



**TRANSPESHAWAR
(THE URBAN MOBILITY COMPANY)**

FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
JUNE 30, 2019**

BDO Ebrahim & Co. Chartered Accountants

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INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF TRANSPESHAWAR (THE URBAN MOBILITY COMPANY)

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of TransPeshawar (The Urban Mobility Company) (the Company), which comprise the statement of financial position as at June 30, 2019 and the statement of income and expenditure, the statement of comprehensive income, the statement of changes in accumulated fund, the statement of cash flows for the year ended June 30, 2019, 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, statement of income and expenditure, the statement of comprehensive income, the statement of changes in accumulated fund and 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 surplus and other comprehensive income, the changes in accumulated fund and its cash flows for the period 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 *Auditors 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 / Institute of Cost and management Accountants (the Code) 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.

Information Other than the Financial Statements and Auditors Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditors report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with

the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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.

Auditors 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 auditors 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 statements.

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 auditors 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 auditors 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.

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, the statement of income and expenditure, the statement of comprehensive income, the statement of changes in accumulated 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 the books of account and returns;
- c) investments 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 Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditors report is Abdul Qadeer.

ISLAMABAD

DATED: 23 OCT 2019


BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS



TRANSPESHAWAR (THE URBAN MOBILITY COMPANY)
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2019

	Note	2019 Rupees	2018 Rupees
ASSETS			
NON-CURRENT ASSETS			
Operating assets	4	107,148,319	27,260,513
BRT Fleet	5	569,876,305	-
Long term security deposits	6	300,000	300,000
		<u>677,324,624</u>	<u>27,560,513</u>
CURRENT ASSETS			
Advance against BRT fleet and ITS	7	4,177,688,103	1,126,702,678
Other advances and deposits	8	6,462,346	1,489,659
Accrued Interest Income		34,917,373	-
Bank balances	9	2,278,764,055	227,493,237
TOTAL ASSETS		<u><u>7,175,156,501</u></u>	<u><u>1,383,246,087</u></u>
FUND AND LIABILITIES			
FUND			
General / unrestricted fund		12,971,000	920,000
NON CURRENT LIABILITIES			
Deferred capital grant	10	677,024,624	27,260,513
Deferred grant / restricted fund	11	6,319,360,264	1,347,718,798
		<u>6,996,384,888</u>	<u>1,374,979,311</u>
CURRENT LIABILITIES			
Accrued and other liabilities	12	165,800,613	7,346,776
CONTINGENCIES AND COMMITMENTS			
TOTAL FUND AND LIABILITIES	13	<u><u>7,175,156,501</u></u>	<u><u>1,383,246,087</u></u>

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



CHIEF EXECUTIVE



DIRECTOR

TRANSPESHAWAR (THE URBAN MOBILITY COMPANY)
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED JUNE 30, 2019

Note	July 01, 2018 to June 30, 2019			February 09, 2017 to June 30, 2018		
	Restricted	Unrestricted	Total	Restricted	Unrestricted	Total
	Rupees			Rupees		

INCOME

Income recognised on deferred grant / restricted fund	11	136,096,631	-	136,096,631	103,041,475	-	103,041,475
Amortization of deferred capital	10	25,804,921	-	25,804,921	3,580,821	-	3,580,821
Other income	14	-	12,051,000	12,051,000	-	920,000	920,000
		161,901,552	12,051,000	173,952,552	106,622,296	920,000	107,542,296

EXPENDITURE

Depreciation of operating assets	4	25,804,921	-	25,804,921	3,580,821	-	3,580,821
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Other operational and administrative expenses

Salaries, allowance and other benefits	15	72,790,004	-	72,790,004	51,241,579	-	51,241,579
Consultancy services		40,158,544	-	40,158,544	31,579,740	-	31,579,740
Advertisement		2,173,809	-	2,173,809	7,493,647	-	7,493,647
Office rent		9,030,000	-	9,030,000	6,600,000	-	6,600,000
Security guards		1,696,105	-	1,696,105	931,146	-	931,146
Travelling and conveyance		1,626,868	-	1,626,868	883,744	-	883,744
Seminars and workshops		782,930	-	782,930	716,377	-	716,377
Utilities	16	2,111,309	-	2,111,309	629,409	-	629,409
Vehicle rent		-	-	-	431,940	-	431,940
Printing and stationery expenses		968,422	-	968,422	327,837	-	327,837
Legal and professional fee		1,787,858	-	1,787,858	323,688	-	323,688
Auditors' remuneration	17	216,300	-	216,300	150,000	-	150,000
Petrol, oil and lubricants		727,733	-	727,733	270,524	-	270,524
Office supplies		435,460	-	435,460	257,392	-	257,392
Meeting expenses		95,021	-	95,021	869,882	-	869,882
Insurance		637,035	-	637,035	-	-	-
Accommodation expenses		-	-	-	122,929	-	122,929

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	July 01, 2018 to June 30, 2019			February 09, 2017 to June 30, 2018		
	Restricted	Unrestricted	Total	Restricted	Unrestricted	Total
	Rupees			Rupees		
Equipment repair and maintenance	327,279	-	327,279	54,926	-	54,926
IT expense	239,810	-	239,810			
Bank charges	44,048	-	44,048	35,495	-	35,495
Postage and courier	77,937	-	77,937	21,920	-	21,920
Books and periodicals	79,874	-	79,874	10,500	-	10,500
Miscellaneous	90,285	-	90,285	88,800	-	88,800
	136,096,631	-	136,096,631	103,041,475	-	103,041,475
SURPLUS FOR THE PERIOD	-	12,051,000	12,051,000	-	920,000	920,000

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



CHIEF EXECUTIVE




DIRECTOR

**TRANSPESHAWAR (THE URBAN MOBILITY COMPANY)
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2019**

	For the Year ended June 30, 2019 Rupees	February 09, 2017 to June 30, 2018 Rupees
Surplus for the period	12,051,000	920,000
Other comprehensive income	-	-
Total comprehensive income for the period	<u>12,051,000</u>	<u>920,000</u>

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



CHIEF EXECUTIVE



DIRECTOR

TRANSPESHAWAR (THE URBAN MOBILITY COMPANY)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2019

	Note	For the year ended June 30, 2019 Rupees	February 09, 2017 to June 30, 2018 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Surplus for the period		12,051,000	920,000
Adjustment for:			
Depreciation		25,804,921	3,580,821
Interest income		(35,273,669)	-
Cash flow before working capital changes		2,582,252	4,500,821
Changes in working capital:			
Increase in current assets			
Advance against BRT fleet and ITS		(3,050,985,425)	(1,126,702,678)
Other advances and deposits		(4,972,687)	(1,489,659)
Increase in current liabilities			
Accrued and other liabilities		158,453,837	7,346,776
Net cash used in operating activities		(2,894,922,023)	(1,116,344,740)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of operating assets		(105,692,727)	(30,841,334)
BRT fleet		(569,876,305)	
Long term security deposits		-	(300,000)
Net cash used in investing activities		(675,569,032)	(31,141,334)
CASH FLOWS FROM FINANCING ACTIVITIES			
Deferred capital grant		649,764,111	27,260,513
Restricted grant		4,971,641,466	1,347,718,798
Interest income received		356,296	
Net cash generated from financing activities		5,621,761,873	1,374,979,311
Net increase in cash and cash equivalents		2,051,270,818	227,493,237
Cash and cash equivalents at beginning of the period		227,493,237	-
Cash and cash equivalents at end of the period	9	2,278,764,055	227,493,237

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


CHIEF EXECUTIVE


DIRECTOR

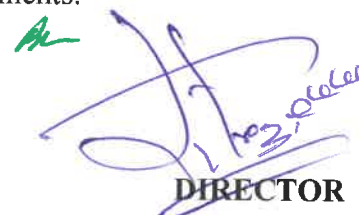
TRANSPESHAWAR (THE URBAN MOBILITY COMPANY)
STATEMENT OF CHANGES IN ACCUMULATED FUND
FOR THE YEAR ENDED JUNE 30, 2019

	GENERAL / UNRESTRICTED FUND	TOTAL
	Rupees	Rupees
Total comprehensive income for the period	920,000	920,000
Balance as at June 30, 2018	920,000	920,000
Total comprehensive income for the period	12,051,000	12,051,000
Balance as at June 30, 2019	12,971,000	12,971,000

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



CHIEF EXECUTIVE



DIRECTOR

**TRANSPESHAWAR (THE URBAN MOBILITY COMPANY)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

1 CORPORATE AND GENERAL INFORMATION

1.1 STATUS AND NATURE OF OPERATION

Trnaspeshawar (The Urban Mobility Company) "the Company" was incorporated on February 09, 2017 as a company limited by guarantee under section 42 of the Repealed Companies Ordinance, 1984 (Repealed with the enactment of the Companies Act, 2017 on May 30, 2017).

The primary object is to carry out the project implementation, management and maintenance of urban rapid transit project in Peshawar (Peshawar Sustainable Bus Rapid Transit Corridor Project), assigned by the Khyber Pakhtunkhwa Urban Mobility Authority (KPUMA) for the benefits of public at large, organize training programs for selected bus operators and bus drivers.

The Company is wholly controlled by the Government of Khyber Pakhtunkhwa.

The registered office of the Company is situated at 2nd Floor, Ali Tower, University road, Peshawar, Khyber Pakhtunkhwa.

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 Standard for Small and Medium- sized Entities (IFRS for SMEs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Accounting Standard for Not for Profit Organizations (Accounting Standards for NPOs) issued by Institute of the Chartered Accountants of Pakistan (ICAP) 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 form the IFRS for SMEs, the provisions of and directives issued under the Companies Act, 2017 have been followed.



2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention, except for certain items as disclosed in the relevant accounting policies below.

These financial statements have been prepared following accrual basis of accounting except for cash flow information.

2.3 Functional and presentation currency

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

2.4 Key judgments and estimates

The preparation of financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires the use of certain critical accounting estimates. In addition, it requires management to exercise judgment in the process of applying the Company's accounting policies. The areas involving a high degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are documented in the following accounting policies and notes, and relate primarily to:

- Useful lives, residual values and depreciation method of operating assets – Note 3.1 & 4
- Provision for doubtful trade receivables – Note 3.4
- Estimation of provisions - Note 3.6
- Estimation of contingent liabilities - Note 3.13
- Amortization of deferred capital grant - 3.9

The revisions to accounting estimates (if any) are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the presentation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

3.1 Operating assets

Initial recognition

All items of operating assets are initially recorded at cost.

Subsequent measurement

Operating assets are stated at cost less accumulated depreciation or impairment, if any. Major renewals and repairs are capitalized and the assets so replaced are retired. Minor renewals or replacement, maintenance and repairs are charged to income as and when incurred. Gains or losses on disposal of property, plant and equipment are accounted for as profit or loss for the year.

Depreciation

Depreciation is charged on the basis of written down value method whereby cost of an asset is written off at the rates given in note 5 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.

Disposal

Disposal of assets is recognized when significant risks and reward incidental to the ownership have been transferred to buyers. Gain and losses on disposal are determined by comparing the proceeds with the carrying amount and are recognized in the income and expenditure accounts.

Judgment and estimates

The useful lives, residual values and depreciation method are reviewed on a regular basis. The effect of any changes in estimate is accounted for on a prospective basis.

3.2 Impairment

The Company assesses at each date of statement of financial position whether there is any indication that assets may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amounts, assets are written down to their recoverable amounts and the resulting impairment loss is recognized in income and expenditure account, unless the asset is carried at revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use.

Where impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised recoverable amount but limited to the extent of initial cost of the asset. Reversal of impairment loss is recognized as income.

3.3 Advances and prepayments

These are recognized at cost, which is the fair value of the consideration given. An assessment is made at each date of statement of financial position to determine, whether there is an indication that a financial asset, or a group of financial assets, may be impaired. If such an indication exists, the estimated recoverable amount of that asset is determined and an impairment loss is recognized for the difference between the recoverable amount and the carrying value.



3.4 Other receivables

Measurement

Other receivables are recognised at transaction price less an allowance for impairment.

Impairment

A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is recognised in the statement of income and expenditure. Bad debts are written-off in the statement of income and expenditure on identification.

Judgment and estimates

The allowance for doubtful debts of the Company is based on the ageing analysis and management's continuous evaluation of the recoverability of the outstanding receivables. In assessing the ultimate realisation of these receivables, management considers, among other factors, the creditworthiness and the past collection history of each customer.

3.5 Cash and bank balances

Cash in hand and at banks are carried at nominal amounts.

3.6 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, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are determined by discounting future cash flows at appropriate discount rate where ever required. Provisions are reviewed at each date of the statement of financial position and adjusted to reflect

3.7 Accrued and other liabilities

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, whether or not billed to the Company.

3.8 Cash and cash equivalents

Cash and cash equivalents are carried at cost. For the purpose of the cash flow statement, cash and cash equivalents comprise cash in hand, balances with banks and short term highly liquid investments that are readily convertible into known amount of cash and having a maturity of less than three months.



3.9 Funds / grants

General fund

Surplus / (deficit) from unrestricted funds during the year / period is recognized in general fund.

Deferred capital grants

Grants received for purchase of fixed assets with limited life are initially recorded as deferred income upon receipt. When the assets are actually purchased they are then recorded as deferred capital grants. Deferred capital grants are amortized to income and expenditure account over useful life of the related asset.

Deferred grant / restricted fund

This grant / fund represents the grants / funds of non capital nature which is subject to the donors' imposed restrictions or that imposed future performance conditions. Initially these are recognized in the statement of financial position as deferred income at their receipt. Subsequently these are recognized in income and expenditure account to the extent of actual expenses incurred.

3.10 Revenue recognition

Grants

Grants are recognized where there is reasonable assurance that the grants will be received and all attached conditions will be complied with.

Deferred capital grants

Deferred capital grants are amortized into income on a systematic basis over the periods necessary to match them with carrying value of the related assets.

Deferred grant / restricted fund

Deferred grants / restricted funds are recognized in the income and expenditure account to the extent of the actual expenditure incurred or when all the future performance conditions are met. Expenditure incurred against grants committed but not received, is recognized directly in income and expenditure account and reflected as a receivable from donors.



3.11 Taxation

In accordance with section 100C of the Income Tax Ordinance, 2001 (the Ordinance), the Company is allowed a tax credit equal to one hundred percent of the tax payable, including minimum tax and final tax payable, under any of the provisions of the Ordinance, subject to conditions as outlined in section 100C. Accordingly, no provision for tax, has been recognized in the financial statement of the Company.

The Company intended to claim tax credit equal to one hundred per cent of the tax payable under section 100C of the Income Tax Ordinance, 2001, including minimum tax and final taxes payable. Moreover, in exercise of the power conferred by section 2(36) of the Income Tax Ordinance, 2001, the Company has to apply for approval by Commissioner Inland Revenue(CIR) for the purpose of the Section. The Company has not applied for approval from CIR.

No provision for taxation has been made for the year in this financial statement based on Section 100C of the Income Tax Ordinance, 2001.

3.12 Provident fund

The Company has contributory provident fund for its regular / contractual employees, contribution in respect of which is charged to income and expenditure for the year. Contribution is made by employees at the rate of 7% of basic pay at the commencement of financial year. The same amount is contributed by the Company.

3.13 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.

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4 OPERATING ASSETS

		Women bus service fleet	Electrical equipment	Computer equipment	Office equipment	Furniture	Leasehold improvement	Vehicles	Total
Note	-----Rupees-----								
9		-	6,843,266	1,338,239	1,834,720	5,913,321	1,038,387	10,292,580	27,260,513
4.1	103,972,568	-	1,259,900	93,159	-	-	367,100	105,692,727	
	(19,061,637)	(2,052,980)	(653,452)	(557,403)	(1,182,664)	(207,677)	(2,089,108)	(25,804,921)	
	84,910,931	4,790,286	1,944,687	1,370,476	4,730,657	830,710	8,570,572	107,148,319	
sis		103,972,568	8,007,781	1,631,252	2,153,677	6,553,339	1,142,361	11,352,924	134,813,902
	-	-	1,259,900	93,159	-	-	367,100	1,720,159	
n	(19,061,637)	(3,217,495)	(946,465)	(876,360)	(1,822,682)	(311,651)	(3,149,452)	(29,385,742)	
	84,910,931	4,790,286	1,944,687	1,370,476	4,730,657	830,710	8,570,572	107,148,319	
018		-	8,007,781	1,631,252	2,153,677	6,553,339	1,142,361	11,352,924	30,841,334
	-	(1,164,515)	(293,013)	(318,957)	(640,018)	(103,974)	(1,060,344)	(3,580,821)	
	-	6,843,266	1,338,239	1,834,720	5,913,321	1,038,387	10,292,580	27,260,513	
sis		-	8,007,781	1,631,252	2,153,677	6,553,339	1,142,361	11,352,924	30,841,334
	-	(1,164,515)	(293,013)	(318,957)	(640,018)	(103,974)	(1,060,344)	(3,580,821)	
	-	6,843,266	1,338,239	1,834,720	5,913,321	1,038,387	10,292,580	27,260,513	
	20%	30%	30%	30%	20%	20%	20%		

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- 4.1 The company has received fourteen Pink buses from Transport and Mass Transit Department (TMTD) Government of Khyber Pakhtunkhwa to be operated in Mardan and Abbotabad dedicated for female passengers only. The company is operating these buses under a lease agreement with joint venture of Bizitech, Frontier Organisation for Reforms and Transformation and New Khyber Car rental services. Rentals of Rs.3,000 and Rs.1,000 per month is received in advance from Mardan and Abbotabad service providers. As per agreement these buses will be handed over to the lessee after the successful completion 8 years.

5 BRT FLEET

This represents 20 buses for Bus Rapid Transit (BRT) fleet purchased from grant received from Asian Development Bank. The buses are not put into use due to non completion of BRT corridor hence no depreciation is charged on it. These would be transferred to operating assets once the operations are started.

	Note	2019 Rupees	2018 Rupees
6 LONG TERM SECURITY DEPOSITS			
Security deposit	6.1	300,000	300,000

- 6.1 This represent amount given as security to Pakistan State Oil (PSO) for issuance of four fleet cards for office vehicles.

	Note	2019 Rupees	2018 Rupees
7 ADVANCE AGAINST BRT FLEET AND I.T.S			
Unsecured - considered good			
Advances to suppliers			
- For BRT Buses:			
Xiamen Golden Dragon Bus Co. Ltd	7.1	2,837,536,224	1,120,854,016
Import Duties and Other Charges		72,159,117	209,885
Income tax on import stage		206,666,271	1,399,103
Sales Tax on import stage		626,261,446	4,239,674
LC Charges		5,296,367	-
Clearing charges		1,071,428	-
		3,748,990,853	1,126,702,678
- For ITS:			
LMKR, Santel & E-Hualu	7.2	253,507,811	-
Duties and Other Charges		20,924,941	-
Income tax on import stage		36,960,656	-
Sales Tax on import stage		112,001,988	-
Delivery, Shipping and Port charges		5,001,854	-
Clearing charges		300,000	-
		428,697,250	-
Total		4,177,688,103	1,126,702,678

		2019 Rupees	2018 Rupees
7.1	Opening Balance	1,120,854,016	-
	Additions	7.1.1 2,049,617,689	1,120,854,016
	Capitalized	7.1.2 (332,935,481)	-
		<u>2,837,536,224</u>	<u>1,120,854,016</u>

7.1.1 This represents advance payment for 128 buses (45 buses of 18 meters and 83 buses of 12 meter), one tow truck, tools and equipment (2018 : 20% of the contract price USD 48,479,844) as per the terms of the contract signed on March 12, 2018 for the "Peshawar Sustainable Bus Rapid Transit Corridor Project".

7.1.2 This represents the capitalized amount of 20 BRT buses which have been delivered to TransPeshawar on 11th April, 2019.

7.2 Contract for BRT System Control Goods and Services was signed between TransPeshawar and Joint Venture of LMK Resources Pakistan (Private) Limited, Beijing Santel Technology & Trading Corp, and Beijing E-Hualu Information Technology Co. LTD (Contractor) on December 31, 2018 at a total contract value of "USD 13,904,401 and PKR 9,594,611,281" excluding all the custom duties and taxes on price indicated in price schedule for goods supplied from outside the employer's country and sales tax on services under operation and maintenance cost. During the year 10% advance payment in USD has been made to Beijing Santel Technology & Trading Corp against installation of Intelligent Transport System (ITS) and 50 % payment in PKR has been made to LMK Resources Pakistan (Private) Limited in respect of supply of fiber optics.

		2019 Rupees	2018 Rupees
8	OTHER ADVANCES AND DEPOSITS		
	Cyber Vision	8.1 2,450,000	1,050,000
	UF Logistics	-	100,000
	Advance tax	2,336,948	295,071
	Security Deposits - Short Term	8.2 1,550,000	-
	Advance to employees	94,795	25,167
	Other advances	30,603	19,421
		<u>6,462,346</u>	<u>1,489,659</u>

8.1 This represents 70% advance payment against purchase of ERP software having Finance, Human Resource and Procurement module.

8.2 This represents container security deposits paid to shipping companies in respect of import of ITS equipment.

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	Note	2019 Rupees	2018 Rupees
9 BANK BALANCES			
Current account		121,091,636	225,489,781
Saving accounts	9.1	2,157,672,419	2,003,456
		<u>2,278,764,055</u>	<u>227,493,237</u>

9.1 Saving accounts carry mark up at the rates 3.75%-10.25% per annum.

	Note	2019 Rupees	2018 Rupees
10 DEFERRED CAPITAL GRANT			
Opening balance		27,260,513	-
Transferred from deferred grant / restricted fund		675,569,032	30,841,334
		<u>702,829,545</u>	<u>30,841,334</u>
Less: Amortization during the year against operating assets		(25,804,921)	(3,580,821)
		<u>677,024,624</u>	<u>27,260,513</u>

11 DEFERRED GRANT / RESTRICTED FUND

Opening balance		1,347,718,798	-
Grant received during the period	11.1	5,134,301,970	1,481,075,734
Funds utilized during the period	11.2	(136,096,631)	(103,041,475)
Exchange gain		613,731,490	
Interest income		35,273,669	525,873
Transferred to deferred capital grant	10	(675,569,032)	(30,841,334)
		<u>6,319,360,264</u>	<u>1,347,718,798</u>

11.1 Grant received during the period

Government of Khyber Pakhtunkhwa	11.1.1	3,446,974,000	33,660,000
Asian Development Bank	11.1.2	1,687,327,970	1,447,415,734
		<u>5,134,301,970</u>	<u>1,481,075,734</u>

11.1.1 This represents grant received from the Government of Khyber Pakhtunkhwa for the payment duties and taxes on capital expenditure of BRT fleet and Intelligent Transport System (2018: 33.660 million for operational expenditure of TransPeshawar).

11.1.2 This represents grant of USD 11,691,061 from ADB, through government of Pakistan, under the loan agreement "Peshawar Sustainable Bus Rapid Transit Corridor Project" Loan No. 3543 - PAK. The main objective of the grant is to meet the operational and capital expenditures of the Company. The principal and interest on this loan is to be repaid by Government of Pakistan.

11.2 This represents amount spent on operational and administrative expenses of the Company.

	Note	2019 Rupees	2018 Rupees
12 ACCRUED AND OTHER LIABILITIES			
Payable to supplier		102,573,671	688,594
Logit Consulting Inc.		38,630,029	-
Provident fund payable	12.1	67,310	4,085,939
Retention money payable		96,920	900,103
Accrued Liabilities		455,338	523,205
Tax payable	12.2	23,006,240	864,660
Performance security		137,840	284,275
Salaries payable		174,439	-
UF Logistics		658,826	-
Other payables		-	-
		<u>165,800,613</u>	<u>7,346,776</u>

12.1 This represents share of provident fund deducted from employees salary and equal amount contributed by Company towards fund. The investment by the provident fund has been made in accordance with the conditions specified in section 218 of Companies Act, 2017 and rules specified there under.

12.2 This includes advance income tax of Rs. 23,001,700 collected from Logit Consulting Incorporation on consultancy services.

13 CONTINGENCIES AND COMMITMENTS

13.1 Contingencies

There was no contingent liability of the Company as at date of statement of financial position.

13.2 Commitments

13.2.1 As at June 30, 2019 the Company's capital expenditure commitment against agreement dated March 12, 2018 with M/s Xiamen Golden Dragon Company Limited amounts to USD 28,608,952 equivalent to PKR 4,670,176,793 for the purchase of 12 meter long 155 buses, 18 meter long 65 buses, 2 tow trucks and other necessary spare parts and equipment for the "Peshawar Sustainable Bus Rapid Transit Corridor Project".

13.2.2 As at June 30, 2019 the Company's capital expenditure commitment against agreement dated March 12, 2018 with M/s Xiamen Golden Dragon Company Limited amounts to PKR 366,179,086 for the purchase of Diesel Engine Oil, Tires and other related services including driver training program, maintenance supervision of vehicles, Completion of full vehicle homologation, registration and licensing of BRT vehicles for the "Peshawar Sustainable Bus Rapid Transit Corridor Project".

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13.2.3 As at June 30, 2019 the Company's capital expenditure commitment with M/s Cyber Vision for the purchase of ERP software having Finance, Human Resource and Procurement module. amounts to PKR 1,050,000.

13.2.4 As at June 30, 2019 the Company's capital expenditure commitment against agreement dated December 31, 2018 with Joint Venture of LMK Resources Pakistan (Pvt) Ltd, Beiging Santel Technology & Trading Corporation and Beiging E-Hualu Information Technology Company Limited amounts to portion of USD 12,513,961 and PKR 9,568,081,398 for the purchase and installation of "Intelligence Transport System" for the "Peshawar Sustainable Bus Rapid Transit Corridor Project".

		For the year ended June 30, 2019	February 09, 2017 to June 30, 2018
	Note	Rupees	Rupees
14 OTHER INCOME			
Tender fee income		40,000	920,000
Bank Guarantee forfeiture	14.1	12,000,000	-
Other		11,000	-
		<u>12,051,000</u>	<u>920,000</u>

14.1 This represents amount of Rs.10 million as guarantee forfeited from CMPAK Temizilk and Rs.2 million from VEDA transit solution Pvt. Ltd and AMMIZA transport Pvt. Ltd for not furnishing performance security within due time.

		For the year ended June 30, 2019	February 09, 2017 to June 30, 2018
	Note	Rupees	Rupees
15 SALARIES, ALLOWANCES AND OTHER			
Staff salaries		72,790,004	51,175,579
Travel and daily allowance		-	66,000
		<u>72,790,004</u>	<u>51,241,579</u>

16 UTILITIES

Electricity	818,814	178,453
Fuel for generator	712,170	186,390
Telephone and internet charges	516,193	252,350
Water	64,132	12,216
	<u>2,111,309</u>	<u>629,409</u>

17 AUDITORS' REMUNERATION

Audit services:

Annual audit fee	150,000	150,000
Out of pocket expenses	66,300	-
	<u>216,300</u>	<u>150,000</u>

18 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amount charged in the financial statements for remuneration, including all benefits to Chief Executive, Directors and Executives of the Company is as follows:

	For the year ended June 30, 2019				February 09, 2017 to June 30, 2018			
	Chief Executive	Director	Executives	Total	Chief Executive	Director	Executives	Total
Managerial remuneration	9,360,000	-	52,090,666	61,450,666	9,724,000	-	30,098,820	39,822,820
Total	9,360,000	-	52,090,666	61,450,666	9,724,000	-	30,098,820	39,822,820
Number of persons	1	12	7	20	1	12	7	20

19 FINANCIAL ASSETS AND LIABILITIES

The Company's exposure to interest rate risk on its financial assets and liabilities are summarized as

	2019				
	Interest/mark up bearing			Not interest /mark up bearing	
	Total	Maturity up to one year	Maturity after one year	Sub-total	
----- Rupees -----					
Financial assets					
Loans and receivables at amortized cost					
Long term security deposits	300,000	-	-	-	300,000
Accrued Interest Income	34,917,373	-	-	-	34,917,373
Advances	1,550,000	-	-	-	1,550,000
Cash and bank balances	2,278,764,055	2,157,672,419	-	2,157,672,419	121,091,636
	2,315,531,428	2,157,672,419	-	2,157,672,419	157,859,009
Financial liabilities					
Financial liabilities carried at amortized cost					
Accrued and other liabilities	142,794,373	-	-	-	142,794,373
	142,794,373	-	-	-	142,794,373
On balance sheet gap	2,172,737,055	2,157,672,419	-	2,157,672,419	15,064,636
Off Balance sheet Items					
Financial commitments	-	-	-	-	-
Total Gap	2,172,737,055	2,157,672,419	-	2,157,672,419	15,064,636

2018				
Total	Interest/mark up bearing			Not interest /mark up bearing
	Maturity up to one year	Maturity after one year	Sub-total	
----- Rupees -----				

Financial assets

Loans and receivables

at amortized cost

Long term security

deposits	300,000	-	-	-	300,000
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Cash and bank balances	227,493,237	2,003,456	-	2,003,456	225,489,781
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	227,793,237	2,003,456	-	2,003,456	225,789,781
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Financial liabilities

Financial liabilities

carried at amortized cost

Accrued and other

liabilities	6,482,116	-	-	-	6,482,116
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	6,482,116	-	-	-	6,482,116
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On balance sheet gap	221,311,121	2,003,456	-	2,003,456	219,307,665
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Off Balance sheet

Items

Financial commitments	-	-	-	-	-
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Total Gap	221,311,121	2,003,456	-	2,003,456	219,307,665
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20 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

20.1 The Company's objective in managing risks is the creation and protection of stake holders' value. Risk is inherent in the Company's activities, but it is managed through a process of on going identification, measurement and monitoring, subject to risk limits and other controls. The process of risk management is critical to the Company's continuing profitability/objectives. The Company is exposed to credit risk, liquidity risk and market risk (which includes interest rate risk and price risk) arising from the financial instruments it holds.

The Company finances its operations through grants, borrowings and management of working capital with a view to maintaining an appropriate mix between various sources of finance to minimize risk.

20.2 Credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties fail to perform as contracted and arises principally from trade and other receivables. The Company's policy is to enter into financial contracts with reputable counter parties in accordance with the internal guidelines and regulatory requirements.

Exposure to credit risk

The carrying amounts of the financial assets represent the maximum credit exposures before any credit enhancements. Out of total financial assets of Rs. 2,315.531 million, the financial assets which are subject to credit risk amounted to Rs. 2,313.981 million. The carrying amounts of financial assets exposed to credit risk at reporting date are as under:

	2019 Rupees	2018 Rupees
Long term security deposits	300,000	300,000
Accrued Interest Income	34,917,373	-
Bank balances	2,278,764,055	2,003,456
	<u>2,313,981,428</u>	<u>2,303,456</u>

To manage exposure to credit risk in respect of trade receivables, management performs credit reviews taking into account the customer's financial position, past experience and other factors. Where considered necessary, advance payments are obtained from certain parties.

The exposure to banks is managed by dealing with variety of major banks and monitoring exposure limits on continuous basis.

Concentration of credit risk

Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their abilities to meet contractual obligation to be similarly affected by the changes in economic, political or other conditions. The Company believes that it is not exposed to major concentration of credit risk.

Impaired assets

During the year no assets have been impaired.

20.3 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting 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 stress conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The following are the contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements, if any:

June 30, 2019

Accrued and other liabilities

2019			
Carrying Amount	Contractual Cash Flows	Six to Twelve months	Two to five years
Rupees			
165,800,613	165,800,613	165,800,613	-
165,800,613	165,800,613	165,800,613	-

June 30, 2018

Accrued and other liabilities

2018			
Carrying Amount	Contractual Cash Flows	Six to Twelve months	Two to five years
Rupees			
7,346,776	7,346,776	-	-
7,346,776	7,346,776	-	-

20.4 Market risk

Market risk is the risk that changes in market price, such as foreign exchange rates, interest rates and equity prices will effect the Company's income or the value of its holdings of financial instruments.

(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. Currency risk arise in financial instruments that are denominated in foreign currencies i.e. in a currency other then the functional currency in which they are measured.

Presently the Company is not exposed to any foreign currency risk.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Majority of the interest rate exposure arises from long term loans.

The Company manages this risk through risk management strategies. Interest rate risk of the Company's financial assets and financial liabilities as at June 30, 2019 can be evaluated from the schedule given in Note 18 to these financial statements.

At the year end the Company is not exposed to interest rate risk as the Company does not hold any interest bearing instrument as at the date of statement of financial position, therefore, no sensitivity analysis has been presented.

(iii) Other price risk

Price risk is 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 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Underlying the definition of fair value is the presumption that the Company is a going concern and there is no intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13 'Fair Value Measurement' requires the Company to classify fair value measurements and fair value hierarchy that reflects the significance of the inputs used in making the measurements of fair value hierarchy has the following levels:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset either directly that is, derived from prices.



- Level 3: Inputs for the asset or liability that are not based on observable market data (that is, adjusted) inputs.

Transfer between level of the fair value hierarchy are recognised at the end of the reporting period during which the changes have occurred.

The carrying value of all financial assets and liabilities reflected in the financial statements approximate their fair values.

22 FUND RISK MANAGEMENT

The Company's objectives when managing fund are to safeguard the Company's ability to continue as a going concern in order to provide services for the general public. The Company manages its fund structures and makes adjustments to it, in the light of changes in economic conditions. There were no changes to company's approach to fund management during the year.

23 NUMBER OF EMPLOYEES

2019
Number

Total employees of the Company at the year end
Average employees of the Company during the year

33
28

24 CORRESPONDING FIGURES

The corresponding figures have been rearranged and reclassified, wherever considered necessary, for better presentation. Following major reclassifications have been made during the year:

Description	Reclassified from	Reclassified to	Amount
Advance paid for BRT Buses	Deferred capital grant	Deferred grant / restricted fund	1,120,854,016

25 AUTHORIZATION

These financial statements were authorized for issue on 23 OCT 2019 by the Board of Directors.

26 GENERAL

26.1 All figures have been rounded off to the nearest of rupee.



CHIEF EXECUTIVE




DIRECTOR