

PAKISTAN INSTITUTE OF CORPORATE GOVERNANCE

(A company set up under section 42 of the companies ordinance, 1984)

CONDENSED INTERIM BALANCE SHEET AS AT SEPTEMBER 30, 2021 (Unaudited)

	Note	(Unaudited) SEP 30, 2021 Rupees	(Audited) June 30, 2021 Rupees
ASSETS			
NON CURRENT ASSETS			
Property and equipment		2,057,381	2,157,708
Right of use asset	4	11,348,524	12,380,208
Financial assets at amortised cost - Long term	6	74,530,513	74,033,230
Security deposits		1,540,470	1,540,470
		<u>89,476,888</u>	<u>90,111,616</u>
CURRENT ASSETS			
Receivables	7	23,439,542	7,570,582
Short-term prepayments and advances		240,492	326,047
Financial assets at amortised cost - Short term		-	57,727,325
Tax refunds due from the Government	8	6,350,084	5,255,554
Cash and bank balances		56,468,635	3,572,211
		<u>86,498,753</u>	<u>74,451,719</u>
TOTAL ASSETS		<u><u>175,975,641</u></u>	<u><u>164,563,335</u></u>
FUND BALANCE AND LIABILITIES			
FUND BALANCE			
Accumulated fund		131,369,598	130,628,438
NON-CURRENT LIABILITIES			
Lease liability	5	8,069,006	7,602,401
CURRENT LIABILITIES			
Fees in Advance		26,276,947	11,661,899
Accrued expenses		1,963,340	6,822,922
Other payables		4,091,396	2,371,761
Current portion of lease liability	5	4,205,354	5,475,914
		<u>36,537,037</u>	<u>26,332,496</u>
TOTAL FUND BALANCE AND LIABILITIES		<u><u>175,975,641</u></u>	<u><u>164,563,335</u></u>

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.



Chief Financial Officer



Chief Executive Officer



Director

PAKISTAN INSTITUTE OF CORPORATE GOVERNANCE

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CONDENSED INTERIM INCOME AND EXPENDITURE ACCOUNT (Unaudited)
FOR THE QUARTER ENDED SEPTEMBER 30, 2021

	Note	(Unaudited) SEP 30, 2021 Rupees	(Audited) SEP 30, 2020 Rupees
INCOME			
Revenue from services	9	14,230,133	13,294,700
EXPENDITURE			
Salaries, allowances and benefits		10,381,138	7,734,300
Professional service fee		3,696,000	4,448,810
Depreciation on property, plant and equipment		118,327	218,000
Depreciation on right of use asset		1,031,684	1,065,679
Travelling and conveyance		174,022	131,575
Utilities		437,278	244,303
Printing and stationary		81,376	56,929
Insurance		17,843	41,037
Repair and maintenance		220,572	276,518
Expected credit loss		-	602,025
Other expenditure		241,377	238,133
		<u>16,399,617</u>	<u>15,057,309</u>
Operating (deficit) / surplus		(2,169,484)	(1,762,609)
Other income		3,377,249	2,756,473
Finance cost		(466,605)	(823,790)
Surplus for the Quarter		741,160	170,074
Other Comprehensive income		-	-
Total Comprehensive (loss) / income		741,160	170,074

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Chief Financial Officer



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PAKISTAN INSTITUTE OF CORPORATE GOVERNANCE

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CONDENSED INTERIM CASH FLOW STATEMENT (Unaudited)
FOR THE QUARTER ENDED SEPTEMBER 30, 2021

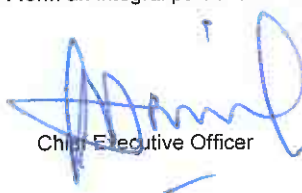
	(Unaudited) SEP 30, 2021 Rupees	(Audited) SEP 30, 2020 Rupees
Note		
CASH FLOWS FROM OPERATING ACTIVITIES		
(Deficit) / Surplus for the Quarter	741,160	170,074
Adjustment for:		
Return on bank balances and investments	(3,377,249)	(2,332,357)
Depreciation	118,327	218,000
Depreciation on lease	1,031,684	1,065,679
Interest cost on lease	466,605	823,233
Gain on disposal of fixed asset	-	(424,116)
Expected credit loss	-	602,025
Surplus before working capital changes	(1,019,473)	122,538
(Increase) / decrease in current assets		
Receivables	(15,868,960)	(7,052,490)
Short-term prepayments and advances	85,555	(61,139)
	(15,783,405)	(7,113,629)
Increase / (decrease) in current liabilities		
Accrued expenses	(4,859,582)	(294,505)
Other payable	1,719,635	1,193,799
Fees in advance	14,615,048	15,612,800
	11,475,101	16,512,094
Cash generated from operating activities	(5,327,777)	9,521,003
Withholding tax paid	(1,094,530)	8,684,420
Net cash generated from operating activities	(6,422,307)	18,205,423
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipments	(18,000)	-
Purchase of PIB's	-	(14,604,676)
Proceeds from disposal of operating fixed assets	-	3,400,000
Return on bank balances and investments received	2,879,966	2,698,428
Net cash used in investing activities	2,861,966	(8,506,248)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment against lease liabilities	(1,270,560)	(1,270,560)
Net cash used in financing activities	(1,270,560)	(1,270,560)
Net increase / (decrease) in cash and cash equivalents	(4,830,901)	8,428,615
Cash and cash equivalents at beginning of the Quarter	61,299,536	77,434,683
Cash and cash equivalents at the end of the Quarter	56,468,635	85,863,298

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Chief Financial Officer



Chief Executive Officer



Director

PAKISTAN INSTITUTE OF CORPORATE GOVERNANCE

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**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (Unaudited)
FOR THE QUARTER ENDED SEPTEMBER 30, 2021**

	Accumulated Fund Rupees
Balance as at July 1, 2020	105,606,404
Total comprehensive surplus for the year ended June 30, 2021	25,022,034
Balance as at June 30, 2021	<u>130,628,438</u>
Surplus for the quarter ended September 30, 2021	741,160
Balance as at September 30, 2021	<u><u>131,369,598</u></u>

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.

Chief Financial Officer

Chief Executive Officer

Director

PAKISTAN INSTITUTE OF CORPORATE GOVERNANCE

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Unaudited) FOR THE QUARTER ENDED SEPTEMBER 30, 2021

1. THE INSTITUTE AND ITS OPERATIONS

- 1.1** Pakistan Institute of Corporate Governance (the Institute) was incorporated in Pakistan as a company limited by guarantee without share capital on December 1, 2004 under section 42 of the Companies Ordinance, 1984.
- 1.2** The main objective of the Institute is to promote awareness of corporate governance and encourage compliance with good corporate governance practices by corporate bodies and professionals. In this regard, the Institute also conducts Directors' Training Program based on a standard curricula for which the Institute has arrangements with foreign organisations.
- 1.3** The registered office of the Institute is situated at Office Suite 316, "The Forum", Clifton, Karachi, Pakistan.

2. STATEMENT OF COMPLIANCE

These condensed financial statements have been prepared in accordance with the requirements of the Companies Ordinance, 1984 (the Ordinance) and the approved accounting standards, as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are notified under the Ordinance and the requirements of and directives issued under that Ordinance. However, the requirements of and the directives issued under that Ordinance have been followed where those requirements are not consistent with the requirements of the IFRSs as notified under the Ordinance.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted for the preparation of these condensed financial statements are the same as those applied in the preparation of the preceding annual audited financial statements of the Institute for the year ended June 30, 2021.

IFRS 16 - Leases

During the current year, the Institute has adopted IFRS 16 as issued by the International Accounting Standards Board (IASB) in January 2016.

IFRS 16 supersedes IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for most leases under a single on-balance sheet model.

The Institute has lease contracts for its head office in The Forum, Karachi. Before the adoption of IFRS 16, the Institute classified each of its leases (as lessee) at the inception date as an operating lease. In an operating lease, the leased property was not capitalised and the lease payments were recognised as rent expense in income and expenditure statement. Any prepaid rent was recognised under short term advances and prepayments.

Summary of new accounting policies

Standards, interpretations and amendments to published approved accounting standards

Certain standards, amendments and new interpretations to existing approved accounting standards

Set out below are the new accounting policies of the Institute upon adoption of IFRS 16, which have been applied from the date of initial application:

Right-of-use assets

The Institute recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Institute is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated using straight line

Lease liabilities

In calculating the present value of lease payments, the Institute uses the incremental borrowing rate at the initial application date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Institute applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Significant judgement in determining the lease term of contracts with renewal options

The Institute determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

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4	Right of Use Assets	Sep 30, 2021 Rupees	June 30, 2021 Rupees
	Cost at July 01	21,615,550	21,615,550
		<u>21,615,550</u>	<u>21,615,550</u>
	Accumulated depreciation:		
	At 01 July	9,235,342	4,323,110
	Charge for the period	1,031,684	4,912,232
		<u>10,267,026</u>	<u>9,235,342</u>
	Net carrying amounts as at 30 September	<u>11,348,524</u>	<u>12,380,208</u>
5	LEASE LIABILITIES	Sep 30, 2021 Rupees	June 30, 2021 Rupees
	At the beginning of the year	13,078,315	16,020,510
	Borrowing cost	466,605	2,140,046
	Payments	(1,270,560)	(5,082,241)
	Receipts	-	-
	As at September 30, 2021	<u>12,274,360</u>	<u>13,078,315</u>
	Non-current portion of lease liability	8,069,006	7,602,401
	Current portion of lease liability	4,205,354	5,475,914
		<u>12,274,360</u>	<u>13,078,315</u>

	Sep 30, 2020 Rupees	June 30, 2021 Rupees
6. FINANCIAL ASSETS AT AMORTISED COST		
3 years - Pakistan Investment Bonds - note 4.1	74,530,513	74,033,230
	<u>74,530,513</u>	<u>74,033,230</u>

- 6.1. These carry profit yield @ 7.00%-9.00% per annum (June 30, 2021: 7.00%-9.00%) payable at three/ six month interval and are carried at amortised cost maturing on September 19, 2022, June 19, 2023, August 20, 2023 and October 22, 2023.

	(Unaudited) Sep 30, 2021 Rupees	(Audited) June 30, 2021 Rupees
7. RECEIVABLE FROM MEMBERS		
Considered good		
Annual Subscription	18,184,250	1,417,250
Directors Training program	931,350	1,092,000
Entrance fee	94,500	325,500
Others	1,755,615	1,546,220
	<u>20,965,715</u>	<u>4,380,970</u>
Other receivables	4,816,886	5,532,671
	<u>25,782,601</u>	<u>9,913,641</u>
Less: Expected credit loss	2,343,059	2,343,059
	<u>2,343,059</u>	<u>2,343,059</u>
	<u>23,439,542</u>	<u>7,570,582</u>

8. TAX REFUNDS DUE FROM GOVERNMENT

This represents income tax refundable from income tax authorities on account of withholding tax deducted from payments made to the Institute.

	(Unaudited) Sep 30, 2021 Rupees	(Audited) Sep 30, 2020 Rupees
9. REVENUE		
Entrance fee from members	530,000	1,350,000
Annual subscription and application fee	4,295,000	4,245,000
Fee from Directors Training Program	5,948,900	5,625,500
Fee from half-day workshops	2,122,533	1,459,500
Advisory services	1,333,700	604,700
Other Income		10,000
	14,230,133	13,294,700

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	(Unaudited) Sep 30, 2021 Rupees	(Audited) Sep 30, 2020 Rupees
10. CASH AND CASH EQUIVALENTS		
In hand	40,000	40,000
with banks on:		
- savings account	56,428,635	27,282,114
Short term investment in treasury bills		58,541,184
	56,468,635	85,863,298

11. GENERAL

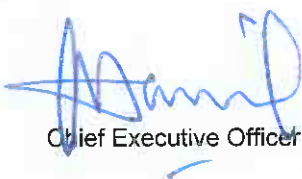
Figures in these financial statements have been rounded off to the nearest Rupee, unless otherwise stated.

12. DATE OF AUTHORISATION FOR ISSUE

These condensed financial statements were authorised for issue by the Board of Directors of the Institute in their meeting held on October 26, 2021.



Chief Financial Officer



Chief Executive Officer



Director