accountants

Audit Engagement Partner's Name: Mohammed Saleem

Dated:  
Islamabad