



**The Institute of  
Chartered Accountants  
of Pakistan**

**CA  
PAKISTAN**

**HEAD OFFICE**

Circular No.5/ 2018

April 6, 2018

**ALL MEMBERS OF THE INSTITUTE**

Dear Member

**Invitation to Comment on Draft Illustrative Financial Statements and Draft Disclosure Checklist prepared in accordance with IFRS for SMEs and fifth schedule of the Companies Act 2017**

The Accounting Standards Board (ASB) following a transparent and consultative approach has initiated various projects that aim to strengthen the financial reporting environment and practices of the country.

**Illustrative financial statements and disclosure checklist**

The financial reporting related requirements under the Companies Act 2017 are applicable for the periods ended after December 31, 2017.

ASB focuses on the provision of timely and effective guidance to all the stakeholders on financial accounting and reporting matters. Accordingly, for the benefit of members and other stakeholders, the Institute's Technical Services Department has prepared the following documents:

- Illustrative financial statements prepared in accordance with IFRS for SMEs and fifth schedule of the Companies Act 2017
- Disclosure checklist of IFRS for SMEs and fifth schedule of the Companies Act

The illustrative financial statements have been prepared with the objective to formulate a comprehensive document providing maximum benefit and guidance to all the stakeholders. Accordingly, the illustrative financial statements cover wide set of disclosures based on range of circumstances, transactions and events. Further, the original texts of the presentation and disclosure requirements (as contained in the IFRS for SMEs and fifth schedule of the Companies Act 2017) have also been produced in the illustrative financial statements for reference purposes.

It is important to highlight that the illustrative presentation and disclosures should always be considered in context of the company specific materiality thresholds, events, transactions and circumstances combined with user needs. Accordingly, the presentation and disclosures contained in the publication may not be relevant and required to companies due to the absence of a particular transaction or event.

These publications can be used by the preparers of financial statements and other stakeholders (such as lenders, auditors, regulators). It is expected that these documents will improve the understanding and application of the presentation and disclosure requirements of IFRS for SMEs and Companies Act 2017.

**(Established under the Chartered Accountants Ordinance, 1961 - X of 1961)**

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#### **Exposure draft for comments**

ASB is pleased to expose the draft illustrative financial statements and disclosure checklist for the purpose of members' consultation.

You are invited to offer your comments on the draft illustrative financial statements and disclosure checklist. While formulating comments you are requested to consider the objective of these illustrative financial statements i.e. to provide a comprehensive guidance and reference material to all the stakeholders by covering wide range of transactions and events. You are also requested to read the Preface section of the illustrative financial statements.

The comments would be more helpful if they indicate the specific paragraph, disclosure note or disclosure requirements of the checklist, to which they relate, clearly explaining the issue(s), and providing a suggestion for the alternative text, disclosure or solution. You are also requested to provide the rationale for the suggested change for understanding and further consideration.

The full text of the draft Illustrative financial statements and disclosure checklist can be downloaded from the Institute's website at: <http://www.icap.net.pk/downloads/open-for-comment>

You are requested to send your valued comments to the Directorate of Technical Services at [dtscomments@icap.org.pk](mailto:dtscomments@icap.org.pk) latest by **May 6, 2018**.

#### **Excel version of illustrative financial statements and disclosure checklist**

It is also pertinent to mention that 'Excel' version of the final illustrative financial statements and disclosure checklist (after consideration of members' comments) will also be issued for the benefit and use of members and other stakeholders. The excel version of the illustrative financial statements will only contain the format of financial statements, including detailed disclosure notes.

Yours truly

Sohail Malik  
Director Technical Services

Encls: as above