

PAKISTAN INSTITUTE OF CORPORATE GOVERNANCE
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2023

	Note	December 31, 2023 (Unaudited)	June 30, 2023 (Audited)
------(Rupees)-----			
ASSETS			
Non-current assets			
Property and equipment	4	5,052,672	3,983,218
Right of use assets	5	5,113,954	6,889,619
Financial assets at amortised cost	6	22,823,213	138,224,053
Security deposits	7	1,540,470	1,540,470
		<u>34,530,309</u>	<u>150,637,360</u>
Current assets			
Receivables - Unsecured	8	18,825,121	16,381,669
Prepayments, advances and other receivable		2,100,643	1,257,276
Financial assets at amortised cost	6	102,743,406	-
Tax refunds due from Government	9	21,903,640	16,791,965
Cash and bank balances	10	76,244,528	52,498,314
		<u>221,817,338</u>	<u>86,929,224</u>
Total assets		<u><u>256,347,647</u></u>	<u><u>237,566,584</u></u>
FUND BALANCE AND LIABILITIES			
Fund balance			
Accumulated fund		194,091,956	178,831,066
Non-current liability			
Lease liability against right of use asset	11	1,449,684	2,807,437
Current liabilities			
Fees in advance	12	30,037,224	14,113,178
Advance against services		4,400,000	5,000,000
Current portion of lease liability against right of use asset	11	4,329,686	5,723,488
Other payables		17,598,630	14,923,739
Accrued expenses		4,440,467	16,167,676
		<u>60,806,007</u>	<u>55,928,081</u>
Total liabilities		<u>62,255,691</u>	<u>58,735,518</u>
Total Fund Balance and Liabilities		<u><u>256,347,647</u></u>	<u><u>237,566,584</u></u>
CONTINGENCIES AND COMMITMENTS			
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The annexed notes 1 to 21 form an integral part of these condensed interim financial statements.

M. H. S. G.

Chief Executive Officer

Director

PAKISTAN INSTITUTE OF CORPORATE GOVERNANCE
CONDENSED INTERIM INCOME AND EXPENDITURE STATEMENT
AND OTHER COMPREHENSIVE INCOME (UNAUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2023

	Note	December 31, 2023	December 31, 2022
------(Rupees)-----			
INCOME			
Revenue from services	14	57,353,925	48,157,300
Investment income	15	12,309,401	9,834,229
Profit on bank deposits		3,862,155	637,583
Other income		632,215	-
		74,157,696	58,629,112
EXPENDITURE			
Salaries, allowances and benefits		31,099,012	27,152,620
Professional expenses	16	18,248,159	14,838,490
Training expenses		-	325,656
Travelling and conveyance		593,151	424,501
Depreciation on right of use asset		1,775,665	2,142,212
Depreciation on property and equipment		669,945	235,936
Finance cost on lease liability against right of use assets		396,209	644,107
Provision for expected credit losses		1,898,090	675,000
Communication and utilities		1,000,908	1,187,646
Printing and stationery		156,434	456,162
Insurance expense		275,760	208,272
Repair and maintenance		618,103	340,667
IT expenses		888,153	688,113
Legal charges		262,161	-
Other expenditure	17	1,015,056	1,438,817
		58,896,806	50,758,199
Surplus for the period		<u>15,260,890</u>	<u>7,870,913</u>
Other comprehensive income		-	-
Total comprehensive income		<u>15,260,890</u>	<u>7,870,913</u>

The annexed notes 1 to 21 form an integral part of these condensed interim financial statements.

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Chief Executive Officer

Director

PAKISTAN INSTITUTE OF CORPORATE GOVERNANCE
CONDENSED INTERIM STATEMENT OF CHANGES IN FUND BALANCE (UNAUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2023

	Accumulated Fund
	--(Rupees)--
Balance at July 01, 2022 (audited)	150,945,411
Total comprehensive income for the half year ended December 31, 2022	7,870,913
Balance at December 31, 2022 (unaudited)	<u>158,816,324</u>
Balance at July 01, 2023 (audited)	178,831,066
Total comprehensive income for the half year ended December 31, 2023	15,260,890
Balance at December 31, 2023 (unaudited)	<u>194,091,956</u>

The annexed notes 1 to 21 form an integral part of these condensed interim financial statements.

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Chief Executive Officer

Director

PAKISTAN INSTITUTE OF CORPORATE GOVERNANCE
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2023

	Note	December 31, 2023	December 31, 2022
------(Rupees)-----			
CASH FLOWS FROM OPERATING ACTIVITIES			
Surplus for the period		15,260,890	7,870,913
Adjustment for:			
Return on bank balances and investments		(16,171,556)	(10,471,812)
Depreciation on right of use assets	5	1,775,665	2,142,212
Depreciation on property and equipment		669,945	235,936
Finance cost on lease liability against right of use assets	11	396,209	644,107
Gain on disposal of fixed assets		(455)	-
Provision for expected credit losses		1,898,090	675,000
Deferred income		(600,000)	-
Surplus before working capital changes		<u>3,228,788</u>	<u>1,096,356</u>
Increase in current assets:			
Receivables - Unsecured		(4,341,542)	(15,487,846)
Prepayments, advances and other receivable		(843,367)	927,039
		(5,184,909)	(14,560,807)
Increase in current liabilities:			
Fees in advance		15,924,046	5,995,510
Accrued expenses		(11,727,209)	1,811,659
Rent Payable		-	(697,800)
Other payables		2,674,891	(312,624)
		6,871,728	6,796,745
Cash generated from / (used in) operations		<u>4,915,607</u>	<u>(6,667,706)</u>
Withholding tax deducted		(5,111,675)	(2,974,821)
Net cash used in operating activities		<u>(196,068)</u>	<u>(9,642,527)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of investments		(29,928,593)	(5,982,035)
Purchase of property and equipment		(1,792,944)	-
Proceeds from disposal of property and equipment		54,000	-
Proceeds from disposal of Investments		46,720,070	-
Return on bank balances and investments received		12,037,513	14,836,619
Net cash generated from investing activities		<u>27,090,046</u>	<u>8,854,584</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment against lease liability	11	(3,147,764)	(2,684,310)
Net cash used in financing activities		<u>(3,147,764)</u>	<u>(2,684,310)</u>
Net increase / (decrease) in cash and cash equivalents		<u>23,746,214</u>	<u>(3,472,253)</u>
Cash and cash equivalents at beginning of the period		52,498,314	13,646,823
Cash and cash equivalents at end of the period		<u><u>76,244,528</u></u>	<u><u>10,174,570</u></u>

The annexed notes 1 to 21 form an integral part of these condensed interim financial statements.

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Chief Executive Officer

Director

**PAKISTAN INSTITUTE OF CORPORATE GOVERNANCE
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2023**

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 100 (June 30, 2023: 108) Corporate, 29 (June 30, 2023: 39) 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 curriculum 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

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.

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, 2023.

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

2.2 Basis of measurement

These condensed interim financial statements have been prepared under the historical cost convention except for the following:

- Right-of-use assets and their related lease liability are carried at present value of future lease rentals adjusted for any lease payments made at or before the commencement date of the lease;

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2.3 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, 2023. 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.

2.4 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 Institute's accounting periods beginning on or after July 1, 2024, but are considered to be not relevant or will not have any significant impact on the Institute's operations and, therefore, have not been detailed in these condensed interim financial statements.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES AND JUDGMENTS

3.1 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, 2023.

3.2 The preparation of the condensed interim financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. It also requires management to exercise its judgment in application of its accounting policies. The estimates and associated assumptions are based on historical experiences and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

In preparing the condensed interim financial statements, the significant judgments made by the management in applying the Institute's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the audited financial statements of the Institute as at and for the year ended June 30, 2023.

The financial risk management objectives and policies are consistent with those disclosed in the annual published audited financial statement of the Institute for the year ended June 30, 2023.

No financial instruments were held by the Institute that are measured at fair values for the half year ended December 31, 2023 and year ended June 30, 2023.

4 This includes addition of Rs 1,052,364 and Rs 455,026 pertaining to renovation of office number 16 and purchase of laptops, respectively.

	Note	December 31, 2023 (Unaudited)	June 30, 2023 (Audited)
		------(Rupees)-----	
5 RIGHT OF USE ASSETS			
Cost			
Opening balance		24,074,337	20,660,916
Re-assessment during the period / year		-	3,413,421
Closing balance		<u>24,074,337</u>	<u>24,074,337</u>
Accumulated depreciation			
Opening balance		17,184,718	12,989,992
Charge for the period / year		1,775,665	4,194,726
Closing balance		<u>18,960,383</u>	<u>17,184,718</u>
Net carrying amount		<u>5,113,954</u>	<u>6,889,619</u>
Useful life (in years)		<u>5</u>	<u>5</u>

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6	FINANCIAL ASSETS AT AMORTISED COST	Note	December 31, 2023 (Unaudited)	June 30, 2023 (Audited)
		------(Rupees)-----		
	Pakistan Investment Bonds	6.1	70,188,536	115,761,017
	GOP Ijarah Sukuks	6.2	55,378,083	22,463,036
			<u>125,566,619</u>	<u>138,224,053</u>
	Non-current portion of financial assets		22,823,213	138,224,053
	Current portion of financial assets		<u>102,743,406</u>	-
			<u>125,566,619</u>	<u>138,224,053</u>

6.1 These carry yield within a range of 12.30% - 21.98% per annum (June 30, 2023: 7.83% - 12.30% per annum) payable at three / six month interval and are carried at amortised cost maturing on August 05, 2024 and October 07, 2024.

6.2 These carry yield within a range of 17.65% - 22.78% per annum (June 30, 2023: 15.45% - 17.65% per annum) payable at six month interval and are carried at amortised cost maturing on August 7, 2024 and July 29, 2025.

7 SECURITY DEPOSITS

These represent security deposits paid to "The Forum" in accordance with the Rental agreements for office suites 315 and 316.

8	RECEIVABLES - UNSECURED	Note	December 31, 2023 (Unaudited)	June 30, 2023 (Audited)
		------(Rupees)-----		
	Annual subscription		7,296,936	1,414,436
	Directors' training program		8,649,147	15,965,628
	Fee from specialised workshops and others		3,245,450	3,306,292
	Entrance fee		9,500	9,500
	Receivable against Board Evaluation		<u>7,282,850</u>	<u>2,578,662</u>
			26,483,883	23,274,518
	Less: Provision for expected credit losses		<u>(7,658,762)</u>	<u>(6,892,849)</u>
			<u>18,825,121</u>	<u>16,381,669</u>

9 TAX REFUNDS DUE FROM GOVERNMENT

Tax deducted at source

9.1 21,903,640 16,791,965

9.1 This represents refundable withholding tax deducted from payments made to the Institute. The Institute is in the process of recovering the said balance from the authorities.

10	CASH AND BANK BALANCES	Note	December 31, 2023 (Unaudited)	June 30, 2023 (Audited)
		------(Rupees)-----		
	Cash in hand		50,000	50,000
	Cash at Bank			
	- saving account	10.1	<u>76,194,528</u>	<u>52,448,314</u>
			<u>76,244,528</u>	<u>52,498,314</u>

10.1 Represents savings account with a commercial bank carrying interest at the rate of 18.25% per annum (2023: 11% per annum).

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	Note	December 31, 2023 (Unaudited)	June 30, 2023 (Audited)
		------(Rupees)-----	
11 LEASE LIABILITY AGAINST RIGHT OF USE ASSET			
Opening balance		8,530,925	8,393,845
Re-assessment during the period / year		-	3,413,421
Finance cost for the period / year		396,209	1,208,447
Payments for the period / year		(3,147,764)	(4,484,788)
Closing balance		<u>5,779,370</u>	<u>8,530,925</u>
Non-current portion of lease liability		1,449,684	2,807,437
Current portion of lease liability		<u>4,329,686</u>	<u>5,723,488</u>
		<u>5,779,370</u>	<u>8,530,925</u>
12 FEES IN ADVANCE			
Annual subscription fee		8,040,600	3,500
Advance fee for Board evaluation		11,652,500	5,381,250
Advance fee for Directors' Training Program		8,462,279	7,813,428
Advance fee for specialised workshops		1,881,845	915,000
		<u>30,037,224</u>	<u>14,113,178</u>
13 CONTINGENCIES AND COMMITMENTS			
There were no contingencies and commitments outstanding as at December 31, 2023 and June 30, 2023.			
	Note	December 31, 2023 (Unaudited)	December 31, 2022
		------(Rupees)-----	
14 REVENUE FROM SERVICES			
Entrance fee from members		-	340,000
Annual subscription		7,995,000	8,850,000
Fee from Directors' Training Program		34,766,675	24,520,000
Fee from specialized workshops		7,908,500	2,174,800
Advisory fee for board evaluations		6,683,750	12,272,500
		<u>57,353,925</u>	<u>48,157,300</u>
15 INVESTMENT INCOME			
Investment Income		13,191,845	9,834,229
Less: Income credited to provident fund balance		(882,444)	-
		<u>12,309,401</u>	<u>9,834,229</u>
16 PROFESSIONAL SERVICE FEES			
Director's Training Program		14,036,319	10,074,058
Board evaluation		2,223,000	2,941,580
Finance outsourcing		1,555,200	388,800
Software implementation		-	1,192,792
Human resourcing outsourcing		186,450	56,500
Freelancing fee		-	32,000
Internal audit fee		77,760	45,360
Out of pocket expenses		169,430	107,400
		<u>18,248,159</u>	<u>14,838,490</u>
17 OTHER EXPENDITURE			
Marketing and advertisement		290,601	705,088
Others	17.1	<u>724,455</u>	<u>733,729</u>
		<u>1,015,056</u>	<u>1,438,817</u>

17.1 This mainly includes IT related expenses pertaining to web maintenance, licensing fee and internet charges.

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18 TRANSACTIONS WITH RELATED PARTY

Transactions with key management personnel are carried out as per their terms of employment and their details are as follows:

	December 31, 2023	December 31, 2022
	(Unaudited)	
	----- (Rupees) -----	
Chief executive officer	8,216,000	5,093,018
Other key management personnel	<u>6,908,000</u>	<u>2,055,107</u>
	<u><u>15,124,000</u></u>	<u><u>7,148,125</u></u>

19 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever considered necessary, for the purposes of comparison and to reflect the substance of the transactions. There have been no significant reclassifications or rearrangements in these condensed interim financial statements during the current period.

20 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were approved and authorised for issue on _____ by the Board of Directors of the Institute.

21 GENERAL

21.1 Figures have been rounded off to the nearest Rupee, unless otherwise stated.

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Chief Executive Officer

Director