



# **The Institute of Chartered Accountants of Pakistan**

**CONDENSED INTERIM FINANCIAL STATEMENTS**

**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2020**

(UN-AUDITED)

## **REPORT OF THE COUNCIL**

### **FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2020**

The Council is pleased to present the unaudited condensed interim financial statements of the Institute for the nine months period ended March 31, 2020 and a brief review of the Institute's activities.

#### **COVID-19 Pandemic**

As we know that COVID-19 crisis has rapidly impacted the world and has affected our lives and businesses in one way or the other. The Council of the Institute is closely monitoring the situation and evaluating the impact of the crisis on the Institute's operations. Council is of the view that the COVID-19 may have a potential impact on various areas of the Institute including fresh student intake, exam sittings and timings and number of new members joining the Institute.

In order to ensure safety of the students and staff, the Council decided to postpone the AFC March 2020 examination and rescheduled the AFC and CFAP June 2020 examinations.

#### **Financial Highlights**

The key financial results of the Institute for the nine months ended March 31, 2020 are as follows:

	Nine months ended March 31, 2020	Nine months ended March 31, 2019
	----- Rs. '000 -----	
Income	1,005,753	890,728
Expenditure	777,679	694,759
Excess of income over expenditure before <b>Income from investments</b>	228,074	195,969
Income from investments	102,985	51,414
<b>Total comprehensive income for the period</b>	<b>331,059</b>	<b>247,383</b>

During the period, the Income has increased by 12.9% and Expenditure by 11.9% from that of the corresponding period of the previous year, resulting in 33.8% increase in the total comprehensive income.

#### **Activities**

During the period, some of ICAP's important events had to be postponed because of the COVID-19 pandemic. Never the less, the Institute continued to make progress at various fronts despite the limitations. A brief of these activities is as under:

##### **1. MOU signed between ICAP and SOCPA**

The Institute of Chartered Accountants of Pakistan (ICAP) and Saudi Organization for Certified Public Accountants (SOCPA) signed a MOU in February 2020 to assist in continued mutual

support and collaboration towards the accounting profession, with CPD and other training activities scheduled in Kingdom of Saudi Arabia.

## **2. ICAP grants RDAI status to two universities**

As part of its strategy of developing collaborations with the universities, ICAP has granted RDAI (Relevant Degree Awarding Institute) status to two leading universities of the country; Institute of Business & Management (IoBM) Karachi and National University of Science & Technology (NUST) Islamabad, after thorough process of review. The Accounting Graduates of these two universities would now be eligible for a FAST-TRACK route to CA-Education and get the opportunity to appear in ICAP's Gate-Way Examinations for remaining CAF papers.

## **3. Membership updates**

In line with the vision of E-ICAP, the Institute is focused on leveraging technology to improve its services to members wherever possible. As a first step, the Membership department has successfully automated the processing of new membership applications from the Winter 2019 attempt.

Further, in order to engage with the members, different drives have been initiated such as Updating of Particulars of members, Restoration Drive to connect with our removed members and FCA Drive to invite the eligible associate members to become fellow members.

## **4. Formation of Internal Audit Practices Development Committee**

Internal Audit is an area where a large number of the Institute's members are working and presently there is scope for ICAP to work in this area. Considering the importance of Internal Audit function for businesses, a committee has been formed for development of the members in this area.

## **5. Continuing Professional Development**

In view of the corona virus pandemic, all in person CPD activities have come to a halt. To abreast the members about the challenges and opportunities under the changing business environment, several webinars have been arranged by the Institute. These webinars have attracted a larger than expected response from members as well as other finance professionals and business leaders. In most cases, in addition to direct participation through the ZOOM software, thousands of participants viewed webinars through the ICAP's official Facebook page.

Further, to keep our stakeholders updated and to support them in their professional development, ICAP launched a COVID-19 Response Webpage to serve as a hub of the Institute's key information and updates and also to provide links to various digital resources, publications and professional development material.

## **6. Edhi CA Talent Scholarship Program**

EDHI CA Talent Program is focused on offering scholarships to students purely on merit whereby top 37 students have been awarded scholarship all across the country. This year 65 more students were offered partial scholarships under this program.

## **7. Launch of CA Women's Directory 2020**

The Companies Act 2017 has made it mandatory to include at least one woman as director on the board of public interest entities. CA Women's Committee taking the initiative has published

a directory showcasing talent of more than 350 CA women, which would assist the corporate sector to appoint professional women on their boards.

The launching ceremony of CA Women's Directory 2020 was held at Pakistan Stock Exchange on January 24, 2020. The ceremony was inaugurated by Mr. Khalilullah Shaikh, President ICAP. In his speech, President ICAP stated that diversity in education, experience and gender will help elevate the boards to lead the organisations in the right direction. Empirical evidence has shown how gender diversity in boards has led to effective organisational performance.

The event was also attended by renowned professionals including senior management and members of the Board of Directors of the Stock Exchange and Council members.

The directory can be accessed at <https://icapcawc.com/files/cawomendirectory2020.pdf>

## **8. CA Women's Day Celebrations 2020**

CA Women's Day was celebrated in Karachi, Islamabad and Lahore in line with the International Women's Day theme 'Each for Equal' in March 2020.

In recognition of the remarkable contributions made in the field of Chartered Accountancy, shields were distributed to females achieving 25 years of membership with ICAP, followed by recognizing the female employees having the longest association with ICAP.

## **9. Update on Dubai Office**

ICAP has been working for the establishment of its Branch office in the UAE. Recently, authorities in the UAE have approved ICAP's Principle application to establish a Branch in Dubai. ICAP is now working to fulfil the other requirements, in line with the approval. This would be the Institute's first footprint overseas.

## **10. Representation at Regional/International Forums**

Representatives from the Institute attended following regional / international forums during the period from January to March 2020:

- PAODC Meetings, New York
- IFAC Board Meeting, New York
- CAW Meeting & IFAC CE Forum, New York
- IFAC Membership Committee Meeting, New York
- SAFA Board Meetings held through video conferencing.

## **11. Participation in Higher Education Commission's Policy Roundtable**

ICAP was invited at the 7th Deans & Directors Conference, National Business Education & Accreditation Council - Higher Education Commission, on 17-18 February, 2020, at Islamabad. The theme of the conference was "Enhancing Quality and Inclusivity in Business Education through Engagement". Council Members Jafar Husain (Past-President) and Syed Najmul Hussain, represented ICAP.

The Council Members spoke about the strengths of ICAP, and what it can bring to table in producing quality business professionals. They highlighted ICAP's existing collaborations with reputed Business Schools and the role ICAP has played in revamping their Accounting Programs. Going forward, the Council Members proposed broad-based collaborations with HEC-NBEAC and the universities to serve the country in a befitting manner.

In addition to more than 200 senior Professors, this conference brought together more than hundred VCs, Deans and Directors of Business Schools from all across Pakistan.

The Council would like to convey its best wishes and pray for the health and safety of the members and their families in the present challenging times. It would also like to extend its gratitude to all the stakeholders, including the contributions made by the Committees and the Boards, and thank the management and staff for their dedication and hard work.

**By the Order of the Council**

**Syed Masood Akhtar  
Secretary**

**Karachi, May 08, 2020**

**THE INSTITUTE OF CHARTERED ACCOUNTANTS OF PAKISTAN**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT MARCH 31, 2020**

		<b>March 31, 2020</b>	<b>June 30, 2019</b>
		<b>Un-audited</b>	<b>Audited</b>
	<b>Note</b>	<b>----- Rupees in '000 -----</b>	
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property and equipment	5	725,498	682,362
Intangible assets	6	5,130	6,798
Long term investments	7	343,786	346,695
Loans, advances and deposits		12,580	9,122
		<u>1,086,994</u>	<u>1,044,977</u>
<b>CURRENT ASSETS</b>			
Stock of study packs, publications and souvenirs	8	28,642	15,334
Short term investments	9	746,450	478,403
Loans, advances, prepayments and other receivables		47,709	39,486
Accrued income on investments		5,625	9,589
Cash and bank balances	10	77,236	20,627
		<u>905,662</u>	<u>563,439</u>
<b>TOTAL ASSETS</b>		<u>1,992,656</u>	<u>1,608,416</u>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities against right of use assets	11	8,938	-
<b>CURRENT LIABILITIES</b>			
Creditors, accrued and other liabilities	12	116,420	119,654
Fee and charges received in advance		99,913	57,881
Current portion of lease liabilities against right of use assets		5,445	-
		<u>221,778</u>	<u>177,535</u>
<b>CONTINGENCIES AND COMMITMENTS</b>	13		
<b>NET ASSETS</b>		<u>1,761,940</u>	<u>1,430,881</u>
<b>REPRESENTED BY:</b>			
General Fund		1,391,718	1,073,899
Specific Fund		5,413	5,436
Endowment Funds		182,731	181,379
Regional Committees		33,715	37,382
Benevolent Fund		148,363	132,785
		<u>1,761,940</u>	<u>1,430,881</u>

The annexed notes from 1 to 24 form an integral part of this condensed interim financial information.

**CHIEF FINANCIAL OFFICER**

**SECRETARY**

**PRESIDENT**

**THE INSTITUTE OF CHARTERED ACCOUNTANTS OF PAKISTAN**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2020**

	Note	Quarter ended		Nine months ended	
		March 31,	March 31,	March 31,	March 31,
		2020	2019	2020	2019
		----- Rupees in '000 -----		----- Rupees in '000 -----	
<b>INCOME</b>					
Members' subscription and fees		4,945	7,588	213,642	181,578
Examination and other fees		173,416	199,881	595,342	541,575
Education and training fees		30,021	30,862	180,873	141,468
Publications		2,878	2,649	9,456	7,499
Other income	14	2,314	7,468	6,440	18,608
		<u>213,574</u>	<u>248,448</u>	<u>1,005,753</u>	<u>890,728</u>
<b>SERVICE / OPERATIONAL EXPENDITURE</b>					
Salaries, allowances and other benefits		75,182	69,468	219,389	211,845
Examination charges		49,019	55,274	150,630	128,009
Depreciation		11,053	8,693	30,290	25,029
Traveling and related expenses		4,974	3,929	19,112	22,211
Study packs and other publications		11,130	12,478	45,374	38,787
Utilities		6,690	5,715	25,737	20,445
Network and communication		3,970	4,594	14,230	12,426
Repairs and maintenance		15,779	10,859	43,110	32,936
Printing and stationery		5,278	4,286	14,525	10,195
Rent, rates and taxes	15	4,758	6,168	13,106	15,476
Advertisement and marketing		2,910	6,112	9,353	12,831
Amortisation of intangible assets		803	1,237	2,368	2,943
Financial assistance to students		5,029	3,812	11,295	6,790
Financial assistance to members / members' families		6,684	5,848	20,377	17,594
Members induction ceremony		-	4,371	4,197	4,371
Edhi CA talent program		1,923	1,455	6,343	5,477
Vehicles maintenance and running cost		1,969	1,710	6,217	5,623
Legal charges		2,010	903	4,013	3,791
Professional charges		2,056	1,759	5,215	5,672
Interest expense on lease liabilities against RoU assets		568	-	1,795	-
Others	16	11,087	8,061	45,311	39,612
		<u>222,872</u>	<u>216,732</u>	<u>691,987</u>	<u>622,063</u>
<b>ADMINISTRATIVE / MANAGERIAL EXPENDITURE</b>					
Salaries, allowances and other benefits		25,896	23,402	82,098	67,959
Traveling and related expenses		417	1,190	978	2,747
Vehicles maintenance and running cost		684	665	2,616	1,990
		<u>26,997</u>	<u>25,257</u>	<u>85,692</u>	<u>72,696</u>
<b>Total Expenditures</b>		<u>249,869</u>	<u>241,989</u>	<u>777,679</u>	<u>694,759</u>
<b>Excess of income over expenditure/(deficit) before income from investments</b>		(36,295)	6,459	228,074	195,969
Income from investments		37,239	22,285	103,387	52,102
<b>Excess of income over expenditure for the period</b>		<u>944</u>	<u>28,744</u>	<u>331,461</u>	<u>248,071</u>
<b>Other comprehensive income</b>					
(Deficit) on re-measurement of financial assets at fair value through other comprehensive income		(1,225)	(274)	(402)	(688)
<b>Total comprehensive income for the period</b>		<u>(281)</u>	<u>28,470</u>	<u>331,059</u>	<u>247,383</u>
<b>ATTRIBUTABLE TO:</b>					
General Fund		4,086	33,187	319,819	238,415
Specific Fund		151	112	(23)	290
Endowment Funds		(557)	(791)	1,352	1,016
Regional Committees		(1,250)	(2,622)	(3,667)	(2,414)
Benevolent Fund		(2,711)	(1,416)	13,578	10,076
		<u>(281)</u>	<u>28,470</u>	<u>331,059</u>	<u>247,383</u>

The annexed notes from 1 to 24 form an integral part of this condensed interim financial information.

**CHIEF FINANCIAL OFFICER**

**SECRETARY**

**PRESIDENT**

**THE INSTITUTE OF CHARTERED ACCOUNTANTS OF PAKISTAN  
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)  
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2020**

	<b>March 31, 2020</b>	<b>March 31, 2019</b>
<b>Note</b>	<b>----- Rupees in '000 -----</b>	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Cash received against:</b>		
Members' subscription and fees	186,984	164,633
Examination and other fees	657,766	524,218
Education and training fees	180,873	141,468
Sale of publications	9,731	6,965
Facilities and miscellaneous	9,292	6,114
	<u>1,044,646</u>	<u>843,398</u>
<b>Cash paid against:</b>		
Salaries, allowances and other benefits	298,264	275,862
Fees to professional bodies	8,180	7,817
Property tax	1,313	987
Short term lease payments	9,018	-
Supplies and services	448,742	317,777
	<u>765,517</u>	<u>602,443</u>
Net cash generated from operating activities	279,129	240,955
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investments	(701,203)	(313,793)
Fixed capital expenditure	(63,867)	(32,496)
Purchase of intangible assets	(700)	(8,761)
Proceeds from sale of property and equipment	4,577	8,369
Income received from investments	107,351	58,833
Net cash (used in) investing activities	(653,842)	(287,848)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payments of:		
- lease liabilities against right of use assets	(3,298)	-
- finance cost against lease liabilities	(1,446)	-
Net cash (used in) financing activities	(4,744)	-
Net decrease in cash and cash equivalents	(379,457)	(46,893)
Investment realisable within three months	494,311	414,991
Cash and cash equivalents - at the beginning of the period	456,693	116,457
Cash and cash equivalents - at the end of the period	17 <u>571,547</u>	<u>484,555</u>

The annexed notes from 1 to 24 form an integral part of this condensed interim financial information.

**CHIEF FINANCIAL OFFICER**

**SECRETARY**

**PRESIDENT**



**THE INSTITUTE OF CHARTERED ACCOUNTANTS OF PAKISTAN  
CONDENSED INTERIM STATEMENT OF CHANGES IN FUNDS (UN-AUDITED)  
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2020**

General Fund	Specific Fund	Endowment Funds			Regional Committees			Benevolent Fund *	Total	
		Students' Fund	Libraries Development Fund	Sub total	Southern Accumulated Fund	Northern Accumulated Fund	Sub total			
----- Rs. in '000 -----										
<b>Balance as at July 01, 2018</b>	933,945	5,164	133,174	8,573	141,747	28,688	8,607	37,295	121,911	1,240,062
<b>Fund balance reclassification</b>	228	-	-	-	-	-	(228)	(228)	-	-
<b>Total comprehensive income for the period ended March 31, 2019</b>	934,173	5,164	133,174	8,573	141,747	28,688	8,379	37,067	121,911	1,240,062
Excess of income over expenditure / (deficit) for the period	238,415	290	686	330	1,016	(2,775)	361	(2,414)	10,764	248,071
Other comprehensive loss	-	-	-	-	-	-	-	-	(688)	(688)
<b>Balance as at March 31, 2019</b>	<u>1,172,588</u>	<u>5,454</u>	<u>133,860</u>	<u>8,903</u>	<u>142,763</u>	<u>25,913</u>	<u>8,740</u>	<u>34,653</u>	<u>131,987</u>	<u>1,487,445</u>
<b>Balance as at July 01, 2019</b>	1,073,899	5,436	172,357	9,022	181,379	28,273	9,109	37,382	132,785	1,430,881
Transferred to Benevolent Fund	(2,000)	-	-	-	-	-	-	-	2,000	-
<b>Total comprehensive income for the period ended March 31, 2020</b>	319,819	(23)	1,056	296	1,352	(3,017)	(650)	(3,667)	13,980	331,461
Excess of income over expenditure / (deficit) for the period	319,819	(23)	1,056	296	1,352	(3,017)	(650)	(3,667)	13,980	331,461
Other comprehensive loss	-	-	-	-	-	-	-	-	(402)	(402)
<b>Balance as at March 31, 2020</b>	<u>1,391,718</u>	<u>5,413</u>	<u>173,413</u>	<u>9,318</u>	<u>182,731</u>	<u>25,256</u>	<u>8,459</u>	<u>33,715</u>	<u>148,363</u>	<u>1,761,940</u>

\* The Management Committee of the ICAP Benevolent Fund, in its meeting held on June 29, 2018, decided to merge "Special Reserve Fund" into accumulated fund.

The annexed notes from 1 to 24 form an integral part of this condensed interim financial information.

CHIEF FINANCIAL OFFICER

SECRETARY

PRESIDENT

**THE INSTITUTE OF CHARTERED ACCOUNTANTS OF PAKISTAN  
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)  
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2020**

**1. THE INSTITUTE AND ITS OPERATIONS**

The Institute of Chartered Accountants of Pakistan (the Institute) is a statutory body, established under the Chartered Accountants Ordinance, 1961 (X of 1961) for the regulation of the profession of accountants in the country. The Institute is an approved non-profit organization, under sub section (36) of section 2 of the Income Tax Ordinance, 2001.

**Regional Committees**

The Council of the Institute has established two regional committees (i.e. Southern Regional Committee and Northern Regional Committee) to carry-out the functions as laid down in bye-law 90 of the Chartered Accountants Bye-Laws, 1983.

**Endowment Funds**

The Institute operates Students' and Libraries Development Endowment Funds to provide financial assistance to the deserving students and for development of ICAP libraries respectively. These Funds are governed by the rules approved by the Council. The contributions to the Funds include transfers by the Institute from its surplus as well as amounts received from other organizations.

**Benevolent Fund**

Benevolent Fund was established by the Council of the Institute to provide relief to deserving individuals who are or have been members of the Institute including their spouse, children and dependents of such members. The Fund is governed by the rules approved by the Council. Major source of the Fund is the contribution by the members in the form of annual subscription.

**2. BASIS OF PREPARATION**

**2.1 Statement of compliance**

This condensed interim financial information of the Institute for the nine months ended March 31, 2020 has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 - 'Interim Financial Reporting'.

This condensed interim financial information is un-audited. The disclosures made in this condensed interim financial information have been limited in accordance with the requirements of IAS 34. This does not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the audited annual financial statements of the Institute for the year ended June 30, 2019.

The comparative statement of financial position presented in this condensed interim financial information has been extracted from the annual audited financial statements of the Institute for the year ended June 30, 2019, whereas the comparative condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in funds are extracted from the unaudited condensed interim financial information of the Institute for the nine months ended March 31, 2019.

## 2.2 Basis of measurement

This condensed interim financial information has been prepared under the historical cost convention, except for certain financial assets and liabilities which are carried at amortised cost or at fair value through other comprehensive income.

This condensed interim financial information has been prepared following accrual basis of accounting except for cash flow information.

## 2.3 Functional and presentation currency

This condensed interim financial information is presented in Pakistan Rupees which is the functional currency of the Institute and figures are rounded off to the nearest thousand of rupees unless otherwise specified.

## 3. ACCOUNTING POLICIES

3.1 The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of audited annual financial statements of the Institute for the year ended June 30, 2019 except for those as resulted on adoption of IFRS 16, Leases as stated in note 3.2.

### 3.2 Change in accounting policy due to first time adoption of IFRS 16

Previously, the Institute classified property leases as operating leases under IAS 17. From July 01, 2019, the Institute has applied IFRS 16 for recognition of the property leases, having non-cancelable period of more than one year, using the modified retrospective approach.

New accounting policies of the Institute upon adoption of IFRS 16 are:

#### Right-of-Use (RoU) assets

On initial application the RoU assets are initially measured at the present value of lease liability adjusted for lease prepayments. Subsequently, RoU assets are measured at cost, less accumulated depreciation and any impairment loss. RoU assets are depreciated on a straight-line basis over the lease term.

#### Lease liability

On initial application the Institute recognises lease liabilities measured at the present value of the consideration (lease payments) to be made over the lease term. The lease payments are discounted using the incremental rate of borrowing. Subsequently, the carrying amount of lease liability is increased to reflect the accretion of interest and reduced for the lease payments made.

The effect of adoption of IFRS 16 as at July 01,2019 is as follows.

	<b>July 01, 2019</b>
	<b>Rs. '000</b>
Liabilities against RoU assets	17,332
Add: Lease prepayments	324
RoU assets	<u>17,656</u>

The carrying amounts of the Institute's right-of-use assets, lease liabilities and the movements during the period is as below:

	<b>RoU asset</b>	<b>Lease liability</b>
	<b>Rs. '000</b>	
As at July 01, 2019	17,656	17,332
Depreciation	(3,240)	
Interest expense on lease liabilities against RoU assets		1,795
Payments		(4,744)
As at March 31, 2020	14,416	14,383

Had this standard not been applied, assets and liabilities would have been lowered by Rs. 14.4 million and Rs. 14.38 million respectively. Rent expense would have been higher by Rs. 3.642 million where as depreciation charge and finance charges would have been lowered by Rs. 3.24 million and Rs. 1.79 million respectively.

#### **4. ACCOUNTING ESTIMATES AND JUDGEMENTS**

The preparation of this condensed interim financial information in conformity with the approved accounting standards requires the use of certain critical accounting estimates and assumptions. It also requires management to exercise its judgement in the process of applying the Institute's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. However, actual results may differ from these estimates.

During the preparation of this condensed interim financial information, the significant judgements made by the management in applying the Institute's accounting policies and the key sources of estimation and uncertainty were the same as those that were applied to the audited annual financial statements of the Institute for the year ended June 30, 2019.

<b>5. PROPERTY AND EQUIPMENT</b>	<b>Note</b>	<b>March 31,</b>	<b>June 30,</b>
		<b>2020</b>	<b>2019</b>
		<b>Un-audited</b>	<b>Audited</b>
		<b>----- Rupees in '000 -----</b>	
Land	5.1	440,220	440,220
Operating fixed assets	5.2	283,822	238,332
Capital work in progress - civil		1,456	3,810
		725,498	682,362

- 5.1 This includes leasehold land at Preedy Street, Karachi, of Rs. 0.018 million, occupied by squatters. The members in its 51st Annual General Meeting held on September 20, 2012, have authorised the Council to proceed for the sale of the Preedy Street land at best available price.

This also includes Rs. 440.202 million paid to Lahore Development Authority (LDA) in respect of piece of land, measuring 10 Kanal, 19 Marla and 17 Square ft. in Gulberg, Lahore, acquired through auction during the year 2017-18. The Lahore Development Authority (LDA) has demanded CVT of Rs. 8.8 million vide its letter DEM-I/LDA/1802511 dated July 28, 2018. The management is of the view that the CVT has been abolished effective July 1, 2017 and since the transaction date falls after July 1, 2017 the CVT is not payable on this transaction.

The management has challenged this demand in the Court of Law and is confident that the said levy is not payable by the Institute. On an application by the Institute on July 19, 2019, Lahore High Court has issued a restraining order whereby LDA cannot transfer the said property to any third

The title of the Land is not yet transferred in the name of the Institute due to the pendency of the CVT issue.

		<b>March 31, 2020</b>	<b>June 30, 2019</b>
		<b>Un-audited</b>	<b>Audited</b>
		<b>----- Rupees in '000 -----</b>	
<b>5.2 Operating fixed assets</b>	<b>Note</b>		
Net book value at beginning of the period / year		238,332	236,978
Recognition of RoU assets on initial application of IFRS 16	3.2	17,656	-
		<u>255,988</u>	<u>236,978</u>
Additions during the period / year	5.2.1	62,704	44,041
Less:			
Disposals at book value: [ having cost Rs. 13.066 million (June 30, 2019: Rs. 22.240 million)]	5.2.2	4,580	8,080
Written off at book value: [ having cost Rs. nil (June 30, 2019: Rs. 2.234 million)]		-	502
Depreciation charge for the period / year	5.2.3	30,290	34,105
		<u>34,870</u>	<u>42,687</u>
Net book value at end of the period / year		<u><u>283,822</u></u>	<u><u>238,332</u></u>
<b>5.2.1 Additions during the period / year at cost</b>			
Building on leasehold land		3,242	1,839
Electric fittings and appliances		3,927	8,964
Furniture and fixtures		14,714	5,138
Vehicles		17,236	21,767
Office equipment		23,585	6,333
		<u>62,704</u>	<u>44,041</u>
<b>5.2.2 Disposals during the period / year at book value</b>			
Electric fittings and appliances		99	201
Office equipment		32	121
Vehicles		4,449	7,758
		<u>4,580</u>	<u>8,080</u>
<b>5.2.3</b>	This includes depreciation charge amounting to Rs. 3.24 million related to RoU assets.		
<b>6. INTANGIBLE ASSETS</b>			
Net book value at the beginning of the period / year		6,798	1,797
Additions during the period / year		700	8,761
		<u>7,498</u>	<u>10,558</u>
Amortisation during the period / year		(2,368)	(3,760)
Net book value at the end of the period / year		<u><u>5,130</u></u>	<u><u>6,798</u></u>

7.	LONG TERM INVESTMENTS	Note	March 31,	June 30,
			2020	2019
			Un-audited	Audited
			----- Rupees in '000 -----	
<b>At amortised cost</b>				
	General Fund	7.1	231,574	232,276
	Specific Fund: Prize Fund	7.2	1,897	1,922
	Endowment Funds	7.3	106,159	107,940
			339,630	342,138
<b>At fair value through other comprehensive income</b>				
	Benevolent Fund	7.4	4,156	4,557
			343,786	346,695
<b>7.1</b>	<b>General Fund</b>			
	Certificates of Islamic Investment	7.1.1	115,000	115,000
	Pakistan Investment Bonds	7.1.2	95,138	130,170
	Less: Maturing within one year, classified under short term investments	9.1	-	(33,153)
			95,138	97,017
	Certificates of Deposit	7.1.3	21,436	20,259
			231,574	232,276

7.1.1 This represents investment in Certificates of Islamic Investment of a bank aggregating to Rs. 115 million (June 30, 2019: Rs. 115 million). These certificates carry profit at the rates ranging from 12.29% to 12.59% (June 30, 2019: 6.02% to 11.47%) per annum receivable on monthly basis and are maturing on various dates upto February 16, 2024.

7.1.2 This represents investment in Pakistan Investment Bonds (PIBs) having aggregate face value of Rs. 89.955 million (June 30, 2019: Rs. 122.86 million). Profit is receivable on half yearly basis, with yield at the rates ranging from 6.99% to 7.20% (June 30, 2019: 6.99% to 8.02%) per annum. These PIBs have term of five years and are maturing on various dates upto July 19, 2022.

7.1.3 This represents investment in Certificates of Deposit of a financial institution aggregating to Rs. 15 million (June 30, 2019: Rs. 15 million). These certificates carry mark-up at the rate of 10.42% (June 30, 2019: 10.42%) per annum receivable on maturity and are maturing on February 19, 2021. Accrued mark-up aggregating to Rs. 6.44 million (June 30, 2019: Rs. 5.26 million) is included in the carrying value.

7.2	Specific Fund: Prize Fund	Note	March 31,	June 30,
			2020	2019
			Un-audited	Audited
			----- Rupees in '000 -----	
	Certificate of Islamic Investment	7.2.1	1,000	1,000
	Pakistan Investment Bond	7.2.2	897	1,395
	Less: Maturing within one year, classified under short term investments	9.2	-	(473)
			897	922
			1,897	1,922

7.2.1 This represents investment in Certificate of Islamic Investment of a bank amounting to Rs. 1 million (June 30, 2019: Rs. 1 million). This certificate carries profit at the rates ranging from 12.29% to 12.59% (June 30, 2019: 6.02% to 11.47%) per annum receivable on monthly basis and is maturing on February 13, 2022.

7.2.2 This represents investment in Pakistan Investment Bonds (PIBs) having face value of Rs. 0.825 million (June 30, 2019: Rs. 1.29 million). Profit is receivable on half yearly basis, with yield at the rate of 7.20% (June 30, 2019: 7.20% to 8.02%) per annum. These PIBs have a term of five years and are maturing on July 19, 2022.

	Note	March 31, 2020 Un-audited ----- Rupees in '000 -----	June 30, 2019 Audited
<b>7.3 Endowment Funds</b>			
<b>Students' Endowment Fund</b>			
Certificates of Islamic Investment	7.3.1	42,000	42,000
Pakistan Investment Bonds	7.3.2	58,775	61,258
Less: Maturing within one year, classified under short term investments	9.3	-	(851)
		58,775	60,407
<b>Libraries Development Fund</b>			
Pakistan Investment Bonds	7.3.3	5,384	7,424
Less: Maturing within one year, classified under short term investments	9.3	-	(1,891)
		5,384	5,533
		106,159	107,940

7.3.1 This represents investment in Certificates of Islamic Investment of a bank aggregating to Rs. 42 million (June 30, 2019: Rs. 42 million). Profit is receivable on monthly basis at the rates ranging from 12.29% to 12.59% (June 30, 2019: 6.02% to 11.47%) per annum and are maturing on various dates upto June 30, 2022.

7.3.2 This represents investment in Pakistan Investment Bonds (PIBs) having face value of Rs. 54.07 million (June 30, 2019: Rs. 54.91 million). Profit is receivable on half yearly basis, with yield at the rate of 7.20% (June 30, 2019: 7.20% to 8.02%) per annum. These PIBs have a term of five years and are maturing on July 19, 2022.

7.3.3 This represents investment in Pakistan Investment Bonds (PIBs) having face value of Rs. 4.95 million (June 30, 2019: Rs. 6.830 million). Profit is receivable on half yearly basis, with yield at the rate of 7.02% (June 30, 2019: 7.20% to 8.02%) per annum. These PIBs have a term of five years and are maturing on July 19, 2022.

		<b>March 31, 2020</b>	<b>June 30, 2019</b>
		<b>Un-audited</b>	<b>Audited</b>
		<b>----- Rupees in '000 -----</b>	
<b>7.4</b>	<b>At fair value through other comprehensive income</b>		
	<b>Benevolent Fund</b>		
	<b>Investments in equity shares</b>		
	<b>The Hub Power Company Limited</b>		
	As on 01-July	3,532	3,687
	Add: Right shares subscribed during the period / year (June 30, 2019: 4,839)	-	242
	(Deficit) on re-measurement	(470)	(397)
	Market value of 44,839 ordinary shares (June 30, 2019: 44,839 ordinary shares)	3,062	3,532
	<b>Fauji Fertilizer Company Limited</b>		
	As on 01-July	1,025	1,163
	Surplus / (Deficit) on re-measurement	69	(138)
	Market value of 11,767 ordinary shares (June 30, 2019: 11,767 ordinary shares)	1,094	1,025
		<u>4,156</u>	<u>4,557</u>
<b>8.</b>	<b>STOCK OF STUDY PACKS, PUBLICATIONS AND SOUVENIRS</b>		
	Stock of study packs	19,356	9,728
	Stock of publications and souvenirs	9,987	6,883
		29,343	16,611
	Less: Provision for obsolete stock	(701)	(1,277)
		<u>28,642</u>	<u>15,334</u>
<b>9.</b>	<b>SHORT TERM INVESTMENTS</b>		
	<b>At amortised cost</b>		
	General Fund	9.1 502,593	285,741
	Specific Fund: Prize Fund	9.2 2,786	3,247
	Endowment Funds	9.3 66,051	32,126
	Southern Regional Committee	9.4 21,183	23,230
	Northern Regional Committee	9.5 5,159	5,003
	Benevolent Fund	9.6 148,678	129,056
		<u>746,450</u>	<u>478,403</u>
<b>9.1</b>	<b>General Fund</b>		
	Certificates of Islamic Investment	9.1.1 502,593	252,588
	Pakistan Investment Bonds	7.1 -	33,153
		<u>502,593</u>	<u>285,741</u>
9.1.1	This represents investment in Certificates of Islamic Investment of banks having aggregate face value of Rs. 494.25 million (June 30, 2019: Rs. 250 million). These certificates carry profit at the rates ranging from 10.25% to 13.25% (June 30, 2019: 11.00% to 13.50%) per annum receivable on maturity and are maturing on various dates upto December 30, 2020. Accrued profit aggregating Rs. 8.35 million (June 30, 2019: Rs. 2.59 million) is included in the carrying value.		



		<b>March 31, 2020</b>	<b>June 30, 2019</b>
		<b>Un-audited</b>	<b>Audited</b>
	<b>Note</b>	<b>----- Rupees in '000 -----</b>	
<b>9.2 Specific Fund: Prize Fund</b>			
Certificate of Islamic Investment	9.2.1	2,786	2,774
Pakistan Investment Bond	7.2	-	473
		2,786	3,247

9.2.1 This represents investment in Certificate of Islamic Investment of a bank, having aggregate face value of Rs. 2.70 million (June 30, 2019: 2.70 million). This certificate carries mark-up at the rate of 12.50% (June 30, 2019: 11%) per annum receivable on maturity and are maturing on June 28, 2020. Accrued profit amounting to Rs. 0.086 million (June 30, 2019: Rs. 0.074 million) is included in the carrying value.

		<b>March 31, 2020</b>	<b>June 30, 2019</b>
		<b>Un-audited</b>	<b>Audited</b>
	<b>Note</b>	<b>----- Rupees in '000 -----</b>	
<b>9.3 Endowment Funds</b>			
Students' Endowment Fund			
Certificate of Islamic Investment	9.3.1	66,051	29,384
Pakistan Investment Bond	7.3	-	851
		66,051	30,235
Libraries Development Fund			
Pakistan Investment Bond	7.3	-	1,891
		66,051	32,126

9.3.1 This represents investment in Certificates of Islamic Investment, issued by banks having face value aggregating to Rs. 64.0 million (June 30, 2019: Rs. 28.60 million). These certificates carry profit at the rates ranging from of 12.50% to 13.25% (June 30, 2019: 11%) per annum receivable on maturity and are maturing on various dates upto December 30, 2020. Accrued profit amounting to Rs. 2.05 million (June 30, 2019: Rs. 0.78 million) is included in the carrying value.

		<b>March 31, 2020</b>	<b>June 30, 2019</b>
		<b>Un-audited</b>	<b>Audited</b>
	<b>Note</b>	<b>----- Rupees in '000 -----</b>	
<b>9.4 Southern Regional Committee</b>			
Certificates of Islamic Investment	9.4.1	21,183	23,230

9.4.1 This represents investment in Certificates of Islamic Investment, issued by a bank having face value aggregating to Rs. 20.5 million (June 30, 2019: Rs. 23.2 million). These certificates carry profit at the rate 13.25% (June 30, 2019: 4.80% to 13.00%) per annum receivable on maturity and are maturing on December 30, 2020. Accrued profit amounting to Rs. 0.68 million (June 30, 2019: Rs. 0.03 million) is included in the carrying value.

9.5 Northern Regional Committee	Note	March 31,	June 30,
		2020	2019
		Un-audited	Audited
		----- Rupees in '000 -----	
Certificates of Islamic Investment	9.5.1	5,159	5,003

9.5.1 This represents Certificates of Islamic Investment having face value of Rs. 5.00 million (June 30, 2019: Rs. 5.00 million). This certificate carries profit at the rate of 12.5% (June 30, 2019: 10.75%) per annum receivable on maturity and are maturing on June 28, 2020. Accrued profit amounting to Rs. 0.159 million (June 30, 2019: Rs. 0.003 million) is included in the carrying value.

9.6 Benevolent Fund	Note	March 31,	June 30,
		2020	2019
		Un-audited	Audited
		----- Rupees in '000 -----	
Certificate of Islamic Investment	9.6.1	142,395	123,291
Defence Savings Certificates	9.6.2	6,283	5,765
		148,678	129,056

9.6.1 This represents Certificates of Islamic Investment having face value of Rs. 138 million (June 30, 2019: Rs. 120 million). These certificates carry profit at the rate of 12.5% (June 30, 2019: 11%) per annum receivable on maturity and are maturing on June 28, 2020. Accrued profit amounting to Rs. 4.395 million (June 30, 2019: Rs. 3.29 million) is included in the carrying value.

9.6.2 This represents investment in Defence Savings Certificates, having aggregate face value of Rs. 2 million (June 30, 2019: Rs. 2 million). These certificates have been placed for a term of ten years, maturing on April 6, 2020. These certificates carry mark-up at the rate of 12.10% (June 30, 2019: 12.10%) per annum receivable on maturity. Accrued mark-up aggregating to Rs. 4.28 million (June 30, 2019: Rs. 3.77 million) is included in the carrying value.

10. CASH AND BANK BALANCES	Note	March 31,	June 30,
		2020	2019
		Un-audited	Audited
		----- Rupees in '000 -----	
<b>Cash in hand</b>			
Local currency		413	527
Foreign currency		-	370
		413	897
<b>Cash at bank</b>			
Current accounts			
Local currency		2,368	5,121
Foreign currency		167	160
		2,535	5,281
PLS accounts			
Local currency	10.1	72,635	12,904
Foreign currency	10.2	1,653	1,545
		74,288	14,449
		77,236	20,627

10.1 These carry profit rates up to 12.43% per annum (June 30, 2019: 11.40% per annum).

10.2 These carry profit rates up to 0.11% per annum (June 30, 2019: 0.10% per annum).

	Note	March 31, 2020 Un-audited ----- Rupees in '000 -----	June 30, 2019 Audited
<b>11. LEASE LIABILITIES AGAINST RIGHT OF USE ASSETS</b>			
Lease liabilities against right of use assets	3.2	14,383	-
Less: Current portion		(5,445)	-
		<u>8,938</u>	<u>-</u>

**12. CREDITORS, ACCRUED AND OTHER LIABILITIES**

Creditors	25,127	53,878
Accrued liabilities	77,561	57,612
Other liabilities:		
Retention money	1,334	436
IFRS Foundation royalty	558	282
Others	11,840	7,446
	<u>13,732</u>	<u>8,164</u>
	<u>116,420</u>	<u>119,654</u>

**13. CONTINGENCIES AND COMMITMENTS**

- 13.1 There is no significant change in the status of contingencies as reported in note 16 to the annual audited financial statements of the Institute for the year ended June 30, 2019.
- 13.2 Commitments in respect of capital expenditure as at reporting date aggregated to Rs. 47.3 million (June 30, 2019: Rs. 15.50 million).

**14. OTHER INCOME**

	Quarter ended		Nine months ended	
	March 31, 2020 Un-audited ----- Rupees in '000 -----	March 31, 2019 Un-audited	March 31, 2020 Un-audited ----- Rupees in '000 -----	March 31, 2019 Un-audited
Income derived from utilization of facilities	1,176	535	3,280	2,856
Gain on sale of Property and equipment	-	1,162	23	4,140
Net surplus on Directors' Training Programs	847	4,585	1,571	9,463
Net Surplus on Directors' Orientation Training Program	-	669	-	669
Surplus on IFRS Training Program	-	225	-	225
Donation received	84	-	1,075	550
Miscellaneous	207	292	491	705
	<u>2,314</u>	<u>7,468</u>	<u>6,440</u>	<u>18,608</u>

**15. RENT, RATES AND TAXES**

This includes rentals amounting to Rs. 11.71 million related to short term property leases.

16. OTHERS	Quarter ended		Nine months ended	
	March 31, 2020 Un-audited ----- Rupees in '000 -----	March 31, 2019 Un-audited ----- Rupees in '000 -----	March 31, 2020 Un-audited ----- Rupees in '000 -----	March 31, 2019 Un-audited ----- Rupees in '000 -----
Fees to professional bodies	2,322	2,090	6,435	5,253
Auditors' remuneration	-	-	241	219
Meetings and related expenses / entertainment	1,753	1,251	5,291	4,375
Books and publications	289	228	700	645
Bank charges	1,094	704	6,997	5,196
Insurance	1,031	958	2,870	2,667
Provision for obsolete stock of study packs, publications and souvenirs	12	364	701	656
Provision against advance income tax	13	902	298	1,951
Training expenses	844	2,001	2,290	2,913
Online education and research facility	634	802	1,901	1,546
Sports and recreation	-	-	1,362	1,351
Net deficit from Continuing Professional Development (CPD) and other events	2,089	(3,684)	12,970	7,921
Registration fee - World Congress of Accountants		-	-	1,249
Sundry expenses	1,006	2,445	3,255	3,670
	<u>11,087</u>	<u>8,061</u>	<u>45,311</u>	<u>39,612</u>

## 17. CASH AND CASH EQUIVALENTS

For the purpose of statement of cash flows, cash and cash equivalents comprise of following:

	March 31, 2020 Un-audited ----- Rupees in '000 -----	March 31, 2019 Audited ----- Rupees in '000 -----
Cash and bank balances	77,236	69,564
Short term investments realisable within three months	494,311	414,991
	<u>571,547</u>	<u>484,555</u>

## 18. TRANSACTIONS WITH RELATED PARTIES

### 18.1 Transactions with related parties are as follows:

Relationship with the Institute	Nature of transactions	March 31, 2020 Un-Audited ----- Rupees in '000 -----	March 31, 2019 Un-Audited ----- Rupees in '000 -----
Staff retirement benefit plans	Contribution paid to Provident Fund	14,489	13,718
Key management personnel: Secretary, Directors and Senior Managers	Managerial remuneration	139,087	134,165
Members of the Council	Membership fee received	756	613

## 18.2 Period / year end balances:

Relationship with the Institute	Nature of balances	March 31,	June 30,
		2020	2019
		Un-audited	Audited
		----- Rupees in '000 -----	
<b>Key management personnel</b>			
Secretary, Directors			
and Senior Managers			
	Loans and advances	2,103	955
	Other liabilities	742	742

## 19. FINANCIAL RISK MANAGEMENT

The Institute's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including currency risk and interest rate risk).

This condensed interim financial information does not include all financial risk management information and disclosures required in the annual financial statements and should be read in conjunction with the Institute's audited annual financial statements for the year ended June 30, 2019.

There have been no significant changes in the risk management policies since the year end.

## 20. SEGMENT INFORMATION

Management has determined the operating segments based on the information that is presented to the Council of the Institute for allocation of resources and assessment of performance. The Institute is organised into following operating segments:

### (a) Service segments:

The Institute has following four reportable segments on the basis of services characteristics:

(i) Examination (ii) Education (iii) Membership (iv) Administrative/General Services

### (b) Geographical segments:

The Institute has following geographical segments representing 10% or more of the total income:

(i) Karachi (ii) Lahore (iii) Islamabad and Rawalpindi (iv) Others including overseas

This information is also presented under two regions:

(i) South (includes provinces, namely, Sindh and Balochistan) and

(ii) North (includes provinces, namely, Punjab, Khyber Pakhtunkhwa, Gilgit Baltistan and Azad Kashmir).

**20.1 Service segment**

**20.1.1 Basis of allocation**

Income and expenditures related to service provided/rendered directly to students are allocated to Examination and Education whereas members related income and expenditure are allocated directly to Membership. Remaining income and expenditure are allocated to Administrative/General Services.

**20.1.2 Segment revenue and results**

----- Un-audited -----										
For the nine months ended March 31, 2020					For the nine months ended March 31, 2019					
Examination	Education	Membership	Administrative/General Services	Total	Examination	Education	Membership	Administrative/General Services	Total	
----- Rs. in '000 -----										
Income										
from members	-	-	213,642	-	213,642	-	-	181,578	-	181,578
from students	595,342	180,873	-	-	776,215	541,575	141,468	-	-	683,043
others	-	-	-	15,896	15,896	-	-	-	26,107	26,107
Total income	595,342	180,873	213,642	15,896	1,005,753	541,575	141,468	181,578	26,107	890,728
Expenditure (Note 20.1.3)	(254,171)	(139,189)	(177,642)	(206,677)	(777,679)	(239,672)	(124,489)	(147,937)	(182,661)	(694,759)
	341,171	41,684	36,000	(190,781)	228,074	301,903	16,979	33,641	(156,554)	195,969
Income from investments and surplus/(deficit) on re-measurement of financial assets at fair value through other comprehensive income										
					102,985					51,414
Excess of income over expenditure										
					331,059					247,383

**20.1.3 Expenditure**

Salaries, allowances, and other benefits	64,320	47,482	84,714	104,971	301,487	71,793	47,038	71,647	89,326	279,804
Examination charges	150,630	-	-	-	150,630	128,009	-	-	-	128,009
Depreciation	6,361	4,544	5,452	13,933	30,290	5,964	3,728	3,621	11,716	25,029
Traveling and related expenses	469	466	18,088	1,067	20,090	519	816	20,620	3,003	24,958
Study packs and other publications	-	38,198	606	6,570	45,374	-	30,712	-	8,075	38,787
Utilities	5,404	3,861	4,633	11,839	25,737	4,872	3,045	2,958	9,570	20,445
Network and communication	2,988	2,135	2,561	6,546	14,230	2,961	1,851	1,798	5,816	12,426
Repairs and maintenance	9,052	6,467	7,760	19,831	43,110	7,849	4,905	4,765	15,417	32,936
Printing and stationery	2,316	5,877	2,286	4,046	14,525	3,332	2,042	1,792	3,029	10,195
Rent, rates and taxes	20	7	22	13,057	13,106	26	16	23	15,411	15,476
Advertisement and marketing	34	6,500	-	2,819	9,353	75	11,740	54	962	12,831
Amortisation of intangible assets	498	355	426	1,089	2,368	701	438	426	1,378	2,943
Financial assistance to students	-	11,295	-	-	11,295	-	6,790	-	-	6,790
Financial assistance to members / members' families	-	-	20,377	-	20,377	-	-	17,594	-	17,594
Members induction ceremony	4,197	-	-	-	4,197	4,371	-	-	-	4,371
Edhi CA talent program	-	6,343	-	-	6,343	-	5,477	-	-	5,477
Vehicles maintenance and running cost	2,376	1,081	2,496	2,880	8,833	2,016	1,089	1,890	2,618	7,613
Legal charges	-	-	4,013	-	4,013	-	-	3,121	670	3,791
Professional charges	1,095	782	939	2,399	5,215	1,010	631	613	3,418	5,672
Interest expense on lease liabilities against RoU assets	-	-	-	1,795	1,795	-	-	-	-	-
Others (Note 16)	4,411	3,796	23,269	13,835	45,311	6,174	4,171	17,015	12,252	39,612
Total expenditures	254,171	139,189	177,642	206,677	777,679	239,672	124,489	147,937	182,661	694,759

----- Un-audited -----					----- Audited -----				
As at March 31, 2020					As at June 30, 2019				
Examination	Education	Membership	Administrative/General Services	Total	Examination	Education	Membership	Administrative/General Services	Total
----- Rs. in '000 -----									

**20.1.4 Other Information**

Segments assets employed	52,130	40,359	32,142	675,382	800,013	42,458	23,093	35,508	645,245	746,304
Unallocated assets					1,192,643					862,112
<b>Total assets</b>					<u>1,992,656</u>					<u>1,608,416</u>
Segments liabilities employed	109,554	2,866	8,621	95,292	216,333	35,974	16,329	36,889	88,343	177,535
Unallocated liabilities					14,383					-
					<u>230,716</u>					<u>177,535</u>

Segments assets employed consist of property and equipment, loans, advances, deposits, prepayments and other receivables and stock of study packs, publications and souvenirs. Unallocated assets consist of intangible assets, short and long term investments, accrued income on investments and cash and bank balances.

Segments liabilities employed consist of creditors, accrued and other liabilities and fees received in advance with respect to examination and membership. Unallocated liabilities consist of liabilities against right of use assets

**20.2 Geographical segments:**

**20.2.1 Basis of allocation**

Service provided/rendered directly to students are allocated on the basis of number of students whereas services to members are allocated on the basis of number of members at each geographical segment.

----- Un-audited -----									
For the nine months ended March 31, 2020					For the nine months ended March 31, 2019				
Karachi	Lahore	Islamabad and Rawalpind	Other locations	Total	Karachi	Lahore	Islamabad and Rawalpind	Other locations	Total
----- Rs. in '000 -----									

**20.2.2 Segment revenue and results**

Income										
from members	87,982	42,384	21,761	61,515	213,642	74,773	36,031	18,498	52,276	181,578
from students	175,033	304,364	144,706	152,112	776,215	163,614	266,553	126,621	126,255	683,043
other general services - unallocated	-	-	-	-	15,896	-	-	-	-	26,107
					1,005,753					890,728
Allocated expenditure - Members and students (Note: 20.2.3)	(161,857)	(189,484)	(91,427)	(128,234)	(571,002)	(99,617)	(198,668)	(95,590)	(118,223)	(512,098)
Unallocated expenditure - General services					(206,677)					(182,661)
					(777,679)					(694,759)
Income from investments and surplus/(deficit) on re-measurement of financial assets at fair value through other comprehensive income					102,985					51,414
Excess of income over expenditure					331,059					247,383

**20.2.3 Expenditure**

Salaries, allowances and other benefits	242,039	33,679	15,267	10,502	301,487	226,790	31,647	14,128	7,239	279,804
Examination charges	34,443	59,064	28,081	29,042	150,630	30,665	49,958	23,732	23,654	128,009
Depreciation	21,366	4,731	2,308	1,885	30,290	17,327	3,928	1,936	1,838	25,029
Traveling and related expenses	9,435	7,788	1,816	1,051	20,090	11,533	10,085	2,839	501	24,958
Study packs and other publications	20,682	12,637	6,208	5,847	45,374	18,526	10,565	5,135	4,561	38,787
Utilities	13,438	6,448	1,975	3,876	25,737	11,694	3,524	2,378	2,849	20,445
Network and communication	10,523	1,794	897	1,016	14,230	9,320	1,527	737	842	12,426
Repairs and maintenance	20,144	11,496	3,721	7,749	43,110	16,686	6,902	3,349	5,999	32,936
Printing and stationery	12,502	1,542	185	296	14,525	8,720	992	157	326	10,195
Rent, rates and taxes	3,515	29	850	8,712	13,106	3,369	3,441	127	8,539	15,476
Advertisement and marketing	5,659	1,896	321	1,477	9,353	9,564	2,345	566	356	12,831
Amortisation of intangible assets	1,752	298	149	169	2,368	2,207	362	175	199	2,943
Financial assistance to students	488	7,021	1,477	2,309	11,295	3,967	2,073	515	235	6,790
Financial assistance to members / members' families	9,895	5,850	3,772	860	20,377	8,221	5,648	2,275	1,450	17,594
Members induction ceremony	2,602	1,595	-	-	4,197	2,278	-	2,093	-	4,371
Edhi CA talent program	2,620	1,504	541	1,678	6,343	1,814	1,127	442	2,094	5,477
Vehicles maintenance and running cost	7,090	1,324	161	258	8,833	6,254	954	140	265	7,613
Legal charges	4,013	-	-	-	4,013	3,491	300	-	-	3,791
Professional charges	3,856	657	329	373	5,215	4,612	521	251	288	5,672
Interest expense on lease liabilities against RoU assets	-	1,688	-	107	1,795	-	-	-	-	-
Others (Note 16)	35,199	8,010	1,305	797	45,311	35,286	2,694	1,215	417	39,612
<b>Expenditure - as and where incurred</b>	461,261	169,051	69,363	78,004	777,679	432,324	138,593	62,190	61,652	694,759
Inter-segment allocation / transfer to unallocated	(299,404)	20,433	22,064	50,230	(206,677)	(332,707)	60,075	33,400	56,571	(182,661)
Allocated expenditure - Members and students	161,857	189,484	91,427	128,234	571,002	99,617	198,668	95,590	118,223	512,098
Unallocated expenditure - General services					206,677					182,661
<b>Total expenditure</b>					777,679					694,759

----- Un-audited -----					----- Audited -----				
As at March 31, 2020					As at June 30, 2019				
Karachi	Lahore	Islamabad and Rawalpind	Other locations	Total	Karachi	Lahore	Islamabad and Rawalpind	Other locations	Total
----- Rs. in '000 -----									

**20.2.4 Other Information**

Segments assets employed	239,923	505,064	33,135	21,891	800,013	204,691	493,450	28,545	19,618	746,304
Unallocated assets					1,192,643					862,112
<b>Total assets</b>					1,992,656					1,608,416
Segments liabilities employed	113,863	1,160	585	812	116,420	112,871	4,680	1,192	911	119,654
Unallocated liabilities					114,296					57,881
<b>Total liabilities</b>					230,716					177,535

Segments assets employed consist of property and equipment, loans, advances, deposits, prepayments and other receivables and stock of study packs, publications and souvenirs. Unallocated assets consist of intangible assets, short and long term investments, accrued income on investments and cash and bank balances.

Segments liabilities employed consist of creditors, accrued and other liabilities. Unallocated liabilities consist of liabilities against right of use assets and fees received in advance with respect to examination and membership.

----- Un-audited -----					
For the nine months ended March 31, 2020			For the nine months ended March 31, 2019		
South	North	Total	South	North	Total
----- Rs. 000 -----					

### 20.2.5 Segment revenue and results

Income						
from members	118,537	95,105	213,642	102,301	79,277	181,578
from students	189,677	586,538	776,215	217,625	465,418	683,043
other general services - unallocated			15,896	-	-	26,107
			1,005,753			890,728
Allocated expenditure - Members and students (Note: 20.2.6)	(194,686)	(376,316)	(571,002)	(151,169)	(360,929)	(512,098)
Unallocated expenditure - General services			(206,677)			(182,661)
			(777,679)			(694,759)
Income from investments and surplus/(deficit) on re-measurement of financial assets at fair value through other comprehensive income			102,985			51,414
Excess of income over expenditure			331,059			247,383

### 20.2.6 Expenditure

Salaries, allowances and other benefits	244,624	56,863	301,487	228,664	51,140	279,804
Examination charges	36,808	113,822	150,630	33,290	94,719	128,009
Depreciation	21,507	8,783	30,290	17,468	7,561	25,029
Traveling and related expenses	10,058	10,032	20,090	11,607	13,351	24,958
Study packs and other publications	21,346	24,028	45,374	18,999	19,788	38,787
Utilities	13,802	11,935	25,737	12,010	8,435	20,445
Network and communication	10,822	3,408	14,230	9,583	2,843	12,426
Repairs and maintenance	21,160	21,950	43,110	17,676	15,260	32,936
Printing and stationery	12,527	1,998	14,525	8,768	1,427	10,195
Rent, rates and taxes	4,056	9,050	13,106	4,462	11,014	15,476
Advertisement and marketing	5,812	3,541	9,353	9,665	3,166	12,831
Amortisation of intangible assets	1,801	567	2,368	2,270	673	2,943
Financial assistance to students	611	10,684	11,295	3,967	2,823	6,790
Financial assistance to members / members' families	9,895	10,482	20,377	8,221	9,373	17,594
Members induction ceremony	2,602	1,595	4,197	2,278	2,093	4,371
Edhi CA talent program	2,624	3,719	6,343	2,117	3,360	5,477
Vehicles maintenance and running cost	7,118	1,715	8,833	6,285	1,328	7,613
Legal charges	4,013	-	4,013	3,491	300	3,791
Professional charges	3,966	1,249	5,215	4,702	970	5,672
Interest expense on lease liabilities against RoU assets	107	1,688	1,795	-	-	-
Others (Note 16)	35,356	9,955	45,311	35,364	4,248	39,612
<b>Expenditure - as and where incurred</b>	470,615	307,064	777,679	440,887	253,872	694,759
Inter-segment allocation / transfer to unallocated	(275,929)	69,252	(206,677)	(289,718)	107,057	(182,661)
Allocated expenditure - Members and students	194,686	376,316	571,002	151,169	360,929	512,098
Unallocated expenditure - General services			206,677			182,661
<b>Total expenditure</b>			777,679			694,759

----- Un-audited -----			----- Audited -----		
As at March 31, 2020			As at June 30, 2019		
South	North	Total	South	North	Total
----- Rs. 000 -----					

### 20.2.7 Other Information

Segments assets employed	241,291	558,722	800,013	206,002	540,302	746,304
Unallocated assets			1,192,643			862,112
<b>Total assets</b>			1,992,656			1,608,416
Segments liabilities employed	113,863	2,557	116,420	112,871	6,783	119,654
Unallocated liabilities			114,296			57,881
<b>Total liabilities</b>			230,716			177,535

Segments assets employed consist of property and equipment, loans, advances, deposits, prepayments and other receivables and stock of study packs, publications and souvenirs. Unallocated assets consist of intangible assets, short and long term investments, accrued income on investments and cash and bank balances.

Segments liabilities employed consist of creditors, accrued and other liabilities. Unallocated liabilities consist of liabilities against right of use assets and fees received in advance with respect to examination and membership.



## 21. SEASONALITY

The Institutes' surplus is subject to periodical fluctuation due to the fact that most of the membership subscription is received in the early part of the financial year.

## 22. CORRESPONDING FIGURE

Corresponding figures have been re-arranged and / or re-classified for the purpose of better presentation. Expenditure have been classified under the two categories: "Service / Operational Expenditure" and "Administrative / Managerial Expenditure" to reflect more appropriately the functional attributes of the expenses. Following major re-classifications have been made during the period:

S. No.	From	To	Amount Rs. '000
1.	Network and communication (Classified as Service/Operational expenditure)	Professional charges (Classified as Service/Operational expenditure)	1,064
2.	Online education and research facility (Classified as Service/Operational expenditure in others)	Professional charges (Classified as Service/Operational expenditure)	640
3.	Sundry expenses (Classified as Service/Operational expenditure in others)	Professional charges (Classified as Service/Operational expenditure)	1,433
4.	Conveyance (Classified as Service/Operational expenditure in others)	Sundry expenses (Classified as Service/Operational expenditure in others)	143
5.	Honorary to article writers (Classified as Service/Operational expenditure in others)	Sundry expenses (Classified as Service/Operational expenditure in others)	575

## 23. COVID-19 PANDEMIC

COVID-19 has been declared pandemic by World Health Organization (WHO) and has effected all the businesses around the world in one way or the other. The Council of the Institute is closely monitoring the situation and its impact on the Institute's operations. The Council is of the view that the COVID-19 may have a potential impact on various areas of the Institute operations including fresh student intake, exam sittings and consequently timing and number of new members joining the Institute.

## 24. AUTHORISATION FOR ISSUE

The Council of the Institute authorised this condensed interim financial information for issue on May 08, 2020.

**CHIEF FINANCIAL OFFICER**

**SECRETARY**

**PRESIDENT**