



Annual Report  
2020



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





# CONTENTS

Board of Governors.....	3
Past Office Bearers .....	5
Standing Committees.....	7
Management of the Institute.....	9
Notice of Annual General Meeting .....	11
President's Review .....	12
Report of the Board of Governors .....	16
Auditors' Report to the Members .....	20
Financial Statements.....	23
Financial Highlights.....	42
Form of Proxy.....	48

# Board of Governors



Pakistan Institute of  
Public Finance Accountants



## BOARD OF GOVERNORS



**Mr. Sajid Hussain**  
President  
(Elected Member)



**Mr. Fareed Mehmood Ch.**  
Vice President  
(Nominee of AGP)



**Mr. Muhammad Yasin**  
Secretary  
(Nominee of ICMAP)



**Mr. Sami Ullah Musa**  
Treasurer  
(Nominee of ICAP)



**Mr. Usman Ahsan**  
Joint Secretary  
(Elected Member)



**Mr. Muhammad Ali Latif**  
Member  
(Nominee of ICAP)



**Mr. Athar Saleem Ch.**  
Member  
(Nominee of ICMAP)



**Mr. Ashfaq Yousuf Tola**  
Member  
(Nominee of ICAP)



**Mr. Muhammad Sharif**  
Member  
(Elected Member)



**Ms. Raheela Saad**  
Member  
(Nominee of AGP)



**Mr. Kamran Ali Hashmi**  
Member  
(Nominee of AGP)



**Mr. Aamir Ijaz Khan**  
Member  
(Nominee of ICMAP)

# 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 Hyder	Mr. Shahzad Ahmad Awan	Mr. Adnan Zaman
2012-13	Dr. Syed Turab Hyder Mr. Muhammad Ashraf Shaikh	Mr. Shahzad Ahmad Awan	Mr. Rafaqatullah 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
2018-19	Mr. Muhammad Ali Latif	Mr. Usman Ahsan	Mr. Fareed Mehmood Ch.	Mr. Muhammad Yasin Mr. Sajid Hussain

# Standing Committees



Pakistan Institute of  
Public Finance Accountants







## STANDING COMMITTEES

### EXECUTIVE COMMITTEE

Mr. Sajid Hussain	Chairman
Mr. Fareed Mahmood Ch.	Member
Mr. Muhammad Yasin	Member
Mr. Sami Ullah Musa	Member
Mr. Usman Ahsan	Member

### EXAMINATION COMMITTEE

Mr. Fareed Mahmood Ch.	Chairman
Mr. Sami Ullah Musa	Member
Mr. Usman Ahsan	Member
Mr. Ghulam Rasool Shah	Member
Mr. Aamir Ijaz Khan	Member
Mr. Muhammad Sharif	Member

### CPD & PUBLICATION COMMITTEE

Mr. Sami Ullah Musa	Chairman
Mr. Fareed Mahmood Ch	Member
Mr. Muhammad Sharif	Member
Mr. Muhammad Yasin	Member
Mr. Mohammad Iqbal Ghori	Member
Mr. Ghulam Rasool Shah	Member

### TECHNICAL COMMITTEE

Mr. Usman Ahsan	Chairman
Mr. Aamir Ijaz Khan	Member
Mr. Ghulam Rasool Shah	Member
Mr. Muhammad Ali Latif	Member
Mr. Imran Iqbal	
Mr. Mohammad Maqbool	

### ETHICS & ADVISORY COMMITTEE

Mr. Athar Saleem Ch.	Chairman
Mr. Muhammad Sharif	Member
Ms. Raheela Saad	Member
Mr. Ashfaq Yousuf Tola	Member

### BOARD OF STUDIES

Mr. Usman Ahsan	Chairman
Mr. Athar Saleem	Member
Mr. Fareed Mahmood Ch	Member
Mr. Sami Ullah Musa	Member
Mr. Imran Iqbal	
Mr. Mohammad Maqbool	

### REGULATION AND DISCIPLINARY COMMITTEE

Ms. Raheela Saad	Chairperson
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

### INVESTIGATION COMMITTEE

Mr. Ghulam Rasool Shah	Chairman
Mr. Muhammad Sharif	Member
Mr. Aamir Ijaz Khan	Member
Mr. Muhammad Ali Latif	Member

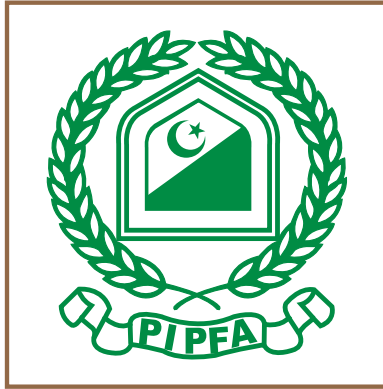
# Management of the Institute



Pakistan Institute of  
Public Finance Accountants



# Management of the Institute



**Mr. Imran Ahmad**  
Acting Executive Director



**Ms. Rana Nazir Fatima**  
Director Examinations



**Mr. M. Naeem Akhtar**  
Additional Director



**Mr. Atiq-ur-Rehman**  
Deputy Director Education



**Mr. Jamshaid Riaz**  
Joint Director Examinations



**Mr. M. Aslam Tahir**  
Deputy Director Public Sector



**Mr. Shakeel But**  
Asst. Director Education



**Syed Zafar Abbas**  
Asst. Director Education



**Mr. Haseeb Ahmed Babar**  
Asst. Director Member Affairs



**Syed Mujtaba**  
Asst. Director Marketing

# Notice of Annual General Meeting



Pakistan Institute of  
Public Finance Accountants



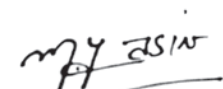
# Notice of 27<sup>th</sup> Annual General Meeting

Notice is hereby given that the 27<sup>th</sup> Annual General Meeting of Pakistan Institute of Public Finance Accountants (PIPFA) will be held at PIPFA Office, Lahore, 6-Atta Turk Block, New Garden Town, Near Himayat-e-Islam Girls College and Passport Office, opposite COMSAT, Lahore on **Saturday November 28, 2020 at 03:00 PM** to transact the following business;

## Ordinary Business

1. To confirm the minutes of the 26<sup>th</sup> Annual General Meeting held on Saturday, November 07<sup>th</sup> 2019 at 3:00 PM at ICAP Building, Chartered Accountants Avenue, Clifton, Karachi.
2. To consider and adopt the audited financial statements of the Institute for the year ended June 30, 2020 together with the Reports of the Auditors and the Board of Governors thereon.
3. To appoint Auditors for the year ending June 30, 2021 and fix their remuneration. The present Auditors Parker Randall A.J.S., Chartered Accountants, being eligible, have offered themselves for re-appointment.
4. To elect three Members of the Board of Governors in accordance with clause 29(4) of the Articles of the Association in place of following retiring/resigned Members of the Board of Governors who are eligible for re-election:
  1. Mr. Sajid Hussain (Retiring)
  2. Mr. Muhammad Sharif (Retiring)
  3. Mr. Usman Ahsan (Retiring)
5. Any other business with the permission of the Chair.

By order of the Board



**Muhammad Yasin**

**Secretary**

**November 07, 2020**

## Notes:

- a) PIPFA Members admitted up to and not having any membership dues outstanding as on September 30, 2020 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 member who is attending the meeting in person at Lahore will be entitled to cast his/her vote while other members must cast their vote through Proxy Form (attached at the end of the annual report).
- e) Members are requested to notify any change in their address(s) and signature, immediately and always quote Membership Number in all communications with the institute.



## President's Review

I am pleased to present 27th Annual Report of Pakistan Institute of Public Finance Accountants (PIPFA) along with audited financial statements for the fiscal year 2019-20.

The year 2020 has been a very challenging year due to COVID-19 pandemic that halted economic activities at global scale. More than 34 million people have been infected by COVID-19 with 1.25 million unfortunate fatalities. The institute being an educational body, was critically affected and all its activities remained intermittently suspended from March to June 2020. However, the Secretariat was opened physically on rotation basis of its departments as directed by the Provincial Government by prioritizing the work after taking all the safety and precautionary measures. Work from Home was encouraged for the Marketing, Technical, Education & CPD departments to ensure continuity of usual business operations for all the stakeholders. All the three (3) Northern regional offices were made operational (after a temporary suspension of Two (2) weeks in April) with limited staff and with reduced working hours. All the team members were connected through skype, zoom, WhatsApp and other available communication mediums. The staff level meetings, discussion with faculty, Board meetings, Standing Committee meetings and Branch Committee meetings were conducted as per agreed schedule.

Before the start of country wide lockdown, PIPFA classes for summer 2020 session were in progress and 60 ~70 percent complete with respect to syllabi coverage. With a temporary suspension of 2~3 weeks, classes for both Corporate and Public Sector were resumed in phases, firstly online and then coupled with assignments-based learning activities for the Public Sector students to complete the syllabus and to keep them engaged in learning and development activities. As a result of restrictions imposed by the Federal Government and to restrict the spread of Covid-19, the Summer 2020 Examinations were initially delayed and later cancelled.

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

Despite all the challenges that were faced due to this unprecedented situation, PIPFA posted constant growth in terms of its achievements. 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 leading role in safeguarding interests of the profession.

The institute's branding and recognition initiatives remained the foremost priority in order to create an impact both locally and globally. 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, Twitter, SMS and through presentations to various institutions. Our marketing team continued with its aggressive drive throughout the year by conducting counselling sessions, participation in several education expos and career fairs in all major cities of Pakistan.

With the newly evolved pandemic situation, face-to-face educational and CPD seminars and activities were moved to online platforms, using remote working sites and tools. PIPFA conducted several webinars sessions for its members and students with the aim to keep them aware with current developments in the accountancy profession, Taxation and IT Tools and also in their personal grooming.

## WEBINARS:

Some of the webinars that were conducted country wide by PIPFA are as follows;

- Tax Laws (Amendment) Ordinance 2020
- Tax Relief for Construction Sector
- Introduction and Implementation of ERP Software
- IFRS.9 Financial Instruments
- How to move up from a Manager to Corporate Leader
- Excellence in Excel Essentials
- Interview Techniques
- Self-Branding and Smart Investment
- Post Budget 2020-21
- Block-chain Technology
- Audit and Ethical Principles
- Provincial Post Audit Budget 2020
- Personal Grooming and Managerial Skills
- How to make the Best Out of Stock during uncertainty
- Ethics and Professionalism in Changing World
- E-FILING of Income Tax Returns

PIPFA also successfully organized Graduation Ceremonies for its qualified affiliates at various cities including Karachi, Lahore and Islamabad during the year.

## ENACTMENT

One of the most important initiatives has been to transform our Institute into a statutory body by legislative enactment. Considering the importance of this initiative, the PIPFA BOG constituted a four-member committee to work on drafting of the PIPFA Act with the consultation of Corporate Consultants. The first draft of PIPFA Act was made available in early February 2020 which was thoroughly discussed at various committees and the Board. The final draft of PIPFA Act was made available in early March and sent to various stakeholders for feedback. After the announcement of countrywide lockdown on March 10, 2020, most of the Government Offices were either non-functional or only attending to urgent matters. The draft PIPFA Act will now be forwarded to the Law division for further legal vetting before moving forward. As the legislative process is lengthy and exhaustive, we will be swiftly be progressing and continuously be pursuing the matter to have it completed at the earliest.

## CONTINUED PROFESSIONAL DEVELOPMENT (CPD) ACTIVITIES

Continued Professional Development (CPD) is an important aspect of any professional qualification. Through an aggressive CPD mechanism, PIPFA has always endeavored to provide quality programs to its members through its Branch Committees.

## GLOBAL PARTNERSHIPS

In order to play a proactive role in the global community of accountants, PIPFA is always keen to join various international and regional forums such as International Federation of Accountants (IFAC), South Asian Federation of Accountants (SAFA) and Confederation of Asian and Pacific Accountants (CAPA).

I am pleased to share that as a result of the rigorous efforts of our entire team, Alhamdulillah, PIPFA will achieve status of full member of International Federation of Accountants (IFAC) by November 12, 2020. This makes our Institute the Third to become a full member after two of our sponsoring bodies ICAP and ICMAP. PIPFA will now be able to contribute even more towards the development of the accountancy profession through its active involvement on the global sphere.

## NURTURING STRATEGIC RELATIONSHIP WITH CIPFA

PIPFA has already signed an MOU with the Chartered Institute of Public Finance and Accountancy (CIPFA) to advance high quality Public Financial Management in Pakistan. As per this MOU, CIPFA is working with PIPFA to enhance the capacity of Public Finance Accountancy in our country. In order to further fortify our working relationship with CIPFA, PIPFA has initiated a separate education stream called the Public Financial Management (PFM) Scheme in collaboration with CIPFA and its syllabus and other modalities are being prepared in consultation with all the stakeholders especially representatives of Public Sector. The project will open up a new pathway for our Public Sector professionals to further excel progression towards a global professional Public Sector qualification and membership.



## MEMBERS' AND STUDENTS' STATISTICS

During the year in review, a total of 145 new members were admitted after which the total number of our members as on June 30, 2020 stood at 7,854. During this period, 785 new students were also enrolled in our education program, making the overall enrolled strength of students to 34,540.

### WAY FORWARD

- i) Signing of further MoUs with leading Corporates, Audit & Consultancy firms and Industries to open avenues for training and job placement of our affiliates and members.
- ii) Completing the updating of PIPFA's Memorandum of Association and Article of Association in line with Companies Act, 2017.
- iii) Pursuing the smooth progress of drafted PIPFA Act in order to complete all the legal and procedural formalities with all our stakeholders so that it can be tabled in the National Assembly at the earliest.
- iv) Working with regional Professional Accountancy bodies including SAFA and CAPA and exploring opportunities of admission as a member.
- v) Launching of common syllabi and papers for all public sector organizations thereby reducing the workload of Examination Department and huge number of papers.
- vi) Introducing more Government organizations in PIPFA's fold for capacity building of their human resources and for increasing our student intake from the public sector.
- vii) Offering capacity building support and educational services to various public sector organization

PIPFA continues to play its role in the development of public finance fraternity and accountancy by producing and developing world class professional Accountants for both public and corporate sectors. Provision of highly professional yet affordable education is the number one objective and mission of our Institute.

At PIPFA, we always seek professional excellence and strive for global recognition of its qualification. Our strength lies in a strong team of highly qualified and experienced faculty members, dedicated staff to deliver quality services and a dynamic and diversified Board to formulate and implement policies. Collectively, we are committed to drive value for our students, members and other stakeholders.

Taking this opportunity, I express my sincere gratitude and acknowledge the hard work done by my fellow board members. What we have achieved today has been possible with their active participation and support. I am also grateful to our sponsoring bodies AGP, ICAP and ICMAP for their resolute trust and support. Our valued employees have always worked hard and with unmatched dedication, for which, I would like to express my profound appreciation.

I wish you all a peaceful, safe and prosperous personal and professional life ahead.

**Sajid Hussain**  
**President**



# 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 2020 and accompanying audited financial statements for the year ended June 30, 2020. During the year, PIPFA has managed to achieve many milestones including the full membership of International Federation of Accountants (IFAC) which will hopefully be endorsed by November 12, 2020, drafting of the PIPFA Act, implementation of the revised syllabi for both Corporate and Public Sector, designing of online student questionnaire to assisting in career counseling, conducting a record number of Webinars especially during COVID-19, implementing online classes for First Two Levels of our Education Program and many other initiatives that have helped in strengthening the Institute and broadening the scope for PIPFA fraternity. In the resolve of strengthening the Public Finance Sector, PIPFA has taken all the bold steps to pave a way forward for enhancing its footprint across all public sector organizations of Pakistan.

## FINANCIAL PERFORMANCE HIGHLIGHTS

The Financial Performance for the year 2019-20 as compared to 2018-19 has been as follows:

	2019-20 Rs.	2018-19 Rs.
Income	54,882,988	53,610,469
Expenses	59,142,806	56,812,981
Deficit for the year	<u>(4,259,818)</u>	<u>(3,202,512)</u>

The revenues increased during the year by 2.37% despite challenges faced by COVID-19. The student's registration, annual subscription, exemption and examination fees declined by 30% as a result of academic activities at PIPFA centers and also due to cancellation of Public sector classes. The summer 2020 examinations were also cancelled that resulted in loss of revenue to the Institute. Membership subscription increased by almost 3.78% as a result of outreach of the membership department. Other income included an amount of Rs.2.11M that represents a reversal of provision against doubtful recovery of investment. The overall expenses increased by 4.10% as a result of increase in examination department expenses by 7.89% and members' department expenses by 15.72%. The Coaching department expenses however decreased by 5.40%. The increase in expenses was mainly due to inflationary impact resulting in increase of utility expenses, insurance costs, staff salaries and marketing expenses. In the wake of COVID-19, the Board had to make difficult decisions during the year including cancellation of summer 2020 examinations, moving CPD activities online and making them available to members and students free of charge, increasing the deadline for payment of membership dues from June 30, 2020 to September 30, 2020, putting on hold any increase in fee and subscription for students and members alike, temporary holding hiring of HR to save cost, introducing online classes and refresher courses for students and managing working of staff remotely. All these decisions coupled with many others had financial repercussions but we believe that the strong resolve of the Board enabled us to not only sail through these challenging times but to also achieve much better financial results. We believe that with resumption of full scale educational and marketing activities coupled with latest developments in terms of full membership of IFAC, introduction of more public sector entities in the PIPFA fold and enhanced CPD activities, the financial performance for the upcoming year will be outstanding.

## GOOD GOVERNANCE INITIATIVES

The Board has already constituted an Audit Committee to oversee the accounting and internal controls of the Institute in order to ensure transparency. The Institute is adhering to the policy of issuing interim review of its financial statements since 2017 as a good governance initiative. We are pleased to inform that having necessitated the importance of professional ethics, the Board has also constituted an Ethics and Advisory Committee in the light of the IFAC Code of Ethics guidance for our members and students.

The Technical Committee of the Board has completed the process of reviewing the Memorandum & Articles of Association of the Institute in light of Companies Act, 2017 for incorporating important decisions of the BOG taken in the past and its recommendation are to be placed before Board for consent and other legal formalities before these are presented to SECP.

## MEMBERS' STATISTICS

The number of members increased by 145 from 7,709 to 7,854 as of June 30, 2020. This increase in membership 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 campaigning through Branch Committees, CPD activities but also through social media promotion. The Institute believes that the Members play pivotal role in the development and growth and their professional contributions are highly required for further enhancing the objectives. 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 activities.

## STUDENT'S ENROLMENT

PIPFA Education program provides a gateway to various International professional qualifications due to its global recognition. In addition to the generous exemptions available to PIPFA qualified in ICAP, ICMAP & ACCA, our MOU with CIPFA (UK) has provided opportunity to our Affiliates and Members from both Corporate and Public Sector to pursue education globally. Specifically, PIPFA

has initiated the PFM Stream ground work for the Public sector that will pave way to direct membership with CIPFA (UK) while studying with PIPFA.

The new student enrollment as at June 30th, 2020 were at 785 which was less than last year mainly due to the fact that due to COVID-19, our admissions were temporarily suspended during the last quarter of this financial year.

## EDUCATIONAL PROGRAMS

### 1) Corporate Sector

The Corporate Sector Education programs is in process of continuous development for updating in light of latest International Education Standards issued by the IAESB. The revamped syllabus of Corporate Sector has been approved by the Board on recommendations of Board of Studies and has been implemented from Winter 2020 with changes that include enhanced entry requirements, development of online self-assessment questionnaire for prospective students, introduction of Professional Skills Training Course (PSTC), inclusion of contents on professional values, ethics and attitude, addition of Two (2) new subjects including Management Strategy (MS) and Business Organization (BO).

### 2) Public Sector

The Public Sector Education programs is serving renowned public sector organizations including AGP, WAPDA, PRAD, PMAD, Treasury, LFA, CGA and CDA. This revised Public Sector Syllabus was implemented last year and reviewed this year by the Public Sector Committee of the Board of Studies (BOS) for unification of syllabus for all organizations and the resultant unified Public Sector syllabus has been implemented from summer 2020 session.

The following short certificate courses, approved by the Board last year were also successfully conducted in the current year for Local Fund Audit, Finance Department, Govt. of Punjab for capacity building of their employees;

No.	Subject/description	Date	Duration
1	Annual Professional Development Program-1st Batch	July 2019	One week
2	Annual Professional Development Program- 2nd Batch	August 2019	One week
3	1st In-service Training Program for Auditors and other Subordinate Cadres	July-September 2019	Two months
4	2nd In-service Training Program for Auditors and other Subordinate Cadres	September-November 2019	Two months
5	3rd In-service Training Program for Auditors and other Subordinate Cadres	November 2019-January 2020	Two months
6	Procurement, Procurement Processes and Allied Matters	July 2019	Two days

Customized short courses, developed and marketed by the Secretariat have been responded positively and many more training and development avenues are expected in the near future, enabling us to have a strong engagement with various government entities. PIPFA has recently started a discussion with Punjab Local Government & Community Development Department for developing customized short courses which are also expected to be finalized in the next year.

In view of promulgation of Public Finance Management Act, 2019 by the Federal Government, Public Sector Education scheme has been under constant discussion during past few years and it has been principally approved by the PIPFA Board to map and link the PIPFA Public Sector Qualification with CIPFA qualification enabling a direct pathway to PIPFA members. The objective for introducing the stream of Public Finance Management is to produce Public Finance Accountants who are professionally educated and trained for not only direct induction in the public sector audit and accounts departments but also through nominations by government departments.

The stream was discussed with all Public Sector stakeholders and after sequential meetings, a proposed structure, leading towards CIPFA Membership has been forwarded to the concerned government departments for their comments and consent to proceed further. This stream will be unique qualification for Public Sector (all government entities attached with PIPFA) and will be in composition with identical papers in first three levels for all departments, specialized papers in Level-4 according to departmental requirements, advanced Level will consist of CIPFA Module leading towards CIPFA Associate membership.

The scheme will be finalized and approved for implementation once a consensus is established after due diligence. The Public Sector Committee has decided to include extensive IPSAS in the subject of Public Sector Financial Accounting and Reporting in this proposed PFM scheme to fully address the recommendations of IFAC.

PIPFA always encourages and markets its qualification to Public Sector entities because it is an ultimate choice for Public Sector. Government organizations are now more inclined to discontinue their departmental examinations as it was done in case of SAS examinations (government departments' examinations) which was replaced with PIPFA Qualification. The Board believes that as a result of its diligent efforts and continuous acceptance of PIPFA qualification amongst various public sector entities, there will be a significant increase in the number of enrollments from public sector.

### 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, without translation and changes, including the NOCLAR in replacement of previously adopted Code of Ethics 2015 Edition. The Technical Committee of the Board has recommended the adoption of IESBA Code of Ethics, 2018 to the Board which is expected to be approved in the upcoming meeting. The Board has recently setup an Ethics Advisory Committee to provide guidelines to its members.

### CONTINUED PROFESSIONAL DEVELOPMENT (CPD) ACTIVITIES

Over the past few years, especially after the formation of Branch Committees, The CPD and Publications Committee has transformed into being very proactive. PIPFA has captured significant presence in the fraternity of accountants by organizing numerous seminars, workshops and short trainings on almost every area of professional development. These events have always been highly appreciated amongst not only the PIPFA members and students, but also by other professional bodies and Government bodies. We have witnessed an overwhelming response in terms of attendance in our Webinars that have been provided free of cost especially during COVID-19 lockdown.

It is very appreciable that despite lockdowns, the CPD activities were in full swing other than a short disruption of two weeks during which PIPFA team improvised and reorganized its delivery mechanism and resources. All the Four (4) regional Branch committees which are primarily responsible for the CPD programs were made directly aligned into a National CPD Focus Group consisting Two Members (One Convener and the CPD In-charge) of each branch committee and the Chairman of CPD and Publications Committee. This National CPD group started a nation-wide coordination for conducting the Webinars during COVID-19 lockdown some of which were as follows;

- Tax Laws (Amendment) Ordinance 2020
- Tax Relief for Construction Sector
- Introduction and Implementation of ERP Software
- IFRS-9 Financial Instruments
- How to move up from a Manager to Corporate Leader
- Excellence in Excel Essentials
- Interviewing Techniques
- Self-Branding and Smart Investment
- Post Budget 2020-21
- Block-chain Technology
- Audit and Ethical Principles
- Provincial Post Budget Seminar 2020
- Personal Grooming and Managerial Skills
- How to make the Best Out of Stock during uncertainty
- Ethics and Professionalism in Changing World
- E-Filing of Income Tax Returns

Some of the other seminars, workshops, trainings and short courses that were conducted during the year 2019-20 are;

- \* Seminar on Withholding Taxation
- \* Short Course on Procurement, Procurement Processes and Allied Matters (Public Sector)
- \* Ten Days Short Course on IASs / IFRSs (Level 2)
- \* Post Budget and Finance Act Seminars 2019
- \* Work Shop on IFRS 15 & 16 and IAS 12 & 16
- \* Training on Excel Tips & Tricks
- \* Seminar on Employee Wellbeing
- \* Taxation of Individuals & AOP
- \* Seminar on Role of Finance Professionals in Combating Bribery and Corruption
- \* Workshop on PFM Act 2019
- \* Information Seminar on acquiring graduation through Foreign University
- \* Conducted Three (3) batches of Annual Professional Development for Officers of BPS-17 and above
- \* Also conducted Three (3) batches of In- service Training for Senior Auditors/Auditors (BPS-16)

The CPD activities are continuously improvised through Branch Committees who take the lead in conducting CPD and other activities for PIPFA members and students. Besides the above, Graduation Ceremonies were arranged at all four Cities of Karachi, Lahore, Islamabad and Faisalabad. A Family Gala was also arranged for networking of our members at Faisalabad. 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

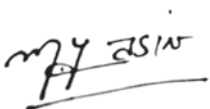
The Marketing Department is playing a vital role in promoting the PIPFA brand in the market. Marketing Department continuously design & implement effective marketing strategies to increase the visibility of PIPFA including Digital Marketing, Search Engine Optimization, Social Media Marketing, Email Marketing, SMS Marketing, Print Media, Education Expos, Communication of events on PIPFA website and other platforms, Admission Campaigns, Career Counselling Seminars at various educational institutes and universities. Further, marketing department aligns with the Members Department to promote PIPFA Membership for those Finance Professionals who want to excel their identity in the field of Finance and get global recognition. CPD activities are also effectively promoted on social media to reach target audience.

### FUTURE OUTLOOK

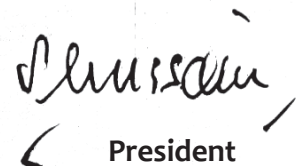
Although the COVID-19 pandemic had severely hampered the educational activities due to closure of classrooms and examination centers until September 15, 2020, PIPFA was agile enough to swiftly transform these activities on to online mode of lecture delivery. The Classes for Level-1 and 2 have been completely shifted to online mode, with Learning Management System (LMS) while also devising and keeping in place standby mechanisms to shift Level-3 and 4 classes to online mode as well if need be. PIPFA has also developed a complete in house system for conduct of examinations for Level-3 and 4 remotely in addition to the existing Computer Based Examinations (CBE) for Level-1 and 2. The CPD activities of the Institute have also completely been shifted to Webinars and other remote learning. The periodic Board Meetings, Standing Committee Meetings and other staff level meeting and interaction has been achieved through online mode as well. All these transformations, coupled with our latest developments including IFAC Full membership in process, ongoing discussion with CAPA, rigorously updating and improving its educational programs, signing MOUs with national and international professional and educational bodies, Inclusion of various Government and other Public Sector Entities into our Public Sector Stream, Planned launch of Public Financial Stream aligned with CIPFA full membership, swiftly working towards forming PIPFA as a Statutory body and various other initiatives and steps of the Board of PIPFA, we firmly believe that PIPFA is moving forward. The realigned objectives and adaptation to new norms have helped the Institute in transforming difficulties into opportunities.

### ACKNOWLEDGEMENT

The dedicated services of our PIPFA employees at the Secretariat and all our Centers are highly appreciated. The Board is indebted to the esteemed members of PIPFA branch committees at Karachi, Lahore, Islamabad & Faisalabad for their efforts especially in arranging wide range of CPD activities and supervision of marketing & promotional activities. 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



# Auditors' Report

## **Parker Randall International**

Parker Randall-A.J.S.  
Chartered Accountants  
901, Q. M. House,  
Ellender Road,,  
Karachi

## **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, 2020, and the statement of income and expenditure, the statement of comprehensive income, the statement of changes in fund, the statement of cash flows 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 comprehensive income, the statement of changes in fund and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Institute's affairs as at June 30, 2020 and of the deficit and other comprehensive loss, 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 comprehensive income, the statement of changes in fund and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Institute's business; and
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

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



**Chartered Accountants**

Date: November 06, 2020

Karachi.

# Financial Statements



Pakistan Institute of  
Public Finance Accountants







# STATEMENT OF FINANCIAL POSITION

## AS AT JUNE 30, 2020

	Note	2020 RUPEES	2019 RUPEES
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Fixed assets</b>			
Property and equipment	4	25,168,898	25,606,477
Investment property	5	970,893	1,021,993
Intangible assets	6	21,695	32,541
Investment	7	2,112,033	-
		<b>28,273,519</b>	26,661,011
<b>Current assets</b>			
Loans and advances	8	9,000	425,400
Deposits, prepayments and other receivables	9	9,442,743	6,967,421
Short-term investments	10	-	2,000,000
Cash and bank balances	11	4,827,179	3,883,292
		<b>14,278,922</b>	13,276,113
<b>Non-current asset classified as held for sale</b>	12	<b>1,028,319</b>	1,028,319
<b>TOTAL ASSETS</b>		<b>43,580,760</b>	40,965,443
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Members' subscription	13	2,774,978	3,030,945
Deferred liability - staff gratuity	14	5,301,770	4,916,002
		<b>8,076,748</b>	7,946,947
<b>Current liabilities</b>			
Current maturity of members' subscription		631,925	611,795
Accrued and other liabilities	15	10,901,555	4,176,351
		<b>11,533,480</b>	4,788,146
Contingencies and commitments	16		
<b>TOTAL LIABILITIES</b>		<b>19,610,228</b>	12,735,093
<b>NET ASSETS</b>		<b>23,970,532</b>	28,230,350
<b>REPRESENTED BY</b>			
<b>GENERAL FUND</b>		<b>23,770,532</b>	28,030,350
<b>ENDOWMENT FUND</b>		<b>200,000</b>	200,000
		<b>23,970,532</b>	28,230,350

The annexed notes from 1 to 33 form an integral part of these financial statements.

Member of Board of Governor

President

## STATEMENT OF INCOME & EXPENDITURE

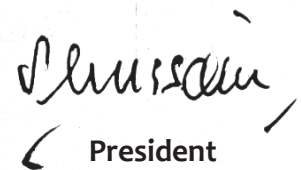
FOR THE YEAR ENDED JUNE 30, 2020

	Note	2020 RUPEES	2019 RUPEES
<b>INCOME</b>			
Students' registration and annual subscription fee	17	<b>5,488,725</b>	7,951,260
Examination and exemption fee	18	<b>13,362,376</b>	18,918,050
Members' registration and annual subscription fee	19	<b>4,359,312</b>	4,200,257
Coaching fee	20	<b>25,280,017</b>	19,970,039
Other income	21	<b>6,392,558</b>	2,570,863
		<b>54,882,988</b>	53,610,469
<b>EXPENDITURE</b>			
Examination department expenses	22	<b>13,156,223</b>	12,194,358
Members' department expenses	23	<b>2,733,647</b>	2,362,373
Coaching department expenses	24	<b>26,969,179</b>	28,507,824
Administrative expenses	25	<b>16,283,757</b>	13,748,426
		<b>59,142,806</b>	<b>56,812,981</b>
<b>Deficit transferred to General Fund</b>		<b>(4,259,818)</b>	<b>(3,202,512)</b>

The annexed notes from 1 to 33 form an integral part of these financial statements.



Member of Board of Governor



President



## STATEMENT OF CASH FLOW

### FOR THE YEAR ENDED JUNE 30, 2020

	Note	2020 RUPEES	2019 RUPEES
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Deficit for the year ended		(4,259,818)	(3,202,512)
Members' subscription - advance		(235,837)	(777,298)
<b>Adjustment for non-cash items:</b>			
Depreciation		1,227,224	1,242,515
Gain on sale of fixed asset		-	(386,193)
Amortisation		10,846	16,268
Provision against advance income tax		205,215	245,101
Reversal of provision against doubtful recovery of investments		(2,112,033)	-
Staff gratuity		1,168,200	783,922
		499,452	1,901,613
<b>Deficit before working capital changes</b>		<b>(3,996,203)</b>	<b>(2,078,197)</b>
<b>(Increase) / decrease in current assets</b>			
Loans and advances		243,993	(202,861)
Trade deposits, prepayments and other receivables		(2,475,322)	(4,460,238)
		(2,231,329)	(4,663,099)
<b>Increase/ (decrease) in current liabilities</b>			
Accrued and other liabilities		6,725,204	3,217,792
Cash generated from / (used in) operating activities		497,672	(3,523,504)
Income tax paid		(32,808)	(172,407)
Staff gratuity paid		(782,432)	(231,359)
<b>Net cash used in operating activities</b>		<b>(317,568)</b>	<b>(3,927,270)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital expenditure on property and equipment		(738,545)	(3,354,440)
Sale proceed from sale of fixed asset		-	521,000
Short-term investments realised / (made)		2,000,000	(2,000,000)
<b>Net cash generated from / (used in) investing activities</b>		<b>1,261,455</b>	<b>(4,833,440)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Contribution by members to Endowment Fund		-	100,000
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>943,887</b>	<b>(8,660,710)</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>3,883,292</b>	<b>12,544,002</b>
<b>Cash and cash equivalents at the end of the year</b>	11	<b>4,827,179</b>	<b>3,883,292</b>

The annexed notes from 1 to 33 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, 2020

	General Fund Rupees	Endowment Fund Rupees	Total Rupees
<b>General Fund</b>			
Balance as at June 30, 2018	31,332,862	-	31,332,862
Deficit for the year	(3,202,512)	-	(3,202,512)
Other comprehensive income	-	-	-
Total comprehensive loss for the year	(3,202,512)	-	(3,202,512)
Transferred to Endowment Fund	(100,000)	100,000	-
Contributions made during the year	-	100,000	100,000
<b>Balance as at June 30, 2019</b>	<b>28,030,350</b>	<b>200,000</b>	<b>28,230,350</b>
Deficit for the year	(4,259,818)	-	(4,259,818)
Other comprehensive income	-	-	-
Total comprehensive loss for the year	(4,259,818)	-	(4,259,818)
<b>Balance as at June 30, 2020</b>	<b>23,770,532</b>	<b>200,000</b>	<b>23,970,532</b>

The annexed notes from 1 to 33 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, 2020

	2020 RUPEES	2019 RUPEES
<b>Deficit for the year</b>	<b>(4,259,818)</b>	<b>(3,202,512)</b>
Other comprehensive income	-	-
<b>Total comprehensive loss for the year</b>	<b>(4,259,818)</b>	<b>(3,202,512)</b>

The annexed notes from 1 to 33 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, 2020

### 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., Shahra-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 Governors 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 following 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, except for freehold land.

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;

- the management is committed to plan to sell the asset;
- an active programme to locate the buyer and complete the plan must have been initiated;
- the asset must be actively marketed for sale at a price that is reasonable in relation to its current fair value and;
- 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 amortisation 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 amortised 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 amortisation 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 recognised 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 amortisation, if no impairment loss had been recognised. The Institute recognises 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 recognised 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 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. Registration fee is recognized in the period in which student is registered while annual subscription fee is recognized on receipt basis.

#### 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. Registration fee is recognized in the period in which member is registered while annual subscription fee 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 recognised on receipt basis.

#### Mark-up and other income

Mark-up on interest bearing investments and saving accounts with banks, and other income is recognised 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 recognised at fair value and are subsequently carried at amortised cost.

Borrowing costs are recognised on the basis of the effective interest method. Borrowing costs are recognised 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. The details of related parties with whom the Institute has entered into transactions with or has arrangements/agreements in place during the year are as follows:

Name of related party	Basis of relationship
Institute of Chartered Accountants of Pakistan (ICAP)	Sponsoring body
Institute of Cost and Management Accountants of Pakistan (ICMAP)	Sponsoring body
Auditor General of Pakistan (AGP)	Sponsoring body
SKANS School of Accountancy	Common key management personnel
Mr. Sajid Hussain	Member of Board of Governors
Mr. Muhammad Yasin	Member of Board of Governors
Mr. Sami Ullah Musa	Member of Board of Governors
Mr. Usman Ahsan	Member of Board of Governors
Mr. Aamir Ijaz Khan	Member of Board of Governors
Mr. Athar Saleem Ch.	Member of Board of Governors
Mr. Ashfaq Yousuf Tola.	Member of Board of Governors
Mr. Muhammad Sharif	Member of Board of Governors
Ms. Raheela Saad	Member of Board of Governors
Mr. Kamran Ali Hashmi	Member of Board of Governors
Mr. Muhammad Ali Latif	Member of Board of Governors
Ms. Rana Nazir Fatima	Key management personnel
Mr. Imran Ahmed	Key management personnel
Mr. Muhammad Moin	Key management personnel
Mr. M. Naeem Akhtar	Key management personnel
Mr. Atiq-ur-Rehman	Key management personnel
Mr. M. Aslam Tahir	Key management personnel
Mr. Jamshaid Riaz	Key management personnel

## 4. PROPERTY AND EQUIPMENT

	Note	2020 Rupees	2019 Rupees
Property and equipment	4.1	<u>25,168,898</u>	<u>25,606,477</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, 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)
<b>Net book value as at June 30, 2019</b>	<b>15,732,078</b>	<b>5,059,626</b>	<b>-</b>	<b>862,736</b>	<b>956,526</b>	<b>1,635,100</b>	<b>1,359,515</b>	<b>896</b>	<b>25,606,477</b>
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)
<b>Net book value as at June 30, 2019</b>	<b>15,732,078</b>	<b>5,059,626</b>	<b>-</b>	<b>862,736</b>	<b>956,526</b>	<b>1,635,100</b>	<b>1,359,515</b>	<b>896</b>	<b>25,606,477</b>
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
Additions	-	-	-	118,117	319,600	300,828	-	-	738,545
Depreciation for the year	-	(252,981)	-	(184,671)	(354,293)	(180,072)	(203,927)	(179)	(1,176,124)
<b>Net book value as at June 30, 2020</b>	<b>15,732,078</b>	<b>4,806,645</b>	<b>-</b>	<b>796,182</b>	<b>921,833</b>	<b>1,755,856</b>	<b>1,155,588</b>	<b>717</b>	<b>25,168,898</b>
Cost as at June 30, 2019	15,732,078	6,199,902	-	2,831,088	4,652,643	3,654,167	1,536,570	49,524	34,655,972
Accumulated depreciation	-	(1,393,257)	-	(2,034,906)	(3,730,810)	(1,898,311)	(380,982)	(48,807)	(9,487,074)
<b>Net book value as at June 30, 2020</b>	<b>15,732,078</b>	<b>4,806,645</b>	<b>-</b>	<b>796,182</b>	<b>921,833</b>	<b>1,755,856</b>	<b>1,155,588</b>	<b>717</b>	<b>25,168,898</b>
Depreciation rate per annum	-	5%	5%	20%	30%	10%	15%	20%	

\* 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.

\*\* 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) during the year ended June 30, 2019.

#### 4.2 Depreciation for the year has been allocated as under:

	Note	2020 Rupees	2019 Rupees
Coaching department expenses	24	599,823	606,250
Administrative expenses	25	576,301	582,476
		<u>1,176,124</u>	<u>1,188,726</u>
<b>5. INVESTMENT PROPERTY - at cost model</b>			
Opening net book value		1,021,993	1,075,782
Depreciation charge for the year	5.2	(51,100)	(53,789)
Net book value at end of the year		970,893	1,021,993
<b>Gross carrying value</b>			
Opening cost		2,572,901	2,572,901
Accumulated depreciation		(1,602,008)	(1,550,908)
Net book value at end of the year		970,893	1,021,993
Depreciation rate (% per annum)		5%	5%
<b>5.1</b> This represents office premises bearing Plot No. 1005, 10th Floor, Park Avenue, Plot 24/A, Block-6, P.E.C.H.S, Karachi. The premises is is not occupied by the Institute and is held for rental purposes.			
<b>5.2</b> 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.			
<b>5.3</b> 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).			
<b>5.4</b> Depreciation for the year has been allocated as follows:			
Administrative expenses	25	51,100	53,789
<b>6. INTANGIBLE ASSETS</b>			
Opening net book value		32,541	48,809
Amortisation for the year	6.1	(10,846)	(16,268)
Net book value at end of the year		21,695	32,541
<b>Gross carrying value</b>			
Opening cost		922,064	922,064
Accumulated amortisation		(900,369)	(889,523)
Net book value at end of the year		21,695	32,541
Amortisation rate (% per annum)		33.33	33.33
<b>6.1</b> Amortization for the period has been allocated as under:			
Examination department expenses	22	10,846	16,268
<b>7. INVESTMENT</b>			
At amortised cost			
Term deposit receipts (TDRs)	7.1	2,112,033	2,112,033
Provision against doubtful recovery of investments		-	(2,112,033)
		<u>2,112,033</u>	<u>-</u>
<b>7.1</b> 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 Institute 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 thereof, reversed provision amounting to Rs. 10.000 million during the year ended June 30, 2018. Subsequent to the date of statement of financial position, the Institute has received the remaining sum of Rs. 2.112 million and, as a result, has reversed the provision against doubtful recovery of investments as at reporting date.

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 installment 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 were fully provided for by the Institute in previous years.

	Note	2020 Rupees	2019 Rupees
<b>8. LOANS AND ADVANCES</b>			
Advances			
To staff - secured	8.1	9,000	252,993
Advance income tax			
-Considered good		-	172,407
-Considered doubtful		450,316	245,101
Provision against advance income tax		(450,316)	(245,101)
		-	-
		<b>9,000</b>	<b>425,400</b>
<b>8.1</b>	This represents advance to employees against personal expenses and is secured against gratuity.		
<b>9. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES</b>			
<b>Deposits</b>			
Security deposits against rent		1,410,000	1,410,000
<b>Prepayments</b>			
Insurance		13,828	82,132
Fee and subscription		610,032	201,695
		<b>623,860</b>	<b>283,827</b>



	Note	2020 Rupees	2019 Rupees
<b>Other receivables - considered good un-secured</b>			
Pakistan Military Accountant Department (PMAD)		65,532	671,582
Auditor General Pakistan (AGP) - related party		4,158,125	4,222,400
Controller General of Accounts (CGA)		743,875	-
Government of Punjab (GoP)		1,939,769	314,100
Capital Development Authority (CDA), Islamabad		117,500	28,700
Mark-up accrued on short-term investments		-	20,274
Rental income receivable		384,082	16,538
		<b>7,408,883</b>	<b>5,273,594</b>
		<b>9,442,743</b>	<b>6,967,421</b>
<b>9.1</b>	The maximum outstanding amount during the year calculated with reference to month end balances is Rs. 6,641,625 (2019: 4,276,400).		
<b>10. SHORT-TERM INVESTMENTS</b>			
Term Deposit Receipts		-	2,000,000
<b>11. CASH AND BANK BALANCES</b>			
Cash at bank in:			
Current accounts		1,825,049	3,109,771
Saving account	11.1	3,002,130	770,256
		<b>4,827,179</b>	<b>3,880,027</b>
Cash in hand		-	3,265
		<b>4,827,179</b>	<b>3,883,292</b>
<b>11.1</b>	Saving account carries profit at the rate of 5.5% (2019: 3.75%) per annum.		
<b>12. NON-CURRENT ASSET CLASSIFIED AS HELD FOR SALE</b>			
In the previous year, the Board had decided to sell the office on leasehold land amounting to Rs. 1,028,319 (net book value) situated at 1st Floor, 42-Civic Center, Barkat Market, New Garden Town, Lahore and had approved the same in its 126th meeting held on March 26, 2019. The active programme to locate the buyer and marketing for disposal of office at reasonable price was in place during the year. There is no indication of impairment of property as the market value is in excess of net book value as at reporting date.			
<b>13. MEMBERS' SUBSCRIPTION</b>			
Members' subscription - advance		3,406,903	3,642,740
Current maturity		(631,925)	(611,795)
		<b>2,774,978</b>	<b>3,030,945</b>
<b>14. DEFERRED LIABILITY - STAFF GRATUITY</b>			
Opening balance		4,916,002	4,363,439
Provision made during the year		1,168,200	783,922
Paid during the year		(782,432)	(231,359)
Closing balance		<b>5,301,770</b>	<b>4,916,002</b>
<b>15. ACCRUED AND OTHER LIABILITIES</b>			
Accrued expenses		1,775,801	3,265,978
<b>Other liabilities</b>			
Security deposit		70,000	70,000
Advance against sale of property		-	500,000
Deferred examination income	15.1	8,746,449	-
Others		309,305	340,373
		<b>9,125,754</b>	<b>910,373</b>
		<b>10,901,555</b>	<b>4,176,351</b>

15.1 This represents summer 2020 examination fees which has been postponed due to COVID 19 'Pandemic'.

## 16. CONTINGENCIES AND COMMITMENTS

16.1 There were no contingencies or commitments as at June 30, 2020 (2019: nil)

	Note	2020 Rupees	2019 Rupees
<b>17. STUDENTS' REGISTRATION AND ANNUAL SUBSCRIPTION FEE</b>			
Subscription fee		3,205,450	4,091,260
Registration fee		1,631,750	2,619,375
Restoration fee		101,375	297,125
Identity card charges		188,350	313,650
Career plan charges		361,800	629,850
		<b>5,488,725</b>	<b>7,951,260</b>
<b>18. EXAMINATION AND EXEMPTION FEE</b>			
Examination fee		5,999,875	11,422,300
Exemption fee		6,281,871	6,260,550
Computer based examination fee		966,530	1,203,500
Re-checking / duplicate certificate charges		114,100	31,700
		<b>13,362,376</b>	<b>18,918,050</b>
<b>19. MEMBERS' REGISTRATION AND ANNUAL SUBSCRIPTION FEE</b>			
Subscription fee		3,165,437	3,203,807
Registration fee		803,475	798,150
Restoration fee		390,400	198,300
		<b>4,359,312</b>	<b>4,200,257</b>
<b>20. COACHING FEE</b>			
Karachi		14,060,858	7,899,600
Lahore		6,958,668	5,205,109
Faisalabad		1,034,261	922,075
Islamabad		3,226,230	5,943,255
		<b>25,280,017</b>	<b>19,970,039</b>
<b>21. OTHER INCOME</b>			
Rental income		714,835	694,575
CCPT, coaching and other fee		2,782,861	550,500
CPD seminar income		50,800	150,080
Interest income from saving accounts		255,895	367,617
Interest income on short-term investment		-	20,274
Convocation receipts		102,080	6,300
Gain on sale of vehicle		-	386,193
Reversal of provision against doubtful recovery of investments		2,112,033	-
Others		374,054	395,324
		<b>6,392,558</b>	<b>2,570,863</b>
<b>22. EXAMINATION DEPARTMENT EXPENSES</b>			
Staff salaries' and benefits		6,717,206	6,205,668
Examination		3,488,715	3,332,222
Gratuity		342,352	279,603
Computer based examination		463,000	435,500



	Note	2020 Rupees	2019 Rupees
Printing and stationery		416,924	347,212
Postage		175,017	245,573
Utilities		239,745	282,385
Meetings		692,971	606,281
Entertainment		50,035	26,031
Repairs and maintenance		214,084	123,572
Amortisation	6.1	10,846	16,268
Software charges		17,940	135,766
Insurance		122,564	103,250
Others		204,824	55,027
		<b>13,156,223</b>	<b>12,194,358</b>
<b>23. MEMBERS' DEPARTMENT EXPENSES</b>			
Staff salaries' and benefits		1,495,609	1,206,118
Gratuity		80,870	51,768
Advertisement		77,500	-
Printing and stationery		190,421	324,781
Postage		193,800	224,755
Utilities		243,776	268,523
Meetings		86,984	89,371
Insurance		122,565	103,249
Repairs and maintenance		97,132	50,332
Others		144,990	43,476
		<b>2,733,647</b>	<b>2,362,373</b>
<b>24. COACHING DEPARTMENT EXPENSES</b>			
Staff salaries' and benefits		9,152,771	10,428,889
Gratuity		351,391	266,763
Faculty salaries		9,657,555	8,685,571
Rent		3,395,639	3,140,289
Advertisement		691,534	1,672,256
Utilities		870,524	835,064
Depreciation	4.2	599,823	606,250
Repairs and maintenance		361,909	644,001
Printing and stationery		450,662	570,828
Postage		214,143	245,212
Entertainment		98,117	106,448
Meetings		109,558	231,414
Supplies		63,747	47,666
Conveyance		51,763	338,537
Seminar and exhibition		299,235	387,569
Bank charges		8,171	4,151
Insurance		122,565	103,250
Others		470,072	193,666
		<b>26,969,179</b>	<b>28,507,824</b>





	Note	2020 Rupees	2019 Rupees
<b>25. ADMINISTRATIVE EXPENSES</b>			
Staff salaries' and benefits		6,792,186	6,193,512
Gratuity		393,589	185,788
Wages		299,080	305,100
Rent		3,225,000	2,737,557
Fees and subscription		1,642,010	617,510
Printing and stationery		274,321	265,847
Depreciation	4.2 & 5.4	627,401	636,265
Utilities		603,875	427,286
Repairs and maintenance		335,252	278,224
Legal and professional		234,040	97,180
Entertainment		41,873	46,214
Meetings		174,176	198,052
Postage		185,214	107,002
Auditor's remuneration	25.1	101,186	83,903
Internet charges		39,324	93,642
Vehicle insurance		19,360	111,335
Conveyance and travelling		324,572	201,145
Supplies		43,605	44,041
Advertisement		457,631	289,229
Bank charges		65,610	71,392
Insurance		122,564	58,195
Others		76,673	454,906
Provision against advance income tax		205,215	245,101
		<b>16,283,757</b>	<b>13,748,426</b>
<b>25.1 Auditors' remuneration</b>			
Audit fee		71,874	65,340
Out of pocket expenses		4,312	3,713
Half yearly review fee		25,000	14,850
		<b>101,186</b>	<b>83,903</b>
<b>26. REMUNERATION OF GOVERNORS, SECRETARY AND EXECUTIVES</b>			
Remuneration		4,179,880	3,296,535
Allowances		502,957	1,648,268
		<b>4,682,837</b>	<b>4,944,803</b>
No of persons		2	3

**26.1** No remuneration has been paid to Board of Governors or Institute's Secretary during the year (2019: nil).

## 27. FINANCIAL INSTRUMENTS BY CATEGORY

	<b>AS AT JUNE 30, 2020</b>			<b>Total</b>
	<b>Fair value through profit or loss</b>	<b>Fair value through OCI</b> Amount in Rupees	<b>Amortised cost</b>	
<b>Financial assets</b>				
Investment	-	-	2,112,033	2,112,033
Deposits and other receivables	-	-	8,818,883	8,818,883
Bank balances	-	-	4,827,179	4,827,179
	<u>-</u>	<u>-</u>	<u>15,758,095</u>	<u>15,758,095</u>
<b>Financial liabilities</b>				
Deferred liability - staff gratuity	-	-	5,301,770	5,301,770
Accrued and other liabilities	-	-	2,155,106	2,155,106
	<u>-</u>	<u>-</u>	<u>7,456,876</u>	<u>7,456,876</u>

	<b>AS AT JUNE 30, 2019</b>			<b>Total</b>
	<b>Fair value through profit or loss</b>	<b>Fair value through OCI</b> Amount in Rupees	<b>Amortised cost</b>	
<b>Financial assets</b>				
Deposits and other receivables	-	-	6,683,594	6,683,594
Short-term investments	-	-	2,000,000	2,000,000
Bank balances	-	-	3,880,027	3,880,027
	<u>-</u>	<u>-</u>	<u>12,563,621</u>	<u>12,563,621</u>
<b>Financial liabilities</b>				
Deferred liability - staff gratuity	-	-	4,916,002	4,916,002
Accrued and other liabilities	-	-	3,676,351	3,676,351
	<u>-</u>	<u>-</u>	<u>8,592,353</u>	<u>8,592,353</u>

## 28. TRANSACTIONS WITH RELATED PARTIES

Basis of relationship are disclosed in note 3.19. 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	Note	2020	2019
			Rupees	Rupees
SKANS School of Accountancy	Share of fees paid to CBE centres		366,000	456,630
Auditor General of Pakistan (AGP)	Services rendered		8,891,625	4,276,400
Key Management Personnel	Management compensation		9,781,952	8,822,089

## 29. NUMBER OF EMPLOYEES

The number of employees as at June 30, 2020 were 35 (2019: 31) and average number of employees during the year were 31 (2019: 29)

### 30. CORRESPONDING FIGURES

Certain corresponding figures have been reclassified for the purpose of better presentation, however, there were no material reclassification.

### 31. COVID 19 "PANDEMIC"

On March 11, 2020, the World Health Organization (WHO) declared the 2019 Novel Coronavirus (the "COVID-19") outbreak a pandemic. In response to this, the Federal and Provincial Governments in Pakistan took various measures including imposition of lockdown in the last week of March 2020 which affected the business operations and resulted in adverse economic conditions throughout the Country. The Institute complied with the Standard Operating Procedures (SOPs) as prescribed by the Federal and Provincial Government.

The management of the Institute has assessed accounting implications of the COVID-19 on these financial statements and concluded there is no impact/accounting implication of COVID-19 on the Institute's financial statements except for cancellation of summer 2020 examinations which resulted in a decrease in examination income and an increase in deferred revenue (refer note 15.1). Fresh student intake and exam sittings will be effected throughout the current reporting period as a result thereof, however, the management of the Institute is currently monitoring the situation closely.

### 32. AUTHORISATION FOR ISSUE

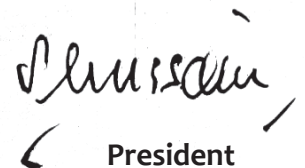
These financial statements were authorised for issue on November 6, 2020, by the Board of Governors of the Institute.

### 33. GENERAL

Figures in these financial statements have been rounded off to the nearest rupee.



Member of Board of Governor



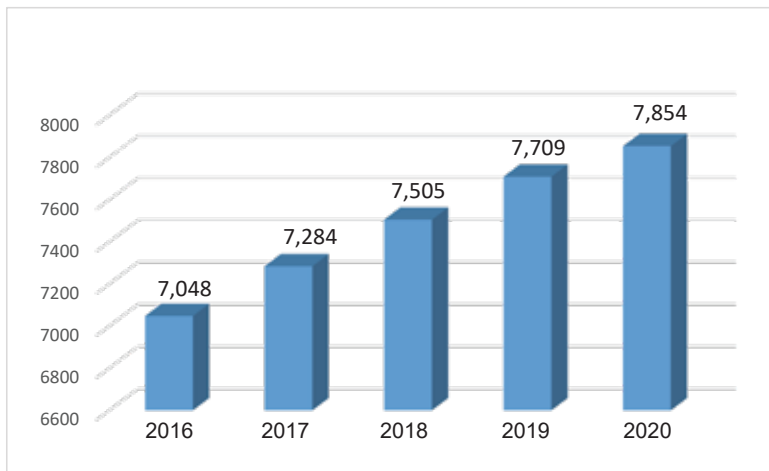
President



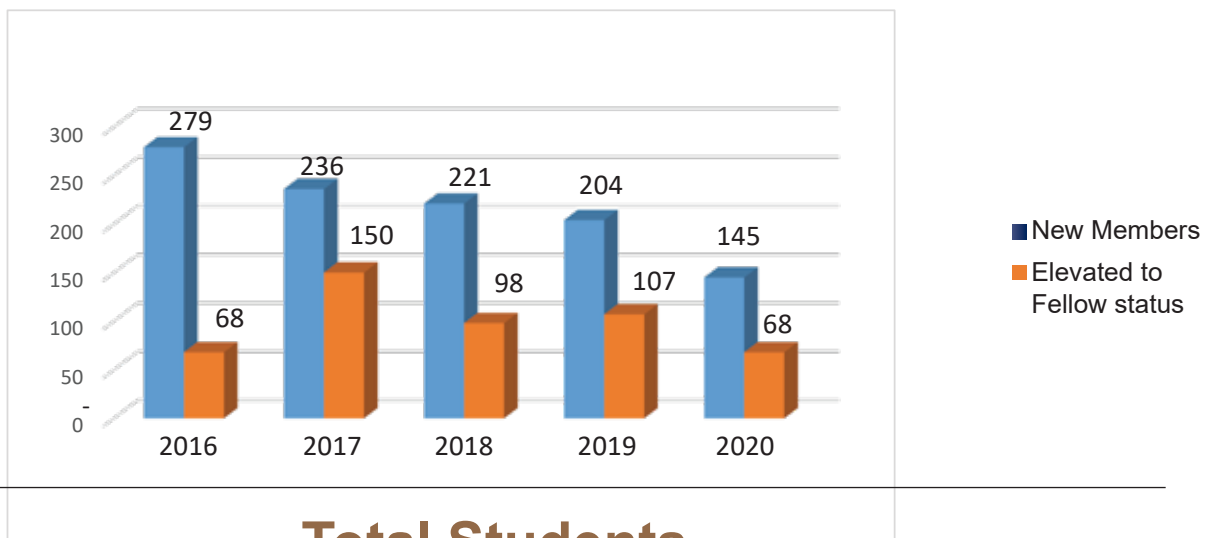
## FINANCIAL HIGHLIGHTS

	2016	2017	2018	2019	2020
<b>Operating Results</b>					
Revenue (in rupees)	35,744,690	31,051,894	43,185,715	53,610,469	54,882,988
Surplus/(Deficit) (in rupees)	(2,255,307)	(4,043,732)	4,174,594	(3,202,512)	(4,259,818)
<b>Financial Position</b>					
Net Assets (in rupees)	31,158,379	27,158,268	31,332,862	28,230,350	23,970,532
Members (in numbers)	7,048	7,284	7,505	7,709	7,854
Students (in numbers)	30,753	31,504	32,297	33,755	34,540

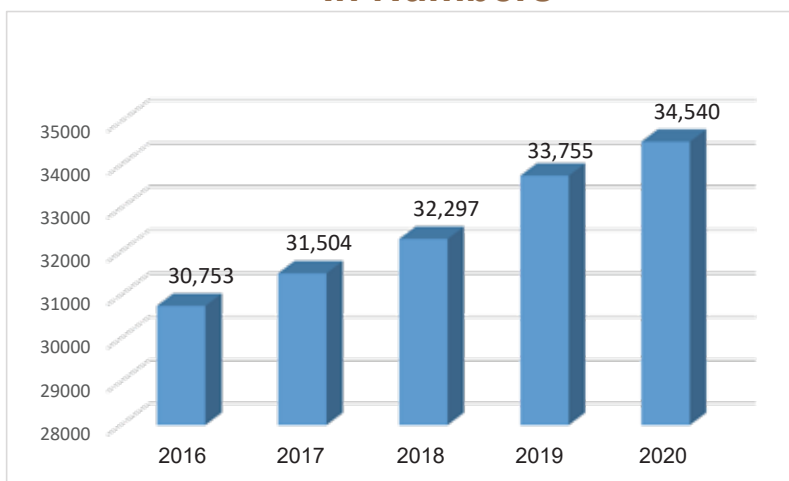
## Total Members In Numbers



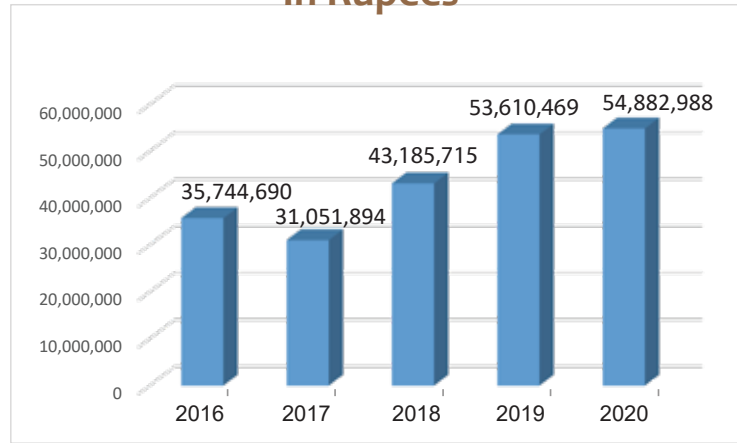
## New Members (APFA & FPFA) In Numbers



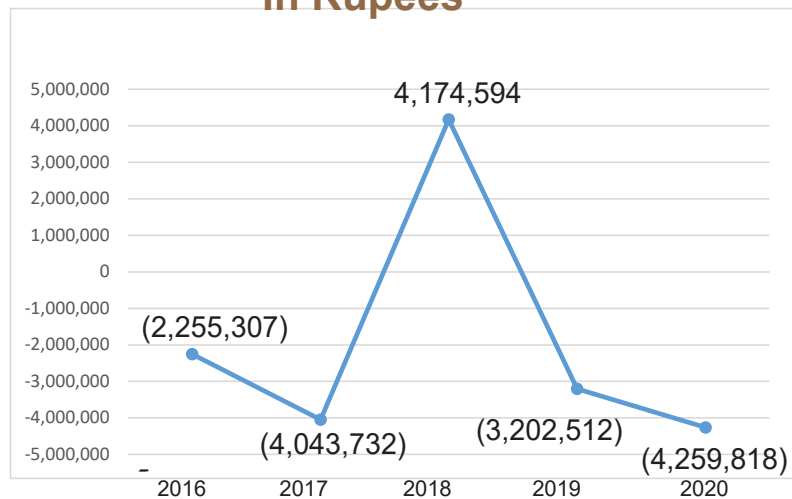
## Total Students In Numbers



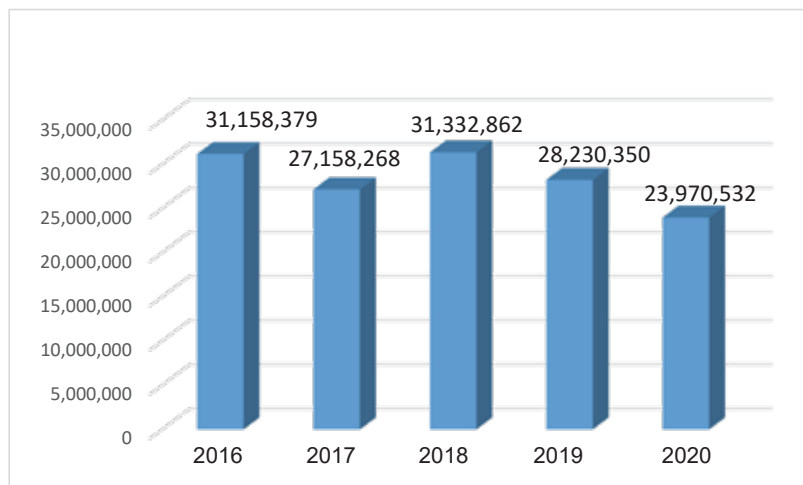
## Total Revenue In Rupees



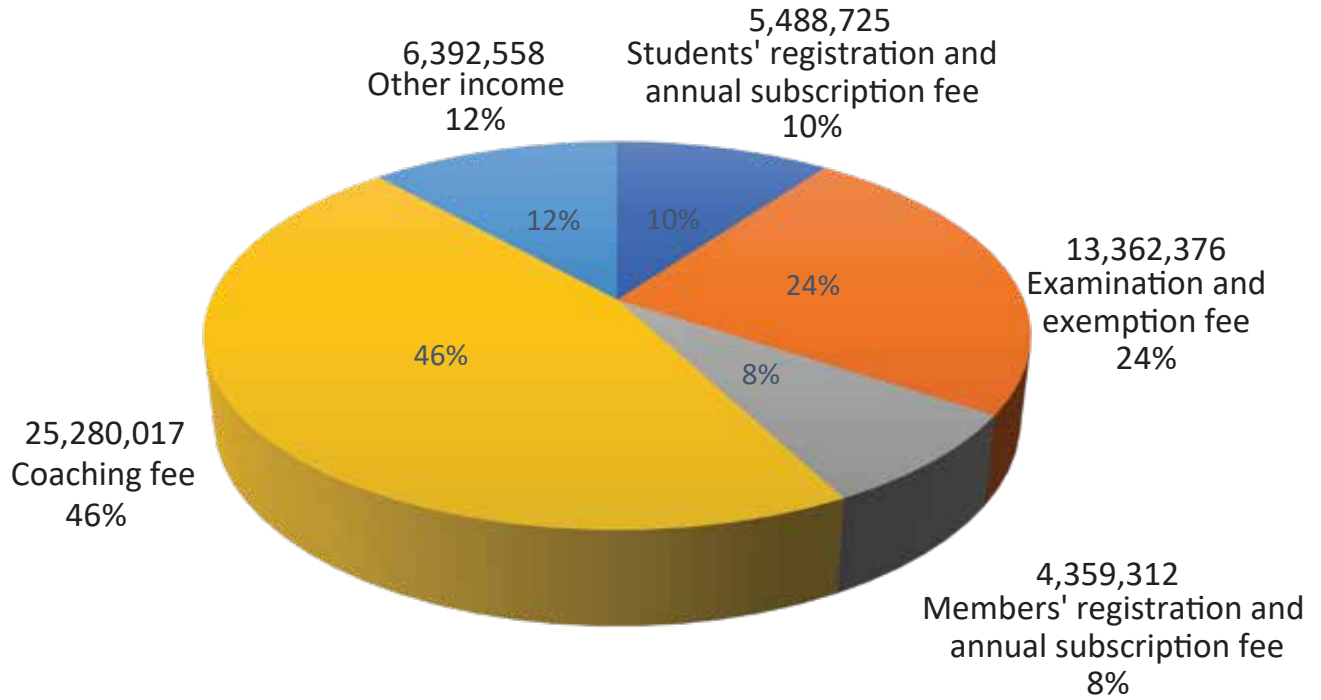
## Surplus / (Deficit) In Rupees



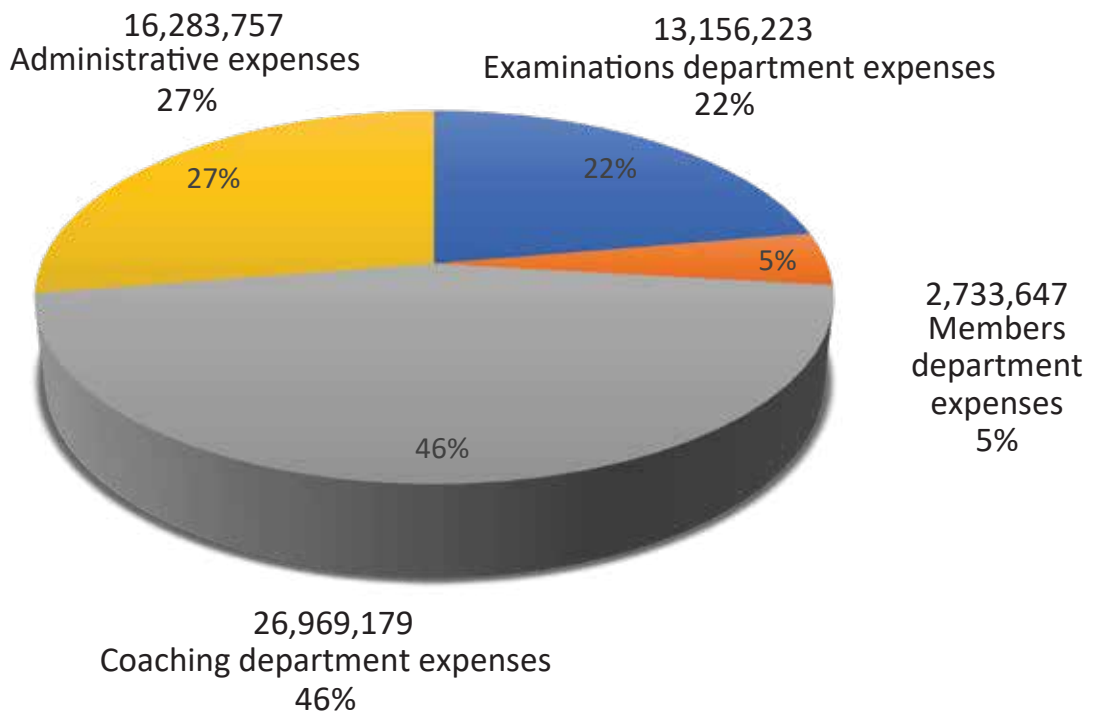
## Net Assets In Rupees



## Revenue Analysis 2020



## Expenditure Analysis 2020



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

### Board of Governors

Meetings Held: 06    Physical Meetings: 02    Video-Link Meetings: 04

Sr. #	Name	Title	Meetings Attended	Sr. #	Name	Title	Meetings Attended
1	Mr. Sajid Hussain	President	5	9	Mr. Muhammad Sharif	Member	6
2	*Mr. Fareed Mahmood Ch.	Vice President	2	10	Mr. Athar Saleem	Member	2
3	Mr. Muhammad Yasin	Secretary	1	11	Mr. Aamir Ijaz Khan	Member	5
4	Mr. Samiullah Musa	Treasurer	3	12	Mr. Mohammad Iqbal Ghorri	Member	0
5	Mr. Usman Ahsan	Joint Secretary	5	13	**Mr. Ghulam Rasool Shah	Member	2
6	Mr. Muhammad Ali Latif	Ex-President	5	14	***Mr. Sheraz Manzoor Haidar	Member	3
7	Mr. Ghulam Mustafa Qazi	Member	1	15	****Mr. Iftikhar Ahmed Babar	Member	0
8	Mr. Ashfaq Yousuf Tola	Member	0	16	****Ms. Raheela Saad	Member	0

\* AGP nominated Mr. Fareed Mahmood Ch. in place of Mr. Azhar Hameed

\*\* AGP nominated Mr. Ghulam Rasool Shah in place of Mr. Niaz Ahmed Shaikh

\*\*\* AGP nominated Mr. Sheraz Manzoor Haidar in place of Ms. Naveeda Salam

\*\*\*\* AGP nominated Mr. Iftikhar Ahmed Babar in place of Mr. Sheraz Manzoor Haider

\*\*\*\*\* AGP nominated Ms. Raheela Saad in place of Mr. Iftikhar Ahmed Babar

### Executive Committee

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

Sr. #	Name	Title	Meetings Attended	Sr. #	Name	Title	Meetings Attended
1	Mr. Sajid Hussain	Chairman	2	4	Mr. Usman Ahsan	Member	2
2	Mr. Muhammad Yasin	Member	0	5	Mr. Fareed Mahmood Ch.	Member	1
3	Mr. Samiullah Musa	Member	0	6	Mr. Muhammad Ali Latif	Ex-Chairman	1

\* Executive Committee was reconstituted in December 2019

### Board of Studies

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

Sr. #	Name	Title	Meetings Attended	Sr. #	Name	Title	Meetings Attended
1	Mr. Usman Ahsan	Chairman	4	7	Mr. Athar Saleem	Member	3
2	Mr. Muhammad Yasin	Member	2	8	Mr. Iftikhar Ahmed Babar	Member	0
3	Mr. Sajid Hussain	Member	4	9	Ms. Raheela Saad	Member	0
4	Mr. Samiullah Musa	Member	3	10	Mr. Mohammad Maqbool		3
5	Mr. Fareed Mahmood Ch.	Member	2	11	Mr. Imran Iqbal		2
6	Mr. Muhammad Sharif	Member	2				

\* Board of Studies was reconstituted in December 2019

### Examination Committee

Meetings Held: 06    Physical Meetings: 03    Video-Link Meetings: 03

Sr. #	Name	Title	Meetings Attended	Sr. #	Name	Title	Meetings Attended
1	Mr. Fareed Mahmood Ch.	Chairman	0	5	Mr. Sami Ullah Musa	Member	5
2	Mr. Muhammad Sharif	Member	6	6	Mr. Aamir Ijaz Khan	Member	2
3	Mr. Ghulam Rasool Shah	Member	4	7	Mr. Sajid Hussain	Member	4
4	Mr. Usman Ahsan	Ex-Chairman	6	8	Mr. Ghulam Mustafa Qazi	Member	1

\* Examination Committee was reconstituted in December 2019

### Regulatory & Disciplinary Committee

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

Sr. #	Name	Title	Meetings Attended	Sr. #	Name	Title	Meetings Attended
1	Ms. Raheela Saad	Chairperson	0	3	Mr. Muhammad Yasin	Member	1
2	Mr. Muhammad Sharif	Member	1	4	Mr. Samiullah Musa	Member	1

\* Regulatory & Disciplinary Committee was constituted in December 2019



**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. Muhammad Ali Latif	Member	0
2	Mr. Muhammad Sharif	Member	0	4	Mr. Aamir Ijaz Khan	Member	0

\* Investigation Committee was constituted in December 2018

**CPD & PUBLICATION COMMITTEE**

Meetings Held: 06 Physical Meetings: 00 Video-Link Meetings: 06

Sr. #	Name	Title	Meetings Attended	Sr. #	Name	Title	Meetings Attended
1	Mr. Samiullah Musa	Chairman	4	5	Mr. Ashfaq Yousuf Tola	Member	1
2	Mr. Muhammad Sharif	Member	3	6	Mr. Muhammad Iqbal Ghori	Member	2
3	Mr. Usman Ahsan	Member	2	7	Mr. Muhammad Yasin	Member	3
4	Mr. Fareed Mahmood Ch.	Member	1				

\* CPD &amp; Seminar Committee was constituted in December 2019

**ETHICS & ADVISORY COMMITTEE**

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

Sr. #	Name	Title	Meetings Attended	Sr. #	Name	Title	Meetings Attended
1	Mr. Ather Saleem	Chairman	0	4	Ms. Raheela Saad	Member	0
2	Mr. Muhammad Sharif	Member	0	5	Mr. Ashfaq Yousuf Tola	Member	0
3	Mr. Iftikhar Ahmed Babar	Member	0				

\* Ethics &amp; Advisory Committee was constituted in December 2019

**BUDGET & INVESTMENT COMMITTEE**

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

Sr. #	Name	Title	Meetings Attended	Sr. #	Name	Title	Meetings Attended
1	Mr. Fareed Mahmood Ch.	Chairman	1	3	Mr. Muhammad Yasin	Member	2
2	Mr. Muhammad Sharif	Member	2	4	Mr. Ashfaq Yousaf Tola	Member	0

\* Budget &amp; Investment Committee was reconstituted in December 2019

**AUDIT COMMITTEE**

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

Sr. #	Name	Title	Meetings Attended	Sr. #	Name	Title	Meetings Attended
1	Sayyid Mansoob Hassan	Chairman	1	3	Mr. Nazim Raza	Member	1
2	Mr. Taufique Ali Abbasi	Member	0	4	Mr. Imran Iqbal	Member	0

\* Audit Committee was reconstituted in December 2019

**TECHNICAL COMMITTEE**

Meetings Held: 02 Physical Meetings: 01 Video-Link Meetings: 01

Sr. #	Name	Title	Meetings Attended	Sr. #	Name	Title	Meetings Attended
1	Mr. Usman Ahsan	Chairman	2	6	Mr. Aamir Ijaz Khan	Member	1
2	Mr. Muhammad Yasin	Member	1	7	Mr. Muhammad Ali Latif	Member	0
3	Mr. Ashfaq Yousuf Tola	Member	0	8	Mr. Muhammad Maqbool		0
4	Mr. Sajid Hussain	Member	1	9	Mr. Imran Iqbal		0
5	Mr. Ghulam Rasool Shah	Member	1				

\* Technical Committee was reconstituted in December 2019



# FORM OF PROXY

I, \_\_\_\_\_ s/o, d/o, w/o \_\_\_\_\_ being member of PIPFA having Membership Number of FPFA/APFA \_\_\_\_\_ admitted before September 30, 2020 and having no membership outstanding dues as on September 30, 2020 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 27<sup>th</sup> Annual General Meeting of the Institute to be held on Saturday, November 28, 2020, at 3:00 p.m. and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2020.

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.





**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., Shahrāh-e-Faisal, Karachi-75400  
Tel: 021-34380451-2, Fax: 021-34327087, Email: [pipfa@pipfa.org.pk](mailto:pipfa@pipfa.org.pk)

## LAHORE OFFICE & CENTER

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

## ISLAMABAD OFFICE & CENTER

Office No. 27 & 28, 3rd Floor, Rehmat Centre,  
Plot No. 07, I-8 Markaz, Islamabad.  
Tel: 051-9334227, 051-4938345, Email: [pipfaisl@pipfa.org.pk](mailto:pipfaisl@pipfa.org.pk)

## FAISALABAD OFFICE & CENTER

Ajmal Centre-1, 289-1, Batala Colony, Faisalabad  
Tel: 041-8530110, 8500791, Email: [edufsd@pipfa.org.pk](mailto:edufsd@pipfa.org.pk)