

PAKISTAN INSTITUTE OF CORPORATE GOVERNANCE  
STATEMENT OF FINANCIAL POSITION  
As At September 30, 2022

|   | Note | September 30,<br>2022<br>Rupees | June 30,<br>2022<br>Rupees |
|---|------|---------------------------------|----------------------------|
| <b>ASSETS</b>                                   |      |                                 |                            |
| <b>Non-current assets</b>                       |      |                                 |                            |
| Property and equipment                          |      | 2,193,147                       | 2,311,115                  |
| Right-of-use assets                             |      | 6,624,759                       | 7,670,924                  |
| Financial Assets at amortised cost - Long term  | 4    | 135,625,225                     | 134,705,139                |
| Long term deposits                              | 5    | 1,540,470                       | 1,540,470                  |
|   |      | <b>145,983,601</b>              | <b>146,227,648</b>         |
| <b>Current assets</b>                           |      |                                 |                            |
| Receivables                                     | 6    | 5,374,735                       | 9,684,757                  |
| Short-term prepayments and advances             |      | 1,321,693                       | 1,046,011                  |
| Financial Assets at amortised cost - Short term | 7    | -                               | 6,121,791                  |
| Tax refunds due from Government                 | 8    | 9,405,966                       | 8,146,937                  |
| Cash and bank balances                          | 9    | 15,657,853                      | 13,646,823                 |
|   |      | <b>31,760,247</b>               | <b>38,646,319</b>          |
| <b>Total assets</b>                             |      | <b>177,743,848</b>              | <b>184,873,967</b>         |
| <b>FUND BALANCE &amp; LIABILITIES</b>           |      |                                 |                            |
| <b>Fund Balance</b>                             |      |                                 |                            |
| Accumulated Fund                                |      | 147,699,516                     | 150,945,411                |
| <b>Non-current Liabilities</b>                  |      |                                 |                            |
| Lease Liability against Right-of-use assets     |      | 2,438,554                       | 4,141,833                  |
| <b>Current Liabilities</b>                      |      |                                 |                            |
| Fees in advance                                 |      | 12,795,749                      | 13,637,340                 |
| Accrued expenses                                |      | 4,637,499                       | 3,933,032                  |
| Other payables                                  |      | 5,090,290                       | 7,964,339                  |
| Current portion of Lease liability              |      | 5,082,240                       | 4,252,012                  |
|   |      | <b>27,605,778</b>               | <b>29,786,723</b>          |
| <b>Total liabilities</b>                        |      | <b>30,044,332</b>               | <b>33,928,556</b>          |
| <b>Total Fund Balance and Liabilities</b>       |      | <b>177,743,848</b>              | <b>184,873,967</b>         |

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

  
Chief Executive Officer

  
Director

PAKISTAN INSTITUTE OF CORPORATE GOVERNANCE  
STATEMENT OF INCOME AND EXPENDITURE AND OTHER COMPREHENSIVE INCOME (UNAUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2022

|   | Note | September 30,<br>2022<br>Rupees | September 30,<br>2021<br>Rupees |
|---|------|---------------------------------|---------------------------------|
| <b>INCOME</b>                           |      |                                 |                                 |
| Revenue from services                   | 10   | 14,658,391                      | 14,230,133                      |
| <b>EXPENDITURE</b>                      |      |                                 |                                 |
| Salaries, allowances and benefits       |      | 14,279,850                      | 10,381,138                      |
| Professional service fee                |      | 5,013,937                       | 3,696,000                       |
| Depreciation on property and equipment  |      | 117,968                         | 118,327                         |
| Depreciation on Right-of-use asset      |      | 1,046,165                       | 1,031,684                       |
| Travelling and conveyance               |      | 212,514                         | 174,022                         |
| Utilities                               |      | 319,376                         | 437,278                         |
| Printing and stationery                 |      | 431,112                         | 81,376                          |
| Insurance                               |      | 109,147                         | 17,843                          |
| Repair and maintenance,                 |      | 184,517                         | 220,572                         |
| Other expenditure                       |      | 956,695                         | 241,377                         |
| Expected Credit Losses                  |      | -                               | -                               |
|   |      | <b>22,671,281</b>               | <b>16,399,617</b>               |
| <b>Operating surplus</b>                |      | <b>(8,012,890)</b>              | <b>(2,169,484)</b>              |
| Return on bank balances and investments |      | 5,055,197                       | 3,377,249                       |
| Finance cost                            |      | (288,202)                       | (466,605)                       |
| <b>Surplus for the period</b>           |      | <b>(3,245,895)</b>              | <b>741,160</b>                  |
| Other comprehensive income              |      | -                               | -                               |
| <b>Total comprehensive income</b>       |      | <b>(3,245,895)</b>              | <b>741,160</b>                  |

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

  
Chief Executive Officer

  
Director

PAKISTAN INSTITUTE OF CORPORATE GOVERNANCE  
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2022

|   | Note | September 30,<br>2022<br>Rupees | September 30,<br>2021<br>Rupees |
|---|------|---------------------------------|---------------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>           |      |                                 |                                 |
| Surplus for the period                                |      | (3,245,895)                     | 741,160                         |
| Adjustment for:                                       |      |                                 |                                 |
| Return on bank balances and investments               |      | (5,055,197)                     | (3,377,249)                     |
| Depreciation on Right-of-use assets                   |      | 1,046,165                       | 118,327                         |
| Depreciation on Property and equipment                |      | 117,968                         | 1,031,684                       |
| Finance cost on lease liability                       |      | 288,202                         | 466,605                         |
| Gain on disposal of fixed assets                      |      | -                               | -                               |
| Expected Credit Losses                                |      | -                               | -                               |
| <b>Surplus before working capital changes</b>         |      | <b>(6,848,757)</b>              | <b>(1,019,473)</b>              |
| <b>Increase in current assets:</b>                    |      |                                 |                                 |
| Receivables   |      | -                               | (15,868,960)                    |
| Short term prepayments and advances                   |      | -                               | 85,555                          |
|   |      | -                               | (15,783,405)                    |
| <b>Increase in current liabilities:</b>               |      |                                 |                                 |
| Fees in advance                                       |      | -                               | (4,859,582)                     |
| Accrued expenses                                      |      | -                               | 1,719,635                       |
| Other payables  |      | -                               | 14,615,048                      |
|   |      | -                               | 11,475,101                      |
| Cash generated from / (used in) operations            |      | <b>(6,848,757)</b>              | <b>(5,327,777)</b>              |
| Withholding tax (deducted) / received                 |      | -                               | (1,094,530)                     |
| <b>Net cash generated from operating activities</b>   |      | <b>(6,848,757)</b>              | <b>(6,422,307)</b>              |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>           |      |                                 |                                 |
| Purchase of investments                               |      | -                               | -                               |
| Proceeds from investments                             |      | -                               | -                               |
| Purchase of operating fixed assets                    |      | (117,968)                       | (18,000)                        |
| Proceeds from disposal of fixed assets                |      | (1,046,165)                     | -                               |
| Return on bank balances and investments received      |      | 5,055,197                       | 2,879,966                       |
| <b>Net cash used in investing activities</b>          |      | <b>3,891,064</b>                | <b>2,861,966</b>                |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>           |      |                                 |                                 |
| Payment against lease liabilities                     |      | (288,202)                       | (1,270,560)                     |
| <b>Net cash used in financing activities</b>          |      | <b>(288,202)</b>                | <b>(1,270,560)</b>              |
| <b>Net decrease in cash and cash equivalents</b>      |      | <b>(3,245,895)</b>              | <b>(4,830,901)</b>              |
| Cash and cash equivalents at beginning of the period  |      | 19,768,614                      | 61,299,536                      |
| <b>Cash and cash equivalents at end of the period</b> | 11   | <b>16,522,719</b>               | <b>56,468,635</b>               |

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

  
Chief Executive Officer


  
Director

PAKISTAN INSTITUTE OF CORPORATE GOVERNANCE  
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)  
AS AT SEPTEMBER 30, 2022

|   | Accumulated<br>Fund<br>Rupees |
|---|-------------------------------|
| Balance at July 01, 2020  | 130,628,438                   |
| Total comprehensive income for the quarter ended September 30, 2021 | 741,160                       |
| <b>Balance at September 30, 2021</b>                                | <b><u>131,369,598</u></b>     |
| Balance at July 01, 2022  | 150,945,411                   |
| Total comprehensive income for the quarter ended September 30, 2022 | (3,245,895)                   |
| <b>Balance at September 30, 2022</b>                                | <b><u>147,699,516</u></b>     |

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

  
Chief Executive Officer

  
Director



PAKISTAN INSTITUTE OF CORPORATE GOVERNANCE  
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)  
AS AT SEPTEMBER 30, 2022

**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 01, 2004 under section 42 of the repealed Companies Ordinance, 1984 (now section 42 of the Companies Act, 2017). It's members include 99 (June 30, 2021: 97) Corporate, 47 (June 30, 2020: 41) Individual and the following founding members:

- Securities & Exchange Commission of Pakistan
- The State Bank of Pakistan
- The Pakistan Stock Exchange Limited
- Institute of Business Administration
- Lahore University of Management Sciences
- Institute of Chartered Accountants of Pakistan
- Institute of Corporate Secretaries of Pakistan
- Institute of Cost and Management Accountants of Pakistan
- Overseas Investors Chamber of Commerce and Industry
- Federation of Pakistan Chambers of Commerce and Industry
- Insurance Association of Pakistan
- Mutual Funds Association of Pakistan
- Pakistan Banks Association

**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 BASIS OF PREPARATION**

**2.1** These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

**2.2** The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the audited annual financial statements of the Institute for the year ended June 30, 2021.

**2.3** These condensed interim financial statements are unaudited. However, a limited scope review has been performed by the external auditors.

**3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the institute for the year ended June 30, 2021.

**3.1 ACCOUNTING ESTIMATES AND JUDGMENTS**

The preparation of these condensed interim financial statements in conformity with approved accounting standards, as applicable in Pakistan requires the management to make estimates, assumptions and use judgments that affect the application of policies and the reported amount of assets and liabilities and income and expenses.

Judgements and estimates made by the management in the preparation of these condensed interim financial statements are same as those applied in the Institute's annual financial statements for the year ended June 30, 2022.

**3.2 Standards, interpretations and amendments to accounting and reporting standards that are effective in the current period**

There are certain amendments to standards that are mandatory for the Institute's accounting period beginning on July 1, 2022. However, these are either not relevant or do not have any significant impact on the Institute's operations and, therefore, have not been detailed in these condensed interim financial statements.

**3.3 Standards, interpretations and amendments to accounting and reporting standards that are not yet effective**

There are certain new standards, interpretations and amendments to the accounting and reporting standards that are mandatory for the Institutes's accounting periods beginning on or after July 1, 2022, but are considered to be not relevant or will not have any significant impact on the Insitutes's operations and, therefore, have not been detailed in these condensed interim financial statements.

|  | Note  | Unaudited<br>September 30,<br>2022<br>Rupees | Audited<br>June 30,<br>2022<br>Rupees |
|--|-------|--|---------------------------------------|
| <b>4 FINANCIAL ASSETS AT AMORTISED COST - LONG TERM</b>  |       |  |                                       |
| Pakistan Investment Bonds  | 4.1   | <u>135,625,225</u>                           | <u>134,705,139</u>                    |
| 4.1 These carry profit yield of 7.00% - 9.00% per annum (June 30, 2021: 7.25% - 9.00% per annum) payable at three months and three years intervals and are carried at amortised cost, maturing on September 19, 2022, June 19, 2023, August 20, 2023, August 5, 2024, October 22, 2023 and October 7, 2024 |       |  |                                       |
| <b>5 LONG TERM DEPOSITS</b>  |       |  |                                       |
| These represent security deposit paid to The Forum in accordance with Rental agreements for office suites 315 and 316.   |       |  |                                       |
|  | Notes | Unaudited<br>September 30,<br>2022<br>Rupees | Audited<br>June 30,<br>2022<br>Rupees |
| <b>6 RECEIVABLE - UNSECURED</b>  |       |  |                                       |
| From members   |       |  |                                       |
| - Annual subscription  |       | 2,175,500                                    | 4,705,550                             |
| - Directors' Training Program  |       | 8,841,499                                    | 9,639,203                             |
| - Fee from Specialised Workshops   |       | 1,356,761                                    | 2,321,831                             |
| - Entrance fees  |       | <u>41,000</u>                                | <u>72,500</u>                         |
|  |       | 12,414,760                                   | 16,739,084                            |
| Other receivables  |       | <u>14,302</u>                                | <u>16,739,084</u>                     |
|  |       | 12,429,062                                   | 16,739,084                            |
| Less: Provision for Expected Credit Losses   |       | <u>(7,054,327)</u>                           | <u>(7,054,327)</u>                    |
|  |       | (7,054,327)                                  | (7,054,327)                           |
|  |       | <u>5,374,735</u>                             | <u>9,684,757</u>                      |
| <b>7 FINANCIAL ASSETS AT AMORTISED COST - SHORT TERM</b>   |       |  |                                       |
| Market treasury bills  | 7.1   | -  | -                                     |
| Pakistan Investment Bonds  | 7.2   | -  | 6,121,791                             |
|  |       | <u>-</u>                                     | <u>6,121,791</u>                      |
| 7.1 This carries yield of 5.06% (June 30, 2020: 7.00% - 9.00%) per annum, maturing on January 13, 2022.  |       |  |                                       |
| 7.2 This carries interest rate of 9.00% (June 30, 2021: 7.67%) per annum, maturing on September 19, 2022.  |       |  |                                       |

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. The institute is currently in the process of recovering the said balance from the authorities.

|                                       |      | Unaudited<br>September 30,<br>2022 | Audited<br>June 30,<br>2022 |
|---------------------------------------|------|------------------------------------|-----------------------------|
|                                       | Note | Rupees                             | Rupees                      |
| 9 CASH AND BANK BALANCES              |      |                                    |                             |
| Cash in hand                          |      | 40,000                             | 40,000                      |
| Balances with bank in savings account | 9.1  | 15,617,853                         | 13,606,823                  |
|                                       |      | <u>15,657,853</u>                  | <u>13,646,823</u>           |

9.1 This carries mark up at the rate of 7.25% per annum (June 30, 2021: 5.5% per annum).

|   |  | Unaudited<br>September 30,<br>2022 | Audited<br>September 30,<br>2021 |
|---|--|------------------------------------|----------------------------------|
|   |  | Rupees                             | Rupees                           |
| 10 REVENUE                              |  |                                    |                                  |
| Entrance fee from members               |  | -                                  | 530,000                          |
| Annual subscription and application fee |  | 4,445,001                          | 4,295,000                        |
| Fees from Directors' Training Program   |  | 5,335,590                          | 5,948,900                        |
| Fees from Specialized Workshops         |  | 384,800                            | 2,122,533                        |
| Advisory fees for Board Evaluations     |  | 4,493,000                          | 1,333,700                        |
| Sale of publications                    |  | -                                  | -                                |
| Gain on disposal of fixed assets        |  | -                                  | -                                |
|   |  | <u>14,658,391</u>                  | <u>14,230,133</u>                |

11 CASH AND CASH EQUIVALENTS

|                        |                   |                   |
|------------------------|-------------------|-------------------|
| Cash in hand           | 15,657,853        | 9,930,629         |
| Short-term investments | -                 | 6,121,791         |
|                        | <u>15,657,853</u> | <u>16,052,420</u> |

12 CORRESPONDING FIGURES

Corresponding figures have been rearranged or reclassified, wherever necessary, for the purpose of comparison and better presentation. No significant reclassification or restatement were made in condensed interim financial statements during the period.

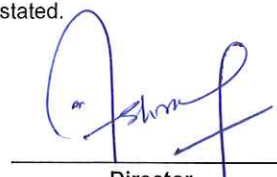
13 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were approved and authorised for issue on \_\_\_\_\_ by the Board of Directors of the Company.

14 GENERAL

Amounts have been rounded off to the nearest Rupee unless otherwise stated.

  
Chief Executive Officer

  
Director