NATIONAL CLEARNER PRODUCTION CENTRE FOUNDATION

FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

NATIONAL CLEANER PRODUCTION CENTER FOUNDATION
(A COMPANY UNDER SECTION 42 OF THE COMPANIES ACT, 2017)
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2021

	Note	2021 Rupees	2020 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	6	9,833,447	14,844,043
Long term prepayment	7	265,800	48,333
		10,099,247	14,892,376
CURRENT ASSETS			
Trade debts	8	24,415,686	30,240,260
Advances, deposits, prepayments and other receivables	9	1,473,432	1,954,724
Income tax refundable		18,076,854	14,318,766
Short term investment	10	54,089,750	49,072,350
Cash and bank balances	11	56,387,530	45,009,258
		154,443,252	140,595,358
TOTAL ASSETS		164,542,499	155,487,734
FUNDS AND LIABILITIES			
Accumulated fund		149,336,497	140,820,696
NON-CURRENT LIABILITIES			
Long term lease liability	12	-	2,244,948
CURRENT LIABILITIES			
Current portion of lease liability	12	2,244,948	2,442,692
Trade and other payables	13	12,961,054	9,979,398
TOTAL FUNDS AND LIABILITIES		164,542,499	155,487,734
Contingencies and commitments	14		

The annexed notes 1 to 25 form an integral part of these financial statements.

Chief Executive Officer

Director

Director

NATIONAL CLEANER PRODUCTION CENTER FOUNDATION
(A COMPANY UNDER SECTION 42 OF THE COMPANIES ACT, 2017)
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021 Rupees	2020 Rupees
INCOME			
Gross revenue		67,190,555	71,667,851
Sales tax		(9,247,075)	(9,828,990)
Revenue - net of sales tax	15	57,943,480	61,838,861
EXPENDITURE			
Operating expenses	16	(47,252,579)	(53,877,594)
Administrative and general expenses	17	(9,146,770)	(9,084,167)
		(56,399,349)	(62,961,761)
Operating surplus / (deficit)		1,544,131	(1,122,900)
Impairment reversal on financial assets		419,954	4,108,839
Other income	18	6,551,716	10,007,397
Surplus for the year		8,515,801	12,993,336

The annexed notes 1 to 25 form an integral part of these financial statements.

Chief Executive Officer

Director

Director

NATIONAL CLEANER PRODUCTION CENTER FOUNDATION
(A COMPANY UNDER SECTION 42 OF THE COMPANIES ACT, 2017)
STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2021

	2021 Rupees	2020 Rupees
Surplus for the year	8,515,801	12,993,336
Other comprehensive income for the year	-	-
Total comprehensive income	8,515,801	12,993,336

The annexed notes 1 to 25 form an integral part of these financial statements.

Chief Executive Officer | Director | Director

NATIONAL CLEANER PRODUCTION CENTER FOUNDATION
(A COMPANY UNDER SECTION 42 OF THE COMPANIES ACT, 2017)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021 Rupees	2020 Rupees
CASH FLOWS FROM OPERATING ACTIVITES			
Surplus for the year		8,515,801	12,993,336
Adjustments:			
Depreciation		6,127,511	6,843,621
Interest charges on lease		516,688	162,322
Impairment reversal on financial assets		(419,954)	(4,108,839)
		14,740,046	15,890,440
Working capital changes:			
Decrease in trade debts		6,215,754	11,882,025
Decrease/ (increase) in advances, deposits, prepayments and other receivables		292,599	(653,349)
Increase in income tax refundable		(3,758,088)	(2,898,671)
Increase / (decrease) in trade and other payables		2,981,656	(1,160,745)
		5,731,921	7,169,260
Net cash generated from operating activities		20,471,967	23,059,700
CASH FLOWS FROM INVESTING ACTIVITES			
Additions to property, plant and equipment		(1,116,915)	(3,156,452)
CASH FLOWS FROM FINANCING ACTIVITIES			
Lease rental paid		(2,959,380)	(2,591,375)
Net increase in cash and cash equivalents		16,395,672	17,311,873
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		94,081,608	76,769,735
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	19	110,477,280	94,081,608

The annexed notes 1 to 25 form an integral part of these financial statements.

Chief Executive Officer

Director

Director

NATIONAL CLEANER PRODUCTION CENTER FOUNDATION
(A COMPANY UNDER SECTION 42 OF THE COMPANIES ACT, 2017)
STATEMENT OF CHANGES IN ACCUMULATED FUND
FOR THE YEAR ENDED JUNE 30, 2021

	Accumulated Fund Rupees
Balance as at July 1, 2019	127,827,360
Total comprehensive income for the year	12,993,336
Balance as at June 30, 2020	140,820,696
Total comprehensive income for the year	8,515,801
Balance as at June 30, 2021	149,336,497

The annexed notes 1 to 25 form an integral part of these financial statements.

Chief Executive Officer

Director

Director

NATIONAL CLEANER PRODUCTION CENTER FOUNDATION
(A COMPANY UNDER SECTION 42 OF THE COMPANIES ACT, 2017)
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

1 LEGAL STATUS AND OPERATIONS

National Cleaner Production Center Foundation (the Company) was incorporated on November 14, 2002 under Section 42 of the then applicable Companies Ordinance, 1984 (repealed by the Companies Act, 2017) as a company limited by guarantee. The registered office of the Company is situated at Morgah, Rawalpindi. The objective of the Company is to provide support in respect of cleaner fuels and environment to the ministries dealing petroleum and enviromental matters in Pakistan, to establish the use of cleaner production processes in the petroleum refining sector and other industries, to address air emissions, waste water and solid waste management ,etc.

2 STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The approved 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;and

- Accounting Standard for Not for Profit Organizations (Accounting Standard for NPOs) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017; and

- 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 standards for NPOs, the provisions of and directives issued under the Companies Act, 2017 have been followed.

3 NEW AND REVISED STANDARDS AND INTERPRETATIONS

3.1 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company:

		Effective date (annual reporting periods beginning on or after)
IAS 1	Presentation of Financial Statements (Amendments)	January 1, 2023
IAS 8	Changes in Accounting Estimates and Errors (Amendments)	January 1, 2023
IAS 12	Income Taxes (Amendments)	January 1, 2023
IAS 16	Property, plant and equipment (Amendments)	January 1, 2022
IAS 37	Provisions, Contingent Liabilities and Contingent Assets (Amendments)	January 1, 2022
IFRS 3	Business combinations (Amendments)	January 1, 2022
IFRS 7	Financial instruments: Disclosures (Amendments)	January 1, 2021
IFRS 9	Financial instruments (Amendments)	January 1, 2021
IFRS 16	Leases (Amendments)	January 1, 2021

The management anticipates that the adoption of the above standards, amendments and interpretations in future periods, will have no material impact on the financial statements other than the impact on presentation / disclosures.

Further, the following new standards and interpretations have been issued by the International Accounting Standards Board (IASB), which are yet to be notified by the Securities and Exchange Commission of Pakistan (SECP), for the purpose of their applicability in Pakistan:

IFRS 1 First-time Adoption of International Financial Reporting Standards
IFRS 17 Insurance Contracts

The following interpretations issued by the IASB have been waived of by SECP:

IFRIC 12 Service concession arrangements

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Basis of measurement

These financial statements have been prepared under the historical cost convention except that investments are carried at amortised cost using effective interest rate method.

4.2 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates. The financial statements are presented in Pakistani Rupees, which is the Company's functional currency.

4.3 Property, plant and Equipment

a) **Cost**

These are stated at historical cost less accumulated depreciation and impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the asset. Capital work-in-progress, are stated at cost.

b) **Depreciation**

Depreciation is charged to the statement of income and expenditure using the straight-line method to allocate their cost less residual values over their estimated useful lives at the rates specified in note 6. Depreciation on additions is charged from the month of purchase, while no depreciation is charged in the month of derecognition/disposal.

c) **Repairs and maintenance**

Maintenance and normal repairs, including minor alterations, are charged to statement of income and expenditure as and when incurred. Renewals and improvements are capitalised and the assets so replaced, if any, are retired.

d) **Gains and losses on disposals**

Gain or loss on disposal of operating assets is included in other income in statement of income and expenditure.

4.4 Trade debts

These are recognized and carried at the original invoice amounts, being the fair value, less an allowance for uncollectible amounts, if any. The Company applies simplified approch allowed under IFRS 9 to measure the lifetime expected credit loss (ECL) for trade debts.

4.5 Taxation

The Company holds status of a not for profit organization under the Income Tax Ordinance, 2001 (the Ordinance), thus it claims exemption from income tax in accordance with the related provisions of the Ordinance. Further, no provision for taxation has been made in the financial statements since the Company does not have any income chargeable to income tax.

4.6 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and reliable estimate of the amount can be made.

4.7 Trade and other payables

Liabilities for trade and other payables are carried at cost which is the fair value of consideration to be paid in the future for goods and services received.

4.8 Impairment of non-financial assets

Assets that are subject to depreciation are reviewed for impairment at each statement of financial position date or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Reversals of the impairment losses are restricted to the extent that assets carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss has been recognised. An impairment loss or reversal of impairment loss is recognised in the statement of Income or expenditure.

4.9 Contingent liabilities

A contingent liability is disclosed when the Company has a possible obligation as a result of past events, whose existence 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.

4.10 Revenue recognition

Revenue is recognized when the services are rendered such that there is no unfulfilled performance obligation. Revenue is recognized as follows:

i) Revenue from services is recognized on accrual basis.
ii) Income from bank deposits is recognized using effective yield method.

4.11 Cash and cash equivalents

For the purpose of statement of cash flows, cash and cash equivalents consist of cash in hand, bank balances and highly liquid short term investments.

4.12 Financial instruments

All financial assets and financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. All the financial assets are derecognized at the time when the Company loses control of the contractual rights that comprise the financial assets. All financial liabilities are derecognized at the time when they are extinguished that is, when the obligation specified in the contract is discharged, cancelled, or expires. Any gains or losses on de-recognition of the financial assets and financial liabilities are taken to the statement of income or expenditure.

(i) Financial assets

Classification

The Company classifies its financial assets in the following measurement categories:

a) Amortized cost where the effective interest rate method will apply;
b) Fair value through income or expenditure;
c) Fair value through other comprehensive income.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in statement of income or expenditure or other comprehensive income (OCI). For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVTOCI). The Company reclassifies debt investments when and only when its business model for managing those assets changes.

Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through income or expenditure (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in statement of Income and Expenditure.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

(a) Amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in income or expenditure and presented in other operating gains/(losses), together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of income or expenditure.

(b) Fair value through other comprehensive income (FVTOCI)

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in income or expenditure. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to statement of income or expenditure and recognised in other income / charges. Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other income / charges and impairment expenses are presented as separate line item in the statement of income or expenditure.

c) Fair value through profit and loss (FVTPL)

Assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in the statement of income or expenditure and presented net within other operating gains / (losses) in the period in which it arises.

Equity instruments

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to income or expenditure following the derecognition of the investment. Dividends from such investments continue to be recognised in income or expenditure as other income when the Company's right to receive payments is established.

Impairment of financial assets

The Company assesses on a forward looking basis the Expected Credit Losses (ECL) associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Following are financial instruments that are subject to the ECL Model:

- Trade debts
- Deposits and other receivables
- Short term Investments
- Cash and bank balances

(a) General approach for short term investment, deposits and other receivables and cash and bank balances

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information (adjusted for factors that are specific to the counterparty, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate). As for the exposure at default for financial assets, this is represented by the assets' gross carrying amount at the reporting date. Loss allowances are forward looking, based on 12 month expected credit losses where there has not been a significant increase in credit risk rating, otherwise allowances are based on lifetime expected losses.

Expected credit losses are a probability weighted estimate of credit losses. The probability is determined by the risk of default which is applied to the cash flow estimates. In the absence of a change in credit rating, allowances are recognised when there is reduction in the net present value of expected cash flows. On a significant increase in credit risk, allowances are recognised without a change in the expected cash flows, although typically expected cash flows do also change; and expected credit losses are rebased from 12 month to lifetime expectations.

Significant increase in credit risk

The Company consider the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the instrument as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportable forward-looking information.

The following indicators are considered while assessing credit risk :

- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations;

- actual or expected significant changes in the operating results of the debtor;

- significant increase in credit risk on other financial instruments of the same debtor; and

- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees, if applicable.

Definition of default

The Company considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.

- when there is a breach of financial covenants by the counterparty; or

- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company, in full (without taking into account any collaterals held by the Company.

Irrespective of the above analysis, in case of trade debts, the Company considers that default has occurred when a debt is more than 180 days past due, unless the Company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit - impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;

- a breach of contract, such as a default or past due event;

- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not

- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or

- the disappearance of an active market for that financial asset because of financial difficulties.

(b) Simplified approach for trade debts

The Company recognises life time ECL on trade debts, using the simplified approch. The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;

- reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

All trade debts are grouped and assessed collectively based on shared credit risk characteristics and the days past due. To measure ECL, trade debts have been grouped by amounts due from individual customers The expected credit losses on these financial assets are estimated using a provision matrix approach based on the Company's historical credit loss experience, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

Recognition of loss allowance

The Company recognizes an impairment gain or loss in the statement of income or expenditure for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Write-off

The Company write off financial assets, in whole or part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of debtor's source of income or assets to generate sufficient future cash flows to repay the amount.

(ii) Financial liabilities

Classification, initial recognition and subsequent measurement

The Company classifies its financial liabilities in the following categories:

- at fair value through profit or loss; and
- other financial liabilities

The Company determines the classification of its financial liablities at initial recognition. All financial liabilities are recognized initially at fair value and, in case of other financial liabilities, also include directly attributable transaction cost. The subsequent measurement of financial liabilities depends on their classification, as follows:

a) Fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held-for-trading and financial liabilities designated upon initial recognition as being at fair value through profit or loss. The Company has not designated any financial liability upon recognition as being at fair value through profit or loss.

b) Other financial liabilities

After initial recognition, other financial liabilities which are interest bearing are subsequently measured at amortized cost, using the effective interest rate method. Gain and losses are recognized in the statement of income or expenditure, when the liabilites are derecognized as well as through effective interest rate amortization process.

De-recognition of financial liabilities

The Company derecognises financial liabilities when and only when the Company's obligations are discharged, cancelled or they expire.

(iii) Off-setting financial assets and financial liabilities

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

4.13 Lease liability and right-of-use asset

At inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Company's incremental borrowing rate.

Lease payments include fixed payments, variable lease payment that are based on an index or a rate amounts expected to be payable by the lessee under residual value guarantees, the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option, less any lease incentives receivable. The extension and termination options are incorporated in determination of lease term only when the Company is reasonably certain to exercise these options.

The lease liability is subsequently measured at amortised cost using the effective interest rate method. It is remeasured when there is a change in future lease payments arising from a change in fixed lease payments or an index or rate, change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. The corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit and loss if the carrying amount of right-of-use asset has been reduced to zero.

The right-of-use asset is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received. The right-of-use asset is depreciated on a straight line method over the lease term as this method most closely reflects the expected pattern of consumption of future economic benefits. The right-of-use asset is reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in confirmity with approved accounting and reporting standards requires the use of certain accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The area involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are as follows:

i) Impairment of financial assets - note 4.12

ii) Estimated Useful life of property, plant and equipment - note 6

iii) Right of use asset and lease liability - note 6.2 and note 12

iv) Contingencies and commitments - note 14

	2021 Rupees	2020 Rupees
6 PROPERTY, PLANT AND EQUIPMENT		
Property, plant and equipment		
Owned assets note - 6.1	7,461,216	10,099,580
Right of use asset (ROU) note - 6.2	2,372,231	4,744,463
	9,833,447	14,844,043

6.1 OWNED ASSETS

	Plant	Lab equipment	Furniture and fixture	Office equipment	Computers	Vehicles	Total
As at July 1, 2019							
Cost	8,154,725	14,984,816	1,253,916	2,294,907	2,293,209	4,289,163	33,270,736
Accumulated depreciation	(5,825,842)	(10,858,257)	(621,047)	(1,261,718)	(1,604,004)	(1,685,349)	(21,856,217)
Net book value	2,328,883	4,126,559	632,869	1,033,189	689,205	2,603,814	11,414,519
Year ended June 30, 2020							
Opening net book value	2,328,883	4,126,559	632,869	1,033,189	689,205	2,603,814	11,414,519
Additions	499,590	1,943,285	86,316	295,810	331,450	-	3,156,451
Depreciation	(669,285)	(2,219,566)	(100,295)	(342,349)	(282,062)	(857,833)	(4,471,390)
Closing net book value	2,159,188	3,850,278	618,890	986,650	738,593	1,745,981	10,099,580
As at June 30, 2020							
Cost	8,654,315	16,928,101	1,340,232	2,590,717	2,624,659	4,289,163	36,427,187
Accumulated depreciation	(6,495,127)	(13,077,823)	(721,342)	(1,604,067)	(1,886,066)	(2,543,182)	(26,327,607)
Closing Net book value	2,159,188	3,850,278	618,890	986,650	738,593	1,745,981	10,099,580
Year ended June 30, 2021							
Opening net book value	2,159,188	3,850,278	618,890	986,650	738,593	1,745,981	10,099,580
Additions	898,250	99,000	77,665	-	42,000	-	1,116,915
Depreciation	(651,085)	(1,500,033)	(102,603)	(352,206)	(291,519)	(857,833)	(3,755,279)
Closing net book value	2,406,353	2,449,245	593,952	634,444	489,074	888,148	7,461,216
As at June 30, 2021							
Cost	9,552,565	17,027,101	1,417,897	2,590,717	2,666,659	4,289,163	37,544,102
Accumulated depreciation	(7,146,212)	(14,577,856)	(823,945)	(1,956,273)	(2,177,585)	(3,401,015)	(30,082,886)
Closing Net book value	2,406,353	2,449,245	593,952	634,444	489,074	888,148	7,461,216
Annual rate of depreciation (%)	10% to 20%	10% to 20%	10%	10% to 20%	20%	20%	

		2021 Rupees	2020 Rupees
6.2	**RIGHT OF USE ASSET**		
	Balance at the beginning of the year	4,744,463	-
	Effect of change in accounting policy due to adoption of IFRS 16	-	7,116,694
	Balance at the beginning of the year - adjusted	4,744,463	7,116,694
	Depreciation for the year	(2,372,232)	(2,372,231)
	Balance at the end of the year	2,372,231	4,744,463
7	**LONG TERM PREPAYMENT**		
	Pakistan Centre for Philanthropy (PCP) certification fee	398,700	96,667
	Current portion shown under current assets - note 9	(132,900)	(48,334)
		265,800	48,333
8	**TRADE DEBTS - unsecured**		
	Due from Attock Group of Companies - considered good		
	- Associated companies		
	Attock Hospital (Private) Limited	44,358	29,645
	Attock Petroleum Limited	1,580,138	440,206
		1,624,496	469,851
	- Others		
	Pakistan Oilfields Limited	28,279	196,791
		1,652,775	666,642
	Other debtors		
	Considered good	22,762,911	29,573,618
	Considered doubtful	2,818,989	3,210,169
		25,581,900	32,783,787
		27,234,675	33,450,429
	Loss allowance - 8.1	(2,818,989)	(3,210,169)
		24,415,686	30,240,260
8.1	Movement in loss allowance		
	Opening balance	3,210,169	7,512,128
	Loss allowance for the year	(391,180)	(4,301,959)
	Balance at the end of the year	2,818,989	3,210,169

8.2 The age analysis of trade debts receivable from related parties which were past due but not impaired are as follows:

	2021 Rupees	2020 Rupees
0 to 6 months	1,624,496	469,851
6 to 12 months	-	-
1 to 2 year	-	-
	1,624,496	469,851

8.3 The maximum aggregate amount due from the related parties at the end of any month during the year was Rs. 1,624,496 (2020: Rs. 469,851).

		2021 Rupees	2020 Rupees
9	**ADVANCES, DEPOSITS AND PREPAYMENTS**		
	Considered good		
	Bid Bonds	890,506	786,579
	Advances to employees	216,000	275,000
	Prepaid PCP certification fee - current portion	132,900	48,334
	Prepaid insurance premium	90,783	94,050
	Interest accrued	143,243	750,761
	Considered doubtful		
	Bid bonds	548,922	577,696
		2,022,354	2,532,420
	Provision for doubtful bid bonds - note 9.1	(548,922)	(577,696)
		1,473,432	1,954,724
9.1	Movement of loss allowance for bid bonds		
	Balance at the beginning of the year	577,696	384,576
	(Reversal) / loss allowance for the year	(28,774)	193,120
	Balance at the end of the year	548,922	577,696

10 SHORT TERM INVESMENT

This represents a T-bill with maturity of less than three months and carrying mark-up at a rate of 7.31% (2020: 8.21%) per annum.

		2021 Rupees	2020 Rupees
11	**CASH AND BANK BALANCES**		
	Cash in hand	20,000	20,000
	Balance with banks:		
	Saving accounts - note 11.1	56,367,530	44,989,258
		56,387,530	45,009,258

11.1 The balances in saving accounts, carry mark-up at the rate of 4.50% to 5.50% (2020: 6.50% to 13.25%) per annum.

		2021 Rupees	2020 Rupees
12	**LONG TERM LEASE LIABILITY**		
	Balance at the beginning of the year	4,687,640	-
	Impact of initial application of IFRS 16	-	7,116,693
	Lease finance charges	516,688	162,322
	Lease rentals paid	(2,959,380)	(2,591,375)
	Balance at end of the year	2,244,948	4,687,640
	Less: current portion of long term lease liabilities	(2,244,948)	(2,442,692)
		-	2,244,948

		2021 Rupees	2020 Rupees
13	**TRADE AND OTHER PAYABLES**		
	Tax withheld	2,327,000	133,445
	Attock Refinery Limited, an associated company - unsecured	2,650,824	915,980
	Accrued liabilities and provisions	3,996,363	4,656,736
	Other payables	3,986,867	4,273,237
		12,961,054	9,979,398
14	**CONTINGENCIES AND COMMITMENTS**		
	Contingencies:		
	Guarantees issued by banks on behalf of the Company	1,115,784	1,295,282

Commitments:
There were no known material commitments as at June 30, 2020 and 2021.

15	**REVENUE - NET OF SALES TAX**		
	Environmental services	5,618,842	6,217,097
	Waste management services	38,870,551	42,743,781
	Analytical services	8,624,287	7,024,442
	Environment lab services	4,829,800	5,853,541
		57,943,480	61,838,861

		2021 Rupees	2020 Rupees
16	**OPERATING EXPENSES**		
	Salaries, wages and other benefits	13,535,369	14,044,942
	Cost of material and supplies	513,613	2,035,404
	Labour charges	3,246,346	4,638,909
	Depreciation	5,956,853	6,672,963
	Laboratory charges	6,331,171	5,360,467
	Travelling and conveyance	4,241,941	4,766,572
	Rent charges	110,000	100,000
	Community awareness expenses	6,101,886	6,081,407
	Exhibitional, promotional and training expenses	1,274,643	1,083,545
	Car rental & Fuel	719,487	809,388
	Utilities	1,190,707	2,748,808
	Printing & Stationery	360,867	352,862
	Repair & maintenance	1,905,026	3,516,945
	Insurance	184,834	188,763
	Others	1,579,836	1,476,619
		47,252,579	53,877,594
16.1	Breakup of operating expenses including relating to nature of services provided		
	Environmental services	4,752,495	5,118,295
	Waste Management services	22,781,429	28,707,005
	Analytical services	7,757,643	5,913,810
	Environment lab services	4,584,483	6,973,531
	Community awareness expenses	6,101,886	6,081,407
	Exhibition, promotional and training expenses	1,274,643	1,083,545
		47,252,579	53,877,594

		2021 Rupees	2020 Rupees
17	**ADMINISTRATIVE AND GENERAL EXPENSES**		
	Salaries, wages and other benefits	5,630,247	6,953,448
	Car rental and fuel	79,758	93,981
	Depreciation	170,658	170,658
	Printing and stationery	188,267	213,406
	Auditor's remuneration - note 17.1	751,300	709,170
	Entertainment	314,905	412,605
	Consultancy and legal charges	467,396	340,106
	Trade debts and other receivables written off	1,007,674	-
	Interest charges on lease	516,688	162,322
	Bank charges	19,877	28,471
		9,146,770	9,084,167
17.1	**Auditor's remuneration**		
	Annual audit	510,000	475,000
	Tax and other services	241,300	234,170
		751,300	709,170
18	**OTHER INCOME**		
	Income from financial assets		
	Saving accounts	2,881,919	5,404,670
	Term deposits	3,669,797	4,602,727
		6,551,716	10,007,397
19	**CASH AND CASH EQUIVALENTS**		
	Short term investment	54,089,750	49,072,350
	Cash and bank balances	56,387,530	45,009,258
		110,477,280	94,081,608

20 REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

Chief Executive Officer and all the Directors work voluntarily for the Company. Details of remuneration of executive of the Company is as follows:

	2021 Rupees	2020 Rupees
Managerial remuneration	3,033,145	2,898,480
Company Contribution to provident, pension and gratuity funds	958,769	840,564
Bonus	-	1,033,792
Housing, utilities & others	3,734,043	3,291,438
Leave passage	503,436	483,080
	8,229,393	8,547,354
Number of Person(s)	1	1

In addition the executive was provided with limited use of Company's rented car and medical facility.

	2021 Rupees	2020 Rupees

21 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

21.1 Financial assets and liabilities

Financial assets at amortised cost

	2021 Rupees	2020 Rupees
Maturity upto one year		
Trade debts	24,415,686	30,240,260
Deposits and other receivables	1,582,671	2,115,036
Short term investment	54,089,750	49,072,350
Cash and Bank Balances	56,387,530	45,009,258
	136,475,637	126,436,904

Financial liabilities at amortised cost

Other financial liabilities

	2021 Rupees	2020 Rupees
Maturity upto one year		
Trade and other payables	12,961,054	9,845,953

21.2 Credit quality of financial assets

The credit quality of Company's financial assets has been assessed below by reference to external credit ratings of counter parties determined by The Pakistan Credit Rating Agency Limited (PACRA) and JCR - VIS Credit Rating Company Limited (JCR-VIS). The counterparties for whom external credit ratings were not available have been assessed based on their historical information for any defaults in meeting obligations.

	Rating		2021	2020
	Rating Agency	Short term	Rupees	Rupees
Trade debts and other receivables				
Counter parties without external credit rating				
Due from associated companies			1,624,496	469,851
Others			23,681,696	30,556,988
			25,306,192	31,026,839
Bank balances and short term investment				
Counter parties with external credit rating				
The Bank of Punjab	PACRA	A 1+	31,551,125	30,117,464
Habib Bank limited	JCR-VIS	A 1+	78,906,155	63,944,144
			110,457,280	94,061,608

21.3 FINANCIAL RISK MANAGEMENT

21.3.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including currency risk, interest rate risk and price risk). The Company's overall risk management policy focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management policies.

a) **Credit risk**

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The Company's credit risk is primarily attributable to its trade debts, other receivables and placements with banks. Services are rendered essentially to group companies and other reputable customers. The credit risk on liquid funds is limited because counter parties are banks with reasonably high credit ratings.

The aging analysis of gross trade debts which are past due but not impaired is as follows:

	2021 Rupees	2020 Rupees
0 to 6 months	2,285,900	5,269,750
6 to 12 months	2,988,398	5,103,227
1 year to 2 years	5,783,751	9,759,510
above 2 years	8,770,057	7 715,025
	19,828,106	27 847,512

b) **Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Typically the Company ensures that it has sufficient cash on demand to meet expected operational expenses for a reasonable period , including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the maturity date. The amounts disclosed in the table are undiscounted cash flows.

	Carrying amount Rupees	Contractual cash flows Rupees	Less than 1 year Rupees	Less than 1 year Rupees	Above 1 year
At June 30, 2021					
Trade and other payables	10,634,054	10,634,054	10,634,054	10,634,054	-
At June 30, 2020					
Trade and other payables	9,845,953	9,845,953	9,845,953	9,845,953	-

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

c) **Market risk**

i) **Currency risk**

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company is not exposed to currency risk.

ii) **Interest rate risk**

Interest rate risk represents the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in interest rates. Financial assets include Rs 110,477,280 (2020: Rs 94,061,608), which are subject to interest rate risk. Applicable interest rates for financial assets have been indicated in respective notes.

iii) **Sensitivity analysis**

At June 30, 2021 if the interest rates had been 1% higher/lower with all other variables held constant, surplus for the year would have been Rs 1,104,773 higher / lower (2020 : Rs 940,616 higher / lower), mainly as a result of higher/lower interest income from these financial assets.

iv) **Price risk**

Price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

At the year end the Company is not exposed to price risk since there are no financial instruments, whose fair value or future cash flows will fluctuate because of changes in market prices.

21.3.2 **Capital risk management**

The Company is not subject to externally imposed capital requirement.

21.3.3 **Fair value of financial assets and liabilities**

The carrying values of all financial assets and liabilities approximate their fair values.

22 RELATED PARTY TRANSACTIONS

The related parties comprise of directors, key management personnel and entities over which the directors are able to exercise influence on financial and operating policy decisions. Amount due from and due to these undertakings are shown under receivables and payables. The remuneration of Chief Executive Officer and directors is disclosed in note 20 to the financial statements.

The following transactions were carried out during the year with related parties:

	Basis of association	Aggregate % of Shareholding	2021 Rupees	2020 Rupees
Sale of services				
Associated companies				
Attock Refinery Limited	Common Directorship	Nill	3,949,915	3,419,883
Attock Hospital (Private) Limited	Common Directorship	Nill	526,865	431,286
Attock Gen Limited	Common Directorship	Nill	-	152,656
Attock Petroleum Limited	Common Directorship	Nill	9,522,179	-
			13,998,959	4,003,825
Purchase of goods and services				
Associated companies				
Attock Refinery Limited	Common Directorship	Nill	23,087,990	23,412,672
Attock Hospital (Private) Limited	Common Directorship	Nill	117,215	58,201
			23,205,205	23,470,873

23 OFFSETTING OF FINANCIAL ASSETS AND LIABILITIES

Trade debts presented in the statement of financial position include aggregate receivable balance of Rs. 44,358 (June 30, 2020: Rs. 31,244) set off against aggregate payable balance of Rs. nil (June 30, 2020: Rs. 1,599) due from / to same party.

Trade payables presented in the statement of financial position include aggregate payable balance of Rs. 2,650,824 (June 30, 2020: Rs. 1,328,270) set off against aggregate receivable balance of Rs. Nil (June 30, 2020: Rs. 412,290) due from / to same party.

24 GENERAL

24.1 No. of employees

	2021	2020
Total number of employees at the end of the year	11	12
Average number of employees for the year	12	12

24.2 Capacity of industrial unit - incineration plant

	Kilograms	Kilograms
Annual Capacity	2,160,000	2,160,000
Actual utilization	1,162,004	1,388,768
Shortfall	997,996	771,232

Waste management services include revenue from incineration plant. The decrease in plant utilization is primarily attributable to the fact that owing to COVID-19 pandemic enough waste was not received during the year for incineration purposes from clients.

24.3 Impact of COVID-19

The spread of Covid - 19 as a pandemic and consequently imposition of lock down by Federal and Provincial Governments of Pakistan (Authorities) caused an overall economic slow down and disruption to various businesses. However, as a result of steps taken by the Authorities including efforts to get vaccination of larger segment of population, the businesses are resuming. Accordingly, as of the date of financial statements, the management of the Company has not observed any particular material adverse impact to the Company's business, financial conditions and result of operations. Management will continue to monitor the potential impact, and if neccessary, will take all steps possible to mitigate any effects.

25 DATE OF AUTHORIZATION FOR ISSUE

These financial statements are authorized for issue by the Board of directors of the Company on 11 OCT 2021.

Chief Executive Officer

Director

Director