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Pakistan Institute of
Public Finance Accountants

Our Vision

"To be a premier professional body that develops distinguished public finance accountants for the corporate and public sectors."

Our Mission

"To contribute towards continuous development, enhancement and strengthening of the field of accountancy, public finance and audit to support economic growth in the country."

Our Core Values

Professional Excellence
Integrity
Good Governance
Transparency
Accountability
Innovation
Objectivity



**Pakistan Institute of
Public Finance Accountants**

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Board of
Governors



Pakistan Institute of
Public Finance Accountants

BOARD OF GOVERNORS



Mr. Muhammad Ali Latif
President
(Nominee of ICAP)



Mr. Usman Ahsan
Vice President
(Elected Member)



Mr. Fareed Mahmood Ch.
Secretary
(Nominee of AGP)



Mr. Sajid Hussain
Treasurer
(Elected Member)



Mr. Muhammad Yasin
Joint Secretary
(Nominee of ICMAP)



Mr. Muhammad Sharif
Member
(Elected Member)



Mr. Ghulam Rasool Shah
Member
(Nominee of AGP)



Mr. Ashfaq Yousuf Tola
Member
(Nominee of ICAP)



Mr. Mohammad Iqbal Ghori
Member
(Nominee of ICMAP)



Mr. Sami Ullah Musa
Member
(Nominee of ICAP)



Mr. Ghulam Mustafa Qazi
Member
(Nominee of ICMAP)



Mr. Sheraz Manzoor Haider
Member
(Nominee of AGP)



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Past Office
Bearers



Pakistan Institute of
Public Finance Accountants

Past Office Bearers

PERIOD	PRESIDENT	VICE PRESIDENT	SECRETARY	JOINT SECRETARY/ TREASURER
1994-95	Mr. Qaisar Mufti	Mr. Muhammad Yousaf Adil	Mr. Khalid Rafiq	Mr. Mohammad Maqbool/ Mr. Jamal Abbas Zaidi
1995-96	Mr. Mohammad Maqbool	Syed Mujahid Hussain	Mr. Ashraf Bawany	Mr. Jamal Abbas Zaidi/ Mr. Azhar Hussain
1996-97	Syed Mujahid Hussain	Mr. Ashraf Bawany	Mr. Faqir Hussain Khan	Mr. Azhar Hussain Mr. Zulfiqar Ali Kadri
1997-98	Mr. Ashraf Bawany	Mr. Fazal Mehmood	Syed Mujahid Hussain	Mr. Sajid Hussain/ Mr. U. A. Raza
1998-99	Mr. Fazal Mehmood	Mr. Faqir Hussain Khan	Mr. Muhammad Ashraf	Mr. Muhammad Sharif/ Mr. U. A. Raza
1999-00	Mr. Azhar Hussain	Mr. S. T. Rehman	Mr. Muhammad Ashraf	Mr. Muhammad Sharif/ Mr. Khaliq Ur Rehman
2000-01	Mr. Sohail Safdar	Mr. Badruddin Fakhri	Mr. Khaliq Ur Rehman	Mr. Muhammad Sharif/ Mr. Khaliq Ur Rehman
2001-02	Mr. Badruddin Fakhri	Mr. Khaliq Ur Rehman	Mr. Muhammad Sharif	Mr. Zahid Saeed/ Mr. Zulfiqar Ali Kadri
2002-03	Mr. Khaliq Ur Rehman	Mr. Muhammad Sharif	Mr. Abdus Sattar	Mr. Zulfiqar Ali Kadri
2003-04	Mr. Faqir Hussain Khan	Mr. Zulfiqar Ali Kadri	Mr. Abdul Rahim Suriya	Mr. Mehmood Ahmad Lodhi/ Mr. Zulfiqar Ali Kadri
2004-05	Mr. Zulfiqar Ali Kadri	Mr. Azam Khan Shad	Mr. Hidayat Ali Khan	Mr. Muhammad Sharif
2005-06	Mr. Azam Khan Shad	Mr. Hidayat Ali Khan	Mr. Muhammad Sharif	Mr. Khalid Ali Shah
2006-07	Mr. Arif Mansur	Mr. Muhammad Sharif	Mr. Muhammad Junaid	Mirza Munawar Hussain
2007-08	Mr. Muhammad Sharif	Mr. Sameen Ashgar	Mirza Munawar Hussain	Syed Shahid Hussain Jafri
2008-09	Mr. S. M. Awais Mr. Ejaz Ali Pirzda	Mirza Munawar Hussain	Mr. Rashid Rahman Mir	Mian Muhammad Shoaib
2009-10	Mirza Munawar Hussain	Mr. Rashid Rahman Mir	Mian Muhammad Shoaib	Dr. Syed Turab Hyder
2010-11	Mr. Rashid Rahman Mir	Mr. Sajid Hussain	Syed Imtiaz Hussain Bukhari	Mr. Shahzad Ahmad Awan
2011-12	Mian Muhammad Shoaib Mr. Sajid Hussain	Dr. Syed Turab Haider	Mr. Shahzad Ahmad Awan	Mr. Adnan Zaman
2012-13	Dr. Syed Turab Hyder Mr. Muhammad Ashraf Shaikh	Mr. Shahzad Ahmad Awan	Mr. Razaqatullah Babar Mr. M. Sharif Tabani	Mian Muhammad Shoaib
2013-14	Mr. Shahzad Ahmad Awan	Mr. Mohammad Maqbool	Mr. Sajid Hussain	Mr. Shahzad Raza Syed
2014-15	Mr. Mohammad Maqbool	Mr. Muhammad Sharif	Mr. Shahzad Raza Syed Mr. Imran Iqbal	Syed Masood Akhtar/ Khawaja Ehrar-ul-Hassan
2015-16	Mr. Muhammad Sharif	Mr. Imran Iqbal	Mr. Raheel Asghar Ginai	Mr. Usman Ahsan/ Mr. Sarmad Ahmad Khan
2016-17	Mr. Intisar Ahmed Khan	Sayyid Mansoob Hassan	Mr. Sarmad Ahmad Khan	Mr. Usman Ahsan/ Mr. Sajid Hussain
2017-18	Mr. Ghulam Mustafa Qazi	Mr. Muhammad Ali Latif	Mr. Usman Ahsan	Mr. Azhar Hameed/ Mr. Sajid Hussain

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Standing
Committees



Pakistan Institute of
Public Finance Accountants

STANDING COMMITTEES

EXECUTIVE COMMITTEE

Mr. Muhammad Ali Latif	Chairman
Mr. Usman Ahsan	Member
Mr. Fareed Mahmood Ch.	Member
Mr. Sajid Hussain	Member
Mr. Muhammad Yasin	Member

EXAMINATION COMMITTEE

Mr. Usman Ahsan	Chairman
Mr. Sami Ullah Musa	Member
Mr. Sajid Hussain	Member
Mr. Ghulam Rasool Shah	Member
Mr. Ghulam Mustafa Qazi	Member
Mr. Muhammad Sharif	Member

CPD & SEMINAR COMMITTEE

Mr. Ashfaq Yousuf Tola	Chairman
Mr. Fareed Mahmood Ch	Member
Mr. Usman Ahsan	Member
Mr. Muhammad Iqbal Ghori	Member

TECHNICAL COMMITTEE

Mr. Usman Ahsan	Chairman
Mr. Sajid Hussain	Member
Mr. Muhammad Yasin	Member
Mr. Ghulam Rasool Shah	Member
Mr. Ashfaq Yousuf Tola	Member
Mr. Imran Iqbal	
Mr. Mohammad Maqbool	

ETHICS & ADVISORY COMMITTEE

Mr. Ghulam Mustafa Qazi	Chairman
Mr. Muhammad Sharif	Member
Mr. Sheraz Manzoor Haider	Member
Mr. Ashfaq Yousuf Tola	Member

INVESTIGATION COMMITTEE

Mr. Ghulam Rasool Shah	Chairman
Mr. Muhammad Sharif	Member
Mr. Ghulam Mustafa Qazi	Member
Mr. Sami Ullah Musa	Member

BOARD OF STUDIES

Mr. Sajid Hussain	Chairman
Mr. Muhammad Yasin	Member
Mr. Fareed Mahmood Ch	Member
Mr. Muhammad Sharif	Member
Mr. Sami Ullah Musa	Member
Mr. Syed Ahsan Aman	Member
Mr. Imran Iqbal	
Mr. Mohammad Maqbool	

RESEARCH & PUBLICATION COMMITTEE

Mr. Mohammad Iqbal Ghori	Chairman
Mr. Sajid Hussain	Member
Mr. Sami Ullah Musa	Member
Mr. Ghulam Rasool Shah	Member

REGULATION AND DISCIPLINARY COMMITTEE

Mr. Sheraz Manzoor Haider	Chairman
Mr. Muhammad Sharif	Member
Mr. Muhammad Yasin	Member
Mr. Sami Ullah Musa	Member

BUDGET & INVESTMENT COMMITTEE

Mr. Fareed Mahmood Ch	Chairman
Mr. Muhammad Sharif	Member
Mr. Muhammad Yasin	Member
Mr. Ashfaq Yousuf Tola	Member

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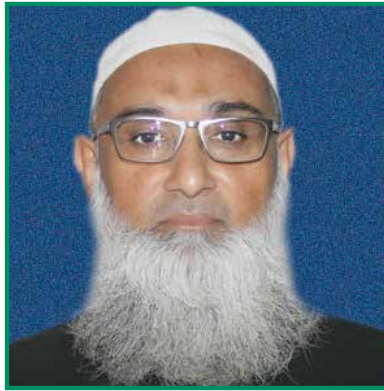
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Management
of the Institute



Pakistan Institute of
Public Finance Accountants

Management of the Institute



Mr. Muhammad Moin
Executive Director



Ms. Rana Nazir Fatima
Director Examination



Mr. M. Naeem Akhtar
Additional Director



Mr. Atiq-ur-Rehman
Deputy Director Education



Mr. Jamshaid Riaz
Joint Director Examination



Mr. M. Aslam Tahir
Deputy Director Public Sector



Ms. Qanita Imtiaz
Deputy Director Education



Mr. Meraj Ali Jan
Asst. Director Education



Mr. Sarmad Ali Shah
Asst. Director Member Affairs



Ms. Madhu
Asst. Director Marketing

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Notice of Annual General Meeting



Pakistan Institute of
Public Finance Accountants

Notice of 26th Annual General Meeting

Notice is hereby given that the 26th Annual General Meeting of Pakistan Institute of Public Finance Accountants (PIPFA) will be held at ICAP Building, Chartered Accountants Avenue, Clifton, Karachi and connected through Video Conference at ICAP offices Lahore, Islamabad and Faisalabad on **Thursday October 31, 2019 at 3:00 PM** to transact the following business;

Ordinary Business

1. To confirm the minutes of the 25th Annual General Meeting held on Saturday, November 03, 2018 at 4:00 PM at ICAP Office Islamabad and connected through Video Conference at ICAP offices Karachi, Lahore and Faisalabad.
2. To consider and adopt the audited financial statements of the Institute for the year ended June 30, 2019 together with the Reports of the Auditors and the Board of Governors thereon.
3. To appoint Auditors for the year ending June 30, 2020 and fix their remuneration. The present Auditors Parker Randall A.J.S., Chartered Accountants, being eligible, have offered themselves for re-appointment.
4. Any other business with the permission of the Chair.

By order of the Board



Fareed Mahmood Ch.

Secretary

October 10, 2019

Notes:

- a) PIPFA Members admitted up to and not having any membership dues outstanding as on August 31, 2019 are eligible to attend and vote.
- b) A member entitled to attend this meeting may appoint any other eligible member as his/her proxy to attend the meeting and vote therein.
- 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) The members attending the meeting at Karachi will be entitled to cast their votes in person. All other members must cast their votes through Proxy Form (attached at the end of the report).
- e) Members are requested to notify the Institute of any change in their address(s) and signature immediately.

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President's Review



It is indeed my pleasure to share with you the 26th Annual Report of Pakistan Institute of Public Finance Accountants (PIPFA) accompanied by its audited financial statements for the year ended June 30, 2019.

The year 2018-19 has been a year of organic growth. PIPFA posted a growth of more than PKR 10 million. This growth is largely attributable to increased outreach in both public and private sectors through Strategic Alliances and Memorandum of Understandings with prestigious organizations. This milestone has been achieved without compromising on overall quality and at the same time playing a lead role in safeguarding interests of the profession. In addition to transforming examinations on modern lines and elevating educational standards as per global benchmarks, we have also taken some first-ever initiatives that have resulted in tremendous image building of the Institute.

It is an accepted fact that in today's fast paced and constantly changing global environment, only those organizations sustain and grow which not only keep on moving forward but change proactively in line with modern trends.

Simultaneously, the expenditure side of the financial statements also show a rise in overall expenses largely attributing to enhancement of the support mechanism which is inevitable for educational institutions heading towards growth.

The Institute showed impressive growth, both in terms of increase in memberships and increase in student enrolment. This clearly depicts the increased confidence of both the parents and students in PIPFA qualification and the accounting fraternity at large.

The management of PIPFA also portrayed a strong and continued commitment for growth of the Institute. All these initiatives collectively would increase the quality of education and services to both members and students.

HIGHLIGHTS:

The Institute's branding and recognition initiatives remained the foremost priority of the Board in order to create an impact both locally and globally. During this year, PIPFA has also embarked on to take a leading role for strengthening Public Financial Management.

PIPFA continues to focus on effective implementation of marketing strategies for its stakeholders by employing various marketing techniques such as active presence of PIPFA on the Social Media, World Wide Web, Email, SMS and through presentations to various institutions. Specifically, the Institute planned and participated in an International Conference on investment and public financial management. Further, PIPFA conducted several seminars and short courses for its students in all regions. Furthermore, it also conducted open houses for awareness of potential PIPFA students throughout Pakistan. Our marketing team continued with its marketing drive throughout the year by conducting counselling sessions, participation in several education expos and career fairs in all major cities of Pakistan.

I am pleased to announce that the Board has been putting concentrated efforts in obtaining full membership of International Federation of Accountants (IFAC). It is expected that by next year PIPFA will become full member of IFAC (In-sha-Allah).

MEMORANDUM OF UNDERSTANDING

PIPFA also successfully closed MoUs with the following organizations in order to increase its footprint and provide benefit to its members and students:

- Hamdard University (Karachi)
- University of Agriculture (Faisalabad)
- The Support Group (Lahore)

- Askari General Insurance (All Cities)
- Digital Transformation Solution-DTS (Islamabad)
- Des Pardes (Islamabad)
- Kulsum International Hospital (Islamabad)

PIPFA is also in the process of Signing MoUs with the following organizations for mutual benefit and for also providing discounted services to our members and students:

- Ufone(All Cities)
- Margalla Hotel(Islamabad)
- Islamabad Diagnostic Centre- IDC (Islamabad)
- Citi Lab(Islamabad)
- Barrett Hodgson University (Karachi)
- Institute of Bankers Pakistan-IBP (Karachi)
- Hayat Institute of Rehabilitation Medicine (Karachi)
- Eureka-Institute of English Centre (Karachi)
- State-Life Insurance (Karachi)

PIPFA will also be signing MOUs with leading recruitment organizations for Job placement of its Members. A Job database is also being planned whereby CVs of interested members and students will be added in database and access will be given to recruiters for searching & shortlisting them according to various job criteria.

DEVELOPING WORLDWIDE PARTNERSHIP – MOU WITH CIPFA

The Chartered Institute of Public Finance and Accountancy (CIPFA) and the Pakistan Institute of Public Finance Accountants (PIPFA) signed a Memorandum of Understanding to advance high quality Public Financial Management in Pakistan.

Both organization shall work towards strengthening and developing the accounting profession in the public sector to strengthen Public Financial Management in Pakistan. CIPFA and PIPFA are both committed to serving the public interest and have signed MoU to build capacity in Public Financial Management in Pakistan. CIPFA will work with PIPFA to enhance capabilities within Public Finance in the country.

PIPFA is also envisaging working with CIPFA for development of a Mobile Application (Mobile App) on Ethics. This will greatly benefit the members as it will provide guidance on various ethical dilemmas faced by our members especially in the public sector.

SYLLABUS UPGRADATION:

1. Public Sector Syllabus

The Institute initiated the development of new syllabus for Public Sector. The revision of the syllabus has not only broadened the scope of our Public sector in different industries but also provided much needed global recognition.

2. Corporate Sector Syllabus

PIPFA is also working for the revamping of Corporate Sector syllabus as per the requirement of IFAC as well as the current financial market.

SMO-2 ACTION PLAN-INTERNATIONAL EDUCATION STANDARDS FOR PROFESSIONAL ACCOUNTANTS AND OTHER IAESB GUIDANCE:

PIPFA has developed a portal for IFAC News and latest updates as a permanent feature for its members and students. PIPFA Branch Committees also arrange seminars on technical matters for keeping the members abreast of latest developments.

GOOD GOVERNANCE INITIATIVES

With the objective to fortify the internal controls and to implement the best business process across the organization, Audit Committee provided its recommendations on financial statements, related accounting & internal controls, compliance on taxation matters and secretarial obligations which were comprehensively reviewed and implemented by the Board.

MEMBERS & STUDENTS' STATISTICS

The total number of members as on June 30, 2019 was 7,709. This year the number of new registrations of members was 204. This increase portrays a confidence and trust of members on PIPFA.

The new students enrolled as at June 30, 2019 are 1,458 which is almost double than the last year number i.e. 793. This increases the total number of students in PIPFA as on June 30, 2019 to as 33,755, both for Public and Corporate Sector.

LAUNCH OF MENTORING PROGRAM

I am also pleased to inform you that PIPFA is planning to launch Mentoring Program. This scheme connects newly qualified members who want to be "Mentee" with our senior members who want to be "Mentors". This will not only provide valuable experience for the mentee but will also be a rewarding experience for the mentor - as I have met various experienced members who want to give something back to the profession and mentoring scheme is an excellent way of doing the same.

This program is especially designed for our members serving in the Industry as it will help them for their next finance role in the same organization or the next career move to another organization. Some of the expected benefits are:

- Access to top business/finance leaders with relevant industry experience.
- Develop strategic understanding of business issues.
- Discussion on industry specific issues.
- Exchange of ideas.

CONTINUED PROFESSIONAL DEVELOPMENT (CPD) ACTIVITIES

Continuing Professional Development (CPD) is one of the important role of professional bodies i.e. to update and enhance knowledge of its members through seminar, workshops and events. PIPFA in collaboration with ICAP, ICMAP, AGP, Tax Bars, Chambers of Commerce and other Educational Institutes is rigorously engaged to conduct & deliver latest knowledge in public finance, auditing, taxation, accounting and other standards to its valuable members. In Faisalabad, 56 no of total CPD hours was recorded, similarly, 40 CPD in Islamabad 23 in Karachi and 54 CPD hours was conducted in Lahore during the year. PIPFA was able to provided CPD of total of 173 hours during the year. CPD events were conducted in Lahore, Islamabad, Faisalabad & Karachi.

FUTURE OUTLOOK

- Working for the revision of Memorandum of Association and Article of Association is in process and it is expected to be completed in the forthcoming year.
- PIPFA Act with support of office of Auditor General is also under preparation.
- Attaining Membership of SAFA, CAPA and IFAC.
- Starting new projects and signing MOUs with professional bodies including sponsoring bodies ICAP and ICMAP for discussing the possibility of increased recognition of PIPFA and holding of joint events and CPD activities for professional development.
- Signing of MOUs with industry for providing discounts for members, strengthening ties with industries, placement of members & students and collaborative research etc.
- Initiating revenue enhancement plans such as marketing & promotional campaigns and seeking funding from government departments to increase intake from public sector.
- Offering support and services to public sector organizations included but not limited to following:
 - * Training on international Public Sector Accounting Standard (IPSAS)
 - * Enhancing quality of Financial Management, Reporting and Audit,
 - * Improving governance and transparency.
- Further areas to strive during forthcoming fiscal year include, development of a more interactive and informative website, developing policies and procedures for various departments, recruitment on vacant posts, social media marketing, holding national conferences, and discussion with federal and provisional governments for allotment of land for PIPFA's own campuses.

I would also like to acknowledge the support and cooperation of our members who always provided valuable suggestions from time to time to the Board. I offer my sincere gratitude to the Government of Pakistan for the unabated guidance and support. I am also thankful to the members of a various committees of the Institute for their contributions towards the promotion of the profession and development of the Institute. The employees of the Institute continued to work with dedication, for which on your behalf, I would like to express my appreciation.

I also take this opportunity to express my sincere gratitude and acknowledge the hard work done by the Board of Governors, Secretariat, Members, Faculty and Students for their commitment and efforts for value creation of the profession.

I wish you all a peaceful and prosperous personal and professional life ahead. Let us also not forget our brothers and sisters of occupied Kashmir and we promise never to leave Kashmiris alone and assure them that their case would be fought at all diplomatic, political and human rights forum.

PIPFA Zindabad!



M. Ali Latif
President

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Report of
the Board of
Governors



Pakistan Institute of
Public Finance Accountants

Report of the Board of Governors

The Board of Governors of Pakistan Institute of Public Finance Accountants (PIPFA) is pleased to present the Annual Report 2019 and accompanying audited financial statements for the year ended June 30, 2019. The Institute has achieved many milestones in the year 2018-19 as a result of rigorous implementation of envisioned plans of the Board. PIPFA is the third largest national accountancy body and has played a pivotal role in strengthening the Public Sector. The Board is continuously striving for further recognition of PIPFA qualification globally yet ensuring transparency, good governance and adherence to the highest professional standards of excellence.

Financial Performance Highlights

The Financial Performance for the year 2018-19 as compared to 2017-18 has been as follows

	2018-19 Rs.	2017-18 Rs.
Income	53,610,469	43,185,715
Expenses	56,812,981	39,011,121
(Deficit)/ Income for the year	(3,202,512)	4,174,594

As per above, the income registered a healthy growth of 24 % without detailed breakdown of various components of Income. The coaching income increased by 129% as a result of revision of fee structure for both corporate and public sector. It is pertinent to mention that the Board has now introduced a mechanism of annual revision of fee to account for the inflationary impacts. This has also been made part of the agreements with various public sector entities. The second contributor to the growth of income was student registration and examination fee which also registered a growth of 48% largely due to increased student intake and enhanced fee structure. The other income, excluding the one time adjustment of Rs.10.00 M in the previous year for bad debt reversal, also showed a growth of 76%. Excluding the impact of reversal of Rs.10.00 M as previously discussed, the income of the institute increased by 62% in aggregate which is a considerable improvement. The corresponding expenses although increased by 45.63%, yet they were mainly attributed to coaching expenses as a result of revamping of public sector syllabi by the public sector bodies. The board has tasked the Board of Studies (BOS) to work on reducing and aligning the papers after deliberation with the relevant stakeholders and fruitful results are expected in the current year which will largely reduce the coaching and examination expenses of the Institute. The Board is confident that financial position of the institute will further improve in the current year as a result of different steps taken to reduce non developmental expenditures and improve revenues.

GOOD GOVERNANCE INITIATIVES

The Board has already setup an Audit Committee to oversee the accounting and internal controls of the Institute and provide appropriate recommendations. The periodic financial statements are also reviewed by this Independent Committee and their observations are presented before the Board for deliberation and implementation. The Audit Committee has also recommended to gradually create an internal audit department to further strengthen the internal controls and ensure transparency and integrity of the system and implementation of Best Business Processes. Although there is no mandatory requirement, the Institute has adhered to the policy of having interim review of its financial statements since 2016-17 as a good governance initiative. Through the Audit Committee and the Executive Committee, the Board ensures compliance of all the regulatory requirements including those to Securities and Exchange Commission of Pakistan (SECP), Federal Board of Revenue (FBR), Sindh Revenue Board (SRB) and other government departments. The Technical Committee of the Board is also in the process of reviewing the Memorandum & Articles of Association of the Institute in light of Companies Act, 2017.

MEMBERS' STATISTICS

The membership of the Institute registered a growth of 204 new members from 7,505 to 7,709 as of June 30, 2019. This increase reflects the professional value of the PIPFA Qualification in the field of accountancy. The Board has strived to increase the membership base by not only streamlining and reducing the membership mechanism but by rigorous campaigning through CPD activities, MOUs with third parties to provide facilities and opportunities to the members and also through Social media presence. Members are considered as pivotal in the development and growth of the Institute and their professional contributions are equally important for further enhancing the scope and recognition. Members are invited to participate in CPD activities, contribute in PIPFA publications, provide valuable feedback on various exposure drafts and technical updates, and participate in Branch committees and other engagement avenues.

STUDENTS ENROLMENT

The PIPFA Education program is recognized as a gateway to various International professional qualifications due to its global recognition. PIPFA not only offers professional education at an affordable cost to the corporate sector with a variety of entry options and separate specializations but also is the sole representative of public sector education in Pakistan. PIPFA qualification has numerous exemptions from national accounting bodies including ICAP and ICMAP besides international professional accounting bodies including

CIPFA, CIMA and ACCA. The new student enrollment as at June 30th, 2019 were at 1,458 which showed a 84% growth as compared to last year of 793 students as at June 30th, 2018. This made the total number of PIPFA students at 33,755. This was a result of sincere efforts of the Board which implemented effective decision making and pursued the continuous monitoring of the admission campaign at various centers. The public sector nominations were very healthy as a result of continuous follow up. The marketing and promotional activities are carefully planned and executed to achieve desired results for the Institute.

EDUCATIONAL PROGRAMS

1) Corporate Sector

The Corporate Sector Education program is in a continuous process of development and up gradation in light of latest International Education Standards issued by the IAESB. The Board of Studies and the Technical committee of the Board jointly work on these developments. PIPFA has made numerous new changes in the Corporate Sector that include enhanced entry requirements, Pre-entry proficiency test for students below prescribed percentage, development of online self-assessment questionnaire for prospective students, introduction of Professional Skills training courses at various levels of qualification, introduction of topics related to professional values, ethics and attitude in two additional papers and increase in computer practical training to 100 hrs. Two new subjects are also being introduced that include Management strategy and Business Organization.

The number of corporate sector enrollments in 2018-19 were 604 as compared to 630 in 2017-18.

Public Sector

The Public Sector Education programs of eight (8) public sector entities including AGP, WAPDA, PRAD, PMAD, Treasury, LFA, CGA and CDA also underwent major revisions during the year to incorporate latest pronouncements, updates and new subjects. In 2018-19, PIPFA also introduced short certificate courses as per the requirement of Public Sector. Two new programs for Local Fund Audit Government of Punjab (LFA) with cost plus basis have been approved by the Board and one is in process. LFA has agreed to implement a five (5) year plan for short courses. Customized short courses for implementation in 194 public sector universities and public sector organizations have been developed by the Secretariat and has been marketed to the stakeholders. During the year, PIPFA conducted various Seminars cum Workshops on Procurement Process and Allied matters, Public Financial Management and International Public Sector Accounting Standard (IPSAS-Modified Cash basis) in order to create awareness in the public sector.

With the promulgation of The Public Finance Management Act-2019, strong desire by the International stakeholders for Public Financial Management (PFM) and implementation IPSAS (Modified cash to modified accrual), there is a need to not only enhance the PIPFA education to other public sector entities but also for customized trainings, workshops and certificate courses. Seizing this opportunity, the Board has emphasized on the BOS and the Secretariat to rigorously work in close coordination with the public sector entities and cater to their growing needs yet enhancing the footprints of PIPFA qualification.

The Management in the context of their diligent efforts and acceptance of PIPFA qualification amongst the public sector entities, optimistically anticipates the increased number of enrollment from public sector.

The number of public sector enrollments in 2018-19 were 854 as compared to 163 in 2017-18.

ADOPTION OF IFAC CODE OF ETHICS

PIPFA has adopted Part A & C of the IESBA Code of Ethics, 2016 Edition relating to the General Application of the code and professional Accountants in Business respectively developed by IESBA without translation and changes, including the NOCLAR in replacement of previously adopted Code of Ethics 2015 Edition. The Board has recently setup an Ethics Advisory Committee to provide guidelines to its members. The Technical committee of the Board has also started the review of the IESBA Code of Ethics, 2018 which will be implemented after due diligence.

CONTINUED PROFESSIONAL DEVELOPMENT (CPD) ACTIVITIES

In order to ensure the continued professional development of its members, PIPFA organizes seminars, workshops and courses at various centers across Pakistan in addition to collaboration with its sponsoring bodies i.e., ICAP, ICMAP, AGP, Tax Bars and Chambers of Commerce. The CPD and Seminar committee of the Board is tasked to oversee this function and it requires PIPFA Branch Committees at each center to submit annual schedule of tentative CPD activities. Due weightage is assigned to various technical competences while arranging such activities. Some of the seminar/workshops conducted in the year 2018-19 are as follows;

Faisalabad:

- Seminars on;
 - o Changes & Filing Requirement under Companies Act 2017
 - o Amendments in Income Tax Laws through Finance Act 2018-19
 - o Procurement, Procurement Process and Allied Matters
 - o Finance Act 2019-20 (Direct Taxes & Indirect Taxes)
- 10 Days Course on "IAS & IFRS"

Islamabad:

- Seminars on;
 - o Tax Amnesty Scheme 2018
 - o Comparison of Punjab Procurement Rules in PPRA
 - o Withholding Taxes
 - o Finance Act 2019-20 (Direct Taxes & Indirect Taxes)

- Workshops on;
 - o Dashboard using Advanced Excel 2016 and Power BI
 - o International Financial Reporting Standards.

Karachi:

- Seminars on
 - o Soft Skills
 - o IAS-1 & IFRS-9
 - o Advanced Excel
 - o Taxation of Individuals & AOP
- Workshop on practical aspects of Sales Tax

Lahore:

- Seminars on
 - o Limited Liability Partnerships
 - o Procurement Processes and Allied Matters
 - o Public Financial Management
 - o Federal Tax Ombudsman
 - o International Public Sector Accounting Standards (IPSAS)

The Branch Committees are the flag bearers of the CPD activities conducted by PIPFA. The technical committee of the Board also plays an important role in identification of latest technical updates that require dissemination of information to the members and results in design of CPD plan. The Institute is continuously updating its CPD policy and mechanism in light of the revised International Education Standard-7 issued by International Accounting Education Standards Board (IAESB) of International Federation of Accountants (IFAC).

MARKETING

PIPFA has always embarked on a rigorous marketing plan for both corporate and public sectors. The Corporate sector marketing includes but not limited to participation in National Education Expos, orientation seminars at various educational institutes and universities, digital and social media marketing, admission campaigns and press coverage of its CPD and other activities in National newspapers. Assistant Director Marketing is placed at the PIPFA Secretariat with Marcom Internees at each PIPFA center. The Marcom department functions in close coordination with the CPD & Seminar Committee and the Publications Committee of the Board in addition to the Branch Committees. The Public Sector marketing and promotion is done through the Deputy Director Public Sector who approaches new public sector bodies through official correspondence and visits. Additionally, Seminars, Workshops and conferences specifically designed for the public sector are launched to create awareness about the Institute.

Some of the MOUs for the facilitation of PIPFA members and to market the PIPFA brand, that are already signed or in the final stage, are as follows;

- o KnowledgeNow
- o Hamdard University (Karachi)
- o University of Agriculture (Faisalabad)
- o The Support Group (Lahore)
- o Askari General Insurance (All Cities)

- o Des Perdes (Islamabad)
- o Kulsum International Hospital (Islamabad)
- o Digital Transformation Solution DTS (Islamabad)
- o Ufone (All Cities)
- o Margalla Hotel (Islamabad)
- o Islamabad Diagnostic Centre-IDC (Islamabad)
- o Citi Lab (Islamabad)
- o Barrett Hodgson University (Karachi)
- o Institute of Bankers Pakistan (IBP) (Karachi)
- o Hayat Institute of Rehabilitation Medicine (Karachi)
- o Eureka-Institute of English Centre (Karachi)
- o State-Life Insurance(Karachi)

FUTURE OUTLOOK

As the government has introduced steps for documentation of economy besides increasing the tax base, the need for professionally qualified accountants both in public and corporate sectors is ever rising. In order to contribute to this national cause, PIPFA has rightly aligned itself be it through updating its education program, enhancing its membership status with IFAC, MOUs with national and international professional bodies, Institutes and Universities, penetration in the public sector through enhanced agreements for training and development and other sincere efforts to stay ahead and be the part of the change. The future outlook of PIPFA is considered to be very positive and the Board is striving to achieve the expected growth and reputation.

ACKNOWLEDGEMENT

The dedicated services of PIPFA employees at the Secretariat and various centers are highly recognized appreciated. The Board is indebted to the members of PIPFA branch committees set up at Karachi, Lahore, Islamabad & Faisalabad for their successful conduct of CPD activities and supervision of marketing & promotional activities at their respective centers. The Board is grateful to the independent members of the audit committee for their valuable contribution and efforts for improvement in the accounting and internal controls. We also extend our profound gratitude to our members, students and other stakeholders for reposing their confidence in us and contributing in progress of PIPFA.


Secretary
President

ANNUAL REPORT

Auditors' Report

Parker Randall International

Parker Randall - A.J.S.
Chartered Accountants
F-4/2, Mustafa Avenue,
Behind the Forum, Block-9
Clifton, Karachi.

Opinion

Auditors' Report To The Members

We have audited the annexed financial statements of Pakistan Institute of Public Finance Accountants (the Institute), which comprise the statement of financial position as at June 30, 2019, and the statement of income and expenditure, the statement of other comprehensive income, the statement of cash flows and the statement of changes in fund for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of income and expenditure, the statement of other comprehensive income, the statement of cash flows and the statement of changes in fund 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 Institute's affairs as at June 30, 2019 and of the loss and other comprehensive income, the changes in fund and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Institute 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 (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 Auditor's Report Thereon

The 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 Governors 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 Institute'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 Institute or to cease operations, or has no realistic alternative but to do so.

Board of Governors is responsible for overseeing the Institute's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial 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 Institute'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 Institute's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Institute 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 governors 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 Institute 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 other comprehensive income, the statement of cash flows and the statement of changes in fund 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 Institute's business; and
- d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was not deducted by the Institute and deposited in the Central Zakat Fund established under section 7 of that Ordinance

The engagement partner on the audit resulting in independent auditors' report is Muhammad Shabbir Kasbati.



Chartered Accountants

Date: 9th October, 2019

Karachi.

ANNUAL REPORT

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Financial Statements



Pakistan Institute of
Public Finance Accountants

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2019

	Note	2019 RUPEES	2018 RUPEES
ASSETS			
Non-current assets			
Fixed assets			
Property and equipment	4	25,606,477	24,603,889
Investment property	5	1,021,993	1,075,782
Intangible assets	6	32,541	48,809
Investment	7	-	-
		26,661,011	25,728,480
Current assets			
Loans and advances	8	425,400	295,233
Deposits, prepayments and other receivables	9	6,967,421	2,507,183
Short-term investments	10	2,000,000	-
Cash and bank balances	11	3,883,292	12,544,002
		13,276,113	15,346,418
Non-current asset classified as held for sale	12	1,028,319	-
		40,965,443	41,074,898
LIABILITIES			
Non-current liabilities			
Members' subscription	13	3,030,945	3,766,982
Deferred liability - staff gratuity	14	4,916,002	4,363,439
		7,946,947	8,130,421
Current liabilities			
Current maturity of members' subscription		611,795	653,056
Accrued and other liabilities	15	4,176,351	958,559
		4,788,146	1,611,615
Contingencies and commitments	16		
		12,735,093	9,742,036
TOTAL LIABILITIES		12,735,093	9,742,036
NET ASSETS		28,230,350	31,332,862
REPRESENTED BY			
GENERAL FUND		28,030,350	-
ENDOWMENT FUND		200,000	31,332,862
		28,230,350	31,332,862

The annexed notes from 1 to 32 form an integral part of these financial statements.



Member of Board of Governor



President

STATEMENT OF INCOME & EXPENDITURE

FOR THE YEAR ENDED JUNE 30, 2019

	Note	2019 RUPEES	2018 RUPEES
INCOME			
Students' registration and annual subscription fee	17	7,951,260	5,334,090
Examination and exemption fee	18	18,918,050	12,857,800
Members' registration and annual subscription fee	19	4,200,257	4,815,624
Coaching fee	20	19,970,039	8,719,946
Other income	21	2,570,863	11,458,255
		53,610,469	43,185,715
EXPENDITURE			
Examination department expenses	22	12,194,358	10,026,751
Members' department expenses	23	2,362,373	2,396,820
Coaching department expenses	24	28,507,824	18,191,682
Administrative expenses	25	13,748,426	8,395,868
		56,812,981	39,011,121
(Deficit)/Income transferred to General Fund		(3,202,512)	4,174,594

The annexed notes from 1 to 32 form an integral part of these financial statements.



Member of Board of Governor



President

STATEMENT OF CASH FLOW

FOR THE YEAR ENDED JUNE 30, 2019

	Note	2019 RUPEES	2018 RUPEES
CASH FLOWS FROM OPERATING ACTIVITIES			
(Deficit)/ Surplus for the year ended		(3,202,512)	4,174,594
Members' subscription - advance		(777,298)	(572,720)
Adjustment for non-cash items:			
Depreciation		1,242,515	817,328
Gain on sale of fixed asset		(386,193)	-
Amortization		16,268	24,401
Provision against advance income tax		245,101	-
Reversal of provision against doubtful recovery of investments		-	(10,000,000)
Staff gratuity		783,922	554,751
Deficit before working capital changes		(2,078,197)	(5,001,646)
(Increase) / decrease in current assets			
Loans and advances		(202,861)	868
Trade deposits, prepayments and other receivables		(4,460,238)	2,293,088
		(4,663,099)	2,293,956
Increase/ (decrease) in current liabilities			
Accrued and other liabilities		3,217,792	(682,815)
Cash used in operating activities		(3,523,504)	(3,390,505)
Income tax paid		(172,407)	(64,676)
Staff gratuity paid		(231,359)	(38,332)
Net cash used in operating activities		(3,927,270)	(3,493,513)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property and equipment		(3,354,440)	(428,955)
Sale proceed from sale of fixed asset		521,000	-
Recovery of held to maturity investment		-	10,000,000
Short-term investments		(2,000,000)	-
Net cash (used in) / generated from investing activities		(4,833,440)	9,571,045
CASH FLOWS FROM FINANCING ACTIVITIES			
Contribution by members to Endowment Fund		100,000	-
Net (decrease)/increase in cash and cash equivalents		(8,660,710)	6,077,532
Cash and cash equivalents at the beginning of the year		12,544,002	6,466,470
Cash and cash equivalents at the end of the year	11	3,883,292	12,544,002

The annexed notes from 1 to 32 form an integral part of these financial statements.



Member of Board of Governor



President

STATEMENT OF CHANGES IN FUND

FOR THE YEAR ENDED JUNE 30, 2019

	General Fund Rupees	Endowment Fund Fund Rupees	Total Rupees
General Fund			
Balance as at June 30, 2017	27,158,268	-	27,158,268
Surplus transferred from statement of other comprehensive income	4,174,594	-	4,174,594
Balance as at June 30, 2018	31,332,862	-	31,332,862
Deficit transferred from statement of other comprehensive income	(3,202,512)	-	(3,202,512)
Transferred to Endowment Fund	(100,000)	100,000*	-
Contributions made during the year		100,000	100,000
Balance as at June 30, 2019	28,030,350	200,000	28,230,350

* The Board of Governors in its meeting held on September 29, 2018 allocated Rs. 100,000 from General Fund to Endowment Fund.

The annexed notes from 1 to 32 form an integral part of these financial statements.



Member of Board of Governor



President

STATEMENT OF OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2019

	2019 RUPEES	2018 RUPEES
(Deficit)/ Surplus for the year	(3,202,512)	4,174,594
Other comprehensive income	-	-
Total comprehensive (loss)/income for the year	(3,202,512)	4,174,594

The annexed notes from 1 to 32 form an integral part of these financial statements.



Member of Board of Governor



President

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

1. INSTITUTE AND GENERAL INFORMATION

1.1 Legal status and operation

Pakistan Institute of Public Finance Accountants (the Institute) was incorporated on 28th of October, 1993 as a public company limited by guarantee under section 42 of the Companies Ordinance, 1984 (Repealed with the enactment of Companies Act, 2017 on May 30, 2017).

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 inception, the name of the institute 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 providing accounting education and development.

The head office and registered office of the Institute is situated at M1 & M2, Park Avenue, Mezzanine Floor, Block-6, P.E.C.H.S., Shakra-e-Faisal, Karachi while its regional offices are situated as follows:

- i) Ajmal Center-1, Second floor, 289-1, Batala Colony, Faisalabad.
- ii) Office No. 27 & 28, 3rd Floor, Rehmat Centre, Plot No. 07, I-8 Markaz, Islamabad.
- iii) 6-Atta Turk Block, New Garden Town, Lahore.

1.1.1 Endowment Fund

The Board of Governance in its 123rd meeting held on September 29, 2018, established an Endowment Fund to provide financial assistance to the deserving students. Balance of fund include transfer from General Fund and contribution made by members during the year.

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

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS for SMEs or the Accounting Standard for NPOs, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Accounting convention

These financial statements have been prepared under the historical cost convention and on an accrual basis of accounting except for revenue as disclosed in the relevant notes of these financial statements and cash flow information.

2.3 Functional and presentation currency

Items included in the financial statements of the Institute are measured using the currency of the primary economic environment in which the Institute operates (the functional currency). These financial statements are presented in Pakistan Rupee (Rs.), which is the Institute's functional and presentation currency.

2.4 Significant accounting estimates and judgments

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 Institute's accounting policies. Estimates and judgment are continually evaluated and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In the process of applying the Institute's accounting policies, the management has made the following estimates and judgments which are significant to the financial statements

	Note
Determining the residual values and useful life of fixed assets.	3.1, 3.4, 3.5, 4, 5 & 6
Impairment of;	
> Fixed assets	3.1, 3.4, 3.5, 4, 5 & 6
> Long term investments	3.6 & 7

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 significant accounting policies adopted in the preparation of these financial statements are set out below and have been consistently applied to all years presented.

3.1 Property and equipment

These are stated at cost less accumulated depreciation and impairment losses, if any.

Subsequent costs, if reliably measurable, are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the cost will flow to the Institute.

Maintenance and normal repairs are charged to the statement of income and expenditure as and when incurred. Major renewals and improvements are capitalised.

Assets useful lives and residual values that are significant in relation to the total cost of the assets are reviewed, and adjusted if appropriate on a prospective basis, at each date of statement of financial position

Depreciation is charged by applying the reducing balance method after taking into account residual value, if any, whereby the depreciable amount of the assets is written off over its estimated useful life at the rates mentioned in the note 4 to these financial statements. Depreciation is charged from the month the asset is available for use and up to the month, preceding the disposal.

The gain or loss arising on disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognised as other income in the statement of income and expenditure.

3.2 Capital work-in-progress

Capital work-in-progress is stated at cost less impairment losses, if any, and consist of expenditure incurred in the course of construction and installation of property and equipment. These are transferred to specific assets as and when these are available for intended use.

3.3 Non-current assets classified as held for sale

Non-current assets are classified as held for sale when;

- a) the management is committed to plan to sell the asset;
- b) an active programme to locate the buyer and complete the plan must have been initiated;
- c) the asset must be actively marketed for sale at a price that is reasonable in relation to its current fair value and;
- d) the sale must be expected to be completed within one year from the date of classification

Subsequent to classification as held for sale, the asset is measured at lower of carrying amount and fair value less cost to sell. Any impairment loss arising on asset subsequent to its classification is recognised in the statement of income and expenditure.

3.4 Intangible

This represents computer software which is stated cost less accumulated amortization and accumulated impairment losses, if any. Amortization is charged so as to allocate the cost of computer software over its estimated useful live, using the reducing balance method at the rates specified in note 6 to the financial statements.

3.5 Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, including property under construction for such purposes, is measured initially at its cost, including transaction costs.

Subsequent to initial recognition, investment property is valued using cost model i.e. at cost less accumulated depreciation and accumulated impairment losses, if any.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes cost of materials and direct labour, any other costs directly attributable

to bringing the investment property to its working condition for their intended use and capitalised borrowing costs.

Depreciation is charged using reducing balance method so as to allocate the depreciable amount of the investment property over its estimated useful life. Depreciation on additions is charged from the month in which the investment property is acquired or capitalised while no depreciation is charged for the month in which the property is disposed off.

The useful life, residual value and depreciation method are reviewed on a regular basis. The effect of any changes in estimate is accounted for on a prospective basis. Further, determining adjustments for any differences in nature, location and condition of the investment property involves significant judgment.

The Institute assesses at each date of statement of financial position whether there is any indication that the investment property may be impaired. If such indication exists, the carrying amount of such assets are written down to their recoverable amount and the resulting impairment loss is recognised in the statement of income and expenditure. The recoverable amount is the higher of the assets fair value less costs to sell and value in use. Where an impairment loss is recognised, the depreciation charge is adjusted in the future period to allocate the assets' revised carrying amount over its estimated useful life.

Gains and losses on disposal of investment property is charged to the statement of income and expenditure.

3.6 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 till maturity.

Investments classified as held to maturity are recognised 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 recognised in the statement of income and expenditure over the period of the investments on an effective yield method.

3.7 Taxation

The Institute is a Not for Profit Organization under section 2 (36) the Income Tax Ordinance 2001, and is also exempt from income tax under clause (58A) of the Second Schedule of the Income Tax Ordinance, 2001 being an educational institution established solely for the purpose of providing education and not for purpose of profits.

3.8 Financial assets and liabilities

All financial assets and liabilities are recognised at the time when the Institute becomes a party to contractual provisions of the instrument. Any gain and loss on derecognition of the financial assets and liabilities is taken to the statement of income and expenditure.

Financial assets are derecognised at the time when the Institute loses control of the contractual rights associated with the financial assets. All financial liabilities are derecognised at the time when they are extinguished that is, when the obligation specified in the contract is discharged, cancelled, or expires. Any gain or loss on derecognition of the financial assets and liabilities is taken to the statement of income and expenditure.

3.9 Provisions

Provisions are recognised in the statement of financial position 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. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Provisions are reviewed at each date of statement of financial position and adjusted to reflect the current best estimate.

3.10 Staff gratuity

The Institute operates unfunded gratuity scheme for all of its staff. As per the policy, the employees are entitled to gratuity equal to last drawn basic salary on completion of each year with the Institute. Provision has been made to cover the obligation in accordance with the actuarial valuation using "Projected Unit Credit Method"

3.11 Accrued and other liabilities

Liabilities for creditors and for other amounts payable are stated at cost which is the fair value of the consideration to be paid in future for goods and services received, whether or not billed to the Institute.

3.12 Contingent liabilities

A contingent liability is disclosed when the Institute has a possible obligation as a result of past events, whose existence will be confirmed only by the occurrence or non-occurrence, of one or more uncertain future events not wholly within the control of the Institute; or the Institute 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.

3.13 Off-setting of financial assets and liabilities

Financial assets and financial liabilities are off-set and the net amount is reported in the statement of financial position if the Institute has a legally enforceable right to set-off the recognised amounts and intends either to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

3.14 Impairment of non-financial assets

The assets that are subject to depreciation or amortization are assessed at each reporting date to determine whether there is any indication that the assets are impaired. If there is an indication of possible impairment, the recoverable amount of the asset is estimated and compared with its carrying amount.

An impairment loss is recognized if the carrying amount of an asset exceeds its estimated recoverable amount. The impairment loss is recognized in the statement of income and expenditure

An impairment loss is reversed only to the extent that the asset carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. The Institute recognizes the reversal immediately in the statement of income and expenditure

3.15 Cash and cash equivalents

Cash and cash equivalents are carried at cost. For the purpose of statement of cash flows, the cash and cash equivalents comprise of cash in hand, cash at banks in current and saving accounts.

3.16 Revenue recognition

Revenue is recognized to the extent the Institute has rendered services under an agreement, the amount of revenue can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the Institute. Revenue is measured at the fair value of the consideration received or receivable, exclusive of trade discounts (if any).

Students' registration and annual subscription fee

This represents registration fee paid by the student for admission to the Institute. Annual subscription fee represents annual fee paid by the students which becomes due on July 1 each year.

Examination and exemption fee

Examination fee is recognised in period in which examination are conducted whereas, exemption fee is recognised on receipt basis.

Members' registration and annual subscription fee

This represents registration fee paid in respect of obtaining membership of the Institute. Annual membership fee represents annual fee paid by members which becomes due on July 1 each year. The fees paid is recognized on receipt basis.

In case of other arrangements, the members are allowed to make lump sum payment against membership for 10 to 20 years. In such cases, the amount paid is amortized and charged to the statement of income and expenditure over the period of such arrangement.

Coaching fee

This represents consideration received against coaching services provided by the Institute. This fee is recognized on receipt basis.

Mark-up and other income

Mark-up on interest bearing investments and saving accounts with banks, and other income is recognized as other income on an accrual basis.

3.17 Foreign currency transactions and translations

Transactions in foreign currencies are recorded at the rates of exchange ruling on the date of the transaction. All monetary assets and liabilities denominated in foreign currencies are translated into Pakistan Rupees at the rate of exchange ruling on the balance sheet date and exchange differences, if any, are charged to the statement of income and expenditure.

3.18 Borrowings and borrowing costs

Borrowings are initially recognized at fair value and are subsequently carried at amortized cost. Borrowing costs are recognized on the basis of the effective interest method. Last year, the Institute changed its accounting policy and now all borrowing costs are recognized as an expense in the statement of income and expenditure in the period

in which they are incurred.

3.19 Related party transactions

Parties are considered to be related party if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions and includes a subsidiary company, associated companies with or without common directors, principle shareholders, directors and their close family members, and key management personnel.

The related parties of the Institute comprises of Institute of Chartered Accountants of Pakistan (ICAP), Institute of Cost and Management Accountants of Pakistan (ICMAP), Auditor General of Pakistan (AGP), Board of Governors, key management personnel, entities where board of governors also hold directorship, governance and their close family members.

4. PROPERTY AND EQUIPMENT

	June 30, 2019	June 30, 2018
	(Rupees)	(Rupees)
Property and equipment	4.1 <u>25,606,477</u>	<u>24,603,889</u>

4.1 Reconciliations of carrying amounts of operating fixed assets at the beginning and at the end of the year are as follows:

Description	Freehold Land	Office on Freehold Land	Office on Leasehold Land	Electrical Equipment	Office Equipment	Furniture and Fixture	Vehicles	Library Books	Total
	R U P E E S								
Net book value as at June 30, 2017	15,732,078	5,606,234	1,139,412	733,326	244,023	1,275,196	203,973	1,400	24,935,642
Additions / transfers*	-	-	-	268,840	115,515	44,600	-	-	428,955
Depreciation for the year	-	(280,312)	(56,971)	(176,483)	(86,895)	(129,171)	(30,596)	(280)	(760,708)
Net book value as at June 30, 2018	15,732,078	5,325,922	1,082,441	825,683	272,643	1,190,625	173,377	1,120	24,603,889
Cost as at June 30, 2017	15,732,078	6,199,902	2,725,083	2,478,119	3,325,695	2,739,099	872,900	49,524	34,122,400
Accumulated depreciation	-	(873,980)	(1,642,642)	(1,652,436)	(3,053,052)	(1,548,474)	(699,523)	(48,404)	(9,518,511)
Net book value as at June 30, 2018	15,732,078	5,325,922	1,082,441	825,683	272,643	1,190,625	173,377	1,120	24,603,889
Net book value as at June 30, 2018	15,732,078	5,325,922	1,082,441	825,683	272,643	1,190,625	173,377	1,120	24,603,889
Additions	-	-	-	234,852	1,007,348	614,240	1,498,000	-	3,354,440
Disposal / Adjustment	-	-	(1,028,319)	-	-	-	(134,807)	-	(1,163,126)
Depreciation for the year	-	(266,296)	(54,122)	(197,799)	(323,465)	(169,765)	(177,055)	(224)	(1,188,726)
Net book value as at June 30, 2019	15,732,078	5,059,626	-	862,736	956,526	1,635,100	1,359,515	896	25,606,477
Cost as at June 30, 2018	15,732,078	6,199,902	2,725,083	2,712,971	4,333,043	3,353,339	2,370,900	49,524	37,476,840
Disposal / Adjustment	-	-	(1,028,319)	-	-	-	(134,807)	-	(1,163,126)
Accumulated depreciation	-	(1,140,276)	(1,696,764)	(1,850,235)	(3,376,517)	(1,718,239)	(876,578)	(48,628)	(10,707,237)
Net book value as at June 30, 2019	15,732,078	5,059,626	-	862,736	956,526	1,635,100	1,359,515	896	25,606,477
Depreciation rate per annum	-	5%	5%	20%	30%	10%	15%	20%	

4.1.1 Freehold land and office on freehold land is situated at 6-Atta turk block, New Garden Town, Lahore, admeasuring 0.125 acres which has been duly registered in the name of the Institute.

4.1.2 Office on leasehold land is situated at office No. 42 Civic Center, Barkat Market, New Garden Town, Lahore which has been duly registered in the name of the Institute. This has been classified as held for sale (refer note 12).

4.1.3 All assets are duly registered in the name of and are in the possession of the Institute.

	Note	2019 (Rupees)	2018 (Rupees)
4.2 Depreciation for the year has been allocated as under:			
Coaching department expenses	24	606,250	387,961
Administrative department expenses	25	582,476	372,747
		<u>1,188,726</u>	<u>760,708</u>
5. INVESTMENT PROPERTY - at cost model			
Opening net book value		1,075,782	1,132,402
Depreciation charge for the year	5.2	(53,789)	(56,620)
Net book value at end of the year		<u>1,021,993</u>	<u>1,075,782</u>
Gross carrying value			
Opening cost		2,572,901	2,572,901
Accumulated depreciation		(1,550,908)	(1,497,119)
Net book value at end of the year		<u>1,021,993</u>	<u>1,075,782</u>
Depreciation rate (% per annum)		<u>5%</u>	<u>5%</u>
5.1 This represents office premises bearing Plot No. 1005, 10th Floor, Park Avenue, Plot 24/A, Block-6, P.E.C.H.S, Karachi. The land is not occupied by the Company and is held for rental purposes.			
5.2 Depreciation on this property is calculated using reducing balance method to allocate the cost less its residual value over its estimated useful life of 20 years.			
5.3 The fair value of investment property was assessed at Rs. 12.50 million while forced sale value of the investment property was assessed at Rs. 10.00 million as on September 15, 2018 by K.G Traders (Private) Limited, an approved professional valuator, on the panel of Pakistan Bank's Association (PBA).			
5.4 Depreciation for the year has been allocated as follows:			
Administrative expenses	25	<u>53,789</u>	<u>56,620</u>
6. INTANGIBLE ASSETS			
Opening net book value		48,809	73,210
Amortization for the year	6.1	(16,268)	(24,401)
Net book value at end of the year		<u>32,541</u>	<u>48,809</u>
Gross carrying value			
Opening cost		922,064	922,064
Accumulated amortization		(889,523)	(873,255)
Net book value at end of the year		<u>32,541</u>	<u>48,809</u>
Amortization rate (% per annum)		<u>33.33</u>	<u>33.33</u>
6.1 Amortization for the period has been allocated as under:			
Examination department expenses	22	<u>16,268</u>	<u>24,401</u>
7 INVESTMENT			
Carried at amortized cost			
Term deposit receipts (TDRs)	7.1	2,112,033	2,112,033
Provision against doubtful recovery of investments		(2,112,033)	(2,112,033)
		<u>-</u>	<u>-</u>

- 7.1 Pursuant to a court order dated April 17, 2018 passed by Lahore High Court through C.O No. 46 of 2010 Securities and Exchange Commission of Pakistan (SECP) vs Innovative Investment Bank (IIBL) in which C.M No. 433/2016 & C.M.No 116/2017 were dismissed and C.M.No 06 of 2017 & C.M.No.1071 of 2017 were disposed off with direction to Joint Official Liquidators (JOL) to proceed with scheme as approved by Court on April 04, 2016, the Company has received Rs. 10.000 million against doubtful recovery of its investments in Innovative Investment Bank Limited (IIBL) formerly Crescent Standard Investment Bank Limited (CSIBL) and as a result reversed provision amounting to Rs. 10.000 million through resolution passed by its Board of Governors dated July 20, 2018. The institute is pursuing to recover the remaining amount through its legal consultant and the matter is pending before the Lahore High Court.

The Institute had made an investments of 13.112 million in Term Deposit Certificates (COD-L) of Crescent Standard Investment Bank limited (CSIBL). On August 30, 2006, SECP appointed Administrator of CSIBL by suspending their board of directors and chief executive officer. With effect from June 28, 2007, CSIBL was merged with Innovative Housing Finance Limited (IHFL) and became Innovative Investment Bank Limited (IIBL). These COD-Ls matured between September 2006 and October 2006. IIBL offered a five years repayment plan to the Institute whereby Rs.1.000 million was received as 1st instalment and remaining Rs.12.112 million was receivable over a period of four years starting from July 29, 2009. However, the payment due on July 29, 2009 was not received and IIBL vide its letter dated July 29, 2009 informed that the payment shall be made on availability of cash flows. The administrator of IIBL appointed by SECP sent a "Draft Rehabilitation Plan" on May 28, 2010 to the Institute which was replied vide letter dated June 05, 2010 requiring immediate return of deposits. The Joint Liquidators responded to the Institute's letter of July 25, 2014, informing that the Honourable Lahore High Court has passed order for winding up of IIBL in response to winding up petition filed by SECP U/s. 282 J(3) of the repealed Companies Ordinance, 1984. Further the Liquidators advised the Institute to complete formalities for the claim as required under the law. The management filed the claim with Joint Official Liquidators for the recovery on June 11, 2015 through its lawyer. The Joint Official Liquidators invited the claims vide Public Notice No. 1 dated March 07, 2016 for verification of category 1, to which the Institute submitted its claim on March 28, 2016. Later, the Joint Official Liquidators invited claims vide Public Notice No.2 dated May 09, 2016 for verification of category 2 and 3, to which the Institute sent a request letter to Joint Official Liquidator on June 30, 2016 to entertain its claim for category 2 or 3. A reminder was also sent on June 10, 2016. These investments as a result have been fully provided for by the Institute in previous years.

	Note	2019 (Rupees)	2018 (Rupees)
8 LOANS AND ADVANCES			
Advances			
To staff - secured	8.1	252,993	50,132
Advance income tax			
-Considered good		172,407	245,101
-Considered doubtful		245,101	-
Provision against advance income tax		(245,101)	-
		-	-
		<u>425,400</u>	<u>295,233</u>

- 8.1 This represents advance to employees against personal expenses and is secured against gratuity.

9 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES			
Deposits			
Security deposits against rent		1,410,000	1,410,000
Prepayments			
Insurance		82,132	-
Fee and subscription		201,695	277,475
		<u>283,827</u>	<u>277,475</u>

	Note	2019 (Rupees)	2018 (Rupees)
Other receivables - considered good un-secured			
Pakistan Military Accountant General (PMAD)		671,582	665,208
PMAD students		-	154,000
Auditor General Pakistan		4,222,400	-
Government of Punjab		314,100	-
Capital Development Authority, Islamabad		28,700	500
Mark-up accrued on short-term investments		20,274	-
Others		16,538	-
		<u>5,273,594</u>	<u>819,708</u>
		<u>6,967,421</u>	<u>2,507,183</u>
10 SHORT-TERM INVESTMENTS			
Term Deposit Receipts		<u>2,000,000</u>	<u>-</u>

10.1 During the year, the Institute made investments of Rs. 2.00 million in Term Deposit Receipts (TDRs) of a commercial bank for a period of 3 months from May 24, 2019 to August 24, 2019, carrying mark-up of 10% per annum (2018: nil).

11. CASH AND BANK BALANCES

Cash at bank in:

Current accounts

Saving account

Cash in hand

		3,100,771	389,892
11.1		779,256	12,134,503
		3,880,027	12,524,395
		3,265	19,607
		<u>3,883,292</u>	<u>12,544,002</u>

11.1 Saving account carries profit rate ranging from 4% to 10% (2018: 3.75%) per annum.

12. NON-CURRENT ASSET CLASSIFIED AS HELD FOR SALE

In the previous year, the Board had planned to sell the office on leasedhold land amounting to Rs. 1,028,319 (net book value) situated at 1st Floor, 42-Civic Center, Barkat Market, New Garden Town, Lahore. However, the active programme to locate the buyer and marketing for disposal of office at reasonable price had been conducted during the current reporting period. The board in its 126th meeting held on March 26, 2019 made a decision to sell the property. Token money amounting to Rs. 500,000 (refer note 15) have been received in this respect. There is no indication of impairment of freehold land as the market value is in excess of net book value

13. MEMBERS' SUBSCRIPTION

Members' subscription - advance

Current maturity

	3,642,740	4,420,038
	(611,795)	(653,056)
	<u>3,030,945</u>	<u>3,766,982</u>

	Note	2019 (Rupees)	2018 (Rupees)
14. DEFERRED LIABILITY - STAFF GRATUITY			
Opening balance		4,363,439	3,847,020
Provision made during the year		783,922	554,751
Paid during the year		(231,359)	(38,332)
		<u>4,916,002</u>	<u>4,363,439</u>
15. ACCRUED AND OTHER LIABILITIES			
Accrued expenses		3,265,978	783,259
Other liabilities			
Security deposit		70,000	70,000
Advance against sale of property		500,000	-
Others		340,373	105,300
		<u>910,373</u>	<u>175,300</u>
		<u>4,176,351</u>	<u>958,559</u>
16. CONTINGENCIES AND COMMITMENTS			
16.1 There were no contingencies and commitments as at June 30, 2019 (2018: nil).			
17. STUDENTS' REGISTRATION AND ANNUAL SUBSCRIPTION FEE			
Subscription fee		4,091,260	3,015,800
Registration fee		2,619,375	1,311,490
Restoration fee		297,125	550,400
Identity card charges		313,650	158,800
Career plan charges		629,850	297,600
		<u>7,951,260</u>	<u>5,334,090</u>
18. EXAMINATION AND EXEMPTION FEE			
Examination fee		11,422,300	7,606,600
Exemption fee		6,260,550	4,014,900
Computer based examination fee		1,203,500	1,163,000
Re-checking / duplicate certificate charges		31,700	73,300
		<u>18,918,050</u>	<u>12,857,800</u>
19. MEMBERS' REGISTRATION AND ANNUAL SUBSCRIPTION FEE			
Subscription fee		3,203,807	3,783,124
Registration fee		798,150	934,600
Restoration fee		198,300	97,900
		<u>4,200,257</u>	<u>4,815,624</u>
20. COACHING FEE			
Karachi		7,899,600	3,511,200
Lahore		5,205,109	2,438,546
Faisalabad		922,075	876,800
Islamabad		5,943,255	1,893,400
		<u>19,970,039</u>	<u>8,719,946</u>

	Note	2019 (Rupees)	2018 (Rupees)
21. OTHER INCOME			
Rental income		694,575	643,125
CCPT, coaching and other fee		550,500	160,000
CPD seminar income		150,080	46,260
Interest income from saving accounts		367,617	122,299
Interest income on short-term investment		20,274	-
Advertisement income		-	10,047
Convocation receipts		6,300	176,500
Gain on sale of vehicle		386,193	-
Reversal of provision against doubtful recovery of investments		-	10,000,000
Others		395,324	300,024
		<u>2,570,863</u>	<u>11,458,255</u>
22. EXAMINATION DEPARTMENT EXPENSES			
Staff salaries' and benefits		6,205,668	5,106,346
Examination		3,332,222	2,520,109
Gratuity		279,603	236,885
Computer based examination		435,500	703,500
Printing and stationery		347,212	245,273
Postage		245,573	308,500
Utilities		282,385	306,709
Meetings		606,281	319,837
Entertainment		26,031	18,527
Repairs and maintenance		123,572	28,000
Amortisation	6.1	16,268	24,401
Software charges		135,766	93,466
Insurance		103,250	79,024
Others		55,027	36,174
		<u>12,194,358</u>	<u>10,026,751</u>
23. MEMBERS' DEPARTMENT EXPENSES			
Staff salaries' and benefits		1,206,118	1,076,574
Gratuity		51,768	47,607
Printing and stationery		324,781	397,277
Postage		224,755	234,249
Utilities		268,523	287,792
Meetings		89,371	220,810
Insurance		103,249	79,027
Repairs and maintenance		50,332	21,294
Others		43,476	32,190
		<u>2,362,373</u>	<u>2,396,820</u>
24. COACHING DEPARTMENT EXPENSES			
Staff salaries' and benefits		10,428,889	7,227,170
Gratuity		266,763	247,827

	Note	2019 (Rupees)	2018 (Rupees)
Faculty salaries		8,685,571	4,757,720
Rent		3,140,289	2,618,847
Advertisement		1,672,256	699,610
Utilities		835,064	671,774
Depreciation	4.2	606,250	387,961
Repairs and maintenance		644,001	237,877
Printing and stationery		570,828	236,779
Postage		245,212	141,127
Entertainment		106,448	53,478
Meetings		231,414	240,342
Supplies		47,666	72,066
Conveyance		338,537	66,480
Seminar and exhibition		387,569	339,401
Bank charges		4,151	14,926
Insurance		103,250	79,024
Others		193,666	99,273
		<u>28,507,824</u>	<u>18,191,682</u>
25. ADMINISTRATIVE EXPENSES			
Staff salaries' and benefits		6,193,512	3,036,623
Gratuity		185,788	115,765
Wages		305,100	139,476
Rent		2,737,557	1,927,010
Fees and subscription		617,510	575,525
Printing and stationery		265,847	247,032
Depreciation	4.2 & 5.4	636,265	429,367
Utilities		427,286	433,125
Repairs and maintenance		278,224	277,242
Legal and professional		97,180	267,056
Entertainment		46,214	26,972
Meetings		198,052	278,690
Postage		107,002	46,312
Auditor's remuneration	25.1	83,903	76,275
Internet charges		93,642	85,298
Vehicle insurance		111,335	-
Conveyance and travelling		201,145	69,576
Supplies		44,041	40,097
Advertisement		289,229	53,150
Bank charges		71,392	130,822
Insurance		58,195	79,024
Others		454,906	61,431
Provision against advance income tax		245,101	-
		<u>13,748,426</u>	<u>8,395,868</u>

	Note	2019 (Rupees)	2018 (Rupees)
25.1 Auditors' remuneration			
Audit fee		65,340	59,400
Out of pocket expenses		3,713	3,375
Half yearly review fee		14,850	13,500
		<u>83,903</u>	<u>76,275</u>
26. REMUNERATION OF EXECUTIVES			
Remuneration		3,296,535	1,257,763
Allowances		1,648,268	628,841
		<u>4,944,803</u>	<u>1,886,604</u>
No of persons		3	2

26.1 No remuneration has been paid to Board of Governors and Secretary during the year (2018: nil).

27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial assets			
Deposits and other receivables		8,683,594	2,229,708
Bank balances		3,880,027	12,524,395
		<u>12,563,621</u>	<u>14,754,103</u>
Financial liabilities			
Accrued and other liabilities		3,676,351	958,559
		<u>3,676,351</u>	<u>958,559</u>

The Institute is exposed only to credit risk from the use of its financial instruments.

The board of governors have an overall responsibility for the establishment and oversight of Institute's risk management framework. The board is also responsible for developing and monitoring the Institute's risk management policies.

This note presents the information about the Institutes' exposure to credit risk in respect of bank balances only. Institute's exposure to market and liquidity risks are not considered material therefore, no disclosures are provided in these financial statements.

27.1 Credit risk

Credit risk is the risk which arises with the possibility that one party to financial instrument will fail to discharge its obligations and causes the other party to incur financial loss. The Institute attempts to control credit risk by continually assessing the credit worthiness of counterparties.

27.1.1 Bank balances

The credit quality of Institute's bank balances can be assessed with reference to external credit rating agencies as follows:

A1+		2,886,557	12,334,930
A-1+		901,014	118,505
A1+		92,456	70,960
		<u>3,880,027</u>	<u>12,524,395</u>

	Note	2019 (Rupees)	2018 (Rupees)
28. TRANSACTIONS WITH RELATED PARTIES			
Details of transaction with related parties, other than those which have been specifically disclosed elsewhere in these financial statements are as follows:			
"Name of related party"	Nature of transaction		
SKANS College	Fees collected by Computer Based Examination (CBE) centres from students	-	23,000
SKANS College	Share of fees paid to CBE centres	456,630	462,000
29. NUMBER OF EMPLOYEES			
The number of employees as at June 30, 2019 were 31 (2018: 29) and average number of employees during the year were 29 (2018: 28)			
30. CORRESPONDING FIGURES			
Certain corresponding figures have been reclassified for the purpose of better presentation, however, there were no material reclassification.			
31. AUTHORISATION FOR ISSUE			
These financial statements were authorised for issue on October 09, 2019 by the board of governors of the Institute.			
32. GENERAL			
Figures in these financial statements have been rounded off to the nearest rupee.			



Member of Board of Governor

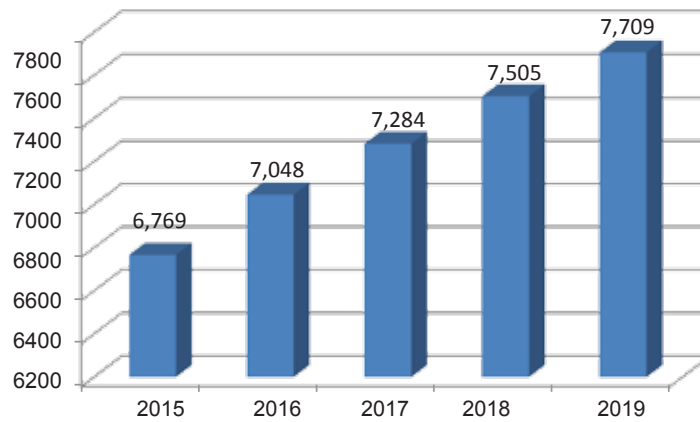


President

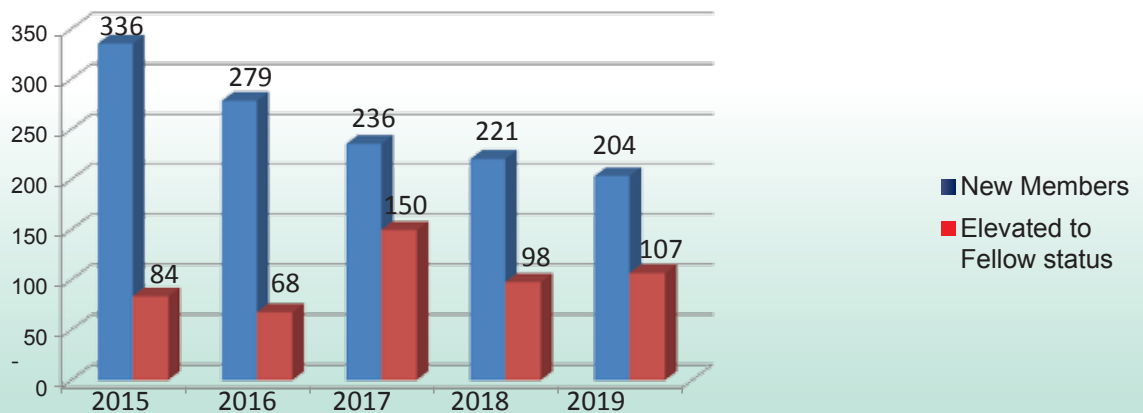
FINANCIAL HIGHLIGHTS

	2015	2016	2017	2018	2019
Operating Results					
Revenue (in rupees)	36,812,815	35,744,690	31,051,894	43,185,715	53,610,469
Surplus/(Deficit) (in rupees)	(3,092,150)	(2,255,307)	(4,043,732)	4,174,594	(3,202,512)
Financial Position					
Net Assets (in rupees)	34,504,826	31,158,379	27,158,268	31,332,862	28,230,350
Members (in numbers)	6,769	7,048	7,284	7,505	7,709
Students (in numbers)	30,096	30,753	31,504	32,297	33,755

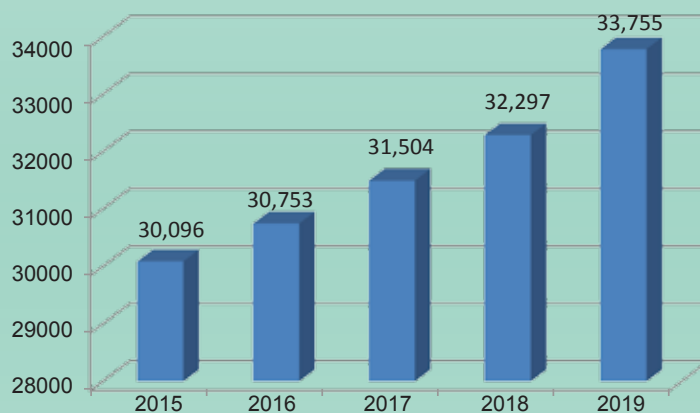
Total Members In Numbers



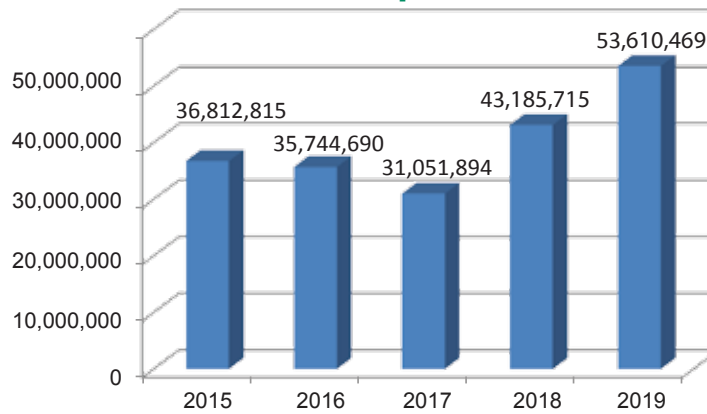
New Members (APFA & FPFA) In Numbers



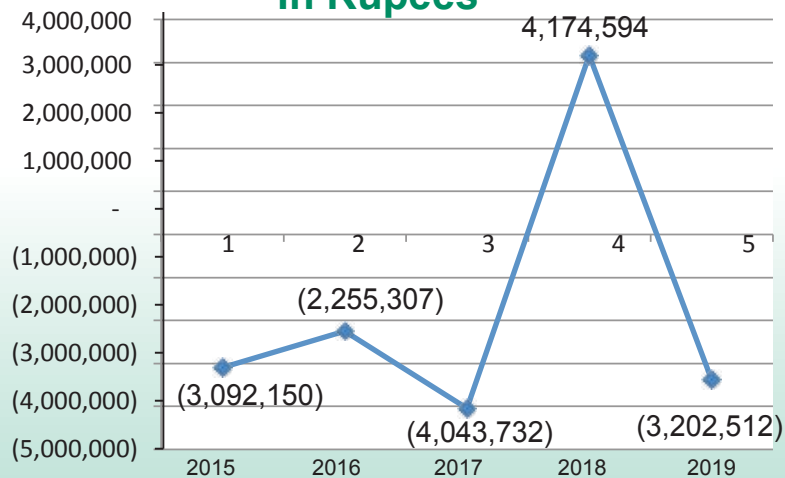
Total Students In Numbers



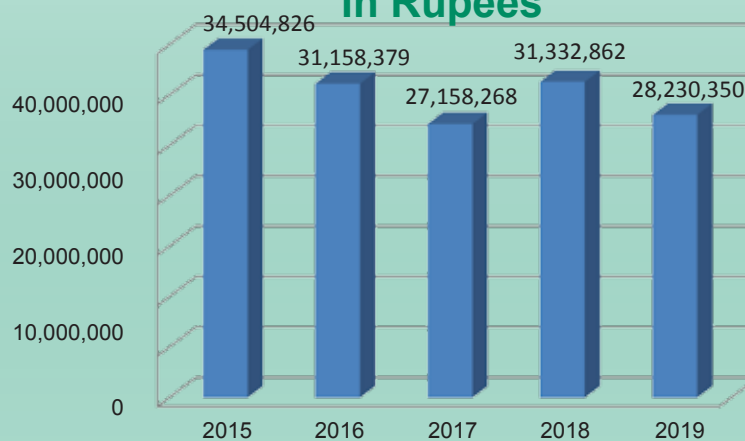
Total Revenue In Rupees



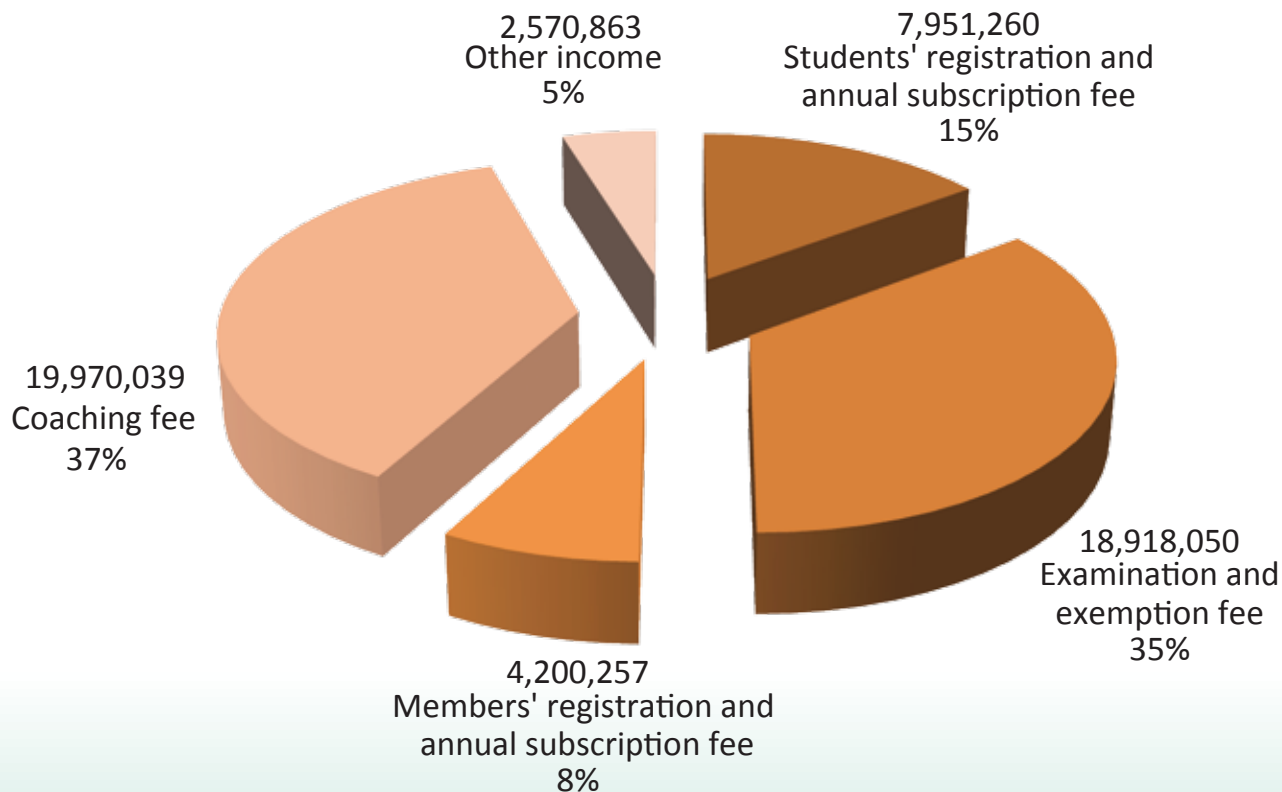
Surplus / (Deficit) In Rupees



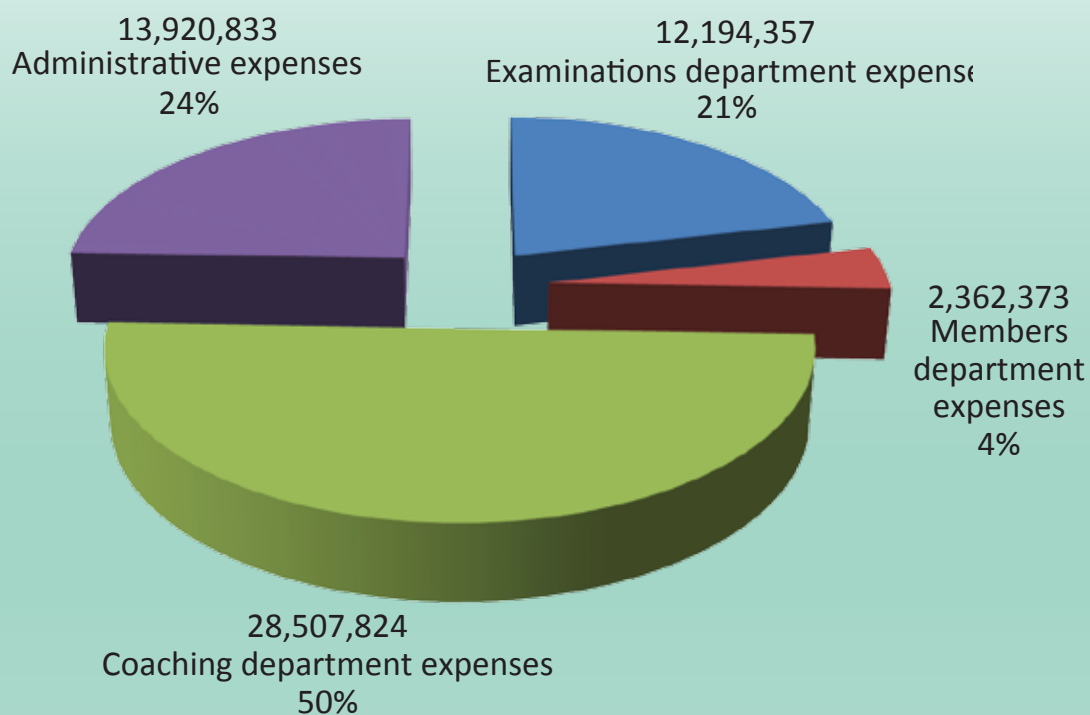
Net Assets In Rupees



Revenue Analysis 2019



Expenditure Analysis 2019



Board of Governors, Standing Committees and Other Committees' Meeting Attendance

Board of Governors

Meetings Held: 05 Physical Meetings: 02 Video-Link Meetings: 03

Sr. #	Name	Title	Meetings Attended	Sr. #	Name	Title	Meetings Attended
1	Mr. Muhammad Ali Latif	President	5	10	***Mr. Ghulam Rasool Shah	Member	1
2	Mr. Usman Ahsan	Vice President	5	11	**Mr. Sheraz Manzoor Haidar	Member	0
3	****Mr. Fareed Mahmood Ch.	Secretary	1	12	*Mr. Samiullah Musa	Member	0
4	Mr. Sajid Hussain	Treasurer	5	13	*Mr. Tariq Kaleem	Member	3
5	Mr. Muhammad Yasin	Joint Secretary	0	14	****Mr. Azhar Hameed	Member	0
6	Mr. Ghulam Mustafa Qazi	Ex-President	5	15	Ms. Fauzia Saleem Khan	Member	0
7	Mr. Mohammad Iqbal Ghorri	Member	1	16	****Ms. Sheena Ali Mansoor	Member	0
8	Mr. Ashfaq Yousuf Tola	Member	1	17	**Ms. Naveeda Salam	Member	0
9	Mr. Muhammad Sharif	Member	3	18	***Mr. Niaz Ahmed Shaikh	Member	0

- * ICAP nominated Mr. Samiullah Musa in place of Mr. Tariq Kaleem
 ** AGP nominated Mr. Sheraz Manzoor Haidar in place of Ms. Naveeda Salam
 *** AGP nominated Mr. Ghulam Rasool Shah in place of Mr. Niaz Ahmed Shaikh
 **** AGP nominated Mr. Fareed Mahmood Ch. in place of Mr. Azhar Hameed
 ***** AGP nominated Ms. Naveeda Salam in place of Ms. Sheena Ali Mansoor

Executive Committee

Meetings Held: 03 Physical Meetings: 00 Video-Link Meetings: 03

Sr. #	Name	Title	Meetings Attended	Sr. #	Name	Title	Meetings Attended
1	Mr. Muhammad Ali Latif	Chairman	1	5	Mr. Muhammad Yasin	Member	1
2	Mr. Usman Ahsan	Member	3	6	Mr. Ghulam Mustafa Qazi	Ex- Chairman	1
3	Mr. Fareed Mahmood CH.	Member	0	7	Mr. Azhar Hameed	Member	0
4	Mr. Sajid Hussain	Member	3				

- * Executive Committee was reconstituted in December 2018

Board of Studies

Meetings Held: 04 Physical Meetings: 00 Video-Link Meetings: 04

Sr. #	Name	Title	Meetings Attended	Sr. #	Name	Title	Meetings Attended
1	Mr. Sajid Hussain	Chairman	4	7	Mr. Imran Iqbal	Member	3
2	Mr. Muhammad Yasin	Member	2	8	Mr. Fareed Mahmood Ch.	Member	0
3	Mr. Usman Ahsan	Member	4	9	Mr. Muhammad Sharif	Member	0
4	Mr. Samiullah Musa	Member	0	10	Mr. Tariq Kaleem	Member	1
5	Mr. Syed Ahsan Aman	Member	2				
6	Mr. Mohammad Maqbool	Member	2				

- * Board of Studies was reconstituted in December 2018

Examination Committee

Meetings Held: 05 Physical Meetings: 04 Video-Link Meetings: 01

Sr. #	Name	Title	Meetings Attended	Sr. #	Name	Title	Meetings Attended
1	Mr. Usman Ahsan*	Chairman	1	6	Mr. Tariq Kaleem*	Member	1
2	Mr. Muhammad Sharif*	Member	4	7	Muhammad Ali Latif	Then Chairman	3
3	Mr. Sajid Hussain*	Member	4	8	Mohammad Iqbal Ghorri	Member	1
4	Mr. Ghulam Mustafa Qazi*	Member	2	9	Fauzia Saleem Khan	Member	0
5	Mr. Ghulam Rasool Shah*	Member	2				

- * Examination Committee was reconstituted in December 2018

Regulatory & Disciplinary Committee

Meetings Held: 01 Physical Meetings: 01 Video-Link Meetings: 00

Sr. #	Name	Title	Meetings Attended	Sr. #	Name	Title	Meetings Attended
1	Mr. Sheraz Manzoor Haider	Chairman	0	3	Mr. Muhammad Yasin	Member	1
2	Mr. Muhammad Sharif	Member	0	4	Mr. Samiullah Musa	Member	1

- * Regulatory & Disciplinary Committee was constituted in December 2018

CPD & Seminar Committee

Meetings Held: 00 Physical Meetings: 00 Video-Link Meetings: 00

Sr. #	Name	Title	Meetings Attended	Sr. #	Name	Title	Meetings Attended
1	Mr. Ashfaq Yousuf Tola	Chairman	0	3	Mr. Usman Ahsan	Member	0
2	Mr. Fareed Mahmood Ch.	Member	0	4	Mr. Muhammad Iqbal Ghori	Member	0

* CPD & Seminar Committee was constituted in December 2018

Ethics & Advisory Committee

Meetings Held: 01 Physical Meetings: 01 Video-Link Meetings: 00

Sr. #	Name	Title	Meetings Attended	Sr. #	Name	Title	Meetings Attended
1	Mr. Ghulam Mustafa Qazi	Chairman	1	3	Mr. Sheraz Manzoor Haider	Member	0
2	Mr. Muhammad Sharif	Member	1	4	Mr. Ashfaq Yousuf Tola	Member	0

* Ethics & Advisory Committee was constituted in December 2018

Research & Publication Committee

Meetings Held: 02 Physical Meetings: 00 Video-Link Meetings: 02

Sr. #	Name	Title	Meetings Attended	Sr. #	Name	Title	Meetings Attended
1	Mr. Mohammad Iqbal Ghori	Chairman	2	4	Mr. Tariq Kaleem	Member	0
2	Mr. Sajid Hussain	Member	2	5	Mr. Ghulam Rasool Shah	Member	0
3	Mr. Samiullah Musa	Member	0	6	Mr. Niaz Ahmed Shaikh	Member	0

* Research & Publication Committee was constituted in December 2018

Investigation Committee

Meetings Held: 00 Physical Meetings: 00 Video-Link Meetings: 00

Sr. #	Name	Title	Meetings Attended	Sr. #	Name	Title	Meetings Attended
1	Mr. Ghulam Rasool Shah	Chairman	0	3	Mr. Ghulam Mustafa Qazi	Member	0
2	Mr. Muhammad Sharif	Member	0	4	Mr. Samiullah Musa	Member	0

* Investigation Committee was constituted in December 2018

Budget & Investment Committee

Meetings Held: 01 Physical Meetings: 01 Video-Link Meetings: 00

Sr. #	Name	Title	Meetings Attended	Sr. #	Name	Title	Meetings Attended
1	Mr. Fareed Mahmood CH.	Chairman	0	4	Mr. Ashfaq Yousaf Tola	Member	0
2	Mr. Muhammad Sharif	Member	1	5	Mr. Azhar Hameed	Ex-Chairman	1
3	Mr. Muhammad Yasin	Member	0	6	Mr. Tariq Kaleem	Member	1

* Budget & Investment Committee was reconstituted in December 2018

Audit Committee

Meetings Held: 02 Physical Meetings: 00 Video-Link Meetings: 02

Sr. #	Name	Title	Meetings Attended	Sr. #	Name	Title	Meetings Attended
1	Mr. Sayyid Mansoob Hassan	Chairman	2	4	Ms. Sheena Ali Mansoor	Member	1
2	Mr. Taufique Ali Abbasi	Member	0	5	Mr. Imran Iqbal	Member	1
3	Mr. Nazim Raza	Member	2	6	Ms. Naveeda Salam	Member	0

* Audit Committee was reconstituted in December 2018

Technical Committee

Meetings Held: 04 Physical Meetings: 000 Video-Link Meetings: 04

Sr. #	Name	Title	Meetings Attended	Sr. #	Name	Title	Meetings Attended
1	Mr. Usman Ahsan	Chairman	4	7	Mr. Muhammad Sharif	Member	1
2	Mr. Muhammad Yasin	Member	2	8	Mr. Ghulam Mustafa Qazi	Member	1
3	Mr. Ashfaq Yousuf Tola	Member	0	9	Mr. Muhammad Maqbool	Member	1
4	Mr. Sajid Hussain	Member	3	10	Mr. Niaz Ahmed Shaikh	Member	0
5	Mr. Ghulam Rasool Shah	Member	1				
6	Mr. Imran Iqbal	Member	4				

* Technical Committee was reconstituted in December 2018

FORM OF PROXY

I, _____ s/o, d/o, w/o _____ being member of PIPFA having Membership Number of FPFA/APFA _____ admitted before August 31, 2019 and having no membership outstanding dues as on August 31, 2019 hereby nominate Mr./Ms. _____ s/o,d/o,w/o _____ having Membership Number FPFA/APFA _____ and qualified (as per clause (a) of notice of AGM) to attend the meeting as my proxy to vote for me and on my behalf at the 26th Annual General Meeting of the Institute to be held on Thursday, October 31, 2019 and at any adjournment thereof.

Signed this _____ day of _____ 2019.

Rs. 5
Revenue
Stamp

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.

ANNUAL REPORT

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**Pakistan Institute of
Public Finance Accountants**



Pakistan Institute of Public Finance Accountants

KARACHI CORPORATE OFFICE

M-1 & M-2, Mezzanine Floor, Park Avenue, 24-A,
Block-6, P.E.C.H.S., Shahrah-e-Faisal, Karachi-75400
Tel: 021-34380451-2, Fax: 021-34327087, Email: pipfa@pipfa.org.pk

KARACHI CENTER

Suite # 207, 2nd Floor, Park Avenue, 24-A,
Block-6, P.E.C.H.S., Shahrah-e-Faisal, Karachi-75400

LAHORE OFFICE & CENTER

6-Atta Turk Block, New Garden Town, Lahore.
Tel: 042-35838111, 042-35847920, Email: pipfalhr@pipfa.org.pk

ISLAMABAD OFFICE & CENTER

Office No. 27 & 28, 3rd Floor, Rehmat Centre,
Plot No. 07, I-8 Markaz, Islamabad.

FAISALABAD OFFICE & CENTER

Ajmal Centre-1, 289-1, Batala Colony, Faisalabad
Tel: 041-8530110, 8500791, Email: pipfafsd@pipfa.org.pk