

ANNUAL REPORT 2009



Pakistan Institute of Public Finance Accountants



MISSION STATEMENT

“Identification, development and imparting Knowledge to provide a structure for the training of accounting professionals in the specialized areas.”



PAKISTAN INSTITUTE OF PUBLIC FINANCE ACCOUNTANTS

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NOTICE OF ANNUAL GENERAL MEETING

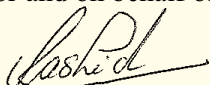
The 16th Annual General Meeting of the Pakistan Institute of Public Finance Accountants will be held on Saturday, October 31, 2009, at 4:00 p.m. at Office of the Auditor General of Pakistan, Constitution Avenue, Islamabad.

Agenda

The proceedings of the Annual General Meeting will commence with recitation from Holy Quran and will have the following business:

1. Confirmation of the minutes of the 15th Annual General Meeting held on October 27, 2008
2. Receipt, consideration and adoption of the audited accounts of the Institute for the year ended June 30, 2009 alongwith the report of the auditors and the Board of Governors.
3. Appointment of Auditors to hold office till the conclusion of next Annual General Meeting and fixation of their remuneration. M/s Ibrahim, Shaikh and Co. Chartered Accountants, retire and being eligible offer themselves for reappointment.
4. Any other business with the permission of the Chair.

For and on behalf of Board of Governors PIPFA



Rashid Rahman Mir
Secretary

Participation in the Annual General Meeting

- a. PIPFA Members admitted upto June 30, 2009 and not having any membership dues for the year ending on June 30, 2009 are eligible to attend the meeting.
- b. A member entitled to attend at this meeting may appoint any other eligible member as his/her proxy to attend the meeting.
- c. The instrument appointing a proxy must be deposited at the Head Office of the Institute at least 48 hours before the meeting time.
- d. Members are requested to notify any change in their address(s) immediately and always quote Membership Number in all communications with the institute.

THE BOARD OF GOVERNORS

Mr. Ejaz Ali Pirzada
President
(Nominee of AGP)



Mirza Munawar Hussain
Vice President
(Nominee of ICMAP)



Mr. Rashid Rahman Mir
Secretary
(Nominee of ICAP)



Mian Muhammad Shoaib
Treasurer / Joint Secretary
(Elected Member)



Syed Shahid Hussain Jafri
Member
(Nominee of ICAP)



Shaikh Saqib Masood
Member
(Nominee of ICAP)



Syed Imtiaz Hussain Bukhari
Member
(Nominee of AGP)



Mr. Muhammad Sharif
Member
(Elected Member)



Mr. Sajid Hussain
Member
(Elected Member)



Syed Turab Hyder
Member
(Nominee of AGP)



Mr. Sajjad Ahmed
Member
(Nominee of ICMAP)



Mr. Shahzad Ahmed Awan
Member
(Nominee of ICMAP)



PAST OFFICE BEARERS

Period	President	Vice President	Secretary	Treasurer / Joint Secretary
1994-95	Mr. Qaisar Mufti	Mr. Mohammad Yousaf	Mr. Khalid Rafiq	Mr. Jamal Abbas Zaidi
1995-96	Mr. M. Maqbool	Syed Mujahid Hussain	Mr. Ashraf Bawany	Mr. Jamal Abbas Zaidi
1996-97	Syed Mujahid Hussain	Mr. Ashraf Bawany	Mr. Faqir Hussain Khan	Mr. Zulfiqar Ali Qadri
1997-98	Mr. Ashraf Bawany	Mr. Fazal Mehmood	Syed Mujahid Hussain	Mr. U. A. Raza
1998-99	Mr. Fazal Mehmood	Mr. Faqir Hussain Khan	Mr. Mohammad Ashraf	Mr. U. A. Raza
1999-2000	Mr. Azhar Hussain	Mr. S. T. Rehman	Mr. Mohammad Ashraf	Mr. Khaliq Ur Rehman
2000-01	Mr. Sohail Safdar	Mr. Badruddin Fakhri	Mr. Khaliq Ur Rehman	Mr. Khaliq Ur Rehman
2001-02	Mr. Badruddin Fakhri	Mr. Khaliq Ur Rehman	Mr. Muhammad Sharif	Mr. Zulfiqar Ali Kadri
2002-03	Mr. Khaliq Ur Rehman	Mr. Muhammad Sharif	Mr. Abdul Sattar	Mr. Zulfiqar Ali Kadri
2003-04	Mr. Faqir Hussain Khan	Mr. Zulfiqar Ali Kadri	Mr. Abdul Rehim Suriya	Mr. Zulfiqar Ali Kadri
2004-05	Mr. Zulfiqar Ali Kadri	Mr. Azam Khan Shad	Mr. Hidayat Ali Khan	Mr. Mohammad Sharif
2005-06	Mr. Azam Khan Shad	Mr. Hidayat Ali Khan	Mr. Mohammad Sharif	Mr. Khalid Ali
2006-07	Mr. Arif Mansur	Mr. Mohammad Sharif	Mr. Mohammad Junaid	Mirza Munawar Husain
2007-08	Mr. Mohammad Sharif	Mr. Sameen Ashgar	Mirza Munawar Husain	Syed Shahid Hussain Jafri
2008-09	Mr. Ejaz Ali Pirzada	Mirza Munawar Husain	Mr. Rashid Rahman Mir	Mian Muhammad Shoaib

STANDING COMMITTEES

EXECUTIVE COMMITTEE

Mr. Ejaz Ali Pirzada	Chairman
Mirza Munawar Hussain	Member
Mr. Rashid Rahman Mir	Member
Mian Muhammad Shoaib	Member
Syed Shahid Hussain Jafri	Member
Mr. Muhammad Sharif	Member
Mr. Shahzad Ahmed Awan	Member

BOARD OF STUDIES

Mr. Sajid Hussain	Chairman
Syed Imtiaz Hussain Bukhari	Member
Syed Turab Hyder	Member
Mirza Munawar Hussain	Member
Mr. Rashid Rahman Mir	Member
Syed Shahid Hussain Jafri	Member
Mr. Sajjad Ahmad	Member
Mian Muhammad Shoaib	Member

EXAMINATION COMMITTEE

Syed Imtiaz Hussain Bukhari	Chairman
Mr. Sajid Hussain	Member
Mr. Muhammad Sharif	Member
Mr. Rashid Rahman Mir	Member
Mr. Sajjad Ahmad	Member

REGULATION AND DISCIPLINARY COMMITTEE

Mr. Ejaz Ali Pirzada	Chairman
Mr. Shahzad Ahmed Awan	Member
Syed Shahid Hussain Jafri	Member

PUBLICATION AND SEMINAR COMMITTEE

Mr. Shahzad Ahmed Awan	Chairman
Syed Imtiaz Hussain Bukhari	Member
Mian Muhammad Shoaib	Member

SECRETARIAT

Ms. Rana Nazir Fatima	Executive Director / Joint Director Examinations
Mr. Imran Ahmad	Deputy Director (Members Affairs)
Mr. Atiq ur Rehman	Assistant Director Education
Mr. Jamshed Riaz	Assistant Director Examination
Mr. Shahid Mahmood	Chief Accountant & Admin Manager
Mr. Buland Iqbal	Assistant Director (Lahore)
Mr. Naeem Akhtar	Executive Incharge (Faisalabad)
Mr. Meraj Ali Jan	Education Officer (Islamabad)

INFORMATION CENTRES

Mr. M. Ahmed Shahid	Peshawar	091-5707605-7
Mr. Salman Ahmed Baig	Quetta	081-824317
M/s. Hanif & Co	Rawalpindi	051-5518384
Shaikh Mahmoodul Hassan	Multan	061-224301
Mr. Zulfiqar A Nasir	Sialkot	0432-265194, 594754
Mr. Ghazanfar Mahmood	Gujranwala	0431-712499, 712599
Mr. Iqbal Haider	Bahawalpur	0621-880799

AUDITORS

Ibrahim Shaikh & Co., Chartered Accountants

BANKS

Allied Bank - Karachi
MCB Bank Ltd. - Karachi
United Bank Ltd. - Lahore
The Bank of Punjab - Faisalabad

PRESIDENT'S MESSAGE



It will be my pleasure to welcome all members of the institute, at the 16th Annual General Meeting of Pakistan Institute of Public Finance Accountants (PIPFA).

Whilst recognising the honour my professional colleagues bestowed upon me on my election as President of the Pakistan Institute of Public Finance Accountants, as we have approached the end of the current financial year it is an opportune time for me to reflect on the progress that we have made with respect to the priorities set at the beginning of this Institute session.

If I were to describe the achievements at PIPFA this past year in a single word, that word would be momentum. Sparked by the commitment of my fellow Board of Governors and secretariat, momentum permeates our endeavors to transform professional knowledge through research that will have the greatest impact on achieving and improving the quality of professional education. In this annual report, I hope you will see how this standard brings benefit to professional accountants and to people around the country as well as globe.

Our momentum in professional education is designed to broaden the concept of traditional accounting beyond the innovations in accounting field that are PIPFA's hallmark. We already have extended the accounting education to every private and government sectors all over Pakistan with an ambitious economic recession prevention program. Last year, our program was further fueled by a major Computer Competency Practical Training (CCPT) and Computer Based Examination (CBE). It is a proud of PIPFA being a pioneer in Pakistan who has introduced online examination facility to its students.

The enrolment of students and qualified members shows upward trend which simply indicate the increase in recognition of PIPFA and appreciation of its syllabus revamp. We have an increasing membership, having just passed the significant milestone of registering our 4,700 members and 18,000 students, and increasing demand for our educational training and continuing professional development. Our support services and delivery platforms, which is continued to work effectively and efficiently through a sophisticated, refined and accurate system. Our vibrant and supportive Local Institute Network, which is thriving thanks to the continued input, contribution and engagement of our non-profit contributors. The number of registered students in Corporate Sector is 1,252 and the enrolment of Public Sector is 648 for this year. Auditor General of Pakistan adopted major changes in its existing nomination criteria by eliminating the condition of Senior Auditor for training but also started to nominate newly recruited Assistant Accounts Officers (AAOs) for PIPFA Public Sector and make it mandatory for AAOs for promotions. Similarly qualified members were increased from 4,422 of last year to 4,717 as of 30th June, 2008. Out of this a total of 1,700 members belong to Government sector. PIPFA continues to maintain high standards of excellence and quality education among the members and students during the year.

The expertise and professionalism of Pakistan Institute of Public Finance Accountants is recognized around the globe. PIPFA signed MOUs with Association of Accounting Technician (AAT), Srilanka for increasing the mutual recognition and cooperation and also received the confirmation for joining South Asian Federation of Accountants (SAFA) as Associate member.

We at the Institute have an obligation to ensure that members and students maintain the highest standards of performance and conduct. To discharge this responsibility we educate prospective members through our Public Finance Accountants Program, require them to undertake continuing education throughout their career and monitor the work of members in public practice through the Quality Review Program. Alongside this, the Professional Conduct function rigorously enforces ethical, technical and professional standards through investigation of complaints and other issues and where appropriate, the imposition of disciplinary sanctions.

On behalf of my colleagues in the Board of Governors, I would like to thank all PIPFA members and sponsoring bodies, AGP, ICAP and ICMAP for providing valuable support during the year and also acknowledge the meritorious services provided by outgoing President Mr. Muhammad Sharif and extend my warm greetings to all concerned and I am confident that Inshallah the image of institute will build on its excellent traditions and proceed to an even more illustrious future. To achieve this objective, sustained efforts undivided consideration and devotion is needed and end with the words that, “Upholding professional standard will be our continuous work”



Ejaz Ali Pirzada
President

REPORT OF THE BOARD OF GOVERNORS

The Board takes pleasure in presenting the 16th Annual Report and audited financial statements of the Institute for the year ended June 30, 2009.

PIPFA is managed by a twelve members Board out of which 9 members are nominated by sponsoring bodies (Three members each by ICAP, ICMAP and Auditor General of Pakistan) remaining three members are elected by the members of the institute for a period of three years. The Board has five standing committees i.e. Executive Committee, Board of Studies, Examination Committee, Regulation and Disciplinary Committee and Publication & Seminar Committee to run PIPFA affairs effectively and efficiently.

FINANCIAL POSITION

	2008-09 Rs.	2007-08 Rs.
Revenues	30,782,085	19,282,063
Expenses	<u>25,240,833</u>	<u>17,283,177</u>
Surplus	<u>5,541,252</u>	<u>1,998,886</u>

The increase in surplus for the year around 3.5 millions could be possible because of sincere efforts made to promote the educational programs in Corporate and Public sectors, policy to further motivate and facilitate the students, introduction of computer based examination system, promotion of new members to absorb in the market, introduction of new subscription schemes for members and budget control etc.

Management has laid continuous emphasis on quality education at bearable cost on its part for students and its recognition in the market, for our qualified members as well.

MEMBERSHIP

The qualified members as on June 30, 2009 are 4,717 as against 4,422 at the end of the year 2008, an increase of 295 shows recognition of PIPFA's members in the market. Out of the total memberships more than 1,700 members belong to Public Sector. This reflects tremendous welcome of PIPFA recognition by Government Departments.

ENROLMENT

The registered students of the Institute were 17,660 as against 16,408 of last year, which indicates an increase of 1,252 students representing 7.63 percent increase over the last year.

CORPORATE SECTOR EDUCATION PROGRAM

Education program in corporate sector is progressing satisfactorily. Number of students in this stream has also increased considerably. Coaching classes are being conducted in Karachi, Lahore, Faisalabad and Islamabad under direct supervision of PIPFA's staff. In addition to

above, 9 approved educational institutes, are also conducting coaching classes, out of 9, 2 in Karachi, 1 in Lahore, 1 in Faisalabad, 1 in Rawalpindi, 2 in Multan, 1 in Quetta and 1 in Layyah. New syllabus with 10 subjects has been approved by the BOG and has been implemented from winter 2008 semester. PIPFA study text of all 10 subjects have been published for the students as core reading for its Examinations.

GOVERNMENT SECTOR EDUCATION PROGRAM

PIPFA's Public Sector qualification is one of the required qualification for the position of Assistant Accounts Officer/Assistant Audit Officer. **AGP** adopted major changes in its existing nomination criteria and started to nominate newly recruited Assistant Accounts Officers (AAOs) for PIPFA Public Sector and made it mandatory for AAOs for promotions. Your Institute achieved a mile stone by implementing Public Sector education programme in August 2005. The Public Sector education in replacement of SAS examinations of Auditor General of Pakistan will go a long way to improve efficiency in management of public accounts, audit and finance. We are grateful to the Director General, Human Resource Management, Department of Auditor General of Pakistan for the continued support and cooperation.

The classes of AGP trainees, who are appointed directly at BPS-16, are being held at Karachi, Lahore, Islamabad, Quetta and Peshawar. This year enrollment of Public Sector stream was 647 as against 307 in 2007-2008. The Institute has been making all out efforts to organize the programme and to start the classes on the stipulated dates. Punjab Govt. has also nominated 58 trainees for Winter 2008 and 90 for Summer 2009.

EXEMPTIONS

Exemptions are granted by other professional bodies to our members, on reciprocal basis for further studies. Presently, ICMAP grants exemptions in 7 papers, ICAP in 6 papers of modules A and B, and ACCA in 2 papers. CIMA (UK) had already exempted 04 papers to our qualified students. These exemptions include three papers of Foundation and one paper of Intermediate level. University of Central Punjab allows BBA (Honors) degree on submission of thesis to PIPFA qualified.

PIPFA's qualification is considered ideal for the students aspiring to become Professional Accountant. Enrouting through PIPFA brings substantial savings in study costs and enhanced chances to spontaneously pass other examinations especially CA & ICMA.

CFO / COMPANY SECRETERY

According to clause (XVII) of the Code of Corporate Governance, being a recognized professional body, Members of Pakistan Institute of Public Finance Accountants are eligible for the venerated positions of Chief Financial Officer and Company Secretary of listed companies except NBFC Sector. This has been further endorsed in letter No. SECP / ICAP / EM 36/2000/83 issued by Securities and Exchange Commission of Pakistan.

MARKET PROMOTION OF PIPFA

PIPFA website is one of the best ways of promoting your institute throughout the world and we have received very good comments regarding our web site from valued members. PIPFA is going to pass new milestone by starting PIPFA Journal on quarterly basis. This will be the most useful tool for professional update and image building of the institute.

The future growth of PIPFA as a professional body depends on availability of its own campus, which may cost Rs.75 million. PIPFA is a non-profit organization and donor is entitled to tax credit in his assessment as per rate prescribed in Section 61 of the Income Tax Ordinance 2001, on the amount donated to institute through crossed cheque(s).

INVESTMENT IN INNOVATIVE INVESTMENT BANK LTD (IIBL) FORMERLY CRESCENT STANDARD INVESTMENT BANK LIMITED (CSIBL)

As informed earlier that Crescent Investment Bank Ltd. has pending to realize our deposit of Rupees 13,112, 033. These funds were invested as short term investment with CSIBL. The current position in this regard is that CSIBL stands merged with Innovative Housing Finance Limited (IHFL) to finally become Innovative Investment Bank Limited(IIBL). New management had given a plan to repay the amount due, in installment over a period of approximately 7 years to which your institute had not agreed. A four member delegation of Lahore based Board of Governor met administrator Mr. Badruddin Khan and Syed Mehboob Hussain, sponsor Chief Executive of IHFL on June 14th 2007 and asked to repay the entire amount immediately due to the fact that we had requested for encashment of Certificate of Deposit before the take over of CSIBL by SECP. This meeting could not prove fruitful and IHFL management kept on insisting on the aforementioned repayment plan.

According to IHFL plan 1st installment of Rs.1,000,000 has been received on August 16, 2007. On June 29, 2009, second installment of Rs.2,422,407 was due but management of IIBL could not pay it due to shortage of availability of cash flows which are expected to be generated shortly.

FUTURE OUT LOOKS

Year 2009 is a year of Global recession. It has affected entire world severely. Giant Financial Institutions like Lehman Brother, Merrill Lynch etc filed for bankruptcy protection and hurtled toward liquidation after it failed to find a buyer. In this current scenario the obligations of professional accounting education provider institutes increase dramatically because of its nature of operation and try to find way out in less time. PIPFA as a third professional accounting body in Pakistan desperately wants to work for betterment of economy however the entire economic condition is satisfactory and appears to be encouraging for the year 2009-10.

We are continuously endeavouring for the recognition of PIPFA at further advance level and extensive action program was implemented during the past years aimed at increasing members' base across the country and to create awareness among young people of the nation. Our plan 2009-2010 includes consolidation of the achievements made in recent times, arrangements for active participation of members and students in Institute's activities,

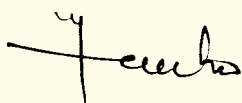
commencement of placement services for the members particularly the newly qualified students, resurgence and expansion of branch committees and more pro-active role of the branch committees, increased professional development and continuing professional development activities.

We are also expecting a favorable outcome of our request pending with Higher Education Commission for the recognition of PIPFA studies equivalent to graduation level. We are also working on new course of studies after which we hope that PIPFA will get more recognition in the form of further exemptions to our qualified members and students helping them to continue their further professional education at more expanded canvas and with rapid pace.

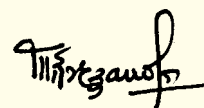
APPRECIATION

The role of various standing committees, ICAP, ICMAP, AGP and the Officers and Staff of the Secretariat in achieving the goals and promoting the objectives of PIPFA, is highly appreciated and acknowledged, by the Board.

For and on behalf of the Board of Governors



Mian Muhammad Shoaib
Joint Secretary / Treasurer



Mr. Ejaz Ali Pirzada
President

Date: September 26, 2009

AUDITOR'S REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **PAKISTAN INSTITUTE OF PUBLIC FINANCE ACCOUNTANTS**, Karachi (the Institute), as at June 30, 2009 and the related income and expenditure account, cash flow statement, together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and the explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.


It is the responsibility of the Institute's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

- (a) in our opinion, proper books of accounts have been kept by the Institute as required by the Companies Ordinance, 1984;
- (b) in our opinion:
 - i) the balance sheet and income and expenditure account and cash flow statement together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;
 - ii) the expenditure incurred during the year was for the purpose of the Institute's business; and
 - iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Institute;
- (c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, income and expenditure account and cash flow statement, together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984 in the manner so required and respectively give a true and fair view of the state of the Institute's affairs as at June 30, 2009 and the Surplus for the year then ended; and

- (d) in our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980.

We, without qualifying our opinion, draw attention to note 9 to the financial statements wherein it has been explained that investment made in Term Deposit Certificate could not be realized due to facing of liquidity crunch by the investee entity.


IBRAHIM, SHAIKH & CO.
CHARTERED ACCOUNTANTS
MUHAMMAD AMIN

KARACHI: 26 SEP 2009

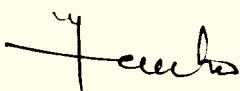
BALANCE SHEET

AS AT JUNE 30, 2009

	Notes	2009 RUPEES	2008 RUPEES
NON CURRENT ASSETS			
Property & Equipment	3	5,685,799	4,702,254
Intangible	3	227,237	139,159
INVESTMENTS	4	14,212,033	14,212,033
CURRENT ASSETS			
Short Term Investments	5	-	500,000
Advances, Deposits, Prepayments & Other Receivables	6	8,819,136	3,578,445
Cash and Bank Balances	7	6,449,118	5,588,838
		15,268,254	9,667,283
CURRENT LIABILITIES			
Members' Subscription - Advance		(354,500)	-
Accrued and Other Liabilities	8	(974,547)	(197,705)
		(1,329,047)	(197,705)
NET CURRENT ASSETS		13,939,207	9,469,578
CONTINGENCIES AND COMMITMENTS	9	---	---
Net Assets		34,064,276	28,523,024
FINANCED BY			
General Fund	10	34,064,276	28,523,024
		34,064,276	28,523,024

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


 PRESIDENT


 TREASURER


INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED JUNE 30, 2009

	Notes	2009 RUPEES	2008 RUPEES
INCOME			
Students Registration and Subscription Fees	11	4,452,600	2,415,550
Examination and Exemption Fees	12	10,772,893	6,688,695
Members Registration Fees and annual Subscription	13	2,119,200	1,415,065
Coaching Fees	14	11,849,057	7,195,300
Other Income	15	1,588,335	1,567,453
		<u>30,782,085</u>	<u>19,282,063</u>
LESS: EXPENDITURE			
Examinations' Department Expenses	16	6,283,500	4,404,229
Members' Department Expenses	17	1,072,172	742,865
Coaching Department Expenses	18	12,673,513	7,275,288
Administration Expenses	19	5,211,648	4,860,795
		<u>25,240,833</u>	<u>17,283,177</u>
Surplus transferred to General Fund		<u>5,541,252</u>	<u>1,998,886</u>

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

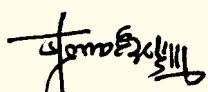

 PRESIDENT


 TREASURER

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2009

	2009 RUPEES	2008 RUPEES
CASH FLOW FROM OPERATING ACTIVITIES		
Surplus for the year	5,541,252	1,998,886
Adjustment for non cash charges:		
Depreciation	740,837	425,736
Amortization	111,922	68,541
Operating Surplus before changes in Working Capital	6,394,011	2,493,163
(Increase) / Decrease in Current Assets		
Advances, Deposits and Prepayments	(5,240,691)	2,895,230
Increase/(Decrease) in Current Liabilities		
Creditors, Accrued and Other Liabilities	1,131,342	(671,871)
Net Cash Flow from Operating Activities	2,284,662	4,716,522
CASH FLOW FROM INVESTING ACTIVITIES		
Fixed Capital Expenditure	(1,924,382)	(700,817)
Investments	500,000	(1,600,000)
Net Cash Flow from Investing Activities	(1,424,382)	(2,300,817)
CASH FLOW FROM FINANCING ACTIVITIES		
Net Increase/(Decrease) in Cash & Cash Equivalents	860,280	2,415,705
Cash and Cash Equivalents at beginning of the Year	5,588,838	3,173,133
Cash and Cash Equivalents at end of the Year	6,449,118	5,588,838


 PRESIDENT


 TREASURER

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2009

1. STATUS AND NATURE OF THE COMPANY

Pakistan Institute of Public Finance Accountants (PIPFA) was incorporated on 28th of October, 1993 as public company limited by Guarantee under section 42 of the Companies Ordinance, 1984. PIPFA was established jointly by the Institute of Chartered Accountants of Pakistan (ICAP), Institute of Cost and Management Accountants of Pakistan (ICMAP) and Department of Auditor General of Pakistan (AGP). At the inception the name of the institution was 'The Association of Accounting Technicians of Pakistan' (AAT) which was changed to the present name in August 2000. PIPFA is a non-profit organization wholly committed to accounting education and development.

Registered Office of the Institute is situated at Office No. 1005, Park Avenue, 10th Floor, Block-6, P.E.C.H.S., Shahra-e-Faisal, Karachi – 75400.

2. SIGNIFICANT ACCOUNTING POLICIES

The Significant Accounting Policies adopted in the preparation of these financial statements are set out below:

2.1 Statement of Compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of Accounting and Financial Reporting Standard for Medium-Sized Entities (MSEs) issued by the Institute of Chartered Accountants of Pakistan and provisions of and directives issued under the Companies Ordinance 1984. In case requirements differ, the provisions or directives of the Companies Ordinance 1984 shall prevail.

2.2 Accounting Convention

These Financial Statements have been prepared under historical cost convention.

2.3 Property & Equipment

- These are stated at cost less accumulated depreciation. Depreciation on all property & equipment is charged on reducing balance method. Full year's depreciation is charged in the year of addition while no depreciation is charged in the year of disposal.
- Maintenance and normal repairs are charged to income as and when incurred.
- Major renewals and improvements are capitalized.
- Gains and losses on disposal of property & equipment are included in the income.
- Study materials, publications and stationery costs are charged to income as and when incurred.
- Depreciation methods, residual values and useful lives of assets are reviewed at each financial year end, and adjusted if impact on depreciation is significant.

2.4 Intangible

This represents cost of computer software less amortization at the rate of 33% per annum using the reducing balance method.

2.5 Investments

Held to maturity

Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity that an entity has the positive intention and ability to hold to maturity.

Investments classified as held to maturity are recognized initially at fair value, plus attributable transaction cost. Subsequent to initial recognition, these are stated at amortized cost with any difference between cost and redemption value being recognized in the income and expenditure account over the period of the investments on an effective yield method.

2.6 Taxation

The Income of PIPFA is exempt from Income Tax under clause (92) of the second schedule of the Income Tax Ordinance 2001, being an educational institution established solely for educational purposes and not for purposes of profits.

2.7 Financial Assets and Liabilities

All financial assets and liabilities are initially measured at cost, which is the fair value of the consideration given and received respectively and are recognized at the time when the institute becomes a party to contractual provision of the instrument. Any gain and loss of the financial assets and liabilities is taken to income and expenditure account.

2.8 Provisions

Provisions are recognized in the balance sheet when the Institute has a legal or constructive obligation as a result of past events and it is probable that out flow of economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. However, provisions are reviewed at each balance sheet date and adjusted to reflect current best estimate.

2.9 Cash & Cash Equivalents

Cash & Cash Equivalents are carried at cost. For the purpose of cash flow statement, cash and cash equivalents comprise cash in hand, cash with banks on current and

2.10 Revenue Recognition

- Income from fees and subscriptions from members and students is recognized on receipt basis, except in case of life and special membership cases, where subscription received from members is spread over a period of 10 and 20 years.
- Income from approved coaching centers is recognized on receipt basis.
- Income from Computer Based Examinations is recognized on accrual basis.
- Profit on bank deposits is accounted for on accrual basis.

2.11 Impairment

The carrying amounts of the Institute's assets are reviewed at balance sheet date to determine whether there is any indication of impairment, if any such indication exists, the asset's recoverable amount is estimated and impairment losses are recognized.

2.12 Judgment, estimates and assumptions

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the company's accounting policies. Estimates and judgment are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to Institute's financial statements or where judgments were exercised in application of accounting policies are as follows:

- Useful lives of depreciable assets and residual value note 2.3.

FIXED ASSETS SCHEDULE

3 Property & Equipment

PARTICULARS	C O S T				D E P R I C I A T I O N				W.D.V. As at June 30, 2009
	As at July 01,2008	Additions	Disposal/ Adjustment	As at June 30,2009	As at July 01,2008	For the Year	As at June 30, 2009	Rate %	
Offices - Leasehold	5,297,984	-	-	5,297,984	1,693,356	180,231	1,873,587	5	3,424,397
Electrical Equipments	682,881	139,000	-	821,881	313,714	101,633	415,347	20	406,534
Office Equipments	839,233	732,260	-	1,571,493	646,017	277,643	923,660	30	647,833
Furniture & Fixtures	815,188	24,120	-	839,308	290,374	54,893	345,267	10	494,041
Vehicle	-	829,000	-	829,000	-	124,350	124,350	15	704,650
Library Books	49,524	-	-	49,524	39,093	2,086	41,179	20	8,345
TOTAL 2009 - RUPEES	7,684,810	1,724,380	-	9,409,190	2,982,554	740,837	3,723,391		5,685,799
TOTAL 2008 - RUPEES	6,983,993	700,817	-	7,684,810	2,556,820	425,736	2,982,556		4,702,254

PARTICULARS	C O S T				D E P R I C I A T I O N				W.D.V. As at June 30, 2009
	As at July 01,2008	Additions	Disposal/ Adjustment	As at June 30,2009	As at July 01,2008	For the Year	As at June 30, 2009	Rate %	
INTANGIBLE									
Software	310,000	-	-	310,000	170,841	45,922	216,763	33	93,237
CBE Software	-	200,000	-	200,000	-	66,000	66,000	33	134,000
TOTAL 2009 - RUPEES	310,000	200,000	-	510,000	170,841	111,922	282,763		227,237
TOTAL 2008- RUPEES	310,000	-	-	310,000	102,300	68,541	170,841	-	139,159

3.1 Depreciation for the year has been allocated as follows:

		2009	2008
COACHING DEPARTMENT EXPENSES	18	296,335	101,753
ADMINISTRATION EXPENSES	19	444,502	323,983
		<u>740,837</u>	<u>425,736</u>

	2009 R U P E E S	2008 R U P E E S
4 INVESTMENTS		
Held to Maturity		
Term deposits certificate -- 4.1	12,112,033	12,112,033
Special Saving Certificates -- 4.2	2,100,000	2,100,000
	<u>14,212,033</u>	<u>14,212,033</u>
4.1	The Institute had made investment in Term Deposits Certificates (COD-L) of Crescent Standard Investment Bank Limited (CSIBL) now Innovative Investment Bank Limited (IIBL). These COD-L had matured between September 13, 2006 to October 28, 2006. Thus the total investments amounting to Rs. 12,112,033 had become overdue. The management of IIBL had revised the repayment plan over a period of 5 years which is further elaborated in Note No. 9 to these financial statements.	
4.2	Special Saving Certificates are investments with National Savings (Government of Pakistan). The maturity period being three years comprising of six terms and interest rates ranging from 1st to 5th Term 4.5% and 5.25% for 6th Term.	
5 SHORT TERM INVESTMENTS	-	500,000
Term Deposits Certificates - 5.1	<u>-</u>	<u>500,000</u>
5.1	These are short term deposits having maturity of three months.	
6 ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES		
Deposits		
Security deposits	615,500	616,000
	<u>615,500</u>	<u>616,000</u>
Other Receivables		
Tax Receivable	5,050	5,050
Advance Rent	29,000	228,500
Receivables from AGP	5,901,492	2,498,100
Receivables from Government of Punjab	1,529,400	-
Accrued Interest	339,666	223,500
CBE fees receivable	334,000	-
Other	65,028	7,295
	<u>8,203,636</u>	<u>2,962,445</u>
	<u>8,819,136</u>	<u>3,578,445</u>

	2009 R U P E E S	2008 R U P E E S
7 CASH & BANK BALANCES		
Cash in Hand	14,540	36,763
Cash at Bank-Current Account	<u>6,434,578</u>	<u>5,552,075</u>
	<u>6,449,118</u>	<u>5,588,838</u>
8 ACCRUED AND OTHER LIABILITIES		
Accrued expenses	879,079	152,890
Other Liabilities	<u>95,468</u>	<u>44,815</u>
	<u>974,547</u>	<u>197,705</u>

9 CONTINGENCIES AND COMMITMENTS :-

Contingency

As discussed in Note 4.1 to these financial statements, investment of Rs. 13,112,033 in the Term Deposits Certificates (COD-L) of Crescent Standard Investment Bank Limited (CSIBL) had become overdue and was exposed to risk of realization. On August 30, 2006 the Securities & Exchange Commission of Pakistan (SECP) had appointed Administrator for CSIBL, suspending its Board of Directors and Chief Executive Officer. With effect from June 28, 2007 CSIBL was merged with Innovative Housing Finance Limited (IHFL) to finally become Innovative Investment Bank Limited (IIBL). The management of IIBL had offered a five years repayment plan to the Institute. Rupees 1 million had been received as 1st installment of revised repayment plan and remaining Rs. 12,112,033 is receivable over a period of four years starting from July 29, 2009. However, payment due on July 29, 2009 could not be made by IIBL due to cash flows crunch. Innovative Investment Bank Limited (IIBL) vide its letter dated July 29, 2009 confirmed that the aforesaid payment shall be made on availability of cash flows which are expected to be generated shortly.

Commitments

No commitments as of Balance Sheet date.

	2009 R U P E E S	2008 R U P E E S
10 GENERAL FUND		
Balance at the beginning of the year	28,523,024	26,524,138
Surplus transferred from Income & Expenditure Account	<u>5,541,252</u>	<u>1,998,886</u>
	<u>34,064,276</u>	<u>28,523,024</u>
11 STUDENT REGISTRATION AND SUBSCRIPTION FEES		
Student Registration	2,052,700	926,350
Student Subscription	<u>2,399,900</u>	<u>1,489,200</u>
	<u>4,452,600</u>	<u>2,415,550</u>

	2009 R U P E E S	2008 R U P E E S
12 EXAMINATION AND EXEMPTION FEES		
Examination Fees	6,824,593	4,951,695
Computer Based Examination Registration	50,000	-
Computer Based Examination Fees	1,280,000	-
Exemption Fees	2,618,300	1,737,000
	<u>10,772,893</u>	<u>6,688,695</u>
13 MEMBERS REGISTRATION AND ANNUAL SUBSCRIPTION FEES		
Member Registration	274,500	255,200
Member Subscription	1,844,700	1,159,865
	<u>2,119,200</u>	<u>1,415,065</u>
14 COACHING FEES		
Karachi	8,913,489	5,100,525
Lahore	2,082,068	1,771,700
Faisalabad	853,500	323,075
	<u>11,849,057</u>	<u>7,195,300</u>
15 OTHER INCOME		
Interest Income from Fixed Deposits	800,107	771,472
Sales of Books	189,001	148,740
Registration and other fees	200,700	239,900
Others	398,527	407,341
	<u>1,588,335</u>	<u>1,567,453</u>
16 EXAMINATION DEPARTMENT EXPENSES		
Examination Expense	1,572,894	2,240,928
Salary and Other Benefits	1,250,728	1,008,220
Staff Honorarium	120,833	-
Computer Based Examination Expenses	1,660,836	-
Printing and Stationery	398,697	373,422
Postage and Telegram	376,629	202,403
Conveyance	29,669	48,324
Utilities	180,720	6,800
Meeting and Traveling	248,196	349,682
Entertainment	25,641	-
Repair & Maintenance	192,235	-
Amortization	111,922	-
Software Charges	114,500	-
Others	-	174,450
	<u>6,283,500</u>	<u>4,404,229</u>

	2009 R U P E E S	2008 R U P E E S
17 MEMBERS' DEPARTMENT EXPENSES		
Salary and Other Benefits	521,557	416,500
Printing and Stationery	234,884	71,640
Postage and Courier	219,769	114,486
Conveyance	2,710	-
Utilities	64,898	-
Meeting and Traveling	22,854	56,489
Others	5,500	83,750
	<u>1,072,172</u>	<u>742,865</u>
18 COACHING DEPARTMENT EXPENSES		
Faculty Salaries (Private & Public Sector)	5,562,772	3,038,614
Salary and Other Benefits	2,542,243	1,926,895
Printing and Stationery	169,049	115,620
Advertisement	676,425	571,073
Entertainment	67,628	-
Repair & Maintenance	186,796	-
Bank Charges	3,911	-
Newspapers & Periodicals	6,441	-
Coaching Expenses	161,825	-
Supplies	1,261	-
Postage and Courier	210,370	136,460
Conveyance	55,969	30,882
Rent Rate and Taxes	2,327,921	851,274
Utilities	350,802	158,107
Others	2,296	65,739
Meeting & travelling	51,469	274,871
Depreciation (3.1)	296,335	101,753
Seminar and Conferences	-	4,000
	<u>12,673,513</u>	<u>7,275,288</u>
19 ADMINISTRATION EXPENSES		
Salary and Other Benefits	1,409,275	1,920,361
Printing and Stationery	122,396	337,503
Entertainment	65,699	88,969
Meeting and Travelling	1,224,427	55,511
Postage and Telegram	112,641	99,056
Utilities	234,664	432,374
Repair and Maintenance	258,139	357,736
Security & Safety	-	30,500
Auditors' Remuneration - 19.1	40,000	40,000
Rent, Rates and Taxation	749,565	768,300
Fees and Subscription	189,700	85,176

	2009 R U P E E S	2008 R U P E E S
Newspaper and Periodicals	10,009	10,171
Advertisement	162,600	60,000
Conveyance	20,536	45,559
Depreciation (3.1)	444,502	323,983
Amortization	-	68,541
Supplies	44,896	23,390
Bank Charges	46,864	33,685
Inetrnet Charges	56,000	-
Travelling Allowance	9,000	-
Other Expenses	10,735	79,980
	<u>5,211,648</u>	<u>4,860,795</u>

19.1 Auditors' Remuneration

Audit Fee	40,000	40,000
	<u>40,000</u>	<u>40,000</u>

20 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

20.1 Interest/Mark-up rate risk management

Interest/Mark-up rate risk arise from the possibility that changes in interest / mark-up rates will affect the value of financial instruments. In respect of income earning financial assets and interest / mark-up bearing financial liabilities, the following table indicates the financial instruments that are exposed to interest / mark-up rate risk.

	Interest Bearing			Non Interest Bearing		Total	
						2009	2008
	Effective yield/ mark-up rate %	Maturity upto one year	Maturity after one year	Maturity upto one year	Maturity after one year		
Financial Assets							
Investments Short Term	4.5 to 5.25	2,422,407	11,789,626	-	-	14,212,033	14,212,033
Investments	-	-	-	-	-	-	500,000
Deposits	-	-	615,500	-	-	615,500	616,000
Other Receivables	-	-	8,203,636	-	-	8,203,636	2,962,445
Cash & Bank	-	-	-	6,449,118	-	6,449,118	5,588,838
Balances	-	-	-	6,449,118	-	<u>6,449,118</u>	<u>5,588,838</u>
		<u>2,422,407</u>	<u>20,608,762</u>	<u>6,449,118</u>	<u>-</u>	<u>29,480,287</u>	<u>23,879,316</u>

					Total	
Interest Bearing			Non Interest Bearing		2009	2008
Effective yield/ mark-up rate %	Maturity upto one year	Maturity after one year	Maturity upto one year	Maturity after one year		
Financial Liabilities						
Accrued & Other Liabilities	-	-	-	1,329,047	-	1,329,047 197,705
	-	-	-	1,329,047	-	1,329,047 197,705

20.2 Credit Risk and Concentration of Risk

Credit Risk represents the accounting loss that would be recognised at the reporting date if counter parties failed completely to perform as contracted. Out of total financial assets of Rs. 29,480,287/-, the financial assets which are subject to credit risk amounted to Rs. 12,112,033/-. The Management believes that it is not exposed to major concentrations of credit risk. The Management monitors and limits the company's exposure of credit risk through monitoring of clients credit exposure, review and conservative estimates of provision for doubtful assets, if any limiting transactions with specific counter parties and continually assessing the credit worthiness of counter parties.

20.3 Fair Value of Financial Instruments

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

20.4 Liquidity Risk

Liquidity risk is the risk that the Institute will not be able to make its commitments associated with the financial liabilities, when they fall due. The Institute's management closely monitors the Institute's liquidity and cash flow position and ensures that sufficient liquid funds are available to meet any commitment, as they arise.

21 TAXATION

Income of PIPFA is exempt from Income Tax under clause (92) of second schedule of the Income Tax Ordinance, 2001, being an educational institution established solely for educational purposes.

22 NUMBER OF EMPLOYEES

The Number of employees as at June 30, 2009 was 22 (2008:25)



23

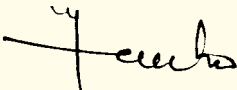
DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on 26 September, 2009 by the Board of Governors of the Institute.

24

GENERAL

Figures have been rounded off to the nearest rupee.

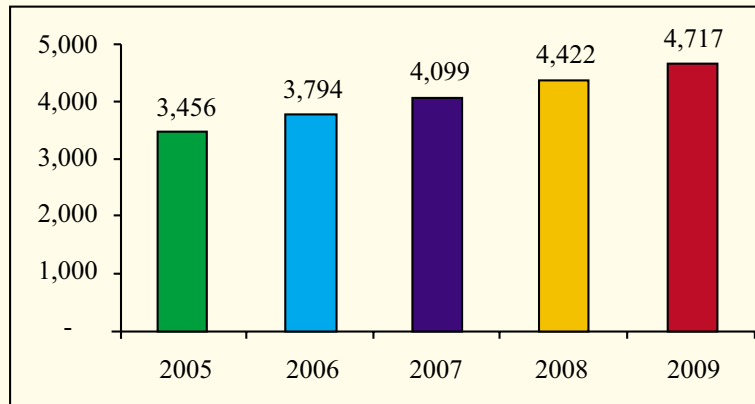

PRESIDENT


TREASURER

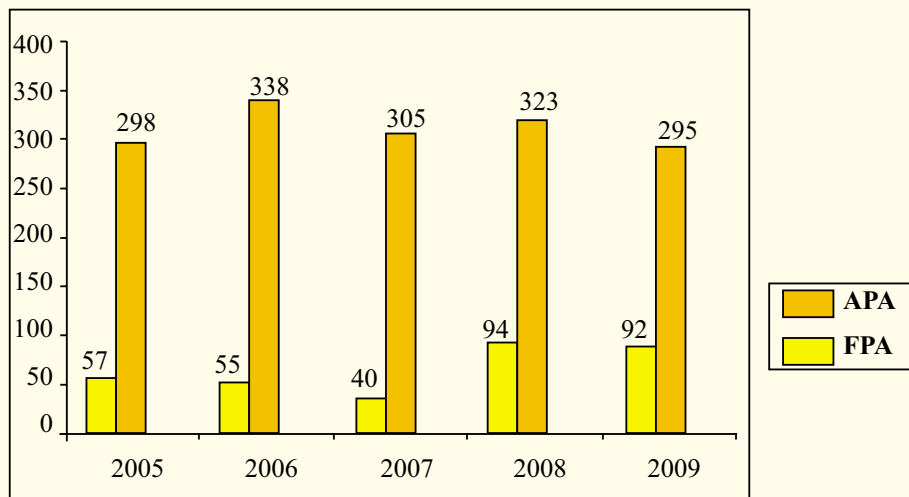
Five Years Key Data

	2009	2008	2007	2006	2005
Operating Results					
Revenue (Rs)	30,782,085	19,282,063	17,220,282	16,795,968	9,050,689
Surplus/(Deficit) (Rs)	5,541,252	1,998,886	3,543,504	6,617,486	2,665,394
Financial Position					
Total Assets (Rs)	34,064,276	28,523,024	26,524,138	22,980,334	16,363,148
Members (in numbers)	4,717	4,422	4,099	3,794	3,456
Students (in numbers)	20,572	18,517	17,053	14,754	12,957

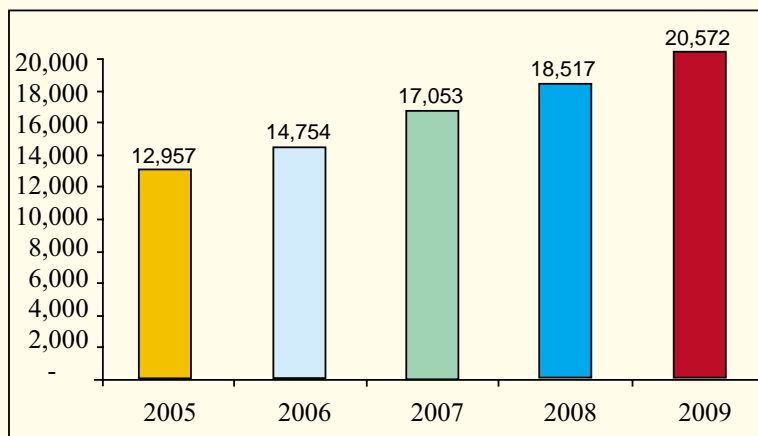
Membership Five Year's Statistical Data



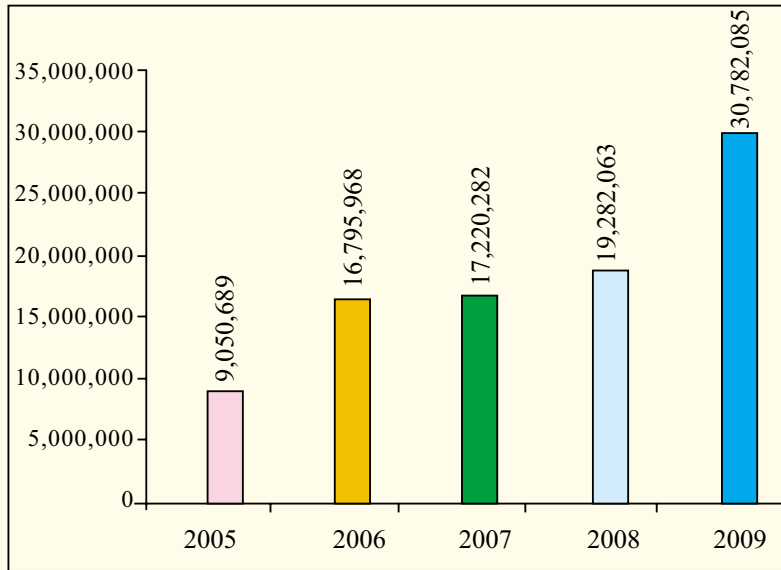
New Membership (APA and FPA) Five Year's Analysis Statistical Data



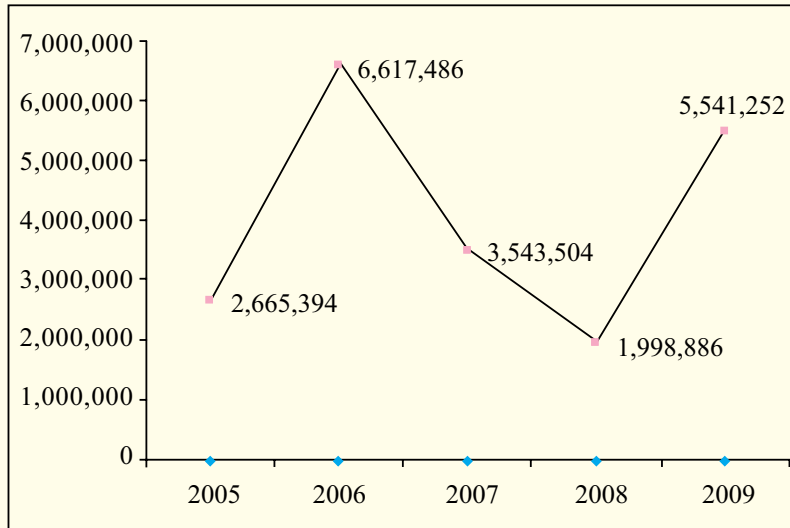
Student Five Year's Statistical Data



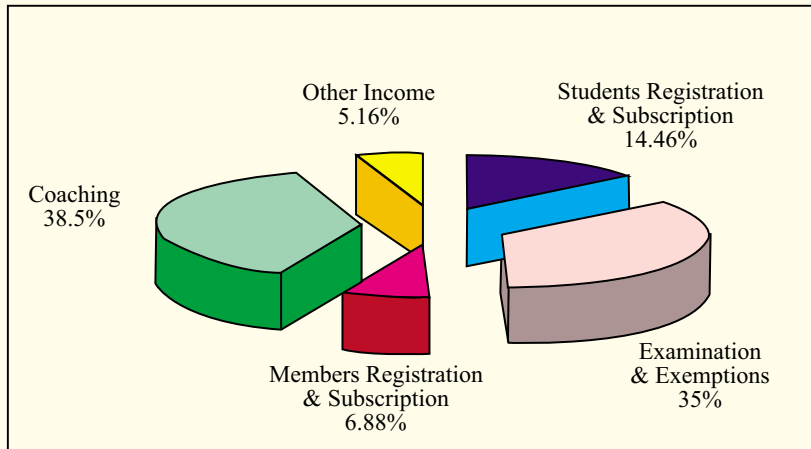
Revenue for the last Five Years



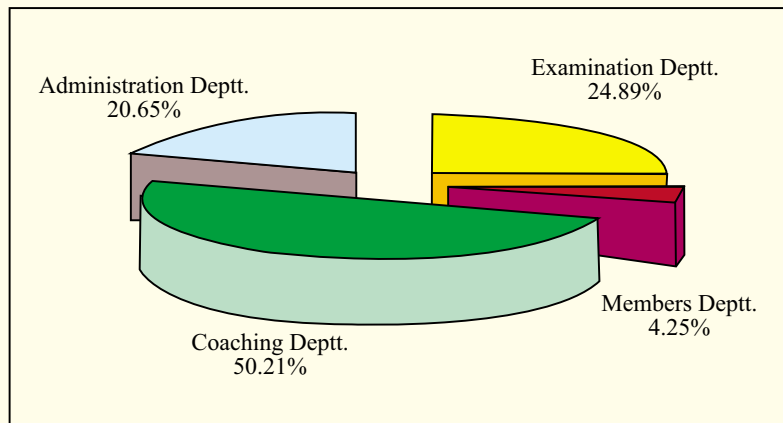
Surplus / Deficit Five Year's Statistical Data



Revenue Analysis 2009



Expenditure Analysis 2009



FORM OF PROXY

I, _____ of _____ being member of PIPFA having Membership Number FPA/APA _____ admitted before June 30, 2009 and having no dues upto the period June 30, 2010 hereby nominate Mr./Ms _____ of _____ having Membership Number FPA/APA _____ and qualified to attend the meeting as my proxy to vote for me and on my behalf at the 16th Annual General Meeting of the Institute to be held on Saturday, October 31, 2009 and at any adjournment thereof.

Signed this _____ day of _____ 2009.



Signature _____

(Signature should agree with the latest signature available on Member's record with PIPFA)

Witness No.1

Witness No.2

Name _____ Name _____
 CNIC No. _____ CNIC No. _____
 Address _____ Address _____

Note: The instrument of Proxy to be valid must be deposited at the Head Office of the Institute at least 48 hours before the meeting.



PIPFA OFFICES

Website: www.pipfa.org.pk

Karachi Head Office

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Karachi 075400. Tel: # 021-34380451-52
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Faisalabad Office

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