M/S. INSTITUTE OF ARCHITECTS., PAKISTAN (NATIONAL COUNCIL)
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

A. G. HABIB & CO.
CHARTERED ACCOUNTANTS

Suite # 11/1, Hajee Mansion,
Adjacent to Govt. Women College,
Shahra -e- Liaquat , Frere Road,
Karachi-74200
Phone : 021-32633948 , 32215955
Cell : 0306-2542295

Ref No. ______________ Date : ______________

AUDITOR'S REPORT TO THE MEMBER'S

We have audited the annexed balance sheet of **M/S. INSTITUTE OF ARCHITECTS., PAKISTAN (NATIONAL COUNCIL)** as at **June 30, 2020** and the related income and expenditure account, cash flow statement, statement of changes in funds and receipts & payments account together with the notes forming part thereof , for the year then ended and we state that we have obtained all the information and explanation which , to the best of our knowledge and belief , were necessary for the purposes of our audit .

It is the responsibility of the Institute's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirement of the Companies Ordinance., 1984 . Our responsibility is to express an opinion on theses statements based on our audit .

We conducted our audit in accordance with the auditing standards as applicable in Pakistan . These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement . An audit includes examining on a test basis , evidence supporting the amounts and disclosures in the above said statements , An audit also includes assessing the accounting policies and significant estimates made by management , as well as , evaluating the overall presentation of the above said statements . We believe that our audit provides a reasonable basis for our opinion and , after due verification , we report that ;

1) In our opinion , proper books of accounts have been kept by the Institution as required by the companies Ordinance., 1984 .

2) In our opinion ;

   i) the balance sheet and income and expenditure account, cash flow statement, statement of changes in funds and receipts & payments account together with the notes forming part thereof have been drawn up in conformity with the Companies Ordinance., 1984 and are in agreement with the books of account .

   ii) the expenditures incurred during the year was for the purpose of the institution ; and

   ii) the business conducted, investment mad and the expenditure incurred during the period were in accordance with the object of the institution ;

3) In our opinion and to the best of our information and according to the explanation given to us, the balance sheet, income and expenditure account, cash flow statement, statement of changes in funds and receipts & payments account together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan , and give the information required by the Companies Ordinance., 1984 , in the manner so required and give true and fair view of the state of the Institution's affairs as at June 30, 2020 and of the Income for the year then ended and ;

4) In our opinion no zakat was deductible at source under the zakat and usher ordinance., 1980 .

Dated : August 03, 2020
Place : Karachi.

A.G. HABIB & CO.
Chartered Accountants

INSTITUTE OF ARCHITECTS, PAKISTAN (NATIONAL COUNCIL)
BALANCE SHEET AS AT JUNE 30, 2020

	NOTE	2020 (RUPEES)	2019 (RUPEES)
NON CURRENT ASSETS			
Fixed Assets	3	65,783	83,081
Long Term Investment	4	500,000	500,000
Short Term Investment		8,000,000	7,500,000
CURRENT ASSETS			
Advances, Deposit, Prepayments & Other Receivables	5	364,305	272,935
Cash & Bank Balances	6	2,639,094	933,514
		3,003,399	**1,206,449**
TOTAL ASSETS		**11,569,182**	**9,289,530**
CURRENT LIABILITIES			
Accrued & Other Liabilities	7	-	257,762
NET ASSETS		**11,569,182**	**9,031,768**
FINANCED BY			
GENERAL FUND			
Opening Balance		9,031,768	6,452,965
Surplus transferred to General Fund		2,537,413	2,578,801
		11,569,182	**9,031,768**
CONTINGENCIES & COMMITMENTS	8	-	-
TOTAL GENERAL FUNDS		**11,569,182**	**9,031,768**

The annexed notes form an integral part of these financial statements.

Karachi

President

28/10/2020
Honorary Treasurer

INSTITUTE OF ARCHITECTS, PAKISTAN (NATIONAL COUNCIL)

INCOME & EXPENDITURE ACCOUNT FOR THE YEAR ENDED JUNE 30, 2020

	NOTE	2020 (RUPEES)	2019 (RUPEES)
INCOME			
Receipts	9	7,209,296	8,851,774
Cost of Services	10	1,046,171	1,707,244
Gross Surplus		**6,163,125**	**7,144,530**
EXPENDITURE			
Administrative & General	11	3,610,883	4,552,462
Financial	12	14,829	13,267
		3,625,712	**4,565,729**
Surplus transferred to General Fund		**2,537,413**	**2,578,801**

The annexed notes form an integral part of these financial statements.

Karachi

President

28/10/2020

Honorary Treasurer

INSTITUTE OF ARCHITECTS, PAKISTAN (NATIONAL COUNCIL)
CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2020

	NOTE	2020 (RUPEES)	2019 (RUPEES)
CASH FLOWS FROM OPERATING ACTIVITIES			
Surplus for the year		2,537,413	2,578,801
Adjustment for non cash charges:			
Depreciation		17,298	22,788
Operating Surplus before changes in Working Capital		**2,554,711**	**2,601,589**
(Increase) / decrease in Current Assets			
Advances, Deposit, Prepayments & Other Receivables		(91,370)	(8,181)
Increase/ (Decrease) in Current liabilities			
Accrued and other liabilities		(257,762)	(81,670)
Net Cash Flows from Operating Activities		**2,205,579**	**2,511,738**
CASH FIOWS FROM INVESTING ACTIVITIES			
Encashment / Investment in Long Term Investment		-	-
Investment in Short Term Deposit		(500,000)	(3,800,000)
Fixed capital expenditure		-	(22,000)
Net Cash Used in Investing Activities		**(500,000)**	**(3,822,000)**
Net Increase in Cash and Cash Equivalents		1,705,579	(1,310,262)
Cash and Cash Equivalents at the beginning of the year	6	933,514	2,243,776
Cash and Cash Equivalents at the end of the year	6	**2,639,093**	**933,514**

The annexed notes form an integral part of these financial statements.

Karachi

President

Honorary Treasurer

INSTITUTE OF ARCHITECTS, PAKISTAN (NATIONAL COUNCIL)
STATEMENT OF CHANGES IN FUNDS FOR THE YEAR ENDED JUNE 30, 2020

	NOTE	2020 (RUPEES)
GENERAL FUND		
Balance as at June 30, 2018 as restated		**6,452,967**
Surplus transferred from income and expenditure account		2,578,801
Balance as at June 30, 2019		**9,031,768**
Surplus transferred from income and expenditure account		2,537,413
Balance as at June 30, 2020		**11,569,182**

The annexed notes form an integral part of these financial statements.

Karachi

President

Honorary Treasurer

INSTITUTE OF ARCHITECTS, PAKISTAN (NATIONAL COUNCIL)
RECEIPTS & PAYMENTS ACCOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2020 (RUPEES)	2019 (RUPEES)		2020 (RUPEES)	2019 (RUPEES)
RECEIPT			**PAYMENT**		
Opening Balances of Cash & Bank	933,514	2,243,775	Computer	-	22,000
Fund Generation from IAPEX	820,597	445,500	WHT Deducted	13,870	8,180
Other Payavle	789,652	112,330	Event Expenses IAPEX & Others	1,046,171	775,403
IAP National Council Share from Chapters	6,250,002	7,707,813	Salaries & Wages	881,755	864,650
Payable to Arcasia	-	242,001	Travelling & Conveyance	922,898	1,085,202
Short Term Investment	15,000,000	3,700,000	Communications	54,860	54,312
Profit on Long Term Investment	138,698	70,705	Printing & Stationery	58,781	78,577
Advance to Employees	22,500	-	Internet, Web & Computer Expenses	12,526	585,133
			Legal & Professional	812,043	741,567
			Bank Charges	14,830	13,267
			Other Payable	1,047,413	112,330
			BAE Expenses	538,680	809,095
			Arcasia Expenses	-	627,756
			Advance to Employees	100,000	-
			Short Term Investment	15,500,000	7,500,000
			IAP News Letter Expense	312,042	311,138
			Closing Balances of Cash & Bank	2,639,094	933,514
	23,954,963	14,522,124		23,954,963	14,522,124

The annexed notes form an integral part of these financial statements.

Karachi

President

Honorary Treasurer

INSTITUTE OF ARCHITECTS, PAKISTAN (NATIONAL COUNCIL)
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

1. **The Institute and its Operations**

Institute of Architects Pakistan (IAP) is a company limited by Guarantee was incorporated on May 22, 1969 and is duly registered under section 42 of Companies Ordinance 1984. IAP is a non-profit organization the aim and object of the institute is to be promote and advance the art and science of practice of profession of architecture in Pakistan and to promote and advance the welfare and well being of person engaged in or about to engage in practice of the profession and is wholly committed to Architectural education and development with conduct research and organize seminars, conferences and exhibitions for promoting cause of Architectural profession.

Registered Office of the Institute is situated at IAP House, ST-1/A, Block-2, Clifton, Karachi.

2. **Summary of Significant Accounting Policies**

The Significant Accounting Policies adopted in the preparation of these financial statements are set out below:

2.1. **Statement of Compliance**

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of Accounting and Financial Reporting Standard for Medium-Sized Entities (MSEs) issued by the Institute of Chartered Accountants of Pakistan and provisions of and directives issued under the Companies Ordinance 1984. In case requirements differ, the provisions or directives of the Companies Ordinance 1984 shall prevail.

2.2. Accounting Convention

These Financial Statements have been prepared under historical cost convention.

2.3. Property and Equipment

These are stated at cost less accumulated depreciation. Depreciation on all property and equipment is charged on reducing balance method. Full month's depreciation is charged in the month of addition while no depreciation is charged in the month of disposal.

- Maintenance and normal repairs are charged to income as and when incurred.
- Major renewal and improvements are capitalized.
- Gains and losses on disposal of property and equipment are included in the income.
- Study materials, publications and stationary costs are charged to income as and when incurred.

2.3.1 Depreciation methods, residual values and useful lives of assets are reviewed at each financial year end, and adjusted if impact on depreciation is significant.

2.4. Intangible

This represents Cost of computer software less amortization at the rate of 33% per annum using the reducing balance method and impairment, if any.

2.5. Investment property

Investment property is held for long term rental yields/capital appreciation. The investment property of the Institute comprises of office and is valued using the cost method i.e. at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes cost of materials and direct labour; any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalized borrowing costs. Depreciation is charged to income and expenditure account on the reducing balance method so as to allocate the depreciable amount over its estimated use full life. Depreciation on additions to investment property is charged from the month in which a property is acquired or capitalized while no depreciation is charged for the month in which the property is disposed off. The residual values and useful lives of investment property are reviewed at each balance sheet date and adjusted if impact on depreciation is significant The company assesses at each balance sheet date whether there is any indication that the investment property may be impaired, If such indication exists, the carrying amounts of such assets are written down to their recoverable amounts and the resulting impairment loss Is recognized in the income and expenditure account. The recoverable amount is the higher of the assets fair value less costs to self and value in use, Where an impairment loss is recognized. the depreciation charge is adjusted in the future period to allocate the assets' revised carrying amount over its estimated useful life. The gain or loss on disposal of investment property represented by the difference between the sale proceeds and the carrying amount of the asset is recognized as income or expense.

2.6. Investments

Held to maturity

Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity that an entity has the positive intention and ability to hold to maturity. Investments classified as held to maturity are recognized initially at fair value, plus attributable transaction cost. Subsequent to initial recognition, these are stated at amortized cost with any difference between cost and redemption value being recognized in the income and expenditure account over the period of the investments on an effective yield method.

2.7. Taxation

The Institute is approved as Non-Profit Organization under section 2 (36) the Income Tax Ordinance., 2001 and the institute fulfilling the conditions envisages in section 100C (1) of the Income Tax Ordinance., 2001 and income is held eligible for purposes of 100% Tax Credit in terms of section 100C (2) (a) & (d) of the Income Tax Ordinance., 2001 being an educational institution established solely for educational purposes and not for the purposes of profit.

INSTITUTE OF ARCHITECTS, PAKISTAN (NATIONAL COUNCIL)
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

2.8. Financial Assets and Liabilities

All financial assets and liabilities are recognized at the time when the Institute becomes a party to contractual provisions of the instrument. Any gain and loss on depreciations of the financial assets and liabilities is taken to income and expenditure account. Financial assets are recognized at the time when the Institute loses control of the contractual rights that compromise the financial assets. All financial liabilities are derecognized at the time when they are extinguished that is, when the obligation specified in the contract is discharged, cancelled, or expires. Any gain or loss on depreciation of the financial assets and liabilities is taken to income and expenditure account.

2.9. Provisions

Provisions are recognized in the balance sheet when the institute has a legal or constructive obligation as a result of past events and it is probable that out flow of economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. However, provisions are reviewed at each balance sheet date and adjusted to reflect current best estimate.

2.10. Creditors, Accrued and Other Liabilities

Liabilities for creditors and for other amounts payable are stated at cost which is the fair value of the consideration to be paid in future for goods and services received, whether or riot billed to the Institute.

2.11. Cash and Cash Equivalents

Cash and Cash Equivalents are carried at cost, For the purpose of cash flow statement, cash and cash equivalents comprise cash in hand, cash with banks on current and saving accounts.

2.12. Revenue Recognition

Revenue is recognized on cash basis.

- Profit on bank deposits and investments is accounted for on pro-rata basis.
- Profit on saving account is recognized on effective yield basis.

2.13. Impairment

The carrying amounts of the Institute's assets are reviewed at balance sheet date to determine whether there is any indication of impairment. if any such induction exists. the assets recoverable amount is estimated and impairment losses are recognized.

2.14. Judgment, estimates and assumptions

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the company's accounting policies. Estimates and judgment are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to Institute's financial statements or where judgments were exercised in application of accounting policies are as follows;

- Useful lives of depreciable assets and residual value note 2.3.

2.15. Functional and presentation currency

These financial statements are presented in Pakistan Rupees which is also the Institute's functional currency.

2.16. General

- Figures have been rounded off to the nearest rupee,
- Prior year' figures have been re-arranged, whenever necessary for the purpose of comparison.

		2020 (RUPEES)	2019 (RUPEES)
3. Property and Equioment			
Property and equipment	3.1	65,783	83,081
Capital work in progress		-	-
		65,783	83,081

3.1. Operating Fixed Assets

	Land	Office Premises	Furniture & Fixture	Office Equipment	Computer	Vehicle	Total
	RUPEES						
Net carrying value basis							
Year ended June 30, 2018							
Opening net book value	-	-	16,480	43,336	24,053	-	83,869
Additions	-	-	-	-	22,000	-	22,000
Disposal / Adjustment	-	-	-	-	-	-	-
Depreciation Charges for the year	-	-	(2,472)	(6,500)	(13,816)	-	(22,788)
Net book value as at June 30, 2019	-	-	**14,008**	**36,836**	**32,237**	-	**83,081**
Net carrying value basis							
Year ended June 30, 2019							
Opening net book value	-	-	14,008	36,836	32,237	-	83,081
Additions	-	-	-	-	-	-	-
Disposal / Adjustment	-	-	-	-	-	-	-
Depreciation Charges for the year	-	-	(2,101)	(5,525)	(9,671)	-	(17,298)

INSTITUTE OF ARCHITECTS, PAKISTAN (NATIONAL COUNCIL)
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

			2020 (RUPEES)	2019 (RUPEES)
4.	**Long Term Investment**			
	DSC / FDR Certificates		500,000	500,000
			500,000	500,000
	The Institute made investments in DSC through National Saving Centre amounting to Rs.5,00,000 .			
5.	**Advances, Deposit, Prepayments & Other Receivables**			
	Advance to Employees		77,500	-
	Advance Tax		286,805	272,935
			364,305	272,935
6.	**Cash & Bank Balances**			
	Cash at bank		2,639,094	933,514
			2,639,094	933,514
7.	**Accrued & Other Liabilities**			
	Payable to Arcasia		-	257,762
			-	257,762
8.	**Contingencies & Commitments**			
	There is no contingencies and commitments at balance sheet date.			
9.	**Receipts**			
	Fund Generation from IAPEX		820,597	1,073,256
	National Council Budget		6,250,001	7,707,813
	Profit on FDR		138,698	70,705
			7,209,296	8,851,774
10.	**Cost of Services**			
	Event Expenses			
	- IAPEX & Other		1,046,171	1,707,244
			1,046,171	1,707,244
11.	**Administrative & General**			
	Salaries & Wages		881,755	864,650
	Travelling & Conveyance		922,898	1,085,202
	Communications		54,860	54,312
	BAE Expenses		538,680	809,095
	Printing & Stationery		58,781	78,577
	IAP News Letter Expenses		312,042	311,138
	Internet , Web & Computer Expenses		12,526	585,133
	Legal & Professional		622,543	569,567
	Auditor Fees	11.1	189,500	172,000
	Depreciation		17,298	22,788
			3,610,883	4,552,462
11.1.	**Auditors' Remuneration**			
	Audit Fee		189,500	172,000
			189,500	172,000
12.	**Financial**			
	Bank Charges		14,829	13,267
13.	**Cash and Cash Equivalents**			
	Cash and bank balances	6	2,639,094	933,514

14. **Number of Employees**
The Number of employees as at June 30, 2020 were 8 (2019 : 8)

15. **DATE OF AUTHORISATION FOR ISSUE**
These financial statements were authorized for issue on August 03, 2020, by the Board of Governors of the Institute.

Karachi | President | 28/10/2020 Honorary Treasurer

A. G. HABIB & CO.
Chartered Accountants

M/S. INSTITUTE OF ARCHITECTS., PAKISTAN
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

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Ref No. ______________ Date : ______________

INDEPENDENT AUDITOR 'S REPORT

TO THE MEMBER'S OF M/S. INSTITUTE OF ARCHITECTS., PAKISTAN

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **M/S. INSTITUTE OF ARCHITECTS., PAKISTAN** , which comprise the statement of financial position as at **June 30, 2020** , and the profit and loss account, the statement of changes in equity, the cash flow statement for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit.

In our opinion and to the best of our information and according to explanations given to us, the statement of financial position, the profit and loss account, the statement of changes in equity and the cash flow statement together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2020 and of the profit, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Statements and Auditor's Report Thereon

The management is responsible for the other information. The other information comprises the information included in Report of Board of Directors, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

(a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

(b) the statement of financial position, the profit and loss account, the statement of changes in equity and the cash flow statement together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

(c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

(d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

A.G. HABIB & CO.
Chartered Accountants

Place : Karachi.
Dated : August 03, 2020

INSTITUTE OF ARCHITECTS, PAKISTAN
BALANCE SHEET AS AT JUNE 30, 2020

	NOTE	2020 (RUPEES)	2019 (RUPEES)
NON CURRENT ASSETS			
Fixed Assets	3	101,470,451	89,402,734
Long Term Investment	4	500,000	500,000
Short Term Investment		26,000,000	22,500,000
CURRENT ASSETS			
Advances, Deposit, Prepayments & Other Receivables	5	13,480,742	13,657,800
Cash, Cheque & Bank Balances	6	73,517,335	63,189,918
		86,998,077	**76,847,719**
TOTAL ASSETS		**214,968,528**	**189,250,453**
CURRENT LIABILITIES			
Accrued & Other Liabilities	7	1,771,852	545,704
NET ASSETS		**213,196,676**	**188,704,749**
FINANCED BY			
GENERAL FUND			
Opening Balance		188,704,749	169,706,570
Surplus transferred to General Fund		24,491,927	18,998,179
		213,196,676	188,704,749
CONTINGENCIES & COMMITMENTS	8	-	-
TOTAL GENERAL FUNDS		**213,196,676**	**188,704,749**

The annexed notes form an integral part of these financial statements.

Karachi

President

28/10/2020
Honorary Treasurer

INSTITUTE OF ARCHITECTS, PAKISTAN

INCOME & EXPENDITURE ACCOUNT FOR THE YEAR ENDED JUNE 30, 2020

	NOTE	2020 (RUPEES)	2019 (RUPEES)
INCOME			
Receipts	9	96,383,266	99,966,330
Cost of Services	10	59,246,430	72,058,981
Gross Surplus		**37,136,836**	**27,907,349**
EXPENDITURE			
Administrative & General	11	12,610,792	8,873,234
Financial	12	34,117	35,936
		12,644,909	**8,909,170**
Surplus transferred to General Fund		**24,491,927**	**18,998,179**

The annexed notes form an integral part of these financial statements.

28/10/2020

Karachi

President

Honorary Treasurer

INSTITUTE OF ARCHITECTS, PAKISTAN
CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2020

	NOTE	2020 (RUPEES)	2019 (RUPEES)
CASH FLOWS FROM OPERATING ACTIVITIES			
Surplus for the year		24,491,927	18,998,178
Adjustment for non cash charges:			
Depreciation		705,341	210,189
Operating Surplus before changes in Working Capital		**25,197,268**	**19,208,368**
(Increase) / decrease in Current Assets			
Advances, Deposit, Prepayments & Other Receivables		177,058	(5,616,761)
Increase/ (Decrease) in Current liabilities			
Accrued and other liabilities		1,226,148	(212,370)
Net Cash Flows from Operating Activities		**26,600,475**	**13,379,238**
CASH FIOWS FROM INVESTING ACTIVITIES			
Encashment / Investment in Long Term Investment		-	-
Investment in Short Term Deposit		(3,500,000)	(5,300,000)
Fixed capital expenditure		(12,773,059)	(16,480,983)
Net Cash Used in Investing Activities		**(16,273,058)**	**(21,780,983)**
Net Increase in Cash and Cash Equivalents		10,327,417	(8,401,745)
Cash and Cash Equivalents at the beginning of the year	6	63,189,918	71,591,666
Cash and Cash Equivalents at the end of the year	6	**73,517,335**	**63,189,921**

The annexed notes form an integral part of these financial statements.

Karachi

President

Honorary Treasurer

INSTITUTE OF ARCHITECTS, PAKISTAN
STATEMENT OF CHANGES IN FUNDS FOR THE YEAR ENDED JUNE 30, 2020

	NOTE	2020 (RUPEES)
GENERAL FUND		
Balance as at June 30, 2018 as restated		**169,706,568**
Surplus transferred from income and expenditure account		18,998,179
Balance as at June 30, 2019		**188,704,747**
Surplus transferred from income and expenditure account		24,491,927
Balance as at June 30, 2020		**213,196,676**

The annexed notes form an integral part of these financial statements.

Karachi

President

Honorary Treasurer

INSTITUTE OF ARCHITECTS, PAKISTAN

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

1 **The Institute and its Operations**

Institute of Architects Pakistan (IAP) is a company limited by Guarantee was incorporated on May 22, 1969 and is duly registered under section 42 of Companies Ordinance 1984. IAP is a non-profit organization the aim and object of the institute is to be promote and advance the art and science of practice of profession of architecture in Pakistan and to promote and advance the welfare and well being of person engaged in or about to engage in practice of the profession and is wholly committed to Architectural education and development with conduct research and organize seminars, conferences and exhibitions for promoting cause of Architectural profession.

Registered Office of the Institute is situated at IAP House, ST-1/A, Block-2, Clifton, Karachi.

2 **Summary of Significant Accounting Policies**

The Significant Accounting Policies adopted in the preparation of these financial statements are set out below:

2.1 **Statement of Compliance**

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of Accounting and Financial Reporting Standard for Medium-Sized Entities (MSEs) issued by the Institute of Chartered Accountants of Pakistan and provisions of and directives issued under the Companies Ordinance 1984. In case requirements differ, the provisions or directives of the Companies Ordinance 1984 shall prevail.

2.2 **Accounting Convention**

These Financial Statements have been prepared under historical cost convention.

2.3 **Property and Equipment**

These are stated at cost less accumulated depreciation. Depreciation on all property and equipment is charged on reducing balance method. Full month's depreciation is charged in the month of addition while no depreciation is charged in the month of disposal.

- Maintenance and normal repairs are charged to income as and when incurred.
- Major renewal and improvements are capitalized.
- Gains and losses on disposal of property and equipment are included in the income.
- Study materials, publications and stationary costs are charged to income as and when incurred.

2.3.1 Depreciation methods, residual values and useful lives of assets are reviewed at each financial year end, and adjusted if impact on depreciation is significant.

2.4 **Intangible**

This represents Cost of computer software less amortization at the rate of 33% per annum using the reducing balance method and impairment, if any.

2.5 **Investment property**

Investment property is held for long term rental yields/capital appreciation. The investment property of the Institute comprises of office and is valued using the cost method i.e. at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes cost of materials and direct labour; any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalized borrowing costs. Depreciation is charged to income and expenditure account on the reducing balance method so as to allocate the depreciable amount over its estimated use full life. Depreciation on additions to investment property is charged from the month in which a property is acquired or capitalized while no depreciation is charged for the month in which the property is disposed off. The residual values and useful lives of investment property are reviewed at each balance sheet date and adjusted if impact on depreciation is significant The company assesses at each balance sheet date whether there is any indication that the investment property may be impaired, If such indication exists, the carrying amounts of such assets are written down to their recoverable amounts and the resulting impairment loss Is recognized in the income and expenditure account. The recoverable amount is the higher of the assets fair value less costs to self and value in use, Where an impairment loss is recognized. the depreciation charge is adjusted in the future period to allocate the assets' revised carrying amount over its estimated useful life. The gain or loss on disposal of investment property represented by the difference between the sale proceeds and the carrying amount of the asset is recognized as income or expense.

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INSTITUTE OF ARCHITECTS, PAKISTAN

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

2.6 Investments

Held to maturity

Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity that an entity has the positive intention and ability to hold to maturity. Investments classified as held to maturity are recognized initially at fair value, plus attributable transaction cost. Subsequent to initial recognition, these are stated at amortized cost with any difference between cost and redemption value being recognized in the income and expenditure account over the period of the investments on an effective yield method.

2.7 Taxation

The Institute is approved as Non-Profit Organization under section 2 (36) the Income Tax Ordinance., 2001 and the institute fulfilling the conditions envisages in section 100C (1) of the Income Tax Ordinance., 2001 and income is held eligible for purposes of 100% Tax Credit in terms of section 100C (2) (a) & (d) of the Income Tax Ordinance., 2001 being an educational institution established solely for educational purposes and not for the purposes of profit.

2.8 Financial Assets and Liabilities

All financial assets and liabilities are recognized at the time when the Institute becomes a party to contractual provisions of the instrument. Any gain and loss on depreciations of the financial assets and liabilities is taken to income and expenditure account. Financial assets are recognized at the time when the Institute loses control of the contractual rights that compromise the financial assets. All financial liabilities are derecognized at the time when they are extinguished that is, when the obligation specified in the contract is discharged, cancelled, or expires. Any gain or loss on depreciation of the financial assets and liabilities is taken to income and expenditure account.

2.9 Provisions

Provisions are recognized in the balance sheet when the institute has a legal or constructive obligation as a result of past events and it is probable that out flow of economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. However, provisions are reviewed at each balance sheet date and adjusted to reflect current best estimate.

2.10 Creditors, Accrued and Other Liabilities

Liabilities for creditors and for other amounts payable are stated at cost which is the fair value of the consideration to be paid in future for goods and services received, whether or riot billed to the Institute.

2.11 Cash and Cash Equivalents

Cash and Cash Equivalents are carried at cost, For the purpose of cash flow statement, cash and cash equivalents comprise cash in hand, cash with banks on current and saving accounts.

2.12 Revenue Recognition

Revenue is recognized on cash basis.

- Profit on bank deposits and investments is accounted for on pro-rata basis.
- Profit on saving account is recognized on effective yield basis.

2.13 Impairment

The carrying amounts of the Institute's assets are reviewed at balance sheet date to determine whether there is any indication of impairment. if any such induction exists. the assets recoverable amount is estimated and impairment losses are recognized.

2.14 Judgment, estimates and assumptions

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the company's accounting policies. Estimates and judgment are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to Institute's financial statements or where judgments were exercised in application of accounting policies are as follows;

- Useful lives of depreciable assets and residual value note 2.3.

2.15 Functional and presentation currency

These financial statements are presented in Pakistan Rupees which is also the Institute's functional currency.

2.16 General

- Figures have been rounded off to the nearest rupee,

INSTITUTE OF ARCHITECTS, PAKISTAN

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

- Prior year' figures have been re-arranged, whenever necessary for the purpose of comparison.

			2020 (RUPEES)	2019 (RUPEES)
3	**Property and Equipment**			
	Property and equipment	3.1	8,820,922	6,044,688
	Capital work in progress		92,649,529	83,358,046
			101,470,451	**89,402,734**

3.1 Operating Fixed Assets

	Land	Office Premises	Furniture & Fixture	Office Equipment	Computer	Vehicle	Total
Net carrying value basis	RUPEES						
Year ended June 30, 2018							
Opening net book value	2,716,000	2,398,500	60,413	613,572	187,879	9,612	5,985,976
Additions	-	-	127,400	68,500	73,000	-	268,900
Disposal / Adjustment	-	-	-	-	-	-	-
Depreciation Charges for the year	-	-	(28,172)	(102,310)	(78,264)	(1,442)	(210,188)
Net book value as at June 30, 2019	**2,716,000**	**2,398,500**	**159,641**	**579,762**	**182,615**	**8,170**	**6,044,688**

	Land	Office Premises	Furniture & Fixture	Office Equipment	Computer	Vehicle	Total
	RUPEES						
Net carrying value basis							
Year ended June 30, 2019							
Opening net book value	2,716,000	2,398,500	159,641	579,762	182,615	8,170	6,044,688
Additions	-	-	2,909,805	383,871	107,900	80,000	3,481,576
Disposal / Adjustment	-	-	-	-	-	-	-
Depreciation Charges for the year	-	-	(460,417)	(144,544)	(87,154)	(13,226)	(705,341)
Net book value as at June 30, 2020	**2,716,000**	**2,398,500**	**2,609,029**	**819,089**	**203,361**	**74,944**	**8,820,922**
Annual rate of Depreciation	-	-	15%	15%	30%	15%	

		2020	2019
4	**Long Term Investment**		
	DSC / FDR / TDR Certificates	500,000	500,000
		500,000	**500,000**

The Institute made investments in DSC through National Saving Centre amounting to Rs.500,000

		2020	2019
5	**Advances, Deposit, Prepayments & Other Receivables**		
	Security Deposit	1,616,000	800,000
	Prepayments	2,184,375	3,500,750
	Advance to Employees	181,000	97,000
	Prepayment Expenses	110,000	-
	Advance Tax	9,276,989	9,260,050
		13,368,364	**13,657,800**
6	**Cash, Cheque & Bank Balances**		
	Cash in hand	19,890	107,425
	Cash at bank	73,497,445	63,082,493
		73,517,335	**63,189,918**

INSTITUTE OF ARCHITECTS, PAKISTAN

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

			2020 (RUPEES)	2019 (RUPEES)
7	**Accrued & Other Liabilities**			
	Other payable		546,852	287,942
	Advance against Event Expenses IAPEX & Others		-	257,762
	Unearned Income		1,225,000	-
			1,771,852	545,704
8	**Contingencies & Commitments**			
	There is no contingencies and commitments at balance sheet date.			
9	**Receipts**			
	Subscriptions Fee		1,821,800	1,487,000
	Fund Generation from IAPEX		89,694,029	96,456,563
	Profit on PLS Account		863,968	602,041
	Profit on FDR		811,629	181,664
	Rental Income		202,960	79,062
	Donation from IAP Professionals, Members & Patrons		2,988,880	1,160,000
			96,383,266	99,966,330
10	**Cost of Services**			
	Event Expenses			
	- IAPEX		50,984,121	68,226,752
	- Others		8,262,309	3,832,229
			59,246,430	72,058,981
11	**Administrative & General**			
	Salaries & Wages		4,253,776	3,499,661
	Utilities Expenses		276,938	246,362
	Travelling & Conveyance		1,137,208	1,595,945
	Communications		446,327	381,832
	Health Insurance Premium		2,080,513	-
	Entertainment		33,215	-
	Printing & Stationery		233,092	142,399
	BAE Expenses		1,085,634	874,095
	IAP News Letter Expenses		312,042	311,138
	Repair & Maintenance		479,646	133,858
	Income Tax on FDR Profit		67,293	11,096
	Rent, Rate & Taxes		555,192	-
	Internet , Web & Computer Expenses		12,526	595,133
	Auditors' Remuneration	11.1	189,500	172,000
	Legal & Professional		622,543	569,567
	Miscellaneous		120,006	129,959
	Depreciation		705,341	210,188
			12,610,792	8,873,233
11.1.	**Auditors' Remuneration**			
	Audit Fee		189,500	172,000
			189,500	172,000
12	Financial			
	Bank Charges		34,117	35,936

INSTITUTE OF ARCHITECTS, PAKISTAN

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

		2020 (RUPEES)	2019 (RUPEES)
13 **Cash and Cash Equivalents**			
Cash and bank balances	6	73,517,335	63,189,918

14 **Number of Employees**

The Number of employees as at June 30, 2020 were 8 (2019 : 8)

15 **DATE OF AUTHORISATION FOR ISSUE**

These financial statements were authorised for issue on August 03, 2020, by the Board of Governors of the Institute.

28/10/2020

Karachi

President

Honorary Treasurer