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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, 2019 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, 2019 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. 1,444 million (FY 2018: Rs. 1,721 million) and accumulated losses have been increased to Rs. 7,264 million (FY 2017: Rs. 5,820 million) as at June 30, 2019. 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, 2019 resulting in this independent auditors' report is C.A Habib.

Place: Islamabad

Dated: 20 APR 2021




CROWE HUSSAIN CHAUDHURY & CO.
(CHARTERED ACCOUNTANTS)

**RAWALPINDI WASTE MANAGEMENT COMPANY
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2019**

	Note	2019 Pak Rupees.....	2018
ASSETS			
NON CURRENT ASSETS			
Property and equipment	4	396,225,976	142,870,838
Intangible assets	5	2,579,694	3,604,310
Long term advances	6	65,000	273,070,000
Long term security deposits	7	1,450,000	1,450,000
		400,320,670	420,995,148
CURRENT ASSETS			
Stores and spares	8	10,892,128	18,439,669
Trade receivables - considered good	9	154,703,106	257,148,752
Grant receivables	10	12,062,475	12,062,475
Short term advances	11	12,562,576	12,426,883
Short term prepayments	12	1,252,245	871,898
Taxation - net	19	8,467,516	-
Cash and bank balances	13	1,265,036,188	1,116,781,870
		1,464,976,234	1,417,731,547
TOTAL ASSETS		1,865,296,904	1,838,726,695
FUND AND LIABILITIES			
FUND			
General fund - (deficit)		(7,264,525,812)	(5,820,543,315)
NON CURRENT LIABILITIES			
Deferred capital grant	14	7,662,079	9,093,754
Grants	15	474,761,088	526,515,315
Deferred income	16	1,450,420,475	1,275,843,816
Long term loan	17	4,793,301,411	4,196,790,111
		6,726,145,053	6,008,242,996
CURRENT LIABILITIES			
Current portion of long term loan	17	2,217,619,118	1,135,552,077
Trade and other payables	18	186,058,545	488,004,455
Taxation - net	19	-	27,470,482
		2,403,677,663	1,651,027,014
TOTAL FUND AND LIABILITIES		1,865,296,904	1,838,726,695
CONTINGENCIES AND COMMITMENTS	20		

The annexed notes from 1 to 35 form an integral part of these financial statements.

 **MANAGING DIRECTOR**

 **CHIEF FINANCIAL OFFICER**

 **DIRECTOR**

**RAWALPINDI WASTE MANAGEMENT COMPANY
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED JUNE 30, 2019**

	Note	2019 Pak Rupees.....	2018
INCOME			
Grant income	15	941,278,301	849,216,111
Amortization of deferred capital grant	4	1,431,675	1,718,413
		942,709,976	850,934,524
Amortization of deferred income	16	471,033,098	407,377,585
Income from services - net	21	349,783,593	362,527,150
		<u>1,763,526,667</u>	<u>1,620,839,259</u>
EXPENDITURE			
Direct expenses	22	2,641,259,237	2,826,689,735
Administrative expenses	23	93,521,633	90,482,413
Finance cost	24	488,951,184	422,911,033
		3,223,732,054	3,340,083,181
Other income	25	29,896,435	41,222,836
Deficit for the year before taxation		(1,430,308,952)	(1,678,021,086)
Taxation	26	13,673,545	43,236,771
Deficit for the year after taxation		<u>(1,443,982,497)</u>	<u>(1,721,257,857)</u>

The annexed notes from 1 to 35 form an integral part of these financial statements.

 **MANAGING DIRECTOR**


CHIEF FINANCIAL OFFICER



DIRECTOR

RAWALPINDI WASTE MANAGEMENT COMPANY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2019

	2019	2018
 Pak Rupees.....	
CASH FLOWS FROM OPERATING ACTIVITIES		
Deficit for the year before taxation	(1,430,308,952)	(1,678,021,086)
Adjustments for non - cash items:		
Depreciation	25,070,335	25,040,820
Amortization	1,024,616	1,024,616
Grant income	(941,278,301)	(849,216,111)
Amortization of deferred capital grant	(1,431,675)	(1,718,413)
Amortization of deferred income	(471,033,098)	(407,377,585)
Finance cost	488,951,184	422,911,033
Loss on disposals	394,805	-
	(898,302,134)	(809,335,640)
Changes in working capital:		
(Increase) / decrease in current assets		
Stores and spares	7,547,541	(7,194,759)
Trade receivables - considered good	102,445,646	(101,249,989)
Short term advances	(135,693)	272,415,412
Short term prepayments	(380,347)	4,655,068
	109,477,147	168,625,732
Increase / (decrease) in current liabilities		
Trade and other payables	(319,848,910)	415,553,615
Net cash used in operations	(2,538,982,849)	(1,903,177,379)
Grant received	889,524,074	875,971,236
Tax paid	(49,611,543)	(33,089,622)
Net cash used in operating activities	(1,699,070,318)	(1,060,295,765)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(5,820,278)	(33,781,314)
Capital work in progress	(273,000,000)	-
Long term advances	273,005,000	(269,995,000)
Net cash (used in) investing activities	(5,815,278)	(303,776,314)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term loan	1,853,155,000	1,547,834,265
Finance cost paid	(15,086)	(18,917)
Net cash generated from financing activities	1,853,139,914	1,547,815,348
Net increase in cash and cash equivalents during the year	148,254,318	183,743,269
Cash and cash equivalents at the beginning of the year	1,116,781,870	933,038,601
Cash and cash equivalents at the end of the year	1,265,036,188	1,116,781,870

The annexed notes from 1 to 35 form an integral part of these financial statements.

 **MANAGING DIRECTOR**


CHIEF FINANCIAL OFFICER


DIRECTOR

RAWALPINDI WASTE MANAGEMENT COMPANY
STATEMENT OF CHANGES IN FUND
FOR THE YEAR ENDED JUNE 30, 2019

	General fund (Deficit)	Total
 Pak Rupees.....	
Balance as at June 30, 2017	4,099,285,458	4,099,285,458
Total comprehensive loss for the year	<u>1,721,257,857</u>	<u>1,721,257,857</u>
Balance as at June 30, 2018	<u>5,820,543,315</u>	<u>5,820,543,315</u>
Total comprehensive loss for the year	<u>1,443,982,497</u>	<u>1,443,982,497</u>
Balance as at June 30, 2019	<u>7,264,525,812</u>	<u>7,264,525,812</u>

The annexed notes from 1 to 35 form an integral part of these financial statements.


MANAGING DIRECTOR


CHIEF FINANCIAL OFFICER


DIRECTOR

RAWALPINDI WASTE MANAGEMENT COMPANY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

1 LEGAL STATUS AND OPERATIONS

- 1.1 Rawalpindi Waste Management Company (the Company) was incorporated as a company limited by guarantee under section 42 of the Companies Act, 2017 (formerly Companies Ordinance 1984) on July 15, 2013, with the goal to provide the efficient and effective and modern services regarding the disposal of solid waste in the modern way in Rawalpindi. The principle activities of the company are to offer sustainable, efficient and affordable waste management services for the citizens of Rawalpindi.
- 1.2 The Company entered into Services and Asset Management Agreement (SAMA) with City District Government Rawalpindi (CDGR) and all UC's of Town Municipal Administrations (TMA's) for solid waste management services in Rawalpindi which was effective from February 28, 2014 and would expire on February 27, 2034. In accordance with terms of the agreement, City District Government Rawalpindi (CDGR) and Town Municipal Administrations had transferred possession, management, use, maintenance and control of machinery, equipment, tools and plants vehicles, land, buildings, structures and all other moveable and immovable assets owned managed or controlled by the CDGR and TMAs on lease money of Rs. 100,000.

The geographical location and address of Company's and its services units are as under:

Registered office/ Service Units	Geographical Location
Head office	81-A/1, Iran Road, Satellite Town, Rawalpindi
Services	
Landfill Dumpsite	Losar Mor, Chakbeli khan Road, Liaqat Road, Rawalpindi
Parking Area	Adjacent to Liaqat Bagh, Liaqat Road, Rawalpindi
Workshop	City District Government near Kehkashan Cinema, Committee Chowk, Rawalpindi
Gujar Khan	Office of the chief officer municipal committee Gujar Khan, District Rawalpindi
Kallar Syedan	Office of the chief officer municipal committee Kallar syedan, District Rawalpindi
Murree	Office of the chief officer municipal committee Murree, District Rawalpindi
Taxila	Office of the chief officer municipal committee Taxila, District Rawalpindi
Kahutta	Office of the chief officer municipal committee Kahuta, District Rawalpindi

- 1.3 The Company incurred deficit amounting to Rs. 1,444 million (2018: Rs. 1,721 million) during the year ended June 30, 2019 and, as of that date, the Company has accumulated deficits of Rs. 7,264 million (2018: Rs. 5,820 million). These conditions indicate the existence of material uncertainty which may cast doubt about the Company's ability to continue as going concern. The management is confident of improving results through streamlining the operations of the Company and looking for alternative source of income for sustainability and has a commitments for grant from Government of Punjab.

2 BASIS OF PREPARATION

2.1 Statement of Compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards), issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Accounting Standard for Not for Profit Organizations (NPOs) issued by the Institute of Chartered Accountants of Pakistan, as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017;
- Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards or the Accounting Standard for NPOs, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Basis of measurement and preparation

The accompanying financial statements have been prepared under the historical cost convention.

This is the first set of the company's annual financial statements in which IFRS 15 'Revenue from Contracts with Customers' and IFRS 9 'Financial Instruments' have been applied. Changes to significant accounting policies are described in Note 3.1

2.3 Functional and presentation currency

These financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency. Amounts presented in Pakistan Rupee have been rounded off to nearest rupees unless otherwise stated.

2.4 Use of accounting estimates and judgments

In preparing these financial statements, management has made judgments, estimates and assumptions that effect the application of the Company's accounting policies and reported amounts of assets, liabilities, income and expenses. Actual result may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

Information about judgments made in applying accounting policies that have significant effect on the amounts recognized in the financial statements are discussed in the ensuing paragraph.

2.4.1 Property and equipment

The Company reviews the residual values and useful lives of property and equipment on regular basis. Further where applicable, an estimate of recoverable amount of assets is made for possible impairment on an annual basis. Any change in such estimates in future years might affect the carrying amounts of the respective items of property and equipment with corresponding effect on the depreciation charge, impairment and related deferred tax liability.

2.4.2 Intangible assets

The Company reviews the residual values and useful lives of intangible assets on regular basis. Further where applicable, an estimate of recoverable amount of assets is made for possible impairment on an annual basis. Any change in such estimates in future years might affect the carrying amounts of the respective items of intangible assets with corresponding effect on the amortization charge, impairment and related deferred tax liability.

2.4.3 Taxation

The Company takes into account the current income tax law and decisions taken by appellate authorities. Instances where the Company's view differs from that taken by the income tax department at the assessment stage and where the Company considers that its view on items of material nature is in accordance with law, the amounts are shown as contingent liabilities.

2.4.4 Impairment

2.4.4.1 Impairment of financial assets

The Company measures loss allowances for Expected Credit Losses (ECLs) on financial assets measured at amortized cost after considering the pattern of receipts from and future financial outlook of the counterparty and is reviewed by the management on regular basis. Any change in the estimates in future years might affect the carrying amounts of the respective items of assets with a corresponding effect on the statement of income and expenditure.

2.4.4.2 Impairment of non-financial assets

The carrying amounts of the Company's assets are reviewed at each reporting date to determine whether there is any indication of impairment loss. If any such indication exists, recoverable amount is estimated using criteria given in respective accounting standards to determine the extent of impairment loss, if any.

RAWALPINDI WASTE MANAGEMENT COMPANY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

2.4.5 Provisions and contingencies

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost, if any.

Where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability, it is disclosed as contingent liability.

2.4.6 Stores and spares

The Company reviews the net realizable value of stores and spare to assess any diminution in the respective carrying values. Net realizable value is determined with reference to estimated selling price less estimated cost to complete and estimated cost to make the sale.

2.5 Standards, interpretations and amendments to approved accounting standards that are not yet effective

The following International Financial Reporting Standards (IFRS) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 01 July 2019:

- IFRIC 23 'Uncertainty over Income Tax Treatments' (effective for annual periods beginning on or after 1 January 2019) clarifies the accounting for income tax when there is uncertainty over income tax treatments under IAS 12. The interpretation requires the uncertainty over tax treatment be reflected in the measurement of current and deferred tax. The application of interpretation is not likely to have an impact on Company's financial statements.
- IFRS 16 'Leases' (effective for annual period beginning on or after 1 January 2019). IFRS 16 replaces existing leasing guidance, including IAS 17 'Leases', IFRIC 4 'Determining whether an Arrangement contains a Lease', SIC-15 'Operating Leases- Incentives' and SIC-27 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease'. IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard i.e. lessors continue to classify leases as finance or operating leases. The application of new standard is not likely to have an impact on Company's financial statements.
- Amendment to IFRS 9 'Financial Instruments' – Prepayment Features with Negative Compensation (effective for annual periods beginning on or after 1 January 2019). For a debt instrument to be eligible for measurement at amortized cost or FVTOCI, IFRS 9 requires its contractual cash flows to meet the SPPI criterion – i.e. the cash flows are 'solely payments of principal and interest'. Some prepayment options could result in the party that triggers the early termination receiving compensation from the other party (negative compensation). The amendment allows that financial assets containing prepayment features with negative compensation can be measured at amortized cost or at fair value through other comprehensive income (FVTOCI) if they meet the other relevant requirements of IFRS 9. The application of amendment is not likely to have an impact on Company's financial statements.
- Amendment to IAS 28 'Investments in Associates and Joint Ventures' - Long Term Interests in Associates and Joint Ventures (effective for annual period beginning on or after 1 January 2019). The amendment will affect companies that finance such entities with preference shares or with loans for which repayment is not expected in the foreseeable future (referred to as long-term interests or 'LTI'). The amendment and accompanying example state that LTI are in the scope of both IFRS 9 and IAS 28 and explain the annual sequence in which both standards are to be applied. The amendments are not likely to have an impact on Company's financial statements.
- Amendments to IAS 19 'Employee Benefits'- Plan Amendment, Curtailment or Settlement (effective for annual periods beginning on or after 1 January 2019). The amendments clarify that on amendment, curtailment or settlement of a defined benefit plan, a company now uses updated actuarial assumptions to determine its current service cost and net interest for the period; and the effect of the asset ceiling is disregarded when calculating the gain or loss on any settlement of the plan and is dealt with separately in other comprehensive income. The application of amendments is not likely to have an impact on Company's financial statements.



RAWALPINDI WASTE MANAGEMENT COMPANY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

- Amendment to IFRS 3 'Business Combinations' – Definition of a Business (effective for business combinations for which the acquisition date is on or after the beginning of annual period beginning on or after 1 January 2020). The IASB has issued amendments aiming to resolve the difficulties that arise when an entity determines whether it has acquired a business or a group of assets. The amendments clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. The amendments include an election to use a concentration test. The standard is effective for transactions in the future and therefore would not have an impact on past financial statements.
- Amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (effective for annual periods beginning on or after 1 January 2020). The amendments are intended to make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS. In addition, the IASB has also issued guidance on how to make materiality judgments when preparing their general purpose financial statements in accordance with IFRS.
- On 29 March 2018, the International Accounting Standards Board (the IASB) has issued a revised Conceptual Framework for Financial Reporting which is applicable immediately contains changes that will set a new direction for IFRS in the future. The Conceptual Framework primarily serves as a tool for the IASB to develop standards and to assist the IFRS Interpretations Committee in interpreting them. It does not override the requirements of individual IFRSs and any inconsistencies with the revised Framework will be subject to the usual due process – this means that the overall impact on standard setting may take some time to crystallize. The companies may use the Framework as a reference for selecting their accounting policies in the absence of specific IFRS requirements. In these cases, companies should review those policies and apply the new guidance retrospectively as of 1 January 2020, unless the new guidance contains specific scope outs.
- Annual Improvements to IFRS Standards 2015–2017 Cycle - the improvements address amendments to following approved accounting standards:
 - IFRS 3 Business Combinations and IFRS 11 Joint Arrangement - the amendment aims to clarify the accounting treatment when a company increases its interest in a joint operation that meets the definition of a business. A company remeasures its previously held interest in a joint operation when it obtains control of the business. A company does not remeasure its previously held interest in a joint operation when it obtains joint control of the business.
 - IAS 12 Income Taxes - the amendment clarifies that all income tax consequences of dividends (including payments on financial instruments classified as equity) are recognized consistently with the transaction that generates the distributable profits.
 - IAS 23 Borrowing Costs - the amendment clarifies that a company treats as part of general borrowings any borrowing originally made to develop an asset when the asset is ready for its intended use or sale.

The above amendments are effective from annual period beginning on or after 1 January 2019. The Company is currently in the process of analyzing the potential impact of changes required on adoption to the standard.



RAWALPINDI WASTE MANAGEMENT COMPANY
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2019

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements except for the changes as indicated below:

3.1 IFRS 9 'Financial Instruments'

In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments ("IFRS 9") that replaces IAS 39 Financial Instruments: recognition and measurement ("IAS 39") and all previous versions of IFRS 9. IFRS 9 brings together all three aspects of the accounting for financial instruments: classification & measurement, impairment and hedge accounting. IFRS 9 introduces a single approach to determine whether a financial asset is measured at amortized cost or fair value and replaces the multiple rules in IAS 39. The three principal classification categories under the new standard for financial instruments are: measured at amortized cost, fair value through other comprehensive income ("FVTOCI") and fair value through profit and loss ("FVTPL"). The classification of financial instruments under IFRS 9 is generally based on the business model in which a financial instrument is managed and its contractual cash flow characteristics. The previous categories under IAS 39 of held to maturity, loans and receivables and available for sale have been removed. For financial liabilities, IFRS 9 retains most of the requirements of IAS 39; however, where the fair value option is applied to financial liabilities, any change in fair value resulting from an entity's own credit risk is recorded in other comprehensive income.

The following table explains the original measurement categories under IAS 39 and new measurement categories under IFRS 9 for each class of the Company's financial assets and financial liabilities as at 1 July 2018.

	Original classification under IAS 39	New classification under IFRS 9
Financial assets		
Long term advances	Loans and receivables	Amortized Cost
Long term security deposits	Loans and receivables	FVTPL
Trade receivables	Amortized Cost	Amortized Cost
Grant receivables	Amortized Cost	Amortized Cost
Short term advances	Loans and receivables	Amortized Cost
Short term prepayments	Loans and receivables	Amortized Cost
Cash and bank balances	Loans and receivables	Amortized Cost
Financial liabilities		
Long term loan	Amortized Cost	Amortized Cost
Grants	Amortized Cost	Amortized Cost
Trade and other payables	Amortized Cost	Amortized Cost

There is no change in the carrying amounts of financial assets and financial liabilities at the initial application date of IFRS 9, except for a change in accounting classification under IFRS 9 from category under IAS - 39 as disclosed in the above table.

None of the Company's financial instruments have been classified as FVTOCI and FVTPL except for long term security deposits which does not meet "solely payments of principal and interests (SPPI)" test criteria.

There was no material expected credit loss recognized at initial application date and as at 30 June 2019.

The Company does not have any financial instruments eligible for hedge accounting, accordingly there was no impact to the Company as a result of adopting IFRS 9.

IFRS 9 replaces the "incurred loss" model in IAS 39 with an "expected loss" model. The new impairment model applies to financial instruments measured at amortized cost, and contract assets and debt investments measured at FVTOCI. Under IFRS 9, credit losses will be recognized earlier than under IAS 39. The standard also provides a simplified approach to measure expected credit losses using a lifetime expected loss allowance. The credit loss model groups receivables based on similar credit risk characteristics and days past due in order to estimate loss allowance.

RAWALPINDI WASTE MANAGEMENT COMPANY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

3.2 IFRS 15 'Revenue from Contracts with Customers

The IASB issued IFRS 15 Revenue from Contracts with Customers ("IFRS 15") in May 2014. This IFRS replaces IAS 18 Revenue, IAS 11 Construction Contracts and several revenue-related interpretations. IFRS 15 establishes a single revenue recognition framework which requires an entity to recognize revenue to reflect the transfer of goods and services for the amount it expects to receive, when control is transferred to the purchaser. The Company has reviewed its revenue stream and underlying contracts with the customers and, as a result of this review, the adoption of IFRS did not have a material impact on the Company's statement of income and expenditure, statement of comprehensive income and financial position.

3.3 Impairment

(i) Non - derivative financial assets

Policy applicable from 1 July 2018

The Company recognizes loss allowances for Expected Credit Losses (ECLs) on financial assets measured at amortized cost. The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

The Company measures loss allowances at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 90 days past due.

The Company considers a financial asset to be in default when:

- Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial asset;
- 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

Measurement of ECLs

Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortized cost are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the counterparty;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the counterparty will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortized cost are deducted from the carrying amount of the assets and charged to the statement of income and expenditure.



RAWALPINDI WASTE MANAGEMENT COMPANY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

Write-off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

Policy applicable before 1 July 2018

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognized in the statement of income and expenditure. An impairment loss is reversed in the statement of income and expenditure if the reversal can be related objectively to an event occurring after the impairment loss was recognized.

(ii) Non-financial assets

At each reporting date, the Company reviews the carrying amount of its non-financial assets (other than investment property, inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash generating units (CGUs).

The recoverable amount of an asset or CGU is greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in the statement of income and expenditure. They are allocated first to reduce the carrying amounts of any goodwill allocated to CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis. An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

3.4 Financial instruments

(I) Recognition and initial measurement

Trade receivables are initially recognized when they are originated. All other financial assets and liabilities are recognized in the statement of financial position when the Company becomes a party to the contractual provisions of an instrument.

A financial asset (unless it is a trade receivable without significant financing component) or financial liability is initially measured at fair value, plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition. A trade debt without a significant financing component initially measured at the transaction price.

(II) Classification and subsequent measurement

(a) Financial assets - Policy applicable from 1 July 2018

On initial recognition, a financial asset is classified as measured at amortized cost, FVTOCI or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in business model.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest of the principal amount outstanding.

RAWALPINDI WASTE MANAGEMENT COMPANY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

Financial assets at amortized cost are subsequently measured using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in the statement of income and expenditure.

(b) Financial assets - Policy applicable before 1 July 2018

The Company classified its financial assets into one or more of the following categories:

FVTPL

Loans and receivables

Loans and receivables and held to maturity financial assets were subsequently measured at amortized cost using effective interest method.

Financial liabilities-Classification and subsequent measurement

Financial liabilities are measured at amortized cost or FVTPL. A Financial liability is classified as FVTPL if it is classified as held-for-trading, it is derivative or it is designated as such on initial recognition. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in the statement of income and expenditure.

(III) Derecognition

(a) Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

(b) Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of modified liability are substantially different, in which case a new financial liability is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid is recognized in the statement of income and expenditure.

(IV) Off-setting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position, if the Company has a legally enforceable right to offset the recognized amounts and intends either to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

3.5 Property and equipment

Property and equipment except for freehold land and capital work in progress are stated at cost less accumulated depreciation and impairment losses, if any. Freehold land and capital work in progress are stated at cost less allowance for impairment, if any. Cost of property and equipment includes acquisition cost, borrowing cost during construction phase of relevant asset and other directly attributable costs including trial run production expenses (net of income, if any). Transfers from capital work in progress are made to the relevant category of property and equipment as and when the assets are available for use in the manner intended by the Company's management.

Depreciation is charged on the basis of written down value method whereby cost of an asset is written off over its estimated useful lives at the rate specified in note 4 without taking into account any residual value. Full month's depreciation is charged on addition, while no depreciation is charged in the month of disposal or deletion of assets.

RAWALPINDI WASTE MANAGEMENT COMPANY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

v) Income from services

Income from services is measured on the basis of agreements with the customers. Income is recognized when or as the company satisfies a performance obligation by transferring a promised service to a customer. A service is transferred when the customer obtains control of it. The company satisfies its performance obligation over a period.

vi) Other Income

Mark up / interest on bank deposits and return on investments is recognized using the effective interest rate method.

3.9 Trade and other payables

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in the future for the goods and services received. Subsequent to initial recognition, these are carried at amortized cost.

3.10 Cash and cash equivalents

For the purpose of statement of cash flows, cash and cash equivalent comprise cash in hand and at bank. They are carried in the statement of financial position at amortized cost.

3.11 Provisions

A provision is recognized in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are measured at the present value of expected expenditure, discounted at a pre tax rate that reflects current market assessment of the time value of the money and the risk specific to the obligation. Provisions are reviewed at each reporting date and adjusted to reflect current best estimate.

3.12 Borrowings

Subsequent to initial recognition borrowings are measured at amortized cost using the effective interest method. Finance costs are accounted for on an accrual basis and are reported under accrued mark-up on borrowings to the extent of the amount remain unpaid.

Loans and borrowings are recorded at the proceeds received. Mark up, interest and other borrowing costs are charged to income in the period in which they are incurred.

Borrowing cost on long term finances which are specifically obtained for the acquisition of qualifying assets (plant and machinery) are capitalized up to the date of commencement of commercial production on the respective assets. All other borrowing costs are charged to profit and loss account in the period in which these are incurred.

3.13 Employee benefits

3.13.1 Provident fund

The Company has contributory provident fund for its head office employees, contribution in respect of which is charged to income and expenditure for the year. Contribution is made by employees at the rate of 10% of basic pay at the commencement of financial year. The same amount is contributed by the Company.

3.13.2 Compensated absences

All regular employees of the Company are entitled to 18 days annual paid leave during the year. All leaves will be calculated on the basis of fiscal year and may be carried forward to the maximum one year. Leave encashment can be availed upto the limit of 365 days.

3.13.3 Pension fund

All regular employees of CDGR are entitled to pension fund. Contributions towards pension fund is made by employees equal to 40% of basic pay on monthly basis.

RAWALPINDI WASTE MANAGEMENT COMPANY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

3.14 Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current

Company's accounts for current taxation on the basis of provision of the Income Tax Ordinance, 2001.

For the other income the Company accounts for current taxation on the basis of taxable income at the current rates of taxation after taking into account tax credits and rebates available, if any, or one percent of turnover, whichever is higher in accordance with the provisions of the Income Tax Ordinance, 2001.

Deferred

Deferred tax is computed using the balance sheet liability method providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the liability is settled based on tax rates that have been enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profit will be available and the credits can be utilized. Therefore, no deferred tax provision has been made in the financial statements.

Prior years

The taxation charge for prior years represents adjustments to the tax charge relating to prior years, arising from assessments and changes in estimates made during the current year, except otherwise stated.

3.15 Operating lease

Rentals payables under the operating leases are charged to statement of income and expenditure on straight line basis over the term of relevant lease.

3.16 Foreign currency translation

These financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency. Foreign currency transactions during the year are recorded at the exchange rates approximating those ruling on the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange which approximate those prevailing on the statement of financial position date. Gains and losses on translation are taken to income currently. Non monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non monetary items measured at fair value in a foreign currency are translated using the exchange rates at the dates when the fair value was determined.

3.17 Contingencies

A contingent liability is disclosed when the Company has a possible obligation as a result of past events, existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or the Company has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.



RAWALPINDI WASTE MANAGEMENT COMPANY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

4 PROPERTY AND EQUIPMENT

Description	Owned Assets					Finance Department Funded					Grand Total			
	Equipment and tools	Plant and machinery	Motor vehicles Administrative	Motor vehicles Operations	Furniture and fixture	IT equipment	Sub total	Equipment and tools	Motor vehicles	Furniture and fixture		IT equipment	Sub total	Capital work in process
Year ended June 30, 2019														
Net carrying value basis														
Opening net book value	1,805,969	52,584,198	956,591	52,123,814	6,666,051	19,640,461	133,777,084	102,313	8,314,354	226,344	450,743	9,093,754	-	142,870,838
Additions	80,226	-	-	5,235,000	329,852	175,200	5,820,278	-	-	-	-	-	-	5,820,278
Transferred from advances	-	-	-	-	-	-	(394,805)	-	-	-	-	-	-	273,000,000
Disposal	-	-	-	(394,805)	-	-	(394,805)	-	-	-	-	-	-	(394,805)
Depreciation charge	(281,442)	(7,887,630)	(143,489)	(8,380,301)	(1,022,610)	(5,923,188)	(23,638,660)	(15,347)	(1,247,153)	(33,952)	(135,223)	(1,431,675)	-	(25,070,335)
Closing net book value	1,604,753	44,696,568	813,102	48,583,708	5,973,293	13,892,473	115,563,897	86,966	7,067,201	192,392	315,520	7,662,079	-	396,225,976
Year ended June 30, 2018														
Gross carrying value basis														
Cost	3,213,537	67,772,774	1,569,092	78,619,305	9,216,417	29,352,495	189,743,620	199,641	16,548,248	440,806	1,931,607	19,120,302	273,000,000	481,863,922
Disposal	-	-	-	(695,000)	-	-	(695,000)	-	-	-	-	-	-	(695,000)
Accumulated depreciation	(1,608,784)	(23,076,206)	(755,990)	(29,640,792)	(3,243,124)	(15,460,022)	(73,784,918)	(112,675)	(9,481,047)	(248,414)	(1,616,087)	(11,458,223)	-	(85,243,141)
Reversal of Acc. Dep. Of Disposed Asset	-	-	-	300,195	-	-	300,195	-	-	-	-	-	-	300,195
Net book value	1,604,753	44,696,568	813,102	48,583,709	5,973,293	13,892,473	115,563,897	86,966	7,067,201	192,392	315,520	7,662,079	273,000,000	396,225,976
Year ended June 30, 2018														
Net carrying value basis														
Opening net book value	2,011,539	55,091,699	1,125,401	49,759,781	5,486,905	9,842,852	123,318,177	120,368	9,781,593	266,287	643,919	10,812,167	-	134,130,344
Additions	108,999	6,674,400	-	10,080,000	2,316,095	14,601,820	33,781,314	-	-	-	-	-	-	33,781,314
Depreciation charge	(314,569)	(9,181,901)	(168,810)	(7,715,967)	(1,136,949)	(4,804,211)	(23,322,407)	(18,055)	(1,467,239)	(39,943)	(193,176)	(1,718,413)	-	(25,040,820)
Closing net book value	1,805,969	52,584,198	956,591	52,123,814	6,666,051	19,640,461	133,777,084	102,313	8,314,354	226,344	450,743	9,093,754	-	142,870,838
Year ended June 30, 2018														
Gross carrying value basis														
Cost	3,133,311	67,772,774	1,569,092	73,384,305	8,886,565	29,177,295	183,923,342	199,641	16,548,248	440,806	1,931,607	19,120,302	-	203,043,644
Accumulated depreciation	(1,327,342)	(15,188,576)	(612,501)	(21,260,491)	(2,220,514)	(9,536,834)	(50,146,258)	(97,328)	(8,233,894)	(214,462)	(1,480,864)	(10,026,548)	-	(60,172,806)
Net book value	1,805,969	52,584,198	956,591	52,123,814	6,666,051	19,640,461	133,777,084	102,313	8,314,354	226,344	450,743	9,093,754	-	142,870,838
Annual rate of depreciation	15%	15%	15%	15%	15%	30%	15%	15%	15%	15%	30%	30%	-	15%

Note:

- 4.1 Capital work in progress represents an advance payment made to Assistant Commissioner / Land Acquisition Collector amounting to Rs. 273,000,000 for acquisition of land during the year 2017-18 located in villages Bajmal, Dera pothi and Sahang tehsil Gujjar Khan area measuring 2437 Kanal and 10 marda.
- 4.2 During the year a motor vehicle having cost of Rs. 695,000 was disposed off due to theft. The accumulated depreciation and net book value of motor vehicle at the time of theft were Rs. 278,853 and Rs. 416,146 respectively. Hence, a loss of Rs. 416,146 was recorded.
- 4.3 Depreciation on Finance Department funded Assets is amounting to Rs. 1,431,675. This is also amortized as income recognized against deferred capital grant.
- 4.4 Operating fixed assets transferred to the Company under operating lease through the Service and Asset Management Agreement (SAMA), as mentioned in note 1.2, are not included in the above mentioned operating fixed assets.

RAWALPINDI WASTE MANAGEMENT COMPANY
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2019

	Note	2019 Pak Rupees.....	2018
4.5 Depreciation charge for the year has been allocated as follows:			
Administrative expenses	4.5.1	8,802,404	8,142,952
Direct cost	4.5.2	16,267,931	16,897,868
		<u>25,070,335</u>	<u>25,040,820</u>
4.5.1 Administrative expenses			
Depreciation charge for the year		296,789	332,624
Equipment and tools		1,390,642	1,636,049
Motor vehicles		1,056,562	1,176,892
Furniture and fixture		6,058,411	4,997,387
IT equipments		<u>8,802,404</u>	<u>8,142,952</u>
4.5.2 Direct cost			
Depreciation charge for the year		7,887,630	9,181,901
Plant and machinery		8,380,301	7,715,967
Motor vehicles		<u>16,267,931</u>	<u>16,897,868</u>

5 Intangible Assets

	COST				Rate	ACCUMULATED AMORTIZATION				WRITTEN DOWN VALUE
	As at 01 July	Additions (Disposals)	As at 30 June			As at 01 July	Charge for the year	(On Disposals)	As at 30 June	
	Pak Rupees				%	Pak Rupees				Pak Rupees
Year ended June 30, 2019										
Financial Software	363,080	-	363,080	20	90,770	72,616	-	163,386	199,694	
Attendance Software (PITB)	4,760,000	-	4,760,000	20	1,428,000	952,000	-	2,380,000	2,380,000	
	<u>5,123,080</u>	<u>-</u>	<u>5,123,080</u>		<u>1,518,770</u>	<u>1,024,616</u>	<u>-</u>	<u>2,543,386</u>	<u>2,579,694</u>	
Year ended June 30, 2018										
Financial Software	363,080	-	363,080	20	18,154	72,616	-	90,770	272,510	
Attendance Software (PITB)	4,760,000	-	4,760,000	20	476,000	952,000	-	1,428,000	3,332,000	
	<u>5,123,080</u>	<u>-</u>	<u>5,123,080</u>		<u>494,154</u>	<u>1,024,616</u>	<u>-</u>	<u>1,518,770</u>	<u>3,604,510</u>	

6 LONG TERM ADVANCES

Related parties	6.1	65,000	273,070,000
Other parties		-	-
		<u>65,000</u>	<u>273,070,000</u>
6.1 Related parties			
Advance for purchase of Land	6.1.1	-	273,000,000
Advance against operating lease	6.1.2	65,000	70,000
		<u>65,000</u>	<u>273,070,000</u>

6.1.1 This represent an advance payment made to Assistant Commissioner / Land Acquisition Collector amounting to Rs. 273,000,000 for acquisition of land during the year 2017-18 located in villages Bamial, Dera pothi and Sahang tehsil Gujjar Khan area measuring 2,437 kanals and 10 marlas. During the year the above amount was transferred to capital work in progress under note 4 to the financial statements.

RAWALPINDI WASTE MANAGEMENT COMPANY
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2019

		2019	2018
	Note Pak Rupees.....	
6.1.2	Advance against operating lease	75,000	80,000
	Less: Charged during the year	5,000	5,000
		70,000	75,000
	Less: Current portion shown under current assets	(5,000)	(5,000)
	11	<u>65,000</u>	<u>70,000</u>
6.1.2.1	Leased assets represents balances transferred from CDGR and TMAs in accordance with the terms of agreement between CDGR, TMAs and the Company as explained in note 1.2. The charge has been made on the basis of period of lease agreement.		
		2019	2018
	Note Pak Rupees.....	
7	LONG TERM SECURITY DEPOSITS	<u>1,450,000</u>	<u>1,450,000</u>
7.1	This represents security deposit paid to Mr. Khadim Hussain against rented building of Head Office.		
		2019	2018
	Note Pak Rupees.....	
8	STORES AND SPARES		
	Stores	3,376,890	2,675,635
	Spares	7,515,238	15,764,034
		<u>10,892,128</u>	<u>18,439,669</u>
8.1	Stores		
	Opening stock	2,675,635	8,119,953
	Add: Purchases during the year	5,564,918	11,115,624
	Less: Consumed	(4,863,663)	(16,559,942)
		<u>3,376,890</u>	<u>2,675,635</u>
8.2	Spares		
	Opening stock	15,764,034	3,124,957
	Add: Purchases during the year	18,156,635	38,645,912
	Less: Consumed	(26,405,431)	(26,442,254)
		<u>7,515,238</u>	<u>15,764,034</u>
9	TRADE RECEIVABLES - CONSIDERED GOOD		
	Related parties	149,195,634	118,043,469
	Other parties	5,507,472	139,105,283
		<u>154,703,106</u>	<u>257,148,752</u>

RAWALPINDI WASTE MANAGEMENT COMPANY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

9.1 Related parties	Note	2019	2018
	 Pak Rupees.....	
Rawat Union Council		237,433	83,855
National Police Foundation Housing Society		299,271	337,536
Defence Housing Authority		3,343,282	1,137,650
PAF Lower Topa		-	150,600
Pakistan Public Works Department (Pak PWD)		3,042,844	3,042,844
Holy Family Hospital		31,602,417	48,500,000
Cantonment Board Murree		92,343	125,405
Army School of Logistics		111,540	62,400
Punjab Food Authority		101,707	766
Military College Murree		124,410	15,600
Fazaia Housing Scheme		76,609	22,611
Federation Employees Co-Operatives Housing Society		14,070	-
Metro Bus Authority		110,149,708	64,564,202
		<u>149,195,634</u>	<u>118,043,469</u>

9.2 Other parties	Note	2019	2018
Zaraj Housing Society		48,980	45,431
Model Town Humak Society		-	2,305
Emaar Housing Society (Noha Group)		224,765	65,583
Islamabad Farms		96,592	30,865
Spring Apartment		93,948	56,705
Karot Hydro Power Project		1,043,141	2,719,737
MB Chicks		82,715	146,903
Jadeed Group of Companies		45,185	25,199
Korang Town Pwd		270,595	234,644
Petro Waste Busters		472,260	-
Intelligence Bureau Employees Corporate Housing Society		352,105	207,765
Air Port Housing Society		2,777,186	2,777,186
Albayrak Turizm Seyahat Insaat Ticaret A.S	9.2.1	-	132,792,960
		<u>5,507,472</u>	<u>139,105,283</u>

9.2.1 This represents an amount paid to Punjab Revenue Authority by Rawalpindi Waste Management Company in respect of no deduction of withholding tax on services. During the year all the above mentioned amount is adjusted.

9.3 Ageing analysis of trade receivables

	2019			2018		
	Due from related parties	Other parties	Total	Due from related parties	Other parties	Total
Not overdue	-	-	-	-	-	-
Past due less than 30 days	33,048,061	756,638	33,804,699	31,718,777	872,754	32,591,531
Past due less than 60 days	65,786,395	1,517,552	67,303,947	62,282,326	1,685,887	63,968,213
Past due less than 90 days	98,279,347	1,625,790	99,905,137	62,978,263	2,295,791	65,274,054
Past due less than 365 days	100,882,785	1,793,596	102,676,381	81,240,345	136,144,439	217,384,784
Past due over 365 days	48,312,848	3,713,876	52,026,725	36,803,124	2,960,844	39,763,968
Total trade receivables	<u>149,195,634</u>	<u>5,507,472</u>	<u>154,703,106</u>	<u>118,043,469</u>	<u>139,105,283</u>	<u>257,148,752</u>

