The Institute of Chartered Accountants of Pakistan

CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2022

(UN-AUDITED)

REPORT OF THE COUNCIL
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2022

The Council is pleased to present the unaudited condensed interim financial statements of the Institute for the first quarter ended September 30, 2022 alongwith a brief review of the Institute's activities.

FINANCIAL HIGHLIGHTS

The key financial results of the Institute for the first quarter ended September 30, 2022 are as follows:

	First quarter ended September 30, 2022	First quarter ended September 30, 2021
	---------- Rs. '000 ----------	
Income	679,865	541,226
Expenditure	362,470	314,926
Excess of income over expenditure	317,395	226,300
Income from investments	65,305	21,533
Total comprehensive income for the period	**382,700**	**247,833**

During the period under review, Income (including income from investments) increased by 32.4% and Expenditure increased by 15.1% from that of the corresponding period of the previous year, resulting in 54.4% increase in the total comprehensive income. However, it may be noted that the high surplus in the first quarter is because almost the entire membership fee is received and recorded in the first quarter.

ACTIVITIES

During the period, the activities of the Institute remained in line with its strategic plan. A brief of these activities is as under:

1. **Best Corporate and Sustainability Report 2021 Awards:**
   The awards ceremony for the winners of Best Corporate and Sustainability Report (BCSR) 2021 Awards was held in September 2022. In this ceremony, the Joint Evaluation Committee of the ICAP and the Institute of Cost and Management Accountants announced the winners of the BCSR 2021 Awards.

2. **On boarding ACPs:**
   The Council of ICAP approved the implementation of Hands-On Courses (HOC) in the new education scheme 2021. These courses must be completed from Approved Course Providers (ACP) and the criteria for ACP were approved by the Council in June 2022. 50 ACPs have been onboarded to offer classes for three courses: MS Office, PPE, Data Analytics & Fintech.

3. **Finance Leader 2.0 – Leadership Transformation:**
   ICAP's Professional Accountants in Business (PAIB) Committee conducted its second batch of Finance

leader 2.0-Leadership Transformation series program, from September 8-13, 2022 in Lahore. The program was spread over four days of content, comprising of Leading Self, Leading Change, Leading strategy and Leading Culture.

4. **Data Analytics Training Program:**
   The Digital Board launched the second cohort of the program in July, 2022 and enrolled 105 participants. The training is heavily over-subscribed and registrations were closed in three days having participants from Pakistan and abroad (mainly from Saudi Arabia, United Arab Emirates, Qatar and United Kingdom).

5. **Data Analytics Mentorship Program:**
   Data analytics and mentorship program for finance professionals & students was launched in September, 2022 to enlighten participants about the impact of learning Data Analytics. Since then, mentorship sessions are conducted on a regular basis by industry professionals sharing best practices, and digital dashboards using analytical tools.

6. **Guidance on Rotation of Auditors:**
   The Auditing Standards & Ethics Committee of the Institute issued a comprehensive 'Guidance on Rotation of Auditors', in September 2022. The guidance explains the requirements relating to the rotation of audit partner, change of audit firm and the cooling-off period provided in the Code of Ethics and statutory laws applicable to various entities.

7. **Virtual Sessions at Pre-Incubation Phase**
   Pre-Incubation phase at I-Thrive Incubation Center was initiated from August 06, 2022. As part of the Pre-incubation phase, series of virtual sessions with successful entrepreneurs to discuss their business journeys were held from August till October 2022 on ICAP Facebook page. The sessions were viewed by more than 25,000 through Facebook Live.

The Council would like to convey its best wishes and pray for the health and safety of the members and students 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

Abu Talib Haideri
Secretary
Karachi, March 16, 2023

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF PAKISTAN
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2022

	Note	September 30, 2022 Un-audited	June 30, 2022 Audited
		----- Rupees in '000 -----	
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	5	792,855	847,706
Intangible assets	6	42,844	42,068
Long term investments	7	44,327	44,353
Loans, advances, deposits and prepayments		11,048	12,808
		891,074	946,935
CURRENT ASSETS			
Stock of study packs, publications and souvenirs	8	12,919	9,392
Short term investments	9	1,789,462	1,413,910
Loans, advances, prepayments and other receivables	10	83,539	82,976
Accrued income on investments		4,282	7,705
Cash and bank balances	11	39,810	24,465
		1,930,012	1,538,448
NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE	14	57,380	-
TOTAL ASSETS		2,878,466	2,485,383
LIABILITIES			
NON-CURRENT LIABILITIES			
Lease liabilities against Right-of-use (RoU) assets	12	-	2,813
CURRENT LIABILITIES			
Creditors, accrued and other liabilities	13	193,783	174,895
Fee and charges received in advance		97,479	103,622
Current portion of lease liabilities against Right-of-use (RoU) assets		5,215	4,764
		296,477	283,281
TOTAL LIABILITIES		296,477	286,094
CONTINGENCIES AND COMMITMENTS	15		
NET ASSETS		2,581,989	2,199,289
REPRESENTED BY:			
ACCUMULATED FUNDS			
General Fund		2,002,421	1,660,045
Specific Fund		3,228	3,112
Endowment Funds		349,522	339,811
Regional Committees		48,139	40,912
Benevolent Fund		178,679	155,409
		2,581,989	2,199,289

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 FIRST QUARTER ENDED SEPTEMBER 30, 2022

	Note	First quarter ended	
		September 30, 2022	September 30, 2021
		----- Rupees in '000 -----	
INCOME			
Members' subscription and other fees		253,642	228,150
Examination and other fees		382,264	260,090
Education and training fees		33,684	44,768
Publications		7,521	1,957
Other income	16	2,754	6,261
		679,865	541,226
SERVICE / OPERATIONAL EXPENDITURE			
Salaries, allowances and other benefits		93,571	88,684
Examination charges		104,842	75,926
Depreciation		12,401	12,975
Impairment on Property and equipment		10,881	-
Traveling and related expenses		6,804	1,794
Study packs and other publications		6,952	8,464
Utilities		21,730	14,068
Network and communication		3,126	2,817
Repairs and maintenance		11,678	15,103
Printing and stationery		4,579	2,869
Rent, rates and taxes	17	6,756	5,956
Advertisement and marketing		2,796	615
Amortization of intangible assets		820	1,212
Financial assistance to students		-	5,341
Financial assistance to members and/or members' families		8,140	8,726
Members induction ceremony		-	8,401
Edhi CA talent program		3,270	3,012
Vehicles maintenance and running cost		4,757	2,179
Legal charges		709	896
Professional charges		3,717	2,852
Interest expense on lease liabilities against RoU assets		228	375
Others	18	20,197	20,485
		327,954	282,750
ADMINISTRATIVE / MANAGERIAL EXPENDITURE			
Salaries, allowances and other benefits		32,512	31,236
Traveling and related expenses		430	116
Vehicles maintenance and running cost		1,574	824
		34,516	32,176
Total Expenditures		362,470	314,926
Excess of income over expenditure before income from investments		317,395	226,300
Income from investments		65,332	21,856
Excess of income over expenditure for the period		382,727	248,156
Other comprehensive income			
Items that will not be subsequently reclassified to profit or loss			
(Deficit)/surplus on re-measurement of financial assets at fair value through other comprehensive income		(27)	(323)
Total comprehensive income for the period		382,700	247,833
ATTRIBUTABLE TO:			
General Fund		342,376	223,057
Specific Fund		116	(835)
Endowment Funds		9,711	(1,831)
Regional Committees		7,227	8,936
Benevolent Fund		23,270	18,506
		382,700	247,833

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 FIRST QUARTER ENDED SEPTEMBER 30, 2022

	Note	September 30, 2022	September 30, 2021
		----- Rupees in '000 -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received against:			
Members' subscription and other fees		247,343	229,023
Examination and other fees		375,913	264,580
Education and training fees		33,684	44,768
Sale of publications		8,112	2,018
Facilities and miscellaneous		11,214	5,262
		676,266	545,651
Cash paid against:			
Salaries, allowances and other benefits		140,680	119,380
Fees to professional bodies		-	-
Property tax		1,484	1,405
Examination charges		81,363	63,170
Short term leases		6,599	3,764
Supplies and services		98,281	132,776
		328,407	320,495
Net cash generated from operating activities		347,859	225,156
CASH FLOWS FROM INVESTING ACTIVITIES			
Investments made - net		(1,772,597)	(335,513)
Fixed capital expenditure		(22,763)	(13,786)
Purchase of intangible assets		(1,596)	(567)
Proceeds from sale of property and equipment		1,225	-
Income received from investments		67,803	25,902
Net cash used in investing activities		(1,727,928)	(323,964)
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash paid against:			
- lease liabilities against RoU assets		(2,025)	(1,521)
- finance cost on lease liabilities against RoU assets		(564)	(833)
Net cash used in financing activities		(2,589)	(2,354)
Net decrease in cash and cash equivalents		(1,382,658)	(101,162)
Investment realisable within three months		1,787,600	984,776
Cash and cash equivalents - at the beginning of the period		1,422,468	133,629
Cash and cash equivalents - at the end of the period	19	1,827,410	1,017,243

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 FIRST QUARTER ENDED SEPTEMBER 30, 2022

	General Fund	Specific Fund	Endowment Funds			Regional Committees			Benevolent Fund	Total
			Students' Fund	Libraries Development Fund	Sub total	Southern	Northern	Sub total		
	Rs. in '000									
Balance as at July 01, 2021	1,386,737	5,082	258,202	10,079	268,281	25,972	7,530	33,502	147,066	1,840,668
Transferred to Benevolent Fund as special contribution	(2,000)								2,000	-
Total comprehensive income for the period ended September 30, 2021										
Excess / (deficit) of income over expenditure for the period	223,057	(835)	(1,968)	137	(1,831)	6,582	2,354	8,936	18,829	248,156
Other comprehensive income	-	-	-	-	-	-	-	-	(323)	(323)
	223,057	(835)	(1,968)	137	(1,831)	6,582	2,354	8,936	18,506	247,833
Balance as at September 30, 2021	1,607,794	4,247	256,234	10,216	266,450	32,554	9,884	42,438	165,572	2,088,501
Balance as at July 01, 2022	1,660,045	3,112	329,007	10,804	339,811	33,984	6,928	40,912	155,409	2,199,289
Total comprehensive income for the period ended September 30, 2022										
Excess / (deficit) of income over expenditure for the period	342,376	116	9,327	384	9,711	4,206	3,021	7,227	23,297	382,727
Other comprehensive loss	-	-	-	-	-	-	-	-	(27)	(27)
	342,376	116	9,327	384	9,711	4,206	3,021	7,227	23,270	382,700
Balance as at September 30, 2022	2,002,421	3,228	338,334	11,188	349,522	38,190	9,949	48,139	178,679	2,581,989

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 FIRST QUARTER ENDED SEPTEMBER 30, 2022

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. 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 first quarter ended September 30, 2022 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, 2022.

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, 2022, 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 first quarter ended September 30, 2022.

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 amortized 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

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, 2022 except the policy of non-current asset classified as held for sale which is noted below.

3.1 Non-current assets classified as held for sale

Non-current assets are classified as held for sale if their carrying amount is to be recovered principally through a sale transaction rather than through continuing use. These assets are available for sale in their present condition subject only to terms that are usual and customary for sales of such assets and their sale is highly probable.

The Institute measures its non-current assets classified as held for sale at the lower of carrying amount and fair value less costs to sell. Costs to sell signify the incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

4. ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of this condensed interim financial information is 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, 2022.

5. PROPERTY AND EQUIPMENT	Note	September 30, 2022 Un-audited	June 30, 2022 Audited
		----- Rupees in '000 -----	
Land	5.1	440,220	440,220
Operating fixed assets	5.2	349,635	399,642
Capital work in progress	5.3	3,000	7,844
		792,855	847,706

5.1 Land

This also 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, has authorised the Council to proceed for the sale of the Preedy Street land at best available price.

	Note	September 30, 2022 Un-audited	June 30, 2022 Audited
5.2 Operating fixed assets		----- Rupees in '000 -----	
Net book value at beginning of the period / year		399,642	388,910
Additions during the period / year	5.2.1	15,671	67,780
Less:			
Transfer to asset held for sale		52,052	-
Disposals at book value:			
[having cost Rs. 2.691 million (June 30, 2022: Rs. 5.408 million)]	5.2.2	1,225	1,775
Depreciation charge for the period / year		11,522	51,801
Depreciation charge on RoU assets for the period / year		879	3,472
		13,626	57,048
Net book value at end of the period / year	5.2.3	349,635	399,642

5.2.1 Additions during the period / year at cost

Building on leasehold land	564	12,843
Electric fittings and appliances	4,086	6,597
Furniture and fixtures	937	16,401
Vehicles	2,269	6,286
Office equipment	7,815	21,103
	15,671	63,230

5.2.2 Disposals during the period / year at book value

Vehicles	1,153	1,504
Office equipment	72	271
	1,225	1,775

5.2.3 Building on leasehold land includes property recognized as right-of-use-assets at book value of Rs. 4.69 million.

	Note	September 30, 2022 Un-audited	June 30, 2022 Audited
5.3 Capital work in progress		----- Rupees in '000 -----	
Opening balance		7,844	23,299
Additions (at cost)		11,365	18,905
Transfer to operating fixed assets		-	(34,360)
Transfer to non-current assets classified as held for sale		(16,209)	-
Closing balance		3,000	7,844

		Note	September 30, 2022 Un-audited	June 30, 2022 Audited
			----- Rupees in '000 -----	
6.	**INTANGIBLE ASSETS**			
	Intangible assets - Net book value	6.1	5,411	5,178
	Cost of software development in progress		37,433	36,890
			42,844	42,068
6.1	Net book value at the beginning of the period / year		5,178	4,995
	Additions during the period / year		1,053	3,458
	Amortization during the period / year		(820)	(3,275)
	Net book value at the end of the period / year		5,411	5,178
7.	**LONG TERM INVESTMENTS**			
	At amortized cost			
	General Fund	7.1	40,000	40,000
	At fair value through other comprehensive income			
	Benevolent Fund	7.2	4,327	4,353
			44,327	44,353
7.1	**General Fund**			
	At amortized cost			
	Certificates of Islamic Investment	7.1.1	40,000	70,000
	Less: Maturing within one year, classified under short term investments		-	(30,000)
			40,000	40,000

7.1.1 This represents investment in Sharia Compliant Term Deposit Certificates with a bank aggregating to Rs. 40 million (June 30, 2022: Rs. 70 million). These certificates carried profit at the rates ranging from 10.17% to 10.33% (June 30, 2022: 6.90% to 10.34%) per annum receivable on monthly basis and is maturing on February 16, 2024.

		Note	September 30, 2022 Un-audited	June 30, 2022 Audited
			----- Rupees in '000 -----	
7.2	**Benevolent Fund**			
	At Fair value through other comprehensive income			
	Investments in equity shares			
	The Hub Power Company Limited			
	As on 01-July		3,057	3,573
	(Deficit) / Surplus on re-measurement based on the market value of 44,839 ordinary shares (June 30, 2021: 44,839 ordinary shares)		78	(516)
			3,135	3,057

		September 30, 2022 Un-audited	June 30, 2022 Audited
		----- Rupees in '000 -----	
Fauji Fertilizer Company Limited			
As on 01-July		1,296	1,247
(Deficit) on re-measurement based on the		(104)	49
Market value of 11,767 ordinary shares		1,192	1,296
(June 30, 2021: 11,767 ordinary shares)			
		4,327	4,353

8. STOCK OF PUBLICATIONS AND SOUVENIRS

Stock of publications and souvenirs	12,950	9,423
Less: Provision for obsolete stock	(31)	(31)
	12,919	9,392

9. SHORT TERM INVESTMENTS

At amortized cost

General Fund	9.1	1,314,458	961,525
Specific Fund	9.2	3,002	3,030
Endowment Funds	9.3	278,834	266,628
Southern Regional Committee	9.4	30,025	25,031
Northern Regional Committee	9.5	6,013	6,010
Benevolent Fund	9.6	157,130	151,686
		1,789,462	1,413,910

9.1 General Fund

Certificates of Islamic Investment	9.1.1	1,314,458	874,470
Maturing within one year, transferred from long term investments		-	30,000
		1,314,458	904,470
Pakistan Investment Bonds		-	57,055
		1,314,458	961,525

9.1.1 This represents investment in Sharia Compliant Term Deposit Certificates with banks having aggregate face value of Rs. 1,313.0 million (June 30, 2022: Rs. 873.8 million). These certificates carry profit at the rate of 14.97% to 15.50% (June 30, 2022: 14.90% to 15.50%) per annum receivable on maturity and are maturing on various dates upto December 29, 2022. Accrued profit amounting to Rs. 1.458 million (June 30, 2022: Rs. 0.670 million) is included in the carrying value.

9.2 Specific Fund	Note	September 30, 2022 Un-audited	June 30, 2022 Audited
		----- Rupees in '000 -----	
Certificate of Islamic Investment	9.2.1	3,002	2,203
Pakistan Investment Bonds		-	827
		3,002	3,030

9.2.1 This represents investment in Sharia Compliant Term Deposit Certificate with a bank having aggregate face value amounting to Rs. 3.0 million (June 30, 2022: 2.2 million). This certificate carries profit at the rate of 15% (June 30, 2022: 15.00%) per annum receivable on maturity and is maturing on December 27, 2022. Accrued profit amounting to Rs. 0.003 million (June 30, 2021: Rs. 0.003 million) is included in the carrying value.

		September 30, 2022 Un-audited	June 30, 2022 Audited
9.3 Endowment Funds	**Note**	**----- Rupees in '000 -----**	
Students' Fund			
Certificate of Islamic Investment	9.3.1	267,820	202,000
Pakistan Investment Bonds		-	54,160
		267,820	256,160
Libraries Development Fund			
Certificate of Islamic Investment	9.3.2	11,014	5,507
Pakistan Investment Bonds		-	4,961
		11,014	10,468
		278,834	266,628

9.3.1 This represents investment in Sharia Compliant Term Deposit Certificates with a bank having aggregate face value amounting to Rs. 267.6 million (June 30, 2022: Rs. 202.0 million). These certificates carry profit at the rate of 15.0% (June 30, 2022: 14.9%) per annum receivable on maturity and are maturing on December 27, 2022. Accrued profit amounting to Rs. 0.22 million (June 30, 2022: Rs. NIL) is included in the carrying value.

9.3.2 This represents investment in Sharia Compliant Term Deposit Certificate with a bank having face value of Rs. 11.0 million (June 30, 2022: Rs. 5.5 million). This certificate carries profit at the rate of 15.5% (June 30, 2022: 15.00%) per annum receivable on maturity and is maturing on December 27, 2022. Accrued profit amounting to Rs. 0.014 million (June 30, 2022: Rs. 0.007) is included in the carrying value.

		September 30, 2022 Un-audited	June 30, 2022 Audited
9.4 Southern Regional Committee	**Note**	**----- Rupees in '000 -----**	
Certificates of Islamic Investment	9.4.1	30,025	25,031

9.4.1 This represents investment in Sharia Compliant Term Deposit Certificate with a bank having face value of Rs. 30 million (June 30, 2022: Rs. 25 million). This certificate carries profit at the rate of 15% (June 30, 2022: 15.00%) per annum receivable on maturity and is maturing on December 27, 2022. Accrued profit amounting to Rs. 0.024 million (June 30, 2022: Rs. 0.031 million) is included in the carrying value.

		September 30, 2022 Un-audited	June 30, 2022 Audited
9.5 Northern Regional Committee	**Note**	**----- Rupees in '000 -----**	
Certificates of Islamic Investment	9.5.1	6,013	6,010

9.5.1 This represents investment in Sharia Compliant Term Deposit Certificate with a bank having face value of Rs. 6 million (June 30, 2022: Rs. 6 million). This certificate carries profit at the rate of 15.5% (June 30, 2022: 14.9%) per annum receivable on maturity and is maturing on December 25, 2022. Accrued profit amounting to Rs. 0.013 million (June 30, 2022: Rs. 0.010 million) is included in the carrying value.

			September 30, 2022 Un-audited	June 30, 2022 Audited
9.6	**Benevolent Fund**	**Note**	**----- Rupees in '000 -----**	
	Certificate of Islamic Investment	9.6.1	157,130	151,686

9.6.1 This represents investment in Sharia Compliant Term Deposit Certificates with a bank having face value aggregating to Rs. 157.0 million (June 30, 2022: Rs. 151.5 million). These certificates carry profit at the rate of 15% (June 30, 2022: 15%) per annum receivable on maturity and are maturing on December 27, 2022. Accrued profit amounting to Rs. 0.130 million (June 30, 2022: Rs. 0.186 million) is included in the carrying value.

10. Other Receivable includes an amount of Rs. 6 million recoverable from a lessor. The amount was paid under an agreement, being security deposit and advance rent, for acquisition of the rented premises. However, the lessor failed to fulfil his obligation under the agreement, hence the Institute has initiated the legal proceedings for the recovery of the said amount. The Institute is confident of a favorable outcome, hence the amount paid has been considered as receivable.

It also includes an amount of Rs. 22 million, deposited with LDA without prejudice and under protest as per the court order dated January 28, 2021.

			September 30, 2022 Un-audited	June 30, 2022 Audited
11.	**CASH AND BANK BALANCES**	**Note**	**----- Rupees in '000 -----**	
	Cash in hand			
	Local currency		501	411
	Cash at bank			
	Current accounts			
	Local currency		8,886	2,955
	Foreign currency		228	204
			9,114	3,159
	PLS accounts			
	Local currency	11.1	29,969	20,692
	Foreign currency	11.2	226	203
			30,195	20,895
			39,810	24,465

11.1 These carry profit rates up to 14.25% per annum (June 30, 2022: 13.75% per annum).

11.2 These carry profit rates up to 0.05% per annum (June 30, 2022: 0.05% per annum).

	Note	September 30, 2022 Un-audited	June 30, 2022 Audited
		----- Rupees in '000 -----	
12. LEASE LIABILITIES AGAINST RIGHT-OF-USE (RoU) ASSETS			
Lease liabilities against RoU assets	12.1	5,215	7,577
Less: Current portion		(5,215)	(4,764)
		-	2,813

12.1 As at September 30, 2022, Lease liabilities against right-of-use-assets aggregating to Rs. 5.215 million (June 30, 2022: Rs. 7.577). The maturity analysis of the lease liabilities is as under:

	Note	September 30, 2022 Un-audited	June 30, 2022 Audited
		----- Rupees in '000 -----	
Within one year		5,215	4,764
Over one year up to three years		-	2,813
		5,215	7,577

13. CREDITORS, ACCRUED AND OTHER LIABILITIES			
Creditors		79,802	65,899
Accrued liabilities	13.1	88,503	79,824
Other liabilities:			
Endowment to students		2,518	11,873
Retention money		3,492	3,402
IFRS Foundation royalty		2,050	1,459
Others		17,418	12,438
		25,478	29,172
		193,783	174,895

13.1 These include Rs. 35.26 million (June 30, 2022: Rs. 43.94 million) of provision against accumulated compensated absences.

14. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

As part of its strategic review, the Council, in its meeting held on August 26 & 27, 2022, decided to sale the Karachi City Office building due to non-suitability of the premises under current circumstances and has initiated an active plan to locate the buyer and complete the sale.

In view of the council decision, the carrying value of the said building amounting to Rs 68.26 million included in operating fixed assets and capital work in progress amounting to Rs. 52.1 million and Rs. 16.2 million respectively has been re-classified as non-current asset held for disposal.

As per valuation carried in September 2022, the value of the building is Rs. 57.90 million. Considering 1% cost to sell, the fair value less cost to sale is determined at Rs 57.38 million.Accordingly an impairment of Rs 10.88 million has been recorded in these financial statements.

Subsequent to the period end, the council in its meeting held on January 14, 2023, reconsidered its earlier decision of August 2022 regarding the sale of Karachi City Office building and decided to retain it.

15. CONTINGENCIES AND COMMITMENTS

15.1 There is no significant change in the status of contingencies as reported in Note 17 to the Annual Audited Financial Statements of the Institute for the year ended June 30, 2022.

15.2 Commitments in respect of the capital expenditure as at reporting date aggregated to Rs. 106.38 million (June 30, 2022: Rs. 58.25 million).

16. OTHER INCOME

	First quarter ended	
	September 30, 2022	September 30, 2021
	Un-audited	Un-audited
	----- Rupees in '000 -----	
Income derived from utilization of facilities	273	-
Net surplus from Directors' Training Program	937	2,205
Net surplus from Continuing Professional Development (CPD) and other events	1,213	3,548
Donation received	228	182
Miscellaneous	103	326
	2,754	6,261

17. RENT, RATES AND TAXES

This includes rentals amounting to Rs. 6.348 million (September 30, 2021: Rs. 5.273 million) related to short term property leases.

18. OTHERS

	First quarter ended	
	September 30, 2022	September 30, 2021
	Un-audited	Un-audited
	----- Rupees in '000 -----	
Fees to professional bodies	3,250	2,369
Meetings and related expenses	2,918	2,015
Books and publications	328	149
Bank charges	8,019	5,987
Insurance	1,352	1,118
Provision for obsolete stock of study packs, publications and souvenirs	-	2,388
Provision against advance income tax	1,464	2,660
Training expenses	364	568
Sports and recreation	821	256
Net deficit from Continuing Professional Development (CPD) and other events	-	2,258
Sundry expenses	1,681	717
	20,197	20,485

19. CASH AND CASH EQUIVALENTS

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

	September 30, 2022 Un-audited	September 30, 2021 Audited
	----- Rupees in '000 -----	
Cash and bank balances	39,810	32,467
Short term investments realisable within three months	1,787,600	984,776
	1,827,410	1,017,243

20. TRANSACTIONS WITH RELATED PARTIES

20.1 Transactions with related parties are as follows:

Relationship with the Institute	Nature of transactions	September 30, 2022 Un-Audited	September 30, 2021 Un-Audited
		----- Rupees in '000 -----	
Staff retirement benefit plans	Contribution paid to Provident Fund	5,897	5,432
Key management personnel: Secretary, Directors and Senior Managers	Managerial remuneration	62,219	51,269
Members of the Council	- Membership fee received	1,154	780
	- RAET annual renewal fee received	-	107

20.2 Period / year end balances:

Relationship with the Institute	Nature of balances	September 30, 2022 Un-audited	June 30, 2021 Audited
		----- Rupees in '000 -----	
Key management personnel			
Secretary, Directors and Senior Managers	Loans and advances	3,378	4,000
	Other liabilities	742	742

21. 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, 2022.

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

22. 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 organized 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

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).

22.1 Service segment

22.1.1 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.

22.1.2 Segment revenue and results

	Un-audited									
	For the first quarter ended September 30, 2022					For the first quarter ended September 30, 2021				
	Examination	Education	Membership	General Services	Total	Examination	Education	Membership	General Services	Total
	Rs. in '000									
Income										
from members	-	-	253,642	-	253,642	-	-	228,150	-	228,150
from students	382,264	33,684	-	-	415,948	260,090	44,768	-	-	304,858
others	-	-	-	10,275	10,275	-	-	-	8,218	8,218
Total income	382,264	33,684	253,642	10,275	679,865	260,090	44,768	228,150	8,218	541,226
Expenditure (Note 21.1.3)	(151,236)	(38,409)	(68,877)	(103,948)	(362,470)	(125,741)	(50,615)	(68,974)	(69,596)	(314,926)
	231,028	(4,725)	184,765	(93,673)	317,395	134,349	(5,847)	159,176	(61,378)	226,300
Income from investments and surplus/(deficit) on re-measurement of financial assets at fair value through other comprehensive income					65,305					21,533
Total comprehensive income					382,700					247,833

22.1.3 Expenditure

Salaries, allowances, and other benefits	27,412	22,805	35,613	40,253	126,083	26,497	21,666	37,931	33,826	119,920
Examination charges	104,842	-	-	-	104,842	75,926	-	-	-	75,926
Depreciation	2,232	1,240	1,984	6,945	12,401	2,595	1,946	2,725	5,709	12,975
Impairment on property and equipment	-	-	-	10,881	10,881	-	-	-	-	-
Traveling and related expenses	-	1,793	5,018	423	7,234	42	280	1,441	147	1,910
Study packs and other publications	-	818	-	6,134	6,952	-	8,423	41	-	8,464
Utilities	3,911	2,173	3,477	12,169	21,730	2,814	2,110	2,954	6,190	14,068
Network and communication	562	313	500	1,751	3,126	563	423	592	1,239	2,817
Repairs and maintenance	2,102	1,168	1,868	6,540	11,678	3,021	2,265	3,172	6,645	15,103
Printing and stationery	2,024	498	1,095	962	4,579	617	657	900	695	2,869
Rent, rates and taxes	28	8	17	6,703	6,756	27	15	23	5,891	5,956
Advertisement and marketing	-	1,803	434	559	2,796	-	304	-	311	615
Amortization of intangible assets	148	82	131	459	820	242	182	255	533	1,212
Financial assistance to students	-	-	-	-	-	-	5,341	-	-	5,341
Financial assistance to members / members' families	-	-	8,140	-	8,140	-	-	8,726	-	8,726
Members induction ceremony	-	-	-	-	-	8,401	-	-	-	8,401
Edhi CA talent program	-	3,270	-	-	3,270	-	3,012	-	-	3,012
Vehicles maintenance and running cost	1,744	1,089	1,461	2,037	6,331	905	375	754	969	3,003
Legal charges	-	-	673	36	709	-	5	883	8	896
Professional charges	669	371	595	2,082	3,717	570	428	599	1,255	2,852
Interest expense on lease liabilities against RoU assets	-	-	-	228	228	-	-	-	375	375
Others (Note 17)	5,562	978	7,871	5,786	20,197	3,521	3,183	7,978	5,803	20,485
Total expenditures	151,236	38,409	68,877	103,948	362,470	125,741	50,615	68,974	69,596	314,926

22.1.4 Other Information

	Un-audited					Audited				
	As at September 30, 2022					As at June 30, 2022				
	Examination	Education	Membership	General Services	Total	Examination	Education	Membership	General Services	Total
	Rs. in '000									
Segments assets employed	69,277	18,530	36,155	828,564	952,526	59,377	15,003	36,155	836,780	947,315
Unallocated assets					1,925,940					1,538,068
Total assets					2,878,466					2,485,383
Segments liabilities employed	122,990	35,185	36,143	96,944	291,262	133,889	35,185	34,672	74,771	278,517
Unallocated liabilities					5,215					7,577
					296,477					286,094

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 right of use assets, 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.

22.2 Geographical segments:

22.2.1 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.

22.2.2 (a) Segment revenue and results

	Un-audited									
	For the first quarter ended September 30, 2022					For the first quarter ended September 30, 2021				
	Karachi	Lahore	Islamabad and Rawalpindi	Others	Total	Karachi	Lahore	Islamabad and Rawalpindi	Others	Total
	Rs. in '000									
Income										
from members	103,776	53,168	26,625	70,073	253,642	93,144	47,072	23,280	64,654	228,150
from students	72,352	163,980	76,037	103,579	415,948	57,855	116,163	59,488	71,352	304,858
other general services - unallocated	-	-	-	-	10,275	-	-	-	-	8,218
					679,865					541,226
Allocated expenditure - Members and students (Note: 22.2.3 (a))	(61,168)	(89,201)	(41,899)	(66,254)	(258,522)	(61,627)	(81,429)	(41,452)	(60,822)	(245,330)
Unallocated expenditure - General services					(103,948)					(69,596)
					(362,470)					(314,926)
Income from investments and surplus/(deficit) on re-measurement of financial assets at fair value through other comprehensive income					65,305					21,533
Total comprehensive income					382,700					247,833

22.2.3 (a) Expenditure

Salaries, allowances and other benefits	92,074	19,158	9,042	5,809	126,083	93,357	15,791	6,437	4,335	119,920
Examination charges	19,581	40,962	19,982	24,317	104,842	14,408	28,931	14,816	17,771	75,926
Depreciation	7,803	2,680	1,085	833	12,401	8,163	2,804	1,135	873	12,975
Impairment on property and equipment	10,881	-	-	-	10,881	-	-	-	-	-
Traveling and related expenses	5,377	1,104	360	393	7,234	1,065	737	58	50	1,910
Study packs and other publications	6,952	-	-	-	6,952	7,844	125	466	29	8,464
Utilities	9,858	5,628	2,711	3,533	21,730	6,600	3,562	1,391	2,515	14,068
Network and communication	2,077	509	224	316	3,126	2,019	453	162	183	2,817
Repairs and maintenance	5,445	3,002	1,615	1,616	11,678	6,649	3,659	2,194	2,601	15,103
Printing and stationery	4,158	163	164	94	4,579	2,540	179	101	49	2,869
Rent, rates and taxes	1,344	912	592	3,908	6,756	1,331	29	788	3,808	5,956
Advertisement and marketing	617	1,000	468	711	2,796	152	206	105	152	615
Amortization of intangible assets	544	134	59	83	820	868	195	70	79	1,212
Financial assistance to students	-	-	-	-	-	2,665	1,341	428	907	5,341
Financial assistance to members / members' families	3,349	2,815	1,615	361	8,140	4,202	2,390	1,786	348	8,726
Members induction ceremony	-	-	-	-	-	-	5,569	2,832	-	8,401
Edhi CA talent program	1,906	810	255	299	3,270	1,245	803	373	591	3,012
Vehicles maintenance and running cost	5,173	764	167	227	6,331	2,363	514	44	82	3,003
Legal charges	678	-	-	31	709	896	-	-	-	896
Professional charges	3,675	42	-	-	3,717	2,043	459	164	186	2,852
Interest expense on lease liabilities against RoU assets	228	-	-	-	228	-	375	-	-	375
Others (Note 17)	11,224	4,005	2,014	2,954	20,197	11,692	4,220	1,982	2,591	20,485
Expenditure - as and where incurred	192,944	83,688	40,353	45,485	362,470	170,102	72,342	35,332	37,150	314,926
Inter-segment allocation / transfer to unallocated	(131,776)	5,513	1,546	20,769	(103,948)	(108,475)	9,087	6,120	23,672	(69,596)
Allocated expenditure - Members and students	61,168	89,201	41,899	66,254	258,522	61,627	81,429	41,452	60,822	245,330
Unallocated expenditure - General services					103,948					69,596
Total expenditure					362,470					314,926

22.2.4 (a) Other Information

	Un-audited					Audited				
	As at September 30, 2022					As at June 30, 2022				
	Karachi	Lahore	Islamabad and Rawalpindi	Other locations	Total	Karachi	Lahore	Islamabad and Rawalpindi	Other locations	Total
	Rs. in '000									
Segments assets employed	359,304	512,657	56,129	24,436	952,526	354,093	512,657	56,129	24,436	947,315
Unallocated assets					1,925,940					1,538,068
Total assets					2,878,466					2,485,383
Segments liabilities employed	179,597	7,945	4,779	1,462	193,783	160,709	7,945	4,779	1,462	174,895
Unallocated liabilities					102,694					111,199
Total liabilities					296,477					286,094

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 right of use asset, 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 first quarter ended September 30, 2022			For the first quarter ended September 30, 2021		
	South	North	Total	South	North	Total
	Rs. 000					

22.2.2 (b) Segment revenue and results

Income						
from members	137,267	116,375	253,642	125,150	103,000	228,150
from students	79,209	336,739	415,948	63,618	241,240	304,858
other general services - unallocated			10,275			8,218
			679,865			541,226
Allocated expenditure - Members and students (Note: 22.2.3 (b))	(73,389)	(185,133)	(258,522)	(74,637)	(170,693)	(245,330)
Unallocated expenditure - General services			(103,948)			(69,596)
			(362,470)			(314,926)
Income from investments and surplus/(deficit) on re-measurement of financial assets at fair value through other comprehensive income			65,305			21,533
Total comprehensive income			382,700			247,833

22.2.3 (b) Expenditure

Salaries, allowances and other benefits	93,312	32,771	126,083	94,378	25,542	119,920
Examination charges	21,620	83,222	104,842	15,844	60,082	75,926
Depreciation	8,111	4,290	12,401	8,486	4,489	12,975
Impairment on property and equipment	10,881	-	10,881	-	-	-
Traveling and related expenses	5,388	1,846	7,234	1,065	845	1,910
Study packs and other publications	6,952	-	6,952	7,844	620	8,464
Utilities	10,075	11,655	21,730	6,822	7,246	14,068
Network and communication	2,148	978	3,126	2,072	745	2,817
Repairs and maintenance	5,765	5,913	11,678	6,988	8,115	15,103
Printing and stationery	4,169	410	4,579	2,550	319	2,869
Rent, rates and taxes	1,773	4,983	6,756	1,892	4,064	5,956
Advertisement and marketing	727	2,069	2,796	184	431	615
Amortization of intangible assets	564	256	820	892	320	1,212
Financial assistance to students	-	-	-	2,767	2,574	5,341
Financial assistance to members / members' families	3,349	4,791	8,140	4,202	4,524	8,726
Members induction ceremony	-	-	-	-	8,401	8,401
Edhi CA talent program	1,906	1,364	3,270	1,254	1,758	3,012
Vehicles maintenance and running cost	5,195	1,136	6,331	2,370	633	3,003
Legal charges	678	31	709	896	-	896
Professional charges	3,675	42	3,717	2,098	754	2,852
Interest expense on lease liabilities against RoU assets	228	-	228	-	375	375
Others (Note 17)	8,699	11,498	20,197	11,621	8,864	20,485
Expenditure - as and where incurred	195,215	167,255	362,470	174,225	140,701	314,926
Inter-segment allocation / transfer to unallocated	(121,826)	17,878	(103,948)	(99,588)	29,992	(69,596)
Allocated expenditure - Members and students	73,389	185,133	258,522	74,637	170,693	245,330
Unallocated expenditure - General services			103,948			69,596
Total expenditure			362,470			314,926

	Un-audited			Audited		
	As at September 30, 2022			As at June 30, 2022		
	South	North	Total	South	North	Total
	Rs. 000					

22.2.4 (b) Other Information

Segments assets employed	363,068	589,458	952,526	357,857	589,458	947,315
Unallocated assets			1,925,940			1,538,068
Total assets			2,878,466			2,485,383
Segments liabilities employed	179,698	14,085	193,783	160,810	14,085	174,895
Unallocated liabilities			102,694			111,199
Total liabilities			296,477			286,094

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 right of use asset, 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.

23. 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.

24. AUTHORISATION FOR ISSUE

The Council of the Institute authorised this condensed interim financial information for issue on March 17, 2023.

CHIEF FINANCIAL OFFICER **SECRETARY** **PRESIDENT**