

**BAHAWALPUR WASTE
MANAGEMENT COMPANY**

FINANCIAL STATEMENTS FOR THE YEAR
ENDED JUNE 30, 2021

BAHAWALPUR WASTE MANAGEMENT COMPANY

STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2021

		2021	2020	2019
	Note	Rupees	Rupees (Restated)	Rupees (Restated)
ASSETS				
Non Current Assets				
Property, plant and equipment	6	107,139,042	104,281,010	123,064,070
Intangible assets	7	127,807	362,112	596,417
Long term deposits		115,190	115,190	115,190
		107,382,039	104,758,312	123,775,677
Current Assets				
Stores and spares		7,094,362	2,324,669	2,895,016
Advances and other receivables	8	7,905,409	7,697,968	6,147,514
Cash and bank balances	9	94,616,870	74,456,966	126,303,498
		109,616,641	84,479,603	135,346,028
		<u>216,998,680</u>	<u>189,237,915</u>	<u>259,121,705</u>
FUND AND LIABILITIES				
General Fund				
Accumulated deficit		(501,614,650)	(279,507,265)	(60,989,856)
Non Current Liabilities				
Grants available for utilization	10	139,212,588	87,194,334	69,279,503
Long term financing	11	398,444,369	312,192,666	230,580,497
		537,656,957	399,387,000	299,860,000
Current Liabilities				
Trade and other payables	12	30,956,373	19,358,180	20,251,561
Current portion of long term financing		150,000,000	50,000,000	-
		180,956,373	69,358,180	20,251,561
Contingencies and Commitments	13	-	-	-
		<u>216,998,680</u>	<u>189,237,915</u>	<u>259,121,705</u>

The annexed notes from 1 to 26 form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR

BAHAWALPUR WASTE MANAGEMENT COMPANY
INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021 Rupees	2020 Rupees (Restated)
Income from grants	14	196,484,551	164,904,792
Direct expenses	15	<u>(337,541,614)</u>	<u>(318,946,343)</u>
Gross Loss		(141,057,063)	(154,041,551)
Administrative expenses	16	<u>(58,079,131)</u>	<u>(54,829,603)</u>
Operating Deficit		(199,136,194)	(208,871,154)
Finance cost	17	(29,785,296)	(20,916,446)
Other operating expense	18	(1,334,069)	-
Other income	19	<u>8,148,174</u>	<u>11,270,191</u>
Deficit before Taxation		(222,107,385)	(218,517,409)
Taxation		-	-
Net Deficit for the Year		<u><u>(222,107,385)</u></u>	<u><u>(218,517,409)</u></u>

The annexed notes from 1 to 26 form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR

BAHAWALPUR WASTE MANAGEMENT COMPANY

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2021

	2021	2020
	Rupees	Rupees (Restated)
Net Deficit for the Year	(222,107,385)	(218,517,409)
Other comprehensive income for the year:		
<i>Items that will not be reclassified to income and expenditure</i>	-	-
<i>Items that may be reclassified subsequently to income and expenditure</i>	-	-
Total Comprehensive Deficit for the Year	<u>(222,107,385)</u>	<u>(218,517,409)</u>

The annexed notes from 1 to 26 form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR

BAHAWALPUR WASTE MANAGEMENT COMPANY
STATEMENT OF CHANGES IN ACCUMULATED FUND
FOR THE YEAR ENDED JUNE 30, 2021

	Accumulated Deficit Rupees
Balance as at June 30, 2019 as previously reported	6,200,028
Rectification of error (note 5)	<u>(67,189,884)</u>
Balance as at June 30, 2019 as restated	(60,989,856)
Net deficit for the year	(218,517,409)
Other comprehensive income for the year	-
Total comprehensive loss for the year	(218,517,409)
Balance as at June 30, 2020 as restated	<u><u>(279,507,265)</u></u>
Balance as at June 30, 2020 as previously reported	(192,312,931)
Rectification of error (note 5)	<u>(87,194,334)</u>
Balance as at June 30, 2020 as restated	(279,507,265)
Net deficit for the year	(222,107,385)
Other comprehensive income for the year	-
Total comprehensive loss for the year	(222,107,385)
Balance as at June 30, 2021	<u><u>(501,614,650)</u></u>

The annexed notes from 1 to 26 form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR

BAHAWALPUR WASTE MANAGEMENT COMPANY

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2021

	2021	2020
	Rupees	Rupees (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Deficit before taxation	(222,107,385)	(218,517,409)
Adjustments for:		
- Depreciation	16,727,134	18,842,525
- Amortization of intangible assets	234,305	234,305
- Amortization of grant relating to subsidized loan	(29,766,850)	(20,904,792)
- Amortization of capital grants	(795,043)	-
- Unwinding of long term loan	29,766,850	20,904,792
	16,166,396	19,076,830
Operating loss before working capital changes	(205,940,989)	(199,440,579)
Decrease / (increase) in current assets:		
- Stores and spares	(4,769,693)	570,347
- Advances and other receivables	(55,000)	(345,000)
Inc Increase due to recognition of finance cost		
- Trade and other payables	11,598,193	(893,381)
	6,773,500	(668,034)
Cash Used in Operations	(199,167,489)	(200,108,613)
Income tax paid	(152,441)	(1,205,454)
Net Cash Used in Operating Activities	(199,319,930)	(201,314,067)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(19,585,166)	(59,465)
Net Cash Used in Financing Activities	(19,585,166)	(59,465)
CASH FLOW FROM FINANCING ACTIVITIES		
Long term financing obtained	210,000,000	150,000,000
Long term financing repaid	(935,000)	(473,000)
Funds received for capital expenditure	30,000,000	-
Net Cash Generated from Financing Activities	239,065,000	149,527,000
Net Increase / (Decrease) in Cash and Cash Equivalents	20,159,904	(51,846,532)
Cash and cash equivalents at the beginning of the year	74,456,966	126,303,498
Cash and Cash Equivalents at the End of the Year	94,616,870	74,456,966

The annexed notes from 1 to 26 form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR

Note 5

Rectification of Error

The Company received subsidized loan on equal yearly installments from the Government of Punjab (GoP) for a period of 5 years including 2 years grace period at mark up of 0.25% per annum. The Company received this loan at lower market rate of interest so as per requirement of IAS 20 "Accounting for Government Grants and Disclosure of Government Assistance", the Company is required to discount the subsidized loan at the market rate of interest. The difference in present value of the subsidized loan at the market rate of interest and carrying value of loan is required to be recognized as deferred grant and should be amortized over the term of the loan.

In the years 2019 and 2020 the management erroneously amortized whole amount of deferred grant that was meant to be amortized over the term of the loan. During the year, the Company has corrected this error and restated its different account heads for better classification and presentation of the financial statements.

	<u>2020</u>	<u>2019</u>
	Rupees	Rupees
Statement of Financial Position		
Grant Available for Utilization		
As previously reported	-	2,089,619
Reversal of excess grant amortized	87,194,334	67,189,884
	<u>87,194,334</u>	<u>69,279,503</u>
General fund		
As previously reported	(192,312,931)	6,200,028
Correction of error and reclassification	(87,194,334)	(67,189,884)
	<u>(279,507,265)</u>	<u>(60,989,856)</u>
Income and Expenditure Statement		
		<u>2020</u>
		Rupees
Income from Grants		
Amortization of grants related to income		
As previously reported		184,909,242
Reversal of excess grant amortized		(20,004,450)
		<u>164,904,792</u>

Note 6

Property, Plant and Equipment

PARTICULARS	COMPUTER AND ACCESSORIES	WASTE EQUIPMENT	FURNITURE AND FIXTURES	VEHICLES	OFFICE EQUIPMENT	TOTAL
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Year Ended June 30, 2021						
Cost						
Balance as at July 01, 2020	4,747,088	34,834,387	2,947,141	172,282,347	5,060,096	219,871,059
Additions	411,130	9,874,300	87,815	8,123,552	1,088,369	19,585,166
As on June 30, 2021	<u>5,158,218</u>	<u>44,708,687</u>	<u>3,034,956</u>	<u>180,405,899</u>	<u>6,148,465</u>	<u>239,456,225</u>
Accumulated depreciation						
Balance as at July 01, 2020	3,789,036	18,342,812	2,069,659	88,268,064	3,120,478	115,590,049
Charge for the year	324,321	2,596,844	182,814	13,205,459	417,696	16,727,134
As on June 30, 2021	<u>4,113,357</u>	<u>20,939,656</u>	<u>2,252,473</u>	<u>101,473,523</u>	<u>3,538,174</u>	<u>132,317,183</u>
Balance as at June 30, 2021	<u>1,044,861</u>	<u>23,769,031</u>	<u>782,483</u>	<u>78,932,376</u>	<u>2,610,291</u>	<u>107,139,042</u>
Depreciation Rate (%)	<u>30-50</u>	<u>15</u>	<u>20</u>	<u>15</u>	<u>20</u>	
Year Ended June 30, 2020						
Cost						
Balance as at July 01, 2019	4,747,088	34,834,387	2,947,141	172,282,347	5,000,631	219,811,594
Additions	-	-	-	-	59,465	59,465
As on June 30, 2020	<u>4,747,088</u>	<u>34,834,387</u>	<u>2,947,141</u>	<u>172,282,347</u>	<u>5,060,096</u>	<u>219,871,059</u>
Accumulated depreciation						
Balance as at July 01, 2019	3,378,442	15,432,534	1,850,289	73,442,014	2,644,245	96,747,524
Charge for the year	410,594	2,910,278	219,370	14,826,050	476,233	18,842,525
As on June 30, 2020	<u>3,789,036</u>	<u>18,342,812</u>	<u>2,069,659</u>	<u>88,268,064</u>	<u>3,120,478</u>	<u>115,590,049</u>
Balance as at June 30, 2020	<u>958,052</u>	<u>16,491,575</u>	<u>877,482</u>	<u>84,014,283</u>	<u>1,939,618</u>	<u>104,281,010</u>
Depreciation Rate (%)	<u>30</u>	<u>15</u>	<u>20</u>	<u>15</u>	<u>20</u>	
6.1 Depreciation charge for the year has been allocated as follows:						
	Note	2021 Rupees	2020 Rupees			
Direct expenses	15	15,802,303	17,736,328			
Administrative expenses	16	924,831	1,106,197			
		<u>16,727,134</u>	<u>18,842,525</u>			

6.2 The Company's operation are located in Tehsil Bahawalpur and Ahmedpur East, District Bahawalpur. Operation in Ahmedpur East started during the year.

Note 7

Intangible Asset

	2021	2020
	Rupees	Rupees
Cost		
Opening balance	1,171,526	1,171,526
Additions	-	-
Closing balance	1,171,526	1,171,526
Accumulated amortization		
Opening balance	809,414	575,109
Amortization for the year	234,305	234,305
Closing balance	1,043,719	809,414
Net book value as at 30 June	127,807	362,112
Amortization rate	20%	20%

Note 8

Advances and Other Receivables

		2021	2020
	Note	Rupees	Rupees
Advance tax / withholding tax deducted at source	8.1	7,505,409	7,352,968
Receivable against services	8.2	400,000	345,000
		<u>7,905,409</u>	<u>7,697,968</u>

8.1 This includes amount of Rs. 4,298,601 (2020: Rs. 4,298,601) in respect of amount recovered by Federal Board of Revenue (FBR) by attachment of bank account under section 161/205 of Income Tax Ordinance, 2001. The Company filed appeal before learned Commissioner Inland Revenue (Appeals) against the said order. The CIR (appeals) has annulled the order of FBR.

8.2 This represents amount receivable against cleaning services provided to various government and semi government departments.

Note 9

Cash and Bank Balances

		2021	2020
	Note	Rupees	Rupees
Cash in hand		16,641	33,288
Cash with banks:			
- Current account		6,777,107	5,554,761
- Savings accounts	9.2	87,823,122	68,868,917
		<u>94,616,870</u>	<u>74,456,966</u>

9.1 The above figures of cash and bank balances reconcile to the amount of cash and cash equivalents shown in the statement of cash flows.

9.2 These savings account carries profit at the rates ranging from 4.18% to 9.70% (2020: 6.49% to 13.00%) per annum, approximately.

Note 10

Grants Available for Utilization

		2021	2020
	Note	Rupees	Rupees (Restated)
Opening balance		87,194,334	69,279,503
Add: Grant received during the year	10.1	195,922,658	144,000,000
Add: Effect of present value on long term subsidized loan	11	52,580,147	38,819,623
Less: Amortized during the year	14	(196,484,551)	(164,904,792)
Grants Available for Utilization		<u>139,212,588</u>	<u>87,194,334</u>

Note 10, Grants Available for Utilization - Continued....

		2021	2020
		Rupees	Rupees
10.1 Grant received during the year during the year			
Grant received from Government of Punjab	10.1.1	144,000,000	144,000,000
Grant received from Municipal Corporation Ahmedpur East	10.1.2	51,922,658	-
		<u>195,922,658</u>	<u>144,000,000</u>

10.1.1 Grant received from Government of Punjab during the year

<u>Letter reference number</u>	<u>Date</u>	<u>Amount</u>
		Rupees
FD(PFC) 2-8/2020-13981-13966	July 02, 2020	36,000,000
FD(PFC) 2-8/2020-24208-24182	November 06, 2020	36,000,000
FD(PFC) 2-8/2020-983	January 11, 2021	36,000,000
FD(PFC) 2-8/2020	April 06, 2021	36,000,000
		<u>144,000,000</u>

10.1.2 Grant received from Municipal Corporation Ahmedpur East

		2021	2020
		Rupees	Rupees
For capital expenditure		30,000,000	-
For revenue expenditure		21,922,658	-
Available for utilization		<u>51,922,658</u>	<u>-</u>

10.1.3 On September 23, 2020 Service and Asset Management Agreement reference number BWMC/CEO/20/53 was made between Bahawalpur Waste Management Company (BWMC) and Municipal Committee Ahmedpur East (MC-APE) for the solid waste management services in Ahmedpur East, District Bahawalpur.

Note 11

Long Term Financing

		2021	2020
		Rupees	Rupees (Restated)
Loan from the Government of Punjab (GOP) - secured	11.1	<u>398,444,369</u>	<u>312,192,666</u>
11.1 Movement of long term financing is as follows:			
Opening balance		362,192,666	230,580,497
Received during the year	11.1.1	210,000,000	150,000,000
Interest at effective rate of interest		29,766,850	20,904,792
Effect of present value charged to Government Grant	11.3	(52,580,147)	(38,819,623)
Repayments		(935,000)	(473,000)
		<u>548,444,369</u>	<u>362,192,666</u>
Current Portion of long term financing		(150,000,000)	(50,000,000)
Closing Balance		<u>398,444,369</u>	<u>312,192,666</u>

11.1.1 Loan acquired during the year

<u>Letter reference number</u>	<u>Date</u>	<u>Amount</u>
		Rupees
FD (L) 1-383/2018 16351	August 11, 2020	52,500,000
FD (L) 1-383/2018 27731	December 17, 2020	52,500,000
FD (L) 1-383/2018	May 10, 2021	52,500,000
FD (L) 1-383/2018 15922	May 31, 2021	52,500,000
		<u>210,000,000</u>

Note 11, Long Term Financing - Cont ...

11.2 This represents the loan from Government of Punjab (GOP) to meet its capital, operational and head office expenditures. These loans are repayable in 3 equal annual instalments with 2 years grace period, latest by June 2026, and carries markup at 0.25% (2020: 0.25%) per annum, payable on annual basis.

11.3 The long term financing has been discounted using the interest rate prevailing on date of receipt of loan in order to reflect the effect of benefit of interest free loan as required under IAS - 20 'Government Grants' . The loan has been discounted from the date of receipt of loan to the latest date of the repayment.

Note 12

Trade and Other Payables

	Note	2021 Rupees	2020 Rupees
Salary and benefits payable		16,974,232	10,072,367
Creditors		2,835,190	2,130,927
Tender securities payable		7,151,654	5,525,808
Accrued liabilities		1,792,559	1,242,196
Payable to TMA		386,882	386,882
Loan penalty payable	12.1	745,205	-
Withhold tax payable		1,070,651	-
		<u>30,956,373</u>	<u>19,358,180</u>

12.1 This represents the penalty payable by the Company on non-payment of long term loan as per repayment schedule. As per the long term finance agreement penalty on the default @ 4% per annum shall be paid by the Company.

Note 13

Contingencies and Commitments

13.1 There are no material contingencies outstanding as at the reporting date (2020: Nil).

13.2 Commitments

As referred in note 1.2. the Company has entered into operating lease agreement amounting to Rs. 100,000 for the period of 22 years with TMA Bahawalpur, which falls due as under:

	2021 Rupees	2020 Rupees
Within 1 year	5,000	5,000
Later than 1 year but less than 5 years	20,000	20,000
Above 5 years	35,000	40,000
	<u>60,000</u>	<u>65,000</u>

Note 14

Income from Grants

	Note	2021 Rupees	2020 Rupees (Restated)
Amortization of grants related to income	14.1 & 14.2	<u>196,484,551</u>	<u>164,904,792</u>

14.1 Break up of amortization of grants

Amortization of grants received from Government of Punjab	144,000,000	144,000,000
Amortization of grants received from Municipal Corporation Ahmedpur East for revenue expenditure	21,922,658	-
Amortization of grants received from Municipal Corporation Ahmedpur East for capital expenditure	795,043	-
Amortization of grant relating to subsidized loan	29,766,850	20,904,792
	<u>196,484,551</u>	<u>164,904,792</u>

Note 14, Income from Grants - Cont ...

		2021	2020
	Note	Rupees	Rupees
14.2 Amortization of grants covers the following:			
Direct expenses	15	165,922,658	144,000,000
Finance cost		29,766,850	20,904,792
Amortisation of capital expense		795,043	-
		<u>196,484,551</u>	<u>164,904,792</u>

Note 15

Direct Expenses

		2021	2020
	Note	Rupees	Rupees
Staff salaries		145,858,797	132,439,565
Contractual labour	15.1	126,509,113	124,641,642
Vehicle running expenses		24,223,366	25,424,327
Travelling and daily allowances	15.2	1,060,070	1,319,549
Repairs and maintenance		10,301,517	8,533,300
Waste and cleaning material		8,789,221	3,743,711
Consultancy charges		-	136,500
Security guards services charges		1,703,460	1,837,440
Stores and spares consumed		1,601,968	2,363,981
Operating lease		5,000	5,000
Uniform and liveries		789,799	-
Entertainment		897,000	765,000
Depreciation	6.1	15,802,303	17,736,328
		<u>337,541,614</u>	<u>318,946,343</u>

15.1 This represents payments made to contractors for staff hired on contractual basis to support day to day activities of the Company.

15.2 This represents amount reimbursed to Chief Executive Officer and Secretary of the Company for official visits.

Note 16

Administrative Expenses

		2021	2020
	Note	Rupees	Rupees
Staff salaries	16.1	46,458,738	42,891,468
Utilities charges		944,108	1,252,770
Repairs and maintenance		119,072	309,128
Stationery and printing charges		64,218	518,992
Rent of office building		3,946,852	3,728,496
Auditors' remuneration		338,000	288,000
Fuel charges / travelling and conveyance		2,568,279	2,442,462
Seminar, workshop and symposium		71,197	40,986
Telephones and Communication		1,463,017	1,553,837
Entertainment		120,852	122,397
Insurance charges		169,776	137,670
Other charges		655,886	202,895
Depreciation	6.1	924,831	1,106,197
Amortization of intangible asset	7	234,305	234,305
		<u>58,079,131</u>	<u>54,829,603</u>

16.1 This includes contribution to provident fund amounting to Rs. 2,336,090 (2020: Rs. 2,231,086).

Note 22, Financial Risk Management - Continued...

The Company classifies the financial instruments measured in the statement of financial position at fair value in accordance with the following fair value measurement hierarchy:

- Level 1 Quoted market prices
- Level 2 Valuation techniques (market observable)
- Level 3 Valuation techniques (non market observable)

The Company is not exposed to this risk.

22.5 Financial instruments by categories

Financial assets as at June 30, 2021

	At fair value through profit or loss	At fair value through other comprehensive income	Amortized cost	Total
	Rupees	Rupees	Rupees	Rupees
Receivable against services	-	-	400,000	400,000
Cash and bank balances	-	-	94,616,870	94,616,870
	-	-	<u>95,016,870</u>	<u>95,016,870</u>

Financial assets as at June 30, 2020

	At fair value through profit or loss	At fair value through other comprehensive income	Amortized cost	Total
	Rupees	Rupees	Rupees	Rupees
Receivable against services	-	-	345,000	345,000
Cash and bank balances	-	-	74,456,966	74,456,966
	-	-	<u>74,801,966</u>	<u>74,801,966</u>

2021	2020
Rupees	Rupees

Financial liabilities at amortized cost

Trade and other payables	28,753,635	18,971,298
Long term financing	548,444,369	362,192,666
	<u>577,198,004</u>	<u>381,163,964</u>

Note 23

Provident Fund Disclosure

All investments out of provident fund have been made in the in collective investment schemes, listed equity and listed debt securities in accordance with the provisions of section 218 of the Companies Act, 2017 and the rules formulated for the purpose.

Note 24

Number of Employees

	2021	2020
	Number	Number
Number of employees as at June 30,	<u>556</u>	<u>520</u>
Average number of employees during the year	<u>574</u>	<u>519</u>

Note 25

Authorization of Financial Statements

These financial statements were approved and authorized by the Board of Directors of the Company for issuance on 17 FEB 2024.

Note 26

General

Comparative figures are re-arranged / reclassified, wherever necessary, to facilitate comparison. No re-arrangements / reclassifications have been made in these financial statements except for as disclosed in Note 5.


CHIEF EXECUTIVE OFFICER


DIRECTOR